

The importance of socially responsible strategic planning

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Abstract. This paper researches the importance of social responsible strategic planning regardless of the sector and shows research results on the case example of the selected tourism sector, which has economic and employment potential and social and environmental implications. Tourism sector is closely interdependent with transport sector and influences it. Therefore, the more we develop the tourism sector, the more the transport sector is developing as well. Based on Mulej's Dialectical Systems Theory (DST) we found out that enterprises should integrate sustainability and social responsibility into their strategic planning if they want the Earth to survive. This urged the European Union, ISO International Standards Organization, many other organisations and many researchers. To make strategic planning socially responsible, enterprise's governors should request social responsibility in business policy, which represents their governance guidelines and is implemented through the strategies set up by top managers and realised in the basic realisation process – their business operations.

1. Introduction

Enterprise's sustainability and social responsibility are needed if people want the Earth to survive [1–15]. To attain a sustainable competitive strategy [1, p. 149], enterprises should “practice ethical and socially responsible behaviour. Therefore, enterprises must take care of all beings (people, animals, and nature – environment), and satisfying all stakeholders’, not only stockholders’ interests. They need to examine the impact of their decisions, information, activities and products / services consciously; they also need to develop values such as honesty, ethical / moral behaviour, equity, and integrity consciously. This is their best way to develop their excellent social responsibility and to contribute to the socially responsible development of all backgrounds on which they have direct or indirect impact, in a long-term at least”. Such behaviour must originate from responsible business policy / governance resulting in responsible strategic planning and visible in responsible business operations [2, 3]. This is why the objective of this paper is to confirm the hypothesis that regardless of the sector enterprises need social responsible strategic planning. This thesis will be tested, and then confirmed or rejected, based on desk research.

The European Union (EU) [4] no longer allows enterprises to treat their social responsibility as a very private affair. The EU requires all EU Member States and large enterprises [5, p. 59] to apply social responsibility in order to support their competitiveness as a non-technological invention-innovation-diffusion process (IIDP). To improve their competitiveness and governance, enterprises can use findings summarized in the ISO 26000 standard on social responsibility [6], which places organizational governance in the centre of all 7 core social responsibility subjects. ISO 26000 requires a holistic approach (based on interdependence) and includes the following seven content areas [6, pp. 10–14]:

- (1) Organization, management and governance,
- (2) Human rights,



- (3) Labour practices,
 - (4) Environment,
 - (5) Fair operating practices,
 - (6) Consumer issues, and
 - (7) Community involvement and development.
- Principles of social responsibility are seven [6, pp. 10–14]:

- (1) Accountability,
- (2) Transparency,
- (3) Ethical behaviour,
- (4) Respect for stakeholders' interests,
- (5) Respect for the rule of law,
- (6) Respect for international norms of behaviour, and
- (7) Respect for human rights.

According to ISO 26000 (3) Ethical behaviour means values of honesty, equity and integrity. These values imply a concern for people, animals and the environment and a commitment to address the impact of its activities and decisions on stakeholders' interests. These values are also the values we advocate in this paper!

For social and economic reasons, social responsibility means that everybody behaves as a reliable person beyond social community requirements defined in legislation [5, p.59]. To achieve this, experimental setup and the research methods used are introduced in the Section 2, research results about the strategic planning importance on the case of selected, tourism sector with discussion and further research directions are introduced in the Section 3 and some conclusions are introduced in the Section 4.

2. Materials and Methods

In ISO 26000 [6], social responsibility is based on (1) interdependence and (2) holistic approach, which are central in Mulej's Dialectical Systems Theory (DST) [7 and onwards, 8] and Bertalanffy's General Systems Theory (GST) [9 and onwards] methodological approach, which was developed against modern over-specialization. Both interdependence and holistic approach mean a "broader view rather than a one-sided one. ISO 26000 is making room for more thinking about preconditions for sense-making governance and economic growth rather than the destructive ones of so far: humankind's prosperity is what makes sense" [5, p. 50]. This is why we took Mulej's Dialectical Systems Theory (DST) as our main research method. In the Dialectical Systems Theory, the central concept is "dialectic system", which is a combination of significant (i.e. selected for the significant) interdependent viewpoints, their interactions (i.e. their influences on each other) and synergies among them (i.e. combined effects).

As a possible methodological approach used by enterprises when implementing strategic planning, we introduce Mintzberg's [10] view combined with our own view on the role and impact of business policy / governance and management (Mintzberg describes it simply as "strategy") in the continuation. These descriptions indicate Mintzberg's typical strategic thought, although he does not believe in strategic planning. We supplemented his thoughts with social responsibility that is a potential innovation, which reduces problems by systemic behaviour. Six Ps for business policy / governance and management's role and impact and their descriptions [leaned on and excerpted from 10, pp. 4–8, supplemented and completed up with our own view and knowledge; See also 1, p. 149–150] can be used as a research basis when implementing strategic planning, also in the tourism sector, discussed in the Section 3:

1. Business policy / governance and management as Plan: Some sort of consciously intended course of action; set of guidelines to deal with a situation. Business policy / governance and management (strategies, tactics, and operational management) directions are (a) made in advance of the actions to which they apply, and they are (b) developed consciously and purposefully. They may be general or they can be specific.

2. Business policy / governance and management as Ploy: Business policy / governance and management (strategies, tactics, and operational management) directions can be really just a specific “maneuverer” intended to outwit an opponent or competitor.
3. Business policy / governance and management as Pattern: Business policy / governance and management (strategies, tactics, and operative management) directions are consistent in behaviour, whether or not intended. They encompass the resulting behaviour. While hardly anyone defines it in this way, many people seem at one time or another to use it in this way.
4. Business policy / governance and management as Position: Business policy / governance and management (strategies, tactics, and operational management) directions locate the given enterprise in an “environment”. They become the mediating force between enterprise and environment, that is, between its internal and external contexts.
5. Business policy / governance and management as Perspective: Business policy / governance and management (strategies, tactics, and operational management) directions try to look inside the heads of the owners / governors / managers, but up to a broader view (to see their ingrained way of perceiving the world). The business policy / governance and management (strategies, tactics, and operational management) directions are a concept: they are abstractions, which exist only in the minds of interested parties; they are inventions, fragments of someone’s imagination. What is crucial is that the perspective is shared by the stakeholders of the given enterprise, through their intentions and / or by their actions. In this context, we are entering the realm of the collective mind – individuals united by common thinking and / or behaviour.
6. Business policy / governance and management as Pace towards social responsibility (towards social responsibility is authors’ supplement): Business policy / governance and management (strategies, tactics, and operational management) directions express enterprises’ way of coping with a complex and competitive environment towards all planet Earth residents’ well-being in a sustainable way.

3. Results

The EU [4] supports social responsibility and urges the holism of its member states and enterprises. This is why in this section we will introduce the research results about the social responsible strategic planning importance in the case of selected tourism sector, which is because if its service nature closely connected with the transportation. Therefore, the more we develop the tourism sector, more is developing also transport sector. At the end of this section, we will continue with discussion and further research directions.

Tourism sector [11] is for the EU very important: it has economic and employment potential, and social and environmental implications. “In 2012, one in ten enterprises in the European non-financial business economy belonged to the tourism industries. These 2.2 million enterprises employed an estimated 12.0 million persons. Enterprises in industries with tourism related activities accounted for 9.0 % of the persons employed in the non-financial business economy and 21.9 % of persons employed in the services sector. The tourism industries' shares in total turnover and value added at factor cost were relatively lower, with the tourism industries accounting for 3.6 % of the turnover and 5.5 % of the value added of the non-financial business economy” [11]. In addition, some other numbers demonstrate the importance of this sector, e.g. (same source):

- The EU–28 residents aged 15 or over made in 2014 estimated 1.2 billion tourism trips (in average 74.9 % to domestic destinations, with large differences among EU Member States);
- The EU–28 residents aged 15 or over made in 2012 in average 61.1 % tourist trip for personal purposes (from 25.1 % in Romania (data for 2013) to 88.5 % in Finland);
- From the supply perspective, it is estimated that within the EU–28 in 2014 there were offered 31 million bed places in tourist accommodation establishments (32.2 % in France and Italy, followed by the United Kingdom (data for 2013), Spain and Germany);
- In 2014, the EU–28 residents spent an estimated 2.6 billion nights abroad on tourism trips (German and UK residents accounted for more than half (50.4 %) of this number; but Luxembourg residents

spent the most nights abroad per inhabitant, in 2014 averagely 24.6, in contrast to the residents of Romania, Bulgaria and Greece, who spent, on average, less than one night abroad);

- The economic importance of international tourism to GDP in the EU–28 was in 2014 highest in Croatia (17.2 %), Malta (14.4 %) and Cyprus (12.3 %), but the highest international travel receipts in 2014 were recorded in Spain (EUR 49.0 billion) and France (EUR 43.2 billion).

In October 2007, European Commission launched the Agenda for a sustainable and competitive European tourism “in which all stakeholders should undertake the necessary steps to strengthen the contribution of sustainable practices to facilitate the competitiveness of Europe as the most attractive tourism destination” [12, p. 11]. This document shows the importance of tourism sector for the EU economy and is a continuation of the renewed Tourism Policy [13] that focused on the improving of this sector competitiveness, considering social and environmental objectives.

From so far researched it is obvious that tourism sector is important and has great impact on the people. Therefore it should be social responsible. This should be in the decision-making owners', governors' and managers' consciousness [2, 3]!

Deriving from these research results we can set also next future research directions. Namely, policy makers struggle with ways to address new economic challenges in preparing their economies to succeed in the future economy, characterized by growing uncertainty. In a difficult global economic environment, it is important that the country has laid a solid foundation to support socio-economic growth and development, including competitiveness of the IT sectors and enterprises. All listed and more should be in the future considered during establishing the new socioeconomic regulations and ways of measuring social and economic development (see e.g. 14, 15].

4. Conclusions

Štrukelj and Šuligoj [3, p. 406–407] suggest re-thinking and re-inventing the existing business policy and governance practices of tourism enterprises. They suggest the use of social responsibility, which should be based on innovation of values of shareholders and other important stakeholders, especially those who are responsible for planning, designing and selecting of enterprise policy. They found out that such tourism enterprises are more likely to succeed. They propose a comprehensive and detailed (qualitative and quantitative) survey on the need of (tourism) enterprise policy innovation towards more social responsibility. Our qualitative research confirmed their statements, since this research found out the same: social responsibility is nowadays important and it should be incorporated into the strategic planning, which begins with the business policy determination.

In the Introduction section (Section 1), we have developed one hypothesis, which reads: “Regardless of the sector enterprises need social responsible strategic planning!” This hypothesis we confirmed during the research done. On the general basis and researching the case of tourism sector, we confirmed that enterprises need social responsible strategic planning. This is what urge the EU [4], ISO [6] and other organizations, and call to our attention different researchers [2, 14, and 5].

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