

# **BUSINESS ETHICS & SOCIAL RESPONSIBILITY IN TOURIST ORGANIZATIONS**

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# To establish ethical environment:

## Pay attention to managers:

### 1. Ethical behavior of the managers

- Value systems of the managers are crucial for the establishment of an ethical organizational environment

### 2. The time that the manager has taken for ethics

- Does the manager has taken enough time to think, observe, and decide? It is not simple because of the tight schedule of the manager daily agenda

### 3. Thinking about the ethical norms in the organization

- Time devoted to thinking is crucial for managers
- Allowance to think creates ability to give directions to employees, support them when they are facing ethical dilemmas

# Ethical questions in tourism area

1. Should all clients be informed about all the information regarding the tourist offer or only those that are in our favor to convince them?
2. Should the tourist offer be organized only to get us bigger profit or to satisfy the needs and the demands of the clients?
3. Should the agreement be written correctly without hidden costs?
4. Should we ask from the rest of the employees to keep some information as a secret?

# Factors that increase organizational interests in CSR

1. **Globalization** → imposing personal values to MNCs outside the mother country
2. **Customers** → demand for products and services from corporate responsible organizations
3. **Parties of interest** → put pressure on the implementation of ethical and responsible work in the organizations
4. **International organizations** → such as UN, OECD, ILO that carry declarations, agreements, manuals that express the corporate norms for responsible working
5. **Sustainable development** → a pattern of resource use that aims to meet human needs while preserving the environment, but also for next generations



# Effects of doing CSR for tourism organizations

1. Better reputation
2. Brand creation
3. Enhanced competitiveness
4. Enhanced productivity
5. High employee motivation
6. Better relationship between the parties
7. Good corporate culture
8. Long-term business success

## Effects of doing CSR for society

1. Better conditions for the target group
2. Identifications of new problem areas
3. Creation of new innovative approach to problem solving
4. Creating network with specific competencies to problem solving

## Initiatives that should be taken into account are:

1. Industrial initiatives for sustainable tourism
2. Influencing consumer behavior to promote sustainable tourism
3. Developing broad-based sustainable development through tourism, while preserving the integrity of local cultures & the environment-community development

## Principles of CSR (same for every organization)

1. **Sustainability** → do activities that have effect on the future. In tourism that means the services we offer on the market today will be with the same quality & quantity at least 5 more years
2. **Accountability** → ability to provide trustable services & reduce the principal-agent problem
3. **Transparency** → clarify and make publicly known roles and responsibilities of board & management to provide shareholders with a level of accountability

**Leading a business is more than just making a profit**

# References

- Arnaudov, Kliment and Koseska, Elena (2012) Business ethics and social responsibility in tourist organizations in terms of changing environment, *Procedia-Social and Behavioral Science* 44, pp. 387-397