

Ethical Practices & Social Responsibility of Kazakhstani Tourism Business: A Pilot Study in the Tour Operator Sector

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Abstract

Marketing ethics and corporate social responsibility may determine a company's long-term success and prosperity; they are becoming a fundamental part of marketing strategy and policies of most if not all business organization. Social responsibility and ethics are topical for the tourism sector as well. As a result, within the last decade, tourism industry has observed significant changes in business and regulatory environment that have stressed the importance of corporate social responsibility and ethics and placed these issues on the business agenda of tourist organizations. In the tour-operating sector, which is characterized by the value of outstanding reputation, great dependence on customer choice and preferences, the elevated demand for ethical and responsible practices increases the pressure for tour operator's responsibility. Given the pivotal role played by tour operators within the framework of the tourism industry, the main aim of this study is to explore the extent to which ethics and social responsibility is present in Kazakhstani tourism area. Findings of the study show that our operators of Almaty do have a working knowledge of ethics and social responsibility. However, it is recommended that there is good scope to broaden their insights on implications of being ethical and socially responsible in their daily operations.

Keywords: *marketing ethics, corporate social responsibility, tourism, tour operator*

1. Introduction

Within the last three decades, the volume of the world tourism industry has been tremendously expanding, outgrowing even the most unimaginable forecasts (Budeanu, 2005; Dodds & Joppe, 2005; Hall & Brown, 2008; Enea, 2007; Schwartz, Tapper & Font, 2008; Tepelus, 2008; World Travel and Tourism Council, 2009). It makes a huge contribution to the world economy in general and many countries in particular by attracting enormous revenue and influencing positively other sectors of economy. According to the research report by the World Travel and Tourism Council (2009), the industry will contribute US\$5,474 billion to worldwide Gross Domestic Product and employ about 220 million people. The growing trend in the industry is mainly due to the facts that there are more and more destinations becoming available, improved communication systems and logistics, increased economic prosperity of population (Fielding, 2008) and also the expanded types of tourism, e.g. niche tourism, offering unlimited varieties to suit any taste.

Kazakhstan is not an exception from this global trend and tourism is now more than a buzz in the Kazakhstani economy. Acknowledging the potential contribution of tourism to the country's prosperity,

image and growth, in 2002 Kazakhstan officially made tourism its priority sector (Asia Policy Research Co. Ltd. 2006). Today, tourism is one of the most advantageous and dynamic industries of the country's economy (Djordjevic, 2008). It is expected that in 2009, Kazakhstani tourism will contribute KZT1,340.2 billion (or US\$11,168.4 million) to GDP and its contribution to the total employment will be 469,000 jobs (World Travel and Tourism Council, 2009).

The issues of marketing ethics and corporate social responsibility are becoming increasingly important and they turn out to be a fundamental part of marketing strategy and politics of every business organization since they might determine and ensure successful and long-term business prospects (Abromaityte-Sereikiene, 2005; Ferrell & Ferrell, 2008; Kazokiene & Virvilaite, 2005; Labbai, 2007). Consequently, within the last decade the tourism industry has observed significant changes in business and regulatory environment, which have stressed the importance of corporate social responsibility and ethics, and placed these issues on the business agenda of tourist organizations (Schwartz, Tapper & Font, 2008). Nowadays in the tour-operating sector, which is characterized by the value of outstanding reputation and great dependence on customer choice and preferences, the elevated demand for more socially responsible and ethical practices increases the pressure for tour operator responsibility (Dodds & Joppe, 2005) and makes these topics more critical than ever before.

Recognizing the importance of tour operators within the framework of the tourism industry, the main aim of this study is to explore how tour operators in Kazakhstan understand ethics and social responsibility, whether they think they apply these principles and do they think these principles are important, in other words perception and attitudes towards principles of ethic and social responsibility of Kazakhstani tour operators. This paper reviews the concepts of corporate social responsibility and ethics by local tour operators, principles and applicability of socially responsible and ethical practices to their business activity, and then discusses results and recommendations that would be constructive for achieving long-term business prospects.

2. Literature Review

2.1 Defining Marketing Ethics and Corporate Social Responsibility

Due to the multifaceted nature and evidences that miss enough empirical and theoretical grounds, the concepts of marketing ethics and corporate social responsibility are undoubtedly complex and challenging issues (Zenisek, 1979; Kazokiene & Virvilaite, 2005; Nill and Schibrowski, 2007). It can be seen, proceeding from the numerous publications and research, that within a continuous length of time many authors have been trying to come up with some lucid and unified definitions that could serve as a springboard for the further research.

For instance, marketing ethics, according to Labbai (2007), Kazokiene, and Virvilaite (2005), is a set of principles or values that define the activities of a company or organization and regulate various conducts in marketing activities. It studies forms of moral norms, actions, undertakings and doings of human beings, which set guidelines for making decision and forming behavior patterns at the executive level (Patterson, 1966). Bowen, Pearl and Akintoye (2007) indicate marketing ethics as an essential and critical part of codes of practice and professional duties that, according to Laczniak and Murphy (2006), embraces all aspects related to correct business practices and implementation of strategies. As marketing ethics is an important part of social responsibility (Ferrell and Ferrell, 2008), the equity, fairness and morality in daily organizational activities have become embedded in ethics and social responsibility (Patterson, 1966).

Corporate social responsibility as a corporate citizenship and corporate sustainability is extremely important in today's new era (Fox, 2007) due to the fact that each company has to bear responsibility for its past, present and future ethical behavior (Labbai, 2007). According to Labbai (2007), corporate social responsibility is a particular set of policies, practices and programs that is embedded into each aspect of the corporate activities, let it be daily transactions, supply or decision-making. It is "a 'fit' between the

two components of a ‘business ethics’ and societal expectations of the private economic sector” (Zenisek, 1979, p. 359) that limits possible negative impacts of business activities on the society and its each individual member (Whitehouse, 2003), and maximizes their positive impacts (Drea, 2008).

2.2 Research on Marketing Ethics and Corporate Social Responsibility

Proceeding from numerous academic publications and taking into consideration the recent revolutionary changes in information technology and in societal marketing, marketing ethics and corporate social responsibility are becoming the issues of high importance (Nill, 2003; Abromaityte-Sereikiene, 2005; Dunfee *et al.* 1999; Brennan, 1991); both theoretically (Kazokiene & Virvilaite, 2005; Hunt & Vitell, 2006,) and practically (Schwartz & Weber, 2006; Enea, 2007; Schwartz, Tapper & Font, 2008). The scope of the issues varies greatly- e.g. from academia (Laczniaik & Murphy, 2006; Gundersen *et al.* 2008) to construction industry (Bowen *et al.* 2007); and vary even chronologically (e.g. from Patterson, 1966 to Ferrell and Ferrell, 2008).

Kazokiene and Virvilaite (2005) state that due to existence of the issues of ethics at every stage of marketing related decision-making, requirements and necessities for ethical behavior of marketing managers are escalating and becoming critical. According to them, proper introduction and understanding of ethical norms and values in organizations allow to increase competitiveness, favorable image and reliable relationships with market partners and customers, and consequently, provide success of organization and ensure good and long-term business prospects. Moreover, appropriate maintenance of ethical concepts will lead marketing behavior of the professional organizations and marketing practitioners to the highest standards of business conduct (Labbai, 2007).

Previous studies and researches dedicated to the topic of marketing ethics are limited and lack theoretical foundation (Kazokiene and Virvilaite, 2005; Laczniaik, 1990; Laczniaik & Murphy, 2006 although there is a growing concern for the development of adequate ethical framework. For instance, Laczniaik (1990) found that there is a small number of articles containing a moral global approach to the question of ethics, and even these works are deficient in complicated theoretical basis for they contain simply mentions of ethical theories or decision rules and confined to the quotation of uncomplicated ethical rules or maxims. According to him, these inadequate ethical frameworks can affect the ethical decisions of marketing managers and ethical sensitivity among marketing academics, students, and researchers. He suggests that frameworks for analyzing marketing ethics have gone beyond simple ethical rules or maxims in order to stimulate marketing ethics research and provide guidance for ethical decision making by marketing managers. Along the same lines, Ferrell and Ferrell (2008) state that marketing ethics is a vital part of corporate social responsibility and has to be analyzed at macro marketing level. They argue that within the last two decades more attention has been paid to marketing ethics at the micromarketing level than at macro marketing level; in other words, there has been more concern about ethical decision making at the organizational level. The authors suggest that business corporations and other organizations need to understand and react to ethical issues by addressing broader social and environmental consequences of the marketing system, especially the effects of marketing activities on stakeholders beyond the focus on employees, consumers and shareholders.

There is a wide agreement that corporate social responsibility is an issue of high priority and that it should become an integral part of every organizations day-to-day activity (Gelb and Brien, 1971; Robin & Reidenbach, 1987; Whitehouse, 2003; Labbai, 2007; Ferrell and Ferrell, 2008). Gelb and Brien (1971) state that corporate social responsibility is the issue of survival and should become a fundamental part of marketing managers’ education. They argue that if companies and businesses do not care about societies and environment, the human race will be put at the edge of extinction. Hence, in the authors’ opinion, business education should be inclined towards corporate social responsibility.

2.3 Overview of Tourism Industry in the Global Scale and Republic of Kazakhstan

Technological improvements, risen economic prosperity of population and globalization processes has transformed tourism into a world's largest industry. It has become one of the top export categories and the main source of foreign exchange for most of the tourism-friendly countries (Berno & Bricker, 2001; French, 2005). Currently, the global economy experiences difficult time; however, tourism industry is expected to maintain its dynamic role in global growth. It is estimated that in 2009, tourism industry will contribute US\$5,474 billion to worldwide GDP and its contribution to the total employment will be 220 million jobs (World Travel and Tourism Council, 2009).

In the Soviet times, tourism in the Republic of Kazakhstan was greatly supported and controlled by the state. Trade or labor union organizations (*profsoyuzy*) were in charge for organizing workers' travel activities that were funded from non-budgetary sources and resources provided by State to satisfy social needs (Glukhovtsev & Yermekbayeva, 2001). Mainly, tourism sector in the USSR was dominated by domestic type of tourism, i.e. domestic tourism prevailed over outbound and inbound tourism due to strict State control. After dissolution of the Soviet Union, tourism in Kazakhstan changed dramatically; private tourist companies replaced the authoritarian state tourism agency, governmental restrictions on outbound and inbound travel were reduced thereby expanding tourist opportunities (Werner, 2003).

Acknowledging the potential contribution of tourism to the country's prosperity, image and growth, Kazakhstan officially made tourism its high priority sector by adopting Government Program for the Development of Tourism Industry for 2003-2005 (Asia Policy Research Co. Ltd. 2006). It has become one of the most promising business spheres and key economic activities. Since the country's independence, tourism market has been increasing every year; for instance, in 2007 alone, the international tourism receipts contributed to the country's economy KZT710 billion and input of outgoing tourist expenditures reached KZT281 billion (Euromonitor, 2007). Today, tourism is one of the most advantageous and dynamic industries of the country's economy (Djordjevic, 2008). Due to high market potential and numerous opportunities for continuing growth, it is predicted, that in 2009, Kazakhstani tourism contribution to GDP will rise to KZT1,340.2 billion (or US\$11,168.4 million) and its employment opportunities will be open to 469,000 people (World Travel and Tourism Council, 2009).

According to the Ministry of Tourism and Sports of the Republic of Kazakhstan (2009), 5 million 311 thousand inbound travelers entered Kazakhstan in 2007; however, only 62 thousand 117 people were served by tourist companies. This difference can be explained by the two main reasons. First, due to strong petroleum industry and vast mineral resources, the country attracts huge foreign investments that drive flow of foreign travelers coming to Kazakhstan for business, professional, and educational purposes (Euromonitor, 2007). Second, the country is not perceived as a tourist destination because of its inability to be presented as an attractive, distinctive and unique place (Euromonitor, 2007).

Nowadays, the primary tourist services in Kazakhstan are provided by about 1000 tourist organizations; among them approximately 37 companies conduct their operations in collaboration with foreign partners to present the traveling opportunities for local and international tourists (Ministry of Tourism and Sports of RK, 2009). Due to the competitive marketplace, the tour-operating sector is evolving more rapidly than any other sector in tourism industry (Schwartz, Tapper & Font, 2008) and Kazakhstani tour operators are not an exception. In terms of international tourism industry, Kazakhstani tour operators have originally competed in three broad segments: Silk Road, adventure and eco-tourism (Werner, 2003). However, due to dynamic agendas of international conferences, regular arrivals of business travelers coming for project development, business meetings and negotiations all over the country, Kazakhstan is cultivating a positive image of a 'burgeoning' business tourist destination (Djordjevic, 2008; Euromonitor, 2007). According to Djordjevic (2008), the high-potential sector of tourism in the Republic of Kazakhstan would be congress or conference tourism among all of the existent tourism segments. He states that "by building and developing a proper conference facility capable of hosting up

to 4000 participants, Almaty would secure a niche market that to date has been neglected in this (i.e. Central Asia) part of the world” (Djordjevic, 2008, p. 20).

2.4 Brief Review of Ethics and Corporate Social Responsibility in Tourism Literature

Undoubtedly, tourism is one of the most important and major economic forces. Despite its positive benefits such as employment opportunities, economic prosperity and wealth, it has huge potential for negative impacts (Berno & Bricker, 2001; Werner, 2003; French, 2005; Budeanu, 2005; Enea, 2007). Tough and aggressive competition, high turbulence and volatility of the global tourism environment makes tourist companies not always capable to conduct their business operations in ethical and socially responsible manner (Hall & Brown, 2008). Because of its potential to cause environmental and social destructive effects, lately the tourism industry has experienced elevated external pressures and has been challenged to respond to the rising problems promptly, ethically and responsibly (Tepelus, 2008). According to Dodds and Joppe (2005), ethical practices and corporate social responsibility standards have been originally established by the private business organizations to act in response to escalated societal pressure. In the tourism industry the use of codes of conduct and other ‘attributes’ of ethical and socially responsible practices has not been prevalent since the issues of ethics and corporate social responsibility have initially had a ‘low priority’ status (Hall & Brown, 2008) and have been limited to the discussion form (Butcher, 2008). Some of the explanations for this low priority status can be attributed to the lack of generally accepted global principles and criteria (Dodds & Joppe, 2005), controversy on ethical and social responsible conceptual and operating framework (Enea, 2007; Tepelus, 2008; Butcher, 2008; Fennell, 2008), multifaceted character of tourism industry (Tepelus, 2008), and deficiency of assessment methods of the ethical and social responsible performance of tourist organizations (Hall & Brown, 2008; Fennell, 2008; Schwartz, Tapper & Font, 2008, Jenkins, 2008).

As a result of these factors, the tourism industry has a weak position in terms of corporate social responsibility and ethical business conduct; there has been a risen public concern and elevated demand for more socially responsible and ethical practices (Enea, 2007). Nevertheless, Dodds and Joppe (2005) found that demand for responsible tourism is price-sensitive; in other words, “the consumer and the industry are driven by price” (Dodds & Joppe, 2005, p. 36). These discrepancies and shortcomings have given rise to increased attention from policy makers and regulators; and thus during the last decade or so, the tourism industry has observed significant changes in business and regulatory environment that have stressed the importance of corporate social responsibility and ethics, placed these issues on the business agenda of tourist organizations (Schwartz, Tapper & Font, 2008) and led them to act ethically and behave more responsible (Hall & Brown, 2008).

3. Research Background and Methodology

This study, therefore, broadly explores a sample of tour operators in Almaty to determine the awareness, perceptions and attitude towards principles of ethic and social responsibility in their operations. The specific research questions for this study are:

1. How do tour operators in Almaty understand or define ethics and social responsibility?
2. Do Almaty tour operators apply the identified principles in their operations and marketing practice? What are the indicators and how do they achieve it?
3. What do tour-operating companies need to do to align with the practice of global tour operators on the issue of ethics and social responsibility?

This study is based on both secondary data and empirical data from a number of respondents’ in-depth interviews. At the outset, a review of existing academic research on the topics of marketing ethics and corporate social responsibility has been undertaken, followed by an examination of reports and documents providing the foundation and guidelines for the socially responsible and ethical business conduct in tourist organizations. A study of a sample of tour operators doing business in Almaty was then conducted in October-November, 2008. The respondents were local companies of various sizes (varying from less than 10 people to more than 50), different ownership status and forms of organization.

In order to articulate and shed light on the problem's nature (Zikmund, 2003), authors employed an exploratory type of research. This decision is based on the following reasons: (1) the authors have a limited amount of expertise and familiarity with research issues (Dorsten & Hotchkiss, 2005); (2) the scope of ethics and social responsibility is wide-ranging and extensive in understanding and may be interpreted differently by different respondents; and (3) due to researchers' intention to continue the present study, it is necessary to analyze current situation in tour operators' sector, create new ideas and formulate questions for future research (Neuman, 2006).

The members of target population who participated in the survey were the heads and middle-level managers of eleven (11) tour-operating companies. They were selected on the basis of judgment and convenience as there is no official list of tour operators in Almaty, and thus there was no possibility to have information on larger group or population which this sample could be randomly taken from (Neuman, 2006).

The main instrument of the survey was a semi-structured questionnaire using open-ended questions. The designed research questionnaire for in-depth interview sessions has a flexible structure giving an opportunity to deviate during the interview. The interviews were designed to produce a considered response to certain issues, including a background about the firm and the individual, how the interviewees understand ethics and social responsibility, whether they apply these principles or not, whether they think those are important etc. Due to possible language issues, the questions have been formulated in both English and Russian with back-to-back translation. In general, the interviews have been carried in a conversational style, face-to-face basis and lasted fifty minutes on the average. During the course of in-depth interviews, the respondents were encouraged to provide examples and elaborate on relevant cases and stories. In addition, to avoid any embarrassment the disguised series of questions were used throughout. All interviews were conducted in the language selected by the respondents and recorded in written form, as respondents were not willing to accept audio recorder.

4. Results and Discussion

Tour-operating sector is an important segment of the modern tourism industry (Budeanu, 2005; Tepelus, 2008). It functions as an intermediary in travel distribution chain (Schwartz, Tapper & Font, 2008) that bridges tourism services' consumers and producers (Budeanu, 2005) by pushing forward the flow of tourism products and information (Curtin & Busby, 1999 as cited in Hall & Brown, 2008). It is recognized that tour operators play the critically important role in operation of entire tourism industry for they control the marketplace through tourist flow (Schwartz, Tapper & Font, 2008), bear the risks for unsold tourism products by "taking from the producer the burden of selling the products" (Budeanu, 2005, p. 4), save time and costs, exert an influence on the decisions, behavior and preferences of others tourism stakeholders (i.e. producers, consumers, host destinations) (Budeanu, 2005; Hall & Brown, 2008), and shape tourist experience and processes (Werner, 2003).

As discussed earlier, the global tourism industry has been criticized for ignoring social responsibilities (Butcher, 2008) and the lack of ethical leadership (Enea, 2007), and tour-operating sector is not an exception. It has been pressured to exhibit and take responsibility in reply to the growing public awareness and concerns over the impacts of its business operations (Dodds & Joppe, 2005; Hall & Brown, 2008). By responding to the recent calls for sustainable and ethical tourism, many tour operators do try to follow the trend. They have begun to promote ethical and responsible standpoints, attitudes and positions by creating and adopting the codes of ethics, general guiding principles and concepts, initiatives and commitments for responsible tourism operations (Enea, 2007; Hall & Brown, 2008; TOI, 2002). In order to establish and develop the truly ethically and socially responsible practices, it is suggested that tour operators have to incorporate ethical and responsible approaches into their business activities, strategies and product development; (Budeanu, 2005; Enea, 2007; Hall & Brown, 2008); teach, encourage and motivate tourism suppliers and consumers (Budeanu, 2005); and learn to be inspired by their customers (Hall & Brown, 2008) and host destinations (Schwartz, Tapper & Font,

2008). For a newly developing tour-operating sector in Kazakhstan, which could significantly influence customer choice and preferences, the issue of ethics and social responsibility is even more critical. Thus, tour operators are at the cutting edge and they serve as a “barometer” or indicator of how well or badly the industry is run and their role in the tourism sector cannot be underestimated. For this reason, we have decided to focus this study on exploring the extent to which tour operators in Almaty understand the implications of ethics and social responsibility in their daily operations.

The demographics of the companies that agreed to participate in the survey are presented in Table 1. As may be noted from Table 1, the respondents were private companies without any governmental support and the duration of operational activity in tourism market is up to ten years..

Table1. Data on Tourist Operators Participated in Present Study

Items/ Company	Duration of operational activity	Type of the company	Number of employees	Ownership status	Affiliation	Governmental support
Company 1	1-3 years	Private	Up to 10	Kazakhstan	No	No
Company 2	1-3 years	Private	Up to 10	Kazakhstan	No	No
Company 3	4-6 years	Private	Up to 10	Kazakhstan	No	No
Company 4	7-10 years	Private	Up to 10	Overseas	Yes	No
Company 5	4-6 years	Private	Up to 10	Kazakhstan	No	No
Company 6	7-10 years	Private	Up to 10	Kazakhstan	No	No
Company 7	4-6 years	Private	11-20	Kazakhstan	No	No
Company 8	7-10 years	Private	11-20	Kazakhstan	No	No
Company 9	4-6 years	Private	11-20	Kazakhstan	No	No
Company 10	4-6 years	Private	11-20	Kazakhstan	No	No
Company 11	More than 10 years	Private	21-50	Kazakhstan	No	No

The in-depth interviews reveal that the majority of Almaty tour operators have got a very general and superficial understanding of the concepts of ethics and corporate social responsibility. Ethics, for instance, was defined by most companies as a set of values to adhere to. Their approach to understanding those values was mainly from a human factor rather than business. In other words, this tour operators do not acknowledge that company’s ethical behavior and practice can be beneficial since it “potentially enhances a company’s profits, management effectiveness, public image and employee relations” (Enea, 2007, p. 167). On the contrary, the definitions provided by the rest of the tour operators were close to what is practiced internationally; and this conclusion was made on the basis of authors’ analysis and understanding of the concept of ethics. They defined ethics as trust, fair treatment of customers, credibility of the information used and what they apply in the real life practices. They stated that fair practices are an inevitable part of doing business and they certainly provide a solid foundation for company’s successful business future. Also, according to them, that ethical business practices bring along a positive image to their companies and attract customers. Even though those practices do not necessarily bring quick returns immediately, the long-term effects, such as good reputation, trust and loyalty of customers and positive image, are ensured.

In accordance with tourism literature, the whole approach of corporate social responsibility relates to a company’s accountability to be responsible for all its business activities, operations and impacts exposed on tourism stakeholders (Dodds & Joppe, 2005), which focuses on the accomplishment of sustainable development not only in economic sense but in environmental and economic purports as well (TOI, 2002; Dodds & Joppe, 2005). Socially responsible tourism has initially been considered mainly from an environmental perspective only; and economic, social and community aspects have relatively recently been incorporated in corporate social responsibility concept (TOI, 2002; Dodds & Joppe, 2005; Enea, 2007) (Figure 1).

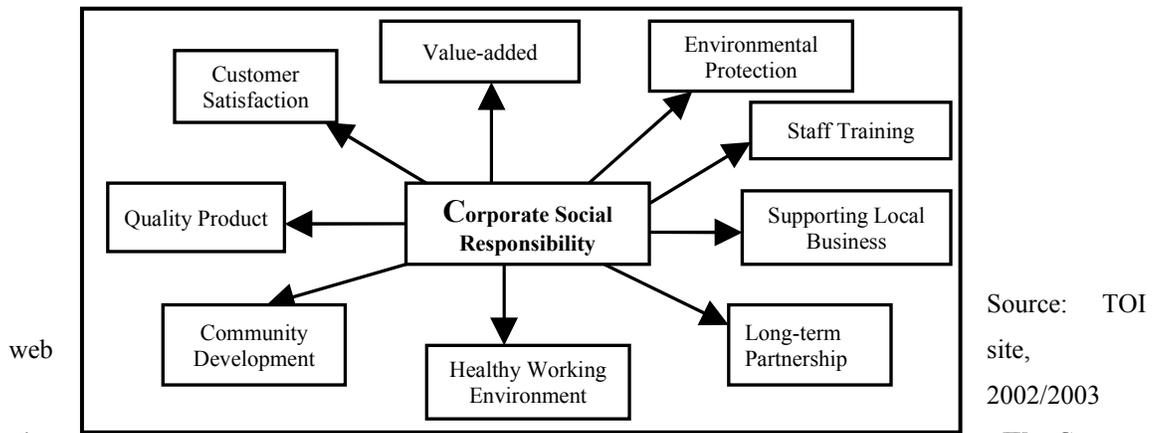


Figure 1: The Scope of Corporate Social Responsibility

Almost the same findings apply to the understanding of the notion of corporate social responsibility, because only two tour operators out of the entire sample size gave their ideas, which are more or less close to the definitions found in the research literature; others gave the literal interpretation of the term as “responsibility to the society.” When the respondents were asked to clarify what they meant by “responsibility to the society”, they defined it as responsibility to their customers. Thus, it could be concluded that the definition gets narrowed down to customer satisfaction only. Based on the responses received from the tour operators and on the information in Figure 1, the authors sorted out the answers and created a visual that reflects their findings (Figure 2).

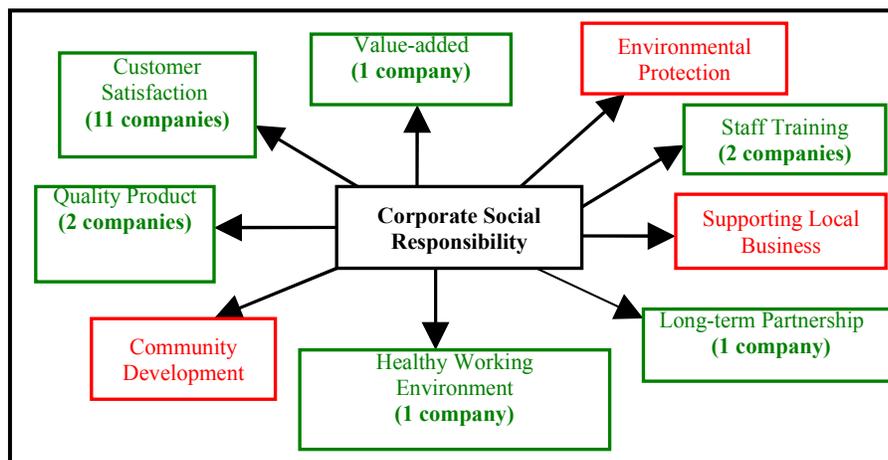


Figure 2: The Scope of Corporate Social Responsibility in Almaty Tour Operators’ Understanding

Proceeding from the comparison of the above figures, an assumption could be made that the following elements as environmental protection, supporting local business and community development are still unknown yet to the entire sample. Another finding is that the only one company out of eleven has understanding of what it means to be socially responsible.

The interviewees were asked a question whether the concepts of corporate social responsibility and ethics have any value or importance at all, and whether those concepts may predetermine or provide any prospects for their companies. All the respondents were unanimous in giving an affirmative answer to the query; however, very few gave clear relation between the adherence to ethical principles, successful functioning of the company and customer retention. The explanations given by one of the companies emphasize that the ethical principles such as trust, respect, and reliability of information help to earn and

enjoy intangible profits such as customer loyalty and repeat business. Those profits, in their turn, serve as a huge competitive advantage thus assuring long-term market perspectives.

An impressive example received from one of the tour operators was about the way they treat their customers. The main idea behind this example is that when it comes to offering a service (e.g. hotel reservation, organizing charter flights, etc.), which may have different costs but similar quality, the tour operator informs the customer on all options without necessarily trying to sell or insist on a more expensive one. Another story provided by the operator included also a negative example when some tour operators sold the holiday packages which were not arranged properly so the customers ended up with no hotel reservation (with having to stay on the beach); when the clients tried to reach their operator, the company did not bother to re-arrange flights or care in any way about their customers thus relieving themselves from any responsibility.

Adherence to ethical principles, according to one of the respondents, is initiated by the top management of the company or a company leader. In other words, the leadership is the main driving force behind ethical and social responsibility principles of the company, which become the core values.

According to one tour operator respondent, there are two types of managerial leaders; first, the senior ones, whose beliefs and values are rooted in the Soviet past and who arrived at the tourism industry from other areas; second, the new tide or pool of managers are incorporate international practices or make themselves aware of those practices by participating in different seminars or workshops or self-education. Therefore, these new generation managers attempt to influence on their own staff and ways of doing business in accordance with the international standards in the tourism field.

It has been noted that small size companies are more flexible and adaptable to new realities, absorb and then put into practice the new ideas.

Some of the respondents are familiar with the World Tourism Organization's (WTO) Global Code of Ethics and that was a useful finding because one of the main focuses in this research was to try to conclude how close Kazakhstani companies are to international standards, proceeding from the WTO's Global Code of Ethics. As it is stated in the Global Code of Ethics, tour operators are responsible for ensuring safety, security and other important measures to protect their clients. It is believed that a tour operator has to provide maximum information regarding the destination point (even if it may cost the company some losses should a client decide to refuse the trip), e.g. political, health, and other issues. It was found out that not all companies correspond to the international standards, the WTO's Global Code of Ethics in our case because they do not bear any responsibility for clients abroad assuming that customers are responsible for themselves. Moreover, some companies do not conduct any orientation before trips, which should include safety issues, health hazards, and others. However, there are a few companies in the authors' case that feel responsible for their customers since the very initial stages.

5. Conclusion and Recommendations

This pilot study is an attempt to explore ethical and socially responsible practices among Almaty tour operators. The main conclusions of this study are (a) the majority of local tour operators have very general and superficial understandings of the notions of ethics and corporate social responsibility; (b) there is some general and limited appreciation on the relationship between practice of these principles and long-term prospects for their companies; (c) local tour operators' activities do not always correspond to internationally accepted standards; in other words not all companies apply socially responsible and ethical practices to their activities; (d) a number of tour-operators are unfamiliar with the major tourist organizations and documents that provide the foundation and guidance for the development of a truly responsible tourism industry (for instance, World Tourism Organization (WTO) and its Global Code of Ethics); (e) smaller and recently-established tour operators are more flexible and open for fresh ideas and changes existent in today's world tourism industry, better understand and articulate requirements

necessary for successful and responsible activity. This small group also confirmed their disposition to work honestly and ethically for the long-term growth and prosperity. Trust, reliability, friendliness and guarantee are some of the indicators or terms used to reassure their customers.

On the basis of the research findings, the authors recommend that (a) local tour operators should raise their awareness of the topical issues of corporate social responsibility and ethics from such credible sources as WTO, professional organizations, consulting companies, etc; (b) for long-terms perceptiveness and competitiveness of their organizations, the tour operators have to maintain a high level of ethics and corporate social responsibility towards their clients, competitors, environment and society; (c) the principles of ethics and corporate social responsibility have to become an integral part of organizational behavior, its core functioning and values, marketing strategy and company politics, which will require a full involvement of top-management and government.

The main benefits of this study are, firstly, a modest contribution to the scant literature in the tourism sector of Kazakhstan and, in particular, on the operations of tour operators in Almaty. Secondly, it is a relevant and timely study as Kazakhstan is placing lots of emphasis on the fight against unfair and socially unacceptable practices and its decision to develop the tourism sector as a part of its national strategies. Finally, the recommendations made might help to guide and provide insight to operators of the tourism sector as well as other sectors of the economy of Kazakhstan on the practice of social responsibility and ethics. However, it should be acknowledged that this study is limited to the practice of tour operators in Almaty and, hence, it cannot be generalized for entire Kazakhstan. Furthermore, the sample size is not large; although these findings might be acceptable on the basis of being a pilot and exploratory study and from the fact that absolute care was taken to generate quality data. Future studies could be replicated and focused on other operators of the tourism industry such as restaurants, hotels, entertainment places, etc.

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