

УДК 338.486:005.35

M. Horbashevska
S. Kastorska

THE ROLE OF CORPORATE SOCIAL RESPONSIBILITY IN SHAPING THE STRATEGY OF A TOURISM ENTERPRISE

The publication highlights the issues of scientific approaches to corporate social responsibility, which today is considered as a vector of future development of the enterprise. The research provides an overview of the basic standards by which non-financial reporting of organizations is covered. By analyzing the implementation of corporate social responsibility projects in Ukraine and abroad, it was determined that the European experience in implementing social responsibility projects is common among foreign companies and the number of cases is much higher than domestic. A few companies publish information on their own websites, as evidenced by a comparative analysis of web resources as part of the transparency index. The research examines the practices of corporate social responsibility of several domestic enterprises in the field of tourism, which revealed that among tour operators only a few market players will pay attention to social responsibility, at the same time, among hotel chains this practice is more popular and the number of projects is growing dynamically. It is established that corporate social responsibility at tourism enterprises is a necessary component of the overall strategy of enterprise development, as it provides for long-term implementation of projects, taking into account the positions of stakeholders and the principles of sustainable development.

Keywords: *enterprise; corporate social responsibility; CSR; tourism; strategy; development; tourist enterprise; hotel; airline; sustainability.*

DOI 10.34079/2226-2822-2021-11-21-31-38

Formulation of the problem. Ukraine's transition to sustainable economic development, its integration into the European and world community require the introduction of modern practices of interaction between state and business, as well as business and society, which would strengthen mutual responsibility of all participants in public life, create conditions for further stable development of state and society, based on the interests of different groups of stakeholders. Today, in the most economically developed countries of the world, the concept of «corporate social responsibility» has become widespread, understood as «the concept according to which companies integrate social and environmental issues into their commercial activities and in their interaction with stakeholders on a voluntary basis». Corporate social responsibility in tourism can be defined as a guiding business policy, according to which travel companies integrate social and environmental issues into their own business mission, strategy and objectives, as well as in interaction with stakeholders. 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 orientation, as it is aimed at meeting the needs of people and improving the quality of life. The world practice of corporate social responsibility shows not only the improvement of one's own reputation, but also the profit from increasing consumer loyalty. Corporate social responsibility (hereinafter referred to as CSR) in Ukraine is in its infancy. Most domestic tourism enterprises do not have a CSR

strategy, but implement short-term projects, do not even intersect with the mission and vision of the enterprise. The most active in this area are, first of all, the representation of foreign companies, which transfer to the Ukrainian basis of modern world practices, principles and standards that implement comprehensive and long-term strategies of corporate social responsibility, in accordance with sustainable development.

The **aim** of the article is to study the peculiarities of the introduction of corporate social responsibility as a component of the development strategy of tourism enterprises, and to compare the best practices of domestic and foreign enterprises in the field of services in the implementation of CSR projects.

Analysis of recent research and publications. Theoretical and practical issues on this issue have been considered in the works of such foreign researchers as Bowen G., who is known as the father of the theory of corporate social responsibility and formulated a definition according to which the social responsibility of a businessman is to implement such policies, make such decisions or adhere to such lines of behavior that would be desirable for the purposes and values of society (Bowen, 1953). Neureiter M. in his research notes that more and more companies are beginning to realize that the most important stakeholders are employees, so the role of HR in CSR activities is gaining importance (SR strategy formulation and implementation, 2019). Many scholars agree that social responsibility embodies human values that are for the benefit and unity of stakeholders in the common interest (Salzmann, Ionescu-Somers and Steger, 2005; Ebner and Baumgarther, 2006). Nobel laureate Friedman M. noted that the only social obligation of business is to increase profits in compliance with competition rules and rejected the concept of corporate social responsibility for the following reasons: corporations, as opposed to individuals, cannot be socially responsible; directors of companies can hardly be called representatives of stakeholders, because their main task is to maximize shareholder profits; directors of companies, not being owners, do not have the right to spend money on activities that do not relate to profit generation; it is very difficult to determine the range of social issues for which the company should be responsible, because it can not be equally good for everyone (Friedman, 1970).

Among the domestic researchers who highlight the main trends, barriers and prospects for the development of corporate social responsibility in Ukraine – (Zinchenko and Saprykina, ed. 2018). Also, it should be noted that scientists who focused on studying the features of the Ukrainian model of corporate social responsibility, in particular, V. Vorobei identifies prospects for CSR and proposals for the adoption of the National CSR Strategy (Vorobei, 2010), Carlin M. described the relationship of CSR with general social policy (Karlin and Zvonar, 2007). O. Grishnova raises the question of the role of social responsibility in overcoming the economic crisis (Grishnova, 2011), L. Petrashko considers the participation of Ukrainian companies in the UN Global Compact (Petrashko, 2011). That is, corporate social responsibility is interesting for the study of not only foreign but also domestic scientists. The annual increase in the number of publications in this area confirms the fact that CSR is not only a theoretical basis for enterprise development, but also implemented in practice as a business development strategy.

Main material of the article. Recently, the interest of domestic scientists and practitioners in this problem as an innovative mechanism for solving acute social problems of society is growing. However, despite the relevance of the CSR phenomenon, it still does not have an unambiguous interpretation. The first scientific approaches to understanding the essence of corporate social responsibility, its principles and methods originated in the 50s of the twentieth century. The leading role in their development belonged to American scientists, while in Europe the concept of corporate social responsibility was officially formed only at the end of the XX century. and is reflected in the European Commission's «Green Paper» document published in 2001 (Lapteva, 2004). Despite the ambiguity of interpretations and definitions,

most CSR researchers believe that, according to the International Standard ISO 26000 «Guidelines for Social Responsibility», corporate social responsibility should be seen as the responsibility of the organization for the impact of its decisions and activities on society and the environment through transparent and ethical behavior that promotes sustainable development, including the health and well-being of society; takes into account the expectations of stakeholders; complies with current legislation and international standards of conduct (ISO, 2010).

Accordingly, corporate social responsibility as a component of enterprise development strategy should be integrated into the activities of the entire organization and used in its relations with various groups of stakeholders. And we define corporate social responsibility as a long-term strategy of the enterprise based on humanistic values, determined by the principles of sustainable development, accountability and transparency and characterized by high standards of operating and production activities.

Today, there is much debate about how corporate social responsibility is reflected and what methods or indicators can be used to assess it. The most common forms that reflect the effectiveness of corporate social responsibility in enterprises are:

- The Sustainability Report, based on the Global Reporting Initiative (GRI), is one of the most complex non-financial reports, reflecting the main components of social responsibility, from the vision and strategy of the company to key performance indicators. According to the report (GRI Standards, 2019) during 2018, the number of companies that used this report to provide information on the implementation of CSR is 75% among the 250 largest companies in the world.
- Report according to the AA1000 standard (Account Ability). This report is based on the constant consideration of the views and suggestions of all stakeholders, ie stakeholders, in the work of enterprises. The main difference of this report is the implementation of social and ethical audit of the company.
- Report according to the SA 8000 standard (Social Accountability), which is characterized by a narrow reflection of the results of social responsibility, including work with staff.
- Company report on CSR. This report does not have a single form and is created by each company independently. Accordingly, what is reflected in the non-financial statements is determined by the enterprise. This type of reporting is quite common among domestic enterprises, especially medium and small. The placement of non-financial reports among Ukrainian companies is quite low - 16 out of 100 companies.

These are the most common reports used by foreign and domestic companies, but this list can be supplemented by such reports as COP (Communication on Progress), ISO 14 000, OHSAS 18001 and others.

Analyzing the officially submitted reports of Ukrainian enterprises, it can be argued that the number of both the enterprises themselves and the submitted reports tends to increase. In particular, according to the international organization CorporateRegister (Published reports, Ukraine. Last five years, 2021) in Ukraine for the last 5 years the number of officially submitted reports amounted to 94 slightly more than 20 companies. For comparison, in the same period, in France they were submitted by almost 5,000 more than 800 enterprises, in Germany by more than 7,000 reports by 1,280 enterprises, in Italy by almost 5,000 reports submitted by more than 700 enterprises, in Poland by more than 480 reports by almost 500 enterprises, in the USA - almost 12 thousand reports by almost 2000 companies. Thus, we can conclude that in Ukraine the development and implementation of CSR as part of enterprise strategy is low, respectively, indicates a lack of awareness of enterprises about social responsibility, the need to use CSR principles in their activities and the benefits of doing business.

According to official data (Published reports, Ukraine. Last five years, 2021; Saprykina, ed. 2019) and using the life cycle curve, we propose to assess the development of corporate social responsibility of business in Ukraine and the average in Europe (Fig.1).

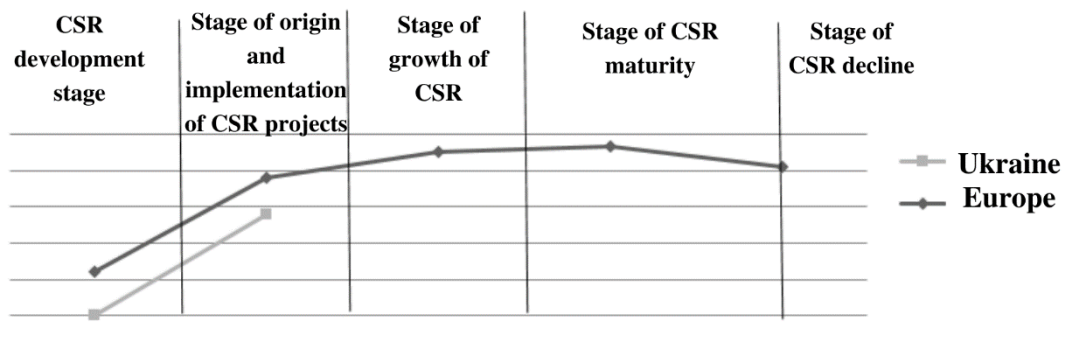


Fig.1. Comparison of the life cycle of corporate social responsibility in Ukraine and Europe

Thus, with the help of a schematic image it can be concluded that the level of CSR development on average, based on officially presented information by domestic enterprises and according to foreign sources, is for most companies under development. The stage of implementation of social responsibility projects is typical for those who have been not only implementing CSR for some time, but also increasing the number of projects at the enterprise. However, the number of such companies is quite small, although the positive dynamics is observed every year.

Based on a study by the Center for the Development of Corporate Social Responsibility for 2019 (Saprykina, ed. 2019), the most common areas in which CSR is implemented are the policy of development and improvement of staff, sustainable consumption, quality education and partnership for sustainable development.

However, the analysis of CSR practices at tourism enterprises in Ukraine shows the lack of a comprehensive approach to the formation of CSR strategy of the enterprise. Domestic players in the tourism market practice certain social and environmental measures that do not become a systemic phenomenon and are not implemented within the planned strategy. This means that CSR is still not perceived as part of strategic management.

The transparency index is often used to assess the level of social responsibility. In Ukraine, for the last 8 years, the level of information disclosure on the official websites of companies has also been assessed. According to the official data of the Center for CSR Development in 2018, the level of disclosure of information on CSR by enterprises was 21.7%, which indicates a low participation of companies in the implementation of the CSR strategy. A small number of companies implement CSR policies and only some of them have a clear strategy.

Starting by comparing domestic and foreign service companies with official web resources, you can immediately see the difference in how they cover their responsible activities. For example, foreign companies, such as the international hotel operator Radisson Hotel Group, have a separate section on the site dedicated to CSR policy. In this section, they usually cover the areas of their responsible strategy, publish reports and photos - videos on relevant topics. This section is targeted at almost all stakeholder groups.

Analyzing the web resources of Ukrainian enterprises, there is almost no such information. For example, the travel operator «Travel Professional Group» (TPG) covers its social activities in the «News» section of its website. Other domestic tour operators, such as «TUI Ukraine» and «Tez Tour», are implementing social projects in practice, but do not cover

these events in any way. That is, there is a significant difference in the provision and perception of CSR policies in general by domestic and foreign enterprises.

The CSR strategy must be in line with the company's mission and be comprehensive. It should be targeted at all groups of stakeholders. Ukrainian tour operators, hotels, airlines and other players in the tourism sector implement corporate social responsibility through the implementation of various programs that sometimes do not meet the vision of the company and do not operate on a permanent basis. For example, one of the leading travel operators, Travel Professional Group, has been implementing two social programs for a long time: the Future of Tourism Scholarship Program and, together with the «Okhmatdyt» NDSL Board of Trustees, are doing their best to provide the Neonatology Center with the necessary equipment. Another example is the previously mentioned tour operator operating in Ukraine – «TUI Ukraine», which is part of the international network «TUI Group». Since 2012, «TUI Group» has been publishing reports on its sustainable development, which is implemented through a CSR strategy, which includes the following areas: reducing the environmental impact of tourism, developing action on positive change in society, implementing sustainable tourism around the world and building the best places to work. It is in these areas that the TUI travel group implements its projects, such as: TUI ACADEMY - a program in which the company improves the chances of life for people who need it; TUI JUNIOR ACADEMY - a project aimed at educating children from Africa who do not have this opportunity in everyday life; TUI FUTURE FUND - help children and young people in emergency situations and many others (RIU Hotels publishes its 2018 Sustainability Report, 2019). TUI Group is an active advocate of modern slavery and human trafficking. Having its own hotel chain, TUI Group implements a large number of environmental projects.

Airlines are integral players in the travel market. International airline «Emirates» has a very competent strategy for its responsible business. «Emirates» implements its CSR in a number of areas: environment, security, transparency of financial transactions, responsible procurement, anti-corruption, anti-trafficking, labor protection (The Emirates Group Environmental reports 2017-2018, 2019). In these areas, a large number of programs are implemented every day, reports on the effectiveness of which are published on the company's official website.

Analyzing the air carriers of Ukraine, «UIA» has been singled out, which has its own corporate responsibility program «Under the Wing». The program has volunteer and charitable directions. Taking care of its own staff, «UIA» has its own training center, which aims to provide training and retraining of specialists in the aviation sector. «UIA» is working with «Amadeus» on a joint social project to help UAC Ukraine support orphanages in Odessa and the region. Also, the airline regularly provides support to various social projects - it is the official carrier of Ukrainian delegations and sports teams.

Thus, the experience of enterprises in the field of services in the implementation of CSR in their activities shows that only some representatives of the tourism business implement social responsibility as part of the business development strategy. That is, it is used as a vector of the future, which is designed to operate responsibly to all stakeholders, and to achieve not only economic interests, but also, so uncommon, social and environmental.

Conclusions. Doing modern business requires companies in the service sector to take decisive steps in implementing the planned strategies. Some companies remain unchanged in the chosen vector, while others, despite the economic effect, try to act responsibly. That is, corporate social responsibility is introduced as a basic element in the development and subsequent implementation of the strategy of own business development. Analysis of CSR approaches and official data indicate that the level of use of CSR projects by tourism enterprises remains quite low. Even companies that have actively started implementing these projects do not try to officially advertise such events, let alone create and publish non-financial reports. The

key obstacle is the ignorance of business about these projects, and therefore reports, and most importantly the benefits that can be obtained by other participants. Acting socially will not directly increase the economic profits of enterprises, but it will be a breakthrough and an indicator of the development of each sector of the economy, attract investors (especially domestic) and form a positive image of the enterprise and, consequently, indirectly affect the economic effect.

Бібліографічний список

- Воробей, В., 2010. Аналіз національних стратегій СББ. Пропозиції для Національної стратегії розвитку СББ. *PPV Knowledge Networks*. [онлайн] Доступно: <http://www.ppv.net.ua/uploads/work_attachments/Analysis_of_National_CSR_Strategies_UA_.pdf> [Дата звернення 10 серпня].
- Грیشнова, О.А., 2011. Соціальна відповідальність у контексті подолання системної кризи в Україні. *Демографія та соціальна економіка*, 1, с.39-46. DOI: <https://doi.org/10.15407/dse2011.01.039>
- Зінченко, А. та Саприкіна, М., уклад. 2018. *Розвиток КСВ в Україні: 2010–2018*. Київ: Юстон.
- Карлін, М.І. та Звонар, В.П., 2007. Корпоративна соціальна відповідальність у контексті перспектив соціальної політики України. *Демографія та соціальна економіка*, 1, с.184–193.
- Лаптева, Л., ред. 2004. *Социальная ответственность бизнеса. Корпоративная отчетность — новый фактор взаимодействия бизнеса и общества*. Москва: Деловой экспресс.
- Петрашко, Л., ред. 2011. Корпоративна соціальна відповідальність в українській бізнес-практиці. *Міжнародна економічна політика*, 1-2, с.115–141.
- Саприкіна, М., ред. 2019. *Практики КСВ в Україні 2019*. Київ: Центр «Розвиток КСВ».
- Bowen, H., 1953. *Social Responsibilities of the Businessman*. New York: Harper & Row.
- Ebner, D. and Baumgarther, R., 2006. The relationship between sustainable development and corporate social responsibility. In: Trinity College Dublin. *Corporate Responsibility Research: Materials from a Conference, Dublin, 4th–5th September 2006*. [online] Available at: <https://crrconference.org/Previous_conferences/downloads/2006ebnerbaumgartner.pdf> [Accessed 12 August 2021].
- Friedman, M., 1970. The Social Responsibility of Business is to Increase its Profits. *The New York Times Magazine*, [online] September 13. Available at: <<http://umich.edu/~thecore/doc/Friedman.pdf>> [Accessed 25 August 2021].
- GRI Standards, 2019. The GRI Standards: the global standards for sustainability reporting 2018/2019. *Global Reporting Initiative*. [online] Available at: <https://www.globalreporting.org/standards/media/2458/gri_standards_brochure.pdf> [Accessed 12 August 2021].
- ISO, 2010. FDIS 26000 «Manual on Social Responsibility». *International Organization for Standardization ISO*. [online] Available at: <<https://www.iso.org/standard/42546.html>> [Accessed 12 August 2021].
- Published reports, Ukraine. Last five years, 2021. *Corporate Register*. [online] Available at: <<https://www.corporateregister.com/map/region/?r=Ukraine>> [Accessed 17 August 2021].
- RIU Hotels publishes its 2018 Sustainability Report, 2019. *TUI Group*, [online] 24 July. Available at: <<https://www.tuigroup.com/en-en/media/press-releases/2019/2019-07-24-riu-publishes-2018-sustainability-report>> [Accessed 25 August 2021].

- Salzmann, O., Ionescu-Somers, A. and Steger, U., 2005. The business case for corporate sustainability: Literature review and research options. *European Management Journal*, 23(1), pp.27-36. DOI: 10.1016/j.emj.2004.12.007
- SR strategy formulation and implementation, 2019. *The CSR Company International*. Available at: <<https://www.csr-company.com/our-services/sr-strategy-formulation-and-implementation>> [Accessed 25 August 2021].
- The Emirates Group Environmental reports 2017-2018, 2019. *Emirates*. [online] Available at: <<https://c.ekstatic.net/ecl/documents/environmental-reports/environment-report-2017-18.pdf>> [Accessed 17 August 2021].

References

- Bowen, H., 1953. *Social Responsibilities of the Businessman*. New York: Harper & Row.
- Ebner, D. and Baumgarther, R., 2006. The relationship between sustainable development and corporate social responsibility. In: Trinity College Dublin. *Corporate Responsibility Research: Materials from a Conference*, Dublin, 4th–5th September 2006. [online] Available at: <https://crrconference.org/Previous_conferences/downloads/2006ebnerbaumgartner.pdf> [Accessed 12 August 2021].
- Friedman, M., 1970. The Social Responsibility of Business is to Increase its Profits. *The New York Times Magazine*, [online] September 13. Available at: <<http://umich.edu/~thecore/doc/Friedman.pdf>> [Accessed 25 August 2021].
- Grishnova, O.A., 2011. Sotsialna vidpovidalnist u konteksti podolannia systemnoi kryzy v Ukraini [Social responsibility in the context of overcoming the systemic crisis in Ukraine]. *Demography and social economy*, 1, pp.39-46. DOI: <https://doi.org/10.15407/dse2011.01.039> (in Ukrainian).
- ISO, 2010. FDIS 26000 «Manual on Social Responsibility». *International Organization for Standardization ISO*. [online] Available at: <<https://www.iso.org/standard/42546.html>> [Accessed 12 August 2021].
- Karlin, M.I and Zvonar, V.P., 2007. Korporatyvna sotsialna vidpovidalnist u konteksti perspektyv sotsialnoi polityky Ukrainy [Corporate Social Responsibility in the Context of Ukraine's Social Policy Perspectives]. *Demography and social economy*, 1, pp.184-193. (in Ukrainian).
- Lapteva, L., ed. 2004. *Sotsialnaya otvetstvennost biznesa. Korporativnaya otchetnost — novyy faktor vzaimodeystviya biznesa i obshchestva* [Social responsibility of business. Corporate reporting - a new factor in the interaction of business and society]. Moskva: Delovoy ekspress. (in Russian).
- Petrashko, L., 2011. Korporatyvna sotsialna vidpovidalnist v ukrainskii biznes-praktytsi [Corporate social responsibility in Ukrainian business practice]. *Mizhnarodna ekonomichna polityka*, 1-2, pp.115–141. (in Ukrainian).
- SR strategy formulation and implementation, 2019. *The CSR Company International*. Available at: <<https://www.csr-company.com/our-services/sr-strategy-formulation-and-implementation>> [Accessed 25 August 2021].
- GRI Standards, 2019. The GRI Standards: the global standards for sustainability reporting 2018/2019. *Global Reporting Initiative*. [online] Available at: <https://www.globalreporting.org/standards/media/2458/gri_standards_brochure.pdf> [Accessed 12 August 2021].
- Published reports, Ukraine. Last five years, 2021. *Corporate Register*. [online] Available at: <<https://www.corporateregister.com/map/region/?r=Ukraine>> [Accessed 17 August 2021].

- RIU Hotels publishes its 2018 Sustainability Report, 2019. *TUI Group*, [online] 24 July. Available at: <<https://www.tuigroup.com/en-en/media/press-releases/2019/2019-07-24-riu-publishes-2018-sustainability-report>> [Accessed 25 August 2021].
- The Emirates Group Environmental reports 2017-2018, 2019. *Emirates*. [online] Available at: <<https://c.ekstatic.net/ecl/documents/environmental-reports/environment-report-2017-18.pdf>> [Accessed 17 August 2021].
- Saprykina, M., ed. 2019. *Praktyky KSV v Ukraini 2019 [CSR Practices in Ukraine 2019]*. Kyiv: CSR Development Center. (in Ukrainian).
- Vorobei, V., 2010. Analiz natsionalnykh stratehii SVB. Propozytsii dlia Natsionalnoi stratehii rozvytku SVB [Analysis of national CSR strategies. Proposals for the National CSR Development Strategy]. *PPV Knowledge Networks*. [online] Available at: <http://www.ppv.net.ua/uploads/work_attachments/Analysis_of_National_CSR_Strategies_UA_.pdf> [Accessed 10 August 2021]. (in Ukrainian).
- Zinchenko, A. and Saprykina, M., compilers. 2017. *Rozvytok KSV v Ukraini: 2010–2018 [CSR Development in Ukraine: 2010–2018]*. Kyiv: Yuston. (in Ukrainian).
- Salzmann, O., Ionescu-Somers, A. and Steger, U., 2005. The business case for corporate sustainability: Literature review and research options. *European Management Journal*, 23(1), pp.27-36. DOI: 10.1016/j.emj.2004.12.007

М.О. Горбашевська
С.К. Касторська

РОЛЬ КОРПОРАТИВНО СОЦІАЛЬНОЇ ВІДПОВІДАЛЬНОСТІ У ФОРМУВАННІ СТРАТЕГІЇ ТУРИСТИЧНОГО ПІДПРИЄМСТВА

Анотація. Публікація висвітлює питання наукових підходів до корпоративної соціальної відповідальності, яку сьогодні, розглядають як вектор майбутнього розвитку підприємства. Робота містить огляд основних стандартів, за допомогою яких висвітлюється нефінансова звітність організації. За допомогою аналізу реалізації проектів корпоративної соціальної відповідальності в Україні та за її межами, було визначено, що європейський досвід реалізації проектів корпоративно соціальної відповідальності є поширеним серед іноземних підприємств та кількість кейсів є значно більшою, у порівнянні з вітчизняними. Дуже мала частина підприємств публікує інформацію на власних сайтах, про що свідчить компаративний аналіз веб-ресурсів підприємств як складової індексу прозорості. У роботі досліджено практики реалізації корпоративної соціальної відповідальності декількох вітчизняних підприємств сфери туризму, за результатами чого виявлено, що серед туристичних операторів лише декілька гравців ринку приділяють увагу соціальній відповідальності, у той же час, серед готельних мереж така практика є більш популярною та кількість проектів динамічно зростає. Встановлено, що корпоративна соціальна відповідальність на підприємствах сфери туризму є необхідною складовою загальної стратегії розвитку підприємства, оскільки передбачає довгострокову реалізацію проектів, урахування позицій стейкхолдерів та принципів сталого розвитку.

Ключові слова: підприємство; корпоративна соціальна відповідальність; КСВ; туризм; стратегія; розвиток; туристичне підприємство; готель; авіакомпанія; сталий розвиток.