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## IMPLEMENTATION OF DIVERSITY AND INCLUSION PRINCIPLES IN UKRAINIAN TRAVEL BUSINESS

**Abstract.** *The article considers the principles of implementing the diversity and inclusion approach in tourism organizations of Ukraine. Today, both Ukrainian businesspersons and researchers mostly ignore this topic, although this issue is being studied quite seriously abroad. It is noted that this area has high prospects for the tourism business in the future, and will allow owners to gain additional benefits from the implementation of D&I principles. Along with the definitions of named concepts which are based on a sense of security, belonging and recognition, as well as opportunities for self-realization in the workplace, the article presents the benefits of D&I in the tourism business, characterizing this industry as one of the most attractive for this concept. In particular, it is noted that one of the advantages of following the principles of diversity in the organization is a significant increase in profitability of the company, which can be a major motivating factor for managers. In addition to the motives for implementation of the D&I concept in companies, the paper also states the main reasons for the low prevalence of this idea in Ukraine at the moment, among which are the lack of relevant knowledge and insufficient readiness of society to adopt such a concept. In order to introduce the principles of diversity and inclusion in tourism organizations of Ukraine, a number of recommendations are proposed for the creation of a culture of inclusion in the organization and the further implementation of D&I. At the same time, a particular attention is paid to key performance indicators, which will allow monitoring the level of implementation of these principles and identify problem areas in the company in order to further eliminate them. The results of the D&I principles implementation in a travel company can be: further involvement of qualified specialists and development of their skills, encouraging creativity and innovation by creating conditions in which employees with different views, diverse experience and education work effectively together, reduce of personnel turnover rate, and in general – attaining a competitive advantage in the market.*

**Key words:** diversity and inclusion, social communications in tourism, diversity in tourism, inclusion in tourism, corporate culture in tourism enterprises.

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## ЗАПРОВАДЖЕННЯ ПРИНЦИПІВ РІЗНОМАНІТНОСТІ ТА ІНКЛЮЗІЇ В ТУРИСТИЧНОМУ БІЗНЕСІ УКРАЇНИ

**Анотація.** У статті розглядаються принципи запровадження підходу різноманітності та інклюзії у туристичних організаціях України. На сьогоднішній день дана тема переважно знаходиться поза увагою як вітчизняних бізнесменів, так і дослідників, хоча за кордоном дане питання вивчається досить серйозно. Зазначається, що даний напрямок має високу перспективність для туристичного бізнесу у майбутньому, і дозволить власникам отримати додаткові вигоди від імплементації принципів різноманітності та інклюзії. Разом із визначеннями понять, які базуються на забезпеченні відчуття безпеки, належності та визнання, а також можливостях самореалізації на робочому місці, в статті наводяться переваги запровадження D&I в туристичному бізнесі, характеризуючи дану сферу як одну з найпривабливіших для реалізації даної концепції. Зокрема, зазначається, що однією з переваг слідування принципам різноманітності в організації є значне підвищення прибутковості компанії, що може стати основним мотиваційним фактором для керівників. Окрім мотивів запровадження концепції D&I в компаніях, наводяться й основні причини низької поширеності даної ідеї в Україні на даний момент, серед яких можна виділити брак відповідних знань, а також недостатня готовість суспільства до прийняття подібної концепції. З метою запровадження принципів різноманітності та інклюзії в туристичних організаціях України пропонується низка рекомендацій щодо створення культури інклюзивності в організації і подальшим втіленням D&I. Разом з тим, окрема увага приділяється ключовим показникам ефективності, які дозволять відстежувати рівень запровадженості означених принципів і з'ясувати проблемні місця у компанії з метою їх подальшого усунення. Результатом запровадження принципів D&I в туристичній компанії можуть стати: подальше залучення кваліфікованих фахівців і розвиток їх здібностей, заохочення творчого підходу і нововведень за допомогою створення умов, при яких співробітники, що мають різні точки зору, різноманітний досвід і освіту, ефективно працюють разом, зниження плинності кадрів, й загалом – отримання конкурентних переваг на ринку.

**Ключові слова:** різноманітність та інклюзія, соціальні комунікації в туризмі, різноманітність у туризмі, інклюзія в туризмі, корпоративна культура в туристичних підприємствах

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**Problem statement.** Travel and tourism have always been a sector of human interaction. This type of activity significantly changes the lives of people and communities, creates jobs and enriches communities both economically and socially. Unlike many other areas of business, tourism is considered to be highly inclusive activity, that employs and offers opportunities to people from all social strata, including minorities, youth and people with different types of gender identity. Therefore, the tourism business has significant opportunities to attract and support vulnerable groups, ensuring the development of innovation and the preservation

of ecosystems, which in turn has great social significance.

One of the main business trends abroad today is the implementation of Diversity and Inclusion (D&I) principles, which helps to increase the efficiency of companies. At the same time, Ukrainian business remains only at the stage of realizing the necessity of such principles implementation, which is confirmed by a small number of practical cases. However, given the humanistic orientation of Ukraine, it is seen that the idea of diversity and inclusiveness will gain further popularity, while the tourism business, as people-oriented one, can

take on the role of a first mover in terms of D&I approach adaptation.

**Research publications.** The analysis of scientific publications on the topic of diversity and inclusion in business has shown a significant interest difference between Ukrainian and foreign researchers. However, given the underdevelopment of the named topic in Ukraine, a number of articles reveal this issue, talking about its prospects in the foreseeable future.

The importance of diversity and inclusion for Ukrainian business is discussed in the paper of O. Prohnyamak in terms of development the creative economy in Ukraine. The author proves in her work that companies that follow the D&I strategy demonstrate much higher productivity comparing to others, implementing the principles in such directions as recruitment, performance management, leadership development, training etc. [1]. According to N. Polechuk research, organizations that use the D&I approach are more likely to attract and retain the best employees, better understand the needs of different customer groups, create high customer value, stimulate innovation, and increase financial results [2].

At the same time, foreign researchers pay attention to more specialized aspects of implementing diversity in companies. For example, Sjoerd Gehrels and Javed Suleri consider diversity and inclusion as indicators of sustainable human resource management in the international hospitality industry, providing the algorithm of D&I strategy implementation in hotels [3]. The group of researchers – Marta-Christina Suciua, Grația Georgiana Noja and Mirela Cristea highlight the importance of gender and cultural diversity, social inclusion and both personal and professional development of the employees, in order to mitigate the risks faced by companies, such as to improve the profitability and, correspondingly, to increase their financial performance [4]. A particular attention is paid to LGBTQ+ inclusion in hospitality and tourism, which involves changes in policies and structures, internal communication, learning and development and public engagement [5].

In general, it is possible to talk about a significant interest in the topic by foreign researchers, and, at the same time, low level of development of this topic in Ukraine along with a lack of awareness of D&I necessity for Ukrainian companies, which impels to the detailed examination of this issue.

**The aim of the article.** Given the low level of research on the topic on the one hand and significant prospects for the development of the tourism business in the future, the aim of this paper is to provide the overview of D&I principles implementation in travel companies.

**The main material.** Democratization of Ukrainian society and focus on European values contributes to the emergence of new trends in businesses, including travel business, which are aimed at providing comfortable operating environment for people with different social backgrounds. Therefore, the concept of Diversity & Inclusion arises in developed countries, and it becomes relevant and vital for today's Ukrainian reality as well.

As for the definition of terms “diversity” and “inclusion”, the following can be said. Diversity that is innate or acquired, as well as obvious and hidden, covers a number of aspects, such as gender, race, age, disability, sexual orientation, diversity, values, cultural codes etc. However, the phenomenon of diversity does not only cover issues related to race, age and gender. Also an important aspect is the diversity of interests, personalities, values, skills and abilities necessary for successful activities. Such diversity leads to the creation of special services that help employees understand and appreciate their differences and take into account these differences to establish the most effective work. However, a single organization cannot respond to change or perform different tasks equally effectively. Socio-cultural diversity in the workplace involves understanding of individual characteristics and creating a culture of equal opportunity that benefits employees and the organization. Creating equal opportunities means building a corporate culture characterized by understanding, respect, encouragement, awareness of values and effective use of socio-cultural diversity, which allows talented employees to succeed, company's customers – to benefit, and company's reputation – to strengthen.

At the same time, inclusion involves building a corporate culture that values and supports diversity. In an inclusive culture, workers have a sense of security, belonging and recognition, as well as fair opportunities for self-realization. In other words, inclusion is about how “diverse” people feel, how much and how they are valued, respected, accepted by colleagues and involved in full participation in the company's life.

The travel industry has always been one of the most diverse spheres among others, providing work places for people with different socio-cultural backgrounds, regardless of age, gender ethnicity or other characteristics. According to President of World Travel and Tourism Council (WTTC) Gloria Guevara, almost 50 percent of jobs in travel industry are held by women and 30 percent by young people [6]. As a proof of the orientation and openness of the tourism industry to the principles of diversity and inclusiveness, the development of I&D Guidelines by WTTC can be mentioned. This document may be interesting as well for Ukrainian travel companies as it provides main directions of D&I implementation which includes such stages as developing a supportive system, creating safe spaces, supporting an agile system and exemplifying inclusion and diversity [7].

Speaking of the prospects of the D&I strategy for Ukrainian travel companies, it is important to explain the main reasons for such considerations. First of all, this is the demand of new generations. Representatives of Y and Z generations will not start working in a company that does not value diversity and does not promote freedom of expression. A good example may be the users of TikTok social media, who widely promote tolerance, freedom, a high appreciation of originality on their accounts. Given that today they are mostly teenagers aged 13-16, they may soon become employees of companies, demanding the environment familiar to their habits. The second reason is that D&I improves operational efficiency of company. Companies that work towards diversity and inclusion are more profitable and create more value. According to a report by McKinsey (2018) there is a significant correlation between “diversity” leadership and financial performance. Greater gender diversity provides plus 21% to the probability of a higher financial result, more ethnic diversity – plus 33%. Companies with implemented D&I practices get out of the strongest crises much faster and easier. Moreover, according to the Harvard Business Review, companies with a two-dimensional approach to diversity (innate and acquired) are 45% more likely to gain greater market share and 70% more likely to enter new markets. Such teams are also more prone to innovation and expansion [8].

It is important to note that the diverse composition of the team provides economic advantages, because its members bring new experience, different priorities and values, heterogeneous

approaches to solving problems, dissimilar worldviews. Altogether, this guarantees flexibility for company and increases the speed of detecting and resolving challenges.

For Ukrainian travel companies the financial benefits of D&I are still the main motivators and arguments for implementation the corporate equality policies. At the same time, this can be useful for the reputation, the employer's brand and can become an additional motive for cooperation from stakeholders (customers, employees, government agencies, partners etc.), who are committed to D&I ideas.

The wide implementation of D&I principles in North American and European countries on one hand and the lack of attention to this topic among Ukrainian companies may be explained by following aspects:

1. The managerial staff of Ukrainian tourism businesses is mostly lack of knowledge in diversity and inclusion principles, which rather often leads to taking decisions only according to their own experience or based on some fragmental information and this doesn't allow to state the presence or absence of a problem.

2. There is lack of state regulation, monitoring and reporting on D&I status, as well as there are no sanctions for non-compliance with its principles.

3. Society is not yet very demanding on the introduction of diversity and inclusion in organizations.

4. The formation of a democratic society in Ukraine is still in an active process, which may indicate that most people have not attain to the D&I issues yet.

5. Generation Z, for whom diversity and inclusion are manifestations of equality, freedom and justice, as well as important values and motivators, have not yet become the dominant workforce. And their predecessors, who dominate the labor market today, are content with the status quo.

The implementation of diversity and inclusion principles in the tourism organization must place within the mission of the organization. At the same time, inclusion should go first before diversity. If company changes the approaches to hiring new employees but general corporative culture remains the same, the new employees will not feel themselves comfortable and belonging to the company. That is why it is vital to become inclusive first and only then – invite people. Such a process requires primarily the commitment of business leaders to solve the problems

of the organization, which requires some effort and dedication to the idea. It is also important to understand that such work is not linear, i.e. there is no beginning and end of the process. Achieving diversity and inclusiveness in the company is instead a process of creating change through education, cooperation and attention. And the very process of implementing these principles can be uncomfortable at times, which requires patience and understanding from staff.

The first stage involves training the leaders of the company on the principles of D&I as well as providing resources for strategy implementation – financial and human. The organization may also consider hiring a consultant to assist in further planning and implementation. After appointing a responsible person (this may be a position of D&I manager) and setting a budget for diversity initiative, it is important to specify the time and expectations for all participants, make a calendar of regular meetings and create a short-term plan for next stages.

The second stage can also be considered preparatory, as it includes clarification of terms “diversity” and “inclusion”, explanation of outcomes from the new approach and benefits for staff and clients. As well, it is vital to develop criteria to measure a success of D&I activity. Such key performance indicators may include rates of representation, retention, recruitment, selection, promotion, development, employee engagement, employer brand and others as components of comparative analysis of monitored groups with other business participants. At this stage it is important to use meeting agendas, newsletters, memos and other forms of communication to publicize the diversity process and accomplishments of the initiative and to outline the next steps.

The third stage involves the introduction of practical elements in the company such as using inclusive language, challenging unconscious biases, mentoring and educating employees, organizing cultural events devoted to diversity of people etc.

The last stage provides assessing changes in the company's environment, identification of barriers that slow down the implementation process, implementing of effective communication process to share results of D&I process among company's staff. At the same time, the following indicators should be monitored such as fairness, opportunities and security, which are about the atmosphere inside the organization and employees' experience.

**Conclusion.** Today, the principles of socio-cultural diversity need a particular attention from travel companies, as this may become a market necessity in the nearest future. And the sooner companies take advantage of this opportunity and implement D&I principles, the more profit they will have. Such approach helps companies better understand the international business environment, develop creative solutions for customers, identify business opportunities and attract new customers. It is important to note that if all the employees feel comfortable and involved in the work, it helps to increase their efficiency. Openness and socio-cultural diversity allow travel companies to attract and retain qualified professionals who may represent all segments of the population. However, this topic requires further in-depth study with the provision of more detailed algorithms for the practical implementation of D&I in tourism companies.

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