Industrial Codes of Ethics in Multi-Ethnic Environments; the case of the Crimean Tourism Industry

Alan Duggan
Industrial Codes of Ethics in Multi-Ethnic Environments; the case of the Crimean Tourism Industry

Alan Duggan

Supervisor: Cecilia Mark Herbert
Evaluator: Karin Hakelius
Acknowledgements

The completion of a master degree, particularly one done in a foreign country, offers me the chance to reflect on
the personal journey I have undertaken over the past two years and on the changes that have occurred since I
stepped off that plane on a bright August day in 2012. I have done so much, met so many people, learnt so many
things that myself and who I am has been changed, for the better, for coming here.

This thesis could not have been done without the help of a large group of people. First and foremost I must thank
my class the 2012-2014 Msc in Sustainable Development who have been a second family to me here in Sweden,
I could never imagine when I began this journey how important those who travelled it with me would be. I must
give special mention to my study buddies, Jens Månsson and Spencer Shander who have been literally by my side
in this process, though endless fika breaks and frozen lunches, I count them among of my dearest friends and I
am very grateful for their support and friendship.

I must also thank my supervisor Cecilia Mark Herbert, her never ceasing guidance and encouragement helped me
to no end from the very first meetings and tiniest ideas which grew to the product which you read today. She has
been a constant help, a true professional, and a mentor.

Given the subject matter of this thesis and the time in which it was constructed I must also make mention of the
people of Crimea, to whom I dedicate this work. Having studied is culture, its heritage and its divisions I am left
with a knowledge of a people who lived through millennia of territory shifts and cultural invasions which have
each left their mark on the landscape and the people. The story of Crimea has always been a narrative of change,
unpredictable and dynamic. The Crimean people can never truly free of claims of its history but neither must it be
forever its prisoner.
## Content

1. **INTRODUCTION** ..............................................................................................................1
   1.1 Problem Background .................................................................................................1
   1.2 Problem Statement .....................................................................................................2
       1.2.1 Aims of Study and Delimitations ......................................................................2

2. **ANALYTICAL FRAMEWORK** .........................................................................................4
   2.1 Defining Codes of Ethics ...........................................................................................4
       2.1.1 Classifying Codes of Ethics ...........................................................................5
       2.1.2 Rationale for Codes of Ethics ..........................................................................6
   2.2 Symbolic Interactionism ...............................................................................................7
       2.2.1 Hunt and Vitell General Model of Marketing Ethics .......................................7
   2.3 Model of Analysis .........................................................................................................8
       2.3.1 Cultural Impacts ..............................................................................................9
       2.3.2 Socio-Economic Position .................................................................................11
       2.3.3 Infrastructural Context .....................................................................................11

3. **METHOD** ......................................................................................................................13
   3.1 Research Strategy .........................................................................................................13
       3.1.1 Interpretative Approach ....................................................................................13
       3.1.2 Case Study .......................................................................................................13
   3.2 Case Study Design ........................................................................................................14
       3.2.1 Unit of Analysis ...............................................................................................14
   3.3 Collection and Analysis of Data ..................................................................................14
       3.3.1 Identifying the Intended Function of the Code of Ethics .....................................15
       3.3.2 Understanding the Context for the Code Environment .....................................15
   3.4 Quality of the Process ..................................................................................................16
       3.4.1 Quality of Code Functions Assessment ............................................................16
       3.4.2 Hofstede Analyses and Cultural Comparisons .................................................17
       3.4.3 Socio-Economic Indicators .............................................................................17
       3.4.4 Tourism Industry Infrastructure .......................................................................17
   3.5 Ethical Aspects of Process ............................................................................................17

4 **EMPIRICAL STUDY** ........................................................................................................19
   4.1 Background to Empirical Study ................................................................................19
       4.1.1 Ethnic and Cultural background to Crimea .....................................................19
       4.1.2 Mapping the Crimean Tourism Industry ..........................................................20
   4.2 Findings and Analysis ................................................................................................20
       4.2.1 Cultural Situation .............................................................................................20
       4.2.2 Socio-Economic Situation ...............................................................................22
       4.2.3 Infrastructural Situation ..................................................................................22

5 **DISCUSSION** ................................................................................................................24
   5.1 Identifying the Code’s Function ................................................................................24
   5.2 Mapping the Environmental Context .........................................................................24
       5.2.1 Explaining Cultural Divergence ......................................................................25
       5.2.2 Explaining Socio-Economic Parity ..................................................................25
       5.2.3 Explaining Infrastructural Incapacity ..............................................................25
   5.2 Conceptualising the Research Product .......................................................................26

6 **CONCLUSION** ................................................................................................................27

REFERENCES ...........................................................................................................................28
List of Tables
Table 1. Variations in definitions of the term ‘Code of Ethics’ .................................................................4
Table 2. Key Elements of Tourism Codes of Ethics .....................................................................................5
Table 3. The Hofstede Dimensions of Culture ..........................................................................................10
Table 4. Sources of Data for Identifying Motivations behind the Code ...................................................15
Table 5. Sources of Data for identifying the institutional context of the code ........................................16
Table 6. Comparison of Hofstede Analysis for Russian and Ukrainian Ethnic Groups .............................21
Table 7. Comparison of Hofstede Analysis for Polish, Russian and Ukrainian Studies ............................21
Table 8. Ukrainian Position in the TTCI World Ranking and Composite Index Score ...............................23

List of Figures
Figure 1. The Hunt and Vitell General Model of Marketing Ethics ...............................................................8
Figure 2. Factors affecting implementation of Industry Codes of Ethics ..................................................9
Figure 3. The Travel and Tourism Competitiveness Index .......................................................................11
Figure 4. A Graphical Representation of the Research Design ................................................................14
Figure 5. The Gini Coefficient of Income Distribution ..........................................................................22
Figure 6. Results of the Travel and Tourism Competitiveness Index .......................................................23
### List of Abbreviations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAPs</td>
<td>Annual Action Programmes</td>
</tr>
<tr>
<td>APA</td>
<td>American Psychological Society</td>
</tr>
<tr>
<td>ARC</td>
<td>Autonomous Republic of Crimea</td>
</tr>
<tr>
<td>ENPI</td>
<td>European Neighbourhood and Partnership Instrument</td>
</tr>
<tr>
<td>GDSI</td>
<td>Galway Development Services International</td>
</tr>
<tr>
<td>H-V</td>
<td>Hunt and Vitell</td>
</tr>
<tr>
<td>LTO</td>
<td>Long-term Orientated</td>
</tr>
<tr>
<td>MoRT</td>
<td>Ministry of Resorts and Tourism</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Government Organisation</td>
</tr>
<tr>
<td>PCI</td>
<td>Perceived Corruption Index</td>
</tr>
<tr>
<td>PDI</td>
<td>Power Distance Indicator</td>
</tr>
<tr>
<td>SEP</td>
<td>Socio Economic Position</td>
</tr>
<tr>
<td>STO</td>
<td>Short-Term Orientated</td>
</tr>
<tr>
<td>TTCI</td>
<td>Travel and Tourism Competitiveness Index</td>
</tr>
<tr>
<td>ToR</td>
<td>Terms of Reference</td>
</tr>
<tr>
<td>UA</td>
<td>Uncertainty Avoidance</td>
</tr>
<tr>
<td>UNWTO</td>
<td>United Nation World Tourism Organisation</td>
</tr>
<tr>
<td>WEF</td>
<td>World Economic Forum</td>
</tr>
</tbody>
</table>
Industrial Codes of Ethics in Multi-Ethnic Environments; the Case of the Crimean Tourism Industry

ALAN DUGGAN

Duggan, A., 2014: Industrial Codes of Ethics in Multi-Ethnic Environments; the case of the Crimean Tourism Industry, Master Thesis in Sustainable Development at Uppsala University, No. 193, 34pp, 30 ECTS/ hp

Abstract

The study of ethical practice in tourism among scholars and decision makers alike has blossomed over the past ten years. Urged on by the emergence of niche tourism marketing campaigns in sustainable tourism and by a wider global trend toward increased corporate transparency, the questions of motivating and maintaining ethical practice in one of the world’s most influential industries has received evermore attention in academia and the policy development environment. This paper contributes to an understanding of ethical practice within the tourism industry by analysing the potential barriers which exist to the implementation of an industry wide Code of Ethics in a multi-cultural and multi-ethnic environment. Utilising the symbolic interactionism approach an analytical model was constructed to investigate the institutional context of a proposed code of ethics for the tourism industry of Crimea. Focusing on cultural values, socio-economic status and institutional capacity it was found that significant cultural distance and an underdeveloped tourism infrastructure posed the greatest potential disruption to the implementation of an industry wide code.

Keywords: Codes of Ethics; Corporate Responsibility; Crimea; Hofstede; Sustainable Development; Ukraine;

Alan Duggan, Department of Earth Sciences, Uppsala University, Villavägen 16, SE- 752 36 Uppsala, Sweden
Industrial Codes of Ethics in Multi-Ethnic Environments; the Case of the Crimean Tourism Industry

ALAN DUGGAN

Duggan, A., 2014: Industrial Codes of Ethics in Multi-Ethnic Environments; the case of the Crimean Tourism Industry, Master Thesis in Sustainable Development at Uppsala University, No. 193, 34pp, 30 ECTS/hp

Summary
This study explores the environmental constraints to the implementation of codes of ethics across the tourism industry of the Crimean peninsula of southern Ukraine. Drawing on the concept of symbolic interactionism and based on the Hunt and Vitell General Model of Marketing Ethics, an analytical model is contrasted which identifies three key institutional factors of the tourism industry in the region which impact the interpretation of a potential code of ethics. Of these three factors, (culture, socio-economic status and business infrastructure) it was found that significant divergence is exhibited in the cultural situation of the region’s peoples as well as a noted underdevelopment of its business infrastructure. It was concluded that this divergence and underdevelopment represented a significant barrier to the implementation of a common industrial code of ethics for the whole industry.

Keywords: Codes of Ethics; Corporate Responsibility; Crimea; Hofstede; Sustainable Development; Ukraine.

Alan Duggan, Department of Earth Sciences, Uppsala University, Villavägen 16, SE- 752 36 Uppsala, Sweden
1. Introduction

Codes of Ethics have been the subject of much research in the past few years as academics from across the social science disciplines have sought to understand their nature, value and purpose (Frankl, 1989; Benson 1989; Tucker et al, 1999; among others). In many regards the debate continues as new understandings of the phenomenon emerge daily. The question of the rationale behind codes of ethics and their intrinsic functions and values is explored in more detail in subsequent chapters, for now the most superficial of definitions will suffice in that Codes of Ethics are ‘organisational expressions of ethical norms’ (Fennell and Malloy 2007, pg 16). This basic definition allows us to approach the subject with ‘clean hands’ so to say and creates space for a fully and comprehensive exploration of the functions and value of the present code within its own context.

Exploring the processes involved in ethical decision making, this piece examines the potential barriers to wide-scale implementation of a voluntary code of ethics which has been proposed for the tourism industry of Crimea in Ukraine. As the current political situation in the region has put the project on hold for the foreseeable future this research takes the view of evaluating and examining the theoretical terrain of tourism ethics in the region. Examining the phenomenon from a cultural, socio-economic and institutional perspective the paper aims to illuminate elements of the region’s society which may hinder or bolster the achievement of the code of ethic’s functions.

1.1 Problem Background

In the past 24 years since the break-up of the Soviet Union the newly independent state of Ukraine has been the target of billions of euros worth of international assistance funding aimed at aiding the transition process from the centrally planned Soviet economic model toward a more market orientated western structure (De Melo et al, 2001). In recent years a major player in offering this technical assistance has been the European Union’s international development assistance agency, EuropeAid. Assistance in Ukraine is delivered through bi-lateral and regional Annual Action Programmes (AAPs) under the European Neighbourhood and Partnership Instrument (ENPI). The total budget allocation for Ukraine from the ENPI between the years 2011 and 2013 was €470 million (EuropAid, 2014). This represents a significant investment in regional development and technical assistance programmes in Ukraine on the part of the European Union.

The present case deals with the implementation of a four year technical assistance programme aimed at ‘Supporting and Diversifying’ the tourism product of the Crimean peninsula of southern Ukraine. Crimea juts out as a diamond-shaped peninsula into the Black Sea. The region’s total area is 26,200 square kilometres with more than 75% of it consisting of low steppe plains and gently rolling hills (BBC, 2014). Along the southern coast, however, ranges of rugged mountains rise steeply from the coastline to 750 metres above sea level. The distinct and unique nature of the region gives it massive potential to rival other Black Sea destinations in Turkey and Southern Russia. It is for this reason that development of a quality tourism product has been linked many times to issues of sustainable regional development and the improvement of living standards in the area (World Economic Forum, 2013)

The wide ranging tourism support and development programme is divided in three distinct components which run in tandem with each other with the common goal of enhancing tourism product of Crimean. These are:

- Component A: Institutional Strengthening of the Tourism Industry in Crimea
- Component B: Developing Standards of destination management and services delivery
- Component C: Diversification and enhancement of the Tourism Product

Within each of these guiding components the project has engaged in a large number of sub-activities aimed at achieving the overall result of ‘Positioning Crimea as a diverse, balanced and attractive tourism destination of international standard’ (European Commission, 2012, pg 5). These sub-activities vary in scope from constructing a strategic five year development plan for the region to engaging in wide scale training and capacity building
exercise among tourism practitioners. A key element of this development process has been the wish on the part of the European Commission to implement a ‘Code of Best Practice for the Tourism Industry’ (European Commission, 2012), linked to ensuring the enhancement of standards of service and management in the region. In a document outlining the terms of reference to be followed in establishing this ‘Code of Best Practice’ the expert charged with its development has been request to transpose the United Nations World Tourism Organisations (UNWTO) Global Code of Ethics for Tourism to a Crimean context. It is this proposed Code of Ethics which is the subject of the present study.

1.2 Problem Statement

Prior to the development of the proposed code it is important to explore in detail the cultural, socio-economic and infrastructural landscape in which the eventual code will operate. This is in order to generate a complete understanding of the potential barriers which may present themselves in the implementation of code.

One of the major elements of an industry wide code of ethics is in their underlying assumption of a unifying norm among those who ascribe to its provisions (Donaldson and Dunfee, 1994). This assumption is often strained in the context of diverse cultural and social environments and in areas in which poor business infrastructure makes such soft regulation difficult to implement satisfactorily. The Crimean situation allows for a specific exploration of the difficulties involved in implementing industry wide ethical codes in multicultural environments with diverse occupational contexts and industrial capacity.

Today more than ever before, the ethnic and cultural differences of the people of Crimea have become the subject of global media attention (BBC News 2014, CNN 2014, The Economist 2014 etc.). These differences distinguish the peninsula’s people both from each other and the peoples of mainland Ukraine. The 2001 Ukrainian census estimated the population of Crimea at 2,413,200 people, 379,500 of which lived within the City of Sevastopol (Ukrainian Census, 2001, pg. ii). The region’s exceptionally diverse ethnic make-up is composed of more than 85 nationalities and ethnic groups. According to the 2001 census, 58.3% are of Russian origin, 24.3% Ukrainian and 12.0% Crimean Tatars with the remaining 5.4% made up of a very diverse range of nationalities and ethnic groups. These include among many others Belarusians, Tatars, Armenians, Jews, Black Sea Germans, Romani people, Bulgarians, Poles, Azerbaijanis, Koreans, Greeks and Italians (ibid, pg. iv).

In order to examine the potential impact that multi-ethnic and socio-economic environments may have on the implementation of a single unified ethical code, it is important first to understand what is expected of such implementation and then to understand the role which cultural and economics play in this implementation. To that end the problems identified and addressed in the paper are two-fold. In the first instance the research deals with an exploration of the intended functions of the proposed code, examining the motivations of those who are spearheading the publication of the code and the outcomes expected by the stakeholders involved. This provides the research with a clear frame of reference for understanding the specific behaviour which the code intends to encourage and the type of impact which the developers seek to make on the tourism industry landscape in Crimea.

Once this classification and framing has been completed the second element of the research problem is to analyse the underlying institutional factors at play in the Crimean tourism industry which may affect the achievement of the code’s intended results. Building on a theoretical exploration of how environmental factors influence ethical decisions, an empirical study is conducted into the state of these elements of the business environment within the tourism industry of Crimea.

1.2.1 Aims of Study and Delimitations

This study concerns the factors affecting the implementation of professional codes of ethics in industries characterised by heterogeneous social and cultural contexts. The study aims to explore the situation in Crimea in regard to the cultural, socioeconomic and institutional aspects of the tourism industry which may influence the interpretation and implementation of the proposed code of ethics. Based on a descriptive analysis of the tourism industry in Crimea it is expected to produce a conclusion as to the suitability of a code of ethics to achieve the goals of its authors.
As elaborated above, the research focuses on two complementary paths; these are denoted by two guiding questions:

- What is the intended function of the proposed Code of Ethics for the Tourism Industry of the Crimea?
- What are the environmental and institutional aspects underlying the tourism industry in the region which may affect the achievement of the code’s intended results?

The study seeks to answer these questions by examining cultural and statistical information relevant to the Crimean situation. The research focuses on three avenues of inquiry into the business landscape of Crimea, these are; the cultural aspects as denoted by Hofstede’s cultural dimensions theory (Hofstede, 2001), socio-economic aspects as denoted by the degree of inequality of wealth distribution among the people and households of the Crimea and infrastructural aspects which are denoted by the organisational make-up of the tourism industry and the political and regulatory structures which support it.

The study focuses on data derived from both expert sources within the Crimean tourism development project and the regional government of Crimea as well as studies, both academic and professional, on the nature of business culture and infrastructural and socio-economic state of the region. The bulk of the data used in this study relates to the state of the Crimean region prior to the events in spring of 2014. At the time of constructing the research product these political events were still very much on going and it was deemed pre-mature to derive conclusions as to their precise effect on ethical decision making within the tourism industry of the region.

The overall intention of the research is to illuminate underlying factors relevant to ethical decision making in the specific context of the Crimea. The value of the research lies in use as a tool for creating a functional and informed code of ethics for this specific context. Therefore care should be taken in extrapolating the findings beyond the specific case in question.
2. Analytical Framework

The previous chapter has outlined the core aim of this research paper highlighting the central problem at interest and expressing two principle questions which the study seeks to answer. In this chapter the important concepts of business ethics, codes and the institutional contexts which influence behaviour of agents when faced with ethical dilemmas are addressed. In attempting to comprehend the issues surrounding the chosen research questions two areas of theoretical inquiry emerge, these are; the functions of codes of ethics within the tourism industry and the environmental contexts which influence ethical behaviour in business. The chapter begins from a perspective of symbolic interactionism as defined by Joas and Knoebel (2009) and explores the concept of contextual interpretation of real world phenomena. Using Hunt and Vitell’s (1986) General Model of Marketing Ethics as a framework of understanding ethical decision making in the tourism industry the study explores the import of cultural, socio-economic and infrastructural institutions and their influence on ethical decision making in business.

2.1 Defining Codes of Ethics

It has been stated above that one of the most basic definitions of corporate or industrial codes of ethics is that they are organisational expressions of the ethics. These expressions indicate to internal and external observers what the organisation or industry stands for, believes in or aspires to accomplish (Wood and Rimmer 2003). As may be expected there exists a great variety in definitions of codes of ethics, a sample of this is presented in the table below.

<table>
<thead>
<tr>
<th>Definition</th>
<th>Citation</th>
</tr>
</thead>
<tbody>
<tr>
<td>“messages through which corporations hope to shape employee behaviour and effect change through explicit statements of desired behaviour”</td>
<td>(Stevens, 1994, pg 64)</td>
</tr>
<tr>
<td>“a short set of ethical principles expressed in the imperative mode”</td>
<td>(L’Etang, 1992, pg 737)</td>
</tr>
<tr>
<td>“statements of the norms and beliefs of an organisation”</td>
<td>(McDonald and Zepp, 1989, pg 183)</td>
</tr>
<tr>
<td>“an attempt to purposively influence or control the ethical dimensions or members’ organisational behaviour”</td>
<td>(Cassell et al., 1997, pg 1080)</td>
</tr>
<tr>
<td>“a systematised set of standards and principles that defines ethical behaviour appropriate for a profession. The standards and principles are determined by moral values”</td>
<td>(Ray, 2000, pg 21)</td>
</tr>
</tbody>
</table>

Despite the lack of solid consensus in the literature, two general conclusions can be made from the variation in definitions, these are that codes of ethics aspire to influence behaviour of agents within an organisation or industry, and that the nature of the desired behaviour is determined by underlying moral values and norms. This would suggest that a functional code is one that is capable of guiding or persuading those agents who ascribe to it to act in accordance with a defined worldview or norm. The commandment ‘Thou shalt not kill’ does not simply ask people to refrain from murder but also to believe that murder is morally reprehensible, the same logic works in inspiring ethical behaviour of the tourism industry.

These definitions often overlap with that of Codes of Practice, Codes of Conduct, Best Practice Guidelines and other organisational statements of CSR policy (Fennell, 2007). In a professional report developed for the Canadian Tourism Industry Scace et al (1992) challenges the inconsistency by stating that Codes of Ethics are more philosophical and value based while Codes of Conduct and Practice are more practically applicable to specific local situations. Fennell supports this view and makes the example that “a guideline falling within a code of ethics would be ‘respect for the frailty of the earth’, whereas a code of practice guideline would likely be orientated more towards acceptable business practice with reference to the organisation’s ‘commitment’ to the customer” (Fennell 2007, pg 226).
The proposed code has been referred to by its developers both as a code of ethics and as a best practice guideline, however it has also been proposed as a transposition of the UNWTO Global Code of Ethics for Tourism into a Crimean context (ToR, Intern Doc, 2014) as well as having been referred to as such in all subsequent correspondent with project leaders (Brophy, Pers Com, 2014). It has therefore been established that the proposed codes closest fits the definition of an ethics code put forward by Scace et al (1992) and Fennell (2007). This study accepts the characterisation of the proposed code as a code of ethics.

2.1.1 Classifying Codes of Ethics

An essential element of this research is understanding the form and nature of the proposed code. This in order to answer the first of the research questions, that of identifying the intended functions of the code. The most fundamental classification which must first take place is that of identifying by whom is the code developed and for whom are its provision’s intended. In terms of by whom, Genot (1995) has identified three sectors from which the majority of codes of ethics in tourism are derived these are; from industry, from government and from Non-Governmental Organisations (NGOs). To complement these three groups of code developers Mason and Mowforth (1996) identify three groups for whom codes are developed, these are tourists themselves, the tourism industry, and the host community.

As can be expected each of these code developers have a have particular motivations and intentions behind constructing their respective documents which, along with the alternative requirements of the differing audience, are reflected in the design of the eventual codes. Table 2, below, adapted from Mason and Mowforth (1996) identifies the key elements of codes of ethics in the tourism industry highlighted how the authorship and intended audience may affect the eventual message of the code.

Table 2. Key Elements of Tourism Codes of Ethics (adapted from Mason and Mowforth, 1996 pg 163)

<table>
<thead>
<tr>
<th>Type of Code</th>
<th>Authorship</th>
<th>Audience</th>
<th>Message</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitors Codes</td>
<td>Predominately NGOs, some government bodies such as the Ministry for the Environment.</td>
<td>Domestic and International Visitors, esp. overseas visitors to developing countries.</td>
<td>Minimise environmental and socio-cultural impact to the area visited. Maximise benefit to host community Encourage equality between hosts and visitors.</td>
</tr>
<tr>
<td>Industry Codes</td>
<td>Predominately coordinating bodies such as the UNWTO or professional bodies, sometimes regulators such as government</td>
<td>Tourism Industry in general, and some codes for specific sectors such as hospitality or tour guides.</td>
<td>Appropriate training for staff Honest product marketing Awareness of environmental impact. Promote responsible forms of tourism.</td>
</tr>
<tr>
<td>Host Codes</td>
<td>Mainly NGOs, and some host communities</td>
<td>Host communities, particularly in developing countries.</td>
<td>Information and advice about visitors. Minimise corrupt behaviour and ‘taking advantage’ of tourists Encourage democratic and participatory forms of tourism development.</td>
</tr>
</tbody>
</table>

The present code has been proposed as part of a wider tourism strengthening project in Crimea, it is developed by the regulating body for Crimean tourism, the Ministry of Resorts and Tourism (MoRT) and can therefore be said to be developed by government. In terms of whom its provisions address, both the initial terms of reference and project’s strategic proposal have highlighted the code’s position as a tool To promote responsible tourism in Crimea by the development and widespread adoption of a Code of Ethics that the Ministry of Resorts and Tourism
(MoRT) and individual tourism businesses can use to market themselves to tourists’ (ToR, Intern Doc, pg 1). This suggests that intended audience of the code is the general tourism industry of the Crimea. The rationale for the development of these sorts of industry codes is explored in the following sections.

2.1.2 Rationale for Codes of Ethics
Wood and Rimmer (2003) in a review of research on corporate codes of ethics establishes three general purposes to which all functional codes by definition must ascribe. These are:
1. to establish the moral values recognised by an organisation
2. to communicate the organisations expectations to stakeholders
3. to demonstrate to the public and other stakeholders that the organisation in fact operates within specific ethical parameters (Wood and Rimmer, 2003, pg 235)

In this regard codes can be seen as communication devices which both explain what the organisation considers to be unacceptable behaviour and adds legitimacy and credibility to its efforts to eradicate it. This communication potential, according to Fennell (2007), is generally used for one or more of three possibilities: to aspire, to educate and to regulate. Through this lens a corporate code may be seen as a marketing tool, differentiating on company over another by displaying a commitment to stakeholder welfare as well as establishing trust in this commitment.

In terms of professional or industry codes of ethics the rationale remains much the same, although Buchholz (2004) observes that professionals use codes within their group to legitimise their position through establishing common values, norms and responsibilities within the group and articulating a form of altruism which motivates their profession (a vow of service to society). Buchholz notes however that it is not altruistic behaviour which is the chief concern of most professional societies but rather the promotion of a public perception of upstanding and ethical behaviour and trust in this perception that offers the greatest benefit to the group. In relation to this Fennell (2007) argues that a professional code has served its purpose not when ethical behaviour has occurred but where the general public has gained a perception that ethical behaviour is the norm. Developing trust and integrity for the group is therefore a principal rationale of professional codes of ethics.

In this vein Frankl (1989) identifies eight functions of codes for the purpose of social utility and professional guidance these are:
1. Enabling Document. The code offers moral guidance by offering a framework for the evaluation of ethically ambiguous decisions.
3. Professional Socialisation. The code helps foster pride in an association, industry or profession.
4. Enhance Profession’s reputation and public trust. Adopting a code informs the public of a commitment or concern for the welfare of a profession’s stakeholders and in turn improves confidence and respect in said profession.
5. Preserve entrenched professional biases. Frankl holds that’s often codes are used to legitimise professional biases
6. Deterrent to unethical behaviour. Codes can act to discourage unethical behaviour though treat of sanctions and isolation from a professional community.
7. Support System. Codes may provide a support structure for professionals against improper demands from stakeholders
8. Adjudication. A code may also from the basis for arbitration in areas of conflict.

(Adapted from Fennell 2005, pg 24)

These eight functions highlighted by Frankl echo the sentiments of Buchholz that codes as communication devices rely on the perceptions of stakeholders and the public in order to relate their intended message. Understanding how stakeholders, both businesses within the industry and customers of the tourism product in Crimea may interpret the message of the eventual code is an essential part of understanding the constraints to its implementation.
2.1.2 Code Interpretation

Russ-Eft and Hatcher (2003) speaking in the context of human resource development have argued that due to codes of ethics highly contextual nature and reliance on shared interpretation and understanding, codes of ethics should only be developed as a ‘result of agreement over shared norms […] that in turn might be realised only in the context of a stabilised world’ (Russ-Eft and Hatcher 2003, pg 301). The notion of a ‘stabilised world’ as a prerequisite for functional codes of ethics is mirrored in Valentine (1992) who argues specifically in the case of codes for the tourism industry that the codes must encompass a such wide array of different types of business and business people (tour operators, hotel managers, ice cream vendors etc..) within the same setting that conflict of interest and variation in interpretation is bound to occur. This requirement of a commonality in interpretation and understanding of a codes message leads to a central proposition of the present case study. This is that a major constraint to the implementation of cross cultural codes of ethics will be divergence in the interpretation of the codes message.

2.2 Symbolic Interactionism

Rooted in social psychology symbolic interactionism is an approach to understanding social constructions through a lens of individual context driven interpretations of such phenomena (Benzies and Allen, 2001). The principal assumptions of this element of social theory is that agents interact with the world on the basis of the meaning things have for them (ibid, 2001). Drawing from the American pragmatist school of philosophical thought Blumer (1969) outlines three premises upon which the approach lies which are relevant to the present study.

1. Human beings act toward things on the basis of the meaning that the things have for them
2. The meaning of such things is derived from, or arises out of, the social interaction that one has with one’s fellows
3. These meanings are handled in, and modified through, an interpretative process used by the person in dealing with the things he encounters. (Blumer 1969, pg.2)

This interpretative approach to research offers the framework for understanding the constituent factors involved in forming an interpretation of the meaning of a perceived code. Through this lens it can be understood that such interpretations are built from the contextual circumstances of individual actors which are informed through cultural and social background and institutions (Joas and Knoebl, 2009). Understanding these institutional contexts is therefore essential to understanding the eventual interpretation and therefore action of those who engage with the code. Drawing on the earlier proposition it can now be proposed that as interpretation of social phenomena is guided by institutional contexts, where these contexts diverge the potential for alternative interpretations of the same situation is increased.

2.2.1 Hunt and Vitell General Model of Marketing Ethics

Having established that codes of ethics as communication devices are dependent on a common interpretation of the code’s message on the part of all stakeholders and that this interpretation is derived from the institutional context from which the stakeholder arrives. It is left to identify the components of an agent’s environment which influence to the largest degree their interpretation of the ethical norms espoused in a code of ethics. Hunt and Vitell (1986) provide a useful departure point in this regard. Speaking in terms of ethical decision making in the marketing profession, Hunt and Vitell (H-V) have put forward a descriptive empirical model to map the processes and evaluations which marketing professional are faced with when making faced with a decision which includes a component of ethics.

The model, illustrated in figure 1, explains that when presented with such a decision an agent will formulate two ethical evaluations; a deontological evaluation (an assessment of the inherent ‘goodness’ of the act itself) and a teleological evaluation (an assessment of the goodness of the act and its potential consequences). These two evaluations made individually in regard to each decision are informed by the agent’s perceptions of the problem, its potential consequences and the deontological norms to which the agent ascribes all of which are themselves determined by the cultural, organisational, industrial and personal circumstances from which the agent originates.
Drawing on the H-V model the bones of an empirical investigation begin to emerge. Following the logic of the model, where significant diverge occurs in cultural, industrial, organisation contexts or personal experiences, either between the drafters of a code or within the codes implementation area, the potential alternative perceptions of ethical problems as well as heterogeneous deontological norms is increased. This is turn may lead to misinterpretation of codes of ethics.

2.3 Model of Analysis

In building an empirical analysis of the Crimean situation the Hunt and Vitell model has been taken to guide the inquiry into the specific case. The cultural environment component has been analysis in relation to Gert Hofstede’s cultural dimensions theory (Hofstede, 1989) an evaluation of which is elaborated below. In terms of organisational and industrial environments it was felt these could be best explored within the terms of infrastructural aspects this is in keeping with Mason and Mowforth (1996) who argue that industry codes are highly influenced by the business infrastructure into which they are applied. In terms of personal experience is was felt that measuring the extent to which socio-economic position vary within Crimea would indicate the existence of a large divergence in personal experience.

This assumption is supported by Mohr et al (2001) who finds considerable evidence to suggest perception of CSR activity is significantly influenced by the socio-economic status of an agent. Cohen et al (1992) argue the same case and have included socio-economic conditions as a constraining factor in the application of professional codes of ethics. A theoretical elaboration of how these factors may affect the interpretation of the codes message is outlined in the following sections. Figure 2 below, adapted from Cohen et al (1992), illustrates model through with the Crimean context is analysed. This model uses Hunt and Vitell’s findings to illustrate the moderating factors at play when a single code of ethics in implemented in a diverse industry. The three conditions have been chosen to reflect the Hunt and Vitell’s factors which contribute to ethical decision making.
Fennel and Malloy (2007) have observed that code compliance is based primarily on the extent to which the values it espouses conform to the values of the individuals or organisations concerned. This would suggest that optimal code design for multicultural environments would be one whose statements are broad enough to represent the divergence created by the cultural, socio-economic and cultural differences which exist in the given context. As can be seen from the above figure, the three avenues of inquiry in this research are cultural, socio-economic and infrastructural aspects. Based on the propositions put forward in this conceptualisation the occurrence of significant divergence in one or more of these areas within the Crimean context will greatly increase the possibility of alternative interpretations of the codes message emerging. The following sections detail the relationship between these factors and interpretation and adherence to an ethical code.

2.3.1 Cultural Impacts

Hofstede (1980b) has defined culture as ‘the collective mental programming of the mind which distinguishes the members of one human group from another’ (pg. 25). This ‘mental programming’ looked at through the lens of symbolic interactionism, outlined in Section 2.2, can form one of the key foundations to how agents interpret and behave when faced with real world phenomena, such as the moral principles espoused in a code of ethics.

Watson et al (1993) has found a significant correlation between differences in cultural origins and perception of ethical behaviour. The link is further emphasised in the differences in content of corporate codes between Western European and North American companies, Langlois and Schlegelmilch (1990) in a comparative content analysis of over 400 corporate codes of ethics found that European codes stress stakeholder rights within the decision making process and a sense of responsibility on the part of management, American codes prefer to promote fairness in business and equity. Dobson (1990) has also argued that the vast cultural differences in the world has made a common moral code impossible or that such a codes principles would inevitably be too broad to be useful.

Allowing that cultural divergence may signal ethical divergence it is necessary for this study to appropriately gauge the extent and form of this divergence. Hofstede (1980a) in a seminal cross-cultural study of IBM employees identified significant cultural differences in work-related values across the same company. Based on this study Hofstede highlighted four dimensions of culture in which significant diverge can be observed across nations. These four dimension are illustrated with a comment of their respective effect of ethical values in the table below.

Figure 2. Factors affecting implementation of Industry Codes of Ethics (adapted from Cohen et al 1992, pg 688)
Table 3. The Dimensions of Culture (derived from Hofstede 1980a, 2001)

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Description</th>
<th>Effect on Ethical Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Distance Indicator</td>
<td>This refers to the degree of inequality in power between superiors and subordinates. As Hofstede proposed the point at which this finds equilibrium to be socially determined, the level of inequality can be seen as an indicator of how culturally acceptable power inequality is in the work place.</td>
<td>Cohen et al (1992) has observed that in a culture with a high PDI it may considered more ethically sound to follow that instructions of a corrupt superior than to disobey the hierarchy (pg. 690)</td>
</tr>
<tr>
<td>(PDI)</td>
<td></td>
<td>A culture which seeks to avoid uncertainty will comply more rigidly to established rules. This suggests that, as in the case of a high PDI, a highly uncertainty intolerant culture will be more accepting of those who follow do not question unethical work practices.</td>
</tr>
<tr>
<td>Uncertainty Avoidance</td>
<td>This refers to an agent’s tolerance for uncertainty in work practices. It is calculated based on three indicators; rule orientation, employment stability and stress. Where rules are rigidly followed and employment reasonably stable it can be said that tolerance for uncertainty in society in low. The stress indicator represents the mean level of anxiety in a society, where stress is high a greater need for security is exhibited and tolerance for uncertainty is lowered (Hofstede 1980a, pg. 164).</td>
<td>Ethical behaviour is greatly influenced by this dimension as it concerns the extent to which an agent’s action is guided by concerns for their own well-being or that of the group.</td>
</tr>
<tr>
<td>(UA)</td>
<td></td>
<td>This impacts ethical behaviour in that a masculine orientated society may be more accepting to predatory and aggressive business practices.</td>
</tr>
<tr>
<td>Individualism vs Collective</td>
<td>This dimension captures the extent to which a culture values collective cohesion over individual achievement. It can be used to denote the extent to which an individual is driven by their own personal ambition or by the common requirements of the collective.</td>
<td>Ethical behaviour is greatly influenced by this dimension as it concerns the extent to which an agent’s action is guided by concerns for their own well-being or that of the group.</td>
</tr>
<tr>
<td>Masculinity</td>
<td>As opposed to femininity, refers to the extent to which national culture characterises assertive (masculine) rather than supportive or nurturing (feminine) values.</td>
<td>This impacts ethical behaviour in that a masculine orientated society may be more accepting to predatory and aggressive business practices.</td>
</tr>
<tr>
<td>Long-term Orientated</td>
<td>This refers to the value a culture places on the future. That is that an LTO culture will place greater value on persistence, saving and adaptation that short term orientated (STO) cultures with value tradition, steadiness and social obligation to a greater extent.</td>
<td>This may impact on ethical behaviour in that an LTO culture is more likely to foresee the long term benefits of ethical business practice.</td>
</tr>
<tr>
<td>(LTO)</td>
<td></td>
<td>A culture which is said to be indulgent may place less value in ethical actions if they result in denied gratification.</td>
</tr>
<tr>
<td>Indulgent vs restrained</td>
<td>This refers to the extent to which a culture values gratifying and indulgent activity over self-restraint.</td>
<td></td>
</tr>
</tbody>
</table>

The above table illustrates how the Hofstede framework of cultural dimensions is useful in identifying key aspects of ethnic culture which may indicate a divergence in ethical norms or interpretation of codes. The framework however is not without its critique, Alion (2008) has presented a useful analysis of the approach drawing up a normative examination of the framework’s principals based on its own methodology uncovering the approach’s own subjectivity and cultural embeddedness within the ‘western’ paradigm. Other criticism has been directed at the models limited scope in dealing with the complexity of cultural dimensions (Layes 2003).

Hofstede himself never maintained that his model would cover the totality of a culture in five dimensions rather it is that from this totality small extracts are taken to illuminate certain important characteristics for business relationships. Employment of this framework in understanding cultural divergence in Crimea does not negate a consideration of this important critique, while Hofstede’s approach delivers only a partial view of the true culture of the Crimean peoples if was felt that this view was sufficient to indicate the existence of divergence and therefore the potential for alternative interpretations of the same phenomenon. The particular Hofstede analyses used in the empirical studies are evaluated in the method chapter of this paper.
2.3.2 Socio-Economic Position
Along with cultural context the socio-economic position (SEP) of an agent has been seen to have a significant impact of their behaviour and world view (Cohen et al, 1992). This influence on behaviour is correlated with the symbolic interactionist proposition that agent’s interpretations of phenomena is defined by their contextual position. Social status, as defined by the American Psychological Association (APA), refers to an agent’s position in a societal hierarchy denoted by their relative access to privilege, power and control (APA, 2014). It is a composite measurement defined by a combination of an agent’s wealth, education, occupation and often familiar background. This SEP has been shown to have a number of knock-on effects related to access to health care, civic participation as well important physiological effects related to learning and susceptibility to addiction (Bradley and Corwyn, 2002). These knock-on effects act to alter almost every aspect of ordinary life, from access to education, through political participation, life expectancy and crime (APA, 2007). With such an immense impact on an agent’s life course it is clear that the existence of social inequality and dissonance will greatly impact on the interpretation of the message relayed by a code of ethics.

Such divergence in social status has been seen to effect attitudes towards ethical practice in many areas of study. Donaldson and Dunfee (1994) held that differences in behavioural norms between social classes as a considerable issue in cross cultural application of social contracts. Variation in SEP has also been seen to influence attitudes towards sustainable practices with studies such as the Environmental Kuznets Curve showing a higher valuation of environmental protection at higher levels of income (Millennium Ecosystem Assessment, 2005) and a higher importance placed on socially responsible corporate behaviour by consumers in higher income areas (McWilliams and Siegel, 2001). It can be therefore held that a significant aspect of an agent’s interpretation of ethical norms and the importance they ascribe to ethical behaviour is greatly influenced by their relative SEP and thus divergence in social status within Crimea may indicate the potential for alternative interpretations and valuations of a code of ethics.

2.3.3 Infrastructural Context
In this study the term infrastructure is taken to mean the institutional structures both physical, in terms of transport networks and public utilities, and social, in terms of functioning business law system and human capacity, which support and foster the development of business in a region (OED, 2014). Codes of Ethics by their nature as written expressions of organisational values relay on a highly formalised and clearly expressed monitoring framework in order to encourage compliance (Fennell and Malloy, 2007). Such implementation requires an extensive capacity on the part of the tourism industry in Crimea for self-assessment and regulation. This capacity may be lacking in areas with inadequate support structures and high degrees of informality of enterprise. We can clearly see therefore that the supporting infrastructure of an industry will have a considerable effect of its ability to implement effectively a common code of ethics.

The Travel and Tourism Competitiveness Index (TTCI), illustrated in the figure below, presents an international standard for destination infrastructure quality and development.

![Travel & Tourism Competitiveness Index](image_url)

Figure 3. The Travel and Tourism Competitiveness Index (World Economic Forum, 2013, pg 3.)
As can be seen in the above figure the TTCI is defined by three major indicators of Tourism infrastructure through which the basic support structure for tourism development can be assessed and monitored, these three indicators are further divided into 14 pillars which offer an in-depth monitoring framework for tourism infrastructure.

These infrastructural arrangements in a country like can be seen as the results of political decisions in relation to investment and allocation of resources in society, which themselves are manifestations of cultural outlook and valuation. It can be said therefore that by looking at the concrete outcome of these decisions in relation to infrastructural developments the underlying political situation is also taken into consideration within the analysis. These measurements form the basis through which the tourism infrastructure of the Crimea is assessed and a comment made on the level of its development in relation to international standards and its ability to sustain co-ordinated self-regulation of a code of ethics.

The framework for analysing the effect of environmental conditions on the functions of the code of ethics have now been outlined. In this section it has been shown that significant divergence in the cultural, socio-economic or infrastructural conditions at play in the region and industry may indicate the potential for misinterpretation of the provision of the code and harper its implementation. The methods employed to identify the existence of such divergence are outlined in the next chapter.
3. Method

The previous chapter outlined the analytical framework through which the research questions are conceptualised and understood. The present chapter outlines the specific methods employed in the research process to answer the questions posed. The principal avenue of research is an exploratory single case study in which data is gathered concerning a number of relevant criteria in the attempt to present an accurate and comprehensive snap-shot of the real world situation in the Crimean tourism industry.

3.1 Research Strategy

The research strategy for this piece has been compartmentalised into two distinct but complementary avenues which represent each of the two general research question. While the tools and methods employed to answer each of these question were different two common themes united them. These were the interpretative approach and the case study method.

3.1.1 Interpretative Approach

Bhattacherjee (2012) has outlined two broad approaches the data collection in scientific research. These are the positivist methods denoted by a reliance on laboratory experiment and survey analysis with a view to theory or hypothesis testing and the interpretative methods which are denoted by reliance on action research and ethnographical explorations into phenomena. This is an inductive approach to research from which general theories and hypotheses are derived from inferences based on collected data (Robson, 1997).

The present research is based on describing and exploring the social context which underlies the tourism industry of the Crimea. Its primary intention is to use relevant data to uncover the potential pitfalls which may emerge in the implementation of a codes of ethics in this context. This sort of research is based largely on human perceptions of problems and solutions and such complex phenomena require interpretive investigations to uncover motivations and perceptions which are not easily discerned from raw data (ibid, 1997). While the avenues of exploration in this case have been guided by theory, the eventual conclusions form a hypothesis as to which elements of the case may pose barriers to the achievement of the codes function and how this may happen. It is for this reason that interpretative methods were employed to answer the research questions.

3.1.2 Case Study

The present study revolves around a single exploratory case study which seeks to analyse the institutional underpinnings of ethical decision making in the Crimean Tourism industry. Case study analysis allows a theoretically structured investigation to be carried out in a real world context and has been a crucial research tool in social sciences and business studies for many years (Bhattacherjee, 2012). While case study research has taken many forms throughout its development this piece deals primarily with the approach outlined by Robert Yin, (2003, 2006). The case study approach supports a constructivist paradigm which “recognizes the importance of the subjective human creation of meaning, but doesn’t reject outright some notion of objectivity. Pluralism, not relativism, is stressed with focus on the circular dynamic tension of subject and object” (Miles and Huberman, 1994, p. 10). This suggests a full understanding of real world phenomena such as the ethical decision making in the Crimean tourism industry requires a holistic recognition and understanding of the institution context in which the phenomenon is embedded.

The present research is designed to examine the cultural, social and infrastructural elements of the Crimean tourism industry which may influence the successful implementation of a code of Ethics. This task requires what has been characterised by Yin (2003) as an exploratory case study which is designed to understand a case in which the effects of an intervention, in this case the proposed code of ethics, is unknown and is the subject of inquiry. The research is also designed to explore the context of a single proposed code of ethics and therefore takes the form of a holistic single case study, this approach allows for a full understanding of the particular circumstances surrounding the proposed code.
3.2 Case Study Design

The design of the present case study has been guided by the theoretical propositions illuminated from the conceptualisation of the code of ethics phenomenon and framing of this phenomenon from the perspective of social interactionism and in the H-V General Theory of Marketing Ethics. The analytical framework of the case has been defined around the chief of these propositions i.e. that individual interpretation of ethical codes is defined by the institutional context in which the interpreter is based and therefore areas of high cultural and socioeconomic divergence pose a challenge to the implementation of a single code of ethics across an entire industry. Figure 4, below highlights the stages involved in this work.

![Figure 4. A graphical representation of the research design](image)

The above figure illustrates the specific research process employed in this piece, beginning from a theoretical foundation in which the key ideas are conceptualised the research moves to answering the first of the questions which is to defined though an analysis of stakeholder expectations. Around these expectations the case study is built and the empirical analysis of relevant data is conducted. The results of this study are analysed and a note made on the level of divergence within Crimea, from this and the theoretical background a recommendation can be made as to the best code design which might compensate for the existing barrier.

3.2.1 Unit of Analysis

As mentioned above the study is based on factors pertaining to Cultural Values, Socio-Economic Conditions and Organisational Aspects of the Crimean Tourism Industry. The selection of the specific units of analysis has been guided by theoretical consideration and is represented by the framework illustrated in Figure 1. The unit of analysis therefore focuses on the tourism industry of the Crimea and in particular the various factors which influence the interpretation of the proposed code of ethics among tourism businesses in the region. The case study is an interpretative snap shot of the underlying social institution which influence the interpretation of ethical norms based on the symbolic interactionist approach outlined in the analytical framework.

3.3 Collection and Analysis of Data

Generally speaking there exist two broad methods though which data is collected, these are the quantitative and the qualitative (Bhattacherjee, 2012). From the most basic definition we can define quantitative data as being systematised empirical data derived from statistical, mathematical or computational sources often taking the form of a process of precise measurement of certain phenomena (Given, 2008). This is in contrast to qualitative data which seeks to understand and explain complex relationships which are often best understand though in-depth analysis of how phenomena are perceived and interpreted by interested stakeholders (Miles and Huberman, 1994). In interpretative research the chief methods employed are usually qualitative in nature yet quantitative descriptions will also from an important component of the overall understanding of a certain case. It is for this reason that this study has elected to employ a mixed method path to research which employs both qualitative data relevant to stakeholder motivations and cultural considerations as well as quantitative data relevant to socio-economic and
infrastructural considerations. This triangulation of research methods is further explained while assessing the quality of the research process.

The political and military crisis which has struck Ukraine and Crimea in early 2014 has had a significant impact on the research process of this study. The data collection process has accordingly been designed in respect to the difficulty in collecting first hand data from sources within Ukraine. To this end the research has relied for the major part on reliable second hand data and information in order to appropriately present valid answers to the research questions. The data sources are presented in relation to each research question below.

3.3.1 Identifying the Intended Function of the Code of Ethics
A process of stakeholder identification and analysis was performed to establish the motivations behind the proposed code. The theoretical considerations surrounding this process have been outlined in an earlier chapter, the sources of data and method of their collection relevant to this process are outlined in Table 4, presented below.

The table is divided into four columns which describe each source of data. Here primary and secondary status of the data refers to whether it the information was delivered to the researcher for the purposes of the present study (primary) or it the information was originally intended for another purpose and made available to the researcher ex post. Origin denotes from where the information has originated either from EuropeAid who have commissioned the Code or the consultancy, GDSI, who have been tasked to oversee its development or the consultant themselves who have been commissioned to develop it.

Table 4, Sources of Data for Identifying Motivations behind the Code

<table>
<thead>
<tr>
<th>Data Source</th>
<th>Primary or Secondary</th>
<th>Origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email Correspondence</td>
<td>Primary</td>
<td>Consultancy</td>
</tr>
<tr>
<td>Tourism Project Proposal</td>
<td>Secondary</td>
<td>Consultancy</td>
</tr>
<tr>
<td>Terms of Reference for Tourism Project</td>
<td>Secondary</td>
<td>EuropeAid</td>
</tr>
<tr>
<td>Terms of Reference for Code Development</td>
<td>Secondary</td>
<td>EuropeAid</td>
</tr>
</tbody>
</table>

While no formal interview has taken place general questions were asked to project head Mr. Pauric Brophy of the GDSI, these questions concerned the nature of the proposed code, the timeframe for action, the expected outcome of the code and how the code fits into the general project to develop the tourism infrastructure of the region. The results of these email conversations were assessed and a synthesised transcript of the general findings was returned to Mr. Brophy for the purposes of validation.

As the development process for the code remains in its proposal stages the expectations and motivations behind the code can only be derived from the point of view of the ‘authorisers’ and developers. The outlined sources of data have given the research a general picture of the type of code which is expected to be generated by the project team, the content of these project reference terms as well as the context in which they have been written in analysed to arrive at a complete understand of the type of code which is proposed to be developed. This is then categorised in relation to other codes which have emerged in this area.

Once the expectations of the codes developers are clearly understood the research moves toward answering the second of the research questions. This question examines the contextual circumstances which must be taken into account in the codes development in order to achieve the expected results.

3.3.2 Understanding the Context for the Code Environment
Guided by theoretical considerations illustrated in the Hunt and Vitell general theory of marketing ethics (1986) and the evaluative framework outlined in Cohen et al (1992) the units of analysing the institutional context into which the code is to be introduced have been outlined above. Information in regard to each of these areas of enquiry have been outlined in Table 5, presented below.
Table 5, The Sources of Data relevant to understanding the institutional context of the proposed code

<table>
<thead>
<tr>
<th>Source of Data</th>
<th>Country</th>
<th>Type</th>
<th>Citation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural Values</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hofstede Analysis of Russian Cultural</td>
<td>Russia</td>
<td>Peer Reviewed Article</td>
<td>Naumov and Puffer, 2000</td>
</tr>
<tr>
<td>Dimensions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hofstede Analysis of Ukrainian Cultural</td>
<td>Ukrainian-American</td>
<td>Peer Reviewed Article</td>
<td>Woldon, 2009</td>
</tr>
<tr>
<td>Dimensions</td>
<td>Collaboration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Socio-Economic Aspects</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The GINI Coefficient of Income</td>
<td>WEF</td>
<td>Statistical Data</td>
<td>WEF, 2013</td>
</tr>
<tr>
<td>Distribution</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analysis of Socioeconomic Situation</td>
<td>America</td>
<td>Book Chapter</td>
<td>Saburov, 1995</td>
</tr>
<tr>
<td>of Crimea</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructural Factors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel and Tourism Competitiveness</td>
<td>WEF</td>
<td>Statistical Data</td>
<td>WEF, 2013</td>
</tr>
<tr>
<td>Report</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above table depicts the chief sources from which data has been used to illuminate the context in which the case is based. The majority of the data represents statistically based information sourced from publically available databases and previous peer reviewed studies. A note on the quality and reliability of these sources is made in a later section.

In order to arrive at an understanding of the context in which the proposed code of conduct is to operate it is necessary to analyse this collected data based on the theoretical framework outlined above. As we have seen from the Hunt and Vitell General Theory of Marketing Ethics and through an understanding of the theory of Symbolic Interactionism, the ethical decision making process in individuals is a product of the institutional context from which the process emerges. It can therefore be assumed that where large divergence in cultural, socio-economic and infrastructural conditions the expectation of industry wide homogenous participation will be unrealistic.

The analysis of this data therefore explores the divergence in Crimean society in relation to these factors and comments as to how this diverge may be accounted for in the development of an industry wide code of ethics.

3.4 Quality of the Process

The quality of any research process is defined by the trustworthiness of its sources and the robustness of its analytical framework. These two factors have been evaluated in regard to this research design. Robustness in this form of research is principally concerned with the external validity of the model employed (Robson, 1997). In order for a model to be deemed robust the researcher must be satisfied that its scope is sufficiently wide to encompass the necessary aspects of the phenomenon which is understudy. The robustness of the present study has been assured through the choice of a theoretically guided research design, following a comprehensive literature review the avenues of exploration were identified based on their ability to deliver a composite picture of the underlying institutional bedrock of ethical decision making. The research product is intended to explore a single case, it is a highly contextual exploration and therefore generability beyond this is unexpected and would require wider study. In regard to the question of trustworthiness of the sources a note has been made below in relation to each.

3.4.1 Quality of Code Functions Assessment

In this research design the motivations behind the code are assessed through an analysis of the content of a number of terms of reference documents, internal communications and project proposals. Each of these sources is derived directly from the authorising and developing organisations responsible for the code. The present code is undertaken from a top-down approach in which as of yet has not engaged in any stakeholder consultations with industry stakeholders (Brophy, Pers Comm, 2014). Given this, the current expected functions of the code can only be assessed through the lens of the codes developers. It should be kept in mind that future consultations may take
place which may alter the intended functions of the code, it is also feasible that the findings of this paper may contribute to an alteration in the codes expected functions.

3.4.2 Hofstede Analyses and Cultural Comparisons
The research design relies on the ability to detect divergence in cultural dimensions based on the Hofstede Cultural Dimensions framework. For this purpose two previous studies have been analysed which have carried out a Hofstede analysis of the two major cultural groups in Crimea. Two issues are important to be kept in mind in regard to the trustworthiness of this approach. These are; the question of whether these studies can adequately reflect the culture of the people of Crimea and the question as to the extent the two studies may be appropriately comparable.

The Ukrainian study chosen is a Ukrainian-American collaboration in which cultural dimension statistics were collected for the whole of Ukraine, including ethnic Russian respondents. It reflects a national business culture index and has been used in numerous studies into managerali culture in Ukraine (Sims and Gergez 2002, Shafer et al 2007). This was accepted as a valuable indicator of the cultural dimensions of the Ukrainian ethnic minority in Crimea. The Russian study has been continually revised and updated since the first Hofstede analysis were carried out in the 1960’s, the survey sample has been derived from across the Russian Federation including Black Sea Russians, a people which a recent ethnographic study has said Crimean Russian are ‘closer to in terms of political and cultural beliefs than to Crimean Ukrainians’ (Shulman 1998, pg 618). For these reasons it was felt these two studies represented a valid Hofstede analysis of the Crimean region.

Legitimate concerns have arisen in regard to the comparability of the studies. Both studies were undertaken using very different survey samples and with a significant time period between them (6 years). The studies also reflect a national cultural index not an ethno-cultural one. It is important therefore for the study that direct quantitative comparisons between studies be avoided and that the empirical study focus on a qualitative interpretation of the sources. This along with a supplementary studies in ethnographic relations in the region (Pirie 1996) serves to determine the existence of divergent cultural dimension in region.

3.4.3 Socio-Economic Indicators
In terms of socio-economic factors the research seeks to evaluate the situation in Crimea and detect levels of divergence in the socio-economic position and status of the peoples of the peninsula, the existence of which has been taken to indicate the presence of vast dissymmetry in personal life experience. For this task the degree to which wealth and income are distributed in the region was analysed and a note made of the degree to which this contributed to a divergence in personal experience of the peoples of the region. The Gini Co-efficient of wealth distribution was used for this purpose. This mathematically derived index ranks countries on a scale of 0-1 in terms of distribution of wealth, a GINI value of 0 represents perfect equality while 1 represent extreme inequality.

3.4.4 Tourism Industry Infrastructure
The research design seeks to evaluate to the tourism industry infrastructure in terms of its ability foster the implementation of the proposed code. To this end a full investigation of the components of regulatory and institutional framework in place on the Crimean peninsula which foster the development of the tourism business. The internationally accepted standard index for the infrastructural capacity of a destination is the World Economic Forum’s ‘Travel and Tourism Competitiveness Report’ compiled each year and based around 19 indicators of significance to the tourism industry of the region. The report usefully divides its Ukraine study into three regions of West, East and South. As Crimea comprises almost 90% of the South region identified in the study it was seen as a valuable indicator for the infrastructural capacity of the studied area. This report is complemented by the Ukrainian Governments own infrastructural report which was compiled in late 2011.

3.5 Ethical Aspects of Process
Ethics pervades all aspects of human endeavour, the very subject matter of this thesis assumes that ethical behaviour in business is social desirable. Ethical practice in the research process is therefore inherently linked to the integrity and validity of the research process. Robson (1997) identifies three core principals important to
ethical research these are respect for persons which refers to each individual’s right to be aware of the research and have given their consent to be studied, beneficence which dictates that no harm should come as a result of the research process and wherever possible the research shall seek to deliver positive returns for to the stakeholders concerned and justice which requires a maximum level of equity and fairness be sought among research subjects.

The present study does not deal directly with any one individual but rather with issues relevant to ethnic groups and communities. In carrying out this research product care has been exercised in the representation of ethnic and cultural groups as well as socio-economic factors affecting the people of Crimea to ensure that only the truth of the issues are presented and respect and understanding given to all concerned.
4 Empirical Study

This chapter forms the principal component of this research piece and intends to answer the questions posed in the introductory chapter. The methods outlined in the preceding are employed to collect and process the necessary empirical data which is then analysed using the conceptual framework proposed in chapter 2. Prior to commencing with the analysis a note is given as to the specific background of the studied region.

4.1 Background to Empirical Study

This research deals with the specific case of the tourism industry of the Crimea, a diamond shaped peninsula jutting out from mainland Ukraine into the Black Sea. It is a region characterised by continuous settlement since the earliest days of civilisation, from the classical tribes of Scythia to the modern nations of Russia and Ukraine. Understanding the current situation in relation to cultural, socio-economic heritage of Crimea as well as the embedded tourism infrastructure requires first a familiarity with the vast ethnic diversity of the region and the make-up and development of the tourism industry of the region. This essential background is explored in the following sections.

4.1.1 Ethnic and Cultural background to Crimea

The Crimean peninsula has been an important ground for the Eurasian culture where east and west have continually met (Subtelny 2009). A strategically valuable possession in the Black Sea the territory has changed hands hundreds of times in its long history. This has inevitably left its mark on the ethnic and cultural outlook of the area.

In ancient times, Crimea was known as Tauris (Tavrida in Russian). The Tauric tribes were absorbed by Cimmerian and then Scythian invaders, who in turn were invaded by Greek colonists in the 6th century BC (Magocsi, 1996). They were responsible for founding the modern cities of Kerch, Yalta, Sevastopol and Evpatoria but never succeeded in taking over the whole peninsula. In the 1st century AD, Crimea became part of the Byzantine Empire until it was overrun by Chingiz Khan’s Golden Horde in the 13th century. Crimea then became part of the huge Tatar Empire, stretching from China in the east to beyond Kyiv and Moscow in the west. Because of the empire’s size, the Crimean Khans (Tatars) enjoyed a considerable amount of autonomy.

The first of their capitals was at Stari Krym, but this moved to Bakhchisaray in the 15th century (Lieven 1999). In 1475, the Ottoman Turks overran Crimea and administered it from Constantinople, although a good deal of local autonomy still existed. In 1783, Catherine the Great took Crimea from the Ottoman Turks and incorporated it into the Russian Empire. In order to consolidate the gain, substantial numbers of Russians, Ukrainians, Bulgarians, Armenians and Germans were encouraged to settle in the peninsula (ibid, 1999).

A complex international struggle during the decline of the Ottoman Empire eventually led to the Crimean War in 1854 which ended largely in a stalemate (Subtelny 2009). During World War 1, Crimea was occupied by Germany. Following the October 1917 Revolution, the peninsula saw intensive fighting between Bolshevik revolutionaries and White Russians. In 1921, Crimea became an autonomous republic for the Crimean Tatars, but the region suffered heavily under Stalin’s rule. During the Second World War, Crimea was again occupied by Germany.

Stalin’s purges after the war led to the entire Crimean Tatar population of 220,000 people and 70,000 Crimean Greeks being deported. Even nowadays, more than 20 years after the breakup of the Soviet Union, the effects of these deportations are still very much in evidence and ethnic tensions do exist (ibid, 2009). In 1954, Russian returned Crimea to Ukrainian SSR. Thirty-seven years later in 1991, Ukraine became an independent country. The Autonomous Republic of Crimea (ARC) came into being in November 1998.

Since independence the majority ethnic Russian peninsula has been a bone of contention between the Ukrainian and Russian states, beginning as early as 1991 with Russian president Boris Yeltsin releasing a press statement.
on the 24\textsuperscript{th} of August that year claiming the Russian right to review the borders of break-away soviet states particularly Donbas (in Eastern Ukraine), Crimea and parts of northern Kazakhstan (Solchanyk, 1995). The same contention came to ahead in early 2014 with the annexation of the peninsula into the Russian Federation on March 21\textsuperscript{st} (ITAR-TASS, 2014). This move has not been recognised by the government of Ukraine or many international powers and remains at time of print a very fluid and changeable situation (Dews, 2014).

It is in this historical context that the study takes place, the highly diverse ethnic make-up of the region is a product of centuries of migration and cultural transformations which have left the peninsula with three major ethnic groupings, Crimean Russian, Ukrainian and Crimean Tartar. The extent to which this ethnic diversity may contribute to alternative interpretations of a single code of ethics is the subject of this empirical exploration.

4.1.2 Mapping the Crimean Tourism Industry

The tourism industry in Crimea had its beginning during the mid-19th century, largely the result of its scenery and sub-tropical climate. In 1825, the Oreanda Estate near Yalta was bought by the crown as a summer residence for Alexander I and in 1860, following the Crimean War, construction began on the Livadia Palace for Alexander II. Other palaces followed and the presence of the royal family, aristocracy and rich merchants resulted in Yalta and the surrounding area becoming Imperial Russia’s most fashionable resort (Subtelny, 2009).

After the October 1917 Revolution and during the Soviet era, Crimea prospered as a largely domestic tourist destination and sanatoria, health resorts and recreation resorts were built for the workers of the growing industrial state. Holiday makers from all over the Soviet Union relaxed on its beaches and Crimea became a favourite for tourists from East Germany. Nowadays, the tourism industry in Crimea is still dominated by these types of facilities, most of them concentrated along the southern and western coastlines. At present, more than 650 such facilities exist, 85% of them being long-stay operations (Brophy, Pers Comm, 2014). The majority of them, however, are closed outside of the summer months. Though many are still firmly rooted in the Soviet era and are still owned or run by government ministries and state institutions and corporations, upwards of 20 of them have been developed into world-class spa facilities.

For a long time and continuing even today, Crimea has also been popular as an outdoor adventure tourism destination, attracting backpackers from mainly Russia keen on camping, hiking, mountain climbing and simply lazing on the beach (European Commission, 2012). In addition to these established facilities, a large number of private apartments and guest-houses, most of them unregistered, exist in Crimea. These cater for large numbers of visitors from Russia and Ukraine looking for more private and generally cheaper holidays. They are a major component of the ‘shadow’ (informal) tourism industry that exists in Crimea.

4.2 Findings and Analysis

Utilising the collection methods outlined in the methods chapter the data relevant to the unit of analysis has been outlined in the following section. As outlined in the analytical chapter the primary proposition which concerns these empirics is that ‘where significant divergence is exhibited in the cultural, economic and organisational context in Crimea the potential for alternative interpretations and behaviour in relation to a common code of ethics is increased’, the empirical study therefor concerns itself with identifying such divergence.

4.2.1 Cultural Situation

Divergence in the cultural outlook of the people of Crimea is analysed based on Hofstede’s Cultural Dimensions Theory (1989), see Section 2.3.1. Two Hofstede based studies have been used to illuminate cultural dimensions in relation to the Ukrainian and Russian populations of the region, a demographic which makes up 85% of the peninsula's peoples.

These studies are summarised in table 6. While the Hofstede framework usually presents findings for these dimensions in a qualitative ranking format, in this study the findings are presented in broader high, low or medium ratings which reflect the difficulty in transposing national culture studies into ethno-cultural context.
Table 6. Comparison of Hofstede Analyses for Russian and Ukrainian Ethnic Groups

<table>
<thead>
<tr>
<th>Hofstede Dimension</th>
<th>Ukrainian Study (Woldon, 2009)</th>
<th>Russian Study (Naumov and Puffer, 2000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Distance Indicator</td>
<td>Medium-High</td>
<td>High</td>
</tr>
<tr>
<td>Uncertainty Avoidance</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Individualism vs Collectivism</td>
<td>Tends towards collectivism</td>
<td>Highly Collectivist</td>
</tr>
<tr>
<td>Masculinity</td>
<td>Outwardly Masculine</td>
<td>Tends towards Femininity</td>
</tr>
<tr>
<td>Long-term Orientated</td>
<td>Low</td>
<td>Low</td>
</tr>
</tbody>
</table>

The above results represent a singular snapshot of the cultural dimensions of the two major ethnic groups on the Crimean peninsula. As may be expected from the shared history and close proximity of the cultural mentality of these two peoples in regard to these general dimensions is very similar. A clearer picture emerges when the studies are seen in context with Ukraine’s western neighbour Poland. This is illustrated in the table 7 below.

Table 7. Comparison of Hofstede Analysis for Polish, Russian and Ukrainian Studies

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Distance Indicator</td>
<td>Medium</td>
<td>Medium-High</td>
<td>High</td>
</tr>
<tr>
<td>Uncertainty Avoidance</td>
<td>Medium</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Individualism vs Collectivism</td>
<td>Tends towards Individualist</td>
<td>Tends towards collectivism</td>
<td>Highly Collectivist</td>
</tr>
<tr>
<td>Masculinity</td>
<td>Masculine</td>
<td>Outwardly Masculine</td>
<td>Tends towards Femininity</td>
</tr>
<tr>
<td>Long-term Orientated</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
</tbody>
</table>

When positioned between the cultural scores of its two neighbours an interesting and somewhat expected characteristic of the ethnic Ukrainian culture emerges. Here we see the Ukrainian mentality positioning itself firmly in the middle between the western pull of its European neighbours and the eastern pull of its Russian past. Woldon (2009) has identified these contrasting cultural pull factors as contributing to a compounding of ethnic differences in the region. While on the surface and in a preliminary analysis the two cultures are very similar in outlook, whatever differences do exist become exacerbated simply through the notion of ‘otherness’ and the perceived existence of a culture gap.

In relation to whether this perceived ethnic divergence contributes to a divergence in interpretation of the ethical norms and actions the answer can be related back to the Hofstede’s dimensions theory and the impact such dimension have on interpretation of ethical behaviour. If we accept Wolden’s view that the east-west divergent cultural pull acts to reinforce and intensity the cultural differences in the region then we can assume that when faced with a highly collectivist mentality of the Russian majority the Ukrainian minority will seek to assert itself by acting in a more individualist way. This divergence has been observed by Yevtoukh (1995) in the ethno-political revival of the Ukrainian national identity on the peninsula in the years immediately following independence.

The Ethno-cultural distance among the peoples of the peninsula is further evidenced when the re-emergent minority of the Crimean Tartar peoples is taken into consideration, along with other non-Christian groups such as the Jewish Krymchaks and Karaites who together form more than 10% of Crimea’s population. While no Hofstede based analysis exists to measure the dimensions of these ethnic groups, Yevtoukh (1995) has surmised that the ethno-cultural distance between these minorities and the larger Ukrainian and Russian groups presents a barrier...
to inter-ethnic relations between the Slavic and Middle Eastern peoples. This further influences the divergent cultural outlook at the peoples inhabiting the peninsula.

In total it can be seen that a significant level of cultural divergence exists among the Crimean peoples such divergence is compounded when considered in the context of an east and west confrontational dichotomy and religious differences of contrasting ethnic groups. It can therefore be said that based on the propositions espoused in the analytical framework there exists a great potential for alternative interpretation and behaviour toward an eventual code of ethics.

4.2.2 Socio-Economic Situation
In the analytical framework, see Section 2.3.2, it has been proposed that the existence of significant divergence in the socio-economic position of individuals and households in Crimea will increase the potential for alternative interpretations of a perceived code of ethics. This is reflected in the H-T model as representing a divergence in personal experience. This divergence is best measured through the established methods of measuring income inequality in a region. In this study this has been done through the use of the GINI coefficient, a measure of wealth distribution outlined in the methods chapter.

The figure 5, below depicts the position of the Ukraine in relation to other European countries in terms of GINI coefficient of income distribution.

As can be seen through the graph displayed in figure 5 above, the income distribution coefficient for the Ukraine is in fact lower than the average for the 28 member states of the European Union and indeed lower than its surrounding neighbours of Poland and Russia. In the selected sample Ukraine is displayed second only to Sweden in equality of income distribution. As examples of well-developed and functioning industry codes of ethics can be found throughout Europe (Fennell, 2007) it can be assumed that the level of income inequality existent in Ukraine is not significantly high to represent a barrier to a common interpretation of the proposed code of ethics.

4.2.3 Infrastructural Situation
In relation to the infrastructural situation of the Crimean tourism industry the concern of the analysis shifts from identifying divergence to examining capacity to implement a code of ethics across an industry. As has been discussed in the analytical framework a significant degree of self-regulation and self-assessment is required on the part of the tourism industry to effectively manage a code of ethics. This element of the empirical study seeks to identify the business infrastructure for tourism in the region with a view to identifying if such capacity exists.
As has been outlined in the methods chapter this analysis has been done through the use of the 2013 Travel and Tourism Competitiveness Index for Crimea. Table 8 below depicts Ukraine’s score in relation to the three indicators of the index as well as its global ranking in each regard.

Table 8. Ukrainian Position in the TTCI World Rankings and Composite Index Score

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Rank (out of 140)</th>
<th>Score (1-7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel and Tourism Competitiveness Index</td>
<td>76</td>
<td>4.0</td>
</tr>
<tr>
<td>Regulatory Framework</td>
<td>60</td>
<td>4.7</td>
</tr>
<tr>
<td>Business Infrastructure</td>
<td>71</td>
<td>3.6</td>
</tr>
<tr>
<td>Human, Natural and Cultural Heritage</td>
<td>99</td>
<td>3.6</td>
</tr>
</tbody>
</table>

The above table illustrates the global position of the Ukrainian tourism infrastructure in terms of its viability as a host destination for mass tourism in a globalised world. The data presents a picture of the Ukrainian tourism industry as arriving in the lower positions of the world ranking in each indicator, arriving 76th of 140 nations in the composite index score. A clearer picture of Ukraine’s underdeveloped position is gained when this score is compared to that of its neighbouring countries and the European Union average.

The Travel and Tourism Competitiveness Index

Here we can see the present state of the tourism infrastructure in Ukraine and particularly in Crimea is significantly less developed than the EU28 average and indeed less developed than both its former soviet partner Russia and its western neighbour Poland. The Ukrainian position as 60th of 140 in terms of regulatory framework for tourism indicates the weak legal enforcement of ethical standards which in turn would suggest an absence of the political capacity and will to effectively enforce a code of ethics on the tourism industry as a whole.

If we are to agree, as Fennel (2007) has, that codes of ethics in their nature as formalised expressions of a common ethical outlook and vision require a certain capacity for self-assessment and regulation on the part of the whole industry, then we must ask the question, is it the infrastructural development of the Crimean tourism industry sufficient to implement and maintain a code of ethics? Based on the findings of the TTCI and the fact that there is exists no evidence of a code of this nature being successfully implemented in any country with a lower TTCI rank than 50th out of 140, it can only be concluded that the present state of the tourism infrastructure in the region will pose a considerable barrier to the implementation and maintenance of the proposed code.
5 Discussion

In this chapter the results of the analysis are discussed with reference to the research purpose and aims. The questions posed at the outset are answered and their answers explained. The chapter also seeks to place what has been uncovered in this piece within the academic understanding of codes of ethics. The chapter concludes with a note on the future prospects for Crimea in terms of cultural divergence and infrastructural development.

This paper has been defined by the aim to answer two questions; that of what is the function of the proposed code of ethics for the tourism industry of the Crimea? And; what are the underlying institutional considerations which influence the achievement of these functions? Answering these questions has required a full understanding of the concepts of industry codes of ethics, ethical decision making and the interpretational impact of situational contexts. In order to fully understand the nature of the answers that have been observed through this research they must be discussed not only within the context of the methods employed to reveal them but also within the context of the wider understanding of the nature of industry codes of ethics and the contexts from which they emerge.

5.1 Identifying the Code’s Function

In regard to understanding the function of the proposed code an analysis of all reference material with defines the nature of the expected code was carried within the context of the present understanding of the nature and functions of codes of ethics as it appears in the literature. The wording used by the developers to describe the proposed code was seen to be at time contradictory, calling it a best practice guide at one time and an ethical code at another. The expected result however was clear, ‘To promote responsible tourism in Crimea by the development and widespread adoption of a Code of Ethics that the Ministry of Resorts and Tourism (MoRT) and individual tourism businesses can use to market themselves to tourists’ (ToR, Intern Doc, pg 1), through this statement it was shown that the intended function is based not only on encouraging the ethical and responsible behaviour in the industry but also to ensure the that such behaviour is perceived to be ethical and responsible.

Here we can see the proposed code falling squarely within the realm of tool for the communication of ethical awareness among industry participants. The model of development proposed by the project team is one of top down management in which a government body or regulator, in this case the MoRT, seeks to differentiate the tourism product of Crimea from that of other regions though the communication of ethical standards and practice. This is in line with Frankl’s of codes which led a degree of legitimacy to the industry in question and therefore strengthen the services which are provided by the entire profession.

This conclusion, that the code’s primary function is one of a communication device, is better understood when we see that tourism itself is a service industry. When a service is provided the value of that service is the product of the coming together of individuals, the service provider and the consumer create the ‘service product’ together through their interaction and as such the entire nature of its value is defined by the perceptions of stakeholders involved. The importance of the codes function as a communication device is therefore clear.

This emphasis on perception led to framing the analysis of the situation factors at play in the Crimean tourism industry in terms of interpretation and symbolic interaction of the Crimean people with the eventual provisions of the code. This formed the basis for answering the second question.

5.2 Mapping the Environmental Context

Jumping from this investigation of the constituent parts of ethical interpretation, an analytical framework was constructed to investigate potential dissonance and divergence in perception and understanding among the peoples of the peninsula. Based on the Hunt and Vitell General Theory of Marketing Ethics the areas of cultural dimensions and socio-economic status were chosen to investigate the existence of divergence in personal outlook and therefore the potential for alternative interpretation. Another avenue explored was the institutional capacity of the tourism industry of the region to support and implement a code of the variety expected by the developers.
5.2.1 Explaining Cultural Divergence
The results of this analysis were somewhat expected yet there were aspects which require deeper investigation to fully understand. In terms of the cultural situation it was seen that the Slavic cultures of the Ukrainian and Russian peoples may share considerable attributes, it is in the pull of history and international relations that the divergence is exhibited. Ethno-cultural distance is exhibited to a much higher degree in relations between the Islamic tartars and the Slavic majority, this has its roots in centuries of distrust and marginalisation.

What we can see from the exhibited divergence is a potential barrier to homogenous understanding and interpretation of ethical norms among the people of Crimea. These barriers are in the same vein as those identifies by Cohen et al (1994) and by Russ-Eft and Hatcher (2003), in that the cultural distance signifies an increased potential that Donaldson and Dunfee’s unifying ‘hypermorn’ will not be common among the participating stakeholders, this suggests that it likely the importance assigned to ethical behaviour in business will not be uniform across stakeholder groups. Building this normative consensus is an essential component of code industry developed in itself, successful strategies for encouraging responsible business practice must start from the position of aiding the realisation of the importance and value of ethics in business.

5.2.2 Explaining Socio-Economic Parity
In terms of the socio-economic situation the findings were somewhat surprising. In a country with a considerable degree of corruption, arriving 144th of 177 countries in Transparency International’s Perceived Corruption Index (PCI), with a score of 25 of 100 (Transparency.org, 2014), it is surprising therefore that the GINI index showed the general level of income to be so equally distributed. An explanation may be found in Ukraine’s position as a former soviet state under a centrally planned economic system. The absence of a free market for over half a century and in existence of controlled measures to avoid high inequality. This is one possible explanation and further study is required to confirm it, the findings of this study however, seem to suggest that socio-economic status among the people of Crimea is not significantly divergent to pose a barrier to implementation of a code of ethics.

5.2.3 Explaining Infrastructural Incapacity
The third avenue explored in uncovering the institutional elements of the Crimean tourism was to examine the capability of the industry to sustain an endeavour such as this. It has been suggested that considerable coordinative capacity was needed for this type of self-regulation and appraisal, and that this capacity emerged from a highly developed and inward looking industry, one which understands the value of cooperation and seeks the development of shared value. From looking at the level of development of the Crimean tourism industry against international standards it was shown that a significant amount of work is required to grow the capacity of the industry to successfully host a code such as the one proposed.

The lack of capacity exhibited in the low ranking of the Ukrainian tourism industry is a result of a series of choices and priorities made by the political institutions at play in the Crimea over the past few years. Here the political aspect as a manifestation of the historical context of the region is addressed. The high degree of corruption and cronyism at play in the region can go a long way to explain the lack of development of the industry as well as its fragmentation. An essential element of the implementation of codes of ethics must be the eradication of corruption in politics and the development of trust and integrity in business.

In all the answer to the second question posed by this research paper is that two major elements of the underlying situational environment of the Crimea must be taken into consideration for their potential to hinder the efforts of an eventual code of ethics for the industry. In the issue of low capacity of the industry to implement a code such as this much progress has already been made, between 2011 and 2013 Ukraine has jumped 9 places from 85th to 76th, while the political crisis will no doubt degrade this progress substantially, I feel the commitment to improving the tourism product from within Crimea continues regardless of the international position of the peninsula.
The issue of cultural distance is one which is not static, the history of Crimea itself is one of constant change, it has been shown that the major dissonance emerges out of polarisation and distrust, this can be eased through encouraging better understanding between peoples, and working to build a diverse and pluralistic society together. The recent crisis has done much to unravel any progressive community building in the region, but a new normal may yet emerge where the entire community of Crimea shares in the production of their own future. This is not only necessary for responsible tourism but for the whole sustainability movement on the peninsula.

5.2 Conceptualising the Research Product

When we discuss notions of symbolic interaction of persons with the phenomena of a perceived reality we talk specifically of the building blocks of that perception. We have seen in the case that meaningful (non-platudinas) codes of ethics require a degree of unity in perception, interpretation and understanding among those who ascribe to its provisions. To be part of the club one must not only agree to follow the rules but also value and understand the rules in the same way as other group members. This group aspect is at the heart of ethical interaction, the Hunt and Vitell model has shown that individual ethical decision are subconsciously made based on established cultural norms which inform the inherent goodness of the act itself (teleological) as well as on calculations as to the goodness of the potential consequences (deontological), both these aspects are informed by group pressure be it cultural, political or sociological.

The primary focus of the ethical code studied in this piece was as a communication device, essentially an interaction. Ethics is at its most fundamental point a notion of correct interaction, the question of what is the right way for the self (ego) to interact with the world around it is at the centre of ethical inquiry, in this we have dealt with this interaction as an action based on interpretation, symbolic interactionism. We construct a reality outside our ego based on the egos own interpretation of what we have been taught (another interaction), and what we have seen, heard, felt, tasted and known subconsciously. Investigating how this interpretation is built is a primary step on that way to understanding ethical decision making and the drivers of responsible business and therefore the attitudes towards sustainability and sustainable development. It is essentially a group creation and it is through the institutions and structures of the group that ethical practice is encouraged and promoted.
6 Conclusion

Within the study of sustainable development, the phenomenon of corporate social responsibility plays a considerable role. The principal aim of this research has been to explore the concept of industrial codes of ethics in a framework of its own environmental context. Industry codes in contrast to those developed by individual corporations lack the clearly defined organisational structures and common ethos which support the implementation of a single ethical code. While it is clear industries when acting together may create synergies and common value which serves to legitimise and benefit the group as a whole the coordination capacity or will is often absent. While in the case of the company code the implementation and common will is guided by the glue of regularised structures and clearly defined roles, in the industry code this glue is instead looser, defined by bonds of community and common understanding. It is this looser glue that was the subject of the present research.

The true value of this piece may therefore not only be in its findings relevant to the Crimean tourism industry but also in its application of theories of symbolic interactionism in the study of the bonds which link communities together for responsible business practice. It is into this avenue that further research may be useful, particularly in developing multiple case study analyses of various regions and applying the model to other industry codes beyond tourism.

Academic investigation into corporate responsibility is still somewhat in its infancy, and developing models and tools to understand the drivers of responsible behaviour as well as the environmental considerations of what binds industries to act cooperatively should remain a priority in the field. This contribution has explored using tools established in social theory and applying them to explain phenomena in business administration, the results were fruitful and further work will hone these tools to better pin point and explain that which needs explanation.
References


31