UNIVERSITY OF LJUBLJANA

FACULTY FOR ECONOMICS

MASTER THESIS

Corporate Social Responsibility in Slovenian Tourism Industry: An analysis of current state

(Družbena odgovornost v slovenski turistični industriji: Analiza trenutnega stanja)

LJUBLJANA, MARCH 2010   MAJDA TASLIDŽA

Table of Contents

List of Figures

List of Tables

1 Introduction

Corporate social responsibility (CSR) is not a new concept by any means, namely it has been the subject of debate in determining the relationship between business and society for the past several decades. In the modern era, the stage for this discussion was set by proposing the following question in the 1960s: "What does the business person owe society?" From then on, the notion that maximizing profits and operating within the law are the only responsibilities firms have towards society was challenged, and unconventional theories in economics and corporate strategy have started to receive extensive attention in literature.

Although the definitions of the CSR concept vary, most modern takes on the issue agree that it is based on voluntary commitments that exceed company's minimum obligations for what is desired by the law and "engaging in actions that appear to further some social good" (McWilliams, Siegel, Wright, 2006, p. 1). From a managerial point of view that means that overseeing a firm in such a way that it can be "economically profitable, law abiding, ethical and socially supportive" (Carroll, 1999, p. 286). The common idea behind CSR is that ethical questions should surround corporate decision making, while taking into consideration all those groups or individuals that are affected by company operations. In keeping with this idea, long-run success of the company is supposed to depend on its ability to understand that it is a part of larger society, while some authors even go further to claim that "if a company's goal is to grow and thrive, it can do nothing better than to take a long term view and understand that if it treats society well, society will return the favour" (Falck and Heblich, 2007, p. 253). However, it can be said that being responsible is no longer just desired, it is required, since governments, activists, and the media are holding companies accountable for the social and environmental consequences of their activities (Porter and Kramer, 2006). As a result a number of companies around the world have started adopting CSR practices.

Henderson (2007, p. 228-229) states that CSR is favoured by many as a "philosophy which benefits the economy, society and environment, based on the idea that companies have wider responsibilities beyond commerce". She adds that this is particularly relatable to the tourism industry, due to its very close relationship with destination environments and societies, along with the subsequent duties and obligations towards them. Tourism is an economic activity with a special connection to its host communities and surroundings, since it has potential to inflict both beneficial as well as detrimental impacts. According to Henderson (2007), arguments in favour of CSR have become linked to those advocating sustainable development, a concept that has been extremely popular in tourism research, and which advocates the importance of economic growth being matched with concerns for the natural environment, cultural integrity and quality of life. It is a broader concept requiring commitments on the level of society as a whole, although some authors go a step further in explaining its role within the business context; sustainability can relate to sustaining economic growth, shareholder value, customer relationships, the quality of products and services, as well as adopting and pursuing ethical business practices, creating sustainable jobs, building

value for all the company's stakeholders and attending to the needs of the underserved (Szekely and Knirsch, 2005). However, the basic principles of sustainability still seem to be difficult to apply to the tourism's private sector and its characteristics, even though businesses play a major role in achieving it. And since CSR is supposed to be a business's contribution to sustainable development, it is often thought as the "go-to" approach for attaining corporate sustainability or simply a way of demonstrating company's rightful actions.

Nevertheless, CSR practices has presumed advantages that make business sense in their own right, as many authors have studied the link between social responsibility and economic reward. Webber (2008) is claiming that businesses, which incorporate CSR into operations, can achieve a competitive market advantage by enhancing company image and reputation, motivating employees and cost savings. In literature, the profit motive behind adopting CSR has been cited just as many times as the moral one.

According to Slovenia's Ministry of the Economy (2006a), tourism proposes a vital development and business opportunity for Slovenia. In the foreword of the Development Plan and Policies of Slovene Tourism 2007 – 2011 it is written that, in reference to the present level of development and the potential it has, Slovenian tourism is positioned to become one of the leading segments of the country's economy in the years to come. Thus far, the development of Slovene tourism has mostly based on the construction of physical infrastructure, but now the areas of "soft development" are beginning to take centre stage. A key concept mentioned in the document is sustainable development, seen as a crucial part of the development vision of Slovene tourism, and one of the priorities is to enable its implementation (Ministry of the Economy, 2006a, pp. 9-10).

1.1 Purpose and Hypothesis of the Master Thesis

The main purpose of this master thesis is to provide an outlook on the current state of corporate social responsibility in the tourism industry in Slovenia. This is achieved by establishing the industry representative's attitudes towards CSR principles and determining its corporate social responsibility orientation, as well as discovering differences in the perceptions among industry sectors and different size tourism companies.

Other objectives of the thesis include examining attitudes of the industry representative's towards sustainable development and sustainable tourism practices, as well trying to establish if these practices are related to CSR attitudes and activities. Lastly, one of the aims is to find out if there is a business case for CSR, that is, if it "pays to be good". To fulfil the purpose of the thesis the following hypotheses were tested.

H_1: Attitudes of Slovenian tourism industry towards CSR are negative.
$H_{1.1}$: Different sectors within the tourism industry will have different attitudes towards CSR.
$H_{1.2}$: Different size tourism companies will have different attitudes towards CSR.

H_2: The majority of companies in Slovenian tourism industry do not engage in CSR related activities.

H_3: Economic responsibilities are more important than legal, ethical and philanthropic responsibilities in the Slovenian tourism industry.
$H_{3.1}$: Different sectors within the tourism industry perceive the importance of responsibilities differently.
$H_{3.2}$: Different size tourism companies perceive the importance of responsibilities differently.

H_4: Engagement in sustainable tourism development practices is positively related to CSR attitudes.

H_5: Attitudes of Slovenian tourism industry towards STD are positive.
$H_{5.1}$: Attitudes towards STD differ between different sectors.
$H_{5.2}$: Attitudes towards STD differ between different size companies.

H_6: Companies which have better attitudes towards CSR are more profitable.

1.2 Methodological approach

The research philosophy adopted by the author is positivism, which means that as a researcher she prefers to work with an "observable social reality" and research outcomes that can be generalized (Saunders, Lewis and Thornhill, 2003, p. 83). Within this philosophy the researcher is also considered independent of and "neither affects nor is affected by the subject of the research", which is vital in the data collection phase and needed in order to have trust in the results. In addition there is an emphasis on "highly structured methodology" to make replications of the study possible and on "quantifiable observations that lend themselves to statistical analysis", both highly desirable in this particular research studying CSR (ibid).

Consistent with the positivist philosophy, the deductive research approach is used. Theoretical frames of the study were developed foremost, after critically reviewing the literature in the field of tourism, corporate social responsibility, sustainable development and previous studies conducted in relatable fields. This was followed by formation of the hypotheses, collection of data and testing of the propositions in the analytical stage of the thesis. In the end, outcomes of the survey were examined to see if they confirm theoretical postulations, where logical reasoning was used to comment the results. The research strategy employed in the thesis was quantitative research; the data were obtained through a survey, using the questionnaire as the research instrument. Along with primary data, secondary quantitative data obtained from a national statistical source were also used in the study.

1.3 Master Thesis Structure

A conceptual review of tourism is provided in the second chapter of the thesis, where definitions of tourism are presented as well as difficulties regarding the appropriate portrayal of the tourism industry. In the following, economic, social and environmental impacts of tourism are described and their importance is explained. The chapter ends with a short subchapter summarizing the problems connected with tourism growth. The third chapter is focused on presenting the ideas behind sustainability and its historical development. In addition, sustainable tourism development theory is provided along with contrasting views

regarding the possibility of its implementation. In the end of this chapter, implications for the tourism industry are discussed and previous studies about attitudes towards sustainable tourism development are presented.

The fourth chapter begins with the historical review of corporate social responsibility and an outline of concept definitions. Later, the theoretical frameworks within which CSR is placed, the pyramid model of CSR and stakeholders theory are described. Critiques of the pyramid model and the results of previous empirical studies regarding the model are also included. In the following, arguments for and against CSR are presented, as well as the relationship between CSR and firm performance. This chapter comes to an end by describing the characteristics of CSR in small and medium size companies, and the placement of CSR within sustainable development. The following fifth chapter is describing CSR initiatives in tourism.

The sixth chapter starts with an overview of quantitative analysis, with sample description, research design and data collection; following is a detailed description of the rationale behind the formulation of hypotheses and lastly, the main findings of empirical research are presented along with comments of the results. The chapter is brought to a close with subchapters including a discussion of the results and methodological considerations. Finally, the seventh chapter summarizes the main discoveries in presents a closing remark.

2 Tourism

It can often be heard and read about the remarkable scale of tourism; one of world's largest and fastest growing economic sectors, as described by the United Nations World Tourism Organization (2008, p. 1). In 2007 international tourist arrivals reached 903 million and even though the development of tourism in the last years has been uneven, the UNWTO (2008) still predicts that international arrivals are expected to reach nearly 1.6 billion by the year 2020. In 2006 travel and tourism industry's percentage of the world gross domestic product was 10.3% and that it supported 234 million jobs, which accounts for 8.7% of total world employment (Cooper, 2008, p. 3). For that reason, one can claim that the phenomenon of tourism is undoubtedly present in today's world, providing much ground for research and examination.

2.1 Defining tourism

Many authors (Cooper, 2008; Mason, 2008; Page and Connell, 2006; Pender and Sharpley, 2005) include the definition of tourism as proposed by the World Tourism Organization in their works. Even though this particular definition is considered a "technical" one, designed for measurement and legislative purposes (Cooper, 2008, p. 11), one could say that it is the most widely accepted. According to UNWTO tourism "comprises of the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure and recreation, visiting friends and relatives, business and other

purposes. The usual environment of a person consists of a certain area around his/her place of residence plus all other places he/she frequently visits" (UNWTO, 1995, p. 13).

Cooper (2008) in the meantime argues that most of the time definitions of tourism have been composed in way that best suits particular requirements and situations, but adds, that it is of great importance to at least try to define tourism to provide a sense of reliability of the concept and a sense of tangibility for those involved with it. According to Page and Connell (2006) there are no generally agreed rules that all researchers approve of when it comes to the debate of tourism. Tourism is a multidisciplinary subject matter and "different disciplines examine tourism from their own standpoint and in this respect, the different subject areas studying tourism use concepts of analysis that have been developed in their own disciplines" (Page and Connell, 2006, p. 8). Pender and Sharpley (2005) concur and state that tourism, as an academic subject, is studied within and often between a variety of broader fields of study, including economics, business and management, geography and the social sciences.

Hence, the number of different explanations, while Cooper (2008) as well as Page and Connell (2006) propose definitions be divided as either demand-side definitions or supply-side definitions. There are two basic approaches to both aspects of defining – the technical, as already mentioned above, and the conceptual one. Tribe (1997, p. 640) describes tourism as "an activity engaged in by human beings and the minimum necessary features that need to exist for it to be said to have occurred include the act of travel from one place to another, a particular set of motives for engaging in that travel (excluding commuting to work), and the engagement in activity at the destination". He proposes an explanation by Ryan (1991, after Tribe, 1997, p. 640) who defines tourism as a "study of demand for and supply of accommodation and supportive services for those staying from home, and the resultant patterns of expenditure, income creation, and employment".

This definitions focuses on the business aspect of tourism, and Tribe (1997) arguments that by saying that they basically describe an area of tourism depicted by monetary interactions, which include consumers, business income, expenditure and profit, and the impacts of tourism on the national and regional economies. Lundberg, Krishnamoorthy and Stavenga (1995, p. 5) agree with such propositions and add that "tourism is a business providing goods and services to travellers and involves any expenditure incurred by or for a visitor for his or her trip". They continue in explaining that tourism is a business consisting of a large number of companies, some which are great in size, but most of them are small businesses.

However, Tribe (1997, p. 641) does present us with a definition capturing a wider setting of tourism. "The definition of tourism might read the sum of the phenomena and relationships arising from the interaction in generating and host regions, of tourists, business suppliers, governments, communities, and environments". As he explains further, this characterization of tourism brings other dimensions to the study of this occurrence. The dimensions clearly

noted are those related to the tourist (including motivation, choice, satisfaction, interaction); those related to business (including marketing, organization and corporate planning of transport, hospitality, and recreation); those relating to the host community (including perceptions, economic, social, and cultural impacts); those relating to the host environment (including ecological impacts); those relating to host governments (including measurement of tourism, policy, and planning); and those relating to the generating country (including economic, environmental, and cultural effects) (Tribe, 1997, p. 641). It can be observed that this definition entails all different parties involved in tourism development and gains even greater importance when considering its effects.

Tourism is a "global industry involving hundreds of millions of people in international as well as domestic travel each year" (Mason, 2008, p. 4) and its significance as an economic activity has already been established, but as Cooper (2008, p. 3) also points out; it is a sector that has the ability to "impact negatively upon host environments and cultures, the raw materials of many tourism products". Jafari (1981, after Mason, 2008, p. 3) included impacts in his definition and stated that "tourism is a study of man way away from his usual habitat, of the industry which responds to his needs and the impacts that both he and the industry have for the host socio-cultural, economic and physical environments". Sharpley (2002, p. 22) agrees that this explanation comes close to an ideal definition of the concept, by being a "balanced, holistic definition that embraces both the factual and theoretical perspectives of tourism". One can say that it is important to have a broader concept of tourism in mind as to be able to, firstly fully grasp it and secondly, to impartially fit it within the social and natural setting surrounding it.

2.2 Tourism industry

Murphy and Murphy (2004) say that modern tourism, as a business, has developed into a broad group of different activities, present in diverse forms all over the globe, and this makes characterizing the tourism industry a difficult task. Nonetheless, they provide a proposal from Leiper (1979, after Murphy and Murphy, 2004, p. 13), who views the tourism industry as one consisting of "all those firms, organizations and facilities which are attended to serve the needs and wants of tourists".

It can be noticed that, once again, there is no universally agreed definition of the tourism industry. Mill and Morrison (1998, after Pender and Sharpley, 2005) argue that it is hard to describe tourism as an industry because a significant amount of tourism businesses, or their products, are seen not only as substitutes competing with each other, but are often found to be in a complementary relationship. According to Davidson (1994, p. 21) "tourism industry is composed of a clearly defined grouping of firms that are perceived to be primarily in the business of selling to or serving tourists". Nonetheless, he also has problems defining tourism as an industry and argues that economics defines an industry as "being a group of independent firms all turning out the same product" (1994, p. 22). According to him, the requirements

which need to be fulfilled to classify an industry are: that it is a group consisting of individual business establishments, that these economic entities receive revenue, and finally that a common product is produced and sold. The term common refers to the case, when a product of one company is a substitute for the product of any other one in the same industry (Davidson, 1994). This evidently proves the idea provided by Mill and Morrison, describing the nature of tourism business relationships, and arguments the lack of suitability of the term industry. Davidson (1994, p. 26) substantiates his theories by stating that "tourism is a social/economic phenomenon and is much more than an industry, rather like a *"sector"* that impacts a wide range of industries".

Another problem appears when defining tourism industry brought into the forefront by Murphy and Murphy (2004) is that most definitions focus on the production or supply of products for the tourist and not on the demand for such products. As a consequence, these definitions also include activities and companies that are not necessarily only serving the tourists, but also the local residents. Holloway (1994) has the same opinion and differentiates between services which are vital when satisfying tourists' needs, and other supportive ones. In the end, he states that "what one decides to include under a definition of the tourism industry must be to some extent arbitrary" (Holloway, 1994, p. 57).

Since the purpose of this paper is to examine the state of social responsibility in the tourism industry, a common term used to depict the companies working to serve the tourist, has to be decided on, even if problems with the expression are acknowledged. One of the explicit definitions of the tourism industry is that of Theobald (2005, p. 17), and which will be used to represent the phrase in this paper. He states that "the term tourism industry is referring to the establishments providing services and goods to visitors, including hospitality (hotels, restaurants, etc.), transport, tour operators and travel agents, attractions, and other branches of the economy supplying the visitors".

Mason (2008, p. 12) stresses the importance of different parts of the tourism industry, although neither of the graphical representations he proposes exactly fit with Theobald's definition. The first one outlines different sectors of the tourism industry, referring to the "travel sector, accommodation sector, leisure and entertainment sector and a sector concerned with tourism organizations", adapted from Lavery (1987, after Mason, 2008, p. 12). A slightly different representation, and arguably more fitting depiction of the tourism industry, as shown in Figure 1, is based on Middleton (1994, after Mason, 2008, p.13), where more emphasis is put on the attractions for tourists, and where catering is not included as a separate part of the tourism industry.

Figure 1: Graphical representation of tourism industry

Accomodation sector
- Hotels/motels
- Guest houses/bed and breakfast
- Farmhouses
- Apartments/villas/flats/cottages/gites
- Condominiums/time share resorts
- Vacation villages/holiday centres
- Conference/exhibition centres
- Static and touring caravan/camping sites
- Marinas

Attraction sector
- Theme parks
- Museums and galleries
- National parks
- Wildlife parks
- Gardens
- Heritage parks and centres
- Sports/activity centres

Transport sector
- Airlines
- Shipping lines/ferries
- Railways
- Bus/coach operators
- Car rental operators

Travel organizers' sector
- Tour operators
- Tour wholesalers/brokers
- Retail travel agents
- Conference organizers
- Booking agencies (i.e. accommodation)
- Incentive travel organizers

Destination organization sector
- National tourist offices (NTOs)
- Regional/state tourist offices
- Local tourist offices
- Tourist associations

Source: Mason, 2008, p.13.

There is however, often a negative connotation associated with the term tourism industry. Mason (2008, p.178) says that the industry is often viewed as causing significant negative impacts, "either as a result of the tourism industry not seeing it as an industry responsibility, or because of the perception that the industry does not care about the environment in which it operates, but only its profits".

2.3 Impacts of tourism development

Over the years the possibilities of "increased foreign revenue, higher levels of income and employment and larger public sector revenues" were appealing factors, which ultimately persuaded many governments to allow and support the development of new tourism destinations (Archer, 1997, p. 23). There are, nonetheless two sides to every story, and tourism development was not considered positive in all cases. According to Page and Connell (2006), costs and benefits of tourism can be determined through examination of its impacts, deriving from tourist activities and industry effects. Impacts are seen as a part of tourism activity and their scale, consequence and extent on the host society cannot be simplified; their power differs regarding where tourism activity takes place and in what form, and "are highly variable depending on the type of environment in which tourism develops and operates" (Page and Connell, 2006, p. 341). Mason (2008, p. 38) quotes Wall (1997) when providing important factors which influence the nature of the impacts: "type of tourism activities engaged in, the characteristics of the host community in the destination region, and the nature of the interaction between the visitors and residents".

Mason (2008) agrees and says that tourism can have large impacts, which can be noticed in destination regions, where tourists interact with the local environment, economy, culture and society. For this reason in particular, he finds it appropriate to regard impacts of tourism in three different contexts; economic, socio-cultural and environmental. Moreover, the literature confirms that many other authors are also in favour of this partition of tourism environment (Cooper, 2008; Page and Connell, 2006; Archer and Cooper, 1994). Nevertheless, it is important to mention two things. Firstly, that "in the real world, tourism issues are generally multi-faceted, often having a combination of all three dimensions", and secondly, that it can occur that the three fields are overlapping, since each author has set his or her own framework of the three dimensions and what is included within them (Mason, 2008, p. 36).

2.3.1 Economic impacts

The reasoning behind tourism development often lies in its potential to create positive economic impact in destinations areas, whole regions, even countries, and this has obviously made sense more than just a few times; tourism is regarded as the "world's largest industry" (Page and Connell, 2006, p. 343). Fletcher (2008, p. 131) argues that "the economic significance of tourism is determined not just by the level of tourism activity that is taking place, but also by the type and nature of the economy being considered". He explains this by saying that the economic importance of tourism activity to a developing country can be seen in its ability to "create an inflow of foreign exchange or provide a means for creating greater price flexibility in its export industries", and in developed countries or industrialized and post-industrialized economies, the development of tourism can be used as a "diversification strategy" and a way to improve the inequality between different regions (Fletcher, 2008, p. 131). Mihalic (2002) adds that within Europe, tourism can be, not only a contribution to regional development, reducing imbalances between the metropolitan centres and peripheral areas, but also a source of employment. Some other authors write about the advantages of tourism development in connection with employment, namely on three different levels. Page and Connell (2006) explain there are jobs set up as a consequence of direct visitor expenditure and thereby support of tourism activity; which considered as a direct effect. Then there are jobs created within the tourism supply sector, and at last, there are jobs emerging because local residents spend money earned from tourism, which is a result of primary tourism expenditure. This is referred to as an induced employment effect (ibid.).

However, economic costs of tourism do exist. A lot of times tourism development creates an inflationary effect on the local economy, specifically to land, property and goods, and as a consequence of an increased tourism demand, on prices of real-estate rise, which makes its hard for local people to buy property or survive in the tourism area, according to Page and Connell (2006). In addition, in some destinations economic revenues earned during a part of the year, have to be sufficient in order to enable an income for tourism businesses throughout the year (ibid.). The same authors also talk about the seepage of tourism benefits away from the economy of a destination. The problem is that multinational corporations, which control

accommodation, travel and tour organizations, are often the ones collecting significant parts of tourist spending and not the host community of the destination.

2.3.2 Socio-cultural impacts

According to Mason (2008) the nature socio-cultural impacts of tourism, can be studied through the character of both visitors and host populations and the interaction between these two groups will be a major issue in affecting the types of impact. It can be noticed again that impacts of tourism differ very much depending on whether the subject of the study is developing nations or developed countries and that "impacts are likely to be greater, when there is a large contrast between the culture of receiving society and the origin culture" (Burns and Holden, 1995, after Mason, 2008, p. 58).

Brunt and Courtney (1999, p. 459) quote Crick (1989) when saying that because "tourism is unique as an export industry in that consumers themselves travel to collect the goods", the expansion of international tourism has increased the interaction among different societies and cultures. They quickly point out that this contact can eradicate traditional cultures and societies, while it can also be credited with providing an opportunity for harmony, mutual appreciation and greater awareness among different societies and nations. Haralambopolous and Pizam (1996, p. 504) propose a list of socio-cultural benefits of tourism after Travis (1984): "improved image of host community, improved public health, social and amenity improvements, education and conservation, positive cultural interchange and political modifications". Hashimoto (2002) concurs and adds that tourism development can increase the protection and enrichment of traditions, heritage and customs.

When it comes to the negative aspects of tourism development, as Hashimoto (2002) points out, they are often related to the conflicts between the so-called superior and the inferior culture. Most of tourists travelling abroad come from economically developed countries and are inclined to anticipate facilities, goods and types of services recognizable from their own countries. Haralambopolous and Pizam (1996, p. 504) mention another detrimental effect, occurring in the destination areas: "host culture destruction and debasement, social instability, consumerism, changes in the law and social order, commercialized host-visitor relationships, changes in traditional values and political destabilization". Mason (2008) recognizes that tourism can cause congestion of people in resorts, leading to frustrations and stress for residents as well as tourists.

2.3.3 Environmental impacts

According to Mason (2008) the environment is becoming more and more recognized as the most important resource for tourism. He further explains that the relationship between the two has more dimensions; "tourism eventually depends upon the environment, it is a key tourist attraction itself, and it can be said that it is the setting in which tourism activities take place" (Mason, 2008, p. 70). This is confirmed by Williams (1998, after Mason, 2008), who argues

that ultimately this is a correlation, where tourism "benefits from being in a good quality environment and this same environment should benefit from measures aimed at protecting and maintaining its value as a tourist resource". Holden (2000) says that because tourism is relying on the resources of the environment in such an extent, its development cannot be without effects, but instead always contributes to changes, either positive or negative.

Southgate and Sharpley (2002, p. 257) provide us with some examples of how tourism negatively effects the environment. Tourism is said to ruin landscapes, pollute the air and water, destroy communities and generally help in "continuing degradation on our planet" and can even be described as one of the main factors causing it. They even claim that many commercial operators take on a short-term view of tourism, and are basically motivated by profit more than any other indicator, let alone a concern for "the future generations of the environment upon which they will depend" (ibid.).

Even so, tourism can justifiably be regarded as "smokeless industry" and an "ecology-oriented sector, a logical partisan of environmental conservation" (Mieczkowski, 1992, after Southgate and Sharpley, 2002, p. 258). Mason (2008) argues that conventionally, tourism impacts regarded as positive for the environment are when tourism can encourage measures to protect the environment, landscape and wildlife, help to support the establishment of National Parks and Wildlife Reserves and the preservation of monuments. It should be remembered that many of the drawbacks mentioned before can be made up for by quality planning, design and management and by increasing environmental awareness of tourists (Archer and Cooper, 1994).

2.4 Problems connected to tourism growth

"In many cases, growth and development was considered to be a self-justifying end without due regard to any environmental or socio-cultural consequences" (Butler, 1997, p. 23). Butler (1997) adds that because of the desire to make a profit, and to make it very fast, developers and speculators demonstrated to be more than ready to ignore tourism's collateral damage, and as a result, a lot of early developments brought detrimental results for the welfare of the host communities. According to Mihalic (2006, p. 61) "growth of tourism demand and the growth and concentration of tourism supply, paired with an in increase in free time for travelling, intensified in the period of national holydays, resulted in mass tourism".

From 1950 to 2007, international tourist arrivals grew from 25 million to 903 million, and the overall export income generated by these arrivals (international tourism receipts and passenger transport) grew at a similar pace, outgrowing the world economy, exceeding US$ 1 trillion in 2007, or almost US$ 3 billion a day (UNWTO, 2008). But Mihalic herself asks the question, whether such a growth rate can be sustained. It is known from what happened in the past, that speedy growth of international tourism brought society a variety of tourism forms and that "mainstream mass tourism, being largely urbanized summer sea-sun-sand tourism or

technically-supported winter ski tourism, was becoming ethically, politically and ideologically intolerable". Because of its large-scale characteristics, industrial mass tourism was held responsible for some ecological damages and in the 1980s the search for an alternative tourism concept to the traditional mass model come in to the forefront (Mihalic, 2006).

As Milne (1998, p. 37) wrote, the dominant frameworks of that time, such as dependency theory, were highlighting the overpowering pressures that destination communities face as they become exposed to the global tourism industry; "The eventual outcome of tourism's presence is seen to be unsustainable development, with most focus being placed on the negative economic and socio-cultural impacts associated with mass tourism". Butler (1997, p. 23) also says that since the beginning of the 1980s there has been "an increasing output of international reports, accords and statements concerning the present and future well-being of planet Earth and some of these documents have been specifically concerned with tourism as an agent of change". That is why in the last twenty years, policy-makers, planners, industrialists and economists have become gradually more aware of the "imperative need to consider, in addition to economic factors, the environmental consequences of proposed new developments" as well as the rights of present and future generations in the affected areas to be in able to make their own decisions about the use of rare resources (Butler, 1997, p. 23).

3 Sustainability

Since the late 1980s, sustainable development has become a "catchphrase" in development studies in general, and in tourism research in particular (Liu, 2003, p. 459). According to Tourism Sustainability Group (2007, p. 2), the concept has been widely accepted as the basis for "planning and managing the way we live now and in the future". Its main principles include the notions of "safeguarding the earth's capacity to support life in all its diversity" and embracing concerns for environmental protection, social equity and the quality of life, cultural diversity and a viable economy delivering jobs and prosperity for all (ibid.).

3.1 Sustainable development

The concept of sustainability was presented to a wider public audience for the first time when the document called World Conservation Strategy (WCS), prepared by the International Union for Conservation of Nature and Natural resources, was published in March 1980 (Hall, Lew, 1998). They further explain that this was a strategy focusing on the conservation of Earth's living resources, as it was facing huge environmental problems on an international scale. The common view of development, advocated in the WCS, stressed "the relationship between economic development and the conservation and sustenance of natural resources". At that time the United Nations Environment Education Programme, a body supporting the development of the WCS, also endorsed the establishment of a World Commission on

Environment and Development (WECD), and "it was not until the publication of the WCED report in 1987, titled *Our Common Future*, commonly referred to as the Brundtland Report, that sustainable development entered into the popular lexicon" (Hall, Lew, 1998, p. 2-3).

According to Miller and Twining-Ward (2005), this report was an international governmental announcement that there is a need to integrate economic and environmental issues facing the world, and that this should become the biggest concern within the development discussion. The report makes severe statements, which could not go unnoticed: "Failure to manage the environment and to sustain development threatens to overwhelm all countries. Environment and development are not separate challenges, they are linked. Development cannot subsist upon a deteriorating resource base; the environment cannot be protected when growth does not account for the costs of environmental destruction" (WCED, 1987, after Miller, Twining-Ward, 2005, p. 7). However, they do add that unfortunately these statements were not backed up with a lot of direction for putting these ideas to practice.

France (1997, p. 11) was very much focused on the aspect of resources as well, when he wrote that sustainable development has traditionally been defined as "development which involves the use of renewable natural resources in a way that does not degrade them". He borrows from Redclift (1987, after France, 1997), who suggested the term sustainable development supposes that lessons learned from ecology could be applied to economic practices; not only should such development maintain environmental quality in time, but it should also retain or increase productivity. This involves a type of management of economic systems "that achieves a rate of growth in per capita real incomes with minimum levels of depletion of environmental assets" (Turner, 1988, after France, 1997, p. 11). Owen (1991, after France, 1997) summarizes that one of the basic thoughts sustainable development is built on its recognition as a resource-based or asset-led development, instead of one that is completely directed by market forces.

The acknowledgment that past growth and development have led to some serious impacts on the environment, this guided many countries, corporations and individuals to the June 1992 United Nations Conference on the Environment and Development, held in Rio de Janeiro (Murphy, 1994). There they made an effort to attend to a controversial agenda, planned to protect the Earth's environment and to encourage less harmful industrialization and development. According to Tourism Sustainability Group (TSG, 2007), the Rio Declaration on Environment and Development set out an set out a strategy concerning sustainability, called the Agenda 21, a broad plan of action taken on by 178 governments of the world. This initiative was extended at the World Summit on Sustainable Development in Johannesburg in the year 2002, which produced a plan of implementation centred on the public-private partnership. TSG (2007, p. 2) stated that "sustainable development requires the safeguarding the earth's capacity to support life in all its diversity. It embraces concerns for environmental protection, social equity and the quality of life, cultural diversity and a dynamic, viable

economy delivering jobs and prosperity for all" and adds that the concept of sustainable development has been widely accepted as a foundation for planning and managing the way how the society lives now and in the future.

3.2 Sustainable tourism development

Tourism is regarded as an activity that can have a major impact on sustainable development by the Tourism Sustainability Group (2007). They claim this because of its perceived size, since "European states recoded in excess of 440 million visitor arrivals in 2005, and an even greater amount of tourism activity occurs in the form of domestic tourism and day trips. According to them, tourism, directly and indirectly, accounts for over half of all international travel, and visits by Europeans provide an important source of income for many developing countries" (TSG, 2007, p. 2).

Nevertheless, it is not just because of the numbers that tourism deserves a place within sustainable development, but also due to the sheer nature of its essence. Murphy (1994, p. 274) writes that tourism's interest in sustainable development is reasonable given this is "one industry that sells the environment, both physical and human, as its product; and is an industry which must be involved in sustainable development, because it is resource-focused, dependent on nature's endowment and society's heritage". Fletcher (2008, p. 216) adds that tourism particularly comes under the attention of sustainability, as (a) "production and consumption tends to take place in areas where natural or man-made resources are fragile and (b) the environment and culture are often used as a major component of the product without being subject to the price mechanisms that apply to many natural resources". Murphy also comments that tourism sells these resources as a part of its "experiential product", but at the same time has to share the same resources together with local residents. Thus, it is in tourism's best interest to be "active in the quest for sustainable development and to work in cooperation with other groups, industries and government to ensure that integrity of its resources base survives" (Murphy, 1994, p. 278).

Mihalic (2006) states that the concept of sustainable tourism development has been adopted from the general concept of sustainable development by relating its main principles to the field. It has evolved over the years, and was subject to many discussions; moreover in 1999 the UN Commission on Sustainable Development urged governments to proceed the development of sustainable tourism and in the year 2001 the United Nations General Assembly approved the World Tourism Organization Global Code of Ethics for Tourism as well as invited all governments to "consider introducing the tourism sustainability concept into relevant laws, regulations and professional practices" (Mihalic, 2006, p. 72). This is a consequence of tourism's "size and widespread presence, which has created negative environmental impacts, both of physical and social nature, in certain locations", despite the perception that the industry is being kinder to the environment overall than most other industries (Murphy, 1994, p. 278). Subsequently, a demand for more management of tourism

is becoming bigger and bigger, which has encouraged greater government involvement in this matter. "Sustainable tourism development is premised on the notion that the economy and the environment are but a two sides of the same coin; in other words, the two are intimately linked" (Slater, 1992, after Murphy, 1994, p. 278).

Bramwell (2005, p. 408) elaborates on the principles of sustainable development and tourism's placement within them. He says that even though sustainable development is a fundamentally disputed concept with many potential interpretations, there are "certain principles or ideals underlying this concept that are identified particularly often in the literature". Bramwell then identifies three core principles of sustainable development (2005, p. 408):

- *Resources*: Sustainable development is often seen as being concerned with the viability, not only of the environment but also of economic, cultural, and social resources.
- *Futurity*: This relates to the well being of future generations, s that they benefit from resources, opportunities, and choices at least as much as those inherited by the current generation.
- *Equity*: Some argue that there should be fairness in the distribution within society of the economic, social, cultural, and environmental benefits and costs of human activity.

Figure 2: A model of sustainable tourism values and principles
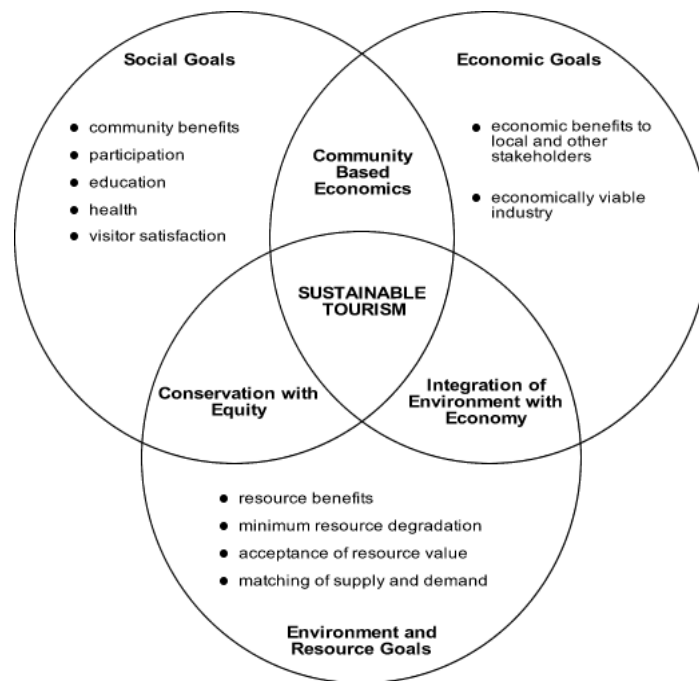
Source: Murphy, Price, 2005, p.175.

Murphy and Price (2005, p.174) quote Wright by saying that "tourism, as it relates to sustainable development, is tourism which is developed so that the nature, scale, location, and manner of development is appropriate and sustainable over time, and where the environments ability to support other activities and processes is not impaired". They add that in its very heart sustainable tourism is a set of values motivated to integrate economic, social and cultural goals.

The integration of these goals, illustrated in Figure 2, where social, economic and environmental goals unite in community-based economics, conservation with equity, and integration of the environment with economy. They go hand in hand with the three "pillars" of sustainable development recognized by United Nations Environment Programme and the World Tourism Organization (2005, p. 9):

First one is economic sustainability, which is "striving towards achieving prosperities at different levels of society and addressing the cost effectiveness of all economic activity. It is about the viability of enterprises and activities and their ability to survive in the long term". The second "pillar" is social sustainability, which means respecting human rights and equal opportunities for all in society. The emphasis is on local communities, retaining and strengthening their life support systems, respecting different cultures and avoiding any form of exploitation. And the last "pillar" is environmental sustainability, which means "conserving and managing resources, especially those not renewable. It recognizes the action to minimize pollution of air, land and water, and to conserve biological diversity and natural heritage".

The United Nations World Tourism Organization (UNWTO) stated in its conceptual definition of sustainable development of tourism (2005, p. 11): "Sustainable tourism development guidelines and management practices are applicable to all forms of tourism in all types of destinations, including mass tourism and various niche tourism segments. Sustainability principles refer to the environmental, economic and socio-cultural aspects of tourism development, and a suitable balance must be established between these three dimensions to guarantee its long-term sustainability". Therefore, sustainable tourism should (2005, p. 11):

1. Make optimal use of environmental resources that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural heritage and biodiversity.
2. Respect the socio-cultural authenticity of host communities, conserve their built and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance.
3. Ensure viable, long-term economic operations, providing socio-economic benefits to all stakeholders that are fairly distributed, including stable employment and income-

earning opportunities and social services to host communities, and contributing to poverty alleviation.

Besides these three pillars, the UNTWO mentions two more prerequisites, which place sustainable tourism development in a broader context (2005, p. 11):

The first one describes that "sustainable tourism development requires the informed participation of all relevant stakeholders, as well as strong political leadership to ensure wide participation and consensus building. Achieving sustainable tourism is a continuous process and it requires constant monitoring of impacts, introducing the necessary preventive and/or corrective measures whenever necessary", while the second in focusing the tourists; "sustainable tourism should also maintain a high level of tourist satisfaction and ensure a meaningful experience to the tourists, raising their awareness about sustainability issues and promoting sustainable tourism practices amongst them".

The vision adopted by the UNWTO, using the Brundtland definition as a starting point when describing sustainable tourism, considers the time frame as well (Fletcher, 2008, p. 218): "sustainable tourism development meets the needs of present tourists and host regions while protecting and enhancing opportunity for the future. It is envisaged as leading to management of all resources in such a way that economic, social, and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, and biological diversity, and life support systems".

Fletcher (2008) recaps everything that has been written above and provides a thought arguing that the most relevant outline of definitions of sustainable tourism, that have been published over the years, is that "sustainability requires appropriate consideration of the long-term economic, environmental, socio-cultural and political well-being of all stakeholders, and that to achieve such long-term goals requires the engagement of all of the stakeholders involved in the production and consumption process" (Fletcher, 2008, p. 218).

Although the concept of sustainable tourism is not just getting attention, but is most of the time characterized in a very positive light, moreover, even described as a solution to problems facing tourism, it is certainly not without its critiques. Murphy (1994, p.285) for example quotes Sadler (1992), when saying that "the most crucial contribution that applied research can make toward sustainable tourism is to show rather than say what this involves". He admits that even though many authors have studied sustainable tourism, which produced a lot of advocates of the term, adequate theory and basic measurement techniques should now be realized or implemented to actually reveal if all this "rhetoric" is even feasible. Butler (1998) shares the same opinion and states that the adoption of the concept of sustainable development in general, has been limited because of failure to implement this idea. In fact, Butler reports that the application of sustainable development principles to tourism, although

fitting in theory, has in reality caused idealistic expectations. The definition of sustainable development based on the Brundtland Report, "has not been translated effectively into action and there is a lack of consensus about the way in which this definition should be translated into the management of people, resources and environments in a manner that would achieve universal acceptance" (Butler, 1998, p. 31). He adds that in lots of cases, development can be even regarded as "wishful thinking".

All the same, "while sustainable development is clearly a concept that has its weaknesses, we should not overlook its very real value" (Milne, 1998, p. 36). Milne goes on by saying that the concept of sustainable development has offered a centre around which different stakeholders can try to find some sort of agreement, even though the conflicting goals of economic growth and ecological and social sustainability may never be reached. It remains unclear whether "the concept of sustainable tourism represents, on one hand, a viable and realistic set of guidelines for developing and managing tourism, based upon a solid theoretical understanding of the relationship between tourism and the broader development process or, on the other hand, a politically attractive objective that is unachievable in practice" (Sharpley, 2002, p. 323).

How to enforce sustainable development has been also dealt with by Edgell et al (2008). According to them, the fast growth of tourism and its existing development practices have put a lot of strain on sustainable tourism planning and policy. They say that managing sustainable tourism depends on progressive policies and management methods, which include an agreeable relationship among local communities, the private sector and governments concerning development practices that protect the natural, built and cultural environments whilst being matched with economic growth. This holistic approach is also embraced by Fletcher (2008, p. 236), who says that sustainability, involves a process of recognition and responsibility; "recognition that the resources which are used to produce the tourism products are expendable and vulnerable, and responsibility for the wise use of these resources rests across all stakeholders from the governments and planners, through the industry that delivers the product to the tourists and their hosts who temporarily coexist within the destination".

The key here is that the responsibility of achieving sustainability is not just in the hands of the international organisations or the governments, who support them, but that "the industry has a crucial role to play in recognizing the importance of social responsibility" (Fletcher, 2008, p. 217), regardless of the fact that both the industry and consumers have often been motivated by short-term needs and objectives that contradict to the long-term goals of planning and sustainability. Edgell et al (2008, p. 192) conclude that "sustainable tourism policy in today's world is a positive approach that seeks to maintain quality tourism products over a sustained period of time in order to meet the growing domestic and international market for environmentally sound tourism experiences".

In 2001 the United Nations World Tourism Organization (http://www.unwto.org/code_ethics /eng/global.htm) issued The Global Code of Ethics for Tourism, which is a wide-ranging set of principles whose main aim is to guide stakeholders in tourism development; central and local governments, local communities, the tourism industry and its professionals, as well as visitors, and is setting a frame of reference for the responsible and sustainable development of world tourism. It includes articles relating to tourism as a beneficial activity for host countries and communities, the obligations of stakeholders in tourism development and the rights of workers and entrepreneurs in the tourism industry, among others. However, these are somewhat lose guidelines and work on a completely advisory level.

3.3 Implications for the tourism industry

There are different perceptions regarding the question whether sustainability challenges are being accepted by tourism's private sector. While some authors argue that many companies are changing the way they do business, others criticise the businesses for not taking enough initiative when it comes to this issue. Milne (1998) adopted the view of Healy (1996), when stating that there is substantial evidence that the global tourism industry is becoming more alert of its relationships with the environment. He continues by arguing that the tourism industry's increased environmental and cultural awareness is a key element of "new" managerial "best practice" in tourism, but concludes on a different note, saying that whereas "corporate efforts to improve environmental performance have been documented, the degree to which companies are embracing some of the broader tenets of sustainable development, such as justice and equity, is, however, questionable" (Milne, 1998, p. 43).

Butler (1998) provides some motives for adopting sustainable development in the tourism industry; they tend to be accepted for three reasons: economics, public relations and marketing. The first because certain principles of sustainability applied to tourism can reduce costs, and according to Butler, this can still be praised, as any decrease in environmental impacts is admirable, even if the motives are not that noble. Nevertheless, he adds, the tourism industry has achieved the most success in the promotion and marketing of the concept. At the end though, "one cannot avoid the feeling that this is also due to the perception that sustainable development is viewed as a "good thing" by the media, and hence the public" (Butler, 1998, p. 28).

World Travel and Tourism Environment Research Centre conducted a research in 1993 (Milne, 1998), in which they studied the environmental performance of large tourism companies and came to the following results. Although many of the businesses surveyed had constructed mission commitments relating directly to sustainable development, only about 10 percent had in fact set objectives that could be monitored; firms did much better in areas that are easily measurable and generate direct cost savings, like energy consumption, waste management and water conservation. Milne (1998, p. 44) explained that on one hand, small, locally owned businesses tend be part of a localized economic network, and have a better

perception of how quality of life of local community is being affected, but this can only go so far in the broader strive for sustainability. On the other side however, larger corporations are more capable to implement costly environmental technologies, which are cost-saving in the long run, than most of the smaller players. In addition, managers with international exposure are possibly more conscious of the far-reaching environmental and socio-cultural impacts of corporate actions than the local operators (ibid.).

Middleton and Hawkins (1998) offer a list of ten business reasons for shifting attitudes toward more sustainable practice in Figure 3. While they acknowledges that there was a moral or ethical case for sustainable practice in tourism, he has excluded it deliberately from the illustration, because it is not identified as particularly important for most tourism business in the 1990s, especially small businesses. For large companies, where shareholders are present as well as their performance is publicly published, an ethical stance may be required or at least serves as good public relations. Even so, the grounds set out in Figure 3 are certainly more relevant to larger organizations "whose business practices are subject to third party inspection and who face serious business loss if they are identified in the media as causing environmental damage" (Middleton and Hawkins, 1998, p. 109).

Figure 3: Ten pragmatic reasons shifting private sector tourism business towards sustainability in the 1990s

1. Compliance with the law
2. Avoidance of negative PR
3. Meeting growing customer expectations and demands
4. Achieving competitive advantage
5. Reducing operational costs
6. Maintainaing good-neighbour policies locally
7. Compliance with B2B procurement policies
8. Meeting membership criteria
9. Compliance with investors funding criteria and invstment risk reduction
10. Conservation of business assets/resources

Source: Middleton and Hawkins, 1998, p. 108.

In end, much of the problems considering adoption of the sustainability principles, in tourism among other industries, come down to the responsibility of each enterprise, especially when policy is not very definite or strict. Miller and Twining-Ward (2008, p. 51) state that "motivation for companies to be more sustainable can be examined according to whether a company believes it has a responsibility to be more sustainable or not". Consequently, the question is whether tourism businesses feel a sense of duty or accountability to maximize benefits of other stakeholders, not just owners' and how their efforts are being measured if they are based on voluntary involvement of every business.

Tourism Sustainability Group (TSG) reported in 2007 that, while a lot of national governments and local authorities all over Europe have incorporated sustainability in the development of their tourism strategies, tourism businesses' reaction to sustainability has been inconsistent. They state that larger corporations in the industry "are pursuing sustainability by introducing corporate social responsibility strategies" (2007, p. 4), but only a few of small tourism businesses are being acknowledged for their environmental and social policies and practices. This makes a particular challenge for the tourism sector, given "the predominance of small and micro size businesses" (TSG, 2007, p. 23).

There are, nevertheless, indications that the level of response is increasing and this is also due to trade associations and nature of relationships in the supply chain. As an example, the TSG (2007) mentions that certain tour operators now look for specific suppliers that consider sustainability principles. Overall, the European Commission prefers "a voluntary approach", with the inclination to enforce regulation of business on sustainability issues only where it is strictly necessary, following the idea of better and not greater regulation. Hence, the Commission is pleading that "the business community publicly demonstrates its commitments to sustainable development and steps up its commitment to corporate social responsibility" (TSG, 2007, p. 23).

3.4 Research of attitudes towards Sustainable Tourism Development

Horobin and Long (1996, pp. 15-19) conducted a small scale survey among owner managers of small tourism firms in UK, with which they sought to establish attitudes towards sustainability, as well as the desire to follow a path of sustainable development and action taken to achieve this. They claim that the "overall the response to the statements was encouraging for those wanting to promote the idea of sustainability". The majority of respondents strongly agree with the general statements which express the ideals behind sustainability, and most of the respondents were also prepared to accept the assumption that their business does have an effect on the environment. However, once the statements became more specific, and the implications, that business owners such as themselves, have to take action, became more concrete, less managers could easily agree. According to Horobin and Long (1996), many proved to be "unaware of what action they might appropriately take to aid sustainability". They also noted that there is a lack of appreciation of how sustainability principles might relate to a sound business strategy.

Bramwell and Alletorp (2001, pp. 91-102) carried out a study where they were examining the attitudes of Danish tourism industry decision-makers to the adoption of sustainable tourism measures. They conducted a survey among regional tourism associations, local destination agencies, industry associations, accommodation facilities, attractions, transport companies and tour operators, in which they were asking them about the implementation of sustainable tourism practices and weather main responsibility for promoting these practices lies with the industry or with the government. The Danish "Green Key" environmental initiative was most

frequently mentioned practice by all sectors except transport and attraction; the main effort areas of these two sectors were in the direction of reducing energy consumption and minimizing pollution. Almost half of the respondents recognized "increasing customer awareness of environmental issues" as the main incentive for the adoption of sustainable practices, while the second two most frequently mentioned reason were "potential cost savings to businesses" and "ethical values of people working in tourism". It is also worth mentioning that, according to people questioned by the survey, the main responsibility for initiating sustainable tourism practices lie primarily with the tourism industry, alone or in cooperation with the government.

These results can be compared to those of Forsyth (1995, pp. 210-231), who had conducted a research examining the attitudes towards environmental and social problems, in the UK outbound tourism industry. The answers showed that all industry sectors were aware of various consequence of tourism development; however even though the common opinion was that it is in the industry's best interest to prevent such problems, representatives of all commercial sectors thought that the responsibility for such prevention lies with the government. The research also indicated that companies were interested in adopting sustainable practices in such form that would be "commercially advantageous" to them, with the most commonly identified being cost-cutting measures. Forsyth concluded that most companies saw "sustainable development as something to be responded to in the marketplace, rather than a serious of improvements which can be introduced by the industry". Bramwell and Alletorp (2001) themselves stated that the differences between the two studies may exist because the Danish society has a relatively high level of concern about environmental issues, as well as due to the nature of tourism activity; the outbound tourism industry may have concluded that the initiative rests far more with the host governments in the countries concerned.

4 Corporate Social Responsibility

Werther and Chandler (2006, p.3) start their book Strategic Corporate Social Responsibility with the statement that "people create organizations to leverage their collective resources in pursuit of common goals", and go on by saying that as organizations follow these common goals, they interact with others inside "a larger context called society". Organizations can be categorized into three groups depending on their purpose: for-profits, governments, or non-profit organizations. For-profits seek gain, at least, for their owners; governments exist to define the rules and structures of society within all organizations must operate, while non-profit organizations aim to "achieve social good when the political will or the profit motive is insufficient to address society needs" (Werther and Chandler, 2006, p.3). They bring the paragraph to a close by firmly stating that no matter if they are called corporations, companies, businesses or firms, it is important to note that for-profit organizations interact

with society, affect government, non-profits and all other stakeholders, who are usually defined as those who have a stake in the firm's operations.

This means that businesses have an impact on various entities, and addressing this "truth" is becoming increasingly important among several authors. Heal (2008, p. 1) argues that corporations have "profound impacts on society in many ways over and above the obvious one of producing goods and services for us". He explains this by saying that they can generate pollution, drive globalization, employ low-paid labour in poor countries, and contribute to climate change, among many others. But it takes initiative to deal with these impacts and shape them into a form that fits within "the social good"; it is a combine effort of "a range of non-market forces involving the legal system, the regulatory framework, and increasingly, civil society" (Heal, 2008, p. 1).

4.1 Development and definitions of Corporate Social Responsibility

In the classical economic view, a "business is acting in a socially responsible fashion if it strives to utilize the resources at its disposal as efficiently as possible in producing the goods and services that society wants at prices consumers are willing to pay" (Heal, 2008, p. 2). Heal (2008) goes on by explaining that classical theorists say that if this is done well, profits are maximized more or less constantly and firms complete their major responsibilities to society. Steiner and Steiner (1991) concur while saying that this concept led most people in business, as well as theoretical economists, to the conclusion that the single objective of business was to maximize profits while still operating within the law.

It was Adam Smith, who in his eighteenth century work, entitled The Wealth of Nations, provided us with a framework for modern business and its relationship to society (Lantos, 2001, p. 596). According to him, Smith proposed that "capitalism, by encouraging the pursuit of gain and efficiency, works to create greater wealth... and maximizes liberty by allowing individuals freedom of choice in employment, purchases, and investment, and therefore benefits the common good". McWilliams, Siegel and Wright (2006, p. 3) state that Theodore Levitt could be recognized as the starter of the debate about social responsibility of business in his Harvard Business Review article "The Dangers of Social Responsibility" (1958), in which he expresses that "the government's job is not business, and businesses job is not government". They then provide arguments of Milton Friedman (1970), who supported the same opinion and added that "the mere existence of corporate social responsibility was a signal of an agency problem within the firm" and explain that in agency theory, CSR is seen as a "misuse of corporate resources that would be better spent on value-added internal projects or returned to shareholders" (Friedman, 1970, after McWilliams, Siegel and Wright, 2006, p. 3). In addition, those same authors add that the in this perspective managers are viewed as using corporate social responsibility to further their own careers and follow personal agendas. Aligning themselves with the Friedman view, some other economists, like Sternberg, maintain that the "definitive purpose of a business is always the same – maximising the long-term owner value by selling goods or services" (Jones, 2001, p. 221).

According to Branco and Rodrigues (2007, p. 7) the classical view is justified on the "basis of neoclassical economic theory arguments using notions such as the free market, economic efficiency, and profit maximisation". This view is grounded on three propositions: firstly, that shareholders are the owners of the corporation, and managers have no right to act on their own preferences, make discretionary decisions or use company's resources to further social goals which cannot be shown to be directly related to profits. Secondly, companies' role is to produce wealth, and pursue socially responsible objectives may impair their performance and interfere with efficient resource allocation. And finally other organizations exist to deal with the kind of function requested by socially responsible actions, such as government; companies and managers are not equipped to perform such role (ibid.)

In another article McWilliams and Siegel (2001, p. 118) wrote that the agency theory has been challenged by other researchers, such as Preston (1978) and Carroll (1979), who outlined the "corporate social performance framework", a model that has much in common with the stakeholder perspective. After that other unconventional theories in economics and corporate strategy have also received considerable attention in literature. McWilliams and Siegel (2001, p. 118) mention Jones (1995), who developed a model that integrates economic theory and ethics. According to them, he concluded that firms conducting business on the basis of trust have a reason to display true commitment to ethical behaviour; this will allow them to achieve a competitive advantage, because they will develop lasting, productive, relationships with these stakeholders (McWilliams and Siegel, 2001).

Heal (2008, p. 7) also notes two limitations to Smith and Friedman arguments, with the first one is leaving the task of putting responsibility into effect solely to the state by saying that "governments are having the responsibility to impose taxes and determine expenditures for such "*social*" purposes as controlling pollution or training the hard-core unemployed". The other important drawback he mentions is in terms of fairness, because although "markets are important in determining the distribution of income and wealth, nothing in the way they operate implies that income and wealth are distributed within the population will seem fair or reasonable" (Heal, 2008, p. 13). Heal (2008) finishes his thought by stating that in today's world, the market needs help to reach an efficient outcome, since business interests are not "automatically aligned with social interest". He is convinced that if companies would behave as if they have a responsibility in social and environmental fields as well as in the area of profits, then both sides can gain; "society can gain from a fairer or more efficient allocation of resources and the corporations from a less conflicting relationship with the environment in which they operate" (Heal, 2008, p. 78).

Business and people have adapted the strict profit maximization principle to increasingly attend to social concerns as our history unfolded (Steiner and Steiner, 1991). According to McAlister, Ferrell and Ferrell (2003, p. 4) "in many societies, citizenship accords certain rights, however it also requires that we look beyond self-interest and recognize that we belong

to a larger group that expects our responsible participation". Thus they argue, there must be a balance between rights and responsibilities for the common good. Corporations were gaining size and power, and accordingly the idea of them accepting social responsibility was becoming more popular. It can be argued that many organizations have been motivated to undertake social responsibility programs because of the "rise of consumerism, increase public awareness of environmental and ethical issues, and the increased pressure of organized activist groups" (Papasolomou-Doukakis et al, 2005, p. 264).

Steiner and Steiner (1991) state that while "efficient use of resources to make a profit is widely recognized as a primal responsibility and goal of businesses" also nowadays, a view adopting a broader concept of social responsibilities has been developed by most managers and academicians. They also provide a thought from "The Statement on Corporate Responsibility" made by Business Roundtable (1981), which emphasized that the pursuit of profit and addressing company's social responsibilities were compatible (Steiner and Steiner, 1991, p. 123): "Economic responsibility is by no means incompatible with other corporate responsibilities in society. In contemporary society all corporate responsibilities are so interrelated that they should not and cannot be separated... A corporation must be a thoughtful institution which rises above the bottom line to consider the impact of its actions on all, from shareholders to the society at large. Its business activities must make social sense just as its social activities must make business sense".

When defining corporate social responsibility, it has to be pointed out that there are different phrases to describe the various roles and responsibilities of business organizations, such as business ethics, social responsibility, social marketing, corporate philanthropy, corporate volunteerism, corporate accountability, compliance or reputation management, community involvement (McAlister, Ferrell and Ferrell, 2003; Epstein, 2008; Banerjee, 2007) and often confused with corporate citizenship and corporate performance (McWilliams, Siegel and Wright, 2006, p. 8). Even though there are inconsistencies regarding the use of the term, definitions of corporate social responsibility provided by main authors in this field of research as well as important institutions, are presented in Table 1 in order to review the theoretical background of the concept. The examples of definitions consider the broader view of social responsibility.

Banerjee (2007, p. 18) provides a summary by presenting key points detected in these definitions. He says that firstly, CSR implies some sort of commitment, through corporate policies and action that should go beyond law and exceed the company's "minimum obligation". Secondly, CSR activities are discretionary or optional, and cannot be enforced in any court of law. Corporations that embrace CSR do so through voluntary codes of conduct at local, regional, national and international levels. And finally, conceptualizations of "society" and the "social", which were central to CSR in the 1970s, appear to have been narrowed in

subsequent years to "stakeholders" under the assumption that stakeholders would represent societal interests and demand that corporations respond to these interests (Banerjee, 2007).

A similar notion can be seen in the straightforward definition of Kotler and Lee (2005, p. 3) and their explanation behind it. They define corporate social responsibility as a "commitment to improve community well-being through discretionary business practices and contributions of corporate resources". With the word "discretionary", they are not referring to business activities that are mandated by the law or ethical in nature and therefore expected, but instead thinking of a "voluntary commitment a business makes in choosing and implementing these practices and making contributions" (Kotler and Lee, 2005, p. 3)

Table 1: Definitions of Corporate Social Responsibility

Authors	*Definition of corporate social responsibility*
Andrews (1971)	"The intelligent and objective concern for the welfare of society that restrains individual and corporate behaviour from ultimately destructive activities, no matter how immediately profitable, and leads in the direction of positive contributions to human betterment, variously as the latter may be defined".
Davis (1973)	"The firm's consideration of, and, response to, issues beyond the narrow economic, technical and legal requirements of the firm to accomplish social benefits along with the traditional economic gains which the firm seeks".
Carroll (1979)	"Encompassing the economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time".
Johnson, Scholes (2002)	"The ways in which an organization exceeds the minimum obligations to stakeholders specified through regulation and corporate governance".
Whetten et al (2002)	"Societal expectations of corporate behaviour: a behaviour that is alleged by a stakeholder to be expected by the society or morally required and therefore justifiably demanded of a business."
European Commission (2002)	"A concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis".
Laing (2004)	"It represents the objective of forging stronger connections between business and society and allowing companies to take a direct role in improving the business environment".
Business for Social Responsibility (2004)	"Operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business."
PricewaterhouseCoopers (2004)	"CSR is the proposition that companies are responsible not only for maximising profits, but also for recognizing the needs of such stakeholders as employees, customers, demographic groups and even regions they serve".
Kotler, Lee (2005)	"A commitment to improve community well being through discretionary business practices and contribution of corporate resources".
World Business Council (2005)	"The commitment of businesses to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life".
McWilliams, Siegel, Wright (2006)	"Corporate social responsibility can be defined as "situations where the firm goes beyond compliance and engages in actions that appear to further some social good, beyond the interests of the firm and that which is required by the law".
Hall, Brown (2006)	"At its widest, CSR encompasses all the ways in which an organization and its services and products interact with society and the environment".

Source: Steiner and Steiner, 1991, p. 122; European Commission, 2002, p. 5; Kotler and Lee, 2005, p. 2-3; McWilliams, Siegel and Wright, 2006, p. 1; Hall and Brown, 2006, p. 159; Banerjee, 2007, p. 16; Blowfield and Murray, 2008. p.13

They continue by saying that such dedication must be realized through the adoption of new business practices and/or either monetary or non-monetary contributions. The term

"community well-being" includes human conditions as well as environmental issues according to Kotler and Lee (2005).

Quazi and O'Brien (2000) review the two approaches to CSR. According to them business theorists have observed a "paradigm shift in business from a traditional positivist approach to an epistemological approach in recent times" (Quazi and O'Brien, 2000, p. 34). This means that the classical or narrow view of CSR, which maintained that social responsibility of a business is in fact a "single dimensional activity in which business has the responsibility of providing goods and services to society at a profit", was mainly involved with studying and understanding of the market world as a key for success in the market place (ibid.). The authors further explain that in classical theories the emphasis is on the costs of social involvement of business and profit is considered the only criterion for judging the efficiency of business operation. However, as mentioned before, there has been a shift in focus following the appearance of relational theory, which has broadened the discussion "from a narrow transactional, to a wider perspective aimed at building sustainable relationships with stakeholders at large" (Morgan and Hunt, 1994, after Quazi and O'Brien, 2000, p. 34). The "other side" sees business as a social matrix that contributes to the welfare of society and supports the notion that business is a part of greater society and has responsibility stretching further than the narrow perspective of short term profit maximization, according to Quazi and O'Brien (2000). Contemporary research suggests that "businesses must incorporate the emerging social concern into their strategic management decision processes" (Menon and Menon, 1997; Bhat and Bhat, 1997; Burke and Longsdon, 1996, after Quazi and O'Brien, 2000, p. 34), since managers make decisions that reflect the role of the company in society.

Ford and McLaughlin (1984, pp. 666-674) conducted a study with the purpose to compare the perceptions about corporate social responsibility of top executives with the perceptions of an important external stakeholder group, business school deans. More specifically, the study sought to determine whether or not business leaders and business educators are in agreement as to what practices are evidence of socially responsible behaviour, and how intensely these activities are being supported by business leaders. The questionnaire consisted of 22 statements taken from Davis' (1973 after Ford and McLaughlin, 1984, p. 669) classic article on social responsibility. Its format utilized philosophical statements such as "responsible corporate behaviour can be in the best economic interest of the stockholders" or "if social programs add to business costs, it will make business uncompetitive in international trade" to represent arguments for and against corporate acceptance of social responsibility. A Likert scale was used to indicate the degree of agreement or disagreement with the particular argument and the results showed the deans agreed much more frequently than did the CEOs that "the idea of social responsibility is needed to balance corporate power and discourage irresponsible behaviour" and with the one stating that businesses are expected to solve social problems, since they have such a substantial amount of society's managerial and financial resources. This indicates that "there is less acceptance of corporate power by those who

actually have it" (Ford and McLaughlin, 1984, p. 669). Overall, the two groups seem to agree on the major arguments for practicing social responsibility.

The research of Rashid and Ibrahim (2002, pp. 10-16) examines the attitudes of Malaysian managers and executives towards social responsibility and the factors determining those attitudes. Their questionnaire was developed based on the previous studies of Ford and McLaughlin, Teoh and Gregory Thong, Gill and Leinbach and Jones (Rashid and Ibrahim, 2002, p.10). The results showed only five statements out of 14 had scores more than "50 per cent of agreement or endorsement of socially responsible activities". Almost 70 percent of the respondents believed that involvement in improving its community's quality will also improve the company's long term profitability; nearly 65 percent agreed that socially responsible activities provide a favourable company image; and high agreement was reached also on the statement that "corporations are social institutions and must live up to society's standard". The analysis of variance showed that there were significant differences in the attitudes of managers working in the different industries, but almost all respondents agreed that their companies were involved in socially responsible activities. Rashid and Ibrahim (2002) concluded that overall the results showed a positive attitude towards CSR, and that the results were consistent with those of Ford and McLaughlin (1984).

4.2 Theoretical frameworks of Corporate Social Responsibility
4.2.1 The Pyramid of Corporate Social Responsibility
Carroll (1991) writes in his article that social activist groups active throughout the 1960s and the occurrence of social legislation in 1970s, were the ones that changed the executives' opinion that the corporation's sole responsibility was to provide a maximum financial return to shareholders. Carroll (1991, p. 39) goes on by explaining that these new government bodies reached that "the national public policy officially recognized the environment, employees, and consumers to be significant and legitimate stakeholders of business" and from that time on, corporate executives have had to think about how to at the same time fulfil commitments to the corporations owners as well as complete their duties to an "ever-broadening" group of stakeholders, who claim both "legal and ethical rights".

But Carroll (1991, p. 40) notes that the emphasis on responsibility focused exclusively on the idea of business obligation and motivation, while excluding action or performance of these companies. According to him "the social responsiveness movement emphasized corporate action, pro-action and implementation of a social role", and even though this was a necessary orientation in his mind as well, the problem of reconciling the firm's economic and social orientation still remained. Carroll had thus presented a comprehensive definition of CSR in 1979, which was a "four-part conceptualization" that included the preposition of a company having more than just economic and legal obligations; also in terms of ethical and discretionary (philanthropic) responsibilities as well (Carroll, 1991, p. 40). The point was that CSR was to be accepted as legitimate, while taking into account all of the fields of obligation

to society, including the most basic one, economic. For CSR to be acknowledged by a conscious business person, it should be outlined in such a way that the entire range of business responsibilities would be included. In the Pyramid of Corporate Social Responsibility created by Carroll, four kinds of social responsibilities constituting total CSR can be illustrated as a pyramid, and each of these four categories are explained in more detail in the following paragraphs.

Economic Responsibilities

According to Carroll (1991, p. 40), throughout history, business organizations were established as "economic entities designed to provide goods and services to societal members" and the primary reason for doing this was making a return. He then explains that the fundamental idea of a business, to create products that consumers needed and wanted as well as make an acceptable profit in the process, was transformed somewhere along the way, as the profit motive became "maximization of profits". After that all other business responsibilities were suited to fit the economic responsibility of the firm, because without it "the others become doubtful considerations" (Carroll (1991, p. 41).

Legal Responsibilities

"Society has not only approved business to operate according to the profit motive, businesses are expected to comply with the laws and regulations enforced by federal, state, and local governments as the ground rule" (Carroll, 1991, p. 41). In this segment Carroll (1991) also points out that firms are expected to pursue their economic missions within the framework of the law and that legal responsibilities reflect "codified ethics", since they represent the basics rules as established by the lawmakers. Although they are presented as the next layer on the pyramid, they are coexisting with economic responsibilities as fundamentals of the free enterprise system (Carroll (1991).

Ethical Responsibilities

The economic and legal responsibilities already embody ethical norms about fairness and justice, however, the do not embrace all those "activities and practices that are expected or prohibited by the society, even though they might not be codified into law" (Carroll, 1991, p. 41). Ethical responsibilities embody those standards, norms and expectations that reflect what consumers, employees, shareholders and the community consider as "fair, just, or in keeping with the respect or protection of stakeholders' moral rights" according to Carroll (1991, p. 41). He adds that despite the fact that they are depicted as the next layer on the pyramid, it has to be acknowledged that they are in "dynamic play" with the legal responsibility category.

Philanthropic Responsibilities

Carroll (1991, p. 42) incorporates all those corporate actions that are a reply to "society's expectation that business be good corporate citizens", into philanthropy. According to him, examples of philanthropy include business contributions of financial resources or time for

education and community, as well as engaging in programmes to promote human welfare or goodwill. At the end he points out that the thing differentiating between ethical and philanthropic responsibilities is that the latter are not expected in a moral sense. In this place, it has to be mentioned that corporate philanthropy is desired and commended but actually less important than the other three categories of social responsibility (Carroll, 1991).

Figure 4: The Pyramid of Corporate Social Responsibility

Source: Carroll, 1991, p. 42.

Carroll's Pyramid of Corporate Social Responsibility is depicted in Figure 4. Its main aim is to show that the total CSR of a company is comprised of different components, which all together make up the whole. Carroll (1991, p. 42) also states that even though the components have been described as "separate concepts" for discussion purposes, "they are not mutually exclusive and are not intended to contrast the firm's economic responsibilities with its other responsibilities".

In the rundown, Carroll (1991, p. 43) forms his ideas into a way that is very easy to understand; "total corporate social responsibility of business entails the simultaneous fulfilment of the firm's economic, legal, ethical, and philanthropic responsibilities", and when stated in pragmatic and managerial terms, it means that the CSR firm "should strive to make a profit, obey the law, be ethical and be a good corporate citizen". After examining these statements, one could say that they seem to be very different to the theories form classical economists But even Friedman's arguments are not so restricted, when looked upon in its totality, argues Carroll (1991). Actually, Friedman (1970) said that "management is to make as much money as possible, while conforming to the basic rules of society, both those embodied in the law and those embodied in ethical custom" (Carroll, 1991, p. 43). According to him this statement has an apparent conclusion that profits, agreement with the law, and ethical custom cover three components of the CSR pyramid – economic, legal, and ethical; this only leaves the philanthropic component for Friedman to reject.

A lot of research on the issue of CSR in general and in accordance with the pyramid model has been undertaken by many authors (Carroll, 1991; Aupperle, Carroll and Hatfield, 1985; Pinkston and Carroll, 1996; Smith et al, 2001; Ford and McLaughlin, 1984; Rashid and Ibrahim, 2002). Testing the pyramid model was the main intent of Aupperle, Carroll and Hatfield (1985), who were of the opinion that the depiction of CSR through four components provided a basis for interesting research. According to Geva (2008, p. 10), who systematically analyzed theoretical models of CSR, the "four-domain" form as contributing to the construction of a "research instrument, which could allow assessment of orientations towards social responsibility of corporate executives as well as inquiry into whether or not four separate components of CSR exist".

Geva (2008, p. 10) states that the most widely used research tool in CSR pyramid studies is the constant-sum instrument deployed by Aupperle and published in the 1984 article titled "An empirical measure in corporate orientation". She goes on by explaining that Aupperle's technique is a sort of "comparative rating scale that entails relative judgments of the importance of each component with direct reference to the other components being evaluated". To achieve that survey participants are instructed to "allocate a given sum among statements in each of several sets of four statements where each statement in a set corresponds to one of the four components of the CSR pyramid" (Geva, 2008, pp. 10-12). Nonetheless, she notes that even though the constant-sum method does allow more insight into the ranking of four CSR components, it is especially useful when examining the impact of different factors on people's orientation toward CSR.

Geva (2008) also provides a different approach to evaluating total CSR is based on measuring corporate social performance (CSP), where Carroll's pyramid can provide the frame for data gathering on each of its four components. Most often the "measure of economic responsibility is profitability as presented in annual reports; legal responsibility is assessed by the absence of litigation and allegations of illegal corporate behaviour or environmental or safety problems; ethical responsibility is evaluated by the existence of corporate code of ethics and other ethical programs and initiatives; and discretionary responsibility is defined in terms of the extent of the corporation's philanthropic activities" (Clarkson, 1995 after Geva, 2008, p. 11).

4.2.2 Critique of the Pyramid Model

Even though one could argue that Carroll's (1991) model was the most significant contribution to the theory of corporate social responsibility, it was not without its critics. The unsuitability of the model was pointed out by Carroll himself (Schwartz and Carroll, 2003) and in fact, it was with Schwartz that Carroll improved his own pyramid model by creating a new one, named the Three-Domain Model of Corporate Social Responsibility.

In the first section of their article Schwartz and Carroll (2003, p. 505) state that even though there is "considerable value to Carroll's four-part model, his use of a pyramid framework to

depict his CSR domains may be confusing or inappropriate for some applications". This is primarily explained by saying that to some the pyramid framework implies a hierarchy of the domains and one could interpret that the domain at top of the pyramid, is the most important or highly valued domain. This is undoubtedly not the outlook of the pyramid's ranking of CSR priorities that Carroll (1991) proposed, since he maintains that the economic and legal domains are most fundamental while philanthropic responsibilities are considered less important than the other three domains. Secondly, Schwartz and Carroll (2003) point out that this framework cannot fully capture the interrelated nature of the CSR domains; according to them, doted lines separating the domains used by Carroll "do not fully capture non-mutually exclusive nature of the domains, nor denote two of the critical tension points among them; the tension between the economic and ethical, and the economic and philanthropic domains" (2003, p. 505).

In addition to the vagueness of the pyramid framework, Carroll's use of the philanthropic or so called "discretionary" category can be puzzling and may seem redundant to some, and even Carroll accepts that it may be inaccurate to call such activities "responsibilities" due to their voluntary or discretionary nature (Schwartz and Carroll, 2003, 506). The three-domain model of CSR is comprised of the three responsibility fields: economic, legal, and ethical, where the philanthropic category is taken into regard within the ethical and/or economic domains. The three domains are depicted in a "Venn diagram format", which highlights the overlapping nature of the domains and clearly implies that none of the three CSR domains are more important than others (Schwartz and Carroll, 2003, 508). Figure 5 presents the three-domain model of corporate social responsibility.

Figure 5: The Three-Domain Model of Corporate Social Responsibility
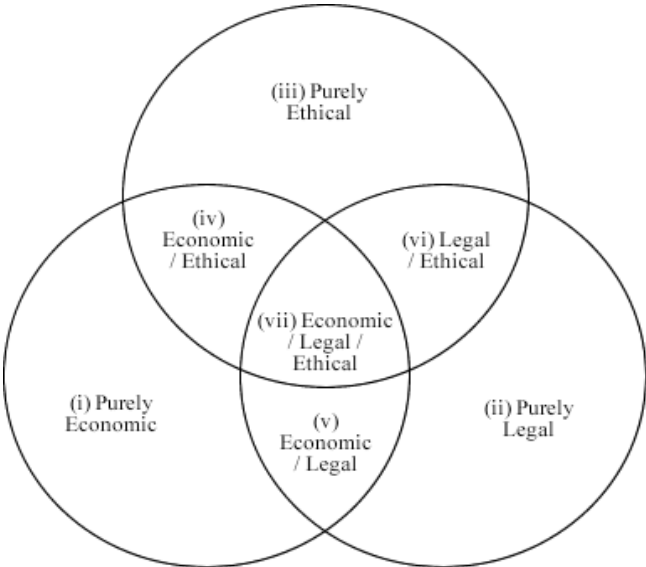
Source: Schwartz and Carroll, 2003, p. 509.

However, there are limitations to this model as well. Schwartz and Carroll (2003, p. 520) mentioned the fact that "the model assumes that the three domains of CSR are somewhat distinct, and that they are comprehensive". They admit that it is debatable whether any action can be identified as purely economic, purely legal or purely ethical, or said differently; one might argue that economic, legal and ethical systems are interwoven and inseparable. According to Geva (2008, p.18), the description of the purely economic domain of CSR represents "a radical notion of economic responsibility that even well-known critics of most social responsibilities for corporations such as Milton Friedman would not accept". Also, no research has been done using this particular model as it is in an early stage of development, the variables under consideration have yet to be defined into measurable factors, and a valid data-gathering instrument has yet to be created (Geva, 2008).

4.2.3 Empirical research of the CSR model

As mentioned, Aupperle, Carroll and Hatfield (1985, p. 446-464) conducted a study with the purpose to develop an instrument to measure degree of orientation to social responsibility based upon a model defining corporate social responsibility. Other related purposes were to use the instrument to assess how CEOs viewed their firm's social responsibilities and to investigate the relationship between orientation towards corporate social responsibility, as measured through the instrument, and profitability. The design and validation of the survey instrument was an important and indispensable part of this study; the basic approach used in constructing the instrument drew on Carroll's (1979 after Aupperle, Carroll and Hatfield, 1985, p. 455) corporate social responsibility construct. This permitted inquiry into whether or not four separate components of corporate social responsibility exist, and, if they do, whether they exist in the weighted proportions implied by Carroll (1991); his graphic representation of the four-part construct suggested a weighting of 4-3-2-1, respectively, for the economic, legal, ethical, and discretionary components.

First, the studies indicated that "experts" were capable of distinguishing among the four components when sorting written statements reflecting each component. Second, they concluded, that there are four empirically interrelated, but conceptually independent, components of corporate social responsibility. The results also proved to be close to relative weightings Carroll assigned to each of the four components, and showed that, although respondents clearly placed more emphasis on the economic component, the non-economic component means taken together (6.06) were of much greater weight than the mean for the economic component (3.50). The researchers also observed no statistically significant relationships when correlating orientation toward social responsibility and profitability, nor did the profitability of firms who have a corporate social responsibility committee on their corporate boards, significantly differ from that of other firms. Aupperle, Carroll and Hatfield (1985) end with the note that there was not enough proof to support the claim that socially responsible firms are more profitable than other firms.

4.3 Corporate Social Responsibility and organizational stakeholders

The idea of corporate social responsibility goes hand in hand with the organization's stakeholders, according to Carroll (1991). He says that the word "social" in CSR has always been short of specific direction as to whom the corporation is responsible, and the concept of stakeholder personalizes social and societal responsibilities by defining "specific groups or persons business should consider in CSR orientation" (Carroll, 1991, p. 43). Stakeholder theory is therefore considered as "a necessary process in the operationalisation of corporate social responsibility, as a complimentary rather than conflicting body of literature." (Matten et al, 2003, after Branco and Rodrigues, 2007, p. 5). Branco and Rodrigues (2007, p. 5) continue by saying that stakeholder theory is based on the notion that "beyond shareholders there are several agents with an interest in the actions and decisions of companies". And according to Blowfield and Murray (2008, p. 161), the stakeholder theory has become the prevailing framework for seeing companies as "integrated in, rather than separated from society".

Most executives understand that the term stakeholder appropriately describes those "groups or persons who have a stake, a claim, or an interest in the operations and decisions of the firm" in keeping with Carroll (1991, p. 43), while Parker (2005) focuses on the idea that stakeholders are influenced by and can influence company decisions. McAlister, Ferrell and Ferrell (2003, p.12) agree and point out that the relationship between organizations and the stakeholders is therefore a "two-way dialogue" between a firm's internal and external environment. They categorize stakeholders as customers, employees, investors and shareholders, suppliers, governments, communities, having a claim on some aspect of a company products, operations, markets, industry and outcomes. According to Banerjee (2007, p. 24), probably the most widely accepted definition is Freeman's (1984) notion of stakeholders whom he identified as "any group of individual who can affect or is affected by the organization's objectives". Carroll (1991, p. 43) concludes by saying that sometimes the stake might represent a "legal claim", which could be represented by an owner, an employee or a customer with an explicit or implicit contract. Otherwise it could be represented by a "moral claim", for example, when these groups claim a right to be treated fairly or to have their opinions taken into consideration in an important business decision (Carroll, 1991).

Werther and Chandler (2006, p. 4) propose to divide stakeholders into groups of "organizational stakeholders, which are internal to the firm, and economic and societal stakeholders, which are external to the firm". Firm's organizational stakeholders are placed at the centre within a larger circle signifying the firm's economic stakeholders, while both of these circles sit within the circle representing society. According to Werther and Chandler (2006, p. 4) the firm's economic stakeholders represent the interface between the organizational and societal stakeholders, and without the economic interface, "an organization loses its mechanism for accountability, and therefore its legitimacy over the long term". Lantos (2001, p. 604), as well as McAlister, Ferrell and Ferrell (2003, p. 68) include economic stakeholders within the groups "fundamental to company's survival", but also credit shareholders and employees as being crucial to company's operations. In Wrther's and

Chandler's model all three layers of a firm's stakeholders all sit within the larger context of a globalizing business environment, driven by revolutionary technology. They are represented as concentric set of circles in the figure below.

Figure 6: A Firm's Stakeholders
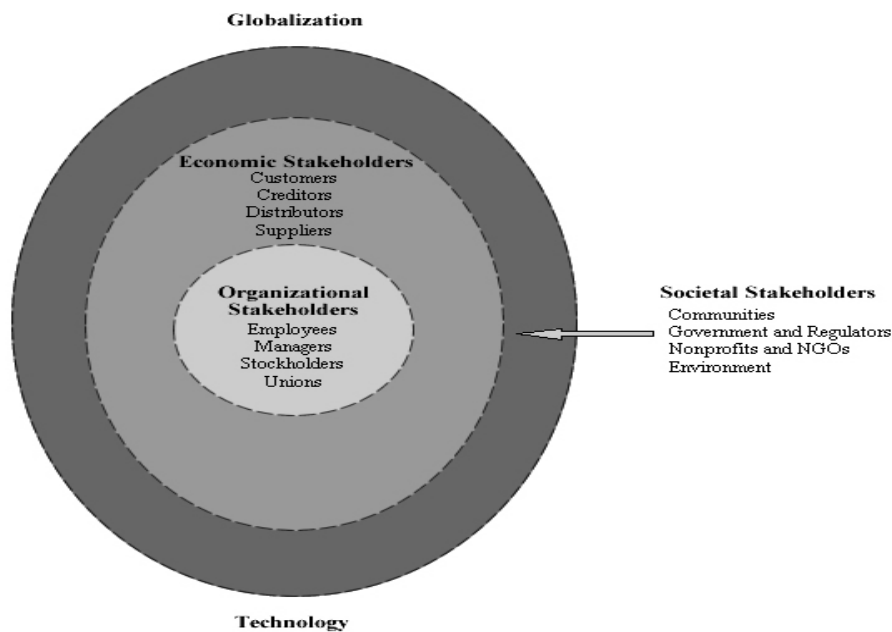
Source: Werther and Chandler, 2004, p. 4.

Windsor (2001) claims that initially, stakeholder theorizing was meant to soften the strict "stockholder doctrine", which puts forward that shareholder return is the primary purpose of a business corporation. Windsor goes on in explaining that the "Stanford Research Institute researchers argued that unless executives understood the needs and concerns of ... stakeholder groups, they could not formulate corporate objectives which would receive the necessary support for the continued survival of a firm" (Freeman, 1984 after Windsor, 2001, p. 243-244). Lantos (2001, p. 604) states that followers of the idea of a "corporate social contract" also take the short- and long-term interests of all parties into account. He continues by saying that "stakeholder theory explains that there is not just a relationship between an agent, who has legal responsibility to a principal", but also relationships with third parties to whom the corporation owes moral obligations not codified by the law. These duties exist because "stakeholders make investments in enterprises: employees invest their time and intellectual capital, customers invest their trust and repeated businesses, communities provide infrastructure and education for future employees as well as tax support, and so on" (Graves et al, 2001, after Lantos, 2001, p. 604). In other words, the direction of social responsibility of companies should go towards a multiple stakeholder concept, whereby "management sees itself responsible for achieving balance among all stakeholders' interests" (Goodpaster, 1996, after Lantos, 2001, p. 604).

Werther and Chandler (2006, p. 5) go so far to argue that CSR is an integral element of a firms strategy: "the way the firm goes about delivering its products or services to markets, but is also a way of maintaining the legality of its actions in the larger society by bringing stakeholder concerns into the foreground". They add that the success of a company's CSR is shown by how well it has been able to navigate stakeholder concerns while implementing its business model. Blowfield and Murray (2008, p. 160) borrow from Freeman (1984) and state that "managing stakeholders effectively is essential to the survival and prosperity of the enterprise".

Perrini (2005, pg. 613) mentions benefits of the stakeholder approach; firstly, it allows each stakeholder to "immediately recognize their role and weight within the company strategies and operations, making it possible for them to compare their own values with those of the company". And secondly, adopting a stakeholder-based reporting standard permits companies to constantly monitor "the changing and multidimensional environmental system in which they operate". He concludes by saying that this way stakeholder satisfaction can be measured and activities which still need to be undertaken to fully integrate the socially responsible action can be identified. He proposes a "checklist" of stakeholder-based themes, as shown in Table 2.

Table 2: Checklist of Stakeholder-based CSR themes

	Stakeholder-based Categories			
	Human Resources	*Shareholders*	*Customers*	*Suppliers*
CSR Themes	Staff composition Turnover Equality of treatment Training Working hours Schemes of wages Absence formwork Employees' benefits Industrial relations In-house communications Health & safety Personnel's satisfaction Workers rights Disciplinary measures & litigation	Capital stock formation Shareholders'/ partners' pay Rating performance Corporate governance Benefits & services Investor relations	General characteristics Market development Customer satisfaction Customer loyalty Product/Services information & labeling Ethical & environmental product and services Promotional policies Privacy	Supplier management policies Contractual conditions
	Financial Partners	*Public Authorities*	*Community*	*Environment*
	Relations with banks Relations with insurance companies Relations with financial institutions	Taxes and duties Relations with local authorities Codes of conducts and compliance with laws Contributions, benefits or easy term financing	Corporate giving Direct contributions in the different intervention Fields of stakeholder engagement Relations with the media Virtual community Corruption prevention	Energy consumption Materials Emissions Environmental strategy and relations with the community

Source: Perrini, 2005, p. 615.

Some of the problems with stakeholder theory lie in the difficulty of considering "mute" stakeholders, like the natural environment and "absent" stakeholders, such as future generations or potential victims (Capron, 2003, after Branco and Rodrigues, 2007, p. 7). The difficulty of considering the natural environment as a stakeholder arises from the definitions of stakeholders, which usually treat them as human groups or individuals (ibid.). Some authors even go so far and criticize attempts to give the natural environment stakeholder status, like for example Phillips and Reichart (2000 after Branco and Rodrigues, 2007, p. 7), who argue that "only humans are capable of generating the necessary obligations for establishing a stakeholder status and have the necessary will to accept benefits of a mutually beneficial cooperative scheme". However, if there is concern for the natural environment among the legitimate stakeholders, it has to be taken into account according to Jacobs (1997, after Branco and Rodrigues, 2007, p. 7). He adds that the interests of the environment as well as future generations should be considered and represented in decision-making structures, "whether of companies or of society as a whole".

Smith et al (2001, pp. 266-290) studied how diversity characteristics and stakeholder role affect corporate social orientation, using the instrument also used by Aupperle, Carroll and Hatfield (1985). The results showed that one's expectations about a corporation's social responsibilities is in fact conditioned by the stakeholder role he or she has in the organization – they examined the expectations of customers as well as employees, and that the diversity characteristics of gender and race play a part in these perceptions. Employees in general ranked the economic component of CSR as most important, which is not surprising according to Smith et al (2001, p. 287), given that "employees are concerned about the firm's ability to generate profits". In the consumer context, respondents saw practically no difference in the importance of ethical and legal context. Women employees considered the philanthropic dimension more important than males, and women as customers held a significant stronger ethical orientation than their male counterparts.

4.4 Arguments for and against Corporate Social Responsibility
According to Blowfield and Murray (2008, p. 10) in 2005 poll made by the Centre for Corporate Citizenship "eighty percent of executives said, that corporate responsibility is essential to their business". They write that those executives disagreed about what the term "corporate responsibility" means, but the majority believe that business should serve as a steward in society, and that it has a duty to investors, employees, consumers, communities and the environment. Executives from small, medium, and large enterprises all equally shared these views. Although profits are necessary for any business to survive, Werther and Chandler (2006, p. 16) point out that it is also important to note that "for-profit" organizations are only able to obtain these profits because of the society in which they operate. They constitute this as the moral argument for CSR, since it broadly represents the tie between a company and the standard expected by the general public. From a rational perspective, Werther and Chandler's (2006, p. 18) argument is that CSR represents "a means of anticipating and reflecting societal

concerns to minimize operational and financial limitations on business". Summing the moral and rational arguments for CSR leads to an economic argument; incorporating CSR into operations can offer a potential point of differentiation and competitive market advantage (ibid.).

Business benefits that derive from CSR activities have been analyzed in theoretical as well as some empirical research. Weber (2008, p. 248-249) points out five main areas of CSR business benefits identified: Firstly she mentions "positive effects on company image and reputation"; according to her, image represents the mental picture people have of a company and can change quickly, while reputation evolves over time and is influenced by company performance and communication over several years. In reference to that Webber (2008, p. 248) quotes Gray & Balmer (1998) when stating that both image and reputation can influence company competitiveness and thus benefit the company. Secondly, Webber brings up "positive effects on employee motivation, retention, and recruitment", and explains this by saying that CSR can directly influence employees since they could be more motivated working in a better working environment or be inspired from participating in CSR activities such as volunteering programs. On the other hand, CSR activities can directly or indirectly affect the attractiveness of a company for potential employees (Webber, 2008). The next benefit she sees in CSR practices is "cost savings"; as she says, they have been extensively discussed in sustainability research and some authors argue that implementation of a sustainability strategy can produce efficiency effects (Epstein and Roy, 2001, after Webber, 2008); as well as saves time due to a relationship with certain stakeholders such as regulators, or improve access to capital in case of higher sustainability sensitivity of investors. The last two benefits she mentions are "higher sales and market share" due to CSR as well as "risk reduction". Webber (2008, p. 249) explains that the former is an indirect result of an improved band image or a direct consequence of a "CSR-driven product or market development", and the latter can be observed in the case when CSR is used as a means to "reduce or manage CSR-related risks such as the avoidance of negative press or customer and NGO boycotts".

According to Falck and Heblich (2007, p. 248) the practice of CSR is "an investment in the company's future; as such, it must be planned specifically, supervised carefully, and evaluated regularly". They argue that CSR can be a way of actively contributing to society and, in doing so, enhancing the company's reputation. Falck and Heblich concur with Webber (2008) in saying that from a supply-side perspective, "a good reputation is necessary to attract, retain, and motivate quality employees", and mention that a good reputation increases the value of the brand, which, in turn, increases the company's goodwill. Olsen-Becker, Cudmore and Hill (2006, p. 47-48) agree to a certain extent, however they warn that when presented with evidence of a firm's social involvement, consumers are likely to assign one of two primary types of motives: "firm-self serving (e.g., to increase profits, sales or boost a specific brand) or public serving (e.g., help needy citizens, assist with community development or raise

awareness for a specific cause)". They state that when motivations are considered profit-related, attitudes toward firms are likely to weaken; when incentives are considered socially motivated, attitudes toward firms are likely to be enhanced (ibid.).

Porter and Kramer (2006, p. 81-82) propose their own summary of arguments commonly used to advocate CSR: "moral obligation, sustainability, licence to operate, and reputation". They go further and say that moral appeal, explained the duty companies have to be good citizens and "do right thing", is widely supported and considered as the most prominent goal by leading non-profit CSR business associations in the US. Secondly, Porter and Kramer (2006, p. 82) emphasize sustainability or sustainable development as an essential reasoning behind CSR as it highlights environmental and community stewardship, and thirdly, they stress the fact that "every company needs tacit or explicit permission from governments, communities, and numerous other stakeholders to do business", which can be facilitated through CSR initiatives Finally, they state that even though reputation is used by many companies to defend CSR initiatives on the basis that they will "improve a company's image, strengthen its brand, enliven morale, and even raise the value of stock", none of them really offers adequate direction for the difficult choices corporate leaders must make (Porter and Kramer, 2006, p. 82).

Essentially, many statistics "support the premise that talking about ethics, values, integrity and responsibility is not only becoming acceptable in the business community, but that it is practically required" (Stodder, 1998, after Joyner and Payne, 2002, p. 298). Joyner and Payne go on by providing the findings of Stodder's report, which claims that good business is in fact good ethics; "forty-seven percent of those polled responded that they would be much likely to buy from a "good" company given parity, service and price" (2002, p. 298). Across two studies conducted by Olsen-Becker, Cudmore and Hill (2006) they found that more than 80% of respondents believed firms should engage in social initiatives and 76% felt those initiatives would benefit firms. In addition the respondents were also asked if they would boycott firms that acted irresponsibly, and 52% stated that they would if reasonable alternatives were available. The authors conclude by saying that "the results suggest that consumers expect firms to be involved in social initiatives and may reward them for their efforts through purchase behaviour" (Olsen-Becker, Cudmore and Hill (2006, p. 52).

Hemingway and Maclagan (2004, p. 36) argue that "individual managers' organizational decisions are driven by a variety of personal values and interests, in addition to the official corporate objectives". According to them the literature shows that CSR in a company can be the result of manger support and personal values and beliefs, but say such actions depend on "the individuals' autonomy in the organization, or the opportunity to influence events through organizational processes" (Hemingway and Maclagan, 2004, p. 36). They quote Maclagan (1998) from a previous article, who says that "key individuals will be instrumental for formulating and implementing companies' CSR policy – corporate social responsibility may

be viewed as a process in which managers take responsibility for identifying and accommodating the interests of those affected by the organization's actions" (Hemingway and Maclagan, 2004, p. 34).

Corporate social responsibility is closely related to the ethical conduct of an organization according to Seitel (2001, after Papasolomou-Doukakis et al, 2005, p. 264), while he defines ethics as "the values that guide a person, organization, or society". Papasolomou-Doukakis et al (2005, p. 264) state that many societies embrace the idea of organizations having a corporate conscience that involves "constant awareness by management of the institution's responsibility to all its publics". They go on by saying that this increased attention in CSR and corporate ethics is demonstrated by the growth of internal codes of conduct also known as codes of ethics, or standards of conduct. Robbins and Decenzo (2001, after Papasolomou-Doukakis et al, 2005, p. 265) describe codes of ethics as a formal document that identifies an organization's primary values and states the ethical rules that all personnel must follow.

According to Joyner and Payne (2002, p. 299) there are two reasons to answer the question why do businesses engage in ethical practices, one is ethical in nature, while the other one not so noble and upfront. Joyner and Payne state, that on one side, the ethical motivation guiding businesses is based on the desire to do the right thing, without any external demands or government constraint, and say that in this case, "business people recognize their own personal existence in society and thus sphere acknowledge that their firms must also operate in this sphere in an ethical manner" (2002, p. 299). One the other hand, the motivation to be ethical can be founded on the desire to persuade the stakeholders that the firm is doing the right thing, of course still being compliant with the law, but following goals which are primarily convenient for the company.

Spitzek (2005, after Malovics, Nagypal Csigene and Kraus, 2008, p. 913) makes a good point while classifying CSR practices on the basis of corporate interests; the first group of responsibilities are regarded as "must responsibilities" such as consumer needs and law requirements, and neglecting these would endanger immediate survival of the firm. The second group is comprised of "should responsibilities", which are vital for long term survival, are based on the expectations of societies while not manifested in law, however neglecting them can cause boycott or disinvestment. And finally the third group is seen as "can-responsibilities", which are not expected by society, enforced by laws or market demand, but help companies gain a better reputation. These CSR practices in fact closely follow the ranking order of Carroll's pyramid, with the distinction that customer needs are put in the forefront, and that the legal dimension is of equal importance. The basis of CSR in this regard is actually to fulfil the expectations of the consumer.

Rondinelli and Berry (2000, after Malovics, Nagypal Csigene and Kraus, 2008, p. 913) take it a step further and proclaim that engagement in CSR is largely due to self-concern of the companies. They divide CSR practices in four segments:

- *Commercial self-interest*: Adhering to all laws and regulations and selecting those activities that benefit stakeholders and communities which directly contribute to profitability and competitiveness.
- *Expanded self-interest with immediate benefits*: Undertaking activities that go beyond normal business concerns to benefit stakeholders and communities in ways that also provide measurable short- and medium-term benefits to the company.
- *Expanded self-interest with long-term benefits*: Supporting community activities, such as education and training that will have important impacts on continuing business success.
- *Promoting the common good*: Supporting or participating in activities that improve conditions in the community, or for stakeholders with no expectation of direct tangible benefits to the company.

In keeping with that notion, some are more sceptical about the concept corporate social responsibility as a tool to contribute to the well-being of society. Frankental (2001) adopts a view that corporate social responsibility is strictly a Public-Relations invention and in order to support that view provides some arguments; the first one being the already mentioned problem of a clear definition of CSR. He says that since CSR is a "vague and intangible term, which can mean anything to anybody, it is effectively without meaning" and states that if CSR was not just a creation of PR then it would have "a commonly understood definition, within and across companies; a common set of benchmarks to measure the attainment of CSR, an established processes in place to achieve these benchmarks, a system of internal auditing as well as a system of external verification by accredited bodies" (Frankental, 2001, p. 20).

Another point of Frankental (2001, p. 22) is that the real value that companies attach to CSR is demonstrated by where they locate this function within their organisational structure. According to him it is usually located "within external affairs, corporate affairs, community affairs or seen as an attachment of PR, a function of a company's external relationships and a peripheral activity, not something that needs to be embedded across the organisation horizontally and vertically". He goes on by saying that the purpose of PR in this perspective is to ensure that companies are acknowledged for their involvements in the community and for their role as good corporate citizens, and adds that it is not by chance that the concept of "cause related marketing" has become so popular in recent years as companies realise that "there is mileage in linking their name to a good cause" of Frankental (2001, p. 22).

Nevertheless, there is not a necessarily negative connotation between CSR and PR. Kim and Reber (2008) conducted a study in which they were trying to identify the role of public relations in social responsibility and determine what PR practitioners see as their contribution to CSR. The results showed that in terms defining the position of PR within CSR, many recognized public relations' significant management role, which includes "public relations advising senior management and contributing to strategic planning related to CSR" (Kim and Reber, 2008, p. 341). This role confirms the need for public relations to be included in the management team in order to practice CSR effectively. Secondly, Kim and Reber show that professionals strongly agree with the importance of public relations in addressing CSR and tying the organization's values to CSR programs. This is regarded as the "value-driven role of PR" as CSR is linked to core ethical values of the profession or the organization. Both points prove that PR can have a significant strategic role in CSR practices, when "importance of social responsibility programs is argumented by tying them to organizational mission and values as well as to their potential contributions to the bottomline" (ibid.).

Knox and Maklan (2004, p. 509) also comprised a list of arguments contradicting frequently referred CSR drivers, most of which were mentioned earlier. They said that the arguments for CSR, claiming that "you do well by doing good" often seem to be "largely anecdotal and, as such, highly questionable". Propositions stated by several authors are debated as shown in the following Table 3.

Table 3: Arguments and challenges of assertions supporting CSR

Arguments supporting CSR	*Statements challenging the arguments*
"Consumer preferences will increasingly favour products and services from socially responsible, transparent and trustworthy firms" (Willmott, 2001; Mitchell, 2001).	The assertion that consumer behaviour will shift to reward social responsibility is grounded in surveys of attitudes and trade-off analysis, not observed behaviour. Attitude behaviour correspondence can lack empirical grounding and is not obviously evident when researched (Knox and Walker, 2001).
"Investors will increasingly favour responsible companies and irresponsible companies will find their cost of borrowing rises" (Accountability, 2002).	Zadek (2002) acknowledges that only 4% of the total funds available for stock market investment are governed by CSR principles, therefore, most firms judged not to be socially responsible still have full access to equity funding.
"Potential employees will be attracted only to responsible companies and others risk skill shortages" (Department of Trade and Industry, 2001).	Arguments about competing for talent also appear to be based upon stated intention and not observed behaviour. In addition this link between employee motivations, customer retention and shareholder value has been made separately from CSR theory (Reichheld, 1996).
"Engaging with stakeholders encourages innovation, results in cost savings and revenue growth through fairer supplier policies". (DTI case studies, 2001; Kong et al., 2002).	Von Hippel (1986, 1989) has been presenting these arguments and case-studies for over 20 years without reference to CSR practices.
"Being trusted by stakeholders and pursuing socially responsible policies reduces risks arising from safety issues (consumer, employee and community), potential boycotts and loss of corporate reputation" (Knox, Makalan, 2004).	Concern for safety and building trust is paramount to the firm's reputation management and future sales but cannot be exclusively associated with CSR policies. In fact, it's just good business practice to pursue both with vigour.

Source: Knox and Maklan, 2004, p. 509.

They certainly provide some food for thought with regard to the necessity for a so-called "CSR company strategy" or "purpose initiative", since the reasons behind being socially responsible could in fact just be common business sense or personal belief of the managers.

Knox and Maklan (2004, p. 510) conclude that fundamentally, whilst the above arguments for CSR are intuitively appealing, "many researchers will admit the links between business performance and the implementation of CSR policy are difficult to prove". Porter and Kramer (2006) also raise concerns over the assumption that company good deeds lead to clear benefits for the company, since this can be very hard to measure.

4.5 Corporate Social Responsibility and Firm Performance

A number of papers focus on the relation between CSR and firm performance. According to McWilliams, Siegel and Wright (2006, p. 11) early studies used either "the event study methodology, based on analysis of short-run changes in stock prices as a proxy for firm performance in the aftermath of a CSR-related event, or regression analysis, using an accounting measure of profitability, such as return on assets, as the dependent variable in a regression model that explains firm performance". The main purpose of these studies was to see if it pays to do good, and the reported results "have ranged from showing a negative relation between CSR and firm performance, to showing no relation, to showing a positive relation" (McWilliams, Siegel and Wright, 2006, p. 11). It will be seen further on that there is little consistency in the outcomes of studies examining the relationship between these two variables, and several authors have given a lot of attention to this problem in different academic journals.

Margolis and Walsh (2001 after Scholtens, 2008, p. 47) offer an overview of the numerous empirical studies of the relationship between social and financial performance. They find that in the studies where CSR performance is treated as an independent variable, "approximately half of the studies found a positive relationship between the two, a quarter of researches found no relationship, a fifth were inconclusive and 5% reported a negative relationship between CSR performance and firm financial performance". In contrast, a minority of the studies treated corporate social performance as the dependent variable, and in two thirds of these, results showed a positive relationship between social and financial performance (ibid.). Moreover, Scholtens (2008, p. 47) mentions Orlitzky, Schmidt and Rynes (2003), who found that "the relationship between social and financial performance is rather positive in a wide variety of contexts and sectors". Meanwhile, Hillman and Keim (2001, after McWilliams, Siegel and Wright, 2006, p. 12) suppose that empirical tests of the relation between CSR and firm performance should not comprise CSR activities that are strategic, like stakeholder management and those that are altruistic, such as social issue participation. Based on a model differentiating between the two, they report "a positive relation between firm performance (measured using market value added) and strategic CSR, and a negative relation between altruistic CSR and firm performance".

Regardless of a long record of studies and continuous improvements in measurement methods, "the connection, if any, between corporate social and financial performance is still far from clear " according to Geva (2008, p.11). A crucial reason for the inconsistent findings seems to originate in "conceptual and methodological differences" in the operationalization of key terms, as stated by Wood and Jones (1995, after Geva, 2008, p.11), who also claim "the theory and the methods have been contrasting". McWilliams, Siegel and Wright (2006, p. 10) agree and state that "the major impediment to empirical research is the continuing confusion over definition of CSR" and add that it is impossible to measure what we cannot define. According to them, this questions if empirical results produced by different researchers can even be compared. According to Scholtens (2008, p. 46), not surprisingly, "there are different opinions about the interaction between financial and social performance and the empirical research has not arrived at a consensus", claiming that these can also be attributed to differences in perception of CSR. The classical view of Friedman and such implies a negative link between them as social responsibility involves costs and therefore deteriorates a firm's competitive position; or in relation to arguing that "social constraints on firms and socially responsible behaviour may conflict with value maximization" (Brummer, 1991; Jensen, 2001, after Scholtens, p. 46). Williamson, 1964, and Jensen and Meckling, 1976 (after Scholtens, 2008, p. 46) are of the opinion that a negative link between social and financial performance may exist because "managers might pursue their own objectives, which can conflict with shareholder and stakeholder objectives".

According to Aupperle, Carroll and Hatfield (1985, p. 446) there has been "considerable research into the relationship between corporate social responsibility and profitability, but it has frequently reflected either an ideological bias or limited methodological procedures". They go on by saying that research has also been slowed down because there is a difficulty of adequately measuring corporate social responsibility. Knox and Maklan (2004, p. 514) conquer and argue that the development of CSR could well be inhibited by ''the lack of a systematic framework linking investment in these responsibilities to social or business outcomes''.

McGuire et al., (1988 after Scholtens, 2008, p. 48) compare accounting-based and stock market-based measures, and discover that "both measures focus on different aspects of financial performance and are subject to particular biases". As is explained further on, accounting-based measures stress the assessment of a company's accounting profitability, captured through a wide range of performance indicators such as ROA, assets growth, operating revenue, and similar. However, "this approach can be biased due to the differences in accounting procedures and managerial manipulation" (Scholtens, 2008, p. 48). Market-based measures, on the other hand, are less vulnerable to accounting rules and managerial manipulation since they comprised by investors' evaluations and firm performance expectations, but have other disadvantages when it comes to asymmetric information according to Scholtens (2008). Meanwhile, McWilliams, Siegel and Wright (2006) criticize

the use of stock prices as a measure of financial performance, as stock price only relates to financial stakeholders whereas non-financial stakeholders are also affected by CSR activities. Aupperle, Carroll and Hatfield (1985, p. 454) state that although reputational surveys and content analysis of annual reports provide useful information about firm performance, they suggest the use of a financial performance measure "return on assets, which is less susceptible to corporate manipulation". They summarize that two studies (Bowman, Haire, 1975; Sturdivant, Ginter, 1977) employing different methodologies, found a curvilinear relationship between corporate social responsibility and financial performance, where moderately socially responsible firms actually proved to be the best performers.

4.6 Corporate Social Responsibility and SMEs

According to Werther and Chandler (2006) CSR theory is mostly concerned with the relationship between corporations or large companies, and the societies with which they interact. Jenkins (2006, p. 241) states that while "corporate social responsibility has traditionally been the domain of the corporate sector, recognition of the growing significance of the Micro, Small and Medium Sized Enterprise (SME) sector has led to an emphasis on their social and environmental impact, illustrated by an increasing number of initiatives aimed at engaging SMEs in the CSR agenda". He goes on by saying that SMEs are rarely the centre of media's attention because they do not have a significant impact individually, even though they make up a considerable portion of European economy and society. According to the European Commission (2003, p. 5), they represent "a major source entrepreneurial skills, innovation and employment, provide around 75 million jobs account for 99% percent of all enterprises in the enlarged European Union of 25 countries".

Lepoutre and Heene (2006, p. 258) say that the influence of firm size on "small business social responsibility" is debatable; from one point of view, a number of reports state that "small firms are better positioned and equipped for socially responsible behaviour than large firms", and often praised for such social benefits as introducing innovations and employing people as well as attracting clients from the local community. Lepoutre and Heene (2006, p. 258) continue by arguing that small businesses "naturally engage in practices that are aligned with their stakeholders wishes and behave socially responsible" since having a good reputation is of paramount importance to their competitiveness. For those reasons, it is often stated that "small businesses are socially responsible, but that they just do not know they are" (BITC, 2002, EMSF, 2004, after Lepoutre and Heene, 2006, p. 258). On the other hand, same authors emphasize the fact that other researchers have found that small businesses encounter more difficulties adopting social responsibility than larger firms. Many small business owner-managers have never thought about CSR or believe that their social and environmental impact is negligible; and frequently small business managers themselves stress that they do not have sufficient time or resources to dedicate to social responsibility (Lepoutre and Heene, 2006, p. 258). Jenkins (2006, p. 243) quotes Baker (2003), who says that "realistically, 60% of SMEs are simply content to survive, and as long as they are making a decent living there is little

need to reduce the bottom line with CSR related schemes". As can be seen the views regarding the state and the role CSR within SMEs differ significantly, thus a rounded picture about this area of research is hard to obtain. The reason behind this can also lie in the fact that SMEs represent a very heterogeneous group of companies, from "micro sized companies with practically no employees to medium size companies with 200 of them" (Murillo and Lozano, 2006, p. 228) and "in general it is difficult to integrate all small businesses into one theoretical framework" (Lepoutre and Heene, 2006, p. 258). However, because they represent such a big part of Europe's economy, they have to be included in debates about the social responsibility.

In keeping with this Longo, Mura and Bonoli (2005, pp. 28-42) conducted a study among Italian SMEs and found that out of 39 companies, deemed to be "socially responsible" in their research, 20 declared that they behave accordingly due to "ethical reasons". 35 percent of the companies polled said, they combine "ethical motivation" with "other motives" as well, like increasing the market share, improving company image, improving relationships with employees or the community (ibid.). In contrast, Murillo and Lazano (2006, pp. 227-240), who studied SMEs in Catalonia, found that at least three out of four of the cases analysed, "a valid aim for those practices was to remain well-positioned in the market". They add that it is the external pressures facing SMEs and the chance to improve the position on the market are the ones often driving CSR, in addition to the managers' commitments to society. This confirms findings of the European Commission (2003, p. 11) that the main driver would be the "ethical consideration of the owner/manager, even though a significant number of SMEs also recognise business benefits such as improved relations with consumers and the local community".

SME behaviour can often be understood "in terms of the psychological characteristics of the entrepreneur or "*owner–manager*" and tend to have a more personalised, less formal style of management" as explained by Jenkins (2006, p. 242). He continues by saying that these characteristics will differ depending on individual personalities and ownership structures, but will most likely influence the company's approach to CSR. Since the most common form of SME is the owner-managed firm, where ownership and control lie with the same person, this "lends legitimacy to the personal decisions made on how to use resources, for example on CSR related schemes, and allows a degree of autonomy in how CSR is approached" (Jenkins (2006, p. 242).

Stakeholder theory is a vital element in the research of CSR, and one could even argue that it is the relationships with stakeholders that can determine a company's social responsibility. While it is accepted that all businesses have stakeholders and managing them appropriately can improve all companies' social responsibility, the nature of managing such relationships differs significantly between large companies as well SMEs (Jenkins, 2006). According to Jenkins (2006, p. 243) "stakeholder relationships for an SME may be based on a more informal, trusting basis and characterised by intuitive and personal engagement with less of a

gap between the relative power and influence of company and stakeholder; whilst large companies are far more likely to engage in carefully planned, formal strategic stakeholder management with the majority of power to dictate outcomes lying with them".

4.7 Corporate Social Responsibility and Sustainability

The Organization for Economic Co-operation and Development (2001, p.13) also adopts a view that "businesses are often playing a greater role beyond job and wealth creation" and state that corporate social responsibility (CSR) is "business's contribution to sustainable development". They explain this by saying that company activities have to not only guarantee profits to shareholders, income to company employees, and products and services to customers, but also take societal issues and values into consideration. They see corporate social responsibility as a "holistic approach" required to provide benefits to society as a whole as well as businesses as commercial entities; in other words that companies are faced with a "triple bottom line", which means that they have to be economically viable, while being environmentally and socially responsible at the same time (OECD, 2001, p. 13).

Epstein (2008) is of the opinion that the question whether companies should consider their social responsibility or the impact of their activities on their stakeholders is not even debatable anymore. Instead, according to him the question is no longer "whether" but "how" to integrate corporate social, environmental, and economic impacts, corporate sustainability, into "day-to-day management decisions when managers at all levels have significant incentive pressures to increase short-term earnings" (2008, p. 19). In keeping with the modern view of corporate social responsibility, the OECD (2001, p. 20) states that corporate social responsibility is "the business sector's response to the non-financial pressures it faces" (2001, p. 20) The OCED's stand on the issue is that "corporate social responsibility as social investment is a chance for corporations to make the commitment to run their business in an ethically social and environmental manner" (2001, p.20), because CSR basically means interpreting ethical standards into explicit corporate code. According to them it is not only a useful way to communicate what the corporation stands for; by incorporating social responsibility into business practices, translating values into routine behaviour and of course direct evidence of a corporation dedication, all proves that a company is actually doing good and is not just preaching it.

According to the European Commission (2002, p. 5), more and more companies are beginning to see "that sustainable business success and shareholder value cannot be achieved solely through maximising short-term profits, but instead through market-oriented yet responsible behaviour". They state that companies can contribute to sustainable development by "managing their operations in such a way as to enhance economic growth and increase competitiveness whilst ensuring environmental protection and promoting social responsibility, including consumer interests" (ibid.). Herrmann (2004, p. 218) also sees that "a well-implemented and strongly enforced CSR policy is key to sustainable development". She

continues by saying that CSR is a comprehensive concept that takes into account economic, social, and environmental concerns and, at the same time, protects the interests of all stakeholders by requiring greater transparency.

According to Moon (2007, p. 304) "the extent to which CSR can contribute to sustainable development is theorized through the *natural-resource-based view of the firm*", which applies particularly to explaining corporate interest in ecological issues, as well to the business interest in social sustainability". This is not exactly in line with Carroll's (1991) pyramid model of corporate social responsibility, where the need for companies to be economically responsible is regarded as crucial or as the fundamental dimension of CSR. However, he does point out that responsible business is a necessary but not sufficient condition of sustainable development, and says that further research is needed to bridge the gap (Moon, 2007, p. 305).

The authors' attempts to connect CSR and sustainable development also emphasize that CSR is a way of achieving corporate sustainability, which is a practice that evidently leads to companies being sustainable (Linnanen and Panapanaan, 2002, after van Marrewijk, 2003, p. 102). However, in order to satisfy sustainable development principles, relating to the society as a whole, more than just efforts from the private sector are needed. According to Henderson (2007, p. 231) "sustainable development implies a deeper and broader commitment and is part of a debate which is relevant to most areas of human endeavour and informs private and public sector actions, while CSR pertains only to industry members and covers a particular and voluntary aspect of activity". A graphical representation of the relationship between corporate social responsibility, corporate sustainability and sustainable development is presented in Figure 7.

Figure 7: Relationship between CSR, corporate sustainability and sustainable development
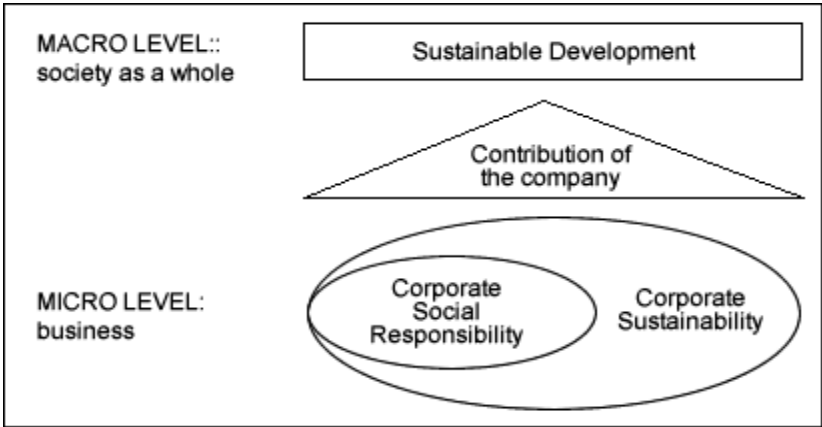
Source: Loew et al, 2004, p. 11.

According to Loew et al (2004, p. 11) "sustainable management is concerned with what the company does to advance sustainability" and, like the principle of sustainability itself,

sustainable management covers all three dimensions of sustainability, the ecological, economic and social aspects. Regarding the corporate level, Epstein (2008, p. 36) considers it is vital to "articulate what sustainability is, develop processes to promote sustainability throughout the corporation, measure performance on sustainability, and ultimately link this to corporate financial performance", if a company was to become a leader in sustainability. He also adds that CSR is also "the way the company integrates sustainability principles with everyday business operations and policies, and then translates it all into bottom-line results". The Erasmus University Business Society Management has placed corporate sustainability as the ultimate goal of businesses, with CSR as an intermediate stage where companies try to balance the "triple bottom line" represented as the "profit, people and planet" pillars (van Marrewijk, 2003, p. 101).

It is also interesting to discuss sustainable development through the capital theory approach. It assumes that we can maintain the level of welfare at a minimum on a constant level, i.e. "providing similar opportunities for future generations by to them making available at least the same amount of capital the present generations own", where the total capital consists of natural and man-made - economic and social - capital (Malovics, Nagypal Csigene and Kraus, 2008, p. 910). In this context corporate responsibility and sustainability are undeniably intertwined. Within the "*weak sustainability*" framework, total sustainability can essentially be achieved even if creation of man-made capital is done on the expense of the natural; where business corporations are the main actors in an economy which transforms them into man-made. Drawing on this platform Malovics, Nagypal Csiegene and Kraus (2008, p. 3) describe the "relative measure" approach is used to evaluate corporate contributions to sustainability – it compares the value created by the company with the resources used or the harm caused by the environment.

When talking about "*strong sustainability*", where the natural capital cannot be substituted by man-made capital and may suffer irreversible harm, so that it is necessary to maintain not only the aggregate value of capital, but also the amount of natural capital. The measure here is "absolute" and it focuses on effectiveness – value added by the company, defined as benefits minus internal and external costs (Malovics, Nagypal Csigene and Kraus, 2008, p. 911).

5 Corporate Social Responsibility and Tourism

Discussions regarding CSR are becoming a part of the debate in every economic industry as much as they are present in the general corporate world, and the tourism industry is no exception. According to Henderson (2007, p. 230) "tourism is a service delivered by people which provides experiences and involves the transportation of participants and their accommodation and entertainment, giving rise to potentially disruptive dynamics". She further explains that it is therefore understandable that tourism can have effects on destination

economies, societies, cultures and environments, ultimately exposing the industry to strong criticism, as said in the beginning Nevertheless, she does point out that that tourism "can supply a much needed infrastructure, income and jobs which boost destination economies and raise standards of living, strengthen the case for protection of threatened resources and help finance conservation" (2007, p. 231).

According to World Travel & Tourism Council (WTTC, 2002), a forum comprising leaders of world's foremost tourism companies, tourism is one of the largest sources of economic activity, but at the same time it is "an important force for sustainability by raising living standards in under-developed areas, promoting preservation of the natural and human environment and providing a vehicle for peaceful international exchange". Henderson (2007, p. 230) concludes that, in addition to obligations concerning the quality of the product they are selling, evolving consumer tastes, the environmental movement and official demands for better tourism planning and management, tourism companies should be inclined to the adoption of CSR, and companies are exhibiting differences in understanding of CSR; however, according to her, there seems to be a noticeable tendency towards the acknowledgement of responsibilities they are facing (ibid.). Tourism Sustainability Group (2007) is also in favour the corporate social responsibility model and perceives it as an instrument which could help tourism businesses to adopt sustainability guidelines in practice. This would require much more than dealing with sustainability on superficial level, with expressed mission statements and no actions to back this up, but instead incorporating principles it into their activities with setting measurable corporate goals and reporting on how well businesses did in achieving them.

Because, as Henderson (2007, p. 232) stresses, it is perhaps unrealistic to propose that companies meet all the restrictions of sustainable development, "CSR could be considered less ambitious in its requirements and more compatible with businesses' primary goal to create wealth". According to her, this refers to aims made at minimising harm, promoting good causes, helping resolve outstanding social and environmental problems, while still allowing practicing organisations to function effectively as commercial entities. She ends on a positive note stating that the direct interactions between tourism enterprises and local communities and environments facilitate options for "suitable CSR initiatives can perhaps be more easily identified, implemented and evaluated within the tourism sector" (ibid.).

The WTTC (2002, p. 6) points out some initiatives taken by tourism companies in regard to corporate social responsibility. As stated by them many companies have "integrated environmental protection into their operations, mitigating their impact on fragile eco-systems and scarce resources", while some are also "addressing their economic, social and cultural impact on host communities", through working with public authorities to make sure that plans for tourism growth are compatible with development goals, actively promoting locally based tourism related businesses, training local people for employment in management positions,

educating visitors about local conservation issues, and promoting culturally-sensitive tourism activities. Lastly, they report that a wide variety of cross-industry programmes, for example global funds and foundations, eco-labels and certification schemes, codes of conduct, and awards, have been set up to further encourage sustainable tourism company practices (WTTC, 2002, p. 6).

There are some academic papers focusing on CSR in tourism. Nicolau's (2008, pp. 990–1006) study attempted to find out whether social initiatives proposed by companies result in positive outcomes. He states that since "tourism is a social/economic phenomenon that acts both as an engine of economic progress and a social force", improved firm performance due to CSR would imply that these initiatives benefit the society both directly, through the philanthropic investment made in society, as well as indirectly, through the increase in profits. A long-term shareholder value approach was used to observe if being involved in responsibilities "outside of the business arena" has an influence on the market value of tourism firms. The "event-study" method, consisting of CSR activities announcements between 1996 and 2006 from two Spanish hotel companies, was employed in the empirical research stage and the results showed significant positive returns on the day after the event announcement. This suggests that, on average, stock market reacts positively to CSR activities announcements. Nicolau (2008) also points out that the most important managerial implication of this study is that responsible corporate behaviour is not incompatible with obtaining economics profits.

The paper of Jones, Comfort, and Hiller (2006, pp. 329-340) focuses on another sector within tourism, namely hospitality and catering. To explore how corporate social responsibility issues are being addressed and reported by UK's top ten pub operators, a through content analysis of the CSR reports and information posted on the companies' web pages was made. The results showed that the majority of the UK's top ten pub operators report on their commitments to CSR, however "the content and extent of reporting vary between them". The common themes in the report relate to the workplace, the environment and the community, but there is little clear evidence that pub operators are fully integrating CSR into their businesses. The authors also note that CSR reports often focus on aspirations rather than operational imperatives of the companies.

Holcomb, Upchurch and Okumus (2007, pp. 461-475) were examining the level of socially responsible behaviour of hotel companies. They also used the content analysis as method to identify social responsibility patterns in web sites, annual reports and corporate social responsibility reports for the top ten hotel companies as listed in Hotels magazine. Their findings reveal that Hilton Hotels Corporation and Marriott Hotels had the highest frequency of CSR reporting indices, while the authors stated that all hotels could improve their reporting, especially in the environmental field. 80 percent of the hotel companies analyzed described socially responsible activities relating to some form of charitable contributions, and

only 40 percent provided some mention of social responsibility in their vision or mission statements.

The paper of Bohdanowicz and Zientara (2008, pp. 271-293) aims to conceptualize CSR in the context of the hospitality sector, focusing on the proposition of CSR in relation to hotel-based human resource management. Interviews with four Scandic managers were undertaken to study the effects of various CSR initiatives, combined with internal company documents. The authors concluded that the concept, "if holistically and genuinely embraced", proves to be in the organization's self-interest in terms of profit-turning. They argue that it pays off to care for one's employees because this enhances their organizational commitment, which, in turn, is likely to translate into greater work effort and high-quality service and consequently, increased customer satisfaction. Similarly, initially costly investments in eco-friendly technologies are bound to produce considerable savings in the long term, and thus improve performance.

6 Corporate Social Responsibility in Slovenian tourism industry
6.1 Overview of Quantitative Analysis
6.1.1 Sample description
The setting for the research was the Slovenian tourism industry, as the aim of the thesis was to establish its attitudes towards corporate social responsibility. As written in the second chapter, tourism industry consists of many different establishments all catering to the needs of tourists, and in this particular study the term industry represents travel agencies, tour operators and hotel companies. Organizations, working in the field of tourism transport, are not grouped specifically in any national statistical database or Chamber of Commerce and Industry of Slovenia and are therefore not included in the study. A similar problem was noticed while trying to obtain the data for the "attraction sector". According to Standard Classification of Activities, a national standard "used for defining the main activity and classifying business subjects and their units for the needs of official and other administrative data" (www.stat.si), attractions are not purposely grouped by those related to specific industries, such as tourism, but classified consistent with the purpose of the establishments, for example "museums, galleries, cultural heritage, natural resources, sports facilities and amusement parks among others". Hence, it would have been very difficult and time-consuming to create a proper database of tourism attractions in Slovenia, and therefore this sector was excluded from the research.

A difficulty connected to the categorization of hospitality businesses also presented itself in the beginning of the empirical analysis. Hospitality organizations or hotels can represent independent organizational units, but it often happens that they fall under a common umbrella company in a legal sense. To deal with the situation, having methodological considerations in

mind on one hand, and the subject matter that deals with social responsibility in companies, on the other, it was decided to focus on hotel companies in Slovenia. According to the database of the Agency of the Republic of Slovenia for Public Legal Records and Related Services (www.ajpes.si) in May 2009, there were 292 companies in Slovenia, having either accommodation or hospitality services written down as their activity. But it was quickly noticed that much of the data was not updated, and for this reason, the total number of hotel companies in Slovenia was taken from a report done by The Institute for Tourism (Mihalic et al, 2009), where it is stated that there are in fact 124 such companies. According to the database of the Agency of the Republic of Slovenia for Public Legal Records and Related Services (www.ajpes.si) in May 2009 there were 202 companies working as travel agencies and 111 organizations working as tour operators. However, consistent with the Slovenian Chamber of Commerce (www.gzs.si) database, arguably the biggest business association in the country, there are only 145 companies working as either of those. Since it is very likely that the real number lies somewhere in between, all the companies from the Agencies database were observed and those that did not seem to be in business (closed bank accounts, no contact phone number or electronic address) or their primary business activity has changed, were eliminated from the list. At the end, the number of travel agencies decided on was 141, and in the case of tour operators it was 92. The survey population or the "list of all units to which the survey results will be generalized" (Dillman, 2000, p. 196) was therefore 357, representing enterprises working as tour operators, travel agencies and hotel companies in Slovenia. The same number of companies represented the sample frame from which "a sample is drawn in order to represent the survey population" (Dillman, 2000, p. 196).

The "completed sample" of all the units that returned completed questionnaires (Dillman, 2000) reached the number 70 in the time period set for data collection, which makes the total response rate 19.6%. According to Saunders, Lewis and Thornhill (2003, p. 284), it can be regarded as a successful one, since "on-line surveys have a likely response around 10%". It has to be mentioned that 26 companies refused to participate in the survey upon receiving the questionnaire, and the reasons they stated most often were: "we are seriously lacking time and resources and will not be answering the questionnaire" as the principal cause, followed by "our company is to small in therefore the results of the survey would not be good or relevant for your search" and "we found the questionnaire too demanding and long". The first reason is certainly legitimate, given the timeframe in which the survey was undertaken – the month of June and beginning in July, is when the season peaks and the workload is the biggest. Some companies also have survey-related policies which employees have to conform to, and as this approval process to complete the questionnaire can take some time, especially in the case of absence of some executives, it can explain at least some of the "non-responses". It happened quite a few times that the director of the company was out of office, due to personal holydays. However, as the commercial director in the biggest Slovenian tour operator, stated: "The timing is never right, the questions are never good... People always find a reason not to participate, never mind the time of the year." It was also noted that companies working in the

tourism industry were receiving a lot of questionnaires on a monthly basis and have developed a resistance towards them over time.

6.1.2 Research design

To carry out the quantitative analysis a research instrument in the form of a questionnaire, was designed on the basis of theoretical articles from the fields of corporate social responsibility and sustainable tourism, and divided into three parts. The aim of the first section was to examine the attitudes of the Slovenian tourism industry representatives towards CSR. As "rating or scale questions are often used to collect opinion data" (Saunders, Lewis and Thornhill, 2003, p. 296), the "Likert-style" rating was used to measure how strongly respondents agree or disagree with a list of statements regarding the principles of CSR. The set, including fourteen attitudinal statements, was drawn from previous researches of Rashid and Ibrahim (2002), Ford and McLaughlin (1984) and Nicolau (2006). Positive and negative statements were used to avoid the respondents ticking boxes at one side of the scale, without thinking about it. To examine CSR activities of the companies that adopted them more closely, one open-ended question asking respondents to describe these activities, was also added.

The goal of the second section of the questionnaire was to examine the "corporate social orientation" of the Slovenian tourism industry representatives and the emphasis they put on different aspects of CSR. Smith et al (2001) used a four-dimensional CSR construct in their research, which is an approach that was developed by Aupperle, Carroll and Hatfield in 1984, and already mentioned earlier. Four sets of four statements, each relating to one CSR dimension as defined by Carroll (1991), are provided with the purpose to assess the relative importance of each one. A forced-choice methodology was used as the participants were asked to allocate up to 10 points to each of the sets of statements in accordance with their perceived significance. Though all statements were unique, the respondents were asked to respond to slightly varying situations all referring to corporate social responsibility. In other words, each set sought the same basic information. Personal opinions were then grouped together, which enables the researcher to construct the view of the industry.

The last part of the questionnaire is dealing with sustainable tourism development and its purpose is to assess the level of awareness regarding sustainability in the Slovenian tourism industry. It is structured to identify the respondents' perceptions of sustainable tourism development and their level of knowledge about the concept by using a set of statements, drawn from Horobin and Long (1996), once again using a "Likert-style" five-point rating scale measurement. Furthermore, the purpose of including the statements was to compare these perceptions to the attitudes towards CSR and see if a positive correlation can be confirmed.

6.1.3 Data collection

The questionnaire was pre-tested largely to ensure that the instructions were clear and questions understandable since it was completely self-administered. Once the final version was prepared, it was transformed into on-line form using "QuestionPro", which is a survey software application that enables creation of a Web survey. There were several reasons for deciding on an on-line survey; most important reasons were certainly that it is the easiest way to forward the surveys to companies and that they "tend to be returned considerably faster than postal questionnaires" (Bryman and Bell, 2003, p. 512), along with being relative low-cost. Bryman and Bell (2003) also state that on-line survey have fewer unanswered questions and a better response to open-ended questions. The QuestionPro application also enabled uploading a short cover letter, explaining the purpose of the study, and the mailing list composed of e-mails of all the companies included in the sample frame. Personal e-mails were used, where available, rather that company "info" mails, because it was supposed that way the probability the questionnaire was going to be answered, were higher. The initial survey invitations were sent on June 5th, and after ten days a reminder was forwarded all of the companies. Another reminder followed a week later, and in the beginning of July follow-up phone calls, where companies were once again kindly asked to participate in the study, were made to increase the response rate. The survey ran on the Internet until July 10th.

In order to enhance the research and determine if there are any connections between the observed attitudes of participating companies and the performance of those same companies, additional secondary data was collected from the Agency of the Republic of Slovenia for Public Legal Records and Related Services for the companies participating in the survey. The data was available from University of Ljubljana library and the indicators sought were "profit margin", value added per employee" and "return on assets" in the year 2008. Primary data acquired through the survey and secondary data obtained from the Agency had to be analysed using a range of statistical methods. This was enabled by the "Statistical Package for Social Sciences" or more commonly referred to as SPSS. The 17.0 version of SPSS for Windows was employed to tackle that part of the research.

6.2 Research Hypotheses

Attitudes towards corporate social responsibility have been measured by numerous authors in different settings, although not a lot of research in this area has been done among Slovenian companies. The only research that incorporated a transparent research method and produced substantial findings was the one carried out by a Slovenian newspaper Finance in December of 2007. They firstly wanted to establish the amount of resources companies invested in CSR projects, although it was noted that many such schemes could not be evaluated in monetary terms; and secondly, they examined the "softer" side of CSR in Slovenian companies, namely business policies and company values regarding this field (Vozel, 2007, p. 23). Even though the invitation to participate in the survey was extended to firms of all sizes and sectors, only 24 ended up completing the questionnaire. It can therefore be concluded that social

responsibility is not present enough in business practices of the majority of Slovenian companies, for it to be reported. No companies from the tourism industry participated in the survey, which is surprising given that certified environmental quality standards specifically tailored for tourism companies (WTTC, 2002) exist. Therefore the following is proposed:

H_1: Attitudes of Slovenian tourism industry towards CSR are negative.
$H_{1.1}$: Different sectors within the tourism industry will have different attitudes towards CSR.
$H_{1.2}$: Different size tourism companies will have different attitudes towards CSR.

H_2: The majority of companies in Slovenian tourism industry do not engage in CSR related activities.

The latter two hypotheses of the first "group" are presupposing that company size and sector influence attitudes towards CSR. This can be argued on the basis of Jenkins (2006, p. 241), who states that "conventional approaches to CSR are based on the assumption that large companies are the norm and have been predominantly developed in and for large corporations". Due to distinctions between micro, small, medium and big companies, taking into consideration the sheer scale of their operations, differences in their opinions towards what is and should be considered socially responsible behaviour, are presumed. Similarly, sectors within the tourism industry "play" different roles, from those that serve as intermediaries and sell products for the industry, like tour operators and travel agents, to those that are actually providing facilities and managing people in order to service the visitors needs (Connell and Page, 2006). Thus it would be likely that their attitudes towards what is defined as CSR would be different. These arguments were applied to the third set of hypothesis as well.

Carroll's corporate social responsibility pyramid has four more or less distinct dimensions, with economic responsibility serving as the base of social responsibility, legal and ethical responsibility following thereafter, and philanthropic dimension deemed as least important. His graphic representation implies a weighting of 4-3-2-1, and researches of Aupperle, Carroll and Hatfield (1985), as well as of Pinkston and Carroll (1996) and Smith et al (2001), all manage to show that economic responsibilities are perceived as more important the other three. Hence, the hypotheses subsequently formed are:

H_3: Economic responsibilities are more important than legal, ethical and philanthropic responsibilities in the Slovenian tourism industry.
$H_{3.1}$: Different sectors within the tourism industry perceive the importance of responsibilities differently.
$H_{3.2}$: Different size tourism companies perceive the importance of responsibilities differently.

The relationship between sustainability and corporate social responsibility was a focus of a number of authors, and as such, Herrmann (2004, p. 218) also sees a "well-implemented and

strongly enforced CSR policy as a key to sustainable development". She continues by augmenting that CSR is a comprehensive concept that takes into account economic, social, and environmental concerns and, at the same time, protects the interests of all stakeholders by requiring greater transparency". Henderson (2007, p. 231) also stated that a "company pursuing sustainable tourism is, by definition, socially responsible since CSR incorporates some of the fundamental beliefs of sustainability". Hence, the following proposition is formed:

> H_4: Engagement in sustainable tourism development practices is positively related to CSR attitudes.

The concept of sustainable development was previously talked about in Slovenian tourism strategies, dating back to 2002. It was described as "entailing a tourism supply that is based on balancing economic, social and environmental elements" and that such tourism incorporates "bio-diversity, natural and cultural heritage, historical values and political and social identity" as stated in Strategy of Slovenian Tourism 2002-2006 (Ministry of the Economy, 2002, p. 4). The theoretical concept was helped put into practice by raising awareness and emphasizing the importance of natural and cultural legacy, as well as thorough "financial incentives for organizations with the purpose of developing regional economies and improving tourism infrastructure" (Ministry of the Economy, 2006b, p. 12). The interpretation leads to conclude that the concept of sustainability has already then been present in the minds of the people who oversee tourism development in Slovenia, and efforts to make it more tangible for the people working in tourism industry, were undertaken as well. Horobin and Long (1996) also found that even before 10 years the majority representatives of tourism companies in a UK national park had a favourable outlook on sustainable tourism development (STD). For that reason the research propositions are:

> H_5: Attitudes of Slovenian tourism industry towards STD are positive.
> $H_{5.1}$: Attitudes towards STD differ between different sectors.
> $H_{5.2}$: Attitudes towards STD differ between different size companies.

Many research papers focus on the relation between CSR and firm performance, using different methodologies as well as a variety of measures of profitability (McWilliams, Siegel and Wright, 2006). But even though all the studies are meant to answer the important question whether companies "do well by doing good", the results are not always consistent. Nevertheless, a positive relation between social and performance has been recorded in 50% of the studies according to Margolis and Walsh (2001, after Scholtens, 2008, p. 47), while "25% found no relationship and 5% had a negative relationship". Therefore the following is proposed:

> H_6: Companies which have better attitudes towards CSR are more profitable.

6.3 Main findings

6.3.1 Population and sample characteristics

From the total population of 357 companies, considered as comprising the Slovenian tourism industry, the number of travel agency and tour operator sectors together make 65.3% of the total, the former accounting for 39.5% and the latter for 25.8% of the total population. Meanwhile, the hospitality, or accommodation sector, accounts for a good third of the total population at 34.7%. Since it is crucial to obtain data that is "representative" in order to be able to generalize from the sample to a larger population (Finn, Elliot-White, Walton, 2000, p. 87), the number of companies within the sample and in each sector, has to roughly represent its size within the industry. In this particular research that can be claimed for all the three tourism sectors, even though the number of participating travel agencies is a bit lower and of hotel companies as bit higher than desired.

Figure 8: Tourism sectors of companies participating in the research

Source: Author's Original

The same can be applied to the representation of different size companies, an important independent variable in this research. The relationships between company size and corporate social responsibility orientation, attitudes towards CSR as well as sustainability, enable a more segmented analysis of CSR in Slovenian tourism industry. The data regarding the size of the companies was obtained from the Agency of the Republic of Slovenia for Public Legal Records and Related Services website (www.ajpes.si) for each specific company.

The European Commission (2003, p. 13-14) labels medium-sized enterprises as those which "employ fewer than 250 persons and have either an annual turnover under 50 million euro, or an annual balance sheet total not exceeding 43 million euro"; small enterprises are defined as those employing "fewer than 50 persons and whose annual turnover or annual balance sheet total does not exceed 10 million euro"; and lastly, micro enterprises employ "fewer than 10 persons and whose annual turnover or annual balance sheet total does not exceed 2 million euro". Micro size companies represent 83% out of all travel agencies in Slovenia, 72% of all tour operators and around 60% of all the enterprises in the accommodation sector. This must

be considered as a characteristic of Slovenian tourism, and certainly has to be taken into account when discussing the reasons behind the results. It also has to be noted that when analyzing the data, medium and big companies were grouped together, since only 2 companies participating in the study were considered "big". The structure of the sample is provided below.

Figure 9: Size of companies participating in the research
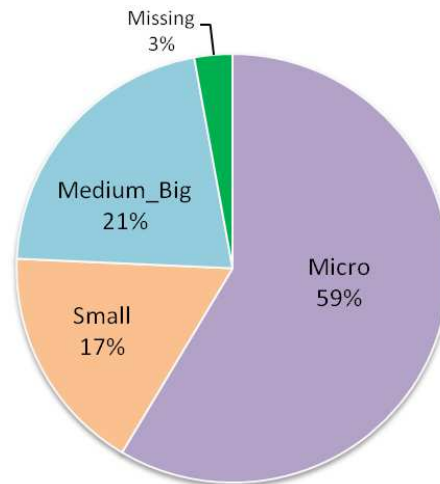
Source: Author's Original

6.3.2 Attitudes towards Corporate Social Responsibility

This part was mainly concerned with finding out the position of Slovenian tourism industry towards CSR, and since a five-point scale was used to represent the level of agreement or disagreement, a neutral value was easy to determine. One-Sample T Test was used to establish the attitudes towards CSR and it can be claimed that they are positive, given the mean=3.00 is considered as the value separating positive and negative attitudes. When all 14 statements and 70 respondents were included in the calculations, the mean value of attitudes was 3.68 (see Appendix), which indicates a positive average, although not a considerable one, since it does not reach the of conformity level equivalent to "agree". In order to explain this, a more comprehensive study of how tourism executives felt about CSR when its principles were expressed in "positive" and "negative" statements, is provided in the following two tables.

As can be observed in Table 3, almost all positive statements had more than 50% of agreement by the participants of the study. Of tourism industry managers, a staggering 97.2 percent agreed with the statement that "corporations are social institutions and as such must live up to society's standards", a number that is much higher than Rashid and Ibrahim (2001) observed in their study – 59.1%. It is therefore understandable that the statement "long run success of the business depends on its ability to understand that it is part of a larger society and behave accordingly" got a very high approval rate as well, as they basically refer to the

same thing, with the latter hinting a positive correlation between performance and social responsibility.

More than 70% also agree that involvement in company community's quality of life will improve its long run profitability. Furthermore, about 90 percent of the executives agreed that a "strong record of social responsibility positively enhances consumer attitudes towards the company", which is arguably most commonly associated benefit with CSR practices. According to these answers, one can argue that executives in Slovenian tourism industry not only see CSR in a positive light, but also seem to be aware of the advantages engagement in corresponding activities can bring. However, they do not seem that keen on, but still in favour of, the statement saying "a business that wishes to capture a favourable public image will have to show that it is socially responsible", which might mean that they think there is more to a good public image than just social responsibility practices. It also has to be mentioned that the agreement with the statement talking about socially responsible behaviour being in best interest of the shareholders, was amongst highest as well, receiving support of 82.9 percent of executives.

Table 4: Agreement with statements for Corporate Social Responsibility

Statements	Total frequency	
	Agree	*Strongly Agree*
Socially responsible behaviour can be in the best economic interest of the shareholders.	42.9%	40.0%
Efficient production of goods and services is no longer the only thing the society expects from business.	52,9%	27,1%
Involvement by business in improving its community's quality of life will also improve long run profitability.	51.4%	20.0%
A business that wishes to capture a favourable public image will have to show that it is socially responsible.	40.0%	18.6%
If business is more socially responsible, it will discourage additional regulation on the economic system by government.	21.4%	5.7%
The idea of social responsibility is needed to balance company's power and discourage irresponsible behaviour.	55.7%	22.9%
Corporations are social institutions and as such must live up to society's standards.	58.6%	38.6%
Long run success of the business depends on its ability to understand that it is part of a larger society and behave accordingly.	48.6%	45.7%
A strong record of social responsibility positively enhances consumer attitude towards the company.	51.4%	38.6%

Source: Author's Original

In contrast, the statement claiming the outcome of companies being more socially responsible will be less regulation proposed by the government, received very mixed opinions. More than 30 percent of tourism managers actually disagreed with this statement, perhaps because tourism executives are aware that companies are socially responsible only to satisfy what is required by the law, and they do not seem to be too optimistic about self-regulation in the future. These results can relate to what the European Commission reported in 2002, which highlights other motives for such opinions. After the EU strategy to promote CSR was published, the responses of enterprises expressed agreement with the supposed voluntary

nature of CSR and claimed that "attempts to regulate CSR at EU level would be counterproductive, because this would stifle creativity and innovation among enterprises which drive the successful development of CSR" (EC, 2002, p. 4). However, the majority (41.1%) of executives were actually undecided on this question, which means that more insight would be needed to come to any real conclusions.

Table 5: Disagreement with statements against Corporate Social Responsibility

Statements	*Total frequency*	
	Disagree	*Strongly Disagree*
A company that ignores social responsibility can obtain a competitive advantage over a company that does not.	37.1%	18.6%
Business leaders are trained to manage economic institutions (companies) and not work effectively on social issues.	30.0%	4.3%
Consumers and the general public will bear the costs of business social involvement because business will pass these costs along through their pricing structure.	15.7%	2.9%
Involvement in socially responsible activities threatens business by diverting time and money away from its primary business purpose.	60.0%	8.6%
Business will become uncompetitive if it commits many economic resources to social responsibility.	50.0%	10.0%

Source: Author's Original

As can be seen from the table containing negative statements, more than 50% of tourism executives disagreed with 3 out of 5, indicating a favourable position toward CSR. 68.6% of all people who answered the questionnaire disagreed with the declaration that "involvement in socially responsible activities threatens business by diverting time and money away from its primary business purpose", and only 8.3% agreed. The statement "business will become uncompetitive if it commits many economic resources to social responsibility" received only 14.3% of support; the majority (60%) disagreed. Similarly, 55.7% of respondents disagree with the statement that "a company that ignores social responsibility can obtain a competitive advantage over a company that does not", again stressing the view that adopting social responsibility practices does not necessarily affect a company's competitive position on the market. In short, these opinions represent the view that CSR activities do not have to be an inefficient use of resources and that they do not weaken company performance by default.

However, only 16.8% of tourism managers disagreed with the proclamation that "consumers and the general public will bear the costs of business social involvement because business will pass these costs along through their pricing structure", while 44.3 percent agreed. This statement clearly reflects "the classic economic assumption that social responsibility costs are additional product costs" (Ford and McLaughlin, 1984, p. 671) and indicates that the modern concept corporate social responsibility is still not fully grasped by the representatives of the tourism industry. On one hand the managers are saying that they believe CSR activities enhance consumer attitudes towards the firm as well as improve the image of the company, both contributing to company competitiveness (Weber, 2008), while on the other hand, they say that these same CSR activities will have to be financed by the consumers. In reality this

could probably be done, but only to the point where customers would feel that the extra money they are paying for the, reflects the companies contributions towards the well-being of society.

More managers also agreed (42.9%) with the statement implying that business leaders are qualified to manage companies and not deal with social issues, than not, which also evokes uncertainty about their apprehension of the concept, especially considering the results of positive statements mentioned earlier. Moreover, the incoherence between statements, and the fact that on average, 26% of respondents were undecided on the five negative statements, proves the respondents do not have a very strong stance on the issue. Thus, it is easier to understand the factors behind the average value of 3.68.

According to Huizingh (2007, p. 268) "the t-test always involves the means of an interval or ratio variable, with the assumption the cases belong to random samples from a normally distributed population". The *null hypothesis* H_0 states that the two means are equal, while the *alternative hypothesis* H_1 can be formulated in two ways; assuming that the means are not equal, or in the second case assuming that the mean of one of the groups is higher. In this particular research the mean value of attitudes towards CSR for micro companies in Slovenian tourism industry was 3.59 and the mean value for all other companies was 3.79. Both groups have a positive attitude towards CSR and albeit the small disparity, the t-test showed that the difference between the means is significant ($p<0.05$). The results of the Levene's test showed significance level higher than 0.05, so the null hypothesis of equal variances cannot be rejected. The results of the t-test that assumes equal variances are therefore used to determine the significance level for a two-tailed test. Since the probability to wrongfully reject the *null hypothesis* is less than 5% ($p=0.017$), it can be said the two means are not equal, and therefore that different sizes tourism companies have different attitudes towards CSR. Moreover, the mean for micro size companies is lower than for other companies and the alternative hypothesis is accepted: on average, attitudes towards CSR are not as positive in micro size companies as in other companies (see Appendix). This corresponds to the theory, which states that the main concern of very small companies is to make a living.

Similarly to t-test, analysis of variance "tests the hypothesis that the means of several groups are equal, with the difference that the analysis of variance usually compares three or more groups", according to Huizingh (2007, p. 277). The corresponding measure in SPSS is One-Way ANOVA, where one independent variable defines the grouping. Again, the *null hypothesis* H_0 states that the means of all groups equal and the *alternative hypothesis* H_1 states that not all means are equal. One-Way ANOVA was therefore used to see if there are differences between attitudes of micro, small and medium and big companies in Slovenian tourism industry.

Figure 10: Average attitudes towards CSR
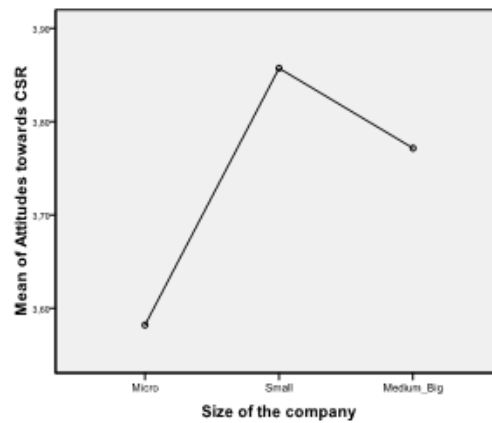
Source: Author's Original

The output of SPSS command One-Way ANOVA has a table showing the results of the analysis variance (ANOVA), where the last column shows the significance level corresponding to the F-value and the degrees of freedom. In this particular research the significance level, or the p-value, equals 0.015 (see Appendix). If a critical level taken into consideration is 0.05, this leads to the rejection of H_0 and therefore it can be concluded that not all means are equal. Since this means only that at least two groups differ, Pos Hoc button is used to see which group means differ significantly. It confirms what has already been established with the t-test; micro companies attitudes differ significantly from those of small (p=0.01) and medium and big size companies (p=0.05). Same measures were used to compare means of attitudes towards CSR among different sectors within the tourism industry; however, the results showed that although the means of attitudes among tourism sectors are not the same, the difference between the means is not significant in either case.

To find out if the majority of Slovenian tourism companies are engaging in CSR-related activities, a simple SPSS Frequencies was employed. The yes-no type question was deliberately selected to force respondents choosing an answer, because it was expected that people would be less keen on answering questions directly referring to their company business practices. A table showing the frequency of engagement in CSR activities of tourism sectors and different size companies is presented in Table 6.

The results showed that 42 out of 69 respondents, in other words 60 percent of all tourism managers that answered this question, were of the opinion that the company in which they are working, in fact does take part in such activities. Even though this number is higher than expected (the majority), it is still considerably lower than what Rashid and Ibrahim (2001) noticed; about 95.5% of Malaysian executives believe they their company was involved in CSR activities. However, it has to be taken into consideration that this question was based on a self-assessment method in both surveys.

Table 6: Company engagement in CSR according to sector and size

		Does company engage in CSR activities?		Total
		Yes	No	
Tourism sector	Travel agency	15 (60%)	10 (40%)	25
	Tour operator	12(70%)	5(30%)	17
	Accommodation	15(55%)	12(45%)	27
Size of the company	Micro	24 (58%)	17(41%)	41
	Small	6(50%)	6(50%)	12
	Medium, Big	11(79%)	3(21%)	14

Source: Author's Original

Crossables provide an insight to "the relationship between two variables, of mostly nominal and ordinal type, and the chi-square test is often used to determine whether the two variables are independent of each other" (Huizingh, 2007, p. 245). The *null hypothesis* H_0 is that there is no relationship between the variables, the *alternative hypothesis* H_1 states that there is a relationship. The chi-square was used to see if there is a relationship between dependent variable in the research, company engagement in CSR activities, and independent variable tourism sector or size of the company. In both cases, the significance level is higher than 0.05, which means we cannot reject the *null hypothesis* even though the Crosstable showed that a higher percentage of travel agencies and tour operators engage in CSR activities than hotel companies, as well as that a higher percentage of medium and big size companies practice CSR than of small and micro companies, the difference is not large enough to be statistically significant.

Independent Samples T Test was used to find out if managers of companies which engage in CSR-related activities, have better attitudes towards CSR than those who manage companies without such practices, given that the average value of their attitudes was higher. The significance level for a two-tailed test assuming equal variances is below 0.05 and therefore the difference in means is significant (see Appendix). This implies that the attitudes towards CSR are an indicator of company initiatives in this field, and it also corresponds with the theory, saying that implementation CSR in a company is likely to be the result of managers' personal beliefs (Hemingway and Maclagan, 2004). So, it is about reaching out to those individuals, explaining to them the concept of CSR, as well as demonstrating what initiatives could be taken in the field of tourism, in order to make progress.

Lastly, it is also worth taking a look how respondents elaborated on their CSR practices. 10 out of 15 hospitality establishments, who stated they are engaging in CSR-related activities, answered this open-ended type question, while 18 out of 27 travel agencies and tour operators, who practice CSR, specified their activities. All answers provided by the tourism managers were grouped into the following 12 categories in order to enable a quick overview according to sector (presented in Table 7).

As can be observed only one company stated they have obtained a certification or adopted a scheme that could relate to social responsibility practice; this particular hotel received the EU Flower eco-label for working within EU environmental recommendations. A few companies mentioned employee training and education, as well as ethical codes of conduct, depicted as ethical behaviour towards their customers and business partners, as well as policies favouring small-scale and environmentally friendly tourism products. Three intermediaries pointed out additional service quality to customers in form of providing free information on their websites with the purpose to help their customers make the best possible choice when purchasing products. Involvement in the local community was brought up quite a few times by agencies, operators and accommodation providers, where general answer emphasized the fact that companies are taking the local community into consideration when doing business; and some more specific answers revealed intentional partnerships with companies from the local community, using local produce in hotel restaurants and volunteering in community projects. In addition, some companies brought up that they try to create awareness about environmental and social issues through customer education, which indicates that they are, consciously or not, satisfying one of the prerequisites for sustainable tourism development.

Table 7: Corporate social responsibility practices adopted

CSR practices	Sector	
	Intermediaries (n=18)	Accommodation (n=10)
Certifications obtained, scheme adopted		1
Benefits for employees (educational)	1	2
Service quality to consumers	3	
Ethical codes	3	2
Involvement in local community	3	3
Donations to non-profit, welfare organizations; sponsorship of events	9	3
Contribution to culture	1	1
Benefits for disadvantaged social groups	1	1
Raising awareness about social and environmental issues	3	1
Waste management, reduction in energy consumption, paper recycling	4	4
Invalid accessible		1
Animal friendly		1

frequencies of mentions are shown in brackets.

Source: Author's Original

Donations to different organizations and sponsoring events, not necessarily related to tourism, were the most commonly expressed CSR activity by travel agents and tour operators, while no one actually specified those organizations or events. This is consistent with Holcomb, Upchurch and Okumus' (2007) research that companies tend to connect CSR activities with initiatives of philanthropic nature.

These finding coincide with what the Commission states about SMEs and them being socially responsible; "because of their lower complexity, SMEs often manage their societal impact in a more intuitive and informal way" (EC, 2002, p. 11). This is evident by the fact that very few

companies actually used the term "stakeholder", but it was clear that they understand the logic behind it. The Commission also said that European SMEs, which are carrying out socially and environmentally responsible activities, express this through "community and social engagement that could be characterised as being local in scope, occasional in nature, and unrelated to business strategy". This survey showed that to be the case in Slovenian tourism industry as well, and what could improve the situation, are business associations, organisations and networks which could encourage further social responsibility through "provision of information, user-friendly tools and the dissemination of good practices cases" (EC, 2002, p. 12). It is even more important that these associations, along with other institutional bodies, make responsible practices more substantial since there are no official standards for CSR, nor any reporting guidelines in Slovenia that could work as drivers for companies to engage in CSR practices (Golob and Bartlett, 2007).

6.3.3 Corporate Social Responsibility Orientation

The aim of this part was to examine the social-responsibility orientation of Slovenian tourism industry executives by looking at the perceived importance of sets of statements exemplifying the four CSR dimensions. In the data analysis phase, the number of points awarded to each dimension by all the participants was added up and then divided by the number of statement sets (4) to obtain mean values of economic, legal, ethical and philanthropic dimension. The means of the dimension were calculated using One-Sample T Test (see Appendix), and what they show is the weighting of the sample. Economic responsibility was found to be most important (3.13), followed by legal (2.72) and ethical (2.54), with philanthropic responsibility deemed as least important (1.20). The results can be compared to those of a research conducted by Pinkston and Carroll (1996), who surveyed a total of 131 company mangers in 7 countries to get the following mean results: economic=3.28, legal=3.07, ethical=2.45, philanthropic=1.15. It can be seen that the mean values of economic and legal responsibilities in the case of Slovenian tourism managers is comparatively lower, which means that they perceive those responsibilities as relatively less important within the total CSR perspective than managers from Pinkston and Carroll' study. Consequently, they perceive ethical and philanthropic dimension as slightly more important than managers in 7 other countries. In Slovenian tourism industry, the perceived importance of "social responsibilities" (Aupperle, Carroll and Hatfield, 1985, p. 458), or in other words the three non-economic responsibilities (6.46), is higher that the seeming importance economic responsibility; however, it is lower than in Pinkston and Carroll' study (6.67), only due to the fact that Slovenian tourism executives see legal obligations to be a lot less important than managers in other countries. The reasons behind this could certainly provide basis for further research in the field of CSR in Slovenia.

It is also interesting to see that managers in Slovenian tourism industry perceive philanthropic responsibilities as least important within the context of social responsibility, but at the same time explain that the majority of CSR related activities are actually of charitable nature. One reason behind this could be that donating resources to a cause or a project is seen as "a quick

fix" or an easy way to showcase social responsibility. When a company is "acting out of economic motives based on economic responsibility as opposed to a distinct philanthropic obligation", it can be referred to as "strategic giving" or "strategic philanthropy" according to Schwartz and Carroll (2003, p. 507). A noteworthy observation regarding the comparison of CSR in different nations is made by Gjølberg (2009, p. 20), who, after conducting a research in 20 countries, says that "CSR practice and performance are apparently determined by more than ethics; indeed some political-economic systems are more conductive than others". Therefore it cannot be claimed that the differences in CSR practices are solely a consequence of the decision makers' higher moral standards.

Correlation analysis "provides information about the relationships between two variables, and shows both its strength as well its direction" (Huizingh, 2007, p. 290). The question is also whether the relationship is significant. To test if there is a relationship between the two variables, SPSS performs a t-test. The *null hypothesis* H_0 for this t-test states that the correlation coefficient in the population does not differ from zero, and the *alternative hypothesis* H_1 states that the correlation coefficient does not equal zero or in other words there is a correlation between the two variables.

Table 8: Correlations and significance of CSR dimensions

		Economic responsibility	*Legal responsibility*	*Ethical responsibility*
Economic responsibility	Pearson Correlation			
	Sig. (2-tailed)			
Legal responsibility	Pearson Correlation	-0.043		
	Sig. (2-tailed)	0.731		
Ethical responsibility	Pearson Correlation	-0.476**	0.121	
	Sig. (2-tailed)	0.000	0.335	
Philanthropic responsibility	Pearson Correlation	-0.272*	0.044	0.064
	Sig. (2-tailed)	0.027	0.725	0.612
**. Correlation is significant at the 0.01 level (2-tailed).				
*. Correlation is significant at the 0.05 level (2-tailed).				

Source: Author's Original

The significance level of the correlation coefficient between economic and legal responsibility is 0.731. Because it is higher than the critical α of 0.05, the *null hypothesis* cannot be rejected, which means that the relationship is not significant. Meanwhile the significance level of the correlation coefficient between economic and ethical responsibility is 0.000; this means that the probability that the relationship found is a matter of coincidence is very low and that the relationship is significant. The correlation coefficient between these two variables is -0.476, which indicates a negative correlation. In general, tourism representatives who perceive economic responsibility of the firms as more important, often see ethical responsibility as less important. The significance level of the correlation coefficient between economic and philanthropic responsibility is also lower than the common threshold of 0.05 (p=0.027), which leads to acceptance of the alternative hypothesis. The correlation coefficient between these is

-0.272, which also indicates a negative correlation, but a weaker one. There is also a negative correlation (p=0.000) between economic and the "social responsibilities", not surprisingly (see Appendix). Since the respondents could allocate only up to 10 points for a set of four statements, they were forced to rank the responsibilities according to priority, "tradeoffs" between the dimensions were bounded to happen, moreover they were desired. Negative correlations between the economic and non-economic components propose that firms who are more economically oriented, place less emphasis on legal, ethical and discretionary issues.

The correlations between the three dimensions comprising "social responsibilities" are positive; tourism executives who allocated more points to one of them also did so for the other two, but the probability the relationship is a matter of chance still quite high. This is just an observation, since, as can be seen in Table 8, the relationships between the variable legal, ethical and philanthropic responsibility are not significant.

Attitudes towards CSR were compared with CSR orientation to see if there is a significant relationship between these two variables. Again, p value proved to be too high for the null hypothesis to be rejected. The remaining question to be answered was if companies engaging in CSR practices had a statistically different mean value of perceived economic responsibility than those who did not. Levene's test showed that the assumption of equal variances could not be rejected and therefore the results of the t-test that assumes equal variances were used to determine the significance level for a two-tailed test (p=0.110). The *alternative hypothesis* H_1 states that the mean in one group is higher than in the other group, if the p value of one-tailed test is lower than the 0.05. When divided by 2, the significance level in our case 0.055 for one-tailed test, which increases the probability that the observed difference between the two groups is found for random samples. Allowing that there is 5.5% probability for wrongfully rejecting the *null hypothesis*, the means of perceived economic responsibility are in general higher for the group that does not engage in CSR activities (see Appendix). As a result it can be said that representatives of those tourism companies, engaging in CSR-related activities, see economic responsibilities as less important compared to those tourism managers working in companies not practicing CSR.

6.3.4 Attitudes towards sustainable tourism development

The efforts within this section were focused on determining how managers in Slovenian tourism industry feel about sustainable tourism development, and finding out if there are any significant relationships between these attitudes and attitudes towards CSR. Like in the first part of the questionnaire, a five-point scale was used to represent the level of agreement or disagreement with provided statements. One-Sample T Test was used to establish the attitudes towards sustainable tourism development and, given that values more than 3.00 indicate positive attitudes, it can be said that they are highly positive. When all 5 statements and 69 respondents, who provided their opinions in the question, were taken into account, the mean

value of attitudes was 4.52 (see Appendix). All five statements and corresponding frequencies of agreement are presented in Table 9.

As can be seen from the table, 92.9% percent of tourism managers, participating in the survey, agreed or strongly agreed with the provided statements. There are a number of reasons behind this staggering result that come to one's mind. It could be that the essence of the statements was very general in therefore easy to agree with or that the concept truly is understood and embraced by the vast majority of tourism representatives in Slovenia. The question is also if these answers can be generalized to all people working in tourism, although the fact that respondents were more or less unanimous in their answer does provide some assurance in the results. In a corresponding research Horobin and Long (1996, p. 16) observed an "80 percent of managers of small tourism business in UK agreed with the first two statements", while they themselves pointed out that it is easy to concur that we, as people and society, have a responsibility to pass the resources of the world on to future generations in good condition.

Table 9: Agreement with statements referring to sustainable tourism development

Statements	Total frequency	
	Agree	Strongly Agree
We are holding the environment and resources of the country in trust for future generations and we have a responsibility to pass these on in good condition.	42.9%	50%
The fortunes of tourism and the environment are closely linked. Without a beautiful environment tourism could not flourish and be sustained.	22.9%	75.7%
It is relevant for tourism business of all sizes to encourage the development of a tourism industry which can serve the needs of both current and future generations.	42.9%	54.3%
We can all respond to the need to protect the environment, for example by altering some of our everyday business activities.	44.3%	51.4%
The chance to "go green" is an opportunity, as it can be of immense benefit to your business, your customers and your staff, as well as making environmental sense.	48.6%	44.3%

Source: Author's Original

However, it seems that there is no ambiguity when it comes to the connection of tourism and its environments, which means that they are aware of tourism's dependency on the state of its natural environment. Every single person who provided an opinion to this statement agrees with it, almost 76% feel strongly about it. The vast majority are also willing to accept the link between their business and the principle of "futurity" (Bramwell, 2005, p.408), which relates to the well being of future generations by enabling them to inherit the resources, opportunities and choices of the current generation. In fact this statement received more support than any other with 97.2% of tourism managers included in the study agreeing with it, and more than half of them strongly agreeing. In Horobin and Long's study, fewer could agree with the latter two statements that were more specific in outlining the need for businesses to take action, while the same certainly cannot be said for Slovenian tourism managers. Statements "we can all respond to the need to protect the environment, for example by altering some of our everyday business activities" and "the chance to "go green" is an opportunity, as it can be of immense benefit to your business, your customers and your staff, as well as making

environmental sense" got just as high support than the rest. It is encouraging to notice that representatives from the industry see environmentally friendlier practices as an opportunity for business rather than a cost. Horobin and Long (1996) also pointed out that most companies they surveyed were considered micro size, which presupposes that the concept of sustainability is fully understood and supported by smaller companies in the tourism industry as well.

A question relating to the presence of a sustainability strategy in companies was meant to answer how many are actually implementing the principles in practice, and again, the yes-no type question forced the respondents to answer. To see how many Slovenian tourism companies adopting them, SPSS Frequencies was employed. The results showed that 59 out of 67 respondents, or 84.3 percent of all tourism managers that were included in the sample, stated that sustainable development principles were a part of their company strategy. This means that the idea of sustainable tourism development is acknowledged in Slovenia after all. Table 10 is showing the frequency of a sustainability strategy in the four tourism sectors and different size companies is presented below.

Table 10: Adoption of sustainability principles according to sector and size

		Sustainable development part of company strategy?		Total
		Yes	No	
Tourism sector	Travel agency	19 (83%)	4 (17%)	23
	Tour operator	16(100%)	0	16
	Accommodation	24(86%)	4(14%)	28
Size of the company	Micro	34(92%)	3(8%)	37
	Small	10(77%)	3(23%)	13
	Medium, Big	13(87%)	2(13%)	15

Source: Author's Original

In Crosstables, adoption of sustainability principles was considered as the dependant variable, tourism sector or size of the company as independent variables, and the chi-square test was used to determine whether there is a relationship between these two variables. In both cases, the significance level is higher than 0.05, which means the *null hypothesis* cannot be rejected, even though the Crosstable showed that a higher percentage of tour operators have a sustainability strategy than travel agencies and hotel companies, as well as that a higher percentage of micro size companies adopted sustainability principles in their business than small, medium and big companies, the difference is not large enough to be statistically significant.

Correlation analysis was employed to determine the relationships between two dependent variables: attitudes towards corporate social and attitudes towards sustainable development. The significance level of the correlation coefficient between those two variables is lower than 0.05 (p=0.015); this means that the probability that the relationship found is a matter of

coincidence is very low and it can be said that the relationship is significant. The correlation coefficient between these two variables is 0.293, which indicates a positive correlation. One can claim that in general, tourism representatives who have more positive attitude towards sustainable development often also have more positive outlook on CSR, thereby hinting that there is a conceptual connection between the two. The results are provided in the Table 11.

Table 11: Correlations and significance between attitudes towards CSR and attitudes towards STD

		Attitudes_STD	Attitudes_CSR
Attitudes STD	Pearson Correlation	1	0.293[*]
	Sig. (2-tailed)		0.015
Attitudes CSR	Pearson Correlation	0.293[*]	1
	Sig. (2-tailed)	0.015	
*. Correlation is significant at the 0.05 level (2-tailed).			

Source: Author's Original

Independent Samples T Test was used to determine if those tourism executives, working in companies who have a sustainability strategy, have more positive attitudes towards corporate social responsibility, given that the mean value of their attitudes is higher. The results of the Levene's test showed significance level higher than 0.05, so the null hypothesis of equal variances cannot be rejected. The results of the t-test that assumes equal variances are therefore used to show the significance level for a two-tailed test. The *alternative hypothesis* H_1 states that the mean in one group is higher than in the other group, if the p value of one-tailed test is 0.052; in this case the significance level for a one-tailed is 0.026 and the difference between the groups is significant (see Appendix). Since the probability to wrongfully reject the *null hypothesis* is low enough, it can be said that those managers, whose companies have a sustainability strategy, have more positive attitudes towards CSR than the managers whose companies are not adopting sustainable development practices.

The chi-square was used to see if there is a relationship between two nominal type variables: adoption of STD principles, expressed in the form of a company sustainability strategy and company engagement in CSR activities. The significance level of Pearson Chi-Square is lower than 0.05 (p=0,004), which means we can accept the *alternative hypothesis* H_1, stating that the relationship between the variables is statistically significant (see Appendix). The study showed that out of 58 companies which have a sustainability strategy, 38 (66%) also engage in CSR practices, and considering the chance of wrongfully accepting H_1 is considerably low, we can say that on average, companies in Slovenian tourism industry adopting sustainability principles are also more responsible.

From what was able to be observed, companies comprising the Slovenian tourism industry are more actually more likely to be adopting sustainability principles than engaging in CSR

activities, even though it is presupposed that CSR is more tailored towards the private sector. This is probably due to the fact that they are more familiar with the concept, as sustainability has been present in the tourism world since the beginning of the 90s, and has been largely supported by the public sphere. One could even say that in this case companies are foremost sustainable and responsible second, which does not coincide with the theory. But the results do show that companies at least have the perception that adopting principles of sustainable tourism development is possible, even if they do not perceive them specific CSR activities. However, it has to be noted that company practices were not examined, and therefore these assumptions are based on the results of their attitudes towards the concepts.

It is interesting to compare these results to those of a similar survey. Grubeljsic (2007, p. 55) namely conducted a research among Slovenian travel agencies and tour operators in 2006, asking them about ethical tourism and their practices in this area. Her results showed that only a half of those questioned know about the UNWTO Global Codes of Ethics for Tourism, and that a merely 6% of those surveyed developed some sort of company codes of conduct. Generally they agreed about enforcing ethical codes while doing business, even though they are not specifically stated in documents. Nevertheless, the researchers overall impression is that Slovenian travel agencies and tour operators do not perceive ethical tourism and socially responsible business as top priority, since they are compromising these issues at the expense of lowering costs, satisfying clients, and are merely following European legislation regarding health and safety. It also has to be mentioned that those questioned also expressed doubts whether adopting ethical business practices can be considered as an opportunity and a source of potential competitive advantage. The differences in attitudes can be attributed to the fact that three years have passed since the survey undertaken by Grubeljsic, while general awareness of ethical issues among people working in tourism was increasing. This provides an optimistic outlook into the future; but, differences in the research instruments have to be taken into consideration.

6.3.5 Corporate performance criteria

The main focus in this part is to establish if there are any connections between company performance and variables expressing attitudes and orientations. The indicators chosen to measure firm performance were suggested by authors (Sholtens, 2008; Aupperle, Carroll and Hatfield, 1984), but were able to be obtained at the same time. Indicators "profit margin", value added per employee" and "return on assets" were treated as independent variables in their own right, but they were also combined to provide a more impartial measure for firm performance - the computed variable "standardized measure of performance", calculated as the average of standardized values of three indicators for each company. The standardized values do not mean anything by themselves, but because they are expressed on the same scale they are comparable and therefore enable meaningful mathematical operations.

Correlation analysis, used to establish the relationship between variables profit margin, value added, return on assets (ROA), and attitudes towards CSR, produced mixed results. The correlation coefficients of variables profit margin in ROA are much higher than the common threshold of 0.05, stating that those relationships are not significant. Although the correlation coefficient of value added per employee is also higher (p=0.06) than the desired significance level, the margin is very low (see Appendix). If the critical level of acceptance was expanded to 0.06 and consequently, a slightly higher probability to wrongfully reject the null hypothesis was accepted, it could be claimed that the relationship between attitudes towards CSR and value added per employee is significant. Correlation between the two variables is positive, and therefore one could state that Slovenian tourism companies employing managers with more positive attitudes towards CSR often reach a higher level of value added per employee.

If value added per employee would be the only measure indicating firm performance, then one could also assume that companies which employ managers more keen on the idea of CSR are also more successful. The reason behind having three independent measures was to avoid this kind of misrepresentations. Since there is a lack of consistency among correlation results of the same population, it cannot be said there is a relationship between firm performance and attitudes towards CSR; the outcome is inconclusive.

No significant relationships were found between performance variables profit margin, value added, return on assets and attitudes towards sustainable tourism development, and the same can be applies to the relationship between performance variables and orientation of social responsibilities. For this reason one can claim, that in the case of Slovenian tourism industry, no relationships between firm performance and attitudes towards STD or social responsibilities orientation exist. A table summarizing the results is presented in Table 12.

Table 12: Correlations and significance between attitudes towards CSR, STD, and social responsibilities orientation and performance measures

Opinion and orientation variables	Correlations, coefficients	Performance measures			
		Profit margin	Value added	ROA	Standardized measure of performance
Attitudes CSR	Pearson Correlation	0.159	0.239	0.034	0.178
	Sig. (2-tailed)	0.197	**0.06**	0.787	0.162
Attitudes SD	Pearson Correlation	-0.056	-0.104	0.038	-0.036
	Sig. (2-tailed)	0.658	0.423	0.760	0.779
Social responsibilities (legal, ethical, philanthropic)	Pearson Correlation	0.118	0.023	0.020	0.059
	Sig. (2-tailed)	0.354	0.864	0.876	0.654

Source: Author's Original

Independent Samples T Test was used to find out if companies which engage in CSR-related activities, perform better than those companies which do not, since the mean value of

standardized measure of performance is higher in their case. The significance level for a two-tailed test assuming equal variances is 0.273, which is higher than the accepted value; we can conclude that the difference between the means is not significant. No significant differences in means are showed when measures of performance are considered by themselves. Therefore, it can be said that in the case of Slovenian tourism industry, generally companies which engage in CSR-related activities, do not outperform those companies which do not.

The question if companies, which have adopted sustainability principles into the business practice, perform better than those companies, which do not, also produced mixed results. If one goes by the results of the standardized measure of performance (presented in the table below), he or she could conclude that there no significant differences between means and subsequently that generally Slovenian tourism companies which have adopted sustainability principles, do not perform better that those companies which do not. However, if added value would be considered as the sole performance measure, the conclusions would be opposite. In this case the significance level for one-tailed test is 0.045, which states that the difference between the groups is significant. Since there is a lack of consistency among the results, the outcome is inconclusive in this case as well.

Table 13: Means and significance levels of performance measures according to company practices

Performance measures		Company practices			
		Engagement in CSR activities?		Adoption of sustainability principles?	
		Yes	No	Yes	No
Profit margin	Mean	-0.027	-0.234	-0.039	-0.520
	Sig. (2-tailed)	0.279		0.430	
Value added	Mean	2,7330	2,1196	2,8139	1,4069
	Sig. (2-tailed)	0.305		**0.09**	
ROA	Mean	-0.091	-0.113	-0.092	-0.019
	Sig. (2-tailed)	0.830		0.627	
Standardized measure of performance	Mean	0.087	-0.151	0.094	-0.339
	Sig. (2-tailed)	0.273		0.471	

Source: Author's Original

6.4 Discussion

McKercher (1993) presented, what he called "eight fundamental truths about tourism development", that help explain why many of the social, cultural, and environmental impacts associated with tourism development seem to be inevitable. According to McKercher (1993, p. 14) tourism is "an industrial activity that exerts a serious of impacts similar to other industrial activities, by consuming often scarce resources, producing waste and requiring specific infrastructure and superstructure to support it". He adds that it is a private-sector dominated industry, where investment decisions are likely to be based on profit-maximization; it is an industry that is highly integrated into host communities, depending upon them for its survival, while at the same time affecting their being. This is due to the specific nature of tourism, where businesses import clients, rather than export finished

products, which can result in conflicts with the locals and the visitors. He concludes by saying that "tourists are not anthropologists, but must be seen as consumers looking for entertainment" and treated as such (ibid.).

However, Eber (1992, after Bramwell, 2005, p. 408) suggests that tourism can contribute to sustainable development when it "operates within natural capacities for the regeneration and future productivity of natural resources; recognizes the contribution that people and communities, customs and lifestyles, make to the tourism experience; accepts that these people must have an equitable share in the economic benefits of tourism; and is guided by the wishes of local people and communities in the host areas". But even if this is true, the question of how to achieve it remains open. Murphy (1994) states that even though sustainable tourism has been thoroughly studied, written about and ultimately embraced by many different authors, the "speech-making" behind it is still lacking the direction on how to achieve it. Butler (1998) says that implementation of the idea was limited particularly because sustainable development principles work in theory, but have not been successfully transformed into action plans that protect the natural and cultural environments as well as allowing economic growth at the same time.

Although it has been pointed out many times that cooperation of all concerned with tourism - the industry, the public sector, local populations and the tourists – is needed to make tourism sustainable, each segment has to contribute within its framework. The role of the business sector is clear according to the European Commission (2007, p. 5); "businesses should integrate sustainability concerns into their decision-making, management practices and tools". As a mean of achieving this, while still taking the need to be competitive into consideration, tourism companies can undertake practices, labelled as socially responsible. As Henderson (2007, p. 231) points out "sustainable development seeks to embrace all the participants in the development process and give equal weight to their voices, while CSR maintains a company perspective and questions of profitability remain at the forefront, not to be eclipsed by social and environmental agendas".

Still, there are no clear guidelines what makes a company socially responsible either, the notion being based on company codes of conduct that guide its business operations. It basically depends on what companies decide to do that is beyond the law, which proves to be a major constraint in arguing for CSR. In addition the CSR "label" can be deceiving. As seen, many companies are connecting CSR to purely philanthropic activities, which is not what CSR is about. Donations and sponsorships can certainly "do good", but are often not even related to the business's primary purpose.

From a theoretical perspective corporate social responsibility and sustainable tourism development overlap in several points. The three "pillars" of sustainable development recognized by United Nations Environment Programme and the World Tourism Organization

(2005, p. 9) are "economic sustainability", striving towards cost effectiveness of all economic activity and long term viability; "social sustainability", emphasizing the importance of the local community, and last but not least, "environmental sustainability", identifying the need to manage natural resources. In reference, Carroll's pyramid model of CSR contains four dimensions, from which one is explicitly covered by the former definition – the economic aspect. Social goals can be interpreted through Carroll's ethical domain, as it embodies norms and expectations that reflect what the groups that have a stake in the company, including the local community, see as fair or just. This leaves only the natural environment to be deliberated. The views on whether CSR includes natural environment as a legitimate stakeholder differ, but if the definition of CSR comprised by the European Commission (2002, p. 5) is something to go by, including environmental concern into various economic activities is necessary; among other it clearly states that socially responsible companies are those companies that "integrate environmental concerns into their business operations". One could include them within the ethical domain of the pyramid by elaborating that ethics no longer involves only the "human" aspect, but the "natural environment" as well.

The debate between CSR and sustainable development is also interesting in this particular case of Slovenian tourism industry, since the results actually showed that companies are more familiar with the concept of sustainable development than CSR, which questions the necessity of the latter. If sustainable tourism development, with its principles and, truth be told relatively loose guidelines, is nevertheless better understood within the framework tourism executives, it might as well stay as a frontrunner ideal for companies to achieve. As said, it captures a broader notion of the way society should act in the future, in addition to emphasizing the environmental component of corporate actions, undoubtedly a crucial effort area for tourism companies the and public sector to tackle. However, this again fails to effectively solve the problem of how to put these ideas into practice.

According to Golob and Bartlett (2007, p. 8) we are living in "a global economy with increasing expectations of transparency and accountability of all types of organizations, and achieving a common understandings of what those expectations are is evolving through a range of global and regional standards, codes and guidelines". Hence, business as a whole is subjected to different market and institutional pressures to be socially responsible and to report on those practices. CSR reporting is therefore seen a tool for communicating with relevant stakeholders about the company's activities and can work as a motivating force behind the adoption of responsible behaviour.

If one was to focus on the issue of CSR he or she would notice that companies, which responded to the survey, stated that they are not too keen on the idea of regulating CSR activities for companies. This is questionable also due to the definition social responsibility of a company, which states CSR activities are does above the law; therefore one of the roles the industry associations have, is to increase social and environmental awareness among

managers of tourism companies, since they often do play a pivotal role in adopting responsible activities in small and medium sized companies. Benefits of responsible behaviour for the community and indirectly the business itself should be pointed out, examples of "best practices" undertaken by companies in the field of CSR need to be provided, and some sort of indicators or instruments that would first of all help companies to adopt principles and secondly enable the comparison of their own results through time and among companies, should be promoted. For that reason, tourism associations should look into CSR reporting practices and encourage their implementation or at least management of stakeholders based on reporting practices.

Establishing a common global framework of CSR reporting is clearly a desirable goal, and there have been several attempts to do so, and the Global Reporting Initiative (GRI) is perhaps the most established one (Owen, 2003, after Golob and Bartlett, 2007). Golob and Bartlett (2007) also add that it was developed in cooperation with the United Nations Environment Program, and its main aim is to develop and disseminate globally applicable Sustainability Reporting Guidelines to enable organizations to voluntarily report on their activities in the social, environmental and economic dimensions. The GRI provides a set of reporting principles for those three domains, which proves not only that the ideas of sustainable development are trailed even within the CSR discourse, but also that CSR as such does not need to be a part of company practices if wider goals are being followed.

Other international standards and guidelines frequently mentioned in the literature on reporting are management standards, such as ISO 14000, which offer frameworks for implementing socially responsible practices. Another option are ratings based on socially responsible investment criteria; Dow Jones Sustainability Index and FTSE4Good provide basis for responsible investing and comparing companies (Golob and Bartlett, 2007). According to Szekely and Knirsch (2005, p. 631) reporting about activities and achievements helps "demonstrate transparency and seriousness of intent and rewards staff and partners for their input into the sustainability programs". These reporting standards are therefore enforced by stakeholders, and their guidelines could help companies adopt responsible practices. Going in the opposite direction, by using reporting to encourage actions is debatable, but it seems that CSR reporting is an area where specific requirements can be set much more easily and consequently followed by companies. Perrini (2005, p. 623) says that due to more companies reporting and a greater diversity in the types of reports issued, it is necessary to look for a common standard that would be useful both to "support the measurement and evaluation process and to facilitate the consequent assurance process". A common standard would also make comparability among different reports, and therefore CSR practices, less problematic. However, this leaves a bitter feeling once again since none of these are specially designed for SMEs, predominant in the tourism industry. As a result, a tool designed especially for small companies working in tourism should be one of the goals of private sector organizations like the World Travel and Tourism Council if they really want to encourage adoption of CSR.

One such existing programme is the Tour Operators' Initiative (TOI), which developed a Sector Supplement to the GRI 2002 Sustainability Reporting Guidelines providing tour operators' relevant indicators. Forty-seven indicators were developed to measure tour operators' performance in addressing the environmental, economic and social impacts of their business operations (Dodds and Joppe, 2005). The Tour Operators' Initiative is a non-profit association, based on voluntary participation, and through which tour operators are committing themselves to the concepts of sustainable development as the core of their business activity; as well as promoting and disseminating methods and practices among members (http://www.toinitiative.org/index.php?id=3). Hence, apart from educating tourism managers about sustainable tourism concepts, the tourism industry should actively participate in endorsing initiatives like TOI, since the use of these indicators also facilitates the companies to measure their own success and improvement.

It is undeniable that businesses will be adopting CSR or sustainable development activities sooner if they perceive doing so will be advantageous for their bottom line, one could even claim that this reflects the nature of free enterprise. One could argue that both business and ethical aspects appear due to the implementation of CSR measures, but that environmental and social investments are mainly business driven (Malovics, Nagypal Csigene and Kraus, 2008, p. 916). Even though results of the empirical research conducted in Slovenian tourism industry could not prove a positive relationship between CSR and firm performance, tourism executives were of the opinion that socially responsible actions will improve customer attitudes towards the company. Despite the fact that this postulation is challenged in the literature and very hard to measure, experts agree that today socially irresponsible behaviour will have detrimental effects on company success.

Presern (2009, pp. 64-66) conducted a survey of Slovene consumers' attitudes and behaviour regarding CSR and found out that the average consumer in Slovenia believes that he or she is very socially responsible, which is encouraging and certainly provides a motivating factor for companies to be more responsible. Her results also showed that a vast majority of women in Slovenia are willing to switch their favourite brand for one that is more socially responsible even if they have to pay more for it, and that 66% of all people surveyed believe "offering environmentally-friendly products" is the best way for a company to gain trust. This means that the general public could be deemed as a body having a high degree of influence on the adoption of company's responsible practices, and as a result the Slovenian government and NGOs should aim to increase the public's social and environmental awareness. This way they would help people make more ethical decisions as consumers. The same goes for tourism; it seems that the only way to force companies to be more responsible is to make those consuming tourism products more demanding when it comes to social and environmental commitments of businesses. As for right now, the results of Presern (2009) show that two thirds of those questioned believe that the degree of CSR of Slovene companies is too low.

6.5 Methodological considerations

There are certainly some considerations regarding the quality of quantitative research which need to be addressed. According to Finn, Elliot-White, Walton (2000, p. 28), from a methodological point of view "research is assessed using terms like reliability and validity". They state that reliability is concerned with the "consistency of the results obtained from a measuring instrument in a piece of research". Bryman and Bell (2003, p. 76) emphasize "internal reliability", which questions if "the respondents' scores on any indicator tend to be related to their scores in the other indicators" or in other words, if the indicators that make the scale are consistent. They continue with stating that the "Cronbach's alpha" is a commonly used test of internal reliability, where "figure of 0.70 is considered to confirm an acceptable level". The value of Cronbach's alpha is only 0.49 for the 14 statements in the first part of the questionnaire, which significantly lower that the accepted value and unusual considering the statements have been used previously. Nevertheless, in the second part of the questionnaire, measuring orientation towards CSR, the reliability coefficients of items measuring each of the four dimensions exceed the value 0.70. Similarly, the reliability coefficient of items in the last part of the questionnaire measuring attitudes towards sustainability was also up to par, with the value of 0.75.

Questions used in the questionnaire were already tested in earlier researches conducted by several authors, also because of the validity condition. Finn, Elliot-White, Walton (2000, p. 28) evaluate validity through "the extent that the measuring instrument measures what it is supposed to measure". While Saunders, Lewis and Thornhill (2003, p. 308) highlight the "representatives and suitability of the questions", Bryman and Bell (2003, p. 77) stress the importance of the measure to "reflect the content of the concepts in the question", and since the questions were created by experts in the field of CSR (Ford and McLaughlin, 1984; Aupperle, Carroll and Hatfield, 1985), it can be argued that validity of the questionnaire was sufficient.

Since the e-mails were sent to everyone in the database, "self-selection sampling" was permitted, and it is understandable that those who responded and answered the questionnaire had "feeling or opinions about the research questions" (Saunders, Lewis and Thornhill, 2003, p. 177) to begin with. Ford and McLaughlin (1984, p. 668) themselves say that "those who have belief in CSR may have been more inclined to return the questionnaire than those who do not". Keeping this in mind, and also including those companies which refused to participate in the study, one should be careful claiming that that the completed sample fully represents the whole population of tourism companies in Slovenia and generalizing the results of the data analysis. However, web surveys enable completely self-administered questionnaires, where it is less likely for participants to answer in such a way to please the one conducting the research or say what is "socially desirable" (Saunders, Lewis and Thornhill, 2003, p. 283), so this does increase the data's reliability.

There is another important issue to be discussed in connection with this particular research; the fact that it was undertaken among businesses, although the attitudes towards CSR and sustainability were obtained from individuals representing those companies. According to Dillman (2000, p. 323) the characteristics that surveys of businesses and other establishments have in common are that "people are asked to report information for an entity that is distinct from them personally". This is a lesser of a problem in small companies, where it is easier to reach the owners or company director who can rightfully represent the company and is usually in charge of CSR-related activities, but proposes more difficulties when dealing with larger organizations. In those cases it is hard enough to contact CEOs, let alone make sure they fill out the survey. For that reason, the this survey was aimed at mangers of the field of marketing or sales, who have enough overview in order for their answers to be representative of the company, and at the same time have sufficient "power" within the organization that their opinions are taken into consideration by the highest level of management. Nevertheless, to obtain truly representative results, several employees of each organization should be surveyed.

7 Conclusions

The European Commission (2002, p. 5) acknowledges that the main purpose of a business is to "create value through producing goods and services that society demands, thereby generating profit for its owners and shareholders as well as welfare for society, particularly through an ongoing process of job creation". But they conclude the paragraph by stating that new social and market pressures are slowly but surely changing values even on this business perspective. And according to them the change can be attributed to the realisation that "sustainable business success" cannot be achieved by adopting a narrow view of purely maximising profits, but in a way that increases economic growth whilst certifying environmental protection and promotion of social responsibility. Sustainable business is of course derived from the notion of sustainable development, meaning to realise economic growth that is forceful and at the same time socially and environmentally sustainable. According to Kolk and van Tulder (2009, p. 2), the last decade coined the term "triple P – People, Planet, Profit – to point to the need for managers to focus on the social, environmental and economic dimensions of corporate activity, in order to help shape the future of societies worldwide".

The purpose of the thesis was to establish Slovenian's tourism industry position on the concept of corporate social responsibility, and find out which of the four responsibilities within the CSR model are perceived the most important. In addition to study set out to examine the presupposed connection between CSR and sustainable tourism development as well as ascertain if companies who are being socially responsible do in fact perform better. Therefore, the following hypotheses were presented:

H_1: Attitudes of Slovenian tourism industry towards CSR are negative.

$H_{1.1}$: Different sectors within the tourism industry will have different attitudes towards CSR.

$H_{1.2}$: Different size tourism companies will have different attitudes towards CSR.

H_2: The majority of companies in Slovenian tourism industry do not engage in CSR related activities.

H_3: Economic responsibilities are more important than legal, ethical and philanthropic responsibilities in the Slovenian tourism industry.

$H_{3.1}$: Different sectors within the tourism industry perceive the importance of responsibilities differently.

$H_{3.2}$: Different size tourism companies perceive the importance of responsibilities differently.

H_4: Engagement in sustainable tourism development practices is positively related to CSR attitudes.

H_5: Attitudes of Slovenian tourism industry towards STD are positive.

$H_{5.1}$: Attitudes towards STD differ between different sectors.

$H_{5.2}$: Attitudes towards STD differ between different size companies.

H_6: Companies which have better attitudes towards CSR are more profitable.

It was established that the attitude of Slovenian tourism industry companies towards CSR is positive, although not considerably. 14 statements describing the principles of CSR showed varying levels of support for the concept, with the largest part of respondents agreeing that corporations must live up to society's standards, but at the same time demonstrating the perception that investing in social responsibility means to use company resources inefficiently. This proves that the stance on CSR is not very clear. Concerns over the necessity of government regulation on the field of CSR were raised, which corresponds to the common opinion of the private sector in the EU. It was shown that on average, attitudes towards CSR are not as positive in micro size companies as in small, medium and big companies, while there were no significant differences in perceptions between different sectors of the industry.

The results also imply that the attitudes towards CSR are an indicator of company initiatives in this field, as the managers of companies which engage in CSR-related activities, have better attitudes towards CSR than those who manage companies without such practices. Surpassing expectations, 60 percent of tourism companies in Slovenia are engaging in CSR actions. The most common forms of that were donations and sponsorships, followed by some sort of environmental management programme and involvement with the local community.

It was found that economic responsibilities were perceived as most important within the CSR context by managers in Slovenian tourism industry, followed by legal and ethical, with philanthropic responsibilities deemed as least important dimension of CSR. The order is consistent with the prepositions made by Aupperle, Carroll and Hatfield (1985). Negative correlations between the economic and non-economic components were recorded, which means that firms, which are more economically oriented, place less emphasis on legal, ethical and discretionary issues. The differences in means of CSR orientation between different tourism sectors did not prove to be significant, and neither did the differences between micro and other size companies. Additionally, it was shown that those companies, which perceive economic responsibilities as less important, engage in CSR activities, which is consistent with the theory.

The results showed that managers in Slovenian tourism industry have highly positive attitudes towards sustainable development, since the statements relating to sustainable tourism development principles received an incredible level of support. It was optimistic to see that the managers are aware of tourism's dependency on the state of its natural environment, and that environmentally friendlier practices are perceived as an opportunity for business rather than a cost. The differences in attitudes towards sustainable tourism development between different tourism sectors or different size companies proved to be statistically insignificant. Also, almost 85 percent of all tourism managers stated that sustainable development principles were a part of their company strategy, which means that the concept is somewhat embraced in the industry; though, the realisation of these strategies is still questionable.

It was also established that in general, tourism representatives who have more positive attitudes towards sustainable development often also have more positive outlook on CSR, hinting a conceptual connection between the two. As a consequence it is not surprising that those managers, whose companies have a sustainability strategy, not only have more positive attitudes towards CSR, but are also more socially responsible than the managers whose companies are not adopting sustainable development practices.

And lastly, to study if there are any connections between company performance and variables expressing attitudes and orientations, three different performance indicators were employed, as well as "standardized measure of performance", computed in order to provide a more impartial measure of success. The results showed a lack of consistency when confirming the relationships between firm performance and attitudes towards CSR, thus the outcome was categorized as inconclusive. The results also showed that, in the case of Slovenian tourism industry, no relationships between firm performance and social responsibility orientation exist, and that generally companies which engage in CSR-related activities, do not outperform those companies which do not.

Unfortunately, all what has been written above provides an unclear picture of CSR in Slovenian tourism industry, but that could as well be the true state it is in. Opinions towards CSR principles were not convincing in showing a favourable outlook on the topic, while the fact that the majority of companies are exercising at least some form of corporate social responsibility, makes one wonder about the motives behind it. Considering the fact that economic responsibility was deemed as most important, engaging in CSR activities must make sense on some level, even though it was not proved to enhance company performance. But this could also be consequential to the difficulties in measuring performance and connecting it to CSR activities, which undoubtedly exist. Tying company performance to investments in CSR, rather than attitudes towards it, would have perhaps produced more substantial results. However, this will come into consideration when CSR initiatives assume more formal roles within companies, following specific policies, schemes or indices along with pursuing codes of ethics fully integrated into company's values and culture. High level of engagement in responsible activities could also be due to the fact that it is often hard to distinguish them from sustainability practices, since a company that is operating within sustainability confinements is responsible by default. Besides, today one can say that any actions to improve the well-being of people and conserve Earth's natural resources should be positively acknowledged. The question is how long it will remain that way.

This paper was meant to "scratch the surface" of corporate social responsibility in Slovenian tourism industry, so it does not answer the question "Why?" and it barely touched "How?" The two main issues pointed out were the lack of a standardized CSR definition and the sole nature of tourism industry – the vast majority being micro and small companies, and therefore far from ideal CSR candidates. Certainly further research within the field should be undertaken, as additional studies will provide a deeper insight into opinions and company practices regarding CSR. But one has to be aware that studying CSR through attitudes has its limitations. Surely they are indicative of the atmosphere surrounding it, but company intentions and actions are two very different things. Only actions show companies' true colours, and in order to obtain an insight into how companies really "feel" about CSR, one has to employ a measurement tool to be able to rightfully asses these actions.

8 Literature and sources

Archer, B. & Cooper C. (1994). The positive and negative impacts of tourism. In Theobald, W.F. (Ed.), *Global Tourism*. Oxford: Butterworth-Heinemann Ltd.

Archer, B. (1997). Sustainable Tourism – Do Economists Really Care? In Cooper, C. & Wanhill, S. (Eds.), *Tourism Development: Environmental and Community Issues*. West Sussex: John Wiley & Sons.

Aupperle, K.E., Carroll, A.B. & Hatfield, J.D. (1985). An empirical examination of the relationship between corporate social responsibility and profitability. *Academy of Management Journal*. No. 28, pp. 446-464.

Banerjee, S.B. (2007). *Corporate Social Responsibility: The Good, the Bad and the Ugly*. Cheltenham: Edward Elgar Publishing.

Becker-Olsen, K. L., Cudmore, B. A. and Hill, R. P. (2006). The impact of perceived corporate social responsibility on consumer behaviour. *Journal of Business Research*. Vol. 59, pp. 46-53.

Blowfield, M. & Murray, A. (2008). *Corporate responsibility: A critical introduction*. New York: Oxford University Press.

Bohdanowicz, P. and Zientara, P. (2008). Corporate Social Responsibility in Hospitality: Issues and Implications: A Case Study of Scandic. *Scandinavian Journal of Hospitality and Tourism*. Vol. 8, No. 4, pp. 271–293.

Bramwell, B. (2005): Interventions and policy instruments for sustainable tourism. In Theobald, W.F. (Ed.), *Global Tourism*. Oxford: Butterworth-Heinemann Ltd.

Bramwell, B. & Alletorp, L. (2001). Attitudes in the Danish Tourism Industry to the Roles of Business and Government in Sustainable Tourism. *International Journal of Tourism Research*. Vol. 3, No. 2, pp. 91-103.

Branco, M.C. & Rodrigues, L.L. (2007). Positioning Stakeholder Theory within the Debate on Corporate Social Responsibility. *Electronic Journal of Business Ethics and Organizational Studies*. Vol. 12, No. 1.

Bryman, A. & Bell, E. (2003). *Business Research Methods*. New York: Oxford University Press.

Brunt, P. & Courtney, P. (1999). Host Perceptions of Socio cultural Impacts. *Annals of Tourism Research*, Vol.26, No.3, pp.493-515.

Butler, R. (1998). Sustainable tourism – looking backwards in order to progress? In Hall, M.C. & Lew, A.L. (Eds.), *Sustainable Tourism: A geographical perspective*. New York: Addison Wesley Longman Limited.

Carroll, A.B. (1991). The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders. *Business Horizons*. Vol. 34, No. 4, pp. 39-48.

Carroll, A.B. (1999). Corporate Social Responsibility. Evolution of a definitional construct. *Business and Society*. Vol. 38, No. 3, pp. 268-295.

Cooper, C. (2008). An Introduction to Tourism. In Cooper, C., Fletcher, J., Fyall, A., Gilbert, D., & Wanhill, S. (Eds.), *Tourism: Principles and practice*. Fourth edition. Essex : Pearson Education Limited.

Davidson, T.L. (1994). What are travel and tourism: are they really an industry? In Theobald, W.F. (Ed.), *Global Tourism*. Oxford: Butterworth-Heinemann Ltd.

Dillman, D. A. (2000). *Mail and Internet Surveys: The Tailored Method*. New York: John Wiley & Sons.

Dodds, R. & Joppe, M. (2005). *CSR in the Tourism Industry? The Status of and Potential for Certification, Codes of Conduct and Guidelines*. Retrieved July 1st 2009 from http://www.ifc.org/ifcext/economics.nsf/AttachmentsByTitle/CSR+in+the+Tourism+Industry/$FILE/CSR+in+the+Tourism+Industry.pdf

Edgell, D.L., Allen, DelMastro M., Smith, G. & Swanson, J.R. (2008). *Tourism Policy and Planning: Yesterday, Today and Tomorrow*. Oxford: Elsevier.

Epstein, J.E. (2008). *Making sustainability work: best practices in managing and measuring corporate social, environmental, and economic impacts*. Sheffield: Greenleaf Publishing Limited.

European Commission. (2002). *Corporate Social Responsibility: A business contribution to Sustainable Development*. Brussels, 2.7.2002. Retrieved July 4th 2009 from http://eur-lex.europa.eu/LexUriServ/site/en/com/2002/com2002_0347en01.pdf.

European Commission. (2003). *The New SME Definition: User Guide and Model Declaration*. Brussels, 20.5.2003. Retrieved July 6th 2009 from http://ec.europa.eu/ enterprise/enterprise_policy/sme_definition/sme_user_guide.pdf.

European Commission. (2007). *Agenda for a sustainable and competitive European tourism*. Brussels, 19.10.2007. Retrieved May 1st 2009 from http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2007:0621:FIN:EN.

Falck, O. & Heblich, S. (2007). Corporate social responsibility: Doing well by doing good. *Business Horizons*. No, 50, pp. 247-254.

Finn, M., Elliot-White, M. & Walton, M. (2000). *Tourism and Leisure Research Methods: Data Collection, Analysis and Social Science*. Pearson Longman.

Fletcher, J. (2008). The Economic Impact of Tourism. In Cooper, C., Fletcher, J., Fyall, A., Gilbert, D., & Wanhill, S. (Eds.), *Tourism: Principles and practice.* Fourth edition. Essex : Pearson Education Limited.

Ford, R. & McLaughlin, F. (1984). Perceptions of socially responsible activities and attitudes: a comparison of business school deans and corporate chief executives. *Academy of Management Journal*, September, pp. 670-671.

Forsyth, T. (1995). Business attitudes to sustainable tourism: self-regulation in the UK outgoing tourism industry. *Journal of Sustainable Tourism*, Vol. 3, No. 4, pp. 210-231.

France, L. (1997). Introduction. In France, L. (Ed.), *The Earthscan Reader in Sustainable Tourism*. London: Earthscan Publications Limited.

Frankental, P. (2001). Corporate social responsibility – a PR invention? *Corporate Communication: An International Journal*. Vol. 6, No. 1, pp. 18-23.

Geva, A. (2008). Three Models of Corporate Social Responsibility: Interrelationships between Theory, Research, and Practice. *Business and Society Review*. Vol. 113, No. 1, pp. 1-41.

Gjølberg, M. (2009). Measuring the immeasurable?: Constructing an index of CSR practices and CSR performance in 20 countries. *Scandinavian Journal of Management*. Vol. 25, No. 1, pp. 10-22.

Golob, U. & Bartlett, J.L. (2007). Communicating about corporate social responsibility: A comparative stuy of CSR reporting in Australia and Slovenia. *Public Relations Review*. No. 33, pp. 1-9.

Grubeljsic, T. (2007). *Slovenski organizatorji potovanj in etični turizem*. Bachelor thesis. Ljubljana: Ekonomska fakulteta.

Hall, D. & Brown, F. (2006): *Tourism and Welfare: Ethics, Responsibility and Sustained Well-being*. Oxfordshire: CABI Publishing.

Hall, M.C. & Lew, A.L. (1998). The geography of sustainable tourism: an introduction. In Hall, M.C. & Lew, A.L. (Eds.), *Sustainable Tourism: A geographical perspective*. New York: Addison Wesley Longman Limited.

Haralambopolous, N. & Pizam, A. (1996). Percieved Impacts of Tourism. *Annals of Tourism Research*, Vol.23, No.3, pp.503-526.

Hashimoto, A. (2002). Tourism and Sociocultural Issues. In Sharpley, R. & Telfer, D.J. (Eds.), *Tourism and Development: Concepts and Issues*. Clevedon: Channel View Publications.

Heal, G.M. (2008). *When principles pay: corporate social responsibility and the bottom line*. New York: Columbia University Press.

Hemingway, C.A. & Maclagan, P.W. (2004). Managers' Personal Values as Drivers of Corporate Social Responsibility. *Journal of Business Ethics*. No. 50, pp. 33-44.

Henderson, J.C. (2007). Corporate social responsibility and tourism: Hotel companies in Phuket, Thailand, after the Indian Ocean tsunami. *Hospitality Management*. Vol. 26, pp. 228–239.

Herrman, K.K. (2004). Corporate Social Responsibility and Sustainable Development: The European Union Initiative as a Case Study. *Indiana Journal of Global Legal Studies*. Vol. 11, No. 2, pp. 205-232.

Holcomb, J.L., Upchurch, R.S. and Okumus, F. (2007). Corporate social responsibility: What are top hotel companies reporting? *International Journal of Contemporary Hospitality Management*. Vol. 19 No. 6, pp. 461-475.

Holloway, J.C. (1994). *The Business of Tourism*. Fourth Edition. Essex: Addison Wesley Longman Limited.

Holden, A. (2000). *Environment and Tourism*. London: Routledge.

Horobin, H. & Long, J. (1996). Sustainable tourism: the role of the small firm. *International Journal of Contemporary Hospitality Management*. Vol. 8, No. 5, pp. 15-19.

Huizingh, E. (2007). *Applied Statistics with SPSS*. London: Sage Publications Ltd.

Kim, S.-Y. & Reber, B. H. (2008). Public relations' place in corporate social responsibility: Practicioners define their role. *Public Relations Review*. Vol. 34, pp. 337-342.

Knox, S. & Maklan, S. (2004). Corporate Social Responsibility: Moving Beyond Investment Towards Measuring Outcomes. *European Management Journal*. Vol. 23, No. 5, pp. 508-516.

Kolk, A. & van Tulder, R. (2010). International business, corporate social responsibility and sustainable development. *International Business Review* (2010), pp. 1-7, doi:10.1016/j.ibusrev.2009.12.003.

Kotler, P. & Lee, N. (2004). *Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause*. New York: John Wiley & Sons.

Jenkins, H. (2006). Small Business Champions for Corporate Soacil Responsibility. *Journal of Business Ethics*. Vol. 62, pp. 241-256.

Jones, A. (2001). Social Responsibility and Utilities. *Journal of Business Ethics*. No. 34, pp. 219-229.

Jones, P., Comfort, D. and Hiller, D. (2006). Reporting and reflecting on corporate social responsibility in the hospitality industry: A case study of pub operators in the UK. *International Journal of Contemporary Hospitality Management*. Vol. 18 No. 4, pp. 329-340.

Joyner, B.E. & Payne, D. (2002). Evolution and Implementation: A Study of Values, Business Ethics and Corporate Social Responsibility. *Journal of Business Ethics*. No. 41, pp. 297-311.

Lantos, G.P. (2001). The boundaries of strategic corporate responsibility. *Journal of Consumer Marketing*. Vol. 18, No. 7, pp. 595-630.

Lepoutre, J. and Heene, A. (2006). Investigating the Impact of Firm Size in Small Business Social Responsibility: A Critical Review. *Journal of Business Ethics*. Vol. 67, pp. 257-273.

Liu, Z. (2003). Sustainable Tourism Development: A critique. Journal of Sustainable Tourism. Vol. 11, No. 6, pp. 459-475.

Lundberg, D.E., Krishnamoorthy, M. & Stavenga, M.H. (1995). *Tourism Economics*. New York: John Wiley & Sons, Inc.

Loew, T., Ankele, K., Braun, S., Clausen, J. (2004). *Significance of the CSR debate for Sustainability and the requirements for companies*. A summary. Retrieved June 19th 2009 from http://www.ioew.de/uploads/tx_ukioewdb/future-IOEW_CSR-Study_Summary.pdf.

Longo, M., Mura, M. and Bonoli, A. (2005). Corporate social responsibility and corporate performance: the case of Italian SMEs. *Corporate Governance*. Vol. 5, No. 4, pp. 28-42.

Mason, P. (2008). *Tourism: impacts, planning and management*. Second Edition. Oxford: Elsevier.

McAlister, D.T., Ferrell, O.C., Ferrell, L. (2003). *Business and Society: A Strategic Approach to Corporate Citizenship*. Boston: Houghton Mifflin Company.

Malovics, G., Nagypal Csigene, N. & Kraus, S. (2008). The role of corporate social responsibility in strong sustainability. *Journal of Socio-Economics*. Vol. 37, No. 3, pp. 907-918.

Marrewijk, van, M. (2003). Concepts and Definitions of CSR and Corporate Sustainability: Between Agency and Communion. *Journal of Business Ethics*. Vol. 44, No. 2-3, pp. 95-105.

McKercher, B. (1993). Some Fundamental Truths About Tourism: Understanding Tourism's Social and Environmental Impacts. *Journal of Sustainable Tourism*. Vol.1, No. 1, pp. 6-16.

McWilliams, A. & Siegler, D. (2001). Corporate Social Responsibility: A theory of the firm perspective. *Academy of Management Review*. Vol. 26, No. 1, 117-127.

McWilliams, A., Siegler, D. & Wright, P.M. (2006). Corporate Social Responsibility: Strategic Implications. *Journal of Management Studies*, Vol. 43, No. 1, pp. 1-18.

Middleton, V.T.C. & Hawkins, R. (1998). *Sustainable Tourism: A Marketing Perspective*. Oxford: Butterworth-Heinemann.

Mihalic, T. (2002). Tourism and Economic Development Issues. In Sharpley, R. & Telfer, D.J. (Eds.), *Tourism and Development: Concepts and Issues*. Clevedon: Channel View Publications.

Mihalic, T. (2006). *Tourism and its environments: ecological, economic and political sustainability issues*. Ljubljana: Ekonomska fakulteta.

Mihalic et al (2009). [Oblikovanje modela merjenja uspošenosti poslovanja hotelskih podjetij]. Insitute for tourism, Ekonomska fakulteta. Unpublished report.

Miller, G.A. & Twining-Ward, L. (2005). *Monitoring for a Sustainable Tourism Transition*. Oxfordshire: CABI Publishing.

Milne, S.S. (1998). Tourism and sustainable development: exploring the global-local nexus? In Hall, M.C. & Lew, A.L. (Eds.), *Sustainable Tourism: A geographical perspective*. New York: Addison Wesley Longman Limited.

Ministry of the Economy. (2002). *Strategy of Slovenian Tourism 2002-2006*. July, 2002. Retrieved July 1st form http://www.mg.gov.si/fileadmin/mg.gov.si/pageuploads/ turizem/ turizem_strategija.pdf.

Ministry of the Economy. (2006a). *Development Plan and Policies of Slovene Tourism 2007-2011*. Retrieved May 31st 2009 from http://www.mg.gov.si/fileadmin/mg.gov.si/ pageuploads/razpisi/JN/DT/publikacija_RNUST_ang_SPLET.pdf.

Ministry of the Economy. (2006b). *Tourism policy 2006*. Retrieved July 1st from http://www.mg.gov.si/fileadmin/mg.gov.si/pageuploads/turizem/Microsoft_Word_-_Tur.politika_za_2006_in_usm._za_01.pdf.

Moon, J. (2007). The Contribution of Corporate Social Responsibility to Sustainable ¸ Development. *Sustainable Development*. Vol. 15, pp. 296-306.

Murphy, P.E. (1994). Tourism and sustainable development. In Theobald, W.F. (Ed.), *Global Tourism*. Oxford: Butterworth-Heinemann Ltd.

Murphy, P.E. & Murphy, A.E. (2004). *Strategic Management for Tourism Communities: Bridging the Gaps*. Clevedon: Channel View Publications.

Murphy, P.E. & Price, G.G. (2005). Tourism and sustainable development. In Theobald, W.F. (Ed.), *Global Tourism*. Oxford: Butterworth-Heinemann Ltd.

Murillo, D. and Lozano, J. M. (2006). SMEs and CSR: An Approach to CSR in their Own Words. *Journal of Business Ethics*. Vol. 67, pp. 227-240.

Nicolau, J.L. (2008). Corporate Social Responsibility: Worth-Creating Activities. *Annals of Tourism Research*, Vol. 35, No. 4, pp. 990–1006.

Organisation for Economic Co-operation and Development (2001). *Corporate Social Responsibility: Partners for Progress*. Paris: OECD Publications.

Page, S.J. & Connell, J. (2006). *Tourism: A Modern Synthesis*. Second Edition. London: Thompson Learning.

Papasolomou-Dukakis, I., Krambia-Kapardis, M. & Katsioloudes, M. (2005). Corporate social responsibility: the way forward? Maybe not! *European Business Review*. Vol. 17, No. 3, pp. 264-265.

Parker, B. (2005). *Introduction to Globalization and Business: Relationships and Responsibilities*. London: Sage publications.

Pender, L. & Sharpley, R. (Eds.). (2005). *The Management of Tourism*. SAGE Publications Ltd.

Perrini, F. (2005). Building a European Portrait of Corporate Social Responsibility Reporting. *European Management Journal*. Vol. 23, No. 6, pp. 611-627.

Porter, M.E. and Kramer, M.R. (2006). Strategy & Society: The Link Between Competitive Advantage and Corporate Social Responsibility. *Harvard Business Review*. December 2006, pp. 78-92.

Presern, T. (2009). *Corporate Social Responsibility: Theory and Practice in Slovenia*. Master thesis. Ljubljana: Ekonomska fakulteta.

Quazi, A.M. & O'Brien D. (2000). An Empirical Test of a Cross-national Model of Corporate Social Responsibility. *Journal of Business Ethics*. No. 25, pp. 33-51.

Rashid, Z.A. and Ibrahim, S. (2002), Executive and management attitudes towards corporate social responsibility in Malaysia. *Corporate Governance*, Vol. 2, No. 4, pp. 10-16.

Saunders, M., Lewis, P. & Thornhill, A. (2003). *Reserach Methods for Business Students*. Essex: Pearson Education Limited.

Schwartz, M.S. & Carroll, A.B. (2003). Corporate Social Responsibility: A Three-Domain Approach. *Business Ethics Quarterly*. Vol. 13, No. 4, pp. 503-570.

Scholtens, B. (2008). A note on the interaction between corporate social responsibility and financial performance. *Ecological Economics*. No. 68, pp. 46 – 55.

Sharpley, R. (2002): Tourism: A Vehicle for Development? In Sharpley, R. & Telfer, D.J. (Eds.), *Tourism and Development: Concepts and Issues*. Clevedon: Channel View Publications.

Smith, W.J., Wokutch, R.E., Harrington, K.V. and Dennis, B.S. (2001). An Examination of the Influence of Diversity and Stakeholder Role on Corporate Social Orientation. *Business and Society*. Vol. 40, No. 3, pp. 266-290.

Southgate, C. & Sharpley, R. (2002). Tourism, Development and the Environment. In Sharpley, R. & Telfer, D.J. (Eds.), *Tourism and Development: Concepts and Issues*. Clevedon: Channel View Publications.

Steiner, G.A. & Steiner, J.F. (1991). *Business, Government, and Society: A Managerial Perspective*. New York: McGraw-Hill, Inc.

Szekely, F. & Knnirsch, M. (2005). Responsible Leadership and Corporate Social Responsibility: Metrics for Sustainable Performance. *European Management Journal*. Vol. 23, No. 6, pp. 628-647).

Theobald, W.F. (2005). The Meaning, Scope and Measurement of Travel and Tourism. In Theobald, W.F. (Ed.), *Global Tourism*. Oxford: Butterworth-Heinemann Ltd.

Tourism sustainability Group (2007). *Action for More Sustainable European Tourism: Report of the Tourism Sustainability Group*. Retrieved April 6th 2009 from http://ec.europa.eu/enterprise/tourism/docs/tsg/tsg_final_report_en.pdf.

Tribe, J. (1997). The Indiscipline of Tourism. *Annals of Tourism Research*, Vol.24, No.3, pp. 638-657, 1997.

United Nations Environment Programme and World Tourism Organization. (2005). *Making Tourism More Sustainable*. Paris, Madrid: UNEP & UNWTO publication.

United Nations World Tourism Organization. (2008). *Tourism Highlights 2008 Edition*. Retrieved March 10th, 2009 from http://unwto.org/facts/menu.html.

United Nations World Tourism Organization. (n.d.). *Global Code of Ethics*. Retrieved June 19th, 2009 from http://www.unwto.org/code_ethics/eng/global.htm.

Vozel, M. (2007). Odgovorni odlično opravili z vprašalnikom. Revija Finance, 10.12.2007. Retrieved July 10th from http://www.finance.si/198843.

Weber, M. (2008). A business case for corporate social responsibility: A company-level measurement approach for CSR. *European Management Journal*. No. 26, pp. 247-261.

Werther, W. B. & Chandler, D.B. (2006). *Strategic corporate social responsibility: Stakeholders in a global environment*. Thousand Oaks: Sage Publications, Inc.

Windsor, D. (2001). The Future of Corporate Social Responsibility. *The International Journal of Organizational Analysis*. Vol. 9, No. 3, pp. 225-256.

World Tourism Organization. (1995). *Concepts, Definitions and Classifications for Tourism Statistics*. Madrid: World Tourism Organization.

World Travel & Tourism Council. (2002). *Corporate Social Leadership in Travel & Tourism*. Retrieved May 15th 2009 from http://www.wttc.org/bin/pdf/original_pdf_file/ corporatesocialleadership.pdf.

Sources:

Agency of the Republic of Slovenia for Public Legal Records and Related Services. (2009). Slovenian Business Register Online. Available from: www.ajpes.si. (Accessed May, June, July 2009).

Global Reporting Initiative. (2009). Available from: http://www.globalreporting.org/Home (Accessed August 2009).

Slovenian Chamber of Commerce. (2009). Member's Database. Available from: http://www.gzs.si/register_eng/. (Accessed May, June 2009).

Statistical Office of The Republic of Slovenia, (2009). Standard Classifications. Available from: http://www.stat.si/eng/klasje.asp (Accessed May 2nd 2009).

Tour Operator Initiative for Sustainable Tourism Development. (2009). Available from: http://www.toinitiative.org/index.php (Accessed August 2009).

Appendices

Appendix A: Questionnaire

Dear Sir or Madam,

A questionnaire, responding to a master thesis research entitled **Corporate social responsibility in Slovenian tourism industry**, has been sent to you as a company whose main economic activity falls under this category.

The main aim of the thesis is to examine the current state of corporate social responsibility (CSR) in the tourism industry in Slovenia and to establish challenges facing the industry in the future. The purpose of the research is to determine the attitudes towards CSR initiatives, discover the differences in the perception among sectors within the industry, and find out if there is a connection between sustainable tourism development and CSR actions in the industry.

The research has been undertaken exclusively for academic purposes. Your goodwill in taking the time and filling out the questionnaire will be genuinely appreciated.

Please be advised that the research will be conducted in full confidentiality as information about your company and its name will remain undisclosed. The data provided by you will be used strictly for aggregate analyses. In case you have any concerns regarding the questions or the research itself, you can contact me at majda.taslidza@gmail.com.

In hope to receive your answer, I am thanking you in advance for your support and willingness to participate in the survey.

Majda Taslidza

BS in Business Administration

This first part of the questionnaire examines the attitudes of tourism executives towards corporate social responsibility. Please follow the instruction written beside every question.

For a better understanding of the concept of corporate social responsibility (CSR) a definition made by The Commission of European Communities (2001) is provided below:

"a concept whereby companies integrate social and environmental concerns in the business operations and their interactions with the stakeholders on a voluntary basis".

1. **A list of statements regarding CSR is written below. How strongly do you agree or disagree with them?** Please mark one response for each statement.

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Socially responsible behaviour can be in the best economic interest of the shareholders.					
A company that ignores social responsibility can obtain a competitive advantage over a company that does not.					
Efficient production of goods and services is no longer the only thing the society expects from business.					
Involvement by business in improving its community's quality of life will also improve long run profitability.					
A business that wishes to capture a favourable public image will have to show that it is socially responsible.					
Business leaders are trained to manage economic institutions (companies) and not work effectively on social issues.					
Consumers and the general public will bear the costs of business social involvement because business will pass these costs along through their pricing structure.					
If business is more socially responsible, it will discourage additional regulation on the economic system by government.					
The idea of social responsibility is needed to balance company's power and discourage irresponsible behaviour.					
Involvement in socially responsible activities threatens business by diverting time and money away from its primary business purpose.					
Corporations are social institutions and as such must live up to society's standards.					
Long run success of the business depends on its ability to understand that it is part of a larger society and behave accordingly.					
Business will become uncompetitive if it commits many economic resources to social responsibility.					
A strong record of social responsibility positively enhances consumer attitude towards the company.					

2. **Does your company engage in corporate social initiatives?**

   Yes   No

If your answer was **yes**, please write what kind of CSR actions your company is engaging in:

....

....

This second part of the questionnaire examines the social-responsibility orientation of tourism executives.

3. **Based on the relative importance of each of the following sets of statements, allocate up to, but not more than, 10 points to each SET of four statements. The lower the number, the less important the obligation is to you.** Please write the number of points on the line on the left side of the statement.

Example:

A.	4	A.	0	A.	2
B.	2	B.	7	B.	1
C.	2	C.	3	C.	1
D.	2	D.	0	D.	3
	10		**10**		**7**

It is important that a successful organization be defined as one which:

   a.   Is consistently profitable.   ....

   b.   Fulfils its legal obligation.   ....

   c.   Fulfils its ethical and moral responsibilities.   ....

   d.   Fulfils its philanthropic and charitable responsibilities.   ....

It is important for an organization to be committed to:

   a.   Being as profitable as possible.   ....

   b.   Voluntary and charitable activities.   ....

   c.   Abiding by laws and regulations.   ....

   d.   Moral and ethical behaviour.   ....

It is important for an organization to:

   a.   Recognize that the ends do not always justify the means.   ....

   b.   Comply with various federal regulations.   ....

   c.   Assist the fine and performing arts.   ....

   d.   Sustain a strong and competitive position.   ....

It is important that:

    a.   Legal responsibilities are seriously fulfilled.   ....

    b.   Long-term return on investments is maximized.   ....

    c.   Managers and employees participate in voluntary and charitable   ....
        activities with their local communities.

    d.   When securing new business, promises which are not intended to   ....
        be fulfilled, are not made.

The third part of the questionnaire examines the level of awareness of issues associates with sustainable tourism development.

4. Is the concept of sustainable development part of your company's strategy?

Yes   No

5. A list of statements regarding sustainable tourism development is written below. How strongly do you agree or disagree with them? Please mark one response for each statement

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
We are holding the environment and resources of the country in trust for future generations and we have a responsibility to pass these on in good condition					
The fortunes of tourism and the environment are closely linked. Without a beautiful environment tourism could not flourish and be sustained					
It is relevant for tourism business of all sizes to encourage the development of a tourism industry which can serve the needs of both current and future generations					
We can all respond to the need to protect the environment, for example by altering some of our everyday business activities					
The chance to "go green" is an opportunity, as it can be of immense benefit to your business, your customers and your staff, as well as making environmental sense					

And lastly I would like to ask you for your company information:

ID number of the company: ....

Name of the company: ....

Your position within the company...

Thank you for participating in the survey!

Appendix B: SPSS Outputs

B.1 Attitudes towards Corporate Social Responsibility

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Average	70	3,6786	,32919	,03935

One-Sample Test

	Test Value = 3 (neutral attitude)					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
Average	17,247	69	,000	,67857	,6001	,7571

Statistics Attitudes towards CSR

N	Valid	70
	Missing	0
Mean		3,6786
Std. Error of Mean		,03935
Std. Deviation		,32919
Variance		,108
Range		1,71
Minimum		2,86
Maximum		4,57

Differences in means of attitudes towards CSR among micro size companies and other:

Group Statistics

	Grouped_size	N	Mean	Std. Deviation	Std. Error Mean
Average_CSR	Micro	40	3,5929	,27839	,04402
	Others	28	3,7857	,36937	,06980

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Average_CSR	Equal variances assumed	,564	,455	-2,455	66	,017	-,19286	,07854	-,34967	-,03604
	Equal variances not assumed			-2,337	47,537	,024	-,19286	,08252	-,35882	-,02689

Differences in means of attitudes towards CSR in micro, small and medium and big companies:

Descriptives
Attitudes towards CSR

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Micro	41	3,5819	,28373	,04431	3,4923	3,6714	2,86	4,14
Small	12	3,8571	,26552	,07665	3,6884	4,0258	3,29	4,21
Medium_Big	15	3,7714	,41667	,10758	3,5407	4,0022	3,00	4,57
Total	68	3,6723	,33051	,04008	3,5923	3,7523	2,86	4,57

ANOVA
Attitudes towards CSR

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	,893	2	,446	4,514	,015
Within Groups	6,426	65	,099		
Total	7,319	67			

Multiple Comparisons
LSD

(I) Size of the company	(J) Size of the company	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Micro	Small	-,27526*	,10320	,010	-,4814	-,0692
	Medium_Big	-,18955*	,09488	,050	-,3790	,0000
Small	Micro	,27526*	,10320	,010	,0692	,4814
	Medium_Big	,08571	,12178	,484	-,1575	,3289
Medium_Big	Micro	,18955*	,09488	,050	,0001	,3790
	Small	-,08571	,12178	,484	-,3289	,1575

*. The mean difference is significant at the 0.05 level.

Differences in means of attitudes towards CSR between companies who engage in CSR and those which do not:

Group Statistics

	Does company engage in CSR activities?	N	Mean	Std. Deviation	Std. Error Mean
Average_CSR	Yes	42	3,7483	,31244	,04821
	No	27	3,5635	,33288	,06406

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means							
										95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Average_CSR	Equal variances assumed	,618	,435	2,337	67	,022	,18481	,07906	,02699	,34262
	Equal variances not assumed			2,305	53,008	,025	,18481	,08018	,02399	,34562

B.2 Corporate Social Responsibility Orientation

Descriptive Statistics

	Mean	Std. Deviation	N
Economic responsibility	3,1326	1,38343	66
Legal responsibility	2,7235	,82640	66
Ethical responsibility	2,5492	1,02678	66
Philanthropic responsibility	1,1970	,64527	66

Orientation towards social responsibilities:

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Legal_Ethical_Philanthropic	66	2,1566	,52593	,06474

One-Sample Test

	Test Value = 6					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Legal_Ethical_Philanthropic	-59,369	65	,000	-3,84343	-3,9727	-3,7141

Correlations between the four dimensions:

Correlations

		Economic responsibility	Legal responsibility	Ethical responsibility	Philanthropic responsibility
Economic responsibility	Pearson Correlation	1	-,043	-,476**	-,272*
	Sig. (2-tailed)		,731	,000	,027
	N	66	66	66	66
Legal responsibility	Pearson Correlation	-,043	1	,121	,044
	Sig. (2-tailed)	,731		,335	,725
	N	66	66	66	66
Ethical responsibility	Pearson Correlation	-,476**	,121	1	,064
	Sig. (2-tailed)	,000	,335		,612
	N	66	66	66	66
Philanthropic responsibility	Pearson Correlation	-,272*	,044	,064	1
	Sig. (2-tailed)	,027	,725	,612	
	N	66	66	66	66

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Correlations between economic and the other three dimensions:

Correlations

		Economic responsibility	Legal_Ethical_Philanthropic
Economic responsibility	Pearson Correlation	1	-,444**
	Sig. (2-tailed)		,000
	N	66	66
Legal_Ethical_Philanthropic responsibility	Pearson Correlation	-,444**	1
	Sig. (2-tailed)	,000	
	N	66	66

**. Correlation is significant at the 0.01 level (2-tailed).

7

Differences in means of perceived economic importance according to CSR engagement:

Group Statistics

	Engagement in CSR	N	Mean	Std. Deviation	Std. Error Mean
Economic responsibility	Yes	39	2,8974	1,32377	,21197
	No	26	3,4615	1,44861	,28410

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means							
										95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Economic responsibility	Equal variances assumed	,065	,799	-1,621	63	,110	-,56410	,34804	-1,25961	,13141
	Equal variances not assumed			-1,591	50,323	,118	-,56410	,35446	-1,27594	,14774

B.3 Attitudes towards sustainable tourism development

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Avgerage_Sus	69	4,5217	,40615	,04890

One-Sample Test

	Test Value = 6					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Avgerage_Sus	31,122	68	,000	1,52174	1,4242	1,6193

Statistics Attitudes towards STD

N	Valid	69
	Missing	1
Std. Error of Mean		,04890
Std. Deviation		,40615
Variance		,165
Range		1,60
Minimum		3,40
Maximum		5,00

Correlation between attitudes towards STD and CSR:

Correlations

		Average_STD	Average_CSR
Average_STD	Pearson Correlation	1	,293[*]
	Sig. (2-tailed)		,015
	N	69	69
Average_CSR	Pearson Correlation	,293[*]	1
	Sig. (2-tailed)	,015	
	N	69	70

*. Correlation is significant at the 0.05 level (2-tailed).

Differences in means of attitudes towards CSR according to presence of sustainability strategy:

Group Statistics

	Sustainable development part of company strategy?	N	Mean	Std. Deviation	Std. Error Mean
Average_CSR	Yes	59	3,7107	,30806	,04011
	No	8	3,4732	,39667	,14024

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Attitudes STD	Equal variances assumed	2,347	,130	1,977	65	,052	,23744	,12011	-,00243	,47731
	Equal variances not assumed			1,628	8,185	,141	,23744	,14586	-,09760	,57248

Comparing engagement in STD to engagement in CSR:

Does company engage in CSR activities? * Sustainable development part of company strategy? Crosstabulation
Count

		Sustainable development part of company strategy?		Total
		Yes	No	
Does company engage in CSR activities?	Yes	38	1	39
	No	20	7	27
Total		58	8	66

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	8,175[a]	1	,004		
Continuity Correction[b]	6,129	1	,013		
Likelihood Ratio	8,548	1	,003		
Fisher's Exact Test				,006	,006
Linear-by-Linear Association	8,051	1	,005		
N of Valid Cases	66				

a. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 3,27.

b. Computed only for a 2x2 table

B.4 Corporate performance criteria

Correlation between attitudes towards CSR and value added per employee as measure of firm performance:

Descriptive Statistics

	Mean	Std. Deviation	N
Average_CSR	3,6786	,32919	70
Value_added	25206,10	22399,943	63

Correlations

		Average_CSR	Value_added
Average_CSR	Pearson Correlation	1	,239
	Sig. (2-tailed)		,060
	N	70	63
Value_added	Pearson Correlation	,239	1
	Sig. (2-tailed)	,060	
	N	63	63

Differences in means of value added per employee according to presence of sustainability strategy:

Group Statistics

	Sustainable development part of company strategy?	N	Mean	Std. Deviation	Std. Error Mean
Value_added	Yes	53	28138,62	18993,055	2608,897
	No	8	14068,88	35043,184	12389,636

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means							
										95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Value_added	Equal variances assumed	2,639	,110	1,723	59	,090	14069,748	8167,140	-2272,661	30412,157
	Equal variances not assumed			1,111	7,633	,300	14069,748	12661,336	-15373,865	43513,360