



Corporate Social Responsibility in Small and Medium Sized Enterprises Hotel in Seminyak Area

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ABSTRACT

This research is motivated by the importance of CSR disclosure among SMEs hotel in the Seminyak area that has been implementing CSR. The purpose of this study is to explore the implementation of CSR activities, the media uses to disclose the CSR activities, and the perceived barriers to disclosing CSR activities on the website. This research is a qualitative research. The population would be chosen through observation by direct phone call to each SMEs hotel area with CSR activities and 5 SMEs hotel have been chosen. The data needed was gathered by doing interviews to the owner or manager of each SMEs hotel. The data were analyzed through three activities, such as data reduction, data display, conclusions, and method triangulation. The results revealed SMEs hotel predominantly undertake corporate social marketing, community volunteering, and corporate philanthropy, then used meetings, word of mouth, briefing, WhatsApp, Instagram, and email to disclose their CSR activities. SMEs hotel perceived barriers in disclosing their CSR on the website are CSR disclosure is not needed, CSR disclosure is not their priority, and lack of human resources.

INTRODUCTION

Corporate Social Responsibility (CSR) is becoming an obligation for each firm in Indonesia that is entitled as a limited liability company and using natural resources in their operation. CSR can be described as a company's commitment to contribute to sustainable economic development which emphasized the economic, social, and environmental aspects (Du et al., 2010; Jamali & Mirshak, 2007; Lougee & Wallace, 2008). The Company that has a socially responsible image will help the company to fulfill customers' self-definition as it brings a positive impact on the company's identity in the mind of customers (Al-Omari et al., 2020; Mansor et al., 2012). Corporate Social Responsibility (CSR) as a business's commitment to supporting social causes through appropriate business practices and the use of the company's resources. CSR is a company's commitment or business to contribute to sustainable economic development by concerning their corporate social responsibility and emphasizing economic, social, and environmental aspects (Chapple & Moon, 2005; O'riordan & Fairbrass, 2008; Yoon et al., 2006). Marketing is A CSR initiative where a corporation commits to donating a percentage of revenue to a social cause on product sales. Commonly this initiative is for a specific product and an announced period of time (Tian et al., 2011; Velte, 2022). Corporate Social Marketing A CSR initiative where a corporation supports the development of a behavior change campaign intended to improve public health and safety, the environment, and community well-being (Hoi et al., 2013; Nguyen et al., 2018).

Previous study stated that there are several offline media for CSR disclosure, such as meeting, word of mouth (WOM), newspaper or poster, and annual report (Aya Pastrana & Sriramesh, 2014). The online media for CSR disclosure, such as website, media social and online advertising. According to previous study there are several barriers that influence SMEs hotel for not publicly disclose their CSR activities on online media such as, the hotels have not done much on CSR, the publication of CSR is less relevant for their guests, creating good image by doing CSR is more important than making CSR publication, local community will question the sincerity of corporation's contribution in CSR if it is being published (Mahyuni, 2016).

According to previous study Statistics Indonesia (2016), there are 85.349 units of Small and Medium-sized Enterprises (SMEs) in accommodation, food, and beverages (Antosova & Csikosova, 2016).

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SMEs as hotels with 5 until 29 employees are small enterprises and hotels with 30 until 149 employees are medium enterprises. The growth of SMEs in Indonesia will raise tight competition amongst businesses in accommodation such as SMEs hotel (Albar & Hoque, 2019; Polter & Scherer, 2017; Ray & Ray, 2006). SMEs hotel could undertake CSR as their sustainable competitive advantage. This means SMEs hotel could raise their achievement level by implementing CSR to reach the maximum. Four levels of CSR implementation, such as determining the CSR activities, involvement in CSR activities, engaging in CSR disclosure, or starting to do socialization of their CSR activities and social audit to review the company's CSR performance (Acevedo-Duque et al., 2021; Kartiwi et al., 2018). CSR can be disclosed using online or offline media. The online media that SMEs hotels can be used the company's website, social media, and online advertisement (Abri et al., 2018; Aya Pastrana & Sriramesh, 2014). The offline media are through a meeting, word of mouth, and newspapers or posters. Among those online media, a company's website is the most common and important media to use for disclosing CSR activities (Hamsani & Khairiyansyah, 2018; Idota et al., 2020; Sunday & Vera, 2018).

There are 12 big hotel companies and SMEs that are implementing CSR in Seminyak area. Out of 12 hotels, there are 5 hotels that did not disclose their CSR on hotel's website. Those hotels are Daun Bali Seminyak Hotel, Casa Kayu Aya Hotel, De Vins Sky Hotel Seminyak, Hotel Liberta Seminyak and Jambuluwuk Oceano Seminyak. When those hotels did not publish their CSR activities, customers would not aware of the hotel's CSR initiatives. As the result, customers would not fully aware the initiatives and importance of the hotel's CSR activities that they could have. For this reason, hotel may lose their potential customers as they did not publish their CSR activities. Based on the phenomenon above, hence the research of analyzing CSR implementation media uses to disclose the CSR activities and perceived barrier in disclosing CSR activities on website of SMEs hotel in Seminyak area should be undertaken.

METHOD

This research analyzes SMEs hotel with CSR activities by analyzing their CSR initiatives theory. Then, the media used in CSR disclosure would be classified based on the types of media and the SMEs hotel perceived barriers in disclose their CSR on website. This research is qualitative research. The population would be chosen through observation by direct phone call to each SMEs hotel in Seminyak area with CSR activities and 5 SMEs hotel have been chosen. The data needed was gathered by doing interviews to the owner or manager of each SMEs hotel at Daun Bali Seminyak Hotel, Casa Kayu Aya Hotel, De Vins Sky Hotel Seminyak, Hotel Liberta Seminyak and Jambuluwuk Oceano Seminyak. As the result of observation and interviews, the data would be analyzed theory of qualitative data analysis (Çelik et al., 2020; Miles et al., 2014). Firstly, through data reduction, then data display and the conclusions would be made. Data validation would be compared using triangulation method, by comparing the interviews result with the documentations of CSR activities in each SMEs hotel.

RESULT AND DISCUSSION

Result

Based on the interview with the human resources manager and general manager in each SME hotel, the interviewees' job position, age, education background, and length of work were found. The interviewees are mostly human resources managers, the average age of 40 years old, mostly graduated with a bachelor's degree and the average length of work is 4-5 years.

CSR Implementation Practices in SMEs Hotel in Seminyak Area

Daun Bali Seminyak Hotel, the hotel's CSR initiatives for environment protection are implementing a beach cleaning program and joining World Cleanup Day in 2019. CSR initiatives for its employees are having a regulation on banning single-use plastic bottles and providing water dispensers in each department office. CSR initiatives for employees and public safety are conducting regular check-ups on the hotel's safety equipment and providing a wash basing facility in front of the hotel's lobby. Casa Kayu Aya Hotel, the hotel's CSR initiative for environment protection is implementing a beach cleaning program at Petitenget Beach. CSR initiatives for social institutions are donating for Balinese festivity called *ogoh-ogoh* and the bazaar of the local youth community (*Sekaa Truna Truni/STT*) at *Banjar Tagtag*. De Vins Sky Seminyak Hote, the hotel's CSR initiatives for environment protection are implementing a cleaning program at Petitenget Beach and around Petitenget streets. CSR initiatives for a health program are holding blood donation programs with the Indonesian Red Cross and Bhaktivedanta Clinic as program partners. CSR initiatives for community well-being are creating a charity program "*De Vins Peduli*", donating to the natural disaster victims or refugees, orphanage visits, and actively contributing to Petitenget village funding. In

collecting donations for the natural disaster victims or refugees, the hotel's suppliers are also contributed. To appreciate the hotel's guests, they have a cooking class program to give the best experience to the guests.

Hotel Liberta Seminyak, the hotel's CSR initiative for environment protection is implementing a beach cleaning program at Petitenget Beach. CSR initiatives for social institutions are visiting an orphanage at Panti Sosial Tresna Wredha Wana Seraya and also giving donations such as packages and cash to the orphanage. Jambuluwuk Oceano Seminyak, the hotel's CSR initiatives for environment protection are implementing a beach cleaning program and joining Bali International Coastal Cleanup in 2018 and 2019. This hotel has J-Gallery as their gallery store where they offer souvenirs, handmade products, and jewelry. The products in J-Gallery are from a local supplier in Ubud. The hotel's partnership with English One is an effort to support the hotel in employee recruitment. Jambuluwuk Oceano collaborated with a non-profit organization (NGO) Indonesia Goes Pink to rising awareness of breast cancer and also collaborated with Krakakoa to support local chocolate farmers. Data analysis result of csr implementation in smes hotel in seminyak area is show [Table 1](#).

Table 1. Data Analysis Result of CSR Implementation in SMEs Hotel in Seminyak Area

Hotels	Analysis					
	Cause Promotion	Cause Related Marketing	Corporate Social Marketing	Corporate Philanthropy	Community Volunteering	Socially Responsible Business Practice
Daun Bali Seminyak Hotel	No	No	Yes	No	Yes	No
Casa Kayu Aya Hotel	No	No	Yes	Yes	Yes	No
De Vins Sky Seminyak Hotel	Yes	No	Yes	Yes	Yes	No
Liberta Seminyak	No	No	Yes	Yes	Yes	No
Jambuluwuk Oceano Seminyak	Yes	Yes	Yes	No	Yes	Yes

Based on [Table 1](#), this type of thought would come up if SMEs hotel felt they did not have a huge contribution to CSR, hence the feeling of CSR disclosure is not necessary would come up. The last challenge is CSR disclosure on the hotel's website is not their priority. As in Daun Bali Seminyak Hotel where hotel management did not have any plan yet to disclose their CSR on the website. Hence, they would not have a reason that will motivate hotels to disclose their CSR on the website. In meantime, De Vins Sky Hotel Seminyak prioritizes its product or service promotion, digital marketing, and Search Engine Optimization (SEO).

SMEs Hotel Perceived Barriers in CSR Disclosure on Website

Daun Bali Seminyak Hotel, The perceived barriers are determining the strategic planning for CSR disclosure on the website. The hotel's management also thought that currently, they did not have a clear strategic plan to publish their CSR activities on the hotel's website. Casa Kayu Aya Seminyak, The perceived barriers are hotel did not have enough manpower who are expertise in managing CSR disclosure on the website. Further currently, hotel did not focus on CSR disclosure in any media. De Vins Sky Seminyak Hotel, the perceived barriers are lack of human resources to manage the hotel's website. Currently, their digital marketing targets are product promotion, Search Engine Optimization (SEO), and digital marketing itself. Hence, the hotel did not have any focus to manage the hotel's internal information.

Hotel Liberta Seminyak, up to know Hotel Liberta Seminyak has not yet published any CSR information in any social media. Hence, hotel thought that currently CSR disclosure on website is not necessary. Jambuluwuk Oceano Seminyak, the perceived barrier is the lack of human resources. The hotel's digital marketing currently has a lot of responsibilities, thus adding more responsibility to managing CSR disclosure would be considered. The hotel felt that they have to do a comparison to the impacts of CSR disclosure on the website from other hotels.

Analysis of CSR Disclosure Media in SMEs Hotel in Seminyak Area

CSR disclosure is one of the important aspects of conducting CSR, hence this research would analyze the CSR disclosure media used in each SME hotel. CSR disclosure media used in these five SMEs hotel are social media (30%), WOM (10%), internal briefing (20%), annual report (10%), and meetings (30%). Based on this result, it shows that SMEs hotel in this research did not disclose their CSR activities on the hotel's website.

Discussion

According to the CSR implementation, CSR disclosure media and SMEs hotel perceived barriers in CSR disclosure data shown above. Six CSR implementation practices SMEs hotel in the Seminyak area mostly conducted, corporate social marketing, corporate philanthropy, and community volunteering. All of the SMEs hotel in this research conducted corporate social marketing which reflects that their CSR practices are focusing on the activities that encourage community behavioral change.

Behavioral change is a change for supporting community health, environment protection, increasing community awareness, and public safety (Bandura, 1977; Patel et al., 2018). Three SMEs hotel showed that their CSR activities are mainly focused on ash donation and packages. If a corporation implemented corporate philanthropy, it reflects that corporation is trying to build its goodwill image to the public. It can be stated that Casa Kayu Aya Hotel, De Vins Sky Seminyak Hotel, and Hotel Liberta Seminyak would like to build their goodwill image. The SMEs hotel's contribution to community volunteering could involve employees, suppliers, or business partners (Fauzi et al., 2020; Neirotti et al., 2018; Qosasi et al., 2019). Five SMEs hotel conducted community volunteering where their employees are involved.

SMEs hotel is majority managed by their owner. Motivation and the owner's perceived value of CSR are the keys that influence the implementation and CSR disclosure. In this research, five SMEs hotel in Seminyak Area did not disclose their CSR on the website because they faced some challenges. First of all, SMEs hotel lacks human resources. Casa Kayu Aya Hotel, De Vins Sky Hotel Seminyak dan Jambuluwuk Oceano Seminyak mentioned that hotels did not have enough manpower to develop their CSR contents, and information on the hotel's website.

CONCLUSION

Based on the research explanation regarding the CSR implementation of 5 SMEs hotel in the Seminyak area, it concludes : (1) The most CSR practices implemented by SMEs hotel in the Seminyak area are corporate social marketing, community volunteering, and corporate philanthropy ; (2) CSR disclosure media that SMEs hotel used are meeting, word of mouth (WOM), briefing, social media, WhatsApp and email ; (3) SMEs hotel in Seminyak area perceived barriers in disclosing the CSR activities on the website are CSR disclosure on hotel's website is not necessary, CSR disclosure on hotel's website is not their priority and lack of human resources either on its quantity and quality.

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