INTRODUCING CORPORATE SOCIAL RESPONSIBILITY TO THE STRATEGY OF A SMALL-SIZED DESTINATION MANAGEMENT COMPANY

Case of Safartica

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Abstract of Thesis

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The aim of this thesis was to integrate corporate social responsibility (CSR) into the strategy of a small-sized destination management company while only focusing on the introduction stage. The formulation of the final CSR vision and mission, and evaluating the case company’s current CSR performance were aiming to suggest a final CSR management plan for the case company.

The theoretical part in this thesis gives an understanding of the concepts of CSR, CSR and Tourism industry, CSR and SMEs and the way how CSR can be integrated into a company while presenting some adjustment suggestions from scholars specifically related to CSR integration in SMEs.

The qualitative research method was chosen as the research method for this thesis. Two managers from the case company were chosen as data resources, and data was collected through interviewing. The purpose of interviewing was to know the case company’s vision, mission, and main business objectives in order to prepare the CSR vision and mission for the case company, and evaluate case company’s current CSR performances in order to suggest a final CSR plan based on evaluation results, CSR vision and mission.

The main result of this thesis is the final CSR management plan. In this management plan, different CSR objectives towards different stakeholder groups are put forward, including the case company should keep employees remain happy and healthy at work, improve customer satisfaction, develop supplier care, develop environment care, develop local community care, and ensure that the capital shareholders have invested in the firm is well-managed. Based on those objectives, a series of CSR activities are proposed by the author with corresponding indicators for the case company to evaluate results after implementation. The complete CSR plan was presented in this thesis through a table followed by detailed explanation towards every stakeholder groups.

Key words: Corporate Social Responsibility, SMEs, Tourism, Integration, Strategy, Introduction Stage
Table of Contents

1 INTRODUCTION ............................................................................................................. 7

2 CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY (CSR) ................. 9
   2.1 Defining CSR ........................................................................................................... 9
   2.2 Dimensions of Responsibilities within CSR ...................................................... 11
   2.3 Stakeholders of CSR ............................................................................................ 13
   2.4 CSR in Finland ...................................................................................................... 15

3 CSR AND TOURISM ..................................................................................................... 17

4 CSR AND SMES .......................................................................................................... 19
   4.1 Definition of SMEs ................................................................................................. 19
   4.2 Drivers of CSR Adoption by SMEs ...................................................................... 19
   4.3 SMEs-Specific Barriers and Superiorities to CSR ............................................. 20
   4.4 Benefits of Implementation of CSR by SMEs ................................................... 22

5 PROCESS OF INTEGRATION CSR INTO STRATEGY OF SMES ............... 24
   5.1 Defining Strategy ................................................................................................. 24
   5.2 Significance of CSR in Strategies ........................................................................ 26
   5.3 Process of CSR Integration of Strategy of SMEs .............................................. 27
   5.4 Recommendations for SMEs during the Process of Integration ..................... 31

6 INTEGRATING CORPORATE SOCIAL RESPONSIBILITY INTO STRATEGY OF SAFARTICA ................................................................. 33
   6.1 Safartica Ltd. as Commissioner .......................................................................... 33
   6.2 Methodology ......................................................................................................... 35
      6.2.1 Research Methodology .................................................................................... 35
      6.2.2 Data Resources and Collection Method ....................................................... 36
      6.2.3 Data Analysing Method .................................................................................. 37
   6.3 Introducing CSR to Strategy of Safartica Ltd .................................................... 38
      6.3.1 Step 1: Preparing CSR Vision and Mission Statement ............................... 38
      6.3.2 Step 2: Evaluating Company’s Current CSR Performance ..................... 42
      6.3.3 Step 3: CSR Management Plan .................................................................... 48

7 CONCLUSION .................................................................................................................. 54
   7.1 The Main Result .................................................................................................... 54
   7.2 Recommendation for Future Research .............................................................. 56

BIBLIOGRAPHY ............................................................................................................... 57
FOREWORD

It was my first time to write a thesis, and it was also a tough process for me to complete it. I was stuck so many times during the whole process, and even thought about changing this topic several times. But, now, in retrospect, I should say thanks to my supervisors Outi Kähkönen and Ari Kurtti who gave me encouragement and supports for completing this thesis, and my teacher Teija Tekoniemi-Selkälä who gave me inspiration for choosing this topic and extra tutoring during my thesis process. Besides, I am thankful for my commissioner Safartic Ltd. for providing me an environment to finish my empirical research. Finally, I want to thank our school for providing us chances to write thesis, and I believe it was a meaning, memorable and fruitful process for every student.
<table>
<thead>
<tr>
<th>Symbol</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small and Medium-Sized Enterprises</td>
</tr>
</tbody>
</table>
1 INTRODUCTION

Corporate social responsibility (CSR) is increasingly important to both business and societal success as CSR influences all aspects of business and business creates much of the wealth and well-being in society (Werther & Chandler 2011, xxii). At last count, more than 9500 companies were part of the global reporting initiative, and had issued more than 35000 environmental and social sustainability reports, which demonstrates that a rapidly increasing number of companies across the globe are committed to CSR practice, and many more are entering the fray (Global Reporting Initiative 2016). Therefore, now, an important question for the company is not about whether they should engage CSR or not but about how they should engage it. After all, no company can afford to implement CSR incorrectly or ignore CSR no matter what kind of size the company is.

Many companies consider CSR as an independent part from their main business, and think CSR activities are only donating sums of money to philanthropy or launching a lot of “greenwashing”, leading to the result that CSR has become a financial burden for companies. However, CSR can be the best way for companies to benefit themselves while also benefiting society when it is integrated into business internal strategy and daily operations (Forbes 2012). Especially for SMEs, due to some barriers such as lack of knowledge or time, they unfortunately give up a valuable opportunity to frame a suitable long-term view of value creation based on sustainability and shared value with stakeholders through CSR integration, which is actually the foundation for them to grow and be independent (MacGregor & Fontrodona 2011.). In tourism industry which has been considered as a sensitive industry easily touching upon social and environmental issues, SMEs account for 90% of business in European area (Manente, Minghetti & Mingotto 2014, 22).

Therefore, the aim of this thesis is to integrate CSR into the strategy of a small-sized destination management company in Rovaniemi through referencing an integration model created by Guadamillas–Gómez, Donate–Manzanares and Škerlavaj (2010,14) with adjustment suggestions specifically related to SMEs
from several scholars as the author could not find any specific CSR integration model for SMEs or tourism SMEs. The integration process mainly includes three stages which are introduction stage, implementation stage and generalization stage, and this thesis will only concentrate on introduction stage due to time restriction.

This thesis discusses how CSR could be introduced to the strategy of a small-sized destination management company. In order to answer this research question, the qualitative research method was chosen as a main research method in order to prepare CSR vision and mission, evaluate the case company’s current CSR performance and finally establish a CSR management plan for the case company. It should be mentioned that the establishment of CSR management plan is based on the preparation of CSR vision and mission, and the results of performance evaluation. Two managers of the case company was chosen as main data resources, and data was collected through interviews.

Theoretical overview includes four main topics: the concepts of CSR, CSR and tourism, CSR and SMEs and the process of integrating CSR into the strategy of a company. With the solid theoretical foundation, the research part is about realizing the approach of integrating CSR into the strategy of a company during introduction stage in the case company. Besides, the introduction of the case company and detailed explain of research methodology was given as in the empirical research part as well.
2 CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

2.1 Defining CSR

The entirety of CSR can be discerned from the three words this phrase contains: corporate, social and responsibility. On the one hand, CSR emphasizes the relationship between the corporation and society which they operate in and interact with. On the other hand, CSR pays attention to the responsibility which is inherent on both sides of these relationships. In the context of CSR, society can be defined in the widest sense, including all stakeholder groups such as consumers, employees, suppliers, creditors and constituent groups connected in some way to what the corporation does on a day-to-day basis such as local communities and even the environment. (Werther & Chandler 2011, 5.)

Nowadays, an increasing number of firms have realized that they should view the principles of CSR as a tool for maximizing the long-term viability of the organization as sustainability cannot be achieved if businesses do not take responsibility for their actions towards society. Meanwhile, stakeholders and other constituent groups are more willing to assume their responsibility to hold the firm accountable for its actions. (Werther & Chandler 2011, 5–7.)

However, the concept of CSR has been developing and paid more and more attention since its emergence in the mid-1990s (Manente, Minghetti & Mingotto 2014, 15). Yet there is still lack of a generally accepted definition due to the fact that CSR has no specific boundary and is based on volunteering (Hamarneh 2013, 37). Thus, different definitions of CSR have been framed over the years by different organizations, economists or management theorists:

CSR refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society (Bowen 1953, as cited in Hamarneh 2013, 37).
The term of CSR can be generally understood as the notion of companies looking beyond profits to their role in society, referring to a company linking itself with ethical values, transparency, employee relations, compliance with legal requirements and overall respect for the communities in which they operate. (South China Morning Post 2002, as cited in Werther & Chandler 2011, 6.)

CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. (WBCSD 1999, as cited in Manente, Minghetti & Mingotto 2014, 16.)

CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. (EC COM 2001, as cited in Manente, Minghetti & Mingotto 2014, 17.)

Considering the common ground between these definitions, four key points of CSR can be summaries. Firstly, CSR underlines the corporate responsibility from three dimensions: economic, social and environmental. Secondly, CSR should be integrated into business internal strategy and daily operations, showing the corporation the way of maintaining the legitimacy of its actions in the larger society by bringing stakeholder concerns to the foreground (Manente, Minghetti & Mingotto 2014, 17). Thirdly, CSR is not compelling for any organizations, which is totally on the voluntary basis. Fourthly, CSR addresses the corporation’s relationship with its stakeholders, which is mainly reflected in how the corporation interact with its stakeholders (Manente, Minghetti & Mingotto 2014, 17).

In addition to these definitions, there are many internationally recognized principles such as “OECD Guidelines for Multinational Enterprises”, “the Ten Principles of the United Nations Global Compact”, “the United Nations Guiding Principles on Business and Human Rights” have been provided by different organizations for companies seeking a formal approach to CSR. But, it cannot be denied that these definitions and principles go to waste if the corporation cannot
put them into practices and implement social responsibility effectively and efficiently, which is also one of the main challenges of achieving CSR today. Only the corporations themselves can lead the development of CSR, and public authorities can play a role in supporting the corporation to develop CSR. Due to the fact that different corporations have different circumstances, it is better for the corporations to find the most suitable and appropriate approach to achieve CSR by themselves. (Hamarneh 2013, 39–40.)

2.2 Dimensions of Responsibilities within CSR

Carroll classified different corporate social responsibilities into four dimensions which are economical responsibilities, legal responsibilities, ethical responsibilities and philanthropic responsibilities, and put them into four-layered pyramid model called the pyramid of responsibilities (Figure 1), which is one of the most important CSR concepts. Carroll emphasized the pyramid of responsibilities is supposed to be viewed as a whole and the different parts cannot be separated. (Guliyev 2014.)

Figure 1 shows that economic responsibilities stand at the base of the pyramid as it is a notion for all the business to get profits and all other business activities are much depending on economic responsibilities, which focus on maximizing profit earning and attaining competitive advantages in the market. The second layer is the legal responsibilities which require companies to obey the law and regulations, ranging from environmental and consumer laws, laws protecting employee, fulfilling all contractual obligations to honouring warranties and guarantees. (Hameed 2010, 14.)
In the third layer, ethical responsibilities were shaped by the economical and legal responsibilities (Hameed 2010, 14). Yet, comparing with the first two responsibilities, the ethical responsibilities are not required but expected by society such as asserting ethical leadership, avoiding questionable practices and operating above the minimum standard of the law (Guliyev 2014). Finally, at the top of the pyramid, philanthropic responsibilities involves voluntary-based activities of business organization. Through providing philanthropy with communities such as contributing financial and human resources to the community in order to help them improve the quality of life, offering programs supporting community, the company becomes more loyal towards the customers and receives benefits from the whole community. (Hameed 2010, 14.) In sum, a social responsible company tries to maximum profit, behave ethically in the environment, follow the law and regulations and attempt to be a good corporate citizen from the perspective of practicality and management (Hameed 2010, 14).
2.3 Stakeholders of CSR

It is not enough to concentrate on what the corporations are responsible for in CSR, but also to whom they are responsible (Wang 2011, 49). To answer this question, it is necessary to take stakeholder theory into account, which is a managerial theory that explains the relationship between society and business and connects business and ethics.

According to stakeholder theory, corporate CSR performance involves in emphasizing the corporations’ responsibilities to serve the interests of their various stakeholders including not only the owners of the corporations but also other interested parties such as employees, customers, suppliers, communities, environment, and managing divergent and conflicting interests among different stakeholders (Mbare 2004, 21). Different factors of corporate CSR performances target different stakeholder groups, which will be continuously evaluated by different stakeholders as well (Wang 2011, 50).

Therefore, in order to successfully implement CSR in the corporations, it is of paramount importance for the corporations to identify their stakeholder groups and analyse the interests and demands of different stakeholder groups. The researchers have created two different sets of stakeholders, which are primary and secondary stakeholders (Mbare 2004, 23). More specifically, primary stakeholders refer to those who have a formal, official or contractual relationship with the corporations while all other stakeholders who are affected by the actions of the corporations in addition to primary stakeholders belong to secondary stakeholders (Carrol 1989, as cited in Mbare 2004, 24). Table 1 below shows some examples of the primary and secondary stakeholders and the nature of their interests.
Table 1. Primary & Secondary Stakeholders (Carrol and Buchholtz 2002, as cited in Mbare 2004, 24–26)

<table>
<thead>
<tr>
<th>Primary Stakeholders</th>
<th>Nature of Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Owners/shareholders</strong></td>
<td>• Investments can obtain content return.</td>
</tr>
<tr>
<td></td>
<td>• Stock value can appreciate over time.</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>• Employment is stable.</td>
</tr>
<tr>
<td></td>
<td>• Fair salary</td>
</tr>
<tr>
<td></td>
<td>• Working environment is safe and comfortable.</td>
</tr>
<tr>
<td><strong>Suppliers</strong></td>
<td>• Orders for goods should be regular.</td>
</tr>
<tr>
<td></td>
<td>• Payment can be finished as soon as possible after delivering.</td>
</tr>
<tr>
<td><strong>Customers</strong></td>
<td>• The quality of products is reliable.</td>
</tr>
<tr>
<td></td>
<td>• The amount of money which they pay for products should equal to value and quality of products.</td>
</tr>
<tr>
<td></td>
<td>• After-Sale Service</td>
</tr>
<tr>
<td><strong>Competitors</strong></td>
<td>• Their corporation can be profitable.</td>
</tr>
<tr>
<td></td>
<td>• Strong market share gains</td>
</tr>
<tr>
<td></td>
<td>• They hope the entire industry is thriving and growing.</td>
</tr>
</tbody>
</table>

**Secondary stakeholders**

<p>| <strong>Local Communities</strong>        | • The corporations can provide more job opportunities with local residents.         |
|                              | • The corporations can provide philanthropic programs supporting such as free education etc. |
|                              | • The local environment should be conserved by the corporations.                     |
|                              | • The local area can be developed.                                                   |
| <strong>Media</strong>                    | • they monitor the actions of the corporations, and interested in reporting events that affect the public from positive and negative perspective |</p>
<table>
<thead>
<tr>
<th>Business Support Association</th>
<th>• They help the corporation or the entire industry perform in a changing environment through providing research and information.</th>
</tr>
</thead>
</table>
| Local Government            | • They aim to enhance the development of economy.  
• They raise the general revenues through taxes. |
| Natural Environment         | • The actions of the corporations should not harm the environment.  
• The corporations can play roles in protecting environment. |

For any corporations, being able to manage the relationships with all stakeholders concerned through serving their different interests and balancing their different interests is the primary task for successfully achieving CSR and maximizing returns to CSR investment as it is stakeholders who constantly reassess the result of corporations’ CSR performances and reward corporations that engage in CSR activities (Wang 2011, 50; Mbare 2004, 27; Bhattacharya-Korschun-Sen 2009, 2).

### 2.4 CSR in Finland

Finland is a highly developed and educated northern European republic and European Union member country with approximately 5.5 million inhabitants (Countrymeters 2016). CSR has traditionally and mostly been related to nature since its emergency in 19th century in Finland as the Finnish industrial structure is natural capital intensive both in terms of raw materials and energy and fuels used, and and there has not been as strong a philanthropic tradition as in many other countries (Kourula 2010; Korhonen-Seppala 2005, 18; Hakala 2012, 31). Yet, later on, following with the development of Finnish society, a broader form of CSR, expanding from environmental management towards employment practices, ethical consumption, cultural adaption etc., has gradually been recognized and accepted by Finnish companies (Kourula 2010).
CSR is still relatively new concept in Finland. However, comparing with other European countries, Finnish companies show high level of involvement in the activities related to CSR (Korhonen-Seppala 2005, 15). According to The Observatory of European SMEs (2002, 20), in 2002, 82% of SMEs in Finland took part in social activities in local communities in comparison to only 49% of SMEs in other European countries on average. In the 2007 state of Responsible Competitiveness evaluation by Accountability, Finland is in 3rd place globally (Kourula 2010).

The key motive for Finnish companies to engage in CSR is top management’s interest in and beliefs about CSR. More specifically, according to a survey of 269 Finnish CEOs, the majority of Finnish CEOs believe that responsible behavior can improve relations with key stakeholders and produce business benefits in the long term. Meanwhile, government plays an important role in promoting Finland as a CSR frontrunner as well by emphasizing the voluntary aspect of CSR in its public policy, and encouraging Finnish companies to implement international initiatives such as the OECD Guidelines, UN Global Compact. (Kourula 2010; Korhonen-Seppala 2005, 15–19.)

There are mainly four CSR organizations in Finland now, which are the Committee on Social and Corporate Responsibility, the Confederation of Finnish industries, Finnish Business and Society and the Central Chamber of Commerce. Besides, the majority of universities in Finland have offered some courses related to CSR and organized some projects or programs for conducting research in the CSR field. (Kourula 2010.) In sum, Finland is a country with high adoption of CSR and best practices of CSR initiatives though CSR in Finland is still more related to business rather than ethics or philosophy (Juholin 2004, as cited in Hakala 2012, 35).
With the development of global economy and the popularity of culture in tourism consumption, travel has become an extensive global phenomenon, and tourism industry has turned into one of the fastest growing industry in the global economy. According to WTTC’s (2015, 1) latest analysis, the total contribution of tourism industry was estimated to be US$ 7.8 trillion in 2015, rising to a total of 13.3% of world GDP, and it supports approximately 284 million jobs across the whole world, which further illustrate its enormous significant to the economy of world.

Yet, at the same time, tourism is also characterised as a service industry which cannot always provide adequate working conditions and the jobs generated by tourism industry are considered comparatively unstable and of low status. Besides, some negative influences on environmental degradation, displacement of local people, inflation, crime and the dilution of culture are directed to dramatic and rapid growing of tourism sector as well. (Camilleri 2014, 43.) Therefore, there is need to mitigate the harmful effects of unmanaged growth and development of tourism industry, and plan of actions aimed at developing and managing tourism in a more responsible way.

Especially for tourism enterprises which account for the major proportion of visitor spend on any destination, it is imperative for them to deeply think about what kind of responsibilities they should undertake and how to manage the relationship between corporation growth and social development in order to minimize generated negative impacts and achieve sustainable development in enterprises (Leslie 2015, 16). Hence the concept CSR has been gaining increased attentions and responsive actions in tourism sector since the late 1990s, and it was firstly implemented by the international hotel corporations (European Cities Marketing 2011). According to European Cities Marketing (2011), CSR measures of tourism businesses mainly consist of six aspects, which are the responsible use of natural and cultural resources, the minimization of pollution and waste, the conservation of landscapes, biodiversity and cultural heritage, fair and responsible treatment of employees, suppliers and guests, fair use of local products and services and
cooperation with local communities in order to enhance of quality of life of local people.

Today, after almost three decades, CSR has become a need rather than a luxury for tourism industry (Harms 2009, as cited in Manente, Minghetti & Mingotto 2014, 21). Many tourism businesses have started to consider the concept of CSR as a central part of their corporate strategies, and most of the hotel groups such as InterContinental Hotel Group PLC (IHG) and Marriott International and large tour operators such as Thomas Cook Group PLC, have presented their CSR activities yearly in corporate responsibility reports, which can be found on their official website (European Cities Marketing 2011; Hamarneh 2013, 43). But, comparing with other industry, CSR in tourism industry is still lagging development due to some special characteristics of the tourism sector, including high fragmentation, cross-sectional, and prevalence of small-and medium-sized enterprises (Manente, Minghetti & Mingotto 2014, 21–22).

In sum, CSR is rather important in tourism due to the fact that tourism is not only a people-centered industry based on the interaction of tourists with the human resources of the company and with the host community in the destination but also the core attractions of tourism products are the environment and cultural heritage. Meanwhile, CSR can obviously bring many benefits to tourism businesses such as helping them build profitable and collaborative relationships with employees, host communities and local suppliers and supporting them in finding a proper way to use resources. (Manente, Minghetti & Mingotto 2014, 23.) Therefore, to operate successfully in the future, it is necessary for tourism businesses regardless of size to continuously implement and successfully establish CSR strategies in the long term (European Cities Marketing 2011).
4 CSR AND SMES

4.1 Definition of SMEs

Small and medium-sized enterprises can be classified into three categories depending on number of employees, annual turnover, total balance sheet and independence, which are micro, small and medium-sized enterprises (Table 2) (European Commission 2003).

Table 2 Definition of Small and Medium-Sized Enterprise (European commission 2003)

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Micro-Enterprise</th>
<th>Small Enterprise</th>
<th>Medium-Sized Enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Employees</td>
<td>&lt; 10</td>
<td>&lt; 50</td>
<td>&lt; 250</td>
</tr>
<tr>
<td>Annual Turnover</td>
<td>&lt; EUR 2 million</td>
<td>&lt; EUR 10 million</td>
<td>&lt; EUR 50 million</td>
</tr>
<tr>
<td>Total Balance Sheet</td>
<td>&lt; EUR 2 million</td>
<td>&lt; EUR 10 million</td>
<td>&lt; EUR 43 million</td>
</tr>
</tbody>
</table>

4.2 Drivers of CSR Adoption by SMEs

According to Inyang (2013,127), Kusyk and Lozano (2007) suggested that the drivers which can be used to explain why companies in general and SMEs particularly adopt CSR could be conceptualized as internal and external pressures, depending on internal decision making autonomy and external market respectively.(Table 3).
Table 3. Internal and External Drives of CSR Adoption by SMEs (Inyang 2013, 127)

<table>
<thead>
<tr>
<th>Internal Driver</th>
<th>External Driver</th>
</tr>
</thead>
<tbody>
<tr>
<td>The value and beliefs of owner/manager</td>
<td>Institutional Environment (e.g. Government institutes licensing and permitting requirements for SMEs)</td>
</tr>
<tr>
<td>“Normative Case”: SMEs perceive CSR engagement as the “right thing to do”</td>
<td>Supplier chain pressure from big companies</td>
</tr>
<tr>
<td>“Business case”: Better community image, business return and customer loyalty.</td>
<td>Expectations from external stakeholders (e.g. Customers, communities)</td>
</tr>
<tr>
<td>Internal stakeholders expectations (e.g. Shareholders, employees, suppliers)</td>
<td></td>
</tr>
<tr>
<td>Strong identification with the communities</td>
<td></td>
</tr>
</tbody>
</table>

4.3 SMEs-Specific Barriers and Superiorities to CSR

The superiorities to CSR in this section refer to some specific advantages which allow and facilitate SMEs to engage CSR comparing with large companies while the barriers of that mean some particular factors preventing SMEs from engaging CSR. Princic (2003, 13) presents that SMEs face three common barriers when developing and implementing CSR initiatives and activities no matter what kind of industries they operate in and how large they are. These barriers are costs, resources and time. More specifically, most of SMEs hesitate to adopt CSR due to the reason that they consider CSR implementation as a high-cost project especially when SMEs lack financial resources and when survival is often the greatest economic imperative (Inyang 2013, 129). Meanwhile, small company operators are usually preoccupied with daily administration of the enterprises so that they do not have time to commit to CSR initiatives. Besides, it is undoubtedly difficult for SMEs to source environmentally friendly products as they have to rely on local suppliers which might not stock alternative products comparing with large companies who usually possess strong buying power (Princic 2003, 13). Moreover, even though there is an increasing number of customers who would like to buy products and services in the companies who undertake social and
environmental responsibilities. Yet the bulk of consumers still make their purchasing decision according to price or other elements rather than CSR criteria, which makes SMEs become less interested in shifting their behaviour to being more socially and environmentally responsible (Princic 2003, 13). Furthermore, keeping the existing enthusiasm for CSR initiatives in companies through communication and training with employees is of vital importance, which is a real challenge for SMEs due the lack of resources to commit to internal communications (Princic 2003, 13).

Inyang (2013, 129) unveils more specific barriers of CSR implementation in SMEs with literature review of key authors’ work. In addition to the same barriers which are pointed out by Princic (2013, 13), he suggests that lack of awareness of the benefits of CSR also makes SMEs hesitate to adopt CSR as most benefits are intangible and difficult to measure and quantify. Meanwhile, he found that lack enough support services to guide SMEs to develop and implement CSR programs seriously constrain SMEs from getting involved in CSR initiatives. Besides, Linh(2011, 94) points out that the mind set of SMEs owner could represent a significant barrier as ownership and management are usually not separated in SMEs.

On the other hand, there are some arguments that SMEs may have placed better than large companies to engage and implement CSR. According to Li (2009, 12), Sweeney (2007) states that SMEs usually have a closer relationship with their stakeholders, which actually facilitates stakeholders management for SMEs. Besides, flexibility allow SMEs more quickly respond stakeholders’ demands and interests comparing with large company. In addition to these priorities have been mentioned before, Preuss and Perschke (2010, 540) emphasize that concern for local basis make SMEs override profitability to undertake their social and environmental responsibilities.

Table 4. Priorities and Barriers

<table>
<thead>
<tr>
<th>Priorities</th>
<th>Barriers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.4 Benefits of Implementation of CSR by SMEs

There are plenty of barriers which possibly prevent SMEs from engaging with CSR. However, a range of benefits have been also shown on some small and medium businesses who have utilized robust CSR strategies (Chambers Ireland 2016). Basically, business benefits of CSR are the same for firms of all sizes (Giva Blog 2015). For example, employees’ commitment can be improved while long-run cost can be saved. However, SMEs are particularly interested in some other benefits comparing with large companies (Giva Blog 2015). For instance, comparing with large companies who focus on building reputation through CSR implementation as their logos alone are worth millions of dollars, SMEs expect to win contract with large companies through their strong CSR reputations (Raynar & Forstater 2002, 51). Many studies have recognized and identified benefits that could specifically motivate SMEs to adopt and implement CSR programs (Table 4).

Table 4. Benefits of Implementation of CSR by SMEs (author’s research)

<table>
<thead>
<tr>
<th>Literature/Research Works</th>
<th>Finding: Benefits Highlighted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raynard &amp; Forstater 2002</td>
<td>- Better alignment with current and emerging consumer concerns and access to new market</td>
</tr>
<tr>
<td></td>
<td>- Partnership opportunities</td>
</tr>
<tr>
<td></td>
<td>- Operational cost saving</td>
</tr>
<tr>
<td></td>
<td>- Improvement in productivity and quality</td>
</tr>
<tr>
<td></td>
<td>- Enhanced relationship</td>
</tr>
<tr>
<td>Source</td>
<td>Benefits</td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Princic 2003</td>
<td>- Learning and innovation</td>
</tr>
<tr>
<td></td>
<td>- Increased profile</td>
</tr>
<tr>
<td></td>
<td>- The creation of market niche</td>
</tr>
<tr>
<td></td>
<td>- Staff morale</td>
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<td></td>
<td>- Increased staff empowerment</td>
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<td></td>
<td>- Decreased turnover</td>
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<td></td>
<td>- Cost saving</td>
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<tr>
<td>University of Turku 2009</td>
<td>- New business ideas and broader markets</td>
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<td></td>
<td>- Improved customer satisfaction and loyalty</td>
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<td>- Improved employees commitments</td>
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<td>- Cost saving and increased profitability</td>
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<td>- Partnership Opportunities</td>
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<td>- Increased revenue</td>
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<td>- Better positions in job market</td>
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<td>Manente, Minghetti &amp; Mingotto 2014</td>
<td>- Internal saving</td>
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<td></td>
<td>- Differentiation and ability to respond to new customers’ requirements</td>
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<td>- Better risk management</td>
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<td></td>
<td>- Preventing future regulations</td>
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<td>Chambers Ireland 2016</td>
<td>- Improved reputation</td>
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<td>- More marketing opportunities</td>
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<td>- Improved staff morale</td>
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<td>- Generate revenue</td>
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<td>- Improved relations with regulatory bodies</td>
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<td>- Improved customer loyalty</td>
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<td>- Increased efficiency and productivity</td>
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5 PROCESS OF INTEGRATION CSR INTO STRATEGY OF SMES

5.1 Defining Strategy

Businesses usually begin with a clear vision, which is an articulated statement of what an organization seeks to do and become. Usually, a good vision should be attractive for multiple stakeholders including the owners of company, employees, managers, customers, suppliers and even local communities. In order to achieve its visions, the organization needs to find out a suitable mission which can identify what the organization is going to do. For example, the vision of Wal-Mart is “to become the worldwide leader in retailing” while the mission of it is “to help people save money so they can live better”. Following with vision and mission, the strategy comes then to explain how the organization intend to accomplish their vision and mission in a competitive environment, which is a way to differentiate oneself from the competitor. (Werther & Chandler 2011, 28.)

Often, there are different levels of strategy within a firm based on different purpose and scope. According to Thompson and Strickland (2001, as cited in Chungyalpa & Bora 2015, 78), strategies can be classified into four different levels, which can be put in a pyramid (Figure 2). As Figure 2 shows, Corporate strategy stands in the top of pyramid, following with business strategies, functional strategies, and operating strategies in turn. Different unique objectives, stakeholders, and scope have been given to each level. (Chungyalpa & Bora 2015, 78.)
More specifically, at the corporate level, a firm’s strategy deals with issues such as which business the firm operates, whether it builds partnership with other firms, and how to improve the competitive position. Comparing with corporate level strategy, the scope of business level strategy is narrower, only involving in the individual business units. The aim of business strategies is to help businesses find long term competitive position in the market place. However, for those firms which only have single business, there is no different between corporate strategy and business strategy. (Chungyalpa & Bora 2015, 79.)

Below business strategies, functional strategies concentrate on the departmental level such as finance, human resource, which aims to achieve departmental objectives and goals. Finally, operating strategies stand at the bottom of the whole pyramid, focusing on deciding strategies for operational units of the organization such as plants, warehouse etc. and operational tasks such as material purchasing, inventory maintenance and so on. It should be mentioned that functional strategies and operational level strategies sustain corporate and business strategy of the company. (Chungyalpa & Bora 2015, 79.)
After deciding the concrete strategies, the firm need tactics which are day-to-day management decisions in order to realize these strategies. In sum, ensuring that the strategy and tactics can achieve the vision and mission of firms is the overall goal. (Werther & Chandler 2011, 28.)

5.2 Significance of CSR in Strategies

Werther and Chandler (2011,8) present that CSR can be viewed as key element of business strategy. More specifically, one of the main purpose of strategy is to offer a source of sustainable competitive advantages to the business. But, for any competitive advantages to be sustainable, obviously, the strategy must be receivable to the broader environment in which the company competes. Nowadays, no company can afford to do CSR incorrectly or ignore CSR as it may threaten whatever comparative advantage the company hold within its sector. Taking Standard Oil Trust as example, one hundred and twenty years ago, in order to reap economic benefits, they pushed industry suppliers to treat their competitors unjustly in the eyes of society. Consequently, Standard Oil Trust had to break into separate companies, which were force by a series of antitrust laws established by government. Let alone today, the increasing number of activist organizations are giving continual attentions to corporate actions they think to be socially irresponsible. Therefore, it is necessary for any companies to connect CSR with their core business strategies no matter the size. (Willian B-Chandler 2011, 8–9; a-connect 2016.)

In addition to necessity of CSR in strategies, CSR can bring a lot of strategic benefits to the company, which is not about simple charitable activities such as ending poverty or saving the whales that are unrelated to the company’s plans and actions. In fact, CSR is about issues directly related to firm’s plan and actions such as the economic, legal, ethical and discretionary issues. Any successful CSR policy is for resolving these issues. Thus, by integrating CSR into the strategy of the company, the company can not only improve economic viability but also be socially responsible. (William B-Chandler 2011, 9.)
5.3 Process of CSR Integration of Strategy of SMEs

According to Škerlavaj et al. (2010, 12), Godfrey and Hatch (2007) suggested there are two different perspectives giving a rationale for companies to integrate CSR into corporate and business strategy which are the ethical or moral orientation and the business orientation. Specifically, ethical or moral orientated approach focus on managing the relations with primary and secondary stakeholders. It is based on the idea that the quality of the relationship between companies and different stakeholders could be improved dramatically when companies can successfully serve different interests of different stakeholders and balance these interests, which will then lead to the kinds of company-favouring outcomes or the return on the investment in CSR initiatives for companies (Bhattacharya, Korschun & Sen 2009, 2). As for the business-orientated approach, it concentrates on the positive influence on financial performance brought by CSR practices, meaning that CSR activities should help companies achieve the objective of profit maximization. (Guadamillas-Gómez-Donate-Manzanares-Škerlavaj 2010, 12; Bhattacharya-Korschun-Sen 2009, 9.)

Nowadays, most companies understand these two perspectives, and they clearly know taking into account CSR in corporate and business strategies might be a way to over their competitors, yet for the majority of those engaged in it, their CSR strategy plan still comprise a hodgepodge of disconnected activities unlinked to their business objectives and internal characteristics (Mcelbaney 2009, 30). Therefore, it is necessary to introduce a clear model or framework showing how CSR can be integrated into business and corporate strategies on a permanent basis with the consideration of both perspectives. Basically, to integrate CSR into strategic management, the company should follow three stages, which are introduction stage, implementation stage and generalization stage.

The fundamental goal of introduction stage is to integrate ethical elements into the culture which is shared by the firm’s members as organizational culture will act as a propellant or instead as a barrier in relation to CSR plan.
implementation (Guadamillas-Gómez, Donate-Manzanares & Škerlavaj 2010, 13). To accomplish the goal, three steps need to be done by the firms.

At the beginning, the firm need to decide a clear CSR vision and mission based on main business objectives of the firm and managers’ opinion towards the engagement of CSR in the firm and stakeholders’ needs, which are supposed to be a broad and high-level statement demonstrating what the application of CSR in the firms need to be like and how to make this application be achieved (Guadamillas-Gómez, Donate-Manzanares & Škerlavaj 2010, 19; Jeanette 2014). Especially for some small companies which do not have a formalized vision, CSR can be used as the means of framing a suitably long-term view of value creation based on sustainability and shared value with stakeholders (Fontrodona & MacGregor 2011, 90).

Secondly, before building an array of CSR initiatives and activities, it is necessary to make a previous evaluation of company’s current CSR performance towards different stakeholders (Guadamillas-Gómez, Donate-Manzanares & Škerlavaj 2010, 19). In this step, company should start with firstly define firms’ key primary and secondary stakeholders and then evaluate their current CSR activities towards these different stakeholder groups respectively (Business Leader Forum 2016).

Thirdly, after diagnosis, it is time for firms to set several CSR objectives in order to clearly define what they want to improve from current CSR performances towards different stakeholder groups, and accordingly look for activities to achieve these objectives (Business Leader Forum 2016). It should be mentioned that those CSR objectives should align with company’s main business objective in order to make CSR bring competitive differentiation, permission to enter new markets and favourable positioning in the talent wars (Pohle & Hittner 2008, 3).

Finally, formal CSR plans with clear objectives, activities and performance indicators towards different stakeholder need to be established, and effective communication between the firm and those stakeholder groups need to be built with the purpose of making stakeholders understand that CSR is an aspect of
strategic importance for the company. (Guadamillas–Gómez, Donate–Manzanares & Škerlavaj 2010, 13.)

**Implementation stage** comes after the accomplishment of introduction stage. Four aspects play important roles in implementing the CSR plan, which are human resource (HR) practices, knowledge management system, culture and leadership (Guadamillas–Gómez, Donate–Manzanares & Škerlavaj 2010, 15).

Specifically, culture refers to a set of rules, values and beliefs that are shared by a company’s members, which can influence those members’ behaviour as well. Therefore, in order to successfully implement CSR plans, it is better to choose the implementation way which is rightly aligned to corporate culture. Meanwhile, leadership should play an important role in pushing employees towards goal achievement. Besides, human resource management is integral to facilitate the implementation of CSR by motivating and training employees related to CSR initiatives and actions, which allows the company to accomplish its strategic goals and objectives. Moreover, knowledge management system is used to publish knowledge related to CSR actions and initiatives in an effective way by utilizing information technology tools. Meanwhile, knowledge about stakeholders’ demands can be published in order to get new solutions. (Guadamillas–Gómez, Donate–Manzanares & Škerlavaj 2010, 15-16.)

After finishing all previous stages successfully, the CSR have already been incorporated into the firm’s culture, mission and values. Now, **generalization stage** comes, and it is time for the firm to measure advances in CSR and benefits for stakeholders through those indicators. Finally, formal CSR reports presenting all CSR achievement which have been obtained by companies through related CSR activities should be made and published through companies’ websites and other platforms (Guadamillas–Gómez, Donate–Manzanares & Škerlavaj 2010, 13.)
Figure 3. Process of CSR Integration into Strategic Management (Guadamillas-Gómez, Donate-Manzanares & Škerlavaj 2010, 14)

Figure 3 shows, the managers’ opinion towards the engagement of CSR, the influence and power of stakeholder and company’s business objectives drive the establishment of formal plans. Following with this step, efficient communication between companies and their stakeholders are necessary in order to firstly raise their awareness of CSR and later involve them in related CSR programs. After implementing CSR plan, corresponding outcomes can be presented from economic, environmental and social perspectives, which should be carefully accessed through different indicators with the purpose of proving benefits and cost of the initiatives. (Guadamillas-Gómez, Donate-Manzanares & Škerlavaj 2010, 14.)

It should be mentioned that the process of CSR integration into strategic management is dynamic due to the fact that strategic objectives, stakeholders’ needs and their influence in corporate strategy are changing all the time (Guadamillas-Gómez, Donate-Manzanares & Škerlavaj 2010, 14). Therefore, to ensure the effectiveness of this process and organizational performance in CSR,
an ongoing learning process should be emphasized and guaranteed by companies.

5.4 Recommendations for SMEs during the Process of Integration

According to Aston and Anca (2011, 51), even though SMEs share enough characteristics to allow for a general guidance model for social responsibility integration, there are still some small tips needed to by pay attention during the integration process:

**Vision, mission and value:** For some small companies, they usually do not have formalized vision and mission. Under this situation, CSR integration will become a perfect opportunity for SMEs to frame a suitably longer-term view of value creation based on sustainability and shared value with stakeholders. (MacGregor & Fontrodona 2011.)

**Set easily achievable goals:** Some small companies argue that they do not have many strategies other than growing their business so that developing CSR strategies will be complicated to them. But, in fact, small companies could start by deciding some easily achievable goals towards different stakeholder groups and then keep recording the CSR initiatives that have been implemented and build on those successes year after year. (Innovation, Science and Economic Development Canada 2015.)

**Focus on low cost CSR initiatives and activities:** As I have mentioned before, the lack of enough financial resources is one of the biggest constrain for SMEs to engage CSR. Therefore, it is practicable and understandable to suggest that SMEs need to pay more attentions to low cost CSR initiatives and activities based on their current situation about financial resources. (Princic 2003, 15.)

**Employees involvement:** Employees could play an important role in executing, monitoring and commenting organization’s CSR practices. After all, internal audits are far more cost effective than contracting external consultants. (Princic 2003, 14.)
Celebrate the CSR initiative companies already have underway: Expanding CSR efforts to new areas will become easier in the company which exists excitement for CSR. Therefore, we could say celebration create motivations for continuous CSR commitment in companies. (Princic 2003, 15.)
6 INTERGRATING CORPORATE SOCIAL RESPONSIBILITY INTO STRATEGY OF SAFARTICA

6.1 Safartica Ltd. as Commissioner

Safartica Ltd. is a micro-sized destination management company and safari house operating in Rovaniemi where is the official hometown of Santa Clause and in Ylläs where is Finland’s best ski resort next to the vast national park near the Swedish border in North-West Lapland, acting as a commissioner for this thesis project (Safartica 2016). Initially, Safartica Ltd. Was founded with the name called Snow and River Adventure of Lapland Ltd. in year 2002, which has been providing some tourism activities such as snowmobiling, river rafting and padding in the Rovaniemi area. Until May 2008, the brand name Safartica Ltd. has been officially implemented into use along with the purchase of the movable property and premises due to business acquisition. Later on, ten Ounasvaaran Lakituvat chalets has been rented by Safartica Ltd., meaning that services provided by Safartica Ltd. has been extended to accommodation field. In year 2013, after operating in the Rovaniemi area for more than 11 years, Safartica Ltd. purchased Ylläs Adventures Ltd. with its movable property. (Jaatinen 2013, as cited in Pasma 2013, 19.)

Due to the reason that peak tourist season in Lapland is during winter time, the majority of safaris and activities are organized and offered by Safartica during winter season, yet it does not mean that customers do not have chances to experience some adventure programmes with Safartica in summer time. More specifically, in winter time, there are two types of safaris which are weekly safaris and extreme safaris. Weekly safaris provide customers with opportunities to experience snowmobiling safari, walking on snowshoes, reindeer safari, husky safari, various picnic, ice-fishing, ice-floating, visiting Santa, visiting to Ranua zoo and Sampo icebreaker, while extreme safaris referring to long overnight safaris are prepared specifically for those customers who have more skills and experiences with driving snowmobiles and riding huskies such as activity programmes called snowmobiling to Arctic Ocean or Luosto and overnight husky safari. During summer season, Safartica makes efforts to develop some activity
programs with the special characteristics of Finnish summer such as rafting, picking berries, summer sauna, visiting reindeer or husk farm and so on. In addition to these programmes, some forest services such as forestation are provided by Safartica during summer season as well. Besides, accommodation services both in Rovaniemi destination and Ylläs destination are offered by Safartica all the year round. (Safartica 2016.)

Basically, there are three main customer groups that the company work with now, including individual, leisure and incentives. Those customers are mainly from Israel, Holland, France and Italy. Individual customers are entitled to take part in different weekly safaris or other ongoing programs and services. But, leisure and incentive customers do not usually purchase Safartica’s services by themselves, but from some intermediates which are cooperated with Safartica such as other companies or travel agencies. (Martin 2015, as cited in Sinitsyn 2015, 13.) In terms of some big groups, Safartica is able to provide them with some tailored programmes according to their requirements, which may differ from weekly safaris. In order to make sure the quality of every programme, Safartica are always trying to keep every group quite small and not more than 20 people unless the group they really want to be together. (Lonka 2016.)

Safartica has nine permanent employees working all year round, 75 seasonal workers and 20 to 30 trainees in both destinations. The number of female workers are occupied approximately 65% (Lonka 2016.) In year 2015, the turnover of Safartica was 3.5 million, showing a continuing increase year by year. According to statistics, 95% turnovers are from abroad, including 45% from tour operators, 15% from the charters and 30% from the own sales. (Antikainen 2015, as cited in Surendra 2016, 24.)
6.2 Methodology

6.2.1 Research Methodology

The aim of this thesis was to integrate CSR into the strategy of the case company-Safartica based on a clear framework created by Fatima Guadamillas-Gomez et al. (2014, 14), which have been detailed explained by the author in the theoretical part. According to this framework, there are basic three stages during the integration process, including introduction stage, generalization stage and implementation stage. Due to the time limitation of the thesis project and the intention of the case company, this thesis will only focus on introduction stage. Therefore, the empirical research in this thesis project only served the accomplishment of introduction stage.

During the introduction stage, three steps need to be done by the firm, which are deciding CSR vision and mission, evaluating the company’s current CSR performance and formulating formal CSR plan meanwhile communicating with different stakeholder groups. Hence the empirical research aims to finish the first two steps in order to finally suggest a CSR management plan for the case company, seeking to address research question how CSR can be introduced to the strategy of small-sized destination management company.

Specifically, on the one hand, with the purpose of preparing the CSR vision and mission for the case company, the case company’s vision, mission, main business objectives and the manager’s opinion towards the engagement of CSR need to be known. On the other hand, with the aim of evaluating case company’s current CSR performance towards different stakeholders, some facts and examples towards different evaluation indicators need to be collected from stakeholders. Quoting Bassat (2016, 196), “Qualitative research is the method of choice when the research question require an understanding of process, event and relationship in the context of social and culture situation.” This method is commonly used for exploring the reasons for certain behaviours and the opinions of respondents about particular issues (Bassat 2016, 196). Therefore, the
6.2.2 Data Resources and Collection Method

After deciding the topic of research, the purpose of research and the appropriate research methodology, the next step started from choosing the most suitable data resources and methods for generating data from those sources. In this thesis project, two managers who all have been working in the case company for 4 years were chosen as data sources due to the reason that they are repositories of knowledge, experiences and feeling which are relevant to the author’s research. More specifically, primarily, they all have been working for a long time in the case company and their job position is manager so that they clearly know how their company treat their different stakeholders. Secondly, they are employees of the case company as they are working in the case company now, and they are customers of the case company as they all have experienced different tourism products provided by the case company. Therefore, they can be representative of at least two types of stakeholders. Especially under the situation that the author could not be able to find one or two from each stakeholder groups to interview, they are the best choice. Thirdly, these two managers have different nationalities so that the answers from them could have some international perspectives, which are Finnish and French. Unfortunately, the CEO of the case company could not be able to take part in this research due to the language barrier and his busy schedule.

The particular method for generating qualitative data in this research was interview, which is probable the most commonly used method in qualitative research (Mason 2002, 62). According to Mason (2002, 63–67), the author is suggested to choose interview for collecting data from those sources under three situations, which have supported author’s decision. Firstly of all, author’s ontological position suggests that people’s knowledge, view, understandings, interpretations, experiences and interactions are meaningful properties of the social reality which author’s research questions are designed to explore. Secondly, author may want to suggest that qualitative interviewing is more likely
to generate a fairer and fuller representation of the interviewees’ perspectives. Thirdly, author may believe that he/she, as interviewer, should be more responsive in the interview interaction than a structured format allows, for example, answering questions the interviewee may ask, giving information, opinion and support.

Mason (2002, 67) also suggested any interview should begin with detailed and rigorous planning. Therefore, in this research, the questions and the structure of interview was planned by the author before formal interviewing (Appendix 1). Specifically, the questions of the interview were created to provide answers to the research question of this thesis, including 39 questions that represent diverse question forms. The structure of the interview was logical and easy to follow. Questions were divided into three parts. Primarily, questions were asked about background information of interviewees and company. Secondly, questions were asked about what the managers’ opinion towards the engagement of CSR in the case company is. This part was followed by a battery of questions for evaluating case company current CSR performance, which were classified to six categories as the case company mainly have six stakeholders. In each categories, questions were sorted out several groups according to different evaluation groups. It should be mentioned that the process of identifying the stakeholders of company was done by author and manager together beforehand for better creating particular diagnosis questions towards different stakeholders. Additionally, during the process of interview, the author made some on-the-spot decisions about the content of the interview such as adding some questions and deleting some questions in order to keep everything running smoothly and generate more useful data.

6.2.3 Data Analysing Method

Data was collected through interviewing two managers in the case company, and two whole interviews were recorded in order to better analyse the data afterwards. Reviewing the purpose of the research, the main aim was to find out the answer of research question how CSR can be introduced to the strategy of the case company. For answering this question, final CSR management plan need to be
established through preparing CSR vision and mission, and evaluating company’s current CSR performance.

In terms of preparing CSR vision and mission for the case company, the case company’s vision, mission, main business objectives and manager’s opinions towards the engagement of CSR need to be researched and known. Due to the small size of the case company, they did not formulate exact one sentence of vision, mission statement and define common business objectives but they all know generally about what their company want to achieve and how they are going to achieve. Therefore, the first task for the author was to help them formulate vision and mission statement and define common business objectives through identifying the common phrases from their answer towards vision, mission and main business objectives. Similarly, analysing managers’ opinions towards the engagement of CSR was also organized by interview questions to look across two respondents and their answer in order to identify consistencies, which contributed to the formulation of CSR vision and mission.

In regards of evaluating case company’s current CSR performance, the main method was to collect facts and examples from two data resources according to different indicators in order to assist the author to evaluate. Different evaluation indicators of different stakeholder groups along with several interview questions were pre-set by the author. Therefore, during the data analysing process, different indicators were also used as a list of different categories for different stakeholder groups, and the author needed to search data from interview transcript for those categories. It should be mentioned that there are two answers from two interviewees for questions of each indicators/categories so that the fairness and veracity of evaluation can be guaranteed.

6.3 Introducing CSR to Strategy of Safartica Ltd.

6.3.1 Step 1: Preparing CSR Vision and Mission Statement
Company's vision, mission and business objectives

Being similar with most of SMEs, Safartica does not have an exact one sentence of vision and mission statement. But, employees here are generally clear about why their company exists (vision) and what their company is going to do to achieve its vision (mission). Table 5 compares two different answers from two managers in order to show clearly common points among their answers.

Table 5. Two managers’ answer towards company's vision, mission and business objectives

<table>
<thead>
<tr>
<th>Question</th>
<th>Service manager</th>
<th>Sales manager</th>
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<tr>
<td>Vision</td>
<td>“to be a <strong>profitable</strong> and <strong>competitive</strong> tourism destination company in Lapland area”</td>
<td>“our vision is not to extend the sized of company, but to be <strong>profitable</strong> and to focus on quality”</td>
</tr>
<tr>
<td>Mission</td>
<td>“Offering unique experiences to our customers who come to Lapland”</td>
<td>“Satisfying customers”</td>
</tr>
<tr>
<td>Business objectives</td>
<td>“We want to become an <strong>independent, profitable and competitive</strong> company without compromising the quality of customers’ experiences”</td>
<td>“first is to become more and more <strong>profitable</strong>, then gain <strong>higher satisfaction</strong> from our customers, last is to be <strong>competitive</strong> through differentiating from other tourism destination companies here”</td>
</tr>
</tbody>
</table>

Therefore, by picking up key and common phrases of two managers' answer towards vision and mission, author have created a vision and mission statement for Safartica Ltd. The vision is to be a profitable and competitive tourism destination company, while the mission is offering unique and high-quality experiences to customers who come to Lapland.

In addition to vision and mission, the business objectives of the case company need to be defined as CSR position statement need to be closely aligned with the
company’s business objective. Defining business objective is not as easy an exercise, and different people may describe business strategy differently though they come from the same company. Thus, during the interview process, the author asked two managers to define three important business objectives of their company respectively in order to find the most important one or two objectives which had been mentioned by the both managers. The answer from sales manager was “profitable, high satisfaction of customers and competitive”, while the answer from service manager was “profitable, competitive and independent.” Therefore, “Profitable” and “Competitive” have been chosen as two most important business objectives of the case company as they have been mentioned by the both managers.

Manager’s opinion towards the engagement of CSR in the case company
Firstly of all, two managers in the case company all perceived that a company has responsibility for social issues such as environment, human rights and so on. When they were asked to define CSR by author, they gave different definitions:
“CSR means a company is really caring and willing to share. So, a company does not only care about our people and customers but also other stakeholders, suppliers etc.” (Service Manager)
“CSR means a company keep sustainability. For example, a company try to work with local suppliers, partners, and create jobs for local people. As well as, a company try to focus on environmental issues such as trying to focus on energy they spend, trying not to waste of food and so on.” (Sales Manager)

Secondly, two managers all agreed that it is necessary for their company to systematically engage CSR. Service manager presented that, in her opinion, the best way to engage CSR is to adapt CSR into their working culture, and everything they do in their everyday life is taking consideration of it. Sales manager thought that, for engaging CSR in their company, they should make efforts to let not only people in their company but also outside their company feel good about what they operate and do.
Thirdly, two managers have mentioned that it is no doubt that systematically engaging CSR in their company can bring some benefits to their company in a
long run such as reputation. But, it cannot be ignored that the sized of the company and the interest of people will be two important barriers for company to connect CSR to their daily operations according to sales manager’s opinion. Service manager also said “the company can always promise a lot towards CSR, but the difficulty is to keep promises and make the results be visible.”

**CSR vision and mission statement**

During the strategic management process, developing a clear vision and mission statement is an essential part. Only after having clearly defined the vision and mission of the organization can managers set strategic objectives and plan actual actions that are aligned with the company’s long-term goals. (MacDonald 2016.) Therefore, to establish a formal CSR management plan, the first step is to help the case company prepare their own vision and mission for indicating a general direction about what the application of CSR need to be like within their company and how to achieve it. Besides, as our purpose is to integrate CSR into the strategy of the case company, CSR vision and mission has to be closely aligned with the company’s vision, mission, business objectives and the managers’ opinion towards the engagement of CSR.

Taken together all research results presented before, author have composed a CSR vision and mission statement for Safartica Ltd.:

**CSR vision**: To be a profitable, competitive and responsible tourism destination company

**CSR mission**: not only providing unique experiences with customers, satisfying employees and shareholders but also caring outside stakeholders including suppliers, environment, local communities.

In this definition, three elements should be emphasized by the case company in regards of CSR, which are competitiveness, profitability and corporate responsibility. Therefore, the main CSR objective of the case company is its consolidation as a competitive and profitable tourism destination company which is willing to care and satisfy all stakeholder groups: employees, customers, shareholders, suppliers, local communities and environment.
6.3.2 Step 2: Evaluating Company’s Current CSR Performance

The case company owns mainly six stakeholders. Employees, customers, shareholders and suppliers belong to primary stakeholders while local communities and environment are included in the group of secondary stakeholders. The purpose of this evaluation is to find out how to improve from those current CSR performance with the consideration of CSR vision and mission established in the step 1, and finally suggest a CSR management plan for the case company. From table 5 to table 10 present evaluation results of author’s research. Different stakeholder groups possess different several evaluation indicators which are chosen mainly based on stakeholders’ needs and demands towards the case company.

For better presenting evaluation results, every indicator has been given rating and supporting reasons for explaining rating results. It should be mentioned that there are three levels in rating system here, which are excellent, good and need improvement. When rating shows “excellent”, it means that the company has done wonderful job and exceeded author’s expectations related to specific indicators. When rating shows “good”, it means that the company basically has done well, but there is still something can be improved. When rating shows “need improvement”, it means that the company have not paid attention to this indicator, which need to be definitely improved in the future. Supporting reasons were all cut out from two managers’ answer, and can give all rating strong evidences.

Table 6 shows the evaluation results of the case company’s CSR performance towards employees, and the case company generally has done good job. Due to the small size of the case company, power distance between managers and employees are quite small. Every employees can speak out if there is something wrong. Meanwhile, the case company respect every employees’ suggestions and try to provide employees with a comfortable working environment. However, similar with other SMEs, the case company cannot be able to offer the highly visible, varied, and extensive career pathways with their employees. Besides,
training opportunities are usually provided if some employees have motivations themselves except to some basic pre-position training.

Table 6. Evaluation Result of CSR Performance towards Employee

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Rating</th>
<th>Supporting Reason</th>
</tr>
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<tbody>
<tr>
<td>Training opportunity</td>
<td>Need improvement</td>
<td>- Company offers training opportunities to employees mainly according to employees’ own motivations and requests rather than provide them initatively</td>
</tr>
<tr>
<td>Development (career progression)</td>
<td>Need improvement</td>
<td>- no highly visible, varied and extensive career pathway provided for employees, most of employees are doing same year after year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- no official way to identify employees’ potentials but only through managers’ observation now.</td>
</tr>
<tr>
<td>Against discrimination</td>
<td>Excellent</td>
<td>- Open and Multicultural environment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Official language is English rather than Finnish</td>
</tr>
<tr>
<td>Consult with employees about company’s important issue</td>
<td>Excellent</td>
<td>- Manager meeting (once a week), Staff meeting( every second month), meeting with staff working in the front desk (at least once a month)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Never hide information from employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Everyone can give some suggestions about any issues if company needs</td>
</tr>
<tr>
<td>Work-life balance</td>
<td>Excellent</td>
<td>- Plan work schedule together</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Work from home during low season</td>
</tr>
<tr>
<td>Working environment</td>
<td>Good</td>
<td>- Electronical table for permanent employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Free coffee, tea and cookies for all employees</td>
</tr>
</tbody>
</table>
Table 7 presents evaluation results of the case company’s CSR performance towards their customers. From the company’s vision and mission, we can see the case company always put the customers’ satisfaction in the first place, and they are truly making efforts to provide unique and high-quality experiences to customers who come to Lapland. Therefore, in this stakeholder group, the rating relation to different indicators are all above good. There are only some small details could be improved such us implementing more effective way to collect customer feedback, adding innovations to products, and providing more types of language on brochure.

Table 7. Evaluation Result of CSR Performance towards Customer

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Rating</th>
<th>Supporting Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluation of customer’s satisfaction</td>
<td>Good</td>
<td>- Ways of collecting customer feedback are mainly through</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Evaluate feedback once a month</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- React quickly to customers’ complains</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Customer satisfaction rate was good last year.</td>
</tr>
<tr>
<td>Safety</td>
<td>Excellent</td>
<td>- GPS</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- All guides are trained with first-aid skills, and bring first-aid bag during every trips</td>
</tr>
</tbody>
</table>
The Quality of Product | Good | - Keep group size small

Clear product information provided to customers | Good | - Adjust regularly the content of information on the website, brochure or other places based on customers’ feedback
- Brochure language are French, Finnish and English

Table 8 indicates evaluation result of the case company’s CSR performance towards suppliers. Specifically, communication between case company and their suppliers is excellent. But, the case company should pay attention to analyse suppliers’ satisfaction in order to keep better relationship with them. Besides, there is no formal and signed contracts between the case company and most of their suppliers, which is an existing and serious problem need to be solved by the case company. After all, nobody can guarantee misunderstanding will not be happened in the future.

Table 8. Evaluation result of CSR Performance towards Supplier

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Rating</th>
<th>Supporting Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>evaluation of supplier’s satisfaction</td>
<td>Need improvement</td>
<td>- No feedback forms or other types of way for evaluating suppliers’ satisfaction</td>
</tr>
<tr>
<td>Formal signed contract with suppliers</td>
<td>Need improvement</td>
<td>- No formal contract between suppliers and company</td>
</tr>
<tr>
<td>Communication between company and suppliers</td>
<td>Excellent</td>
<td>- Do not like changing suppliers regularly, and the company would like to communicate with those suppliers if there is any problems.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Staff from management team go to visit suppliers regularly</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Invite suppliers to try new products and take part in “thank you” event in the end of season every year</td>
</tr>
</tbody>
</table>
Table 9 shows evaluation result of the case company’s CSR performances towards environment. For a small-sized company, they have tried their best to undertake their environmental responsibilities in addition to two small things which need to be improved in the future.

Table 9. Evaluation Result of CSR Performance towards Environment

<table>
<thead>
<tr>
<th>Environment</th>
<th>Rating</th>
<th>Supporting Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation related to environment</td>
<td>Excellent</td>
<td>- Quality handbook including some regulations related to environment</td>
</tr>
<tr>
<td>Monitor and reduce energy and water consumption</td>
<td>Excellent</td>
<td>- Notes on the wall of downstairs office for reminding staffs of turning off the lights when they leave</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Downstairs office will be closed during low season</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Use solar panel in their venues</td>
</tr>
<tr>
<td>Recycling program</td>
<td>Need Improvement</td>
<td>- No recycling programs in the office now except to garbage clarification</td>
</tr>
<tr>
<td>Consider potential environmental impacts when developing new products</td>
<td>Excellent</td>
<td>- Invest in electronical snowmobile now</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Ask guides to bring rubbish produced during those outdoor activities back</td>
</tr>
<tr>
<td>Raise stakeholders’ awareness of environmental protection</td>
<td>Need Improvement</td>
<td>- Do not make efforts to raise stakeholders’ awareness of environmental protection</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- No specific program related to environmental protection for customers</td>
</tr>
</tbody>
</table>

Table 9 presents evaluation result of the case company’s CSR performance towards local community, the author was quite surprise about what an impressive job they have done towards local community. As a local company in Rovaniemi, all their suppliers are locals, which definitely create more job opportunities for local people. In addition to this, sponsoring local associations, providing training places to local students and trying to make customers understand local culture...
are all indicating that the case company respect and undertake their responsibility towards local community.

Table 9. Evaluation Result of CSR performance towards Local Community

<table>
<thead>
<tr>
<th>Local Community</th>
<th>Rating</th>
<th>Supporting Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training place provided to local community</td>
<td>Excellent</td>
<td>- Provide training place to local student, and offer them opportunities to do some research projects in the company</td>
</tr>
<tr>
<td>Purchase locally &amp; cooperate with local partners and suppliers</td>
<td>Excellent</td>
<td>- Purchase local food, souvenirs and other raw materials</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- All suppliers are local</td>
</tr>
<tr>
<td>Give financial support to local community activities and projects</td>
<td>Excellent</td>
<td>- Sponsor a lot of local houses, local association, local football clubs and student foundation.</td>
</tr>
<tr>
<td>Try to make customers understand local cultures and traditions</td>
<td>Excellent</td>
<td>- Create special program which involve in delivering knowledge related to local cultures to customers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Provide opportunity with customers to communicate with locals such as local reindeer herders</td>
</tr>
<tr>
<td>Communicate with local communities</td>
<td>Excellent</td>
<td>- Contact them if there is problems</td>
</tr>
<tr>
<td>Encourage employees to take part in local community activities</td>
<td>Good</td>
<td>- Encourage them to take part in some activities held by the association the company are sponsoring</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Some managers gave lecture to local university students</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- No employee volunteer program</td>
</tr>
</tbody>
</table>

Table 10 shows evaluation result of the case company’s CSR performance towards shareholder. The case company have tried to provide transparent information to shareholders in order to protect their interests in corporate government decision. But, It is better that the jobs of CEO and chair of board can be separated in the future in order to better manage shareholders’ investment.
Table 10. Evaluation Result of CSR Performance Towards Shareholder

<table>
<thead>
<tr>
<th>Shareholder Indicator</th>
<th>Rating</th>
<th>Supporting Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well-manage on shareholders’ investment</td>
<td>Need Improvement</td>
<td>- The jobs of CEO and chair of board are not separated now</td>
</tr>
<tr>
<td>Protect shareholders’ interests in corporate government decision</td>
<td>Excellent</td>
<td>- Regular meeting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Transparent information provided to shareholders</td>
</tr>
</tbody>
</table>

6.3.3 Step 3: CSR Management Plan

According to CSR vision and mission formulated in the step 1 and the revaluation result presented in step 2, a formal management plan can be established, which is shown in table 11 including different CSR Objectives, actions and indicators towards different stakeholders.

Table 11. CSR Management Plan

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Objectives</th>
<th>Actions</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>Employees remain happy and healthy at work</td>
<td>- Working environment survey</td>
<td>- Employee satisfaction and loyalty</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- More training opportunity</td>
<td>- Employees’ capacity for work</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Formal performance assessment</td>
<td>- Employees’ motivation for work</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Job rotation program</td>
<td>- The quantity of new talented employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- The quantity of employees who can adaptable to different job positions</td>
</tr>
<tr>
<td>Customer</td>
<td>Improve customer satisfaction</td>
<td>More effective ways to collect customer feedback</td>
<td>More languages on website and brochure</td>
</tr>
<tr>
<td>----------------</td>
<td>--------------------------------</td>
<td>--------------------------------------------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>supplier</td>
<td>Supplier care development</td>
<td>Sign formal contract with every suppliers</td>
<td>Supplier satisfaction survey</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>environment</td>
<td>Environment care development</td>
<td>Raise stakeholders’ awareness of environmental protection</td>
<td>Recycling program in the office</td>
</tr>
<tr>
<td>Local Community</td>
<td>Local community care development</td>
<td>Employee volunteer program</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholder</td>
<td>Ensure the capital shareholders have invested in the firm is well-managed</td>
<td>Split the jobs of CEO and chair of the board</td>
<td></td>
</tr>
</tbody>
</table>
The firm should make efforts to ensure their employees remain happy and healthy at work as the competitiveness of the firm is created and achieved by the employees. To do so, the case company can firstly try to improve current working environment. Even though, during the interview, both managers were expressed that they have been generally satisfied with current working environment. But everything could be better. Especially for those non-permanent employees, they do not have their own private offices, and downstairs office is the only place where they can have a rest. Therefore, it is important for the case company to provide employees with better working conditions so that they can perform their duties in a wonderful state of mind. The author suggested that the case company can create a working environment survey, and implement a research among all employees including permanent employees, non-permanent employees and trainees in order to know employees’ opinions towards working environment and find out how to improve.

Besides, more training programs could be offered to employees with the purpose of not only continually refreshing and updating employee skills but also fostering staff loyalty. Meanwhile, to encourage employees to make worthy contributions, the case company is suggested to use some incentives.

Moreover, the author suggests that it is necessary for the case company to create a formal program for assessing performance of the employees, through which the case company can identify employees’ potentials, attract more talents and retain skilled employees. The assessment key should include different perspectives such as work performance, work attitude, work skills and so on. Especially for those non-permanent employees, performance assessment is especially important as the only way to find out non-permanent employees’ potentials is through managers’ unformal observation now. Due to the fact that the case company is micro-sized, every performance assessment should not involve too many employees otherwise it will increase effort and cost. Therefore, every time, 2 to 3 employees will be enough. Meanwhile, the result of performance assessment should be closely connected to employees’ wage, bonus, promotion and training opportunity, motivating employees to create better achievements.
Furthermore, job rotation program can be implemented as it may not possible for an employee to move upward in a small company, but there may be opportunities for them to move sideways to widen their skill sets and revitalize themselves. Meanwhile, giving employees an opportunity rotate between job within a particular function can also make them more “promotable” by preparing them to be flexible and adaptable. (Ladimeji 2015.)

**Customer**

In terms of customer, the case company should focus on improving customer satisfaction due to the reason that every firm improving customer satisfaction will improve customer loyalty, which will in turn improve profit and competitiveness (Customer Focus Consulting 2003).

Customer feedback is essential for understanding customers and measuring their satisfaction. In addition to ask customers to fulfil feedback forms and let tour guides to gather customers’ opinions during the trip, the case company can still utilize some strategies to collect customer feedback more effectively. According to the authors’ own observation during training period in the case company, a lot of customers do not want to fill the customer feedback form due to the reason that they were busy with changing their clothes and tired after trips. Therefore, it is better that the case company can send email individually to every customer to ask for their feedbacks along with acknowledgement right after the trip. By doing so, customers can have opportunities to reply those emails when they have time in the hotel or after coming back to home. Besides, it important that the case company tells customers that they will reply to customers as soon as possible after receiving their feedback forms or other complains in the end of email as there are many customers who do not want to give their feedbacks think company will not care about those feedbacks. (Peham 2016.) Besides, the case company can pay attention to track and monitor customer satisfaction through social media as people now are using their mobile phone 150 times per day, it is important to recognize that they will leave their customer complains (Ciotti 2016). Especially facing with those negative feedback, it is important to resolve them as soon as possible.
In addition to pay more attention to collect customers’ feedback, product quality should be guaranteed and improved in order to differentiate from other local destination management companies and improve customer satisfaction. Trying to keep group small is a method to guarantee product quality which have been already used by the case company and praised by a lot of customers. In addition to this, the case company can pay more attentions to improve the innovativeness of their tourism products. For example, all tourism companies in Rovaniemi have two separate activities which involve in visiting Santa Clause and snowmobiling respectively. Under this situation, if the case company can combine these two activities by an innovative way, customer satisfaction will be improved as the key to customer satisfaction is providing the customers with their undiscovered needs, which will also differentiate the case company from other tourism companies in the same area (Jahanshahi, Gashti, Mirdamadi, Nawaser & Khaksar 2011, 259).

Moreover, the content of information on the brochure or website provided with customers by the case company is generally reliable and useful. But, it is better that the case company can translate those information into different languages in order to make more customers easily understand them.

**Supplier**

As for supplier, first of all, the author suggests that the case company should sign a contracts with all its suppliers as contract is essential business tool for professional trading and business relationships. Misunderstanding can develop and all sorts of problems can occur without clearly defined and agreed contracts. Due to the small size of the case company, supply agreement is not necessary to be very detailed otherwise it may become an obstacle. (Businessballs 2016.)

Besides, the case company can carry out a survey of suppliers satisfaction in order to improve its own supply chain management per season or per year. Through survey, the communication between the case company and its suppliers can be raised in the same time.

**Environment**
In relation to environment, the case company should play its role in raising its stakeholders’ awareness of environmental protection. For example, the case company can ask employees to use public transportation for going to work, and also encourage customers to use public transportation for reaching the departure airport.

Besides, the case company can set up a recycling program in the office. According to statistics, up to 90 percent of office waste in the average workplace can be recycled. As a small-sized company, the case company can start from small such as paper products. After successfully increasing employee participation and awareness, the case company can move onto other recyclable objects such as computers and other electronics. It should be mentioned that employees should be provided with training program in order to let them know details of recycling program, and what they can and cannot recycle. (Vanden 2010.)

**Local Community**

As for local community, the case company can organize employee volunteer programs, which support employees to take part in different public welfare activities and pays them according to hours. Through those kind of programs, the case company will not only make contributions to help local communities, but also allow employees to feel pride in the case company and improve the reputation of the company.

**Shareholder**

In relation to shareholders, the case company can split the jobs of CEO and chair of board which they have not done yet in order to make corporate governance be more effective and ensure that the capital shareholders have invested in the firm is well-managed. More specifically, in a company, the board play an important role in monitoring and evaluating company’s financial statement on the behalf of shareholders. Therefore, there are different skills required by the position of CEO and the board, and it is difficulty to have one person in both roles. (Werther & Chandler 2011, 163.)
7 CONCLUSION

7.1 The Main Result

The aim of this thesis was to integrate CSR into the strategy of a small-sized destination management company in Rovaniemi while focusing on introduction stage based on an integration model provided by Guadamilllas-Gómez, Donate-Manzanares and Škerlavaj (2010,14) with adjustment suggestions specifically related to SMEs from scholars. The main research question of this thesis was **how CSR could be introduced to the strategy of a small-sized destination management company.** In order to answer this question, final CSR management plan for the case company was drawn up and proposed by the author. The formulation of CSR management plan was based on the accomplishment of two steps, which were the preparation of CSR vision and mission and the evaluation of current CSR performance through qualitative research.

More specifically, firstly, the preparation of CSR vision and mission was based on researching case company’s vision, mission, main business objectives and managers’ opinions towards the engagement of CSR. Research data was collected through interviewing two managers in the case company, and identifying consistency between two answers from two managers towards different research questions was the main method of data analysis. The **CSR vision statement** for the case company formulated by the author is to be a profitable, competitive and responsible tourism destination company, while the **CSR mission statement** is not only providing unique experiences with customers, satisfying employees and shareholders but also caring outside stakeholders including suppliers, environment, and local communities.

Secondly, in addition to prepare CSR vision and mission for the case company, evaluating the case company’s current CSR performances towards different stakeholder groups was done by the author for helping the case company find out what they could improve. Several interview questions were designed by the author based on different evaluation indicators. Different stakeholder groups
possess a different set of evaluation indicators which are chosen mainly based on stakeholders’ needs and demands towards the case company. The way of analysing data was to search data evidence for each category/indicator. The reason for inviting two managers for taking part in evaluation process was to guarantee the veracity and fairness of the evaluation results. For better presenting evaluation results, every indicators have been given rating and supporting reasons for explaining rating results.

Thirdly, the final **CSR management plan** is **the main result** of this thesis, which was established with the consideration of the CSR vision and mission formulated by the author for the case company, and the result of evaluation. The plan was presented through table, including CSR objectives, exact activities for achieving those objectives and indicators for further evaluating results.

Specifically, in terms of employee, the case company is suggested to establish working environment survey, provide more training opportunities, develop formal performance assessment and build job rotation program with the objective of making employees remain happy and healthy at work. As for customers, in order to improve customer satisfaction, utilizing more effective ways to collect customer feedback, improving the innovation of tourism product and providing more languages on website and brochure is advised to the case company by the author. Referring to supplier, it is better for the case company to sign formal contract with every suppliers and establish supplier satisfaction survey with the aim of developing supplier care. In regard of environment, the case company is suggested to pay more attention to raise stakeholders’ awareness of environmental protection and start to conduct a recycling program in the office. When it comes to local community, the case company have done an excellent job towards this stakeholder group. Only a small suggestion from the author is to organize an employee volunteer program, supporting employees to take part in different public welfare activities and pays them according to hours. Finally, about stakeholder group of shareholder, with the objective of ensuring the capital shareholders have invested in the firm is well-managed, splitting the jobs of CEO and chair of the board is suggested by the author.
It should be mentioned that the result of this thesis only have reference significance for the case company-Safartica Ltd. Due to the time limitation of this thesis project, this thesis have only focused on the introduction stage of the whole integration process. Therefore, implementation and generalization stage need to be analysed and realized by the case company themselves.

7.2 Recommendation for Future Research

Corporate social responsibility emphasizes the corporate responsibility from economic, social and environmental dimensions, which is totally on the voluntary basis for any organizations rather than compelling. But, nowadays, with the growing affluent and the development of ecological sustainability, globalization and the free flow of information, no company can afford to do CSR incorrectly or ignore CSR no matter what kind of size the company is (Werther & Chandler 2011, 19-20). Under this situation, many companies start to donate large sums of money to philanthropy or launch a lot of “greenwashing” activities in order to improve their reputation, which make more and more people incorrectly think that CSR is kind of heavy financial burden for a company. But, in fact, when CSR is integrated into business internal strategy and daily operations, it is the best way for companies to benefit themselves while also benefiting society (Forbes 2012).

Especially for SMEs, CSR integration will become a perfect opportunity for them to frame a suitable long-term view of value creation based on sustainability and shared value with stakeholders. In tourism industry which is one of the most sensitive industry touching upon many social and environmental issues claimed by publics, SMEs account for almost 90% of business in European area (Manente, Minghetti & Mingotto 2014, 20). Yet the author’s research indicated that little information is available on incorporating CSR or sustainability in this industry segment. There is no specific CSR integration models and frameworks specifically for tourism SMEs, which could be a topic for future research. The author also hopes that this topic can be researched by herself during her master degree study.
BIBLIOGRAPHY


APPENDIX 1

Interview Question

First Part: Background Information
1. What is your name?
2. What is your work position in Safartica?
3. How long have you been working for this company?
4. Do you know what your company’ vision and mission are?
5. Can you tell me three business objectives of your company?

Second Part: Manager's opinion towards the engagement of CSR
1. In general, do you perceive that your company has responsibility for social issue? (e.g. environment, human right)
2. Could you define corporate social responsibility in your opinion?
3. Do you think is it necessary for your company to systematically engage corporate social responsibility?
4. Do you think how your company should systematically engage corporate social responsibility?
5. Do you know what kind of benefits will be brought to your company by the engagement of corporate social responsibility?
6. Do you think what the biggest barrier for your company to engage corporate social responsibility?

Third Part: The evaluation of company's current CSR performance towards different stakeholders
1. Employee
   • Training opportunity and Development:
      a) Have your company arranged training opportunities to employees? How often does your company arrange training for employees?
b) How does career progression for employees in your company? Is there official way to evaluate employees’ performance or identify their potentials?

- **Respect:**

a) Is there a process to ensure adequate steps are taken against all forms of discrimination at the both in the workplace and at the time of recruitment (e.g. against women, ethnic groups, disabled people, etc.)?

b) Does your company usually ask employee’s opinions or suggestions regarding company’s important issues?

c) Does your company actively offer a good work-life balance for employees? (e.g. considering flexible working hours or allowing employees to work from home?)

- **Safety:**

a) Does your enterprise have suitable arrangements for health, safety and welfare that can provide sufficient protection for your employees?

- **Salary:**

a) How does your company usually pay salary to employees? Is it according to collective- agreement? Does your company have over-time regulations or weekend regulations?

- **Employees’ Feedback**

a) Have your company done employee satisfaction survey? Does your company systematically evaluate and improve the employee satisfaction?

2. Customers

- **Customer Satisfaction:**

a) Does your company systematically evaluate and improve the customer satisfaction? How often your company evaluate customer’s satisfaction? What about the result of evaluation in last year?

- **Customers’ safety:**
a) How does your company care about customers’ safety during safari or in your company’s accommodations?

- **Product Quality:**
  a) How does your company guarantee the quality of your tourism products for customers?

- **Information:**
  a) How does your company choose information which will be given to customers?

3. Suppliers

- **Supplier Satisfaction:**
  a) Does your company systematically evaluate and improve the supplier satisfaction? For example, through survey?

- **Contract:**
  a) Does your company have formal contract with all your suppliers?

- **Communication**
  a) Does your company change your suppliers usually? If yes, why?
  b) Does your company ensure timely payment of supplier’s/partners’ invoices?
  c) How does your company communicate with suppliers? Do you have regular meetings?

4. Environment:

- **Written Environmental Regulation**
  a) Does your company have written regulation related to environment?

- **Energy Management and Water Saving**
  a) Does your company monitor and track total energy consumption, water consumption which are generated by your tourism products, business trips or daily operations?
b) Does your company try to reduce your energy or water use or increase energy or water use efficiency? If yes, could you give me some example?

• Waste Management

a) Does your company have a recycling program to reduce pollution and waste? If yes, how, if no, why?

• Consider Potential environmental impacts

a) Does your company consider the potential environmental impacts when developing new products and services (e.g. assessing energy usage, recyclability or pollution generation)?

• Raise Stakeholders’ Awareness

a) Does your company communicate with your employees, supplier, business partners and local communities about your environmental expectations and try to raise their awareness of environmental protection?

b) Does your company try to raise customers’ awareness of environmental protection through some programs or other ways?

5. Local Community:

• Training Opportunity

a) Does your company offer training place to local communities?

• Purchase locally & Cooperate with Local Suppliers and Partners

a) Does your company prefer to work with local suppliers/partners?

b) Does your company prefer to purchase locally (e.g. raw materials, souvenirs)?

• Financial Support to Local Community

a) Does your company give regular financial support to local community activities and projects (e.g. charitable donations or sponsorship)?

• Promote Local Culture and Tradition

a) Does your company try to make customers understand and respect local cultures and traditions?

• Communicate with Local Community
a) Does your company communicate with local community on some controversial issues that involve your company? For example, accumulation of waste outside your premises.

- **Encourage Employees to Participate in Local Community Activities**

  a) Does your company encourage employees to take part in local community activities? (e.g. providing employee time and expertise, or other practical help)? Is there employee volunteer programs in your company?

6. **Shareholders**

  a) How does your company guarantee that shareholders’ invests are well managed? (e.g. the jobs of CEO and chair of boards are separated)

  a) How does your company protect investors’ interests in corporate government decisions?