

**THE ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITY
IMPLEMENTATION BASED ON *TRI HITA KARANA* CONCEPT
(A Case Study at the Meliá Bali Hotel)**

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THE ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITY IMPLEMENTATION BASED ON *TRI HITA KARANA* CONCEPT (A Case Study at the Meliá Bali Hotel)

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ABSTRACT

This research is descriptive qualitative research that aims to identify and understand the implementation of CSR based on *Tri Hita Karana* at the Meliá Bali Hotel. The case study is used as a method of research and designed to answer the research questions. Thematic analysis is used to interpret the data. Furthermore, the data collection method are interview, observation and documentation. The result in this study reveals that first, CSR at Meliá Bali using the concept of *Tri Hita Karana* is *Parahyangan*, *Pawongan* and *Palemahan*, in which each aspect is done within the scope of internal (within the *company*) and external (outside the company). Second, the entire CSR activities are summarized in a special CSR report every month, which reported to Meliá Hotels International (MHI). It is because MHI has a policy that requires each of his hotel to carry out at least 5 social activities each month. Meliá Bali CSR report is separate from their financial statements and were made without following any guidelines. Third, Meliá Bali does not implement the budget-policy in implementing CSR. With huge funds obtained from various sources, any person who is deserving to be helped by them will be helped. Fourth, there are no significant problems faced by Meliá Bali in the implementation of their CSR. The only problems that often occurred was the lack of time to carry out CSR activities, due to the number of jobs in the hotel that need to be completed.

Key words: Corporate Social Responsibility, *Tri Hita Karana* Concept, CSR Implementation, Meliá Bali Hotel

I. INTRODUCTION

Bali is one of the most famous tourist destinations in Indonesia. The tourism & hospitality industry in Bali has become one of the primary sources of economic development. It is frequently viewed as a source of economic, environmental, social and cultural benefits through its support of job creation, improvements to infrastructures and cultural understanding (Bohdanowicz & Zientara, 2009; Cuccia & Rizzo, 2011; Jovicic, 2011; Liu & Lin, 2011). These large tourism industries provide income for many families and villages across the island. Tourism in Bali was also the greatest sector absorbing employment with 768,075 or 33.04% (BPS – Statistic of Bali Province, 2016). It's, then, obvious that Bali has benefited from the growth of tourism sector. However, there are large negative effects that come from that tourism & hospitality industry itself, mostly are related to natural environment which is including air and noise pollution, biodiversity loss or waste generation (Chan, 2011; Khairat & Maher, 2012). It makes while the community beneficially enjoy the economic impacts, but also face the negative impact such as environmental and culture issue.

Hotels as part of tourism industry in Bali are also one of the responsible parties for the negative effects that happen. With a number of hotels (star and budget hotels) that reach 1.677 (Disparda, 2015), it is not surprising that they contribute to environmental damage. Some people even bluntly blame the hotel for that harm.

Meliá Bali Hotel, as one of the hotels that take advantage of the tourism sector is aware of that. They realize they have participated in environmental damage. They are aware of their activities pose problems for the environment and surrounding communities. Thus, they are actively engaged in various activities on the environment and social concerns, which is better known as Corporate Social Responsibility (CSR). CSR is a concept about the actions taken by the company as a form of responsibility towards the social environment in which they operate.

Kotler and Lee (2005) defined CSR as commitment to improve community well-being through discretionary business practices and contributions of corporate resources. It is a concept where it emphasized to no longer make a profit as the only goals of the company, which is known as the single bottom line. Elkington (1997) has managed to make the biggest breakthrough in Corporate Social Responsibility through the concept of "3P" (profit, people, and planet). He argued that if a company wants to remain sustained, they should base their policies on the triple bottom line, where in addition to make "profit" as a corporate purposes, also must pay attention to the aspect of "people" which is a real contribution to society and the "planet", namely active to protect the environment.

Meliá Bali Hotel, as mentioned earlier, is a resort that can be said to be the most successful implementation of Corporate Social Responsibility. They have been doing CSR activities for more than 15 years. They have a variety of policy that favor of the environment. One was seen on how they cope with problems arising as a result of their activities, namely the availability of water for the surrounding communities. Meliá Bali, as a five-star hotel resort, is surely consume a large number of water. They realized that they can't take all of the water needs from groundwater since the people around the hotel won't get enough to fill their needs. That's why since 2013 they fills their water needs by using Sea Water Reverse Osmosis (SWRO) machine only. By recycling the sea water and use it for hotel needs, such as filling pool, the dependence on groundwater can be removed. And by not using the groundwater, the people around the hotel are expected to not have a water problem. This policy is an example of CRS implementation of Meliá Bali.

CSR undertaken by Meliá Bali is based on one of the Balinese culture, the *Tri Hita Karana*. The use of Balinese culture as the foundation of their CSR activities based on either their vision which is sharing the local culture, and cultural integration and contributing to society. This is in line with research from Asocio in Pertiwi (2013) revealed that the character of Corporate Social Responsibility, particularly in the Asia Pacific region (including Indonesia) are more affected by long tradition of cherishing family, social networks, religious, cultural and varied, which makes the character of Corporate Social Responsibility in the Asia Pacific region is different from Europe or North America. The culture of Indonesian society itself is a religious community that believes on the Almighty God as the creator and the supreme ruler of the universe.

Tri Hita Karana, as a concept that being used by Meliá Bali, is a concept based on the principle of the harmony of life that consists of three elements which is interrelated to one another. The three elements are, *parahyangan* that refers to a harmonious relationship between people and the Almighty God, *pawongan* that is a harmonious relationship with fellow human beings, and *palemahan* that is the harmonious relationship with the environment or natural surroundings (Parma, 2010). It seems the concept of CSR can go together and harmonious with the elements contained in the THK which prioritizes the value the relationship between people and God (*Parahyangan*), between people and his fellow (*Pawongan*) and between people and the natural environment (*Palemahan*).

In this research, *Tri Hita Karana* concept is used as a lens in a data analysis that related to the implementation of Meliá Bali's CSR. The choosing of *Tri Hita Karana* is based on 2 reasons. First, *Tri Hita Karana* is considered to be better to in explaining the implementation of CSR in Bali. The given explanation is more depth compared to the concept of 3P (profit, people, planet) introduced by John Elkington. The concept of profit and people are able to be explained well by *Pawongan* aspect in *Tri Hita Karana* concept. The concept of planet is described by the *Palemahan* aspect. And the last element in *Tri Hita Karana*, *Parahyangan*, offers an explanation that are not contained in the concept of 3P, which is the explanation of God /spiritual. As we know, the character of Corporate Social Responsibility, particularly in the Asia Pacific region (including Indonesia) are more affected by long tradition of cherishing family, social networks, religious, cultural and varied, which makes the character of Corporate Social Responsibility in the Asia Pacific region is different from Europe or North America (Asocio in Pertiwi, 2013). Therefore, adding the explanation of spiritual aspect (*Parahyangan*) in a CSR research in Bali is the right thing to do. The second reason for using the *Tri Hita Karana* concept is based on the fact that the use of THK in Bali tourism has actually been required by the government through the Local Regulation No. 2 year 2012 regarding Cultural Tourism Bali.

Therefore, based on these two reasons, the use of the concept of *Tri Hita Karana* to explain the implementation of CSR in Bali is deemed to be appropriate.

Selection of Meliá Bali as a research site is based on their excellent performance in the implementation of CSR based on *Tri Hita Karana*. One indicator of their success is the number of awards they have received, either from a local, national or international. Meliá Bali nationally has been named as the Eco-hotel after the acknowledgment given by the National Environment Agency (*Badan Lingkungan Nasional*) in 2000 and in the same year obtained the certification from Green Globe, the international environmental preservation entity and became the first hotel amongst the group hotels Meliá around the world as well as the first hotel in Bali. Green Globe award continues to the next level in 2006, and in 2007 received the title of the first gold in Indonesia. In 2011, Meliá Bali was rewarded the EarthCheck Platinum, one of the world highest environmental certification. It was the first hotel in Asia and one of only five hotels in the world to be awarded the distinction of EarthCheck Platinum at that time. Meliá Bali commitment to the environment also allowed them to achieve the gold award for three times in a row as the winner of *Tri Hita Karana* Tourism Award. Meliá Bali currently holds the title of Emerald (lifetime achievement) because having been awarded gold for the fourth time in the *Tri Hita Karana* Tourism Award 2008. Therefore, the outstanding performance of Meliá Bali encourage the researcher to know and analyze their CSR activities

Based on the background issues described previously, general purpose of the current research is to describe and analyze the implementation of social responsibility based on THK concept at the Meliá Bali Hotel. The basis used to connect the concept of CSR and THK in this study is the journals of Sukoharsono (2008 & 2010). Sukoharsono used as the basis for research journal because of his research combines spiritual values into the framework of CSR. The use of the hotels sector, which is represent by Meliá Bali, as an object in this study due to the most a major impact on natural resources in Bali was caused by this sector. In addition, hotels sector are one of the high profile industry that has visibility of stakeholders as well as facing high competition. Robberts (1992) in Hackston and Milne (1996) defined a high-profile industry as an industry that has a consumer visibility, high political risk, or face high competition.

II. LITERATURE REVIEW

2.1 Corporate Social Responsibility (CSR)

2.1.1 The Definition of Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a social obligation with a broader perspective than mere business responsibilities. CSR is intended as a company's efforts to raise awareness of social and environmental concerns in their business activities. In addition, CSR is also intended as a way for companies to interact with stakeholders voluntarily. CSR is defined as well as the company's commitment to contribute to sustainable economic development, working with the company's employees, their families and the local community in order to improve the quality of life. Overall, CSR is a company's promise to create a positive impact in the world; this does not mean they do not have a profit motive, it merely means they care about the world while trying to make money.

Since at the time of CSR terminology introduced in 1920 until now, there is no single definition of the CSR itself. The followings are some definitions of CSR, namely:

Bowen (1953) in his book entitled "Social Responsibility for the Business" defines CSR as follows: *"it refers to the obligation of businessman 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 argued that social responsibility is not panacea, but that it contains an important truth that must guide the business in the future. Because of his early and seminal work, Howard Bowen called as the "Father of Corporate Social Responsibility."

McGuire through his book Business and Society (1963) stated that *"The idea of social responsibilities supposes that the corporation has not only economic and legal obligations but also certain responsibilities to society which extend beyond these obligations"*. Furthermore, McGuire proposes definition that is somewhat more precise than previous ones that it extends beyond economic and legal obligations.

Indonesian Government defines CSR through 2 different Act. First Law is Number 40 Year 2007 concerning Limited Liability Company (UUPT). According to Article 1 paragraph 3 of the UUPT, *Social and Environmental Responsibility means the commitment from Company to participate in the sustainable economic development, in order to increase the quality of life and environment, which will be valuable for the Company itself, the local community, and the society in general*. The second definition of CSR is presented in the article 15 Point b of Law Number 25 Year 2007 concerning Investment. *"Company's social responsibility" shall mean the responsibility adhered to any investment companies in creating harmonious, balance relationship in accordance with the environment, value, norms, and culture of local community*.

2.1.2 The History of Corporate Social Responsibility

The First Phase: Howard Bowen

Bowen (1908-1989) was an American historian economist who inspired the emergence of social and environmental accounting. Bowen started his career at the University of Iowa, to the positions of the president of Grinnell College, the University of Iowa. Bowen contribution is the publication of a book entitled Social Responsibility of Businessmen in 1953. Bowen (1953) put the basis of this concept by saying *"it refers to the obligation of businessman 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"*. Then, he collectively used it as an initial basis for defining the social responsibility.

The Second Phase: Keith Davis

Continuing what is proposed by Bowen (1953), Davis (1960) introduced his work entitled *"Can Business Afford to Ignore its Social Responsibilities?"*. Davis sharply argued that social responsibility should be owned by the organization. *"businesses' decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest"* (Davis, 1960). With this statement Davis asserted the existence of organization's social responsibility beyond mere economic responsibility.

The Third Phase: US Committee for Economic Development in 1971

Committee for Economic Development (CED) is a non-profit organization and a nonpartisan American of 200 senior corporate executives and prominent university leaders who made the very phenomenon report in 1971 titled "Social Responsibilities of Business Corporations". The report uses "three concentric circles", that are: Firstly, the inner circle included basic economic functions - growth, products, and jobs. Secondly, the intermediate circle suggested that the economic functions must be exercised with a sensitive awareness of changing social values and priorities. Thirdly, the outer circle outlined newly emerging and still amorphous responsibilities that business should assume to become more actively involved in improving the social Environment (Carroll, 1991).

The Fourth Phase: The First France Mandatory Regulations in the World

Davis (1960) and then reinforced his argument with a statement about the "iron law of responsibility" that is encouraging the emergence of social and environmental accounting. Davis stated that: "social responsibility of businessmen need to be commensurate with their social power ... then the avoidance of social responsibility leads to a gradual erosion of the social power". The arguments are built by Davis, became the forerunner of the identification of the organizations obligations that will encourage the emergence of the concept of social and environmental accounting in the 70s. In addition, Davis conception of the "iron law of responsibility" become a reference to the importance of reputation and public legitimacy for an organization. American countries first develop this responsibility, although the regulation has not been implemented mandatory. Some countries such as Germany and Western Europe then followed to adopt the Social Responsibility Reporting regulations which done firstly by Americans (Preston, et.al, 1978). France was the first country in 1977 who mandated business organizations to report their social responsibility activities.

The Fifth Phase: The Collapse of the Socialist Economy

The collapse of the socialist economy followed by the conservative economic neoliberalism in the 1980s resulted in stagnant development of social and environmental accounting. The shareholders of big companies started to tighten their money on social responsibility activities. The declining in performance of the world companies as well as the occurrence of financial scandals in the UK resulted in the emergence of strict regulations that have an impact on the financial control of business organizations. Even the resistant and tight financial control occurred in this period, the concept and framework of social accounting and reporting models keep it running. Only at this time some new concepts with a new name began to appear. The new term is Socially Responsible Investing (SRI). SRI is widely used in general in the UK.

The Sixth Phase: Balance Scorecard

This phase is a combination of financial and non-financial assessing of the organization performance. Introduced in 1987 by Art Schneiderman, who then comprehensively redesigned by Kaplan and Norton (1990), Balance Scorecard gives Social and environmental accounting its own place. Balance Scorecard consist of four phenomenol perspectives, which are Financial; Customer; Internal Business Process; and Learning and Growth. The early 1990s was a boom model of social and environmental accounting reporting by utilizing the concept of the Balanced Scorecard. Many large companies in the United States and Europe uses this concept to help them to express concern for the organization to its stakeholders.

The Seventh Phase: Robert Hugh Gray

Gray (1992)'s contributions for the development of social and environmental accounting undoubtedly was great. His publication has colored the concept of social and environmental accounting to the idea of accounting for sustainability. Gray (1993) identifies the different methods of the sustainability accounting. The method is Sustainability Cost;

Natural Capital Accounting Inventory; and Input - Output Analysis. At this phase, the understanding of social and environmental accounting is specifically designed in the form of quantitative monetary value, as it complements the conventional accounting.

The Eight Phase: John Elkington's Triple Bottom Line

Elkington (1997) is a founder of the 'triple bottom line' concept. This concept inspired the expansion of conventional accounting based on the financial only, which known as the 'single bottom line' concept. The term 'Triple Bottom Line' become important when people, planet and profit are offered into the concept of social responsibility and environmental accounting. Social and environmental accounting in this phase began preoccupied with the model report which gives activity categories related to society, economy and environment.

The Ninth Phase: Sustainability Reporting

At almost the same time with Elkington (1997), a Non-Governmental Organization CERES (Coalition for Environmentally Responsible Economies) and the United Nations Environment Programme (UNEP) established the GRI (Global Reporting Initiative), an independent organization that builds Sustainability Reporting standard. GRI guidelines first issued in 1999 (GRI, 1997). This phase brings the development of social and environmental accounting to be better and be fairly broad adoption patterns. GRI G3 reporting model is inspiring model of social and environmental accounting reporting as an alternative to conventional accounting reporting. The GRI model is deduced by the absence of the spiritual aspect, which many experts from across many disciplines, has many breakthrough comprehensive reporting of business activity, although without the spiritual aspect in it.

The Tenth Phase: The Sosio-Spiritualism Accounting

In 2000, the Department of Accounting, Economics and Business Faculty, University of Brawijaya introduce the understanding of accounting which is not only limited to 'monetary figures' and 'journal table economic transaction', but also introduces the relation 'spirituality' and 'metaphysics' (Sukoharsono, 2009). In these discussions, preferably holy spirit in the form of universality that can be interpreted with a genuine love (merciful), a sincere love (truthful love), transcendental consciousness, capable of self-contemplation, and honesty. In this phase, socio-spiritual accounting constructed by utilizing the 'multiple units of measurements' to assess the performance of individuals and organizations. What is meant by multiple units of measurements is basically providing the assessment of the five (5) elements holy spirit: a genuine love (merciful), a sincere love (truthful love), transcendental consciousness, capable of self-contemplation, and honesty.

2.1.3 The Benefits of Corporate Social Responsibility

According Wibisono (2007), the company gets some advantages from implementing CSR, namely:

1. Maintaining and improving the company's reputation and brand image.
2. Being eligible to get social license to operate.
3. Reducing the risk of the company's business.
4. Expanding access to resources.
5. Granting access to the market.
6. Improving the relationship with stakeholders.
7. Improving the relationship with regulators.
8. Reducing costs.
9. Increasing employee's motivation and productivity.
10. Opportunity to be awarded.

2.1.4 The Initiatives of Corporate Social Responsibility

Kotler dan Lee (2005) in Vangedal (2010) stated that there are at least six options for doing good as a social enterprise initiatives that can be taken within the framework of the implementation of CSR, namely:

1. Corporate Philanthropy
2. Cause Promotion
3. Cause-Related Marketing
4. Corporate Social Marketing
5. Community Volunteering
6. Socially Responsible Business Practices

2.1.5 The Regulations of Corporate Social Responsibility in Indonesia

1. Law of Republic Indonesia Number 25 of 2007 Concerning Investment Article 15
2. Law of Republic Indonesia Number 40 of 2007 Concerning Limited Liability Companies
3. Government Regulation Number 47 of 2012 Concerning Social and Environmental Responsibility of Limited Liability Company
4. Law of Republic Indonesia Number 32 of 2009 Concerning Environmental Protection and Management
5. Regulation of The Ministry of State-Owned Enterprises (SOE) No Per-05/MBU/2007 Concerning State-Owned Enterprises Partnerships with Small Businesses and Environmental Development
6. Law of Republic Indonesia Number 22 of 2001 Concerning Oil and Gas
7. Law of Republic Indonesia Number 13 of 2011 Concerning Poverty Eradication
8. Regulation of The Ministry of Social Affairs No 13 of 2012 Concerning Corporate Social Responsibility Forum in the Implementation of Social Welfare

2.2 The Concept of *Tri Hita Karana (THK)*

Tri Hita Karana is a term that derived from the *Sanskerta*. It can be divided into three words: *Tri*, *Hita* and *Karana*. *Tri* means three, *Hita* means prosperity and *Karana* means causes. Therefore THK means three cause or three elements that can generate prosperity or well-being, namely *Parhyangan* that refers to a harmonious relationship between people and the Almighty God, *Pawongan* that is a harmonious relationship with fellow human beings, and *Palemahan* that is the harmonious relationship with the environment or natural surroundings. This can be explained as follows:

2.2.1 *Parahyangan*

Parhyangan derived from the word *Hyang*, which means God. *Parahyangan* is one of dimensions of THK philosophy highlighting that prosperity can be achieved if harmonious relationship between human and the creator, God, is realized (Wiana, 2004; Ashrama, 2005 in Astawa, 2012). Business activity is a gift; therefore, it is under God's control (Windia and Dewi, 2007). Consequently, a company is hoped to create religious nuance (divinity) both inside and outside the company (Ashrama, 2005; Windia and Dewi, 2007). In creating harmony with God, a company should develops a sense of devotion and belief that God is exist and has created us (Wiana, 2007) through some real activities, such as the availability of prayer room in company's environment, financing Islamic pilgrimage (umroh and hajj), religious tour (*Tirtha Yatra*), renovation of the temple, welfare of the stakeholders, assistance to people who are less able to carry out religious rituals, etc.

2.2.1 Pawongan

Pawongan is derived from the word *wong*, which means people. So that *Pawongan* intended as a relationship between human beings in a common life, in which the organization or either official or customary (*adat*) institutions, community and the family as a place of interaction. The simple ways to execute the implementation of this concept are by conducting three good things like to think the good thing (*Manacika*), to speak the good thing (*Wacika*) and to conduct the good thing (*Kayika*). By conducting three good things that is called *Tri Kaya Parisuda*, it is ensure that we can conduct this concept. In business context it is refers to harmonious relationship inter-employees, between employees and company's management and between company's management and the community (Ashrama, 2005 in Astawa, 2012). Comprehensively, Ashrama (2005) states that harmonious relationship can be indicated from several things, such as: the existence of group in organization for example, union, sekeha-sekeha; harmonious relationship between company and community can be maintained by such program as poverty alleviation, utilization of local labor and conducting skill training.

2.2.1 Palemahan

Palemahan, this word is come from *lemah* that is meaning the land or environment. Generally *Palemahan* in *Tri Hita Karana* is all aspect related to the environment. Base on this concept the Balinese has treated the environment well and they believe that the good environment will give their life better. Once example the Balinese treat the environment that on the *Tumpek Uduh* based on the Balinese calendar, the Balinese give the offering to the tree with the purpose that the tree has given them prosperity and a lot of thing they can do to keep the harmony and balance with the environment. *Palemahan* is the dimension related to physical aspects of our or company surrounding environment (Surpha, 2001; Wiana, 2004; Ashrama, 2005 in Astawa, 2012). Ashrama (2005) explained that company's layout and building should be adjusted to the existed religious belief and culture. A company should have commitment to maintain and increase the quality of environment, for example, having active participation in environmental saving, nature conservation, waste management, and effective and efficient energy and natural resources utilization.

III. RESEARCH METHODOLOGY

3.1 Research Type

This study is classified as qualitative descriptive research. Descriptive study is undertaken in order to ascertain and be able to describe the characteristics of the variables of interest in a situation (Sekaran and Bougie, 2010). It's used when we try to describe certain characteristics of the phenomena on which interest centers. Qualitative research involves collecting and/or working with text, images, or sounds. Type of descriptive research approach used in this research is case study. Case study involve in-depth, contextual analyses of similar situations in other organizations, where the nature and definition of the problem happen to be the same as experienced in the current situation (Sekaran and Bougie, 2010).

3.2 Unit of Analysis

The unit of analysis of this research is Meliá Bali. The unit of analysis refers to the level of aggregation of the data collected during the subsequent data analysis stage (Sekaran and Bougie, 2010). In other words, the unit of analysis is defined as aspects which are related to

the focus or component under study. Individuals, dyads, groups, organizations, or cultures may be categorized as the unit of analysis of study.

3.3 Data Sources and Data Collection Method

Data source is the subject of the research from which the data can be obtained. In qualitative research, there are two sources that can be used to get the data. Those are primary data source and secondary data source. Primary data source is source of information which obtained first-hand by the researcher on the variables of interest for the specific purpose of the study (Sekaran and Bougie, 2010). For the primary data source, the researcher uses the result of in-depth interview conducted at Meliá Bali. Data used in this research is definitive and meaningful because it is gleaned from trusted and authorized informant at Meliá Bali. Secondary data refer to information gathered by someone other than the researches conducting the current study (Sekaran and Bougie, 2010). The secondary data of this research is obtained from documents and the CSR annual reports of Meliá Bali.

The method of collecting data is the way used by the researcher in collecting the data in order to answer all the research question. In qualitative research, collecting the data mostly is done by conducting depth interview, documentation and observation. Detail descriptions of data collection method are available as under.

3.3.1 Interviews, Informants and Research Site

Sugiyono (2012) stated that interview is a data collection through meetings between researchers with the informant to exchange information. Based on the degree of structuring, interviews can be divided into three categories: structured interviews, semi-structured interviews, and unstructured interviews (Fontana & Frey, 2005). This research used a semi-structured review in order to get the information. Because of the researcher did with semi-structured interview, interview guide is needed with the researcher did some improvisations. This interview guide was made by following some aspect of G4 from Global Reporting Initiative (GRI).

Research site's selection is a common step that must be done first in qualitative research. This research was conducted at the Meliá Bali which is one of the five stars hotel in Bali with an area of approximately ten hectares and is located in the tourism area BTDC Lot 1, Nusa Dua. The reason to choose Meliá Bali as a research site because this hotel does have an obligation to implement Corporate Social Responsibility (CSR). The other reason is because Meliá Bali is one of the hotels that have implemented Corporate Social Responsibility on the basis of cultural values of *Tri Hita Karana*, covering a harmonious relationship between people and God (*Parahyangan*), interpersonal (*Pawongan*), and between humans and the environment (*Palemahan*). In addition, the hotel has even received recognition in the form of *Tri Hita Karana* Award Gold Medal in 2011 and the *Tri Hita Karana* Emerald Medal Award in 2012 for the hospitality in Bali. *Tri Hita Karana* Award is a prestigious award which have been acknowledge by United Nation-World Tourism Organization (UN-WTO). Therefore, the selection of the Meliá Bali as the site of research is expected to provide more detailed information to support the goals of this research.

The primary source of data in this study is the informants. To determine informant, the purposive sampling is used. Every informant who selected have experience in the implementation of Corporate Social Responsibility related to *Tri Hita Karana* at Meliá Bali, namely the hotel manager as well as the employees of the hotel, particularly the HRD (Human Resources Department), and engineering. In addition, informants from the community surrounding the hotel, such as the headmen of Benoa Village to find out how the implementation of CSR and its benefits.

3.3.2 Observation

Observation is one of the data collection methods by observing directly and engaging (researcher) in the activities of society which is examined. As a data collection method for research purposes, observation is more than just looking or listening. According to Stainback (1988) in Sugiyono (2012), the researcher observes what people do, listen to what they say and participate in their activities. Generally, objectives of observation in this research are divided in 3 main elements; there are place, actor and activity. In this research, the observation was conducted at Meliá Bali. The researcher observes the implementation of CSR. The examples of some activities that the researcher observed are taking a look of CSR report that made by companies, some evidences of CSR implementation such as donation receipt) etc.

3.3.3 Documentation

One of the data collection methods used in this research is documentation. Document is type of secondary data that obtained through intermediary media or data that has been created and processed by other parties. In this research, the researcher takes some pictures related in CSR activities which based on THK concept. Those documentations cover all related phenomena of *Tri Hita Karana* concept such as *parahyangan*, *pawongan* and *palemahan* aspect.

3.4 Data Analysis

Analysis of data on qualitative research is the process of collating data obtained systematically by means of categorizing, prepare according to the pattern, select the data that is important and that needs to be explored, as well as making inferences from data analysis. The steps conducted in case study is similar to the steps conducted in qualitative research, because in fact the case study is part of a qualitative research. Moleong (2006) stated that the process of data analysis begins by examining all the data that have been obtained are then reduced to a summary of which is at the core of the data. The next step is to prepare a summary of the data into categories. The category is made while coding. The last stage of the analysis of the data is validity check of the data.

IV. RESULTS AND DISCUSSIONS

4.1 Parahyangan: CSR and God

Parahyangan is one of dimensions of THK philosophy highlighting that prosperity can be achieved if harmonious relationship between human and the creator, God, is realized (Wiana, 2004; Ashrama, 2005 in Astawa, 2012). The meaning of this dimension is human understand existence of God, implementing life performance and how people can prepare adequate facilities to carry out the activities of Lord. These dimensions indicate the integrity of human being in his life to always act in accordance with rules and norms of religion. The implementation of Corporate Social Responsibility by incorporating elements of *parahyangan* encourage the hotel to realize that the success of the business (in financial terms), not merely because of their ability and hard work, but also due to the will of God (Ida Sang Hyang Widhi Wasa). So the responsibility carried by Meliá Bali is considered as the hotel's gratitude to God Almighty for the success that has been obtained.

Meliá Bali fulfill the responsibilities associated with the *parahyangan* aspect by perform various activities. Routine activity is being conducted, namely gives *sesajen* (offerings) every morning to all monuments, perform *pidalan* (annual temple ceremony) and *tirta yatra* (holy trip). In addition Meliá Bali also provides an opportunity for every employee to perform their religious activity. They also have a sacred place (*padmasana*, *penugun karang*, *pelangiran*) for Hindu employees and special rooms for employees with other religions, as

well as always support and facilitate any religious activities. Meliá Bali also distribute wealth (corporate profits) to the local community through donations activities. Meliá Bali commitment in carrying out CSR activities related to aspects *parahyangan* can also be seen from the costs incurred, which reached thousand dollars.

4.2 Pawongan: CSR and People

Pawongan is one element of *Tri Hita Karana* which emphasizes the harmony between man and his fellow man, which in CSR is meant for maintaining harmony between the employer and the surrounding community, so if you have achieved harmony of society with the company, then the continuity of the company could be maintained and profits can be achieved.

Pawongan has similar objectives to the element of people in the 3P concept introduced by Elkington (1997), the company must pay attention to the aspect of "people" which is a real contribution to society. In addition, *pawongan* element in the culture of *Tri Hita Karana* is also associated with other Hindu culture, namely Karmaphala (causation) and Tat-Twam-Asi. Tat-Twam-Asi which means 'I was you, you are me', teaches a sense of social indefinitely. Likened that if we help others, it means we help ourselves, and if we hurt others means hurting yourself. In CSR activities, *Tat-Twam-Asi* may cause mutual help and respect between companies and communities or companies with business competitors so as to avoid conflict.

Meliá Bali has fulfilled the responsibilities associated with the element *pawongan* with various activities. Activities of Meliá Bali focused on two aspects, namely health and education. CSR activities covering various aspects of health including blood donors, yoga lessons, as well as fogging. Blood donors as well as regular fogging carried out 1-2 times a year, while regular yoga lessons held every Saturday. Meanwhile, in the aspect of education, Meliá Bali regularly conduct seminars, socialization, and training. Various seminars and information dissemination activities are mostly health seminars, such as cancer or HIV / AIDS. For training, Meliá Bali gives spa training to the children of SLB B (The Deaf School Bali).

Meliá Bali is also carrying out its social responsibility associated with the element *pawongan* by making a donation to a wide variety of purposes. Some are intended to help the education of poor children (scholarships), helping poor families in meeting their daily needs, donations to repair the house of surrounding communities, even international donations intended for UNICEF.

Meliá Bali also does not forget to fulfill its social responsibility to its own employees. Employees who is prioritized come from the surrounding community, regularly invited to perform a variety of relaxing activities such as fun games, fun walk and fun bike.

Implementation of CSR related to aspects *pawongan* conducted by Meliá Bali provides many benefits. The biggest benefit, of course, harmonious relationship with local communities' which is helped by the various activities of the hotel. Business hotel becomes smoother because of the absence of conflict of outsiders. Benefits internally also accepted by Meliá Bali. Employees felt more appreciated by the hotel. In addition the relationship between employees is also getting better and better, so that it will spur the spirit of employees to work better and in the end a positive effect on company performance.

4.3 Palemahan: CSR and Environment

Palemahan is the last element of the *Tri Hita Karana* culture. *Palemahan* emphasized the good relationship between the company and the environment. *Palemahan* has the same meaning and purpose with elements of 'planet' in the concept of 3P introduced by John Elkington (1997), which is an attempt to maintain and improve environmental quality. The company's commitment is developed in an action plan which is then executed, both to environmental conditions within the company and the environment outside of the company.

Meliá Bali has fulfilled the responsibilities associated with the element *palemahan* aspect by protecting the environment of the company itself, including conducting waste minimization or the efficient use of electricity, water, paper, and others, and also the handling of waste as a result of the company's activities, so as not to pollute the environment surrounding the hotel. Cleaning up and planting are also included as *palemahan* aspect in Meliá Bali's CSR activities. They participate in cleaning up and planting tree in surrounding environment inside the company and also outside of the company. Besides that, they also participate on the environmental special day, namely Tourism Award Day, World Water Day and Earth Hours.

V. CONCLUSION

5.1 Conclusions

The objective of the research is to know the implementation of Corporate Social Responsibility (CSR) based on *Tri Hita Karana* (THK) concept in the Meliá Bali Hotel. Corporate Social Responsibility (CSR) conducted by Meliá Bali is not only to comply with the laws, but also to the internal policy of Meliá Hotel Internationals (MHI). The policy is requires Meliá Bali Hotel to carry out at least 5 CSR activities every month. Because of that Meliá Bali has a separate CSR report as a form of accountability to shareholders. The activities, which cost hundreds of millions rupiah each year, begin from the inside of the company itself (internal) and furthermore, it implemented in the outside of the company (external). Activities of CSR that implemented by Meliá Bali Hotel can be included in three aspects of *Tri Hita Karana* concept such as *parahyangan* that is harmonious relationship between human and God, *pawongan* which is having good relationship among human and *palemahan* that is harmonization between human and environment.

5.2 Research Limitations

Research that has been done also has some limitations. First, the researcher fails to obtain information on the Accounting Division of Meliá Bali, as a division related to financial reporting hotel mainly related to CSR. Researcher have tried to ask the willingness of the time for the interview process, but because of busy and tight schedule of this informant who wanted to be interviewed, making it difficult to conduct the interview. Interviews were conducted on Engineering Division was not optimal because the Chief Engineering, as the most knowledgeable person in this division mainly related to CSR was difficult to meet. So the only interview conducted is with one staff of the concerned division.

5.3 Suggestion for Future Research

There are two kinds of suggestion to be considered based on the limitations above. First is the suggestion for Meliá Bali. Meliá Bali is doing well in conducting their CSR program. Their report is also reliable and understandable with the content of their report represent people needs: what are the activities that had been done, the time of activities, party who involved and the documentations (photos) of activities. But still, it would be better if the company regularly update their CSR activity on their website (<http://www.Meliá.com/id/hotels/indonesien/bali/Meliá-bali-the-garden-villas-id/index.html>). Because people who needs it, such as students or other companies, can easily access it. But it does not need to be a full disclosure on the website. The just need to put information deemed to be necessary. By frequently disclose their CSR activity on their website, it is also believed that their good image will get even better as most people now has an access to the internet.

The second suggestion is address to the future researchers. For the future research, it is suggested to schedule the interview for a long time before. Especially if you are going to take a big company as a research site. Because the informants tend to be very busy and it is not wise

to ask for an interview days or weeks before. Expanding the number of the research object, for example, by making observation on CSR activities in 2 or 3 hotels, so the research result will be more accurate, detail and also comparable. Choosing hotels from North Bali is a good option too as the tourism industry in there is rather quite different from the South Ones.

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