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HOTEL'S CARE FOR LOCAL COMMUNITY

Bambang Suharto*, Janianton Damunik**

Abstract: *Hotel's care for the community is a developing phenomenon, which has expanded considerably throughout the world in the recent years. It reflects the mutual relationships between hotels and local organizations that generate new opportunities. However, at the same time, it also poses various difficulties and challenges. In this paper, I intend to study the influence of hotel's care for local community welfare based on financial, management, and marketing dimensions. The data is gathered with the use of exploratory survey method. First, the findings of the analysis indicates that hotel's care for local community is a developing phenomenon with a sufficient category of 62.1% according the analysis of content on each variable of the study. The findings resulted in 39.4% hotel's care for local community, 24.27% from management variables, and 6.88% from marketing variables. The total impact value of overall indicators is 29.17%. The remaining 29.53% will be the value factor which also indicates the local community welfare. It is not an empirical condition. In conclusion, based on the factor 2 formula in the present way, the higher a hotel's care suggests the higher local community's welfare.*

Keywords: *Hotel Community Care and Welfare*

INTRODUCTION

Recent researches on companies' care and concern on the welfare of local communities have been seriously conducted (Kasim and Scarlat, 2005; McWilliams et al., 2006; Basu and Palazzo, 2008; Bowen, 2010). However, researches on a hotel's care for a community have been rarely found. It is quite contradictory to the fact that hotel contribution also plays not less important roles compared to that of other companies.

Meanwhile, the activities of hotels which involve people in various social projects have resulted in interesting discussions. This trend has given value and strength to some countries such as USA, Israel, Ireland, Japan and Singapore (Hopkins, 1997; Fessler and Miller, 2001; Roehlin and Boguslaw, 2001; Nulman-Schwartz and Gadol, 2003; Cohen, 2003; Ayelet and Tzion, 2008). Perhaps due to the inspiring phenomenon, countries in Europe, America, Africa, Middle East and Asia including Indonesia have started to promote investments in hotel services for investors from China, Japan, Saudi Arabia, USA, France, Hongkong and Switzerland. (Tisdell and Wen, 1990; World Bank, 1994; Knowles et al., 2001; WTO, 2010).

However, subtle changes to this growing phenomenon have altered the trend from capitalism to neo-liberalism (Friedman, 1970). The neo-liberalism movement triggered the rise of hotel service business which contradictorily resulted in decreased community welfare, chaos at grassroots level, and the weak immune system of the economic crisis (Barnett, 2007). The previous assumption that hotel services could generate multiplier effects (Goldner et al., 2000), is now questionable. Only few hotels have been aware of their social care (Humble, 1981; Barnett, 2007). Profits seem to have been the top priority with the legal and formal aspect seems to be merely applied only because it is inevitable. Thus, social care appears to have been ignored. The issue shall be well cared to respond to the growing assumption among the hotel owners that care for the welfare of local immunities will harm their profit (Barnett, 2007).

This phenomenon remains a debated issue among academicians and business practitioners (Carroll, 1979; Ayelet and Tzion, 2008; Thomas, 2008). Despite technical differences, different terminologies of hotel social care (HSC), including charitable contributions (Ayelet and Tzion, 2008), social issues management (Wood, 1991), public policy and business (Preston and Post, 1981 : 57), stakeholder management (Agle and Mitchell, 1999; Ogden

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