Corporate Social Responsibility As a Development Basis For A Tourist Enterprise

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ABSTRACT

Given the current strategy of the world economy, the leading place belongs to the social responsibility of business, which provides for such an enterprise direction, which considers not only the personal interests of the company but also the needs of the society. The continuation of European integration processes and the entry of companies into international markets require businesses to be open and transparent, to highlight the areas of implementation of the company's goals and the tools by which this goal is achieved. Today, the development of corporate social responsibility strategy for enterprises is one of the integral components of their successful operation, as it brings to a higher level the relationship of the enterprise with society and is one of the most important factors in economic development and the country as a whole.

The article proves that the issues of corporate social responsibility of public enterprises are especially relevant. It has been proved that CSR should be built considering the specifics of the external business environment of the enterprise, social environment, activities and scale of the enterprise. The stages of CSR strategy development have been proposed. In addition, the authors propose a system of indicators (parameters) for assessing the integrated CSR indicator for the components of economic, environmental and social performance, both in general and for enterprises in the tourism industry, which is the authors' development.

Keywords: Corporate Social Responsibility (CSR), Parameters Of Performance, Tourism Enterprise.

INTRODUCTION

Issues of corporate social responsibility have recently become increasingly important for business, raised and considered by international organizations, business associations, but insufficiently developed from a theoretical point of view. Recognition of the importance of the principles and development of the draft ISO 26000 social responsibility standard was announced at the World Summit on the Environment in Rio de Janeiro (1992) and at the World Summit on Sustainable Development in Johannesburg (2002), which focused on the world community on the need to join forces in achieving sustainable development. Since the second half of 2003, the discussion of corporate social responsibility has taken one of the leading positions both on the pages of world business publications and on the forums' agenda of state heads and business leaders, theoreticians and practitioners of strategic management.

Corporate Social Responsibility (CSR) is one of the leading concepts, according to which the main goal of large firms and companies "ceased to be the maximum appropriation of profits, and the decisive factor is to meet social needs and interests of all segments" [1, p. 418].

Ukraine is currently going through an important period in its history and strives to meet European standards [12]. Today, the concept of CSR is spreading and trying to integrate into their business activity, first of all, most large domestic enterprises, banks and corporations. At the same time, it has a significant impact on small and medium-sized businesses, sustainable development of society. According to a UN survey, about 76% of business structures in Ukraine are involved in corporate social responsibility programs [2].

In order to operate successfully in today's market, an enterprise must not only create, maintain and develop resources that are essential for achieving competitive advantage, but also integrate into the industry structure, which includes competitors, suppliers and regulators, as well as in the structure of a certain territory with its social and political environment, which includes individuals, organizations, local communities and local governments that work together to create a certain organizational wealth and risk. Under such conditions, the development and maintenance of CSR principles becomes a key competence of management, turns into the main means of achieving sustainable development.

CSR has become part of the business strategies and operations of many influential companies around the world due to the benefits that the company receives, namely [3-5]: increased corporate profits and access to socially responsible investments, in the distribution of which investors take into account indicators characterizing the activities of companies in the social and ethical spheres, in the field of environmental protection (FTSE4Good indexes, Dow Jones Sustainable Index, etc.); optimization of operational processes and reduction of operating costs; improving the image and reputation of the company, quality and competitiveness of products, which allows you to develop and open new markets and business areas; growth of sales volumes, market share, increase of loyalty of clients and investors; increasing the competencies of its own staff; improving company management; establishing effective relationships with other companies, government agencies and non-governmental organizations; improving financial and economic performance, etc.

These days, the tourism sector promotes partnerships between the state and the private sector, helps to strengthen interstate partnerships, promotes the development of individual regions of the country, and most importantly – stimulates cooperation between the tourism industry and civil society. It is the realization of the social orientation of the tourism sector that promotes the use of the "partnership" approach with clients, business entities, public authorities and local governments, non-governmental organizations, employees of tourism enterprises. This is how corporate social responsibility is formed. After all, the implementation of the principles of corporate social responsibility involves going beyond the statutory norms of doing

business. Enterprises seek to establish relations with society and invest in its development, strengthen their reputation, harmonize the "living environment". However, socially responsible behaviour involves diverting some of the financial resources to solve tasks that are not directly related to making a profit. The desire to prosper in the long run encourages companies to find a balance between the need to invest in the social sphere and possible economic outcomes. Recognizing the fact that corporate social responsibility can be an important tool of competition, companies are actively incorporating its principles into corporate strategy.

1. ANALYSIS OF LEADING SCIENTISTS RESEARCH

It should be noted that in general, since 1992, when the issue of corporate social responsibility was first raised, the conceptual apparatus has been developed, public expectations have been defined and systematized, and the experience of socially responsible domestic and foreign companies has been analysed and summarized. Blagov Yu., Bowen G., Berman S., Davis K., Drucker P., Carroll A., Katkalo V., Friedman M., Shepard J. and others devoted their works to study corporate social responsibility. However, some aspects of corporate social responsibility, including assessment of its level, issues of corporate social activity, strategic management, remain underdeveloped, while through the formation of an appropriate system in the enterprise it is possible to ensure the implementation of sustainable development principles. Thus, the scientific and business literature on the relationship between business and society, uses a large number of concepts associated with corporate social responsibility.

CSR, according to A. Carroll, is a multilevel responsibility, which is based on economic responsibility, at the following levels, respectively - legal, ethical and philanthropic responsibilities, which conditionally form a pyramid of corporate responsibility [6, p. 39-48]. Noteworthy is the approach of D. Wood, who allowed to link the concepts of CSR, CSS and CSD into a single concept, defining the leading role of CSD and noting that corporate social activity is "existing in the business organization system of principles of social responsibility, processes social receptivity and their obvious results, which belong to the sphere of social interaction of the firm" [7, p. 693]. According to S. Vartyk and F. Kohren, KSD is a "fundamental relationship between the principles of social responsibility, the process of social perception and policies aimed at solving social problems" [8, p. 758].

It should be noted that corporate social responsibility cannot be considered in relation to society as a whole. For each enterprise operating in a certain field and in a certain territory, society is a system of stakeholders: consumers, owners, employees, suppliers, competitors, government agencies, local communities, etc., which are essentially the microenvironment of the enterprise, with elements of which there are interdependent relationships.

A number of works by domestic researchers, such as I. Angelko [1], O. Kolesnyk [2], O. Korkuna [3], S. Kuzyk [4], O. Muzychenko-Kozlovska [5], M Chorna [6], V. Shkonda, A. Kalyanov [7] are devoted to the problems of tourism enterprises development. However, the issue of corporate social responsibility in the tourism sector remains unclear.

The purpose of the article is to study the features of the implementation of social responsibility as a development basis for a tourist enterprise.

2. FORMATION OF THE CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY

The generalization of the existing approaches to the definition of CSR categories allowed us to conclude that an important task of CSR implementation is to create an appropriate management system, which should be based on procedures and rules for standards in quality management, human resources management, labour protection and environmental standards. Management of sustainable development and social responsibility requires a comprehensive program of implementation of international management standards, which clearly defines the

directions and specific responsible for their implementation in all areas of the enterprise (Fig. 1).

In the first approach, "corporate social responsibility of tourism companies" can be understood as foreign and domestic policy, a set of practical activities and programs that are integrated into the creation and provision of tourism services and based on social, environmental and economic responsibility of tourism enterprises to consumers and society.

The urgency of forming the concept of corporate social responsibility in the tourism business is due to the need to be guided not only by standard financial indicators, but also public interests, the requirements of sustainable development, compliance with business ethics and others. This position is due to the fact that tourism is a type of economic activity with a significant social focus, as it is aimed at meeting the needs of people and improving the quality of life. Enterprises in the field of tourism are at the initial stage of development and implementation of social responsibility, due to the ambiguous interpretation of its essence and the ambiguity of the perception of the tourism enterprises management.

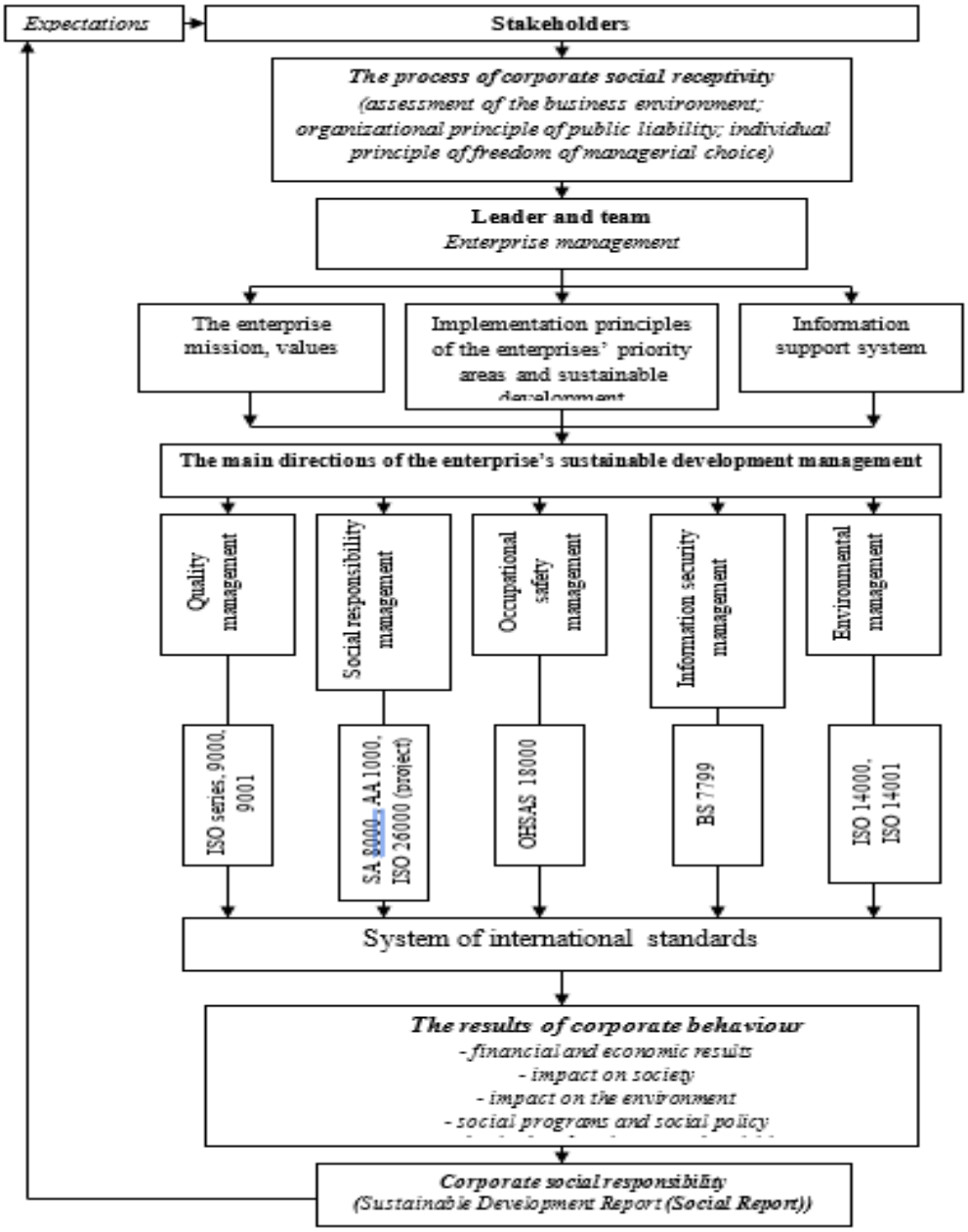


Fig. 1. The system of international standards for management in ensuring sustainable development and social responsibility of the enterprise (authors' development).

However, in each individual sector, considering sectoral characteristics, the priorities of social responsibility may be distributed differently. The main tasks in the field of CSR at the present stage include: in the field of innovation – the development of innovations, especially technological in order to replace environmentally hazardous technological processes with more environmentally friendly, reducing the negative impact on the environment; in the economic sphere – improving the quality and competitiveness of products, and on this basis to strengthen the financial stability of the enterprise; in social – investing in skills and training of staff throughout working life, creating a balance between working time and personal life, increasing the level of competence; creating healthy and safe working conditions; in ecological – ecological safety of activity on the basis of increase of organizational and technical level of production, updating the basic means both of nature protection, and industrial appointment. All these tasks should be subject to a single CSR strategy.

The company's strategy in the field of CSR should be based on the specifics of the external business environment of the enterprise, social environment, activities and scale of production. An enterprise that builds its activities on the principles of CSR should be monitored for internal areas of activity in order to improve them and implement a CSR strategy. This involves the development of the following types of policies: human resources development and working conditions policies; environmental policy; economic policy; community relations policies; corporate governance and business practices.

It is recommended to develop the CSR strategy in the following stages:

I. Assessment of the current situation (analysis of external and internal factors, stakeholders that affect the development of the enterprise (affected) and encourage the implementation of CSR; identification of available resources for enterprise development in accordance with the principles of social responsibility).

II. Development of a system of measures to implement the concept of sustainable development of the enterprise in accordance with the principles of CSR (achieving economic, environmental and social results according to established criteria, development of integrated business strategies, implementation of leadership in daily practice based on control and audit, assessment and analysis of dynamics, trainings, etc.).

III. Evaluation of results for each group of measures, clarification of objectives and corrective actions.

IV. Assessment of the level of CSR achieved by the enterprise and formulation (adjustment) of the organization's development strategy.

One of the important tasks of the company in order to form a balanced CSR strategy is to monitor the level of corporate social responsibility. When forming a methodological approach to the implementation of these procedures, it is necessary to solve the following tasks: formation of a unified system of indicators and criteria for CSR evaluation; development and implementation of CSR reporting; formation of enterprise development programs based on the results of preliminary analysis of the company's compliance with CSR principles.

In solving these problems, national enterprises often face the following problems: lack of a national concept, experience in reporting and implementation of CSR in the economy as a

comprehensive management system for enterprise development based on the principles of social responsibility and the concept of sustainable development.

The analysis of foreign and domestic practice of solving the problem of CSR monitoring and evaluation allowed to identify the following approaches:

1) the enterprise implements annual reporting in accordance with one of the generally accepted standards of CSR reporting, such as AA1000 or GRL (the process of preparing reports, in particular with GRI, includes measures to monitor compliance with CSR principles in the company and evaluate their effectiveness);

2) the enterprise introduces a system of internal monitoring and assessment of compliance with CSR principles, which is based on internal corporate approaches to defining CSR principles and reporting in this area;

3) the enterprise engages external experts to monitor compliance with the principles of CSR and (or) external evaluation.

It should be noted that the first approach, which involves the implementation of reporting in accordance with generally accepted standards, in particular the AA1000 standard, requires compliance with the following three key principles:

- inclusivity (acceptance) – participation of stakeholders in the development and achievement of social responsibility policy, consistent with the overall strategy of sustainable development of the enterprise, which would meet the principles of environmental safety, sustainable business development and development of unions in which the company operates;
- materiality (relevance) – the relevance and significance of the problem (decision, action) for the organization and stakeholders;
- responsiveness – the organization provides answers to stakeholders on issues that affect its activities and its sustainability.

The research has shown that following core CSR standards already provides companies with criteria and tools to monitor and evaluate their performance in this area. Monitoring and evaluation in this case are included in the company's minutes of preparation of reports according to these standards, but in the case of AA1000 the company may engage external certified evaluators to prepare a separate report on the state of CSR. In addition to following the two most common CSR reporting standards (AA1000 and GRI), companies can implement their own internal CSR monitoring and evaluation systems. It should be noted that in the process of monitoring CSR within the enterprise, the objects of regular assessment should be: policy in the field of environmental risk management; stakeholder relations policy; occupational safety and health policy, guarantees and social package for workers; economic policy – production and satisfaction of consumer needs, labour incentives, taxes, investments in infrastructure development, charitable activities, etc.

Different approaches to the organization of CSR monitoring and evaluation are used. In large multinational corporations, CSR issues have been brought to the level of the Board of Directors and management with the requirement to report regularly (at least twice a year) to the company's Board of Directors.

To solve the problem of analysis and evaluation of indicators of social responsibility of business (by components of economic, environmental and social performance) and to build an

integrated indicator on their basis, it is advisable to identify certain blocks of performance parameters, namely environmental, financial, economic and social. Their evaluation and interpretation are essential for the operational analysis of the source data (many parameters that characterize the activities of the enterprise), as well as for the decision-making process (justification of development strategy). To find the level (state) and its interpretation for each block of parameters (local indicators) in the practice of analysis using various methods (differential and complex; methods of distances to the standard, the sum of places and the Delphi method; the method of expert evaluations, etc.). Thus, in particular, when assessing local indicators of organizational and economic stability of the enterprise for each calculated parameter determine some limits of its changes in time or dynamic states.

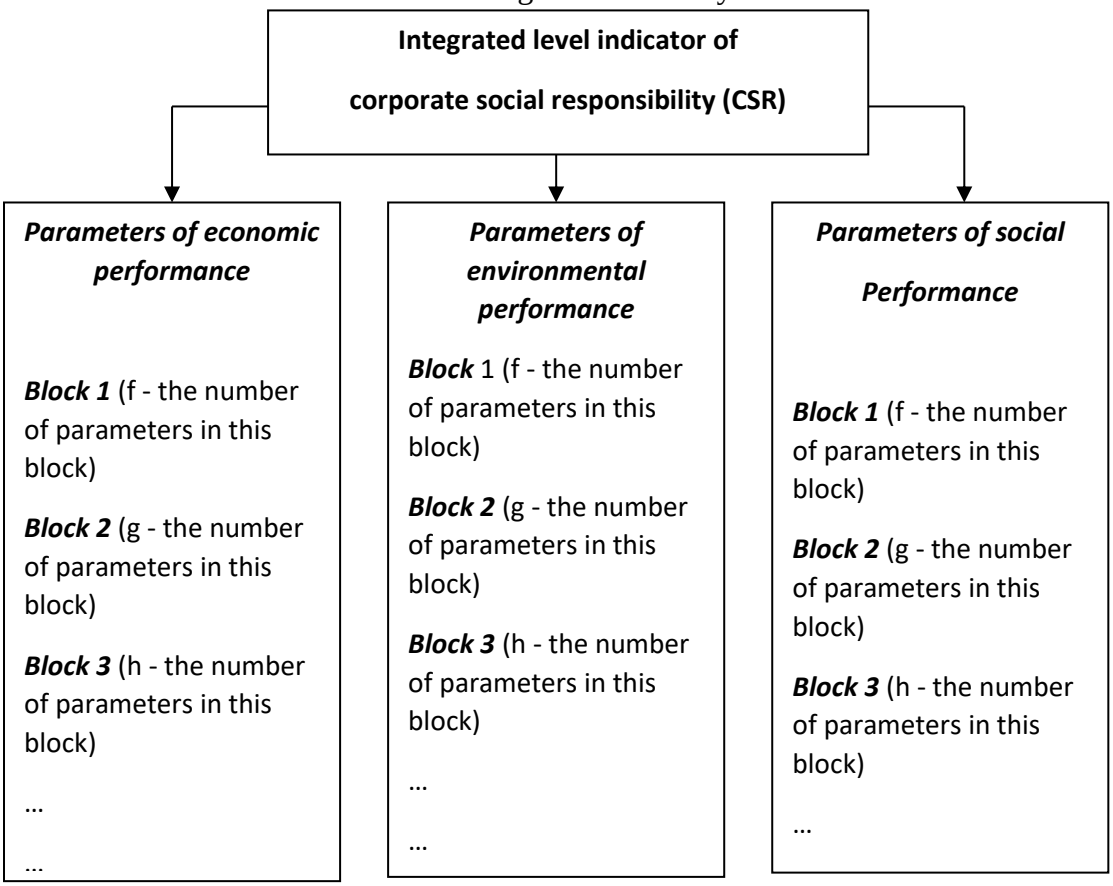
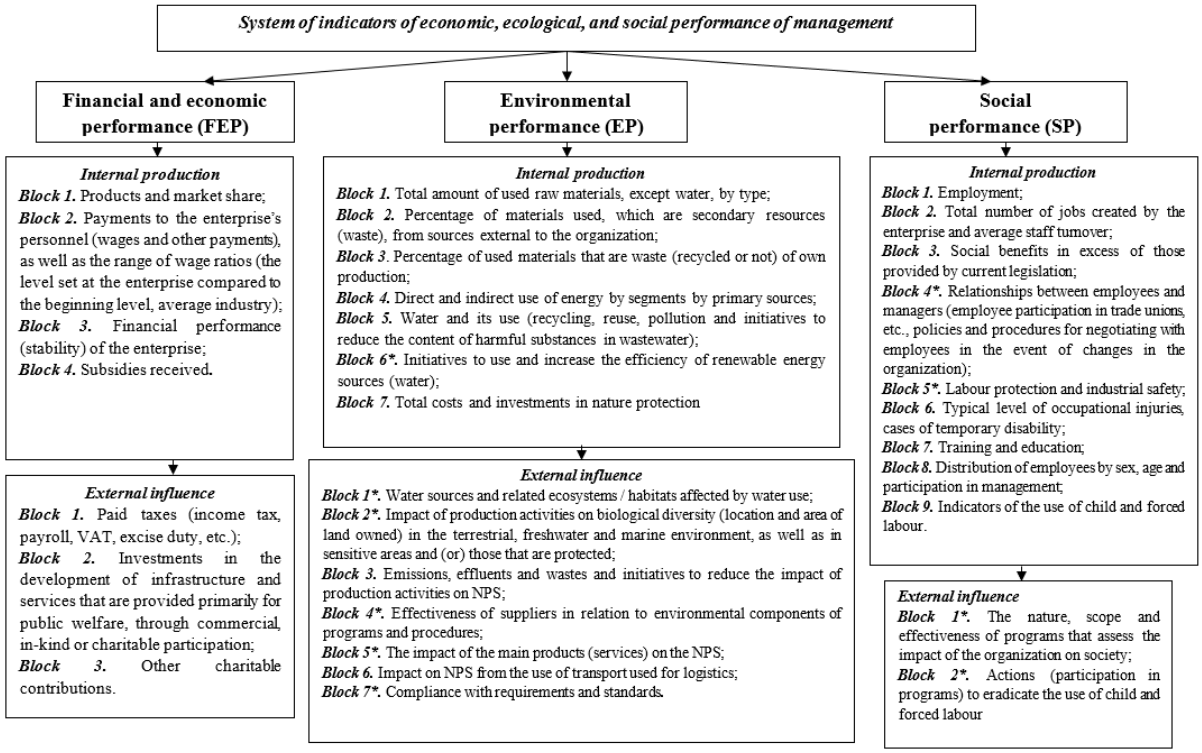


Fig. 2. The system of indicators (parameters) for assessing the integrated indicator of CSR on the components of economic, environmental and social performance (authors' development)



This assumes that for any parameter it is possible to determine (using the method of expert decisions), which values of the parameters are acceptable, normal or crisis. Thus, through expert assessments determine the limits of changes in certain selected parameters, i.e. form classes of their states in the dynamics [9]. However, it is well known that expert methods are characterized by a high degree of subjectivity.

The analysis provided for the assessment of indicators, which are formed on the basis of the system recommended by the GRI standard, and adapted for the enterprises of the leather sub-sector, considering industry specifics (Fig. 3). Indicators of economic, environmental and social performance are divided into two groups – internal performance (performance of the enterprise itself) and external influence, i.e. those that characterize the impact of the enterprise on its external environment.

When calculating the set of parameters, there is always a significant problem of comparing them with each other and in time, which is due to the following:

- different parameters have different units of measurement. In addition, some of the presented indicators are quantitative, others – qualitative (in Fig. 3 marked – *), descriptive, which complicates the construction of a single integrated indicator of social performance of the enterprise;
- an increase in one indicator can have a positive effect on the change of the integrated indicator, while an increase in another indicator can lead to its decrease;
- the limits of change of parameters in the dynamics can differ significantly and vary, which makes it difficult to bring the set of selected parameters to an integrated indicator for the enterprise as a whole. In addition, it should be borne in mind that a large number of parameters are interdependent and changes in one of them can lead to changes in other parameters.

To avoid subjectivity in determining the threshold values for each local indicator and to solve the problem of bringing different indicators to a single basis, it is proposed to use the theory of desirability, which is one of the methods of solving the problem of creating a single indicator (group, integral, complex) single indicators that have different dimensions and physical content [10]. This approach is based on finding the best (desired) and acceptable (baseline) values with which it is recommended to compare the actual performance of enterprises. By determining the scale of evaluation (classes or gradations) of indicators, this will allow the J. Harrington function to normalize the values of different indicators and bring them to a comparable form. Then the integrated indicator of the level of social responsibility will be an assessment, the use of which will streamline enterprises, determining the rank of each.

It should be borne in mind that the application of this method differs slightly depending on whether the parameters are quantitative or qualitative. According to this method, each unit quantitative indicator (in our case, the parameter of the block) is proposed to evaluate using a transitional dimensionless value on a special table – the scale of desirability (preference), and then on the basis of single (local) dimensionless indicators to determine group indicators for each of the blocks (generalizing function of desirability). The generalizing function of desirability is a universal indicator that allows you to consider the degree of importance of a parameter and its value, which may vary within certain limits.

The sequence of iterations that must be performed when determining the level of desirability of quantitative local parameters is presented in Fig. 4.

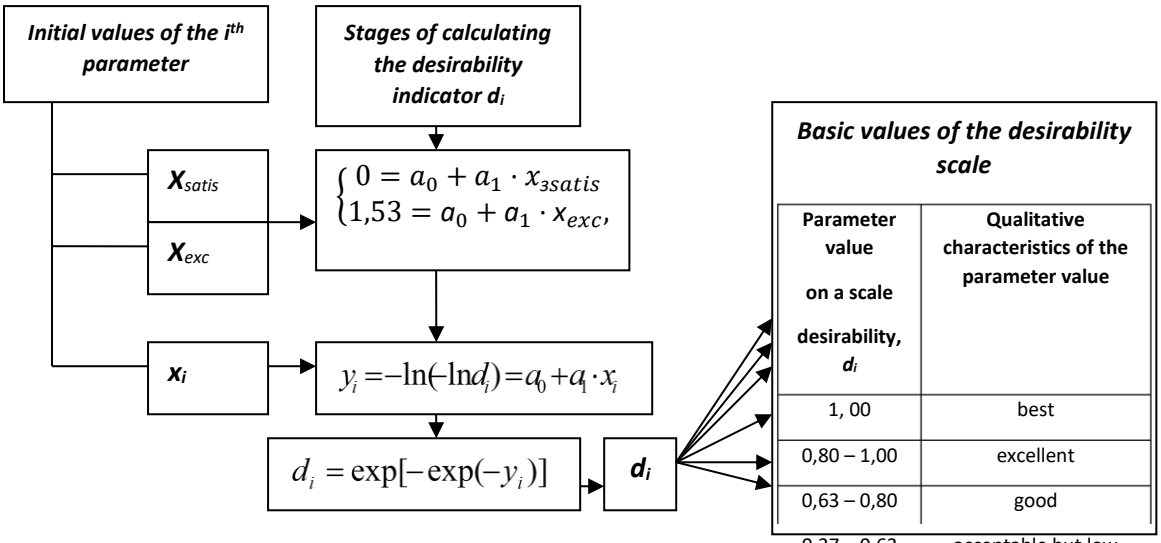


Fig. 4. The sequence of determining the class (gradation) of local quantitative parameters using the theory of desirability

As can be seen from Fig. 4 that for each quantitative parameter of a particular block of performance it is provided the definition of a class (gradation of the indicator and its qualitative assessment), which corresponds to the real state of the indicator at the moment. In this case, the indicator of desirability di, as a dimensionless quantity that characterizes a certain indicator, varies from 0 to 1.

It should be noted that a more complex category of internal social responsibility of the enterprise is the responsibility to consumers. To implement it, a travel company needs to create an image by demonstrating responsible business conduct, as well as fulfilling all the conditions in front of its employees, which will help create the image of a consumer travel agent and implement the principles of social responsibility to consumers.

CONCULUSION

As the basic principles of corporate social responsibility of doing business at most Ukrainian enterprises are only at the stage of implementation, tourism enterprises have a great chance to become one of the first pilot projects to use these principles. Forming corporate social responsibility, tourism enterprises must consider the entire complex structure of tourism activities in the country, because due to the geographical diversity of the country we have different types of tourist recreation. Another important stage in the formation of corporate social responsibility of the tourism business is the cooperation of private enterprises with government agencies, civil society institutions, research institutions and institutions of higher education.

To achieve global sustainable development, it is required to develop social systems and social standards that would help maintain the necessary level of equity in the distribution of wealth to which European countries are now approaching. To support regional and national initiatives, it is necessary to encourage and stimulate the development of targeted programs, including sectoral, aimed at accelerating the transition to sustainable consumption and production models that would contribute to the socio-economic development of relevant industries and regions, beyond the assimilation potential of ecosystems, to increase efficiency and sustainability of production processes, to reduce resource degradation, pollution and losses.

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