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THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY (CSR) AND ENVIRONMENTAL MANAGEMENT ACCOUNTNG ON SUSTAINABLE HOTEL PERFORMANCE IN BANDUNG REGENCY

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Abstract:

The hotel industry is one of the sectors operating in the service industry. The increasing number of hotels year after year has resulted in tighter and more intense competition. This growing competition drives hotel management to find solutions to enhance their competitiveness. This study aims to determine the influence of Corporate Social Responsibility (CSR) and Environmental Management Accounting on the sustainable performance of hotels in Badung Regency. The sample used in this study consists of 130 hotels in Badung Regency, employing a saturated sampling technique. All data obtained from the distribution of questionnaires were deemed suitable for use and were subsequently analyzed using multiple linear regression. The results indicate that Corporate Social Responsibility partially affects sustainable performance variables. Environmental management also has a partial effect on sustainable performance variables. Both Corporate Social Responsibility and environmental management simultaneously affect sustainable performance.

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INTRODUCTION

The growing demands of society today have also influenced the rising competition among companies striving to meet these needs. The hotel industry is one of the sectors operating in the service industry. The increasing number of hotels year after year has led to heightened competition (Shin, 2021). This intensifying competition drives hotel management to find solutions to enhance their competitiveness.

The application of environmental management accounting is highly beneficial for establishing a company. This process helps categorize costs that are often hidden within organizations' management systems. With a more advanced environmental management accounting system, companies can learn how to manage their operations effectively and improve their environmental performance (Alimbudiono, 2020; Effendi, 2021; Meiyana & Aisyah, 2019; Sara et al., 2023).

Observations indicate fluctuations in occupancy rates in Bali, resulting in an overall decline in hotel performance, including a decrease in environmental performance. Particularly during the COVID-19 pandemic, hotels opened access to external guests for restaurant visits and spa services. However, even in the pandemic situation, hotels have maintained their commitment to environmental standards, despite not being fully operational. Based on the background outlined above, the author is interested in conducting further research on the influence of Corporate Social Responsibility (CSR), proxied by indicators such as community support, diversity, employee support, environment, non-territorial operations, and product, along with environmental management accounting, on the sustainable performance of hotels in Bali (Sara, 2023).

Legitimacy Theory. Legitimacy theory focuses on the interaction between organizations and society. This theory states that organizations are a part of society and must pay attention to social norms because alignment with these norms can enhance the legitimacy of the company (Kumalawati & Muhammad, 2020; Suaidah & Putri, 2020; Wicaksono, 2021)

Stakeholder Theory. The stakeholder approach emerged in the mid-1980s. The background of the stakeholder approach is the desire to build a framework that is responsive to the issues faced by managers at that time, namely environmental changes (Zain et al., 2021).

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Sustainability Performance. Sustainability in a company is viewed through its ability to operate in the long term, influenced by both financial and non-financial aspects. Companies must consider the impact of their operations on social and environmental factors. Essentially, a performance measurement approach is needed that can support the company's sustainability. A company's sustainability is assessed based on its ability to operate in the long term, which depends on the sustainability of its relationships with stakeholders (Setiadi, 2021).

Corporate Social Responsibility (CSR). Companies no longer focus solely on financial records (single bottom line) but must also include financial aspects (profit), social aspects (people), and environmental aspects (planet), commonly referred to as the triple bottom line. Another definition from The World Business Council for Sustainable Development (WBCSD), an international organization established in 1955 with 120 multinational companies from 30 countries, defines CSR in its publication "Making Good Business Sense" as a form of action based on ethical considerations aimed at enhancing the economy, while also improving the quality of life for employees and their families, as well as the surrounding community and society at large (Rosalinda et al., 2022).

Environmental Management Accounting. According to Burhany (2015), environmental management accounting is a subsystem of environmental accounting that addresses various issues regarding the impact of a company's business on monetary units. Environmental management accounting can also be used as a benchmark for environmental performance.

The Relationship Between Corporate Social Responsibility and Sustainability Performance. Corporate Social Responsibility (CSR) is a concept where companies voluntarily consider the social and environmental impacts of their operational activities while striving to create added value for society, customers, employees, and other stakeholder. The relationship between CSR and company performance encompasses several key aspects. Firstly, good CSR practices can strengthen a company's reputation and image in the eyes of the public. Companies known for being active in social and environmental activities are more likely to gain support from consumers, investors, and customers, creating a foundation for long-term growth and performance. Furthermore, the implementation of CSR can provide a competitive advantage. Companies that focus on social responsibility can attract increasingly aware customers who care about social and environmental issues, creating positive differentiation in the market and enhancing competitiveness (Ramadhani & Lubis, 2021).

METHODS

This research was conducted in hospitality companies located in Badung Regency. The objects of this study are corporate social responsibility, environmental management accounting, and sustainability performance. The population for this research consists of 130 hotels in Badung Regency. The unit of analysis in this study is the company/organization, represented by the General Manager of the hotel. A sample is a part of the population selected using specific criteria, which is used to collect information/data that describes the characteristics or traits of the population. In this study, the saturated population and sample taken includes all hospitality companies in Badung Regency, totaling 130 hotels. The choice of the saturated sampling method is due to the small sample size, and by involving the entire population, there is potential to obtain results that are more accurate and reliable.

RESULT AND DISCUSSION

Table 1. Multiple Linear Regression Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	28,369	1,605		17,679	0,001

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Corporate Social Responsibility	0,700	0,061	0,615	11,418	0,001

Source: Data processed in 2024

The regression equation can be explained as follows:

a) The constant value of 28.369 indicates that if corporate social responsibility and environmental management are both at 0 (zero) or constant, the sustainability performance (Y) will increase by 28.369.
b) $\beta_1=0.700\beta_1=0.700$; this means that the corporate social responsibility variable has a positive relationship with sustainability performance. In other words, if the corporate social responsibility variable increases, sustainability performance will increase by 0.700.
c) $\beta_2=0.314\beta_2=0.314$; this indicates that the environmental management variable also has a positive relationship with sustainability performance. Thus, if the environmental management variable increases, sustainability performance will increase by 0.314.

Table 2. Result of F-Test

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	6341,382	2	3170,691	158,840	0,001[b]
	Residual	2535,110	127	19,961		
	Total	**8876,492**	**129**			

Source: Data processed in 2024

Based on the data in Table 2, the results of the analysis are explained as follows:

a. Formulating Hypotheses
   - Ho: b1,2=0 This means there is no positive and significant simultaneous effect of corporate social responsibility and environmental management on sustainability performance.
   - Ha: b1,2>0 This means there is a positive and significant simultaneous effect of corporate social responsibility and environmental management on sustainability performance.
b. Determining the Level of Significance Using a confidence level of 95% or a significance level of 5% ($\alpha=0.05$).
c. Testing Criteria
   - If $Fsig < 0.05Fsig < 0.05$, then Ho is rejected and Ha is accepted.
   - If $Fsig > 0.05Fsig > 0.05$, then Ho is accepted and Ha is rejected.
   - Calculating F-value The calculation results in Table 16 show $Fsig=0.001Fsig=0.001$.
   - Decision Based on the calculation results in Table 16, the Fsig value of 0.001 is smaller than 0.05. This means that the variables of corporate social responsibility and environmental management have a simultaneous effect on sustainability performance.

Table 3. Result of T-Test

Coefficients[a]					
Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
	B	**Std. Error**	**Beta**		
(Constant)	28,369	1,605		17,679	0,001
Corporate Social Responsibility	0,700	0,061	0,615	11,418	0,001
Environmental Management	0,314	0,047	0,357	6,620	0,001

Source: Data processed in 2024

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The effect of corporate social responsibility on sustainability performance is described as follows:

Hypothesis Formulation.

a. H1: β1=0β1=0 The variable corporate social responsibility does not affect the variable sustainability performance.
b. H1: β1>0β1>0 The variable corporate social responsibility affects the variable sustainability performance.
c. Significance Level α=5%α=5%.
d. Decision Criteria H1 is accepted if the significance level t≤α=0.05t≤α=0.05. H1 is rejected if the significance level t>α=0.05t>α=0.05.

The Effect of Corporate Social Responsibility on Sustainability Performance. Based on the results of multiple regression testing, the coefficient value is 0.700, indicating that the corporate social responsibility variable has a positive relationship with sustainability performance. This means that if the corporate social responsibility variable increases, sustainability performance will increase by 0.700. This result suggests that corporate social responsibility positively influences company performance. This contrasts with the research conducted by Wrespatiningsih et al., (2022) which indicated that corporate social responsibility does not affect company performance. In addition to corporate social responsibility, environmental management accounting also influences company performance.

The Effect of Environmental Management on Sustainability Performance. Based on the results of multiple regression testing, the coefficient value is 0.314, indicating that the environmental management variable has a positive relationship with sustainability performance. This means that if the environmental management variable increases, sustainability performance will increase by 0.314. Since the significance level tt is 0.001, which is less than 0.05, H2 is accepted. This result indicates that better environmental management accounting practices by the company will enhance company performance. This contrasts with the research conducted by Sari & Gantino, (2022), which stated that higher environmental management accounting does not impact company performance.

The Effect of Corporate Social Responsibility and Environmental Management on Sustainability Performance. Based on the calculations in Table 16, the FsigFsig value is 0.001, which is less than 0.05. This means that the corporate social responsibility and environmental management variables have a simultaneous effect on sustainability performance. From a financial performance perspective, efficient resource management through environmental management accounting can lead to operational efficiencies and cost reductions, potentially improving overall financial performance. Community support through CSR practices can also open new business opportunities and increase revenue. Stakeholders, including employees, customers, and investors, are likely to be more satisfied and engaged when companies are active in CSR and have transparent environmental management accounting reports. This can create a more positive relationship and support long-term growth (Adnyani et al., 2019; Martha & Enggar, 2021).

CONCLUSION

Based on the data analysis results and discussions in the previous chapter, the following conclusions can be drawn:

1. Corporate social responsibility has a partial effect on sustainability performance.
2. Environmental management has a partial effect on sustainability performance.
3. The variables of corporate social responsibility and environmental management have a simultaneous effect on sustainability performance.

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