



Conceptualization of corporate social responsibility by the luxury hotels in Natal/RN, Brazil

Conceito de responsabilidade social corporativa dos hotéis de luxo de Natal/RN, Brasil

Conceptualización de responsabilidad social corporativa por los hoteles de lujo en Natal/RN, Brasil

Tiago Melo <melotiago@usal.es>

PhD in Business Research from Salamanca University, Spain, obtained a Master degree in Business Management from Liverpool University, England. He collaborates with the Think Tank of Corporate Social Responsibility, from Salamanca University and funded by Santander bank.

Rosamaria Cox Moura-Leite <rosamariamouraleite@gmail.com>

PhD in Business Economics from University of Salamanca, Spain, obtained an European Master degree in Local Development, University of Huelva, Spain, and Montesquieu IV, France, on 2008.

Robert Carlton Padgett <padgett.r@usal.es>

PhD candidate in Business Economics, University of Salamanca, Spain, obtained a Masters degree in Development of Electronic Commerce Systems, University of Salamanca, Spain, on 2007.

CRONOLOGIA DO PROCESSO EDITORIAL

Recebimento do artigo: 08-ago-2011

Aceite: 17-jul-2012

FORMATO PARA CITAÇÃO DESTE ARTIGO

MELO, T.; MOURA-LEITE, R.C.; PADGETT, R.C. Conceito de responsabilidade social corporativa dos hotéis de luxo de Natal/RN, Brasil. **Caderno Virtual de Turismo**. Rio de Janeiro, v. 12, n. 2, p.152-166, ago. 2012.

REALIZAÇÃO



APOIO INSTITUCIONAL



PATROCÍNIO



Resumo: Este estudo identifica o que os hotéis de luxo de Natal/RN, Brasil entendem por Responsabilidade Social Corporativa (RSC), e como eles a praticam no seu negócio. Foi utilizada entrevista semi-estruturada, que foram realizadas nas dependências dos hotéis com seus respectivos tomadores de decisão em relação à RSC. Em geral, o resultado desta pesquisa constatou que os hotéis de luxo de Natal/RN, Brasil estão interessados em RSC, no entanto há muito a ser feito para incrementar seu impacto social positivo.

Palavras-chave: Responsabilidade Social Corporativa; hotéis de luxo; Natal/RN, Brasil.

Abstract: The study identifies what the decision makers in Corporate Social Responsibility (CSR) of the luxury hotels of Natal/RN, Brazil understand by CSR and how they practice it in their business. A semi-structured in-depth interview was adopted and the interviews took place in the hotel's premises with the presumed decision-makers in CSR. In general, this research found that luxury hotels in Natal/RN, Brazil are interested in CSR issues, but it can be observed that there is a lot to be done to improve the positive social actions of these hotels.

Keywords: Corporate Social Responsibility; Luxury Hotel; Natal/RN, Brazil.

Resumen: Este estudio identifica lo que los hoteles de lujo en Natal/RN, Brasil entienden por Responsabilidad Social Empresarial (RSE) y la forma en que lo practican en su negocio. Se realizaron encuestas semi-estructuradas en las instalaciones del hotel, con los respectivos encargados de las acciones de RSE. En general, se ha encontrado que los hoteles de lujo de Natal/RN, Brasil están interesados en la RSE, pero hay mucho por hacer para fomentar su impacto social positivo.

Palavras chave: : Responsabilidade Social Corporativa; hotéis de luxo; Natal/RN, Brasil.

Introduction

This study deals with the conceptualization of corporate social responsibility (CSR) in managerial practice in a targeted business segment. CSR has been transformed from an irrelevant and doubtful idea to a high- ranking topic on research agendas (MCWILLIAMS et al., 2006). CSR has also become one of the most orthodox and widely accepted concepts in the business world during the last years or so (CARROLL AND SHABANA, 2010). The debate surrounding CSR assumes a more critical role in contexts where corporations have grown so big and strong that they impact in areas not necessarily related to their activities (WADDOCK, 2008; VALOR, 2005). Because of their dimension, some organisations can become entities as influential as local governments in certain societal issues (KLEINRICHERT, 2008). This seems to be the scenario observed in the coastal city of Natal, capital of Rio Grande do Norte, located in the Northeast of Brazil and with a population of approximately eight hundred thousand people (IBGE, 2010)¹. Because of a privileged combination of stunning beaches, year-round warm weather, and socio-geographic factors, the economy of Natal is highly dependent on the tourism segment, the Luxury Hotels Industry in particular.

In Regards to tax contribution, in 2002, the hotel industry was the fourth segment that contributed the most taxes with just 0,6% bellow the third, “building and construction” (IBGE, 2004). Furthermore, ten out of the eleven luxury hotels in the sample of this research are listed in the top one hundred tax contributors. Despite of the importance of hospitality industry segment in Natal’s economy, Chagas and Brandão (2009) found that there is a weak engagement of Natal hotels on social responsibility actions. These results are in line with Megaglia’s (2010) conclusion about the practice of CSR on tourism industry in Brazil, who affirms that only few businesses on this sector really practice CSR.

The main objective of the study is to identify what the luxury hotels understand of CSR and how they practice it. To address the outlined objective, we have carried out semi-structured in-depth personal interview with the decision-makers in CSR of four and five star hotels in Natal. The interviews consisted of a small number of open-ended questions based on the issues raised by the literature review but under a practical perspective.

Literature review

The notion that firms have duties to society is firmly entrenched, even though controversy exists between different points of view about the relationship between firms and society. With the objective to improve the understanding of this relationship, Carroll (1979) proposed a popular four-part definition of CSR, suggesting that corporations have four responsibilities to fulfil in order to be good corporate citizens. These responsibilities are: economic, legal, ethical and philanthropic (which we call “altruistic”). This definition of CSR made the notion of it more explicit, since the author contended that the economic and legal responsibilities are ‘required’, the ethical responsibilities are ‘expected’, and the philanthropic responsibilities are ‘desired’. (CARROLL, 2000). By doing so, he made a distinction between the classical and the new responsibilities of the corporation. The classi-

¹ In the moment at was did the empirical research the population was approximately seven hundred thousand inhabitants (IBGE,2004). The authors couldn’t found recently information for other local statistics.

cal responsibilities of the corporation which are embodied in its economic and legal responsibilities reflect the old social contract between firms and society. Alternatively, the new responsibilities of the corporation which are embodied in the ethical and philanthropic responsibilities reflect the new, broader, social contract between firms and society (CARROLL AND SHABANA, 2010).

Based on Carroll's (1979) work, Lantos (2001) affirms that the relationship between firm and society is determined by rules and laws (which we call "legal responsibilities"), ethical duties and also by the firm's strategy. The author examined these three determinants of the relationship between firms and society, which allowed us to better understand the firms' behaviour in society.

Legal duties entail complying with the law and playing by society's rules (CARROLL, 1979; LANTOS, 2001). Carroll (1991, p. 41) considers the laws and regulations as the codified ethics of society. They represent "partial fulfillment of the social contract between business and society". This is particularly relevant for our case study, as we have mentioned before, the hotel industry within the city of Natal has a significant impact in the economic system of the city, being responsible for many jobs and local public revenue.

Ethical duties can overcome the limitations of legal duties (CARROLL, 1979; LANTOS, 2001). At the ethical category, the propositions and practical initiatives that follow the theoretical assumptions are solely governed by ethical and moral principles, without any necessary regard to the organisational performance or results.

According to Donaldson and Preston, (1995) due to the awareness of firms' and society's dependency, corporations were deemed to assume a more proactive role in society, adjusting their sense-making to practices that were expected by society, though not necessarily regulated by any legislation. Chryssides and Kale (1996) call this phenomenon the "coincidence theory", where "virtue and prosperity [of society and business] fortuitously coincide". In this line of thinking, corporations would be entitled to develop CSR activities according to the potential contributions they would bring in to the business performance.

On the same line, the instrumental stakeholder theory is mainly concerned in assessing key stakeholders' interests and ways in which corporations can benefit from taking notice and acting on their interests (Donaldson and Preston, 1995). The underpinning point of the strategic use of CSR is that there is no trade-off between investing in CSR and investing in business efficiency (MCGUIRE et al., 1988; QUAZI AND O'BRIEN, 2000; MOURA-LEITE et al., 2011; ORLITZKY et al., 2003). The trade-off will be between competing stakeholders (BUCHHOLTZ et al., 1999; JONES et al., 2007; SHEPARD et al., 1997; SCHOLTENS AND ZHOU, 2008). Establishing who the key stakeholders are, therefore, is as important as designing strategies to address their concerns (PORTER AND KRAMER, 2006).

Initiatives of strategic CSR can be easily confused with the ethical category. We remind that what should be considered as the main difference is the motivation of the action. The ethical category takes into consideration initiatives that do not consider economic aspects (O'DWYER, 2003). Although, Waddock (2008) asserts that an ethical CSR initiative can also bring many benefits to the firms. In addition, it is also interesting to relate the difference between ethical and altruistic CSR, the first is limited by areas impacted by the organisation's activities, and the second can be firms' initiatives that go beyond preventing or rectifying harms they have done (LANTOS, 2001).

The difficulty to identify the altruistic actions is that it is very hard for organisations not to benefit from them, even if they don't intend to (FOMBRUN AND SHANLEY, 1990). At the moment that an organisation endeavours in an initiative, like the construction of a community nursery for example,

it may – under the social contract concept – benefit the firm once the initiative becomes public. In a practical sense, it would be highly unlikely that an initiative would be considered purely altruistic.

According to Lantos (2001) the most approximate approach to the altruistic category are actions that are not directly related to the organisation's main activity and not deliberately communicated nor targeted to particular stakeholders. This way, at least conceptually, the organisation wouldn't be intentionally "exploiting" the initiatives, driving them towards its business strategy, even though it is difficult to observe altruistic actions creating a positive reputation for the firm (WOOD, 2010). In summary, the strategic CSR comprises activities that are not necessarily connected to legal or ethical reasons, but that are driven by the organisational overall strategy (PORTER AND KRAMER, 2006), even if the firm's strategic CSR is seen as ethical or altruistic CSR by society.

Carroll (1979) affirms that his hierarchy of CSR reflects a relative magnitude and an order of evolution, that are not additive, cumulative or mutually exclusive. Carroll's pyramid and other studies that have reviewed this work (example: Lantos; 2001) have made contributions by describing the full set of managerial duties in social responsibility terms (WOOD, 2010).

In the specific case of the hotel industry, studies that address social responsibility issues have received increased attention, since it is an industry that can cause considerable harm to the natural and cultural environment of destination regions (HUIMIN AND RYAN, 2011; INOUE AND LEE, 2011; KABIR, 2011; RODRÍGUEZ AND CRUZ, 2007). In the same way, it has positive aspects for society as a whole, contributing to local sustainability and development, given that companies can strike an appropriate balance between non-commercial and commercial priorities (HOLCOMB, et al., 2007; HENDERSON, 2007).

Kirk (1995) shows that social responsible behavior can give a hotel firm a commercial advantage that ends up having a positive effect on its performance. In addition, Kabir (2011) affirms that hotel's social image is strategic and can help it to survive in increasingly competitive conditions, while Rodriguez and Cruz (2007) point out that this relationship depends of local context and industry feature.

Method

In view of the lack of previous research of CSR in the luxury hotel industry, this study is exploratory in nature. Accordingly, its goal is to identify the variety of CSR postures rather than to compare and contrast companies.

According to the Hotel Association (ABIH, 2004), the Luxury hotel industry is composed by 4 and 5 stars hotels. The total population of this research is comprised of eleven hotels (Appendix I), out of which five were interviewed, between the 17th and 28th of June 2004. The six other hotels decline to be interviewed. The response rate can be considered satisfactory, given the non-statistical and non-generalized nature of the research.

Semi-structured in-depth interviews were adopted and took place in the respective hotel's premises with the presumed decision-makers in CSR, which were three owners (identified with numbers: 1, 2 and 4 on result section), one general manager (identify with number 3) and one human resource professional (identify with number 5). The interviews lasted between 25 and 35 minutes and the researcher, with the consent of the interviewees, took notes and consulted the interview guideline (Appendix II), which was meant to create an informal atmosphere that could foster a conversation

with the interviewee throughout the process. The profile of the hotels resembled the one observed in the research sample consisting of three 4 star and two 5 star hotels (Appendix III). The number used to identify the interviewee of each hostel is the same used to list the hotels on Appendix III.

The choice for the interview method was closely linked with the objective of the research and the lack of agreement for a unified definition of CSR outlined in the literature review. We presumed that the decision-makers in CSR could put forward arguments supporting different viewpoints of the CSR concept.

Results

The results section shows in an organized manner the main information obtained from the surveys. From the responses given to the questions in the interview guidelines, conclusions have been drawn, which portray the opinion of the interviewees about each of these topics: CSR definition, hotel's stakeholders, CSR and legal aspects, CSR and the ethical aspects, CSR and altruistic actions, CSR and economic aspects, and CSR and the hotel's strategy. On the next lines, we describe the opinion of the interviewees about each topic and analyze using the responses based on the theoretical framework presented and linking them with the results of empirical studies similar to ours.

CSR definition

Interviewee 1: Demonstrated a clear view of the concept of CSR, which he considered to be "any contribution to society regardless of its impact". He regarded this definition as "a framework" in which the hotel's initiatives would fit in.

Interviewee 2: The interviewee had a very critical initial approach to the term CSR. He considered it a "jargon" and a "marketing strategy". When questioned to put forward the first definition that came to his mind, he affirmed that CSR meant: "providing jobs and services at a reasonable price".

Interviewee 3: Demonstrated a very broad perspective about the term CSR. He said it was "impossible to give a single definition to such a complex issue".

Interviewee 4: The perception of the interviewee of the concept of CSR was completely focused on employee relations, considering "treating employees fairly" as the single field in which organisations could "effectively act on".

Interviewee 5: Identified CSR as "any" initiative targeted to employees. The interviewee's perspective also included "selective activities – those not mandatory – that would positively affect employees' well being".

After analysing the interviewees' responses, we can observe that the concepts of CSR mentioned by respondents are not uniform. However interviewee 4 and 5 mention activities related their employees, which is in line with the Initiative for Improving CSR in the Hospitality Sector elaborated by Trade Unions of Tourism and Hotels, Restaurants and Cafés in Europe. This initiative is concerned with equal opportunity, non-discrimination, working conditions, fair pay, vocational training and life-long learning, health and safety, and the relationship between employers and employees at all levels (HOLCOMB et al., 2007).

Interviewees 1 and 3 mentioned the relationship of hotels with society, these relationship was also addressed by Herderson (2007) in his empirical research about hotel companies in Phuket, Thailand, after the Indian Ocean tsunami. This relationship is also an issue in Karib's (2011) study about the hotel industry effect on Swaziland.

The hotel's stakeholders

Interviewee 1: Stressed his commitment to his “employees, the environment and government regulations”. He argued that the execution of any initiative by the hotel would be subject to its impact on these three agents, with its order of importance varying according to the specific circumstances the hotel was in.

Interviewee 2: Recognised two basic stakeholders: guests and government. According to him, the hotels depend on the guests and the government depends on the hotels. In the argumentation leading to this response, the interviewee emphasized the dependency of the city of Natal on the tourism segment, the luxury hotels in particular.

Interviewee 3: The interviewee mentioned what he called “the textbook definition of stakeholder”, which was “any person/organisation or group of people/organisations that somehow depend or impact (negatively or positively) in the business we run”.

Interviewee 4: This interviewee's viewpoint coincided with the 2 Interviewee's response.

Interviewee 5: Considered the hotel's employees as their main stakeholder, and also extended the hotel's responsibility to the families and communities to which the “employees belonged”.

Once again we observe no uniform answers, although all of them pointed out that there is a relationship between hotel's stakeholders and its performance. On Inoue and Lee's (2011) results from their empirical research, we can observe that each stakeholder affects the hotel's financial performance in different ways.

CSR and legal aspect

Interviewee 1: Analyzing the legislation in place for hotels, the interviewee divided regulatory frameworks in two groups: “hard and soft”. The hard one would be the traditional employment and tax laws. He considered those “excessively imposing and inflexible”. For the “soft legislation”, on the other hand – such as environmental laws – his view was the opposite, meaning that too many areas were “uncovered” by legislation.

Interviewee 2: Considered that the hotels were “suffocated by bureaucracy and excessive taxation”. He argued that regulation, especially the “tax burden” was so high and the employment laws so strict that most hotels sought measures to “flank” the law or simply ignored it.

Interviewee 3: Asserted that the poverty of the city determined the first priority of the hotel “not only to comply with, but to embrace legislation”. According to the interviewee, the low standards of social development in Natal lied in the centre of the delineation of CSR hotel culture.

Interviewee 4: Again the views of this interviewee coincided with the second Interviewee's answer.

Interviewee 5: The interviewee abstained himself from answering this question, because he was responsible only for Human Resource Management, and couldn't provide information about the hotel's overall views in this topic.

Hotels require a lot of human resources, which makes this legal dimension highly significant on the business's performance. We can observe that Interviewee 1, 2 and 4 agree that employment law complicates things for the business, since it is “excessively imposing and inflexible”. This leads us to believe that the relationship between hotels, employment law and employees needs further research.

CSR and the ethical aspect

Interviewee 1: The interviewee considered that there were several activities engaged by his hotel that were classified as ethical and moral. In addition, to answering the question he divided these activities into two groups: employee relations and environmental measures. In employee

relations, most of the actions were based on “empowerment” and a “proactive attitude towards our collaborators [employees]”. As for environmental measures, he considered that it was important and a “moral obligation” to involve – ‘or at least try to’ – employees and guests in the effort to “raise consciousness”.

Interviewee 2: Followed the rationale of his argumentations in the CSR and legal aspect questions. He considered the provision of employment and taxes as the only obligation of the businesses. Anything more than this would be damaging for businesses, as this would be deviating from its purpose.

Interviewee 3: Considered all the hotel’s duties inherent in the social nature of organizations, “as they are composed by and for people”. He cited some general attitudes that he considered to be within the scope of legislation: “cordial and respectful treatment of employees and guests, respect for the limited resources of nature and a proactive attitude towards its neighbours (community in which the hotel operates in)”.

Interviewee 4: Again, pointed out the constraints imposed by legislation, the interviewee regretted that “the regulatory measures left no room” for the hotel to endeavour on any non-mandatory activity.

Interviewee 5: Considered the organization responsible for the welfare of all its employees and their dependents. This assertion led to the automatic realization that the hotel would have “an ethical duty”, therefore, to “provide any means necessary to enable people [employees] to live humanely”.

None of our Interviewees mentioned the ethical code of the organization. Interviewees 2 and 4 asserted that there is no room for ethical actions due to excessive legal responsibility that the hotels have. However Interviewee 1, 3 and 5 affirm that their organization has an ethical behaviour.

CSR and altruistic actions

Interviewee 1: Questioned himself whether some of the initiatives of the hotel with its employees, could be considered altruistic. After reasoning his question during the interview, he dismissed the possibility of initiatives with his employees to be an altruistic action.

Interviewee 2: Disregarded any sort of altruistic initiatives.

Interviewee 3: Disregarded any sort of altruistic initiatives and was conceptually against the idea of businesses endeavouring in any activity that wasn’t “at least indirectly business oriented”. He agreed that if an organisation wants to engage in an initiative to “help the world to be a better place”, this initiative should also “help the company increase its sales”, otherwise, the “manager should work in a charitable organisation”.

Interviewee 4: Contradicting most of his viewpoints, the interviewee argued in favour of a system of “sharing with the government some of its duties”. As an example, he cited a hypothetical construction of a nursery (for the employees’ children) carried out by the hotel with funds reverted from tax reliefs. The logic behind such an initiative, according to the interviewee would be “purely humanitarian” and the hotel wouldn’t be seeking any advantage, other than keeping its employees happy.

Interviewee 5: The interviewee was hesitant whether some of the hotel’s initiatives, could be considered altruistic. He used an example of a nursery that the hotel had built for its employee’s children., he considering the definition of the term altruistic to be – a concept somewhat linked to “granting favours or charity” – he bluntly concluded that the initiatives endeavoured by the hotel were “purely moral and a two way deal with employees, not a favour”.

Related to altruistic actions most of the Interviewees do not cite any actions that resemble this type of these behaviour. According to Chagas and Brandão (2009), it can be understood

that the local hotel industry does not participate in these kinds of actions. This reality can be changed by initiatives of the government, society and associations, aimed at informing and facilitating hotel's actions (Kabir, 2011).

CSR and the economic aspect

Interviewee 1: Demonstrated a firm conviction that CSR, as currently performed by the hotel, pays off. He pointed out that the ethical initiatives fully served their purpose of treating the employees fairly and doing their "share in protecting the environment". In regards to the business activities, the interviewee argued that the hotel benefited through the combination of motivated employees and compliance to an international accepted regulatory framework (as the hotel is part of an international chain), attracting a selective category of guests.

Interviewee 2: The interviewee's viewpoint considers CSR valid only if it is somehow rewarded by its stakeholders (government and guests as pre-identified). He pointed out that since there was no indication that guests would be "more interested in a socially responsible hotel" and the government wouldn't reward socially responsible initiatives, he did not see how the hotel would have economic benefit from being socially responsible.

Interviewee 3: The interviewee had a pragmatic approach to the economic viability of CSR. He was certain that it pays-off "not only because of common sense", but by "because of evidence". He argued that, as opposed to "other business functions", CSR couldn't be "mathematically measured", but its effects, though, could be appraised through "close observation and causal relationships".

Interviewee 4: Summing up his beliefs, the interviewee established as a premise that any sort of CSR should be accompanied by "unmistakable evidence" and that such an initiative would "financially pay off".

Interviewee 5: Providing his own personal experience to demonstrate his opinion, the interviewee enthusiastically pointed out that CSR was a "win-win situation".

CSR and the hotel strategy

Interviewee 1: When confronted with the questions encompassing this topic the interviewee repeated some of the responses in the previous sections.

Interviewee 2: As pointed out in the previous sections, this interviewee didn't recognise any form of strategic CSR. His point of view was that the activities of a hotel were exclusively related to its business ("serving guests").

Interviewee 3: The interviewee regarded strategy as a "cohesive effort of the hotel to engage in initiatives that could help the hotel achieve its financial and operational goals". CSR, in this sense, would be an "instrument, that hotel would have to assist in accomplishing its missions". The logic behind the hotel's understanding of CSR according to the interviewee, was intrinsic in the premise that CSR could be "manipulated" (not in a bad sense, the interviewee stressed), as a variable in the overall strategy of the hotel.

Interviewee 4: Didn't recognise any specific form of CSR as being strategic to business performance.

Interviewee 5: Demonstrated a straightforward approach to the questions related to this section. In a defensive manner and recurring to his first response the interviewee argued that he believed that, as the hotel "tried to give the most it could to the employees", they had a "moral obligation to do the same to the hotel".

From the statements above, we can observe no uniform answers. Interviewee 2 and 4 didn't recognise any specific form of CSR as being strategic to business performance. However, In-

interviewee 3 asserted that CSR can be strategic to hotel's performance in line with Porter and Kramer (2006) and Interviewee 2 referred to this issue with a more philanthropic vision.

Discussion and conclusion

After analysing the interviewees' responses, we can say that each of them has an idea of what CSR is. Even though some did not provide an actual definition, they demonstrated to have knowledge on the subject throughout their responses to the questions made during the interview. It is clear that the interviewees think that CSR is related with legal aspects, even though they have contradictory opinions. During the interviews, it was suggested by two of the participants that the high taxes and strict employment laws might influence the hotels to "flank" the laws and even endeavour in informality, which demonstrates that not even the legal responsibility which according to Carroll (1979) is "required" is met. As part of the old social contract between firms and society, is not seen as an obligation by the hotels in Natal.

Besides, agreeing that CSR is involved with legal responsibilities, some point out that the hotel industry has a huge responsibility towards Natal's community, because it is largely influenced by the tourism industry through job creations and tax contribution, which goes in line with Zairi's (2000) work. Another point where most interviewees agree is that CSR is highly related with employee relations and only one of them mentions environment as a concern in the CSR actions of the company.

Among the responses related with the ethics category, the interviewees show that firms should have an ethical responsibility towards the environment and with its employees. Also, it is pointed out that due to the sector's difficulty, there is no room for the hotel to perform any non-mandatory activities, which can be confirmed in the section related with altruism, where two of the interviewees do not agree with any altruistic activity within the firm. The other interviewees gave examples of altruistic actions related with benefits to their employees or employees' families, which is not really an altruistic action, since it has an impact on the firm's performance (LANTOS, 2001).

Finally, most of the interviewees affirm that CSR can bring economic benefits to the firm, in line with stakeholder instrumental theory (DONALDSON AND PRESTON, 1995). They believe that these types of actions can motivate employees, attract a selective category of guests, and create good reputation. Only one of the interviewees does not agree with the economic benefits of CSR. He states that if the hotel has no indication that guests will be more interested in socially responsible hotels and the government will not reward the hotel for contributing to society, there is no opportunity to obtain an economic benefit from being socially responsible.

The results of this research allowed us to identify what the luxury hotels of Natal/RN-Brazil understand as CSR and how they practice it. In general, luxury hotels in Natal are interested in CSR issues, even though it can be observed from this research that there is a lot to be done and a greater involvement in CSR actions is needed due to the importance of the hotel sector in the local economy. These points should be of interest to managers, academics, policy makers and students within both the local and international community.

The study has several limitations. First the sample is small and restricted only to Natal, so it is difficult to generalize the results to the same industry in other places. Further research might be needed to understand the behavior of the luxury hotel industry. It would be interesting to study the evolution of CSR in this sector in Natal. Also, a comparative study could be done to identify

how luxury hotel industries in other locations in Brazil or abroad see CSR and what kinds of social activities they are implementing.

References

ABIH. Associação Brasileira de Hotéis, available at <http://www.abih.com.br>, accessed 25 June 2004.

BUCHHOLTZ, A.K., AMASON, A.C. AND RUTHERFORD, M.A. Beyond resources: the mediating effect of top management discretion and values on corporate philanthropy. *Business & Society* v.38, n.2, p.167–187, 1999

CAGED Cadastro Geral de Empregados e Desempregados, Ministerio do Trabalho available at <http://www.mtb.gov.br/Temas/CAGED/>, accessed at 30th April 2004.

CARROLL, A. B. A three-dimensional conceptual model of corporate performance. *Academy of Management Review* v.4, p.497–505, 1979.

_____. The four faces of corporate citizenship, in Richardson, J.E. (Ed.), *Business Ethics* 00/01, Dushkin/McGraw-Hill, Guilford, CT, p. 187-91, 2000.

CARROLL, A. B. AND SHABANA, K. M. The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice. *International Journal of Management Reviews*, p. 85-104, advance online publication DOI: 10.1111/j.1468-2370.2009.00275.x, 2010.

CHARGAS, M. M. AND BRANDÃO, P. M. A sustentabilidade social como fator de competitividade do destino turístico Natal: uma análise à luz do Compet&nible Model. *Caderno Virtual de Turismo*. v. 9, n. 2, p. 103-112, 2009.

CHRYSSIDES, G. AND KALER, J. *Essentials of Business Ethics*, London: McGraw-Hill Book Company, 1996,

DONALDSON, T. AND PRESTON, L.E. The stakeholder theory of the corporation: Concepts, evidence and implications. *Academy of Management Review* v.20, n.1, p. 65-91, 1995.

FOMBRUN, C. AND SHANLEY, M. What's in a Name? Reputation Building and Corporate Strategy. *The Academy of Management Journal* v. 33, n.2, p. 233-258, 1990.

HENDERSON, J. C. Corporate social responsibility and tourism: Hotel companies in Phuket, Thailand, after the Indian Ocean tsunami. *Hospitality Management* v. 26 p. 228–239, 2007.

HOLCOMB, J. L., UPCHURCH, R. S. and OKUMUS, F. Corporate social responsibility: what are top hotel companies reporting? *International Journal of Contemporary Hospitality Management* v. 19 n. 6 p. 461-475, 2007.

HUIMIN, G. and RYANB, C. Ethics and corporate social responsibility –An analysis of the views of Chinese hotel managers. *International Journal of Hospitality Management* v. 30, p. 875–885, 2011.

IBGE Censos Demograficos, available at <http://www.ibge.gov.br/>, accessed April 30th 2004

_____. available at <http://www.ibge.gov.br/>, accessed April 20th 2011.

INOUE, Y. and LEE, S. Effects of different dimensions of corporate social responsibility on corporate financial performance in tourism related industries. *Tourism Management* v. 32 p.790-804, 2011.

- JONES, T.M., FELPS, W. AND BIGLEY, G.A. Ethical theory and stakeholder-related decisions: the role of stakeholder culture. *Academy of Management Review* v. 32, n. 1, p. 137-155, 2007.
- LANTOS, G.P. The boundaries of strategic corporate CSR. *Journal of Consumer Marketing* v. 18, n. 7, p. 595-630. 2001.
- KABIR, M. H. Corporate social responsibility by Swaziland hotel industry. *Social and Behavioral Sciences* v. 25, p.73-79, 2011.
- KIRK, D. Environmental Management in hotels. *International Journal of Contemporary Hospitality Management* v. 7 n. 6, p. 3-8, 1995.
- KLEINRICHERT, D. Ethics, Power and Communities: Corporate Social Responsibility Revisited. *Journal of Business Ethics* n. 78, p. 475-485. 2008.
- MCGUIRE, J.B., SUNDGREEN, A. AND SCHNEEWIS, T. Corporate social responsibility and firm financial performance. *Academy of Management Journal* v. 31, n. 4, p. 854-872, 1988.
- MCWILLIAMS, A., SIEGEL, D.S. AND WRIGHT, P.M. Guest editors' introduction, Corporate social responsibility: strategic implications. *Journal of Management Studies* v. 43, n. 1, p. 1-18. 2006.
- MEDAGLIA, J. Empresas turísticas e ferramentas de gestão de responsabilidade social empresarial: um estudo sobre as empresas associadas ao Instituto Ethos. *Caderno Virtual de Turismo*. V. 10, n. 1, p. 56- 69, 2010.
- MOURA-LEITE, R. C., PADGETT, R. C. AND GALAN, J. I. Stakeholder Management and Nonparticipation in Controversial Business. *Business & Society*, advance online publication DOI: 10.1177/0007650310395547. 2011.
- O'DWYER, B. Conceptions of corporate CSR: the nature of managerial capture. *Accounting, Auditing & Accountability Journal* v. 16, n. 4, p. 523-557. 2003.
- ORLITZKY, M., SCHMIDT, F.L. AND RYNES, S.L. Corporate social and financial performance: a meta-analysis. *Organization Studies* v. 24, n.3, 403-441. 2003.
- PORTER, M.E. AND KRAMER, M.R. The link between competitive advantage and corporate social responsibility, *Harvard Business Review* v. 85 n.12, p. 78-92, 2006.
- QUAZI, A.M. AND O'BRIEN, D. An empirical test of a cross-national model of corporate social responsibility. *Journal of Business Ethics* v. 25, n.1, p. 33-51, 2000.
- RODRIGUEZ, F. J. G and CRUZ, Y. M. A. Relation between social-environmental responsibility and performance in hotel firms. *Hospitality Management* v. 26, p. 824- 839, 2007.
- SHEPARD, J.M., BETZ, M. AND O'CONNELL, L. The proactive corporation: its nature and causes. *Journal of Business Ethics* v. 16, n.10, p. 1001-1010, 1997.
- SCHOLTENS, B. AND ZHOU, Y. Stakeholder Relations and Financial Performance. *Sustainable Development* v. 16, p. 213-232, 2008.
- SOARES, F.V. Do Informal Workers Queue for Formal Jobs in Brazil? *IPEA* n. 1021. 2004.
- VALOR, C. Corporate Social Responsibility and Corporate Citizenship: Towards Corporate Accountability. *Business and Society Review* v. 110, n.2, p. 191-212, 2005
- WADDOCK, S. Building a New Institutional Infrastructure for Corporate Responsibility. *Academy of Management Perspectives* p. 87-108, 2008.

WOOD, D. J. Measuring Corporate Social Performance Review. International Journal of Management Reviews, advance online publication (DOI: 10.1111/j.1468-2370.2009.0027), 2010.

ZAIRI, M. AND PETERS, J. CSR and impact on society. The TQM Magazine 12(3): 172-178, 2000.

Appendices

I. Research population

Category: Five stars

Hotel	Official website
Pestana Natal Beach Resort	http://www.pestana.com/PT/Hoteis/Brasil/Natal/
Ocean Palace	http://www.oceanpalace.com.br
Hotel Piramide	http://www.piramidepalace.com.br/

Category: Four stars

Hotel	Official website
Rifoles Praia Hotel	http://www.rifoles.com.br/
Hotel Marsol	http://www.hotelmarsol.com.br/
Imira Plaza	http://www.imiraplaza.com.br/
Hotel Vila do Mar	http://www.viladomar.com.br/
Novotel Ladeira do Sol	http://www.novotelnatal.com.br/
Natal Mar Hotel	http://www.natalmarhotel.com.br/
Parque da Costeira	http://www.parquedacosteira.com.br/
Hotel Porto do Mar	http://www.hotelportodomar.com.br/

II. Interview guideline

- What do you understand by CSR?
- Do you think you are being social responsible by acting within the scope of regulation?
- Could you give examples?
- Do you think you could or should adopt practices that are not subject to legislation?
- Could you give examples of practices currently performed by your hotel that go beyond the scope of legislation?
- Why have you chosen to adopt those practices?
- What role do you think the government or the relevant official bodies should play in regulating your activities?
- Do your social responsibilities' initiatives contribute to economic performance?
- What kind of return do you expect from CSR activities?
- Do you consider yourself capable of managing CSR as well as hotels, your prime activity?
- How do you choose which initiatives to endeavour on?
- Should they be related to your hotel's objectives?

III. Sample Characterization

No	Interviewee's position	Category	Rooms	Date and time of interview
1	General Manager/ Owner	4 stars – International Chain	100	21/Jun/04 – 15 / 15:25
2	General Manager/ Owner	4 stars – Local	210	23/Jun/04 – 15 / 15:30
3	General Manager	5 stars – international chain	189	24/Jun/04 – 10 / 10:45
4	General Manager/ Owner	4 stars – Local	330	25/Jun/04 – 10 / 10:25
5	Human Resource Manager	4 stars – Local	315	30/Jun/04 – 14 / 14:30