

THE IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE PRINCIPLES ON CORPORATE SOCIAL RESPONSIBILITY PROGRAMS OF TOURISM INDUSTRY AT MALANG RAYA

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ABSTRACT

This study aims to provide an overview of the governance of Corporate Social Responsibility in the entertainment and tourism industry in the city of Malang, based on the principles of Good Corporate Governance which consists of transparency, accountability, responsibility, independence and justice that have a role in improving the welfare of society in the industry entertainment and tourism in the city of Malang This research approach is qualitative descriptive. Research locations in the city of Malang with the assumption that the city has a sufficient number of entertainment venues and tourist rides compared to other cities in East Java Province. The results of the research show that the management of Corporate Social Responsibility is still far from the expectations of the local community. The management of the entertainment and tourism industry with the principles of good corporate governance needs to be enhanced through the control and regulation of business entities to create added value and to keep the entertainment and tourism industry in maintained its existence. This needs to be done so that the perceptions of stakeholders of investors, communities and governments in maintaining and improving the sustainability of the entertainment and tourism industry operations in the future.

Keywords: Corporate Social Responsibility Performance, Good Corporate Governance, Hospitality Industry

1. INTRODUCTION

The company has a full commitment to always apply the principles of Good Corporate Governance (GCG) in its business activities. This commitment is carried out by the Company by always striving to continuously make improvements in the implementation of GCG, so that the Company always gets the trust of stakeholders (stakeholders), has superior performance and can grow sustainably and gain profit. In the business world that continues to grow, every company is competing for the good image and perception of each stakeholder. In addition, poor environmental and social conditions are now increasing public awareness to actively monitor existing business activities. The impact of the many unethical practices of business irregularities is very detrimental, so there are various internal pressures and levels of competition, external pressure from investors and consumers, pressure on

regulations and legislation and from NGOs (Non-Governmental Organizations) demanding that companies implement Corporate Social Responsibility (Rashid and Ibrahim 2002). In the development of CSR there are Triple Bottom Line concept proposed by John Elkington (1997), the company is no longer improve company performance and also increase percentage and increase the rate of Indonesia, especially in the Asian environment by taking into account the 5 (five) main principles of Good Corporate Governance applied in Indonesia, commonly known as TARIF (Daniri, 2006), namely: transparency, accountability, responsibility, independency and fairness.

Corporate governance is one of the key elements in improving economic efficiency, which includes a series of relationships between company management, board of commissioners, shareholders and other stakeholders. The application of the principles of good governance or GCG to the implementation of corporate social responsibility or CSR practices illustrated by the Hawaii Water Park water recreations service company that manages the company based on the principles implemented in the implementation of CSR programs shows that an important role of GCG is carried out to make implementation of Corporate CSR is more focused and more focused (Rachmat, 2013). The influence of the GCG mechanism on CSR disclosures in BEI listed cosmetics and household companies in this case, including in the manufacturing industry, shows that the role and functions of GCG are well implemented, including in the implementation and disclosure of CSR activities (Susanti, 2013). The implementation of GCG in the CSR program tourism attraction , which is engaged in the tourism industry shows that with the implementation of GCG through CSR programs, the company's image will also increase because the company's report has used a triple bottom line which means applying GCG in its CSR program (Ramdhanian, 2010). Based on researches on GCG in the implementation of CSR, it can also be seen from the Ricoh Group Sustainability Report that uses Good Corporate Governance in the implementation of CSR so as to make the program better directed, focused, structured and improved to towards CSR programs for the community. The implementation of CSR has become a long-term strategy of the company's management in creating the company's good name. But in reality not all companies are able to carry out CSR, because CSR is one of the topics related to moral and business ethics. Therefore, the application of GCG principles is expected to help realize CSR practices, because the implementation of corporate social responsibility is inseparable from the implementation of GCG within the company which will encourage management to properly manage the company including implementing its social responsibilities

Due to the importance of implementing Good Corporate Governance and Corporate Social Responsibility on all types of business entities including services attracting researchers to find out how the principles of Good Corporate Governance are applied in the entertainment and tourism industry, especially water recreation with the object of study of Hawaii Water Park in Malang . Research Objectives The purpose of this research is explanatory research, the researcher only provides an overview of the application of the principles of Good Corporate Governance in the Corporate Social Responsibility water recreations HAWAI Water Park in Malang .

so that water recreation can have activities related to improving the welfare of the community, and can realize that the activities carried out are one form of implementing Corporate Governance. The concept of Corporate Governance itself is a part of the guidelines in implementing Good Corporate Governance so that when government regulations relating to Corporate Social Responsibility arise, the water recreations has understood and carried out these responsibilities, so that water recreation not only implement Corporate Governance as a form of obedience, but also because awareness of Hawai Water Park itself.

2. RESEARCH METHODS

This research is basic research, because this research attempts to provide information about Good Corporate Governance with the existence of good corporate governance so the company can create added value and provide a positive image because it has carried out corporate social responsibility or Corporate Social Responsibility .

Data collection technique

Data collection conducted in this study is field research, namely data collected in the form of primary data originating directly from the field. Based on the time dimension, the research included cross sectional study because the data collection was only done once in a certain period, semi-structured interview, the media used during the interview were written notes and documents related to GCG

The object of this research is the Public Relations Division (PRD) division at Hawai Water Park at Malang, which is responsible for implementing corporate social responsibility (CSR). This research is a qualitative research with a strategy or case study approach, which is a method that has a purpose to understand the visible symptoms in the object of research by collecting and analyzing existing data, so finding results in the form of conclusions that can be used as suggestions in the future for the object of research related. The research method used is descriptive analytical study. Analytical descriptive is an analytical method that describes a situation objectively, thus obtaining a solution to a problem faced by a company

The type of data in this research is primary and secondary data in the form of documents, statements both oral and written, thoughts, interpretation results, and others. In the process of collecting data, researchers use several methods, namely; (1) Direct Observation, Observation is a technique or approach in obtaining primary data by observing the data object directly. This approach is good for observing a process, condition, events or human behavior (2) Interview, Interview is a two-way communication process to obtain data from respondents. Interviews can take the form of personal interviews, intercept interviews and telephone interviews . (3) Documentation, Information is obtained through facts stored in the company which are usually in the form of archives, directors' regulations and so on. The results of these documents must be processed by the researcher to be useful and can be important information about the company's description

3. RESULTS OF THE RESEARCH AND THE DISCUSSION

The existence of differences in the application of GCG principles in the implementation of CSR in the service industry, especially hotels compared to other businesses, namely the manufacturing industry makes the service industry in this case the hotel has unique differences from other industries. Basically all industries have the main motive in implementing GCG and CSR, namely to get recognition from the community so that the company can grow sustainably and sustainably. The implementation of GCG principles in CSR implementation The service industry, namely Hotels with Manufacturing Industry, can be seen as follows:

3. 1. Transparency

In this principle between service industries, especially hotels and manufacturing industries, have the same goal of implementing the principle of transparency by providing and providing accountability information reports given and communicated materially and relevant based on the right time, adequate, clear, accurate, complete, reliable, verifiable, comparable, and easy to understand with the aim of being able to make sharper decisions and better quality for the future the company in the future so as to achieve the company's long-term survival.

3. 2. Accountability.

In this principle of accountability both in the service industry, especially hotels and in the manufacturing industry, carry out their business activities transparently and fairly by being managed correctly, measured and in accordance with the interests of each industry while taking into account the interests of shareholders and stakeholders. Business activities carried out by the service industry are different from the manufacturing industry. In the manufacturing industry, what is produced is a product, and often the manufacturing process produces more industrial waste than the service industry cause, CSR in the manufacturing industry is more emphasized on waste processing than the service industry. In contrast, the service industry, especially hotels, which are entertainment and tourism industries, have more to do with the surrounding community, so that CSR programs are mostly carried out as a form of their responsibility towards the surrounding community.

3.3. Responsibility.

Both industries serviceS industry and manufacturing industry apply the principle of responsibility in implementing CSR programs in accordance with laws and regulations and carry out responsibilities to the community and the environment so that business continuity can be maintained in the long run and gain recognition as a Good Corporate Citizen. In both industries it has its own focus which can be seen from the business activities carried out. In the

manufacturing industry that produces products, the government is required to carry out its responsibility for the waste produced so that the industry must pay attention to environmental conditions with the implementation of CSR in environmental development programs and treat ISO 26000 in the industry. Whereas in the tourism industry, waterpark recreation must implement CSR to comply with the prevailing laws and regulations, namely the Republic of Indonesia Law No. 10 of 2009 (Regarding Tourism) and RI Law No. 13 of 2003 (concerning Manpower).

3.4. Independency.

In these two industries both services, especially hotels and manufacturing industries both carry out CSR activities and programs independently by making planning before carrying out CSR activities. The existence of decision-making based on the prevailing laws and regulations by people who are competent in their fields so as to produce wise decisions relating to CSR so that the creation of a more effective, efficient work environment and the creation of control internal effective, independent so as not to cause negative views both within the environment and outside the industrial environment. The truth about the implementation of GCG principles in CSR programs, how CSR programs are carried out and what the motives of the company do CSR and the benefits of doing CSR. besides this research can provide an explanation of good Corporate Governance implementation that can make Corporate Social Responsibility become more focused, focused, structured and experience improvement to be better from year to year. This shows that there is harmony with the theory that has been revealed (Jamali, Dima and Myriam Rabbath: 2007) that Corporate Governance and Corporate Social Responsibility as the same component and go together. In terms of theoretical development, the results of the literature review in this study can contribute to other studies. This can be seen from the uniqueness of the application of GCG principles in CSR programs in the service industry, especially Water recreation compared to other businesses, namely the manufacturing industry, from the five existing principles namely TARIF (Transparency, Accountability, Responsibility, Independency, Fairness). contained in both GCG principles which can be seen as follows: Transparency principles from both industries are equally access to information regarding the implementation of CSR that has been carried out on interested parties. Accountability Principle Both industries conduct their business activities transparently and fairly by being managed correctly, measurably and in accordance with the interests of each industry while still taking into account the interests of shareholders and stakeholders, in the manufacturing industry, the products are produced, and often the production process produces more industrial waste than the service industry. This causes, CSR in the manufacturing industry is more emphasis on waste processing than the service industry. On the contrary, service industries, especially hotels, which are entertainment and tourism industries, have more relate to the surrounding community, so that CSR programs are more widely carried out as a form of

responsibility towards the surrounding community.)

3.5. Fairness.

The service industry, especially hotels and manufacturing industries, in this principle also share CSR activities based on equality and fairness and justice by always paying attention to shareholders and stakeholders so that it becomes a top priority in obtaining information or meeting their needs in accordance with policies and legislation which applies based on the principle of equality and fairness that has been carried out by each industry, although the CSR program of each industry is more emphasized and pay attention to certain aspects but remains fair and equal in carrying out all planned CSR programs so that shareholders do not feel disadvantaged invest funds in the company so that the company can grow sustainably and sustainably

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the industry must pay attention to environmental conditions with the implementation of CSR in environmental development programs and treat ISO 26000 in the industry. Whereas in the tourism industry, hotels must implement CSR to comply with the prevailing laws and regulations, namely the Republic of Indonesia Law No. 10 of 2009 (Regarding Tourism) and RI Law No. 13 of 2003 (concerning Manpower); (4) Principle of Independence These two industries both services, especially hotels and manufacturing industries are both carrying out activities and CSR programs independently by making planning before carrying out CSR activities and making decisions based on the prevailing laws and regulations by competent people in its field so that it can produce wise decisions relating to CSR so that the creation of a more effective, efficient work environment and the creation of effective internal control; and (5) Fairness principle, the service industry, especially hotels and manufacturing industries in this principle, are equally committed to CSR activities based on equality and fairness and justice by always paying attention to shareholders and stakeholders, even though the CSR programs in each industry are emphasized and pay attention to certain aspects. but still fair and equal in carrying out all planned CSR programs so that shareholders do not feel loss to invest their funds in the company so that the company can grow sustainably and sustainably.

Based on the GCG principles of CSR programs that already exist in Hotel X have differences with other industries, namely on the principles of Accountability and Responsibility, while on the other three principles namely Transparency, Independence and Fairness generally have similarities with one industry to another in this regard is a service industry, especially water recreations with manufacturing industries.

4. CONCLUSION

1. The implementation of CSR in water recreation is a tangible form of water recreation commitment to carry out its social responsibility to the surrounding community. The social responsibility is distributed in three fields, namely economic, social and environmental.
2. The implementation of Good Corporate Governance in the Corporate Social Responsibility Program has fulfilled the criteria as a company implementing Good Corporate Governance, which is evident from the policies implemented by Hawaii Water Park . Corporate governance and other policies relating to CSR as a guide for the implementation of Corporate Social Responsibility.
3. In the practice of Corporate Social Responsibility at Hawaii Water Park , in general the principles of Good Corporate Governance have been applied well to each program. From the principle of transparency already fulfilling the principles of GCG, the accountability principle in each program has been implemented with a clear structure. The principle of responsibility through CSR programs that have been carried out so that Hawaii Water Park has carried out its responsibilities towards stakeholders,

shareholders, the community and the surrounding environment and Hawaii Water Park which always follows the established regulations from the central and local government as well as the regulation of being a good Water recreation .

4. The principle of Independency Hawaii Water Park that has been carried out in accordance with their respective duties and authorities based on existing hospitality legislation so that the activities carried out are long-term commitments. In the principle of fairness, Hawaii Water Park pays attention to shareholders and stakeholders as a form of justice carried out regardless of the status or position that exists but is less useful for many people because in this principle only for certain groups prepared by Hawaii Water Park.
5. Assessment of Corporate Social Responsibility in Hawaii Water Park as a whole has been good where its activities are in accordance with the stages of CSR implementation so that it is quite effective and is one of the advantages in building the Hawaii Water Park brand image.
6. Efforts that have been made so that existing Corporate Governance principles can improve the implementation of Hawaii Water Park Corporate Social Responsibility, namely: integrating CSR in the mission and values of Hawaii Water Park , increasing commitment from Hawaii Water Park management, building CSR in accordance with risk management, improving CSR into the business strategy of Hawaii Water Park and monitoring it, and directing Hawaii Water Park participants to participate in CSR..

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