JUSTIFICATION THE CHOICE OF CORPORATE SOCIAL RESPONSIBILITY STRATEGY DEVELOPMENT FOR THE TOURIST ENTERPRISES

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Introduction. The integration of Ukrainian enterprises into the world economic environment determines the feasibility of implementing corporate social responsibility standards into the business activity of modern companies. The development of a system strategic approach to the implementation of a corporate social responsibility increases the competitiveness of enterprises and solves social problems of society.

Within the framework of the national program of sustainable development goals in Ukraine, modern companies must be “agents” of social changes and transformations in society. The knowledge economy must implement social development principles, sustainable economic growth, and reach an environmental balance. This issue is especially relevant to the tourist enterprises, which are the "drivers" of urban economic development and the bearers of social responsibility values. The development of a corporate social responsibility strategy is important for all enterprise management levels since that new competitive advantages are formed. The company's competitive advantages are ensured at the internal level and enhance the leading positions in business at the external level. Both levels are crucial for forming the socially responsible economy and should be considered in corporate strategic decisions making. Business is currently facing the challenge of COVID-19, and tourism is one of the most vulnerable areas of business. Therefore, Ukrainian tourist companies need to create a systematic approach to the formation of strategic social responsibility, implement social development projects, and attract socially oriented investments in the sphere of tourism.

Actual scientific researches and issues analysis. The role of socially responsible business in the company's strategic development is studied by both domestic and foreign scientists such as Kolot A. M, Carroll Archie V., Craig Smith N.

Domestic and foreign scientists Kolot A [1], Carroll Archie V. [2], Craig Smith N. [3] investigate a socially responsible business and emphasize its role in the strategic development of the company. In the study [4], Kolot A. defines Corporate Social Responsibility (CSR) as a process of harmonizing the
conflicting interests of stakeholders and the sustainable development goals of the company. Nevertheless, implementing the measures for ensuring CSR requires further investigation, particularly the process of justification, the choice of CSR strategy.

The research objectives. The analysis of published studies in the areas of CSR in various sectors of the economy, including the tourism sector, shows that issues of the CSR development strategy for domestic enterprises are insufficiently investigated. In particular, types of CSR strategy, identification of key directions for CSR assurance, and basic appraisal CSR metrics require further findings. The purpose of the study is to classify the basic strategies of CSR development and justify the choice of CSR strategies for tourist enterprises.

Basic material and results. International institutions, specialized associations, and leading global companies who are representatives and agents of the social responsibility development processes call for new challenges and highlight key areas for enhancing CSR in a new, extremely dynamic environment with significant social challenges. Global Impact Sourcing Coalition incorporates global companies such as Google, Facebook, Microsoft, etc. by providing social benefits. [5]. In Bloomberg Impact Report 2019, "The world is changing" [6] the main CSR challenges are defined and point to vulnerability to respiratory illnesses like COVID-19. Moreover, COVID-19 causes loss of 850 million to 1.1 billion international tourists, loss of US$ 910 billion to US$ 1.2 trillion in export revenues from tourism, 100 to 120 million jobs at risk [7]. Thus, Bloomberg’s CSR directions comprise business, environmental and social issues as they have a straight and considerable impact on the company, its employees, and strategic partners.

The World Tourism Organization (UNWTO), the United Nations agency, launched the Global Code of Ethics in Tourism, which refers to tourism's social and responsible contribution to society. "As the leading international organization in the field of tourism, UNWTO promotes tourism as a driver of economic growth, inclusive development, and environmental sustainability" [8].

The CSR strategy implementation enables companies to benefit from enhancing corporate reputation and its brand, as well as providing trust relationships with key stakeholders such as consumers, regulators, suppliers, and investors. As a result, these improvements lead to better risk management, innovative performance, and effective cost management [2].

Certainly, the formation of CSR at the strategic management level of the company is essential. Indeed, the combination of different functional areas of the company for ensuring its development through the principles of corporate social responsibility within the interests of the stakeholders is a complicated process. Consequently, based on the definition [4], we consider that CSR is a set of social obligations of the company to stakeholders, which simultaneously contribute to sustainable development.

Today, for tourist enterprises, it is not enough to provide high-quality services – consumer demands from the company to be socially-oriented in business. Consequently, development and implementation of the principles of corporate social responsibility is an essential issue. Social responsibility in tourism is a company step to key stakeholders through its social position and a desire to be responsible for its services. Hence, the main principles of corporate social responsibility are voluntariness, reliability, and timeliness, value creation for all levels of the company environment. An example of CSR in tourism is the travel agency "Travel Professional Group" ("TPG") tour operator’s project: Charitable project of the Neonatological Center NDSL "Ohmatdyt" and Scholarship Program "Future of the Tourist Industry".

The development of a corporate social responsibility requires the implementation of an appropriate strategy. Based on the definition of the strategy [9], we consider CSR strategy as the specific way to satisfy stakeholders’ needs, create shared value and form various kinds of social responsibility values through strategic planning and strategic realization tools. [10].

We suggest that criteria for classifying strategies for corporate social responsibility development should be based on the performance of four management functions according to the I. Adizes concept [11]: the achievement of results, administration, entrepreneurship, and integration. In the theory of strategic management, management style determines the following strategies types: resource-oriented, process-oriented, project-oriented, and communication-oriented strategies. Appropriately, the development of corporate social responsibility of the tourist enterprises has its features (Table 1).
Table 1

<table>
<thead>
<tr>
<th>CSR development strategies</th>
<th>Target object of managerial actions</th>
<th>Dominant managerial technologies for strategy implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resource-oriented</td>
<td>Resource set and, social capital of tourist enterprise</td>
<td>Operational management; Risk management</td>
</tr>
<tr>
<td>Process-oriented</td>
<td>Compliance with the standards of social responsibility at all stages of the value chain of a tourist product</td>
<td>Knowledge management; Strategic management; Business Modeling Ecological management; Value-based management</td>
</tr>
<tr>
<td>Communication-oriented</td>
<td>Processes of interaction between internal and external stakeholders (society, tourists, local communities)</td>
<td>Customer Relationship Management (CRM); Reputation management; Leadership and team building</td>
</tr>
<tr>
<td>Project-oriented</td>
<td>Realization of social projects by tourist enterprises</td>
<td>Project management; Innovation management; Investment Management</td>
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*Source: developed by the authors*

One of the most important stages of CSR formation and development is its evaluation. We consider a base for assessment as a system of indicators, which characterizes all CSR strategic directions in business. Based on approaches to CSR evaluation of [12, 13], we suggest a Balanced Scorecard (BSC) method, adapted to the characteristics of CSR (Table 2).

Table 2

<table>
<thead>
<tr>
<th>Projections of a balanced system of indicators</th>
<th>Consumers</th>
<th>Investors</th>
<th>Employees</th>
<th>Society</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>Market capitalization of the company</td>
<td>The profitability of social investment (SROI)</td>
<td>Profit and income dynamics</td>
<td>Level of social investment and their dynamics</td>
</tr>
<tr>
<td>Customer</td>
<td>Level of customer loyalty, number of positive reviews, brand value (Brand Equity), number of people with special needs</td>
<td>Dynamics of the client base</td>
<td>Saving resources because of highly skilled employees</td>
<td>Percentage of social projects aimed at development of local community and society</td>
</tr>
<tr>
<td>Internal business processes</td>
<td>Percentage of environmental projects, compliance with CSR standards and corporate culture</td>
<td>Level of innovations in the sphere of CSR</td>
<td>The development of socially-oriented management</td>
<td>Transparency level of the company, level of energy efficiency</td>
</tr>
<tr>
<td>Learning and growth</td>
<td>Percentage of social education programs</td>
<td>Work-Life Balance Index for employees</td>
<td>The level of staff involvement in CSR development, the percentage of training in CSR sphere</td>
<td>Dynamics of wages and expenses on social staff</td>
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</table>

*Source: developed by the authors*
It is valuable to note that the proposed system of indicators for evaluation CSR level needs adaptation for a particular tourist enterprise. The assessment of the social responsibility level of the tourist enterprises can be demonstrated using the strategic profile of CSR development. This profile allows comparing the level of CSR development of the tourist companies and determines strategic directions of its strengthening. Consumers and staff are vital stakeholders in the process of forming CSR in tourist enterprises.

The tourism sector is represented by many tourism enterprises, where tour operators play a critical role (more than 100) [14].

Given the key stakeholder groups and their importance in CSR strategy formation, a map of strategic groups of significant tour operators of Ukraine is proposed to build. In constructing the map, one of the indicators was selected in each group (table.2). In particular, in the group Consumers – Level of customer loyalty, in group Investors – Dynamics of the client base, in group Employees – Level of staff involvement in CSR development, in group Society – Dynamics of wages and expenses on social staff (fig. 1).

![Fig. 1. Strategic group map of key tour operators](source: developed by the authors)

The choice of these indicators is conditioned by the availability of open data on the websites of companies, consumer reviews, and travel agencies [15] and official statistics [16]. In order to obtain adequate data, the scoring method was used, where the minimum score of 1 was assigned to the lowest score in the group, and the maximum 5 – corresponding to the highest score within the group. The x-axis is represented by the average scores of the "Consumers" and "Investors" groups, the y-axis is represented by the score of the "Employees" group, and the size of the balls corresponds to the score of the "Society" group. Based on the results of Fig.1, we can distinguish two main groups of enterprises. The first group includes tour operators, which have low rates for different stakeholder groups, and therefore it is necessary to enhance or start to implement CSR measures for this category. The second group is characterized by both the best performance in working with stakeholders and the direct availability of social programs. Tour operator "Anex Tour" cannot be included in the second group because the information is not completely represented for this company. Therefore, considering available data from open sources, we have identified a strategic profile of CSR development level for stakeholders "Consumers" (Table 2). Three companies, which operate in Kyiv, Ukraine ("TPG", "TEZ TOUR", "TUI Ukraine") have been selected as objects for analysis.

An expert assessment of CSR development level for selected tour operators in Kyiv was conducted according to the results of each company’s site data analysis [17; 18; 19] and analytical studies. All indicators were evaluated through the application of the 5-point system, where 5 points address the highest score of indicator, and 1 point refers to the lowest one. The choice of these indicators was caused by specifics of the tourist enterprises. Graph interpretation of the results is shown in Fig. 2.
In conclusion, the “TPG” enterprise demonstrates a high and balanced level of CSR development according to BSC projection. The company has a high transparency level and operates based on the principles of socially responsible business. Tour operator “TUI Ukraine” shows developed corporate culture and successful collaboration with business partners. In our opinion, the most effective for these companies CSR strengthening is a process-oriented development strategy, which implies strict compliance with CSR standards at all stages of the value chain for tourism business. The low level of CSR development is revealed for "TEZ TOUR" because of undeveloped social training programs, insufficient positive feedbacks and ineffective performance of the BSC projection in general. Recommended strategies for implementation are a combination of communicative and project-oriented strategies for managing customer relationships, increasing brand recognition, and business reputation.

**Conclusions.** This study's results in areas of strategy for the development of corporate social responsibility prove the necessity of a systematic strategic approach to CSR formation. In particular, the criteria for classifying strategies for CSR development are suggested. The strategies for CSR development are justified as resource-oriented, process-oriented, project-oriented, and communication-oriented strategies.

Taking into account the insufficient development of evaluation methods for CSR development level, we suggest solving this problem using a Balanced Scorecard approach and appropriate system of CSR indicators for different types of stakeholders: consumers, investors, employees, and society. Under empirical data of the tourist companies and according to their CSR strategic profiles, it is recommended to implement appropriate strategies for CSR development. Further research should be done to investigate the organizational and managerial aspects of CSR implementation for tourist enterprises and to evaluate precisely CSR development.

**REFERENCES:**
Обґрунтування вибору стратегії розвитку корпоративної соціальної відповідальності туристичними підприємствами. Досліджено сутність соціально відповідального бізнесу та його значення для стратегічного розвитку підприємств. Метою дослідження є класифікація основних стратегій розвитку корпоративної соціальної відповідальності (КСВ) і обґрунтування вибору стратегій КСВ туристичними підприємствами. Зазначено, що КСВ включає питання бізнесу, екології та соціальної сфери, оскільки вони мають прямий та значний вплив на компанію, її працівників і стратегічних партнерів. Визначено, що основними принципами КСВ є добровільність, надійність та своєчасність, створення цінностей для всіх рівнів корпоративного середовища. Запропоновано класифікацію стратегій розвитку КСВ на основі чотирьох функцій менеджменту за концепцією І. Адізеса. У результаті дослідження визначено особливості формування стратегії розвитку КСВ підприємств на основі ідентифікованих напрямів її забезпечення. Обґрунтовано систему метрик щодо оцінювання розвитку КСВ із застосуванням інструментарію концепції збалансованої системи показників і теорії стейкхолдерів. Побудовано карту стратегічних груп основних туристичних операторів України з врахуванням індикаторів кожної групи стейкхолдерів корпоративної соціальної відповідальності (споживачі, інвестори, працівники, суспільство). Установлено, що запропонована система показників для оцінювання рівня КСВ потребує адаптації до конкретного туристичного підприємства. Побудовано стратегічний профіль туристичних
підприємств, який дозволяє порівняти рівень розвитку КСВ туристичних операторів та визначити стратегічні напрями її посилення. Обґрунтовано вибір відповідних стратегій розвитку корпоративної соціальної відповідальності, й рекомендованими стратегіями для впровадження туристичними підприємствами є симбіоз комунікативних та орієнтованих на проект стратегій управління взаємовідносинами з клієнтами, підвищення розпізнаваності бренду й ділової репутації.

Ключові слова: корпоративна соціальна відповідальність, стратегія розвитку корпоративної соціальної відповідальності, туристичні підприємства.

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Kubareva Iryna V., PhD in Economics, Associate Professor. SHEE “Kyiv National Economic University named after Vadim Hetman”. Maliarchuk Olha H., PhD in Economics, Associate Professor. SHEE “Kyiv National Economic University named after Vadim Hetman”. Pohuda Nataliia V., PhD in Economics, Associate Professor. Simon Kuznets Kharkiv National University of Economics. Justification the Choice of Corporate Social Responsibility Strategy Development for the Tourist Enterprises. The article investigates the essence of socially responsible business and its importance for the strategic development of the tourist enterprises. It is noted that CSR includes business, environmental and social issues, as they have a direct and significant impact on the company, its employees and strategic partners. It is determined that the main principles of CSR are voluntariness, reliability and timeliness, creation of values for all levels of the corporate environment. In the article the classification of strategies for the development of corporate social responsibility (CSR) based on the concept by I. Adizes is determined. The system of evaluation metrics for justification of a CSR directions on the base of the Balanced Scorecard and stakeholder theory is proposed. Strategic profile of CSR for the tourist enterprises is constructed and appropriate strategies for their development are proposed.

Keywords: corporate social responsibility; strategy of development of corporate social responsibility; tourist enterprises.