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Activity of the Marina and the Local Community in Terms of Socially Responsible Behaviour

Abstract

In addition to the environment in which a company or activity takes place, the skills of the management and those who make decisions are crucial for successful development. The success of a business depends on a number of factors, first and foremost the motivation of the employees, the management skills, the capital employed, the business environment, etc., all in addition to the fact that resources are limited.

When it comes to development, it is often viewed through the results of the balance sheet, which ignores the long-term dimension of development. In line with the need for long-term development, the need for sustainable development and thus socially responsible management has emerged.

The issue of socially responsible management should be considered in the dimension of social responsibility issues. In view of the above, socially responsible entrepreneurship shows considerable diversity in terms of the form of community and location.

The degree of implementation of socially responsible behaviour of the marina and the local community is assessed, the relationships are determined according to all research criteria and the degree of socially responsible behaviour of the marina and the local community is defined.

Keywords: sustainable development, socially responsible behaviour, nautical marina, local community, limited resources

Introduction

Sustainable development and socially responsible management, where short-term profit is not the main goal, have become fundamental postulates. Profit is certainly the sine qua non of development, but its form and its significance for socially responsible economic activity and behaviour have changed. The development of thinking and the need to achieve better business results led to the development of community, and the new era led to new insights into forms of community. Limited resources on the one hand and higher demands from the consumer market on the other have led to ecological threats.

The concept of social responsibility must be interpreted more broadly, i.e., it applies not only to entrepreneurial companies, but to all subjects in society and the economy. Social responsibility goes beyond the economy and also encompasses the actions of the state and hierarchically down to the local community. The local community is the basic subject of social and entrepreneurial activity, and it is necessary to analyse the processes that take place within its discourse from the perspective of social responsibility.

When observing development in the circle of local discourse, i.e., entrepreneurial and social development, it is necessary to focus research more broadly, from the intellectual and economic development of the national economy, the development of individual industries to the development of the local community. In this sense, research into the development of the local community and its environment is crucial.

In accordance with the above, the research in this thesis aims to valorise the factors in the local community sphere that significantly influence its development, viewed through the social responsibility of the subjects. Each local community has developed its own leader around which and with the help of which development takes place. One of the important and frequent local leaders is the marina, which contributes to the development of the local community through its development. Therefore, the research hypothesised that the marina significantly enhances the development of the destination by conducting socially responsible business that goes hand in hand with the actions of the local community. The results of development through social responsibility are particularly significant when local community leaders and the marina as a local leader develop together.

In order to determine the difference between the subjects of socially responsible action, this paper the socially responsible behaviour of a local community that does not operate profitably on the one hand and the socially responsible behaviour of the company, in this case the operator of the marina, on the other.

1. Social responsibility and sustainable development

The concept of sustainable development is closely related to resources, which are known to be naturally limited. The concept of resources expands over time, so the definition of resources can be seen as: "Resources are a kind of supply that can be drawn on by a person or organisation in order to function and execute plans and projects. Resources can be in the form of money, material, staff, energy, expertise, time and management, among other things. Resource is a broad term and its definition varies across fields — economics, biology and ecology, computer science, management, and human resources. In economics, resource is defined as a service or other asset used to produce goods and services that meet human needs and wants. Also referred to as factors of production, economics classifies resources into four categories — land, labour, capital and enterprise. More recently, technology has also been recognised as a factor of production."1

In business, the term resource therefore also encompasses knowledge and management, which will prove to be a good combination, but also a factor for thinking and socially responsible behaviour. Indirectly, entrepreneurship also includes the local community, which uses its knowledge and experience to make important decisions for development, so that it also has a place among the resources.

Resources are the foundation on which sustainable development is built, and then its higher level, socially responsible action. Starting from limited resources and recognising the need to reduce the unacceptable differences between poverty and wealth, new trends and models are being developed to solve the problem of unequal development in the world. To this end, the need for socially responsible action has emerged, focusing in particular on the investment of entrepreneurship in the community. However, this concept is broader, as without the unity of the local community and entrepreneurs, the goals are difficult to achieve.

The concept of socially responsible action is a historical category, since it dates back to the time of the Roman Empire, but also to India in Chandra Gupta Maurya² which took care of community.³ Certainly, the way of realizing socially responsible action is fundamentally different then and today. The reason for this is new technologies, as well as cultural development. In recent times, socially responsible business appears in works of Bowen⁴.

Business Standard (2024), "What is Resource", www.business-standard.com/about/what-is-resource (20.2.2024.)

Dhanashree Balasaheb, K. (2021), "Chandra Gupta Maurya's Policies – Relevance in the Indian Society", *Science, Technology & Public Policy*, Vol. 5, No. 2, pp. 91-95 https://doi.org/10.11648/j. stpp.20210502.13

Muniapan, B. and Rajantheran, M. R. (20119, "Ethics (business ethics) from the Thirukkural and its relevance for contempo-rary business leadership in the Indian context", *International Journal of Indian Culture and Business Management*, Vol. 4, No. 4, pp. 453 – 471

Bowen, H. R. (2013), Social Responsibilities of the Businessman, First published in 1953, accessed in 2013., University of Iowa Press

However, it was not until the beginning of the third millennium that thinking and the need for socially responsible behaviour and economic activity reached a satisfactory level. According to today's understanding, the social responsibility of business consists of certain obligations towards companies with which relationships are established that promote the development of all companies in the system.

So, it can be concluded that seven groups of entities or areas participate in socially responsible activities:⁵

- ♦ Shareholders or investors who contribute funds for business
- ♦ Employees and others that make up its personnel
- Consumers or customers who consume and/or use its outputs (products and/or services)
- Government and local administrative bodies that regulate its commercial activities in their jurisdictions
- Members of a local community who are either directly or indirectly influenced by its activities in their area
- ♦ Surrounding environment of a location from where it operates
- ♦ The general public that makes up a big part of society.

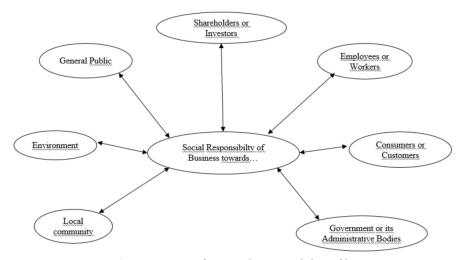


Figure 1: Major areas for social responsibility of business Source: NCERT Solutions Four Class 11 Business Studies Social Responsibilities of Business and Business Ethics, 2019., www.learncbse.in/ncert-solutions-for-class-11-

business-studies-social-responsibilities-of-business-and-business-ethics/ (08. 02. 2024.)

NCERT Solutions Four Class 11 Business Studies Social Responsibilities of Business and Business Ethics, 2019., www.learncbse.in/ncert-solutions-for-class-11-business-studies-social-responsibilities-of-business-and-business-ethics/ (08. 02. 2024.)

It is important to note that the local community is of great importance. Also, the role of Shareholders and investors related to the business from which they generate profit is important. Socially responsible action should become dynamic system.⁶

Based on the literature review, it is important to emphasise the study "Integrating Objectives with Corporate Social Responsibility (CRS)", which was conducted on a sample of 1,600 companies worldwide. This identified 10 key motivators for socially responsible corporate behaviour (CSR), namely: economic considerations, ethical considerations, innovation and learning, employee motivation, risk management or risk mitigation, access to capital or increasing shareholder value, reputation or brand, market position or market share, strengthening supplier relationships, and cost savings.⁷

The work of the motivators should be viewed holistically, because the company uses the motivators to form its vision and mission, and then goals, plans and objectives. In this process, the balanced scorecard is an important tool, the aim of which is to understand the nature of corporate social responsibility⁸, in this case of the marina, but also of the local community. In this way, solid foundations are created for the targeted, socially responsible activities of the entities.

At the same time, it is necessary to consider the role of state policy and administration. The role of the state is important and is realised through numerous forms of influence. Of particular importance is the development of the macronational system, which is set up to standardise the behaviour of all social and economic units and to shape macronational goals. The operational behaviour of the state is also important, especially with regard to relations with entrepreneurship.

With regard to the local community on the Croatian coast, the leadership role of marinas is important and they are expected to show determination in terms of socially responsible behaviour. In order to assess the level of socially responsible corporate governance, it is necessary to clearly define it through environmental, ethical, philanthropic and economic responsibility. The four categories listed below can be separated, but to reach the highest level of application, all four must be combined in a system of effective socially responsible behaviour.

Environmental responsibility stands for the conviction that organisations should behave as environmentally friendly as possible. It is one of the most common forms of CSR. Companies that want to take responsibility for the environment can do so by reducing harmful practises (reducing pollution, greenhouse gas emissions, the

University of Amsterdam and KPMG Global Sustainability Services (2005), "KPMG International Survey of Corporate Responsibility Reporting 2005" http://www.theiafm.org/publications/243_International_Survey_Corporate_Responsibility_2005.pdf (02. 12. 2023.)

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⁸ Catroppa, C.: "Integrating Objectives with Corporate Social Responsibility (CRS)", www.linkedin.com/pulse/integrating-objectives-csr-claudio-catroppa/ (08. 02. 2024.)

use of single-use plastics, water consumption and general waste), regulating energy consumption (increasing the use of renewable energy sources, sustainable resources and recycled or partially recycled materials) and offsetting the negative impact on the environment (planting trees, funding research and donating to similar causes).

Ethical responsibility is about ensuring that an organisation operates in a fair and ethical way. Companies that adopt ethical responsibility strive for ethical behaviour by treating all stakeholders fairly, including management, investors, employees, suppliers and customers. Companies can take on ethical responsibility in different ways. For example, a company can set its own higher minimum wage if the wage set by the state or federal government is not a living wage. Similarly, a company can require that products, ingredients, materials or components are sourced in accordance with free trade standards.

Philanthropic responsibility refers to a company's goal of actively making the world and society a better place. Companies that are committed to philanthropic responsibility not only act ethically and environmentally, but often donate a portion of their revenues to charities and non-profit organisations that align with their goals, or donate to other causes not directly related to their business. Some companies even set up their own charitable foundations or organisations to have a positive impact on society.

Economic responsibility is the practise of a company underpinning all its financial decisions with its commitment to do good. The ultimate goal is not only to maximise profits, but also to ensure that business activities have a positive impact on the environment, people and communities and society."9

From this it can be concluded that the socially responsible activities of the subjects of a destination must be observed through all the categories mentioned above. This means that the paper will reveal the degree of socially responsible engagement and ultimately the degree of unity between the marina and the local community.

Stobierski, T. (2021), "What is Corporate Social Responsibility? 4 Types" www.online.hbs.edu/blog/post/types-of-corporate-social-responsibility (24. 01. 2024.)

2. Socially responsible operation of marinas

Some of the nautical marinas on the road to success have come to the realisation that management must act in the direction of socially responsible business.

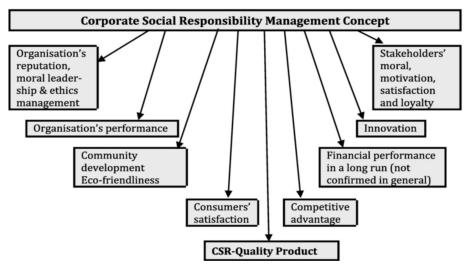


Figure 2: CSR management concept and its effects Source: Saxunova, D., Hector, H., Kajanova, J., Slivka, P.: "Integrity of the Corporate Social Responsibility and Management of Financial Services in the Digital Era", Intech Open, 2021., p. 12.

It can be concluded that social responsibility in management requires a combination of high moral values and management skills with a high level of education and continuous learning. On this path of management development, knowledge of the industry in a broad non-national environment is of particular importance in order to adopt new insights and achievements. All this has an impact on the development of the mindset necessary to understand the importance of a socially responsible company.

Observing the ad hoc development of the thoughts of some managers and owners of Croatian marinas, it was found that many are thinking about sustainable development and are aware that crises offer new opportunities and promote development. Thus, the COVID-19 pandemic has awakened the need for marinas and charterers to come together. The knowledge that the owners and management of Croatian marinas have gained in terms of socially responsible activities has been transferred to the local community.

Luković, T., Piplica, D. and Peronja, I. (2022), "Marina Business in Relation to Development", Pomorstvo, Vol. 36, No. 2, pp. 370-380 https://doi.org/10.31217/p.36.2.20

During the 30-year development of private marinas in small coastal destinations, marinas went through numerous stages:¹¹

- a. Overcoming the traditional attitude that prevails in the underdeveloped Croatian coastal towns: "Keep your hands off our way of life"
- b. Overcoming the inner need for sustainable behaviour, especially in terms of ecology
- c. Establishing the first links with local self-government and the community
- d. Accepting the need to protect the environment around the marina, especially at bathing places in small towns
- e. Understanding by the community that the marina has the role of a local leader that is important for the development of the destination
- f. The marina's understanding that the quality of the destination has a significant impact on the competitiveness and image of the marina
- g. Understanding of the local community to monitor the development of the marina and to develop socially responsible behaviour within themselves
- h. Link between the local community and the marina in terms of joint development and coordinated and planned socially responsible behaviour.

Overcoming prejudices found in undeveloped coastal areas has been difficult for marina owners and management. The small towns on the Croatian coast experienced a demographic decline as the population moved to the big cities or abroad. These places also remained on the fringes of social and political events, which ultimately proved to be good for socially responsible behaviour. In other words, the arrival of the marina in a small, undeveloped and deserted place stimulated the development and return of the population to such small places, that developed into small communities. The local patriotism associated with the marina created a critical mass of will and capital needed to rebuild the small town. In line with the limited positive influence of state administration and politics on entrepreneurship, the development of a small town remained relatively distant from the political activity of central government. This was important for the development of the socially responsible activities of the marina and the local community.

A similar conclusion can be found in numerous GEM surveys "What makes Croatia an (un)entrepreneurial country". The GEM Survey 2022 also confirms the unfavourable business climate in Croatia¹² and which eventually spill over into the nautical harbours, but not into all harbours. It is necessary to explain the difference

Luković, T., Marušić, E. and Svetlačić, R. (2024), "Marina and destination in conditions of socially responsible business activities", OFEL 2024., Dubrovnik

GEM HRVATSKA 2022 (2023), "Što čini Hrvatsku (ne)poduzetničkom zemljom?", poglavlje "Kompozitni indeks snage poduzetničke okoline NECI (National Entrepreneurship Context Indeks)", CEPOR Centar za politiku razvoja malih i srednjih poduzeća i poduzetništva, Zagreb, pp. 83–86

https://www.cepor.hr/GEM%20zbornik%202022%2005%2007%202023.pdf

mentioned, which is not entirely clear at first sight, and the answer lies in the nature of the local environment. Although research shows a poor entrepreneurial climate at the level of the Republic of Croatia, as well as an unfavourable attitude of the government towards entrepreneurship, the marina industry has certain positive and negative characteristics. Negative features of the relationship between the marina and the state are generally related to high taxation, lack of understanding of special business conditions and the system of concessionary charges, which is unacceptable. The legal solutions are also unfavourable for various reasons, mainly due to ignorance and corruption. What is specific to marinas is the difference that arises from the level of government. In other words, marinas in major cities, as well as other forms of nautical tourism, such as inland cruises, depend on the decisions of city and county authorities, over which the state government has a strong influence. In this respect, there are numerous restrictions on development. In contrast, marinas in small communities are relatively distant from central government, and local leadership has more leeway to make pro-development decisions. It has been shown that closer proximity between the government and the population leads to less corruption, more transparent decisions and outcomes, and more motivated action by local government leaders than those in large cities and the state.

Based on this fact, socially responsible behaviour, which consists of the socially responsible operation of the marina and the socially responsible behaviour of local government leaders, leads to better outcomes for the community. The economic standard of the area is raised and added value is created for the local population, such as the creation of new jobs, the generation of visitors with better financial status and a positive marketing positioning of the destination.¹³

The following presents the research carried out on the form and extent of socially responsible activities of a small local community and marina in order to assess socially responsible performance. The limitations set in this research are the deviation from the same research in a large city and a large county. This could be a topic for future research and a comparison of a small local government and municipality in relation to a large one could be conducted.

3. The social responsibility of the marina and local community

Every country is organised hierarchically vertically, from the organisation of state power and administration and the macronational system down to the lowest level, local self-government and the community. Each of these systems has its own internal structure

Gračan, D., Alkier, R. and Pilko, K. (2022), "The Relationship Between Blue Economy and the Quality of Life Resident Population in Mediterranean Countries", Conference Preserving, Evaluating and Developing the Mediterranean MIC Vis., pp 113-123

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and environment in which it operates. In addition, each of the administrations in this vertical has political power, financial power, technological equipment, professional staff, but also synchronised staffing. This paper focuses on the basic cell of organised society, a small local self-government on the coast, a municipality. What is particularly important for the Republic of Croatia is the focus on socially responsible behaviour, where the need to serve the community is more important than the need to govern the community.

Along the Croatian coast, a number of small local self-governments were established as small municipalities. These were places that were in danger of dying out due to demographic decline and the lack of development of entrepreneurship. The problem of demography is the central problem for the survival of small towns and municipalities. When a small community is on the verge of disappearing, it is necessary to turn this negative process into a development process. As a rule, this problem is the responsibility of the state and its policy of unitary development. Nevertheless, the development of tourism and the possibility of developing entrepreneurship in the maritime sector after the war have enabled the emergence of private marinas in such small towns. Marina harbours proved to be a good solution. In this way, the small towns remained outside the influence of the state and official politics and could rely on themselves, but also on the development impulses that came from the marinas in them. In contrast to small communities and municipalities, the development of large cities is closely linked to politics and central government. To summarise, small towns, regardless of the party affiliation of the local government, care more about their locality and are less dependent on central political authority. Under these conditions, the necessity and possibility of good cooperation between all parties involved was emphasised.

According to the 2021 census, the Republic of Croatia has 6,757 settlements with a total of 3,871,833 inhabitants, of which only 35 settlements have more than 10,000 inhabitants. Looking at the number of inhabitants, this group of 35 settlements has 1,742,840 inhabitants or 45.01% of the total Croatian population. ¹⁴ This means that about 55% of the population lives in settlements with less than 10,000 inhabitants. From a structural point of view, it is similar in the Croatian coast, so there is a larger population outside the big cities, as well as a large number of small municipalities.

In relation to the topic of this study, it can be concluded that in smaller municipalities, regardless of party affiliation, there is a greater connection between the local government and the population. This presupposes those municipal needs are defined and implemented jointly and transparently in comparison to large cities, municipalities and counties. At the level of small local self-government, the "government-community-population" link is stronger and more direct, thus creating better conditions for easier realisation of the goals set. We relate this assumption to coastal communities where the marina plays the role of a local leader. Based on the

DZS (2021), Popis stanovništva kućanstava i stanova 2021, Zbirni popis, Tablica 4. "Naselja prema broju stanovnika, popis 2021."

above findings, it is necessary to investigate how the socially responsible behaviour and business operations of marinas develop in smaller coastal communities.

Considering that the basic role of the state, namely the promotion of entrepreneurship, is developing unfavourably in small towns, the development of these small towns depends on the cooperation between the local leader, in this case the marina, and the local government.

The question arises to what extent the marina and the local community act in a socially responsible manner in smaller towns, especially if it is a marina of a higher category that is locally owned. In other words, it can be assumed that the thinking and knowledge about socially responsible behaviour is better developed in a higher category marina than in a lower category marina. In addition, the fact that the harbour is located inland indicates a higher level of patriotism and a desire for the development of the place, city and country to which the owner belongs. The investigation has shown that there is interest in joint financing of the marina and the city administration, but the law does not allow this, which shows how little awareness of social responsibility is developed in Croatian politics and administration. The awareness of social responsibility is there, but it needs to be developed and supported. The fact that local self-government is the last link in the hierarchy of authorities in Croatia and is mostly left to its own devices requires a high level of awareness of the social responsibility of those responsible. This also requires these actions and decision-making are transparent and that morality goes hand in hand with continuous learning.

Conclusion

Socially responsible business and action is a conditionally new category for the Republic of Croatia, which has expanded the concept of management and administration of both business entities and non-profit organisations and communities. The concept of socially responsible entrepreneurship and behaviour is not equally present in all countries. It is noticeable that it is more prevalent in developed countries and economies, in contrast to economies in transition, where it appears only sporadically.

Although the development of the idea of social responsibility varies in terms of the overall development of countries and their economies, it is much more developed in some industries and communities than in others. A good example of this is the small Croatian coastal communities, whose development depends on marinas and which are developing an awareness of social responsibility more quickly in line with international competition. This is not about loss of profit, but the opposite. In the long term, investment in the marina in the municipality and in other forms of socially responsible behaviour increases profits and thus investments in development. At the same time, the municipal administration, which is based on local patriotism with the support of traditional values and morals, achieves good development results and spontaneously incorporates socially responsible behaviour into its work and develops it further.

In summary, the research hypothesis has been confirmed but, it should be noted that there are numerous constraints that prevent a faster and better development of socially responsible behaviour, especially through cooperation between the marina and the local community. At the same time, it is necessary to transfer the awareness of social responsibility to higher levels, i.e., to expand it in the circles of state power, politics and administration. Furthermore, socially responsible behaviour with all its elements must become an important segment of youth education in the Republic of Croatia.

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