

# PT Bali Hai Cruises Nusantara's corporate social responsibility activities in Nusa Lembongan Bali

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## Abstract

**Purpose:** This research was conducted to know the forms of corporate social responsibility (CSR) program, the disclosure of corporate social responsibility, and the implementation of corporate social responsibility on stakeholders.

**Research methods:** The data used in this research was secondary data. This research was conducted in a qualitative method in which the data collections were through observation and documentation.

**Results and discussion:** The results showed that the implementation of the international conventions cluster showed that the companies implemented the role and regulation of sustainable tourism in using the land and the environmentally friendly materials for building. The result also implemented the National law and regulations cluster which are concerned about employee health and safety as it is considered that the activities do mostly in the sea. Meanwhile, the local decreases cluster showed that CSR's program implemented three different aspects of sustainable tourism. These aspects are economic, ecology and social culture.

**Conclusion:** Overall PT Bali Hai Cruises Nusantara implemented the CSR program to local stakeholders in order to keep the company's sustainability.

**Keywords:** water tourism, corporate social responsibility, three clusters, stakeholders

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## Introduction

As declared in law number 10/2009 on Tourism, article 5 letter (d) preserves nature and the environment, (e) empowers local communities and (f) guarantees inter-sectoral, interregional, regional integration between the center and the regions which form an integrated unit. Systemic in the framework of regional autonomy, as well as cohesiveness among stakeholders (Firza, 2018). Furthermore article 30, the regency/city government has the authority to (a) prepare and determine a master plan for district/city tourism development, (b) determine district/city tourism destinations, (c) determine district/city tourist attractions, (c)

determine district/ city tourist attractions, (e) regulate implementation and management of tourism in the region, (g) facilitating the development of new tourist attractions, (i) maintaining and preserving tourist attractions that are in the region (Firza, 2018).

CSR (corporate social responsibility) is already regulated in article 26 of Law Number 10 Year 2009 concerning Tourism which explains that tourism companies should play an active role in efforts to develop surrounding infrastructure and community empowerment programs, this is the goal of CSR itself by developing neighboring infrastructure such as infrastructure improvement, making parks for the public school improvement etc. community empowerment programs such as mutual cooperation, traditional events in the area of the company's environment and religious events. The World Business Council for Sustainable Development (WBCSD) defines CSR as continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. In its translation, the World Bank defines CSR as a commitment of the business community to continue to act ethically, operate legally and contribute to economic improvement, together with improving the quality of life of employees and their families as well as improving the quality of local communities and the wider community (Firza, 2018). CSR is an obligation that must be fulfilled by all companies in which companies are required to run and give rights to the community.

The Global Compact Initiative mentions the understanding of CSR with 3P namely *profit, people, planet*. This concept includes the knowledge that business is not just looking for profit but also the welfare of people and ensures survival (*planet*). For this reason, it is necessary to have awareness to maintain the environment for the sake of business continuity (Astuti, Atmadja, Kurniawan, & ST, 2018). This is also regulated in Law No. 40 article 74 of 2007 regulates that companies which carry out activities in or related to natural resources are required to carry out social and environmental responsibilities. With this regulation, every company is obliged to implement activities related to natural resources within the framework of corporate social responsibility. Likewise in the tourism sector must also implement social responsibility activities or CSR (Astuti et al., 2018).

In implementing law No. 10 of 2009 in the tourism sector, the company is expected to perform the obligations in creating sustainable tourism in the form of CSR. The emergence of CSR discourse in developing country markets is currently driven by external and internal factors including society and the environment. Social responsibility is good for companies where to foster trust in the community and in particular investors. Activities - social activities that will be carried out certainly will affect the company both now and later on in the future to come. The company should think about satisfaction with the community and not only benefit In the future. Social activities will also bring the name of the company to be famous and remembered by the wider community later. Based on the relevance of CSR as a form of the company in achieving its goals, CSR is closely related to the company's sustainable development (Umawan & Putri, 2017). CSR is also an obligation that must be fulfilled by all companies. The company is demanded to honor and give the community rights. Hospitality is the tourism industry which is a company providing accommodation services. It should implement CSR in tourism services area. CSR is a commitment of the company or business world to contribute to the development of a sustainable economy by put attention to corporate social responsibility and focuses on the balance between attention to economic, social, and environmental aspects. The company's image will be better in the community if it can demonstrate responsibility and care for the external environment. Corporate social

responsibility is needed to maintain harmonious relations between the company and the surrounding environment. Corporate social responsibility is carried out voluntarily and also a form of obligation from the company. CSR has been carried out by many tourism companies in mainland Bali, it is also expected to be carried out by the tourism companies on the island of Nusa Lembongan.

Nusa Lembongan has become very rapid development in tourism sector, especially marine tourism development. It has been visited by various different foreign tourists around the world such as Australia, America, Japan, European and Asia countries since the year of 1980. With more and more tourists going on a trip either by cruises or with boat to Nusa Lembongan then followed by the development of tourism facilities such as cruise accommodation, restaurants, and etc. The phenomenon of both companies that have been doing CSR and have not carried out their obligations in maintaining the sustainability of the tourism industry in Nusa Lembongan is a very interesting discussion to be analyzed. Based on the description of the background which has been described previously, so it needs to do the implementation of CSR in PT Bali Hai Cruises Nusantara in Nusa Lembongan. In writing the analysis, there are two issues that need to be analyzed, namely: How is the realization of PT Bali Hai Cruises Nusantara's CSR in Nusa Lembongan as a tourist destination and what is the obligation of PT Bali Hai Cruises Nusantara in implementing CSR?

### Research methods

The writer used the normative method in analyzing the data that was conducted by law (*Law in books*) or the laws that are drafted as rules or norms that constitute human behavior benchmark. It is considered as an appropriate obligation for Tourism Company to implement the CSR program. In addition, the writer also uses qualitative methods. Qualitative methods is as descriptive method and tend to analyze the data by describing the problems. In general, qualitative writing is carried out by interview and observation methods, but in this writing uses the method of observation and documentation using secondary data and direct observation. The research was conducted to determine the implementation of corporate social responsibility (CSR) in PT Bali Hai Cruises Nusantara in Nusa Lembongan which is considered as tourism destination in Klungkung regency. This island has been visited by tourists both domestic and international. PT Bali Hai Cruises Nusantara manages two different tourism industries that are engaged in different fields, namely Bali Hai Cruises and Hai Tide Beach Resort. Bali Hai Cruises is engaged in seawater tourism and beach clubs, meanwhile Hai Tide Beach Resort is engaged in beachfront accommodation.

### Results and discussion

Nowadays, the importance of corporate social responsibility role to make a sustainable company is considered very important by business people and educators. Over the past decade or even more CSR has become an inseparable part of business practice. Many companies dedicate a part of their annual report in the company's website to publish CSR activities. The main concept is to illustrate the importance of attaching CSR activities that have been carried out to the local community. CSR is a benchmark of trust for the community in the company as well as a corporate action will be socially responsible in the community. If the implementation of social responsibility is good so the company would get a separate award in the form of a good name in the eyes of investors in particular and society in general. The environment of a company also affects the company performance. The company environment needs special attention for company management which is called interdependent and

influence relationships, known as signal theory. The companies are not only responsible to shareholders but now it has extended until the region of human society. It also needs to pay attention to stakeholders to look at the social factors where it creates responsibility for social (Umawan & Putri, 2017). The CSR activities have been carrying out and having not been carried out yet by PT Bali Hai Cruises Nusantara during doing tourism activities in Nusa Lembongan will be analyzed in detail.

PT Bali Hai Cruises Nusantara is a company that operates tourism activities in Nusa Lembongan. They have implemented tourism laws on CSR program in Nusa Lembongan. The company has a high level of concern for the preservation of nature and its neighborhood. In the implementation of CSR activities, both Bali Hai cruises and Hai Tide Beach Resort which is under the management of PT Bali Hai Cruise. They put attention in waste and garbage separation from the accommodation in order to avoid contamination/pollution. Since most of the tourism activities done beaches and sea. For the treatment of garbage B3 (Hazardous and Toxic), PT Bali Hai Cruises Nusantara has built garbage storages to separate organic and non- organic wastes to prevent environment pollution. The liability of the company in addition to the separation of garbage and waste, using green materials and environmentally friendly such as reeds, wood and bamboo from the beginning the accommodation establishment. The accommodation development strictly complies with spatial regulatios, to leave some parts for open space. High tide has been manipulated as energy resources. The company has applied energy conservation startegy by using energy saving appliances such as energy saving lamps and controlling the air condistioner temperature.



Figure 1. Bali Hai Cruises Ship at their pontoon  
(Source: <http://www.balihaicruises.com>, May 15<sup>th</sup>, 2020)

The implementation of CSR at the National law and regulations level is more focused on employee health and safety. It is carried out to find out how the health and safety policies implement for all employees at PT Bali Hai Cruises Nusantara. The health and safety sector is a sector that is related to labor for tourism activities, especially in seawater that has a very big risk for safety in natural situations that can't be predicted. So that the workers who will perform the activities of companies can run effectively. While the implementation of the national law and regulations according to legislation no 51 on the boundary of frontier

coast chapter I article 1 paragraph 2 which is in the construction of the accommodation facilities do not meet the requirements that apply nationally in terms of development should be at least 100 (hundred) meters from the point highest tide from the direction of land.

The analysis of the local decrees level includes the involvement of local communities conducted to find out how the company's involvement in the surrounding local communities. It can be seen from the time of the company's construction to its operation is often referred to CIP (Community Involvement Project). The indicators of involvement to local communities involve three aspects of tourism sustainability namely: economic, ecological, and socio-cultural.

PT Bali Hai Cruises Nusantara concerns in empowering the economy towards the local community. This can be proven by giving donations in the form of cash given during religious ceremonies at the temple in Nusa Lembongan. Besides giving donations, almost 90% of local employee workers both at Bali Hai Cruises and Hai Tide Beach Resort. Empowering local people in providing land transportation to travel in visiting tourist attractions for tourists in Nusa Lembongan is also part of the responsibility of not in implementing CSR. The use of land transportation in Nusa Lembongan is coordinated by an association of transport organizations in Nusa Lembongan.

This analysis of the environmental aspect was carried out to find out how PT Bali Hai Cruises Nusantara's CSR activities related to the environmental sector both land and sea. It is considering that PT Bali Hai Cruises Nusantara's tourism activities operate at sea and land. The company's operations in the sea such as snorkeling, jet skiing, banana boat and others cause pollution to the marine biota environment due to the absence of maintenance and preservation of marine biota around the pontoon of Bali Hai Cruises. However, they engage in preserving other sea areas such as seaweed area as a tourist attraction and doing cleaning activities around the beach. PT Bali Hai Cruises Nusantara is directly involved by providing matching funds through seaweed farmers so that the sustainability of seaweed remains sustainable which is part of tourist attraction packages in providing a tour package.

The social and cultural aspects are also one of the CSR implementations at PT Bali Hai Cruises Nusantara by providing an opportunities for high school student to take part of internship program on the job training and product familiarization at Hai Tide Beach Resort. The involvement in cultural aspect is also implemented by participating in the local parade which is called "ogoh ogoh parade". It is normally carried out every year on the day before the silent day. On the other hand, empowering the local culture to entertain tourists by involving the local dancer is also a very special concern so that dance keeps a very significant development in Nusa Lembongan.

## Conclusion

PT Bali Hai Cruises Nusantara has implemented the CSR program through three different cluster programs according to UNWTO agenda in Nusa Lembongan. These clusters are International conventions, national law and regulations, and local decrees. Pursuant to the International conventions cluster, the company implemented green tourism concept by using environmentally friendly materials to build Hai Tide Beach Resort. On not at the National law and regulations level, PT Bali Hai Cruises Nusantara has strong commitment on employee health and safety for both Bali Hai Cruises and Hai Tide Beach Resort. Bali Hai Cruises tourism activities are mostly done in seawater such as diving, banana boat, snorkeling. The implementation of CSR at the local decrees level is mostly carried out to create and improve the standard of living of the local community which is largely dependent on the tourism sector.



Social responsibility on CSR program focuses on economic development, socio-cultural and environmental sustainability.

The writer recommends PT Bali Hai Cruises Nusantara to keep a hold on maintaining the implementation of CSR and it needs to be improved for sustainable tourism by involving local communities in Nusa Lembongan. This will greatly affect the continuity of company's activities in the future and also keep maintaining harmonious relationship with the local genius concept *Tri Hita Karana*, namely the relationship between human to god, human to human, and human to the environment.

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