



# TOUR OPERATORS AND SUSTAINABLE DEVELOPMENT IN HIGH NORTH NORWAY

PAPER PRESENTATION AT THE 19TH NORDIC SYMPOSIUM IN  
TOURISM AND HOSPITALITY RESEARCH

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# PURPOSE OF PRESENTATION AND WHAT SHOULD YOU EXPECT!

- Basic purpose is to share our initial findings of the empirical study which is in process ....
- We will have in this presentaion:
  - Corporate Social Responsibility and Tourism – The Research Gap
  - Objectives of the study
  - Research Approach
  - Findings
  - Discussion
  - Conclusion and it implications
  - Future studies

# CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

- CSR – protection of the society's interest, for the society (as well as for the business), by the business due to various reasons (one or more than one); legal obligation, business, philanthropic etc.
- But, the literature reveal that CSR contribution for the society is in short what is claimed by the business
- This gap gave emergence to Sustainable Development debate through CSR
- Focusing on 'Tripple Bottom Line' TBL approach – a case example, how business can make business while serving the need of society as well
- Symbiotic Development

# CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT DEBATE IN TOURISM

- Tourism and the myth of 'green industry'
- Negative externalities and the responsibilities of the tourism stakeholders
- Tradition of CSR research in tourism is not very old
- Literature claim substantiated by:
  1. Search in Tourism Journals
  2. Content Analysis of Tour Operators' Websites
- Based on this gap, objectives of the study

'To study the relationships between tour operators and destination stakeholders with the aim to understand whether and how these relationships contribute to symbiotic development? If not, what are the challenges?'

# RESEARCH APPROACH

- Sparsely researched area in tourism generally and in Norwegian context particularly moved us to Case study approach
- Techniques
  1. Face to face interviews driven by interview guide
  2. Content analysis of the web sites
  3. Post interview questions responded through mail
- Multiple Sample – a clear advantage over other studies
  1. Tour Operators dealing in incoming 09
  2. Local Service Suppliers at destinations 10
  3. Representatives from Local Tourists Offices 03
- Theoretical sampling
  - How we move back and forward many times?
- Analytical Techniques

# SOME REFLECTION ON SAMPLE - TOs

## ○ Theoretical Sampling Criteria

1. Recommended by local tourism office
2. Participated in last Norwegian Travel workshop
3. 7years plus experience
4. Should have a major share from Norway

## ○ Tour Operators – nature of operation

- |              |    |
|--------------|----|
| 1. TOs       | 03 |
| 2. TOs & DMC | 05 |
| 3. DMC       | 01 |

## ○ Tour Operators - Ownership structure

- |                |    |
|----------------|----|
| 1. Independent | 06 |
| 2. Subsidiary  | 03 |

## ○ Tour Operators – Respondents

- |                |    |
|----------------|----|
| 1. Owner / CEO | 04 |
|----------------|----|

# SOME REFLECTION ON SAMPLE– LOCAL SS

- Theoretical Sampling Criteria
  1. Recommended by local tourism offices
  2. Participated in last Norwegian Travel Workshop
- Local Service Suppliers – Nature
  1. Attraction 01
  2. Accommodation 02
  3. Guide 01
  4. Activity 05
  5. Local DMC 01
- Local Service Suppliers – Respondents
  1. Owner/Partner 08
  2. Senior Managers 02
- Local Service Suppliers – Type of TOs dealing with
  1. In & Outbound 06
  2. Inbound 01
  3. Outbound 02
  4. Local DMC 01
- At Local Tourists Offices, the leader along with people in marketing were interviewed

# FINDINGS – TOS AND DESTINATION STAKEHOLDERS

- Limited Relations between Tour Operators and Local Service Suppliers:
  - seasonal
  - irregular
  - narrow in scope
  - And in most of the cases not a happy marriage
- Why limited relations – reasons grouped into five forces/factors
  1. Institutional
    - Not very active role of local offices
    - Regional Clusters supported by government
  2. Environmental
    - Not imminent sustainability challenges or its perception

# FINDINGS – TOS AND DESTINATION STAKEHOLDERS..... CONTI....

## 3. Market

- Change in tourists' purchase and visit behavior
- Safe destination perception
- Low traffic in the northern region

## 4. Organizational factors

- LSS membership in regional cluster
- LSS pursuing it as their business strategy to bypass TOs
- Investment in marketing technology
- LSS practice to serve as regional or local TO
- CEO's characteristics

## 5. Inter-organizational

- Difference of business objectives
- Previous experiences

# FINDINGS – TOS AND DESTINATION STAKEHOLDERS..... CONTI....

- Limited Relations as well between Tour Operators and Destination Community and Resources
- Some of the reasons are:
  - limited traffic
  - Seasonality
  - Not imminent environmental challenges
  - Proactive Norwegian government on environmental issue
  - Norwegian strong social support system
- Tour Operators and Corporate Social Responsibility
  - lower level of awareness
  - less interested in this

# FINDINGS – TOS AND DESTINATION STAKEHOLDERS..... CONTI....

- ## The Outlier

strongly believes in ‘tourism for the community’  
believes that consumption nature of the today’s  
tourism practice is not sustainable

For the last seventeen years the organization is:

  - Identifying local small service suppliers,
  - Helping them to look at their activities  
differently,
  - Enabling them to develop product from  
what they are doing,
  - Delivering businesses to them along with  
making business from this whole activity

That’s what this organization belief is the  
sustainability and sustainable tourism

# DISCUSSION – TOS AND DESTINATION STAKEHOLDERS .....

- these limited relations and the reasons behind these are discussed under the theoretical concepts of corporate social responsibility
- Based on Weaver (2008), tourism in Norway – Exotic, nature based, and alternative tourism
- Carroll (1979) and organizational response on their social responsibilities  
‘do nothing’ ----- ‘do much’
- Based on findings of this study TOs can be plotted on their contribution for destination stakeholders

# DISCUSSION – TOS AND DESTINATION STAKEHOLDERS ..... CONTI....

- Based on Beeton (2006); Curtin and Busby (1999), McGehee, et. al. (2009) and our own journals search, TOs websites contents analysis as well as our findings reveal that CSR in tourism is sparsely researched area
- Historically, conditions which spur the organizations for CSR, in tourism industry in Norway these are either not present or not to that extent
  1. Social Spending for business purpose i.e., for instrumental reasons, a pulling force
    - low volume in High North - Institutional and market factors reinforcing this further
  2. Social spending to address Environmental Challenges
    - Low environmental sustainability Challenges
    - Absence of market pressure from the customers,
    - Absence of threat of costly regulations from the Norwegian government
  3. Social Spending to respond to competitive forces
    - Competitive forces like demand for social tourism from the customers, to respond to such an act from one of the competitors, or take a competitive advantage over the other competitors – not strong forces in our case

# DISCUSSION – TOS AND DESTINATION STAKEHOLDERS ..... CONTI....

- Social Spending to respond on philanthropic causes
- As described by one TO  
“its state, all care is taking care of by the government, very little room for private initiative, further we are very rich nation”
- So.....
- weak CSR orientation also have implications for TOs relations with their service suppliers, though these relations are fogged by institutional, environmental, market, organizational and inter-organizational factors as well.
- It’s the only resource dependency that gets these TOs and LSS into this limited and not very happy marriage.
- Symbiotic reasons behind CSR are non-existent, as these TOs fall on other reasons behind CSR.’

# DISCUSSION – LSS AND DESTINATION STAKEHOLDERS

- Most of LSS are contributing valuably (again a business perspective) for the destination stakeholders

# DISCUSSION – THE WHITE SWAN AND BLACKS

- The difference is:  
Personal philosophy or belief of the business  
Therefore, reverse implications of the factors  
strengthening rather than weakening the relations  
between TOs and LSS

# TOURISM AND CORPORATE SOCIAL RESPONSIBILITY FROM GENERAL TO SPECIFIC

- According to Fennel (2006) its low in tourism because:
  - the industry is relatively new
  - its social implications of ethical violations are not as immense as in medicine (though the authors do not agree to this excuse)
  - tourism did not integrate knowledge from other disciplines into it
- In our case
  - institutional, market, organizational, inter-organizational forces
  - Industry's i.e., Low profitability, again authors do not agree to this, as one of the TO as well

# IMPLICATIONS

- Implications for
- Incoming TOs these limited relations implied that their sustainability is on the stake
- LSS it may be an opportunity but with the implications of more powerful outbound Tos
- Outbound TOs, it may be the beginning of a new end. In a way, it will make them more powerful, but.....
- Future studies suggested:
  - How these TOs look at the role of community (excluding LSS) i.e., their importance, voice and participation in tourism in the north.
  - How more powerful LSS will reshape the industry?
  - How regional clusters will affect this relationship further in future?
  - How it affect the speed, nature and value of product development
- This gap between theory and practice raise the important question ‘Is academics are very idealistic?’

# COMMENTS AND QUESTION!