



Corporate Social Responsibility of the Hospitality Industry in Realizing Sustainable Tourism Development

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ABSTRACT

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Economic growth fueled by tourism encourages the government to support public policies aimed at regional development; as a result, a practical approach must be included from a perspective based on three responsibilities, covering the economic, social, and environmental fields, to be effective economic growth fueled by tourism. This article contains conceptual elements supported by up-to-date information from specialized and high-level scientific databases. It explains the relationship between Corporate Social Responsibility in the hospitality industry, the benefits and innovation of good practice, and the achievement of long-term goals. The overall goal is to consolidate the most remarkable industry experiences to be utilized internationally with a strategic approach and without regard to the size of the enterprise involved. An exploratory qualitative technique is used in this study and descriptive analysis and data presentation.

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1. Introduction

Corporate Social Responsibility (CSR) has been the subject of debate to define the relationship between companies and society over the last few decades. In the modern era, the stage for this discussion is set by asking the following question: What is entrepreneurs' debt to society? From this question, the idea of maximizing profit and operating within the law, as the only responsibility that companies have towards society, is questioned, and unconventional economic theories and corporate strategies have begun to receive significant attention in the academic literature (Ernawan, 2014)).

Although definitions of the concept of CSR vary, the general idea behind CSR is that ethical issues should surround corporate decision-making, taking into account all groups or individuals affected by the company's operations (Marnelly, 2012). In line with this idea, various companies worldwide and from different economic sectors have adopted CSR practices (Fahrizgqi & Darsono, 2010).

It may also be observed that the arguments in favor of corporate social responsibility have been linked to those in favor of sustainable development, a concept that is still relevant in the field of tourism (Said, 2018). Tourism is an economic activity that has a unique interaction with and around the host community since it has the potential to have both beneficial and bad effects on the community in which it operates. On the other hand, it affirms the significance of economic growth in the context of care for natural resources, cultural heritage, and environmental quality (Indrwan & Mutmainah, 2011). monetary compensations (Astri, 2012; Kunyanti & Mujiono, 2021).

Indonesia is a country with a wealth of natural resources that have the potential to be exploited for tourism development. These natural treasures have become popular tourist sites for both local and international visitors. Mountains, beaches, rivers, lakes, waterfalls, and other natural resources are frequently employed as tourist sites, as are mountains, and so on (Musaddad et al., 2019; Achmad, 2021). As a result, tourism has played an important part in the development of Indonesia's economy. This may be observed in the plethora of one-of-a-kind tourism products that have sprung up. Indonesia is a country with a diverse range of products and tourist locations to offer, and it also has a wealth of natural resources that can be exploited for tourism purposes (Rahma, 2020). These natural treasures have become popular tourist sites for both local and international visitors. Mountains, beaches, rivers, lakes, waterfalls, and other natural resources are frequently employed as tourist sites, as are mountains, and so on. As a result, tourism has played an important part in the development of Indonesia's economy. This may be observed in the plethora of one-of-a-kind tourism products that have sprung up. A wide range of items and vacation places are available. Setiawan et al., 2020).

Tourist development cannot be divorced from the notion of sustainable tourism development, which requires mutual sustainability between management and community in order to create sustainable tourism. Corporate social responsibility is a venue that can also support actions that promote sustainable tourist development, as corporate social responsibility has goals that include the environment, community, and indigenous wisdom, among others (Setijawan, 2018).

Arida & Sunarta (2017) also addressed the critical role of the community or local community in tourism development, emphasizing that the tourist industry's long-term performance or success is heavily dependent on the amount of acceptance and support from the local community. To ensure that tourism development in a location is well managed and sustainable, the fundamental question that must be addressed is how to facilitate broad community involvement in the development process and maximize the value of social and economic benefits associated with tourism activities in a location (Arida & Sunarta, 2017).

Given the involvement of the community in planning, organizing, and developing tourist areas, a tourism model based on sustainable tourism is seen as one of the ideal solutions to overcome the negative impacts of mass tourism while making this model a strategy to ensure that most of the benefits of tourism return to the surrounding community (Widari, 2020).). However, at the level of implementation, there are still several issues that raise doubts about the effectiveness of the sustainable tourism-based tourism model for efforts to improve the local community's economy. These problems include, among others, the limited technical capability of the local community in professionally managing tourist areas (Adnyana, 2020) and the limited sources of funds owned, which often make tourist areas developed by the community less able to compete with large investors. This is what causes the need for the participation of companies through their CSR in providing a positive impact on developing the community's economy.

The following work aims to analyze the evolution of the concept of Corporate Social Responsibility in the tourism industry and its current definition and review innovative best practices with a strategic approach in the hospitality industry, which globally benefits sustainable tourism in various tourist destinations.

2. Methods

The type of methodology applied in the specialization of economics, related to the latest information on Corporate Social Responsibility and the tourism industry, is a qualitative approach with descriptive analysis and translation of data. Data was collected through literature searches in books, articles, and other sources related to the object of research (Sugiyono, 2011). The descriptive method is applied because the foundation of the new challenges imposed by the hospitality industry in today's world conditions is fundamental, including all the interacting actors for tourism and sustainable development.

3. Results and Discussion

3.1 Sustainable Tourism Development and CSR in Tourism

It is important to note that the tourism boom of recent decades has brought many negative ecological and social consequences, such as increased energy consumption and associated pollution emissions, increased pollution from waste disposal and wastewater, land use, and loss of biodiversity. In addition, adverse social effects can be observed, such as loss of value and acculturation effects, and financial exploitation of the host population (Widyastuti, 2010).

In order to achieve sustainable tourism growth, it is necessary to mitigate the negative environmental and social repercussions of the rising volume of travel experienced in recent decades. To ensure a flourishing tourism industry, it is necessary to protect the key aspects of the tourism offering, which include resilient nature and attractive scenery, cultural heritage, foreign culture, and infrastructure that is both unique and of high quality. As a result, there is a growing demand for sustainable tourism offers, as well as a growing preference for these sustainable services among passengers (Liu, 2003).

To promote sustainable tourism development, the World Tourism Organization (UNWTO, 2020) states that you must adhere to the following points:

1) Efficient use of environmental resources, a critical component of tourist development, helps sustain vital ecological processes and contributes to the conservation of natural resources and biodiversity.

2) Maintain the host community's sociocultural authenticity, preserving its cultural legacy and traditional values of architecture and living, and promoting intercultural understanding and tolerance.

3) Ensure long-term economic viability, providing steady employment and income-generating possibilities, as well as social services for local communities, and that contribute to poverty reduction.

These three points are considered the main ones, offering tourism companies a broad spectrum of fields of action to be applied at the managerial and operational levels.

Corporate Social Responsibility (CSR) in tourism refers to the process of mitigating the negative ecological and social consequences of increasing travel volume over the last few decades through the implementation of a corporate responsibility strategy; CSR is understood as a functional foundation for businesses to voluntarily integrate social and ecological concerns into their business activities and relationships with stakeholders (Hunter, 1995). This means that CSR is viewed as a multi-stakeholder concept, with stakeholder communication as a critical component.

Companies that act in an environmentally and socially responsible manner see this as essential to their business activities and their interactions with their environment. In this context, stakeholders are not only crucial targets but also partners for the company's CSR measures. Essential stakeholders for tourism business are residents and local businesses in the region, tourism service providers in the travel chain, public authorities and institutions, media, advocacy groups, citizen initiatives, their collaborators, and guests and clients of the company (Hunter, 1995).

CSR measures can be initiated and implemented together with all stakeholders. It is important to note that CSR actions are voluntary actions by companies responsible for complying with applicable laws (such as environmental laws, employee requirements or rights, etc.).

Among the international strategic documents that must be considered for implementing the CSR concept in tourism companies is the "Global tourism code of ethics," which was created in 1999 by UNWTO as a frame of reference for responsible and sustainable tourism development. Another critical issue is the "Climate Change and Tourism" initiative with the Davos Declaration (Nordin, 2015), which contains a strategy on climate change challenges for the tourism industry and tour operator initiatives

for sustainable tourism. Development (TOI) was founded in 2000 as an association of tour operators to promote sustainable tourism development.

A tourism company's CSR actions are related to the responsible use of natural resources, employees, suppliers, and guests. Still, they can also positively influence the socio-economic development of a region or community by supporting individual social or ecological projects. Quality of life and contribution to the local population (Diehl, Terlutter, & Mueller, 2016).

3.2 Application of CSR Concepts in tourism companies

Organizational commitment to ecologically and socially responsible company management is fundamental to integrating the CSR concept into the company. This means that the CSR approach must be integrated into the company's mission statement and supported by all company employees. This is the basis for integrating CSR into the company concept (Prasetya, 2016).

More formal approaches can be found in environmental management systems, such as the company's environmental management standard, ISO 14001, and the social responsibility standard, ISO 26000, among other management systems. Seal for an environmentally and socially responsible tourism offering. It is essential to mention that they all have in common that implementation is voluntary. Still, certification systems and seals of approval use much more formal criteria and vary widely (Purwanto et al., 2021).

There are two types of certification systems: dynamic and process-oriented; the goal is to continuously improve the company's sustainability performance without setting a specific target value. The second type of system is static, results-oriented, which measures the achievement of particular indicators. There are often mixed forms of the two types (Rhou & Singal, 2020).

The situation of certification systems and quality labels for sustainable tourism offerings is characterized by great diversity and confusion. According to a UNWTO study, more than 100 eco-labels have been identified and analyzed worldwide, most located in Europe. 68% of stamps are intended for accommodation companies, 18% for tourist destinations, 7% for tour operators, 5% for sports and recreational facilities, and 2% for the transportation sector (Karlsson & Dolnicar, 2016).

The superiority of sustainable certification systems and environmental approval seals in the hotel industry is based on the ease with which sustainable criteria may be developed and implemented, as well as the cost savings associated with implementing ecological standards. These programs are largely concerned with energy and water conservation, as well as trash disposal (Aprilasani et al., 2017). Socioeconomic parameters take a back seat in the majority of certification systems.

Businesses improve their standards of quality, environmental stewardship, and social responsibility through a certification procedure and the completion of particular criteria. Additionally, enhancements to operational and management techniques were identified. However, the certification system has yet to prove viable as a marketing tool. Demand for certified sustainable tourist offerings is currently minimal, despite the fact that numerous international surveys indicate a high level of interest and a favorable attitude toward sustainable tourism offerings (Kumaji et al., 2021).

There are always action obstacles to overcome when implementing CSR measures in businesses. Businesses frequently identify limits in the high time commitment required to undertake CSR initiatives, high investment expenses, and high operating costs. However, knowledge gaps and information gaps about CSR within businesses, as well as the majority of the few financial opportunities available from the public sector, are frequently impediments. On the other hand, tourist executives find benefits in incorporating the CSR concept into their organizations, particularly if they can achieve cost savings or operational excellence.

Corporate Responsibility in the Hospitality Industry

Within the hospitality industry, environmental and socially responsible actions can be found in the following areas of the company: project development, including site selection, building architecture and structure, energy and water supply, waste management systems, cleaning, guest arrivals, and departures, communications and marketing, and services customers (reservations, check-in).

The commitment to CSR measures in hotel chains is more significant than independent companies. CSR measures in the hotel industry can be implemented in energy and water management, wastewater and waste management, chemical products, biodiversity conservation, nature

conservation, contribution to the development, and regional conditions in the workplace (Dwiyanti & Mahyuni, 2018).

One of the most meaningful CSR measures in the hospitality industry is efficient energy management that minimizes energy consumption and accelerates the use of renewable energy. Hotels often consume a lot of energy due to the necessary infrastructure, such as swimming pools, saunas, heating, air conditioning, etc. The most efficient way to save energy is to replace old energy-consuming appliances with modern energy-saving devices (e.g., heaters, air conditioners, kitchen appliances). Here, fossil fuels must be returned with renewable energy. Energy-efficient lighting, sensors, and timers to control lighting are other measures. Information and training can encourage employees and guests to behave energy-efficiently. Building insulation and switching to renewable energy that reduces CO₂ emissions is another environmentally friendly CSR measure (Lubis, 2007).

Water consumption is also very high in the hospitality industry (in-room sanitation areas, kitchens, laundries, swimming pools, wellness areas, etc.). Reducing water consumption and maintaining water quality are other necessary environmental protection measures in the hotel and restaurant industry. There are several measures to save water, such as stopping water in toilets, water-saving showers and equipment, use of treated water, training staff and guests on water-saving behavior and regular servicing, and equipment repair. And a broken system. Restraints on water use also reduce wastewater, another area for environmental protection measures in the hospitality industry. Contaminated sewage can contaminate groundwater and surface water without proper wastewater treatment. Possible actions to improve wastewater quality include oil or grease separators, biodegradable detergents and cleaning agents, or cleaning swimming pools with activated oxygen. The treated wastewater can be reused to flush toilets or irrigate green areas.

Waste management is an important area of CSR. The main goal is to avoid waste, followed by proper waste management. An effective waste management system is based on reduction, reuse, and reprocessing. Actions in this area include purchasing products with fewer packaging materials and waste collection, segregation, and recycling.

CSR actions with a social focus are mainly related to the company's contribution to improving the quality of life in the city where the company is located to enhance its employees' working conditions and welfare.

Corporate CSR measures in the hospitality sector can significantly impact the socio-economic development of a municipality (Hughes & Scheyvens, 2016). CSR measures in this area include employing local workers, fair and safe working conditions, training and education programs to train local workers, buying local products, and commitment and support of local social projects to improve mutual welfare.

One of the many positive examples here is the Earth Guest program of the Hilton Hotels chain. In addition to the ecological approach within the ECO-Pro framework Hilton has also integrated a powerful social component into the program, which is to conserve natural resources and is designed to improve the general welfare of the population (Randle et al., 2019). The Earth Guest Program consists of four pillars: supporting local economic development through long-term partnerships and promoting fair trade practices in all purchases, protecting children through staff training, raising awareness among guests, and preventing and combating the AIDS epidemic. And malaria, in addition to contributing to a healthier diet for hotel guests and preventing obesity. A series of individual steps support the four pillars.

4. Conclusions

The development of tourism, which has increased over the last few decades, has caused positive impacts, such as economic growth and increased community welfare, and caused adverse effects, namely environmental damage. The resulting ecological damage includes increased pollution, disposal of garbage and waste, excessive land use, and loss of biodiversity. Therefore, in preventing and maintaining environmental damage from occurring, it is necessary to create a concept of sustainable tourism development. One of the stakeholders who play a role in this program is the company through

CSR. CSR is understood as a functioning basis for companies to voluntarily integrate social and ecological concerns into their business activities and relationships with stakeholders. The concept of implementing CSR specifically for companies engaged in tourism in a more formal approach is the application of certifications and labels such as environmental management standards in companies, ISO 14001, and social responsibility standards, ISO 26000, where this certification program focuses on energy and water management. The company, as well as the company's waste disposal actions, are following the environmental concept. This study also examines how CSR is in the hotel industry where corporate social responsibility can be seen from project development, including site selection, architecture and building structures, energy and water supply, waste management systems, cleaning, guest arrivals, and departures, communications and marketing, and customer service.

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