

Model of Empowering Marginalized Communities Around Star Hotels Through Corporate Social Responsibility

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ABSTRACT

This research aims at creating a model of empowering marginalized communities around star hotels through Corporate Social Responsibility (CSR) at Surakarta City, Central Java, Indonesia. This study is of a case study. It uses five techniques for collecting data: observation, questionnaire, in-depth interviewing, focus group discussion and research diary. The research was conducted at Banjarsari and Serengan Districts of Surakarta City from February to September 2015. Banjarsari District was inhabited by many former prostitutes while Serengan District was populated by many former criminals. Twenty former prostitutes (1st group), 20 former criminals (2nd group) and 6 instructors from star hotels located at both districts as well as members of Indonesian Hotel and Restaurant Association (IH&RA) were prepared to be research subjects and supported by hotel kitchen and lobby as venues for training activities instead of ordinary classrooms. Through participatory community research approach, the 1st group was trained to make, package and display *jajan pasar* (traditional snacks) and the 2nd group was trained to play and perform *gamelan* (traditional ensemble music of Java). The research findings show that (1) methods of local needs based training is conducted effectively and appropriately to empower marginalized communities around star hotels through CSR. The methods give trainees the opportunity to experience making, packaging and displaying *jajan pasar* and playing and performing *gamelan*; (2) the outcome is in the form of sustainability livelihood which create new sustainable jobs for people as suppliers of *jajan pasar* and providers of *gamelan* players to star hotels; and (3) the implementation of CSR creates harmonious relation between the management of star hotels and the communities. The findings also recommend strongly that methods of empowering marginalized communities around hospitality industries could be applied usefully everywhere if the association of hospitality industry pays attention to the needs of the local communities.

Key Words: empowerment, marginalized communities, star hotels, corporate social responsibility

1. INTRODUCTION

Hotels and communities living in the vicinity are two components that could affect each other. The activities of hotels cannot be denied to have an impact on the surrounding community. These impacts can be positive effects, such as job creation and economic improvement as well as negative effects, such as environmental degradation and public health. Hotel activities which are only oriented to make a profit has begun to shift and begin to attempt a positive impact on the welfare of their surrounding community. The positive impact is in the form of corporate social responsibility (CSR).

The idea of CSR has gained traction within the hospitality industry. Consequently, many hospitality businesses are developing CSR programs and strategies in an attempt to boost customer loyalty, conserve environments, reduce social problems and contribute to the development of communities (Garrick, 2015). The two last attempts are urgently needed to be implemented at a city where the government allows investors to build star hotels in densely populated areas that may lead to a social conflict. According to the Central Bureau of Statistics (2015), Surakarta City is categorized as one of the most rapid cities in Indonesia which has massive development of new hotel infrastructure.

Based on data from the Indonesian Tourism Promotion Board of Surakarta (2015), construction of new hotels in Surakarta City increased significantly in the last five years (2010-2014). Total extra-star hotels increased by 15 units (80%) with a total of 3,150 rooms. Sum of hotels and rooms in Surakarta City can be explained by the following table.

Table 1. Sum of Hotels and Rooms in Surakarta City

Year/Type	Star Hotels		Nonstar Hotels		Total	
	Sum	Rooms	Sum	Rooms	Sum	Rooms
2010	19	1,086	117	2,302	136	3,388
2011	19	1,143	118	2,398	137	3,541
2012	19	1,294	117	2,401	136	3,695
2013	24	1,960	121	2,387	145	4,347
2014	34	3,150	124	1,860	158	5,010

(Source: Indonesian Tourism Promotion Board of Surakarta)

The rapid increase of new hotels is caused by the policy of the Government of Surakarta City which provides ease permits for the establishment of star hotels. Since many star hotels were built at the areas of crowded communities, it needs to create a model of the CSR implementation to make harmonious relation between the management of hotels and the communities to minimize social conflicts. This type of effort may omit the stamp of Surakarta City as the '*sumbu pendek*' (short wick) city in Indonesia and political barometer which can be easily ignited to do violence.

Up to now many interesting studies have been done on CSR in tourism and hotel industries. Kalisch (2002) found that there should be more widespread practices and studies of CSR in these industries. Hill (2010) investigated that the decision making process depends on several factors, including each individual's self-awareness and CSR cost-benefit analysis. Henderson (2007) concluded that CSR contributes to make tourism industries sustainable. Garrick (2015) described that by adopting and integrating CSR into organizational strategies, hospitality organizations can facilitate innovation, increase and/or improve their organizational competitiveness, while at the same time contributing to solving problems in society that may arise. Their studies show that sustainability can be understood as conducting business without endangering future generation's activities.

Furthermore, the CSR related to the empowerment of marginalized communities around star hotels will be explained in the following review of literature.

1.1 Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a company's sense or responsibility towards the community and environment both ecological and social in which it operates (Business Dictionary, 2015). CSR is also the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large (World Business Council for Sustainable Development, 2015). Increased tourism benefits local economies by creating more revenue and employment options as interest in the location grows. However, as the hospitality and travel industry continues to grow and adapt, it becomes imperative that they implement socially responsible procedures. CSR in the hospitality and tourism industry discusses issues and challenges faced by organizations implementing responsible business practices within the travel, hotel, leisure and hospitality industries (Rizwan & Guliani, 2016).

CSR plays more and more crucial roles in the development of hotel business. It is because many hotels are built at the areas where marginalized people live and have conflict potentials between the hotel management and the marginalized communities.

1.2 Marginalized Communities Around Star Hotels

A marginalized community is a group that is confined to the lower or peripheral edge of the society. Such a group is denied involvement in mainstream economic, political, cultural and social activities.

Marginalization is the process whereby something or someone is pushed to the edge of a group and accorded lesser importance. This is predominantly a social phenomenon by which a minority or sub-group is excluded, and their needs or desires ignored (Business Dictionary, 2015). Marginalization or social exclusion deprives a group of its rightful share of reach to productive resources and ways to

utilize its maximum potential for prosperity. It is directed at groups who are seen to differ from perceived norms.

1.3 Model of Empowerment

Empowerment is the process of obtaining basic opportunities for marginalized people, either directly by those people, or through the help of non-marginalized others who share their own access to these opportunities. Empowerment also includes encouraging and developing the skills for self-sufficiency with a focus on eliminating the future need for charity or welfare in the individuals of the group (Adams, 2008).

To start and to implement the process of empowerment effectively, it needs a strategy. One empowerment strategy is to assist marginalized people to create their own nonprofit organization, using the rationale that only the marginalized people themselves can know what their own people need most and that control of the organization by outsiders can actually help to further entrench marginalization (Stewart, 1994). Charitable organizations lead from outside of the community, for example, can disempower the community by entrenching a dependence charity or welfare. A nonprofit organization can target strategies that cause structural changes, reducing the need for ongoing dependence. Empowerment encourages people to gain the skills and knowledge that will allow them to overcome obstacles in life or work environment and ultimately, help them develop within themselves or in the society.

1.4 *Jajan Pasar* and *Gamelan*

Jajan pasar is a Javanese bite-sized snack or dessert food. *Jajan pasar* is a fairly broad term in Central Java to describe a wide variety of traditional snacks. The well-set and nicely decorated colorful assorted *jajan pasar* usually served as dessert to accompany *tumpeng* (the main dish) during Javanese traditional ceremonies (Wikipedia, 2015).

The examples of *jajan pasar* are *apem*, *getuk*, *klepon*, *lapis*, *lemper*, *lupis*, *nagasari*, *putu* and *serabi*. *Apem* is made of cassava *tapai*, coconut water, coconut sugar, rice flour, coconut milk, all mixed as a dough mixture and steamed until fluffy and cooked, served with grated coconut. *Getuk* is made of cassava flour and coconut sugar, served with sweetened grated coconut. *Klepon* is balls of glutinous rice flour filled with *gula jawa* (red coconut sugar), boiled or steamed. The balls are rolled upon grated coconut as the coconut granules stuck upon the balls. *Lapis* is a layered colorful cake made of glutinous rice flour, coconut and sugar. *Lemper* is made of glutinous rice filled with chicken, fish or *abon* (meat floss). The meat filling is rolled inside the rice, in a fashion similar to an egg roll. *Lupis* is compressed glutinous rice served with grated coconut and coconut sugar syrup. *Nagasari* is traditional steamed cake made from rice flour, coconut milk and sugar, filled with slices of banana. *Putu* is rice flour with green *pandan* leaf coloring, cooked with palm sugar filling, steamed in bamboo pipes, and served with grated coconut. *Serabi* is traditional pancake that is made from rice flour with coconut milk or just plain shredded coconut as an emulsifier.

Gamelan is the music created by integrating voices of *gong*, *kenong* and other Javanese music instruments. Soft music that reflects the life of Javanese people will soon greet and calm the soul down once someone is listening to it (Perlman, 2004).

A set of *gamelan* consists of several music instruments. Some of them are drum called *kendhang*, *rebab*, *celempung*, *gambang*, *gong* and bamboo flute or *seruling*. The main components composing the *gamelan* music instruments are bamboo, metal and wood. Each of the instrument has its own function in a *gamelan* music show, for example *the gong* functioning to close the long music melodies and to give balance after the music was previously decorated by Javanese music melodies.

Javanese *gamelan* is a music with pentatonic melodies. A complete *gamelan* play consists of two cycles, namely *slendro* and *pelog*. *Slendro* has 5 melodies per octave, namely 1 2 3 5 6 [C- D E+ G A] with small interval difference. *Pelog* has 7 melodies per octave namely 1 2 3 4 5 6 7 [C+ D E- F# A B] with big interval difference (Sumarsam, 2013). *Gamelan* music composition was created with some rules, namely consists of some cycles and *pathet*, confined by one *gong* and the melodies were created in a unit consisting of 4 melodies.

2. METHOD

In this research, analyzing of corporate social responsibility managed by star hotels and impact of it on marginalized people living around them has examined through a case study. The study uses five techniques for collecting data: observation, questionnaire, in-depth interviewing, focus group discussion and research diary.

The research was conducted at Banjarsari and Serengan Districts of Surakarta City from February to September 2015. Banjarsari District was inhabited by many former prostitutes while Serengan District was populated by many former criminals. Twenty former prostitutes (1st group), 20 former criminals (2nd group) and 6 instructors from star hotels located at both districts as well as members of Indonesian Hotel and Restaurant Association (IH&RA) were prepared to be research subjects and supported by hotel kitchen and lobby as venues for training activities instead of ordinary classrooms.

Through participatory community research approach (Jason & Glenwick, 2015), the 1st group was trained to make, package and display *jajan pasar* (traditional snacks) and the 2nd group was trained to play *gamelan* (traditional ensemble music of Java). The research used a six-step framework: (1) focus group discussion (FGD) between marginalized communities and IH&RA; (2) agreement to conduct training for making, packaging and displaying *jajan pasar* for marginalized communities at Banjarsari District and for playing and performing *gamelan* for marginalized ones at Serengan District; (3) training phase 1 for making, packaging and displaying *jajan pasar* and playing *gamelan*; (4) assesment phase 1 for consumption feasibility of making, packaging and displaying *jajan pasar* and presentation feasibility of playing and performing *gamelan*; (5) training phase 2 for competency improvement of making, packaging and displaying *jajan pasar* and of playing and performing *gamelan*; and (6) sustainability livelihood.

3. FINDINGS AND DISCUSSION

Findings of the research have proven that model of empowering marginalized communities around star hotels through CSR would establish how hotel businesses are developing CSR programs and strategies in an attempt to reduce social problems and contribute to the development of communities living around star hotels.

The research findings show that (1) methods of local needs based training is conducted effectively and appropriately to empower marginalized communities around star hotels through CSR. The methods give trainees the opportunity to experience making, packaging and displaying *jajan pasar* and playing and performing *gamelan*; (2) the outcome is in the form of sustainability livelihood which create new sustainable jobs for people as suppliers of *jajan pasar* and providers of *gamelan* players to star hotels; and (3) the implementation of CSR creates harmonious relation between the management of star hotels and the communities. The above research findings support the findings of Marina Mattera & Alberto Moreno-Melgarejo (2012) and Arlene Garrick (2015) who found that by adopting and integrating CSR into organizational strategies, hospitality organizations can facilitate innovation, increase and/or improve their organizational competitiveness, while at the same time contributing to solving problems in society that may arise. The findings also recommend strongly that methods of empowering marginalized communities around hospitality industries could be applied usefully everywhere if the association of hospitality industry pays attention to the needs of the local communities.

The respondent surveys revealed some interesting results in creating a model of empowering marginalized communities around star hotels through CSR. All the marginalized communities (trainees of making *jajan pasar* and playing *gamelan* trainings) stated that their lives have changed from marginalized group into productive group. All of selected hoteliers and IH&RA members (trainers of making *jajan pasar* and playing *gamelan* trainings) stated that they are satisfied to help the marginalized communities from socially dependent group into independent one.

According to 30 hotel guests of the 6 star hotels located at Banjarsari and Serengan Districts, price, location and quality of service were still to be the top three most important factors considered when choosing a hotel to stay. However, the majority of respondents (97%) stated that the social and environmental activities of hotels would influence their perception of the hotels. Over half of the hotel guests indicated that they appreciated highly to the *jajan pasar* they consumed and the *gamelan* music they enjoyed which made and came from communities around the hotels they stay and as results of the hotels' CSR activities. This indicates an opportunity for hotels to gain reputation improvement from the practice of CSR.

In relation to the CSR activities and their impact on the hotel employees, four out of six hotel managers stated that their employees would be aware of the surrounding communities. Generally they reported that their employees commented positively about their social activities. All of the employees of six hotels stated that the model of empowering marginalized communities around their hotels were really genuine and very good. Formerly, all of the hotels only contributed to local charities and sponsored local events. None of the hotels have a specific budget in place for empowering the marginalized communities.

According to interviews from 6 managers of the star hotels at Banjarsari and Serengan Districts of Surakarta, they implied that corporate social responsibility had a great role for brand imaging and visibility of their hotels and the reputation of public and society. Moreover Indonesian Hotel and Restaurant Association (IH&RA) strongly believe that now a day lots of marginalized people around star hotels in Surakarta City are satisfied with the CSR activities conducted by the hotel industries. Abdullah Soewarno, the Head of IH&RA Branch Surakarta has summited his comments about CSR activities in brief sentences:

“I am convinced that CSR activities are vital to create a new model of empowering marginalized communities that is more respectful of human beings. We make this undertaking with humility, aware of the complexity of social issues, but also with determination and confidence in our ability to reinvent the hotel industry sustainability.”

4. CONCLUSION AND SUGGESTION

This study has attempted to find a model of empowering marginalized communities living around star hotels through CSR. Overall the primary research showed there was a positive response to the implementation of CSR. The hotel managers are becoming increasingly conscious of social and environmental activities when making decisions. They are also aware of the benefits to be gains from social and environmental activities from a business point of view.

With rising consumer awareness regarding corporate responsibility, it is important for hospitality industries to begin fulfilling their efforts at social responsibility as part of their overall corporate and business strategies.

As it is difficult to draw any definite conclusions about sustainability livelihood of the marginalized communities, suggestions for future research include involving more hotels and allowing more time to follow up with each hotel to ensure accuracy of the data. To ensure that the information obtained from the hotels is indicative of their CSR performance, the inclusion of more indicators is recommended. Including indicators to cover more areas of CSR such as community involvement and the health and safety of the marginalized communities is also suggested.

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