Tourism Management 33 (2012) 1544–1553

Contents lists available at SciVerse ScienceDirect

Tourism Management

journal homepage: www.elsevier.com/locate/tourman

Corporate social responsibility: The disclosure–performance gap

Xavier Font*, Andreas Walmsley, Sara Cogotti, Lucy McCombes, Nicole Häusler

Leeds Metropolitan University, Headingley Campus, Leeds LS6 3QW, United Kingdom

ARTICLE INFO

Article history:
Received 18 July 2011
Accepted 28 February 2012

Keywords:
Greenwashing
Reporting
Sustainability
Governance

ABSTRACT

As increased stakeholder pressure requires companies to be transparent about their CSR practices, it is essential to know how reliable corporate disclosure mechanisms are, testing the gap between corporate social responsibility claims and actual practice. This study benchmarks corporate social responsibility policies and practices of ten international hotel groups of particular importance to the European leisure market. We found that corporate systems are not necessarily reflective of actual operations, environmental performance is eco-savings driven, labour policies aim to comply with local legislation, socio-economic policies are inward looking with little acceptance of impacts on the destination, and customer engagement is limited. Generally larger hotel groups have more comprehensive policies but also greater gaps in implementation, while the smaller hotel groups focus only on environmental management and deliver what they promised. As the first survey of its kind in tourism, both the methodology and the findings have implications for further research.

1. Introduction

Despite Friedman's (1970) view on the limitations of the responsibility of business, the notion that businesses have responsibilities beyond providing economic returns to the owners of capital is, judging by the profusion of claims by corporations as to their Corporate Social Responsibility (CSR) activities (KPMG International, 2008), as well as the academic CSR discourse (Carroll, 1999), widely accepted. Nonetheless, while the meaning of CSR is contested, to aver, as Frankental (2001) does, that because CSR is a vague and intangible term it is effectively without meaning. The foundation of CSR is the acknowledgement that businesses have responsibilities to society that go beyond shareholder wealth maximisation. This belief is widely held, and hence a degree of shared understanding and common meaning exists.

Some (e.g. Bendell, 2004; Hess, 2008) have argued that the nature of global business with its shift in power from the state to supranational corporations has ushered in an era of increased corporate accountability, a view further expedited through the multitude of cases of corporate fraud and accounting irregularities at the turn of the millennium (e.g. Enron and WorldCom). Certainly, the past decade has seen growing pressure on corporations from individual consumers, consumer groups, NGOs and governments take stock of their non-commercial impact on society. However, businesses' acknowledgement of the CSR agenda does not necessarily result in more responsible behaviour (Hess, 2008, has for example questioned to what extent social reporting leads to improved CSR performance, or whether conversely it is just a method to avoid additional introduction of regulation). Furthermore, it is not enough to be responsible, corporations realise that their CSR activities also need to be reported, and that transparency in reporting is crucial if companies are to be held to account for their actions.

This study addresses these issues in relation to the tourism industry. Specifically, the study set out to investigate to what extent ten global hotel chains' CSR claims were supported by evidence, or whether they were, at worst, mere rhetoric. In other words, this study looks at the potential disclosure–performance gap. Publicly available information was scrutinised, the hotel chains were given the opportunity to comment on our initial analyses and site visits were subsequently conducted to seek corroborating evidence for the companies' claims.

The study provides a unique analysis of CSR behaviour and reporting in the tourism industry at a time when interest in businesses' impacts on society is only likely to increase. As the tourism industry grows so do concerns about its relationship to society and the environment, both as a force for good as well as in terms of its negative impacts (Goodwin, 2011). It is hardly surprising then that the concept of CSR has received some attention within the context of tourism (Bohdanowicz & Zientara, 2009; Dwyer & Sheldon, 2007; Inoue & Lee, 2011; Lee & Park, 2010; Miller, 2001) and that the importance of CSR for tourism firms is likely to increase (Kang,

* Corresponding author. Tel.: +44 1138125609.
E-mail address: x.font@leedsmet.ac.uk (X. Font).

0261-5177/$ – see front matter © 2012 Elsevier Ltd. All rights reserved.
doi:10.1016/j.tourman.2012.02.012

Lee, & Huh, 2010). Wood (2010) suggests that despite the proliferation of literature in the area of CSR, much of this has focused on the link between corporate social performance (CSP; a sister concept to CSR) and financial performance and that furthermore CSP scholars suffer from a lack of data. This lack of data on CSR specifically in tourism is suggested by Holcomb, Upchurch, and Okumus (2007). An overreliance on measuring CSP using information in company annual reports, and indeed content analyses in general, was also highlighted by Unerman (2000, p. 677): "studies focusing exclusively on annual reports risk capturing an incomplete picture of the amount of CSR companies are engaging in." This study addresses both of these issues by firstly attending to the disclosure–performance gap, and secondly, in its analysis of a wealth of data that goes beyond a sole reliance on company reports and proclamations. As such it contributes to the literature on CSR specifically in tourism as well as contributing to the under-researched area of the relationship between disclosure and performance more generally.

2. Literature review

2.1. The CSR concept

It is acknowledged that CSR as a concept is used widely and loosely. It is a concept that has no universally accepted definition (Freeman & Hasnaoui, 2011).Carroll (1999) suggests it is a multidimensional construct that has evolved over recent decades. Initially Carroll's four dimensions of CSR comprised economic, legal, ethical and discretionary dimensions with his later work (Carroll, 1999) proposing the latter be replaced by a philanthropic dimension. These categories provide a fairly exhaustive account of the extent of CSR and they "remind us that motives or actions can be categorized as primarily one or another of these four kinds" so Carroll (1979, p. 500). Unsurprisingly, if as Carroll (1979) seems to suggest there is a motivational element embedded within these dimensions, he also suggests that traditionally the legal and economic dimensions have stood to the fore, rather than the ethical and discretionary. In this respect, the explanation of CSR as a concept points to what seems to be at the core of most of its definitions, the recognition that businesses, in counterpoint to Friedman's (1970) dictum, have responsibilities that go beyond the legal and economic.

This further points to an alternative approach to defining CSR which is more closely aligned with the notion of sustainability through the concept of the triple bottom line. Here then, CSR relates to a firm's responsibilities that extend beyond the purely legal and economic, but also encompass responsibilities to a wider range of stakeholders (social responsibilities) and the environment (environmental responsibilities). In this sense we may also speak of triple bottom line reporting (Assaf, Josiassen, & Cvelbar, 2011).The analogy to the triple bottom line also holds when we look at the arguably most widely adopted CSR reporting standard, the Global Reporting Initiative (GRI). Here, Nikolaeva and Bicho (2010) explain that while GRI indicators initially focussed on environmental performance only, this was then extended to include social performance (e.g. labour conditions and human rights) and economic performance (e.g. economic impact on customers, suppliers, employees, capital providers and the public sector). de Grosbois (2012) similarly sees parallels in the development of CSR and the triple bottom line in the World Business Council for Sustainable Development's (1999) definition of CSR.

2.2. CSR measurement and reporting

Measuring CSR performance remains a challenging task (Morimoto, Ash, & Hope, 2005). CSR performance is a social construct and not some physical property where access to its true state may be relatively straightforward. Any assessment of a company or companies' CSR performance will therefore depend on how CSR is measured. Ullmann (1985) for example discerned two categories of CSR measures: social disclosure (including voluntary corporate social reporting and mandatory pollution reporting) and social performance which might ideally use a reputational index or some other form of third party ranking/rating system. However, Ullmann (1985) concedes that often social disclosure is used as a surrogate for actual CSR performance. A similar issue arises in Wood (2010). Here she provides examples of numerous corporate social performance (CSP) variables according to principles, processes and outcomes. Many of these variables are subsequently measured in company and stakeholder self-reports, i.e. self-disclosure (e.g. existence of environmental scanning, charitable giving, and employee perceptions of company CSP). These distinctions between CSR performance and its measurement and its reporting are important to bear in mind. Ideally there will be a great degree of congruence between them, but this cannot be taken for granted.

Companies are increasingly interested in reporting their CSR activities (KPMG, 2008). There exists now a substantial body of literature, predominantly in accounting circles, that deals with the reporting of CSR, or, more specifically its environmental component if we adopt the triple bottom line view of CSR (e.g. Al-Tuwaijiri, Christensen, & Hughes, 2004; Clarkson, Overell, & Chapple, 2011; Hooks & van Staden, 2011; Moroney, Windsor, & Aw, in press). To focus on this body of literature, key themes have been identified to establish whether a relationship exists between voluntary environmental disclosure and actual environmental performance, and whether a relationship exists between environmental performance and some form of quality assurance of disclosed information. Both are of direct relevance to this study. To focus on the first theme, Wiseman (1982) in an early study assessed environmental performance in the steel, oil, paper and pulp industries in the United States and measured the difference between what was claimed in annual reports and actual environmental performance. She came to the conclusion that corporate environmental disclosures were not related to actual environmental performance. van Staden and Hooks (2007) compared companies identified as environmentally responsive to the quality and extent of their disclosures. Taking legitimacy theory as the theoretical basis of their work, they were able to establish positive correlations between companies' environmental disclosures and their environmental responsiveness (environmental responsiveness, while not the same as environmental performance, is a measure of an entity's sense of responsibility. A precursor to becoming a good environmental performer, van Staden & Hooks, 2007, p. 198). This is in contrast to much of the literature that had gone before them that suggested a reactive approach towards achieving legitimacy but also the recent study by Elijido-Ten, Kloot, and Clarkson (2010). In other words, companies publish environmental information in reaction to an actual or potential crisis or threat.

Other studies have looked at whether assurance enhances the quality of disclosed information. Indeed, this is something that is recommended by the Global Reporting Initiative (GRI; www.globalreporting.org) and it will not come as a surprise that firms may try to portray themselves in a positive light when in fact they may be poor performers (this does not just hold for information related to CSR of course). Cho, Roberts, and Patten (2010) for example established that self-serving biases are present in the language used in environmental disclosures, not just in their amount and thematic content. Clarkson et al. (2011) call for enhanced mandatory reporting after comparing voluntary environmental disclosure with actual environmental performance in