SUSTAINABILITY PERFORMANCE MANAGEMENT SYSTEM OF TOURISM ENTERPRISES *

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Abstract. Sustainable tourism should make optimal use of environmental resources that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural resources and biodiversity. Besides this, sustainable tourism should respect the socio-cultural authenticity of host communities, conserve their inbuilt and living cultural heritage and traditional values. Also, it ensures viable, long-term economic operations, providing socio-economic benefits to all stakeholders that are fairly distributed, including stable employment and income-earning opportunities and social services to host communities, and contributing to poverty reduction. Sustainable tourism should also maintain a high level of tourist satisfaction and ensure a meaningful experience to the tourists, raising their awareness about sustainability issues and promoting sustainable tourism practices amongst them. Tourism is one of the many external forces influencing the direction and options for economic development. Business activities of tourism enterprises can have considerable impact on environment, socio-cultural authentic and economic development trends. The role of any tourism enterprise in achieving principles of sustainable tourism could be very important. Realizing these principles requires adequate management system. Because of this reason, this paper points out basic elements for developing the sustainability performance management system in tourism enterprises.

Key Words: Sustainability performance, performance management, enterprise, sustainable tourism.

INTRODUCTION

Tourism activities fundamentally involve the transportation and hosting of the tourism consumer in a local community, i.e., "tourist destination", where the tourist product is consumed. Tourism is one of the world's largest industries and one of its fastest growing economic sectors. It has a multitude of impacts, both positive and negative, on people's lives and on the environment.
Sustainable tourism development requires the participation of all relevant stakeholders, as well as strong political leadership to ensure wide participation and consensus building. Achieving sustainable tourism is a continuous process. It requires constant monitoring of impacts, introducing the necessary preventive and/or corrective actions whenever necessary. Sustainable tourism development guidelines and management practices are applicable to all forms of tourism in all types of destinations, including mass tourism and the various niche tourism segments.

Sustainable tourism refers to the environmental, economic, and socio-cultural aspects of tourism development, and a suitable balance between these dimensions must be established to guarantee its long-term sustainability. There are three interconnected aspects: a) negative and positive effects of tourism on the environment, b) socio-cultural impacts of tourism (the effects of tourism on host communities), and c) economic impact of tourism (its role in economic development).

The quality of the environment, both natural and man-made, is essential to tourism. However, tourism's relationship with the environment is complex. It involves many activities that can have adverse environmental effects. Many of these impacts are linked with the construction of general infrastructure such as roads and airports, and tourism facilities, including resorts, hotels, restaurants, shops, golf courses and marinas. The negative impacts of tourism development can gradually destroy the environmental resources on which it depends. On the other hand, tourism has the potential to create beneficial effects on the environment by contributing to environmental protection and conservation. It is a way to raise awareness of environmental values and it can serve as a tool to finance protection of natural areas and increase their economic importance.

The socio-cultural impacts of tourism described here are the effects of direct and indirect relations with tourists on host communities. In other words, the intrusion of large numbers of foreigners into local social systems can undermine pre-existing social relationships and values. For a variety of reasons, host communities are often the weaker party in interactions with their guests and service providers, leveraging any influence they might have. These influences are not always apparent, as they are difficult to measure, they depend on value judgments and are often indirect or hard to identify. The business activity of the tourism industry is to promote the "salable" or appealing aspect of the community, transport non-resistant into the community, manage the hospitality for and guide the activities of these visitors, and provide them with goods and services to purchase during their stay. These business activities could degrade the community's heritage and wealth, and then the community suffers more directly than the consumer, who can return to his own community without responsibility for or awareness of the impacts of tourist activities. The impacts arise when tourism brings changes in value systems and behavior and thereby threatens indigenous identity. Furthermore, changes often occur in community structure, family relationships, collective traditional life styles, local demographics, local housing and labor markets, ceremonies and morality. But tourism can also generate positive impacts as it can foster pride in cultural traditions and help avoid urban relocation by creating local jobs. As it often happens when different cultures meet, socio-cultural impacts are ambiguous: the same objectively described impacts are seen as beneficial by some groups, and are perceived as negative - or as having negative aspects - by other stakeholders.

The tourism industry generates substantial economic benefits to both host countries and tourists' home countries. Especially in developing countries, one of the primary motivations for a region to promote itself as a tourism destination is the expected economic improve-
ment. As with other impacts, this massive economic development brings along both positive and negative consequences. There are many hidden costs to tourism, which can have unfavourable economic effects on the host community. Rich countries are often more able to profit from tourism than poor ones. Whereas the least developed countries have the most urgent need for income, employment and general rise of the standard of living by means of tourism, they are the ones least able to realize these benefits. Among the reasons for this are large-scale transfer of tourism revenues out of the host country and exclusion of local businesses and products. Resulting economic losses can encourage socially deleterious economic activities such as prostitution, crime, and migrant and child labour.

1. ELEMENTS OF SUSTAINABILITY PERFORMANCE MANAGEMENT SYSTEM IN TOURISM ENTERPRISES

The effective integration of responsible environmental, social and economic practices and principles into the day-to-day operations of a tourism enterprise is generally the responsibility and duty of a manager of 'sustainable development', 'responsible tourism', or 'corporate social responsibility'. In that direction, there is a need for developing a sustainability performance management system (SPMS) in tourist enterprises.

SPMS allows an enterprise to ensure that all impacts and areas of responsibility are properly addressed, and that all actions are measured, monitored, reported on and adapted wherever possible. The SPMS also helps to ensure that all relevant subjects in the enterprise as well as key outside stakeholders are appropriately involved in the process. Implementations of this system include engaging employees through internal communication and conducting training on sustainable development. An internal communication can help to guarantee that permanent change is achieved within the enterprise and that all employees fully participate in the implementation of the enterprise's sustainability goals. Also, training courses, targeted to different work teams, can provide methodological and other kind of knowledge on promoting the goals of sustainable development within each area of responsibility in the enterprise.

Fig. 2. Sustainability performance management system (SPMS)
The aim of the SPMS is to promote continuous improvement within sustainability performance of the enterprises. An enterprise can use SPMS to control over its impacts on the environment and society by systematically identifying priorities for action, planning strategies to address those priorities, monitoring strategies to ensure implementation and determine any areas for improvement. SPMS includes the policies, programmes and practices designed to integrate social, environmental, and economic principles into existing business processes, including any interactions with stakeholders. SPMS has six relevant elements or implementation phases (Figure 1):

1. Identify and analyse both positive and negative impacts of tourism enterprise business activity on the environment, socio-cultural ambient and economic development,
2. Formulate an enterprise sustainability performance policy and/or strategy;
3. Develop a sustainability performance programme;
4. Operationalise the sustainability performance programme;
5. Monitor and audit the sustainability performance programme; and

An effective SPMS should be comprehensive, integrated and credible. Comprehensive means that system for SPMS can address all impacts and areas of responsibility. Integrated means the involvement of all key internal stakeholders in the enterprise and facilitating constructive partnerships with other relevant external stakeholders (different levels of government, non-government organizations, other subjects of civil society and local communities). Credible means that all actions are measured, monitored, reported on and adapted wherever possible. Depending on the size of the enterprise and the resources available, the SPMS can be simple or complex. Broader management system helps all managers and other employees to see how their part fits into bigger picture. It also allows the responsible tourism officer or manager to co-ordinate the activities more easily.

2. DETERMINANTS FOR FORMULATING SUSTAINABILITY PERFORMANCE POLICY AND PROGRAMME IN TOURISM ENTERPRISES

Before any action can be taken to address the impacts of business activities, it is essential to create a picture of current activities and impacts – a baseline scenario that can be used to guide development of an SPMS and provide a basis for comparison and evaluation of progress in the future. The baseline should include data on factors or impacts from each of the business action areas – internal management, product management and development, supply chain management, customer relations and co-operation with destinations – as well as information on any management actions currently being taken to address enterprise impacts.

To have insight into wider picture of business activity of tourism enterprises means to classify key activities, for example by type of product, supplier, destination, etc. After identifying key business activities management must assess the significance of those activities, and determine priority activities. Each company should have its own system for determining which key business activities are most significant, and identify those that can be addressed and measured in a way that is cost-efficient, realistic, reliable, and able to be repeated at regular intervals for comparisons. The enterprise's priorities need to be justi-
fied according to the specific criteria. Determining factors or impacts might include analysis whether those are: a) object of national or regional legislation; b) capable of being tackled through codes of conduct; c) subject to health and safety considerations; d) affecting profits (this may be a decisive factor in the long run); e) affecting the company's ability to be a 'good neighbour' to local communities; or d) of global, regional or local significance. From this assessment, the enterprise can produce a list of significant factors and a baseline measurement of each factor or activity, to be used in the development of sustainability policy and management system.

The second phase of SPMS is a formulation of sustainability performance policy of an enterprise. This policy establishes the framework for identifying, monitoring and improving the aspects of enterprise's environmental and social business performance. The policy also provides information to shareholders, suppliers and customers about the enterprise's values and positions on sustainability issues. There are two main reasons for sustainability policy formulation. First of all, integrate all of the enterprise's efforts towards sustainability into a single document. Second, to express and communicate commitment and direction, allowing all employees and stakeholders to understand what the enterprise is trying to do. The sustainability performance policy statement should have support from senior management and cover operations in the company headquarters and in all of its regional or international operations. Sustainability performance policy statement can help managers have a greater understanding of the principles and significance of sustainability. Sustainability performance policy should:

- State the key issues to be addressed, including any impacts identified in the baseline review;
- Address key aspects of the five key business action areas (internal management, product development and management, supply chain management, customer relations and co-operation with destinations);
- Be appropriate to the nature, scale and impacts of the enterprise's activities;
- Include a commitment to continual improvement;
- Set open, honest and realistic goals/targets;
- Aim to ensure that suppliers contribute to the company's sustainability aspirations;
- Include a commitment to raise awareness about sustainability issues among stakeholders, particularly suppliers and consumers.

The development of programme for sustainability performance realization is based on policy for achieving sustainability performance. This presents the third phase of SPMS. This is usually an internal reference document that explains the company's action plan for improving sustainability performance and management. The programme should specify actions that relate to all five areas of business operations, including internal management, product management and development, supply chain management, customer relations and co-operation with destinations. Developing the programme includes:

a) prioritising impacts;
b) setting objectives and targets;
c) designing performance indicators; and
d) drawing up an activity plan.
Some of the significant impacts identified during the baseline review should be marked for priority action. It can be helpful to divide impacts into four areas of priority listed below. It is possible that other stakeholders may have different opinions about the importance of each impact. Figure 2 shows four types of impacts or factors and allows the identification of the priority action. First type is "urgent". This is combination of high frequency and high intensity impacts. This impact or factor should be at the top of an enterprise's action list and at least managed in a way that its effects fall within legal limits. Second type is "frequent problem." This is combination of high frequency and low intensity impacts. It is very important for a tourism enterprise because of its cumulative effects. It can be handled through better operating procedures within the current management system. Third type is low frequency/high intensity impact. Type "big problem" can easily become a source of negative publicity for the enterprise, and should be addressed when it is manageable. Combination of low frequency/low intensity impacts is a type called "last care". It will be at the bottom of an enterprise's list of priorities, but its cost-effectiveness should be assessed.

![Fig. 2. Impact (factor) types matrix for identifying priority action](image)

The objectives and targets of a company's sustainability performance programme should be shaped by the findings of the earlier baseline review. Objectives specify sustainability goals, while targets indicate the level of improvement to be attained. Both objectives and targets should be measurable, realistic and time-bound. Objectives and targets should be established with input from all departments and approved by top management. They should also be communicated to all stakeholders that will be affected by them, including customers, employees, suppliers and local communities.

Control of successful achievement of objectives and targets is performed with the help of identified performance measures (indicators). In other words, based on these indicators we can measure how successfully policies and programmes are being implemented. A certain number of indicators should already have been identified from the baseline review, and others can be added during the development of the sustainability programme. There are management performance, operational performance and sustainability conditions indicators. Management performance indicators measure the actions taken to address a particular issue. Operational performance indicators are usually the actual quantitative measurements of the impact, for example carbon emissions, litres of water per client per
night, or purchases from local suppliers measured in the local currency. Sustainability conditions indicators show state of sustainability in the destination, from which an enterprise can indirectly demonstrate its contribution, for example unemployment levels, sea pollution or loss of biodiversity, etc.

![Diagram](image)

**Fig. 3. From policy to measurement effectiveness**

Effectiveness of some program realization and action for sustainable development can be controlled by three types of indicators (Figure 3). The actions can be defined by identified negative impact of tourism enterprise business activities in each of the segments. Concrete object for reducing or eliminating that impact is defined according to the appropriate negative impact. Control of formulated target can be done with adequate performance measure or indicator. For example, the management of the hotel wants to reduce negative impact of inefficient water use with aim to save water as scarce resource. In that direction the management should define a set of measures and actions for water savings. Success in achieving this objective can be controlled with indicator - hotel water consumption per guest night. Activity plan should specify the necessary budget for that action implementation, duration of action realization, and responsible persons and departments in an enterprise.

3. REALIZING, CONTROLLING AND REVIEWING THE SUSTAINABILITY PERFORMANCE PROGRAMME IN TOURISM ENTERPRISES

After setting the action plan for different activities, which presents sustainability performance programme, management starts with operationalising these actions i.e. programmes. To make the planned sustainability programme a reality, responsibilities for each objective should be allocated at the operational level. The department or departments responsible for each activity will need to plan carefully and allocate human, physical and financial resources to achieve the set objectives within the given timeframe and budget. At this stage, senior management support will help the responsible tourism managers win the full cooperation of department managers and other employees.

Each department should prepare a detailed action plan specific to its needs, including the tasks that need to be carried out and a timeframe for each task, based on tourist seasons and availability of time and resources. It is also useful to designate specific starting and ending dates for each task. Implementation of action plan will include the following steps:

a) decide who will be responsible for each task, as well as their suggestions on how the tasks should be completed;
b) communicate the plan to others who will be involved in or affected by it, and modify it based on their feedback;
c) allocate a budget to each task, as well as materials or other physical resources if necessary; and
d) decide on schedule for the tasks.
Monitor and audit the sustainability programme is the next phase of SPMS. Sustainability performance should regularly be monitored and documented to assess whether targets and objectives are being met and to identify actions that are not being successfully implemented. Records should be kept of the tasks planned and undertaken, and at regular intervals new measurements should be made of the impacts to see if there is an improvement in performance. Regular audits, which check on whether actual performance matches plans and policy, are part of everyday business practice. A sustainability audit can assess the effectiveness of the SPMS, checking that significant impacts have been addressed and that actual performance meets the objectives and targets planned. A good audit will help to identify any problems in management of the sustainability programme, and should be seen as a positive part of the programme. The audit should be structured by the responsible tourism manager, probably in consultation with senior management, to establish who will carry out the audit, the budget available, the frequency of the auditing process, and how the audit report will be used. The audit should be completed by someone trained for the task, which may mean engaging external consultants.

The two outcomes of an audit process include an audit report that evaluates the effectiveness of the SPMS, with an assessment of both the sustainability performance of the tourism enterprise and recommendations for the following year's management cycle. The audit will also reveal the strengths and weaknesses of the SPMS. The recommendations for improvements should be reviewed by senior management.

Information collected during the internal audit process can be used for preparing a report on the company's sustainability strategy and performance. This report is an important opportunity to communicate with the outside world as well as with immediate stakeholders about the results of any sustainability actions. External reporting also increases transparency and credibility, improves reputation and adds value to the company. The scope and content of the sustainability report should be based on information from the audit and review, adapted to the needs and interests of the intended audience. This does not mean excluding unfavourable information – the report should present an accurate picture of the findings rather than showing only positive practice.

Sustainability reports should be issued on a regular basis. While too frequent reports will make the process excessively burdensome, infrequent reports will allow the sustainability process to slip. An annual reporting cycle, coinciding with the company's financial reporting, is generally appropriate. It is important to make sure that all relevant stakeholders can access the report, and that those who helped in the data gathering (both staff and external stakeholders) are given feedback.

**CONCLUSION**

Achieving sustainable tourism is a continuous process referring to the environmental, economic, and socio-cultural aspects of tourism development. The suitable balance must be established between these dimensions to guarantee its long-term sustainability. In that direction, there is a need for developing a sustainability performance management system (SPMS) in tourism enterprises. SPMS allows an enterprise to ensure that all impacts and areas of responsibility are properly addressed, and that all actions are measured, monitored, reported on and adapted wherever possible. The aim of an SPMS is to promote
continuous improvement in the sustainability performance of enterprises. SPMS includes policies, programmes and practices designed to integrate social, environmental, and economic principles into existing business processes, including any interactions with stakeholders. SPMS have six relevant elements or implementation phases: conduct a sustainability baseline review; formulate a corporate sustainability policy; develop a sustainability programme; operationalise the sustainability programme; monitor and audit; and report on results of realized the sustainability performance programme.

REFERENCES

SISTEM UPRAVLJANJA PERFORMANSAMA ODRŽIVOG RAZVOJA TURISTIČKIH PREDUZEĆA

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Ključne reči: performanse održivog razvoja, upravljanje performansama, preduzeće, održivi turizam