CORPORATE SOCIAL RESPONSIBILITY PROGRAMME AS PART OF COMPLEMENTARY RELATIONSHIP IN HOTELS' NETWORK: THE CASE OF HOTEL INDUSTRY IN BALI, INDONESIA

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ABSTRACT

Corporate Social Responsibility (hereinafter is referred to CSR) Programme has gained more interest from the hotel management since the increasing awareness of the customer to the notion of green hotel. CSR programme is considered as a part of complementary relationship in the hotels‟ network which is a non-business relationship. The purpose of this study is to discuss the implementation, maintenance and benefits of CSR programme in hotels' network since there is limited number of studies that concern about exploring and understanding this topic from the network theory and business-to-business perspective. Thus the research questions include: (1) what are the reasons of hotels establishing CSR programme as part of their network of business relationship? (2) How do the implementation of CSR programme as a complementary relationship in hotels' network? (3) What are the network elements (actors, activities and resources shared) involved in this network? (4) How do hotels nurture their CSR programme? (5) What are the benefits of hotels establishing CSR programme? This research is an exploratory research based on the interpretivist paradigm as the underlying paradigm. The inductive approach rather than deductive approach is implemented as the most appropriate research approach. The research strategy is multiple-case study since its enable the researcher to be close to the research objects and provide rich description of the phenomenon. The unit analysis or phenomenon in this study is CSR programme as part of complementary relationship in hotels‟ network. Nine hotels and their complementary organizations were selected as the cases; therefore, eighteen organizations were included. The top and middle level management participated in this study. Data was collected by utilizing the face-to-face semi-structured interview, direct observation and documentation review. Data has been analyzed through three concurrent flows of analyzing qualitative data: data reduction; data display; and conclusion drawing and verification. The finding confirms that there is an increasing awareness of hotel practitioners regarding the importance of establishing and nurturing CSR programme as the concurrent consequences of increasing customers‟ awareness to the environment and community involvement. This might leads to the hotels' competitive advantage. The main contribution of this study is to enhance the network analysis literature particularly its implementation in the hotel industry.

Keywords: CSR, network, complementary relationship, hotel industry.

INTRODUCTION

CSR is a topic that increasingly gaining more interest from people in the business world (Kang, Lee, & Huh, 2010; Turcsanyi & Sisaye, 2013; Waldman, Kenett, & Zilberg, 2010), although the evidence of the concept of CSR can be traced from centuries (Carroll, 1999). This is due to the growing number of customers that consider about this issue in which pushes business practitioners to take action as a response. This becomes more important in the hotel industry where service as the main commodity. The reason is the easiness of customers to gather information and compare hotels to find the most appropriate hotel match with their life style, preferences, and needs. For example, there is a tendency of customers being conscious of the environmental issue which influence the decision of a hotel goes green. Going green means the adoption of environmental management practices, intended as practices aimed at minimizing the detrimental impact on the environment, in terms of both resource depletion and pollution (Tzschentke, Kirk, & Lynch, 2008). This can be done through internal and external programme. Internal is by implementing the environmental friendly daily operation meanwhile external is by establishing the relationships with other organizations that have the same interest.

Despite all of the attention that has been given to this issue, only a few concerns about exploring and understanding this topic from the network theory and business-to-business perspective particularly in the hotel industry (Kang et al., 2010). The majority of the study is more focus on the short-term rather than long-term (i.e. network) and business-to-customer relationships. Thus, this study attempts to fill this gap by focusing on business network and business-to-business relationships in the hotel industry. In this light, the purpose of this study is to discuss the implementation, maintenance and benefits of CSR programme in hotels" network by addressing the research questions as the following: (1) What are the reasons of hotels establishing CSR programme as part of their network of business relationship? (2) How do the implementation of CSR programme as a complementary relationship in hotels" network? (3) What are the network elements (actors, activities and resources shared) involved in this network? (4) How do hotels nurture their CSR programme? (5) What are the benefits of hotels establishing CSR programme?

LITERATURE REVIEW

Definition of CSR

CSR is not all about philanthropy and doing charity services for the community (Waldman et al., 2010). It is more than that. CSR suggest that business should not only concern of itself but also society (Kang et al., 2010; Turcsanyi & Sisaye, 2013). CSR is defined as "a set of commitments of various types, economic, social and environmental, adopted by enterprises, organizations and public and private institutions and that they add value to fulfill their legal obligations, contributing both social and economic progress within the framework of sustainable development" (Gallardo-Vazquez & Sanchez-Hernandez, 2012: 1). CSR can include among others issues related to pollution, charitable work, or indirect economic impacts (Turcsanyi & Sisaye, 2013). CSR directly and indirectly influences businesses. CSR programme directly impacts not only the corporations or organizations that implement these practices but also stakeholder groups, for example, investors, employees, regulators, activists and communities (Turcsanyi & Sisaye, 2013; Waldman et al., 2010). However, CSR might invite negative impacts which should be alleviated because it can affect the organizational climate. For example, employees may become cynical if it becomes apparent that while the organization is generous in terms of charities, it does not express adequate sensitivity to working conditions or employees' safety (Waldman et al., 2010). On the contrary, the public might become critical if it turns out that the organization does not show responsibility to environmental issues.

Relationship Marketing: Definition

There is still no universal definition of relationship marketing accepted by researchers and marketers (Harker, 1999; O‟Malley & Tynan, 2003; Agariya & Singh, 2011). The numerous definitions are derived from different research perspectives and variously emphasise different ideas (O‟Malley & Tynan, 2003). For example, Harker (1999) attempts to review 26 random definitions of relationship marketing with the purpose of constructing a general definition. More recently, Agariya and Singh (2011) conduct content analysis of academic literature to provide an overview of relationship marketing definitions and its major constructs. Berry (cited in Berry, 1995: 236) who first

introduced the term relationship marketing, defines marketing as "attracting, maintaining and -in multi-service organizations-enhancing customer relationships". He pointed out that attracting new customers should be seen as an intermediate step in the marketing process (Berry, 1995, 2002). However, it is as important as keeping and improving relationships with existing customers on a long-term basis (Berry, 2002). The definition by Gronroos is widely recognized as the most comprehensive definition based on a relational approach. He defines relationship marketing as "a marketing strategy to the process of identifying and establishing, maintaining, and enhancing, and when necessary also terminating relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met; and this is done by a mutual exchange and fulfillment of promises" (Gronroos, 1999: 328).

Relationship Marketing: Dimensions

There is no generic set of dimensions to represent successful relationships in a variety of industries, Liang, Wang and Farquhar (2009: 129) refer to the "ongoing debate regarding the specific dimensions of the customer relationship orientation construct". However, there are common dimensions that are accepted among researchers as components of a successful relationship in any context. They are trust, commitment and satisfaction. This is supported by Athanasopoulou"s (2009) research which posits that these three major dimensions of a relationship have been used in many studies and validated in different contexts. Her study was a literature review of 64 studies of relationship quality in business-to-business and business-to-consumer contexts, published in academic journals from 1987 to March 2007. In a more recent content analysis of 456 papers by Agariya and Singh (2011), the findings show that trust, satisfaction and commitment are defined as the major constructs of relationship marketing.

Authors in general agree that trust is one of the most important components of the buyer and seller relationship. Anderson and Weitz (1989: 312) define trust as "one party's belief that its needs will be fulfilled in the future by actions undertaken by the other party". Commitment is an essential ingredient for a successful long-term relationship (Morgan & Hunt, 1994; Baron, Conway & Warnaby, 2010), implying the

intention to stay in the relationship (Bansal, Irving, & Taylor, 2004; Kim, Leong, & Lee, 2005) and profitability (Anderson & Weitz, 1992); it is strongly correlated directly and indirectly with customer loyalty (Bowen and Shoemaker, 1998; Hennig-Thurau, Gwinner, & Gremler, 2002), and directly influences positive word-of-mouth behaviour (Bowen & Shoemaker, 1998). Customer satisfaction is seen as the key dimension in building, establishing and maintaining the relationship between customer and firm (Kim & Cha, 2002; Liang et al., 2009; Baron et al., 2010), leading to customer retention and loyalty (Hennig-Thurau et al., 2002: Lemon, White, & Winer, 2002) and greatly affecting attitudes toward purchasing products or services (Choi & Chu, 2001).

Business Network: Definition

Business networks will not exist if there are no relationships among firms (Easton, 1992). The characteristic of a network as stated by de Burca (1995) is a set of connected exchange relationships between actors controlling business activities. Connection is emphasized because networks emerge and develop as a consequence of interactions. Business activities are coordinated by firms through interactions in a network. The interactions involve the exchange of products or services, information, financial and social. Through the interactions, they influence and adapt when performing join activities. The interactions over a period of time lead to business relationships in a network in which actors, activities and resources are interconnected and embedded. The IMP Group views the organizational or firm relationships not only as existing between different individuals in the buying and the selling firms, but also with individuals in other entities such as the seller's suppliers, the buyer's customers, competitors, trade associations and political bodies (Cheung & Turnbull, 1998; Ritter, Wilkinson, & Johnston, 2004). These relationships are often complex, consisting of a web of interactive relations between individuals in the firms (Hakansson & Snehota, 1989). This web of relationships can be referred to as a network (Hakansson & Snehota, 1989; Halinen, Salmi, & Havila, 1999; Ritter et al., 2004). The term network itself is adopted from exchange theory which refers to "the sets of two or more connected exchange relations" (Cheung & Turnbull, 1998: 45). Therefore, the network

approach deals with complex business relationships involving individuals outside and within firms, competitors, customers, government agencies and other institutions.

Business Network: Elements

The network elements are actors, activities and resources. The actors are those who perform activities and/or control resources (Hakansson & Johanson, 1992). They can be individuals, groups of individuals, parts of firms, firms, or groups of firms (Hakansson & Johanson, 1992; Tikkanen, 1998). They have five characteristics: they perform and control activities; they develop relationships with each other; they base their activities on control over resources; they are goal oriented; and they have differential knowledge about activities, resources and other actors in the network (Hakansson & Johanson, 1992). Actors utilize certain resources to change other resources in various ways through activities. There are two kinds of activity: transformation activities and transfer activities (Hakansson & Johanson, 1992; Tikkanen, 1998). In transformation activities, resources are changed in several ways into new resources which are controlled directly by one actor. Transfer activities link transformation activities from one actor to other actors. Resources are means that are used by actors when they undertake the transformation and transfer activities (Hakansson & Johanson, 1992; de Burca, 1998). All resources are controlled by single actors or several actors that join together. The resource elements are technological, material, knowledge resources and other intangibles (Hakansson & Snehota, 1992; Tikkanen, 1998).

Hotel's Stakeholders

The stakeholders are any individual or group that might affect or be affected by the organization's activities. Examples to stakeholders are employees, suppliers, contractors, customers/clients, shareholders, government, community, leaders and non-governmental organizations (de Grosbois, 2012; Waldman *et al.*, 2010). The main external stakeholders of a firm can be grouped into business and non-business relationships. The business relationships include buyers or customers (end-buyers and intermediate buyers), suppliers and competitors. The non-business relationships, often named as complementary relationships, include any non-profit relation with other firms,

organizations or government institutions. This particular relationships becomes the main focus of this study through exploring the hotels' CSR programme. The primary reason for developing such relationships with many other types of business is to increase the value of their product (Ritter *et al.*, 2004). The partners can be local government authorities (who enforce health and safety, hygiene and planning regulations), other businesses and people who live in the neighbourhood, the community (educational institution, social and voluntary institutions), leisure businesses (sporting and tourism attractions), the local media, research institutions, tourism associations, labour associations and activist groups (Bowie & Buttle, 2004; Harrison & Enz, 2005).

RESEARCH METHODS

The interpretivist paradigm was adopted for this study with the reason was that this study attempts to understand reality based on the experiences of the participants in the social setting, not simply to measure it. Interpretivism is regarded as a belief that social reality is not objective but highly subjective, because it is shaped by our perceptions or interpretations (Collis & Hussey, 2009). In this paradigm, the researcher has close contact with what is being researched, because interpretivists seek to understand the subjective reality of the research participants and then to interpret it (Saunders, Lewis, and Thornhill, 2003). The inductive approach of research was adopted in this study. An inductive approach is a theory building process, starting with observations of specific instances, and seeking to establish generalizations about phenomenon under investigation (Hyde, 2000). Thus, the qualitative research was utilized as the research strategy since it allows one to study the connectedness, interdependences, and relationships of firms in a network. One of the qualitative research strategies that meet with the purpose of this study was the case study, which was used here to explore a single phenomenon in its natural setting using a variety of methods to obtain in-depth knowledge (Collis & Hussey, 2009). Moreover, according to Burns (2000: 460), the case study was the most appropriate research strategy to answer the "how", "who", "why" or "what" research questions.

The multiple-case studies were used to undertake the case comparisons as they were preferred in the theory-generating case studies (Halinen & Tornroos, 2005) and also, to find out whether the findings from the first case were reflected in other cases

(Saunders *et al.*, 2009). The case in this study consists of one hotel and one of its complementary organization. Nine cases were studied which represent the Indonesian hotel classification system. Three cases was a classified hotel belonging to an international chain, three a classified hotel with a national chain, and three an unclassified hotel. The purpose was to gain various perspectives from different hotels" management in order to compare and contrast them to seek similarities or differences (replication logic). The complementary organizations are determined by hotels. Thus, in total eighteen firms and organizations were participated in this study. The face-to-face semi-structured interview was the main data collection method used which supported by direct observation and documentation review. The interviewees are the top level management since they have more understanding about CSR programme. The interviews lasted between one hour and one and a half hour. They were recorded using a digital recorder with the interviewees' consent. The interviews were recorded in order to avoid the loss of important statements and avoid misinterpretation by the researcher. Another benefit of recorded data was that it could be replayed when necessary. The direct observation and documentation review were undertaken during the interviews simultaneously.

Miles and Huberman (1994) note three concurrent flows of activity in analysing qualitative data: data reduction, data display, and conclusion drawing and verification. Data reduction refers to the process of selecting, focusing, simplifying, abstracting, and transforming the data obtained from the transcriptions. Data display refers to the presentation of organized information that allows conclusions to be drawn and patterns and themes to be recognized. It was conducted by quotations and matrices. Conclusion drawing and verification involve the researcher's. The conclusion drawing and verification were conducted by analyzing the data within-case and across-case (Eisenhardt, 1989). The within-case analysis involved detailed case study write-ups for each site. The cross-case analysis was by comparing the pattern across cases, referred to as pattern matching (Yin, 2009). A common pattern was identified by comparing the cases. The cases from different hotel classifications were examined to find the common pattern.

RESULT AND DISCUSSION

The findings suggested that hotels established the relationships in order to implement their CSR programme, which commit business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life (Kang, Lee, & Huh., 2010; Tsai, Hsu, Chen, Lin, & Chen, 2010). Among the list of possible CSR programmes, all of the cases have network with the organizations that concern with environmental protection and universities, particularly those that have tourism departments. This is supported by Henderson, (2007) and Tsai *et al*. (2010). Five hotels have relationships with educational institutions. The reason for these hotels identifying educational institutions as partners to implement CSR programmes was that they enjoyed mutual benefits in terms of training, on-the-job training, curriculum development, and the availability of a ready-to-work workforce. Another four hotels have relationships with environmental charities. These hotels show its environmental concern on their webpage. These webpage include a page exclusively about the hotels initiatives to gauge the guest's concern for the environment. The information includes the villa's efforts to practise environmentally friendly activities, including a tree planting programme, water saving, using environmentally friendly chemical substances in maintaining the cleanliness of villas and public areas, separating organic and non-organic garbage, composting organic garbage, reducing paper waste within the working environment, and by regular contributions to the local community (e.g. donations of trees, big litter bins, public toilets). Moreover, these hotels also encourage their guests to apply simple practices such as reusing the towels, switching off lights and electronic devices when not in their room, throwing litter in the bins provided, and participating in the villa's tree planting programme. The findings and discussion of the data are presented in the following sections.

(1) What are the reasons of hotels establishing CSR programme as part of their network of business relationship?

The findings reveal that the reason of the majority of hotels to establish the complementary relationships with non-business partners was to implement their CSR programmes. It is apparent that mutual benefit is the basic foundation, without it the

relationships won't be last long. The interesting statement made by one of the educational institution as follows:

> "Although our relationship is nonprofit based, mutual benefit has a significant part in a relationship. A healthy relationship was derived from a fair relationship. It is fair when it brings mutual benefit to the parties involved. The specific benefit of the relationship is the harmonization of the industry needs with our graduates' skills and knowledge."

Example of the statement made by one hotel manager:

> "We have relationship with educational institutions because: firstly, they are one of our stakeholders; secondly, our Corporate Social Responsibility programme concerns with the educational issue."

The researcher has been shown the article (newspapers and online) about the involvement of hotels in their CSR programme events. The articles published the implementation of hotels' and partners' CSR programme. The photographs of activities are also presented as the solid prove of their CSR programme implementation.

Additionally, the majority of the head of educational institutions acknowledge the outcome of this particular relationships is an industry-based curriculum. Example of the statement is as the following:

> "We need the information regarding the knowledge and skills required for working in the hotel. This is to match our curriculum with the hotels' requirements; therefore, our graduates will be fully absorbed by the industry."

The evidence of mutual benefit is apparent in the curriculum of educational institutions, which includes many topics directly related to the tourism industry such as MICE, Ticketing, Tourism Product Knowledge and Reservation subjects. Therefore, the graduates have the skill and knowledge required by hotel industry.

Meanwhile, the reason for charity organizations to establish relationships with hotels is mainly or maintaining the sustainability of their organizations. One of the executive manager said:

> "From our side, the establishment of our organization in the long period of time, in other word to sustain our organization, is the underlying reason for having this relationship. It can be achieved through the contribution, in terms of financial or non-financial, from our participants. From this, our main purpose of saving and preserving the environment can be supported and realized."

The research findings are in the same vein with Waldman *et al.* (2010) in term of the importance of CSR for the long-term sustainability of a firm. Firms that blindly and narrowly pursue the profit motive, without concern for the broad spectrum of stakeholders that are relevant to the long run, are increasingly shown to lack sustainability. But it is not only important to realize the importance of these groups. Firms must also be able to "connect the dots" and understand how various stakeholders, and the satisfaction of their needs, represent interrelated challenges (Waldman *et al.*,2010).

All the interviewees agreed that trust, commitment and satisfaction have the most significant influence to the relationships in the network, more specifically in the complementary relationships. This is in parallel with Athanasopoulou (2009) and Agariya and Singh (2011). Additionally, Lee, Kim, Lee, and Li's (2012) research finding suggest that trust and satisfaction are the antecedents of commitment. Trustworthiness among actors in a network is gained by keeping promises, fairness, and honesty. The importance of trustworthiness has been emphasized by one of the head of educational institution as follows: "For an educational institution, the willingness to remain in the relationship is mainly based on the trustworthiness of the parties involved." Commitment is perceived as a logical outcome of the trustworthiness of parties involved in the network. Through trust, commitment to the relationship inevitably emerges, in this case marked by signing a legally binding cooperation contract and/or Memorandum of Understanding. Commitment was also demonstrated by showing a supportive attitude to partners. An example of the statement made by executive manager from charity organization is:

> "Yes, commitment has influence in the relationship. It can be developed after we achieved mutual understanding and benefit. The relationship cannot be established without commitment to engage in the relationship."

In some of educational institutions, the commitment to undertake exchanges in the network was written in the Memorandum of Understanding, as shown to the researcher. Hotels and their non-business partners agreed that satisfaction is significant as a trigger for developing or sustaining the long-term relationships. One of the hotel manager stated:

"In my opinion, satisfaction in a single transaction will lead towards a long-term relationship. It is better for not having a relationship in the first place, if we do not obtain satisfaction."

(2) How do the implementation of CSR programme as a complementary relationship in hotels' network?

The findings revealed that the implementation of CSR programme involves equal effort from all parties involved. From the hotel's side, some of the CSR initiatives are by: publishing the meaningful and measurable social and environmental goals and regular reporting on progress towards achievement; formulating the policies to avoid damaging social and environmental impacts of operations; investing and involving in social welfare (i.e. in education field) and environmental conservation and upgrading programmes; forging of partnerships with government and non-governmental organizations, including local community groups, in such programmes; full compliance with official regulations and a willingness to exceed these; and educating and engaging customers and staff about social and environmental issues of concern. This is in the same vein with the study by Henderson (2007). One of hotel manager stated the importance of educating and engaging customers about social and environmental issues:

"We put some content regarding our hotel commitment towards environmental issues on our Website and in every the room, with the purpose that our customers who have less concern will at least read and hopefully apply some of the actions while staying in the hotel. We also have some internal activities programme for kids such as games with related to environment conservation."

Meanwhile, the findings from the partner's side, the initiatives taken are by: formulating the suitable, appropriate beneficial and meaningful programme; publishing the events before and after conducted; and educating and engaging business and social communities. The educational institutions (i.e. universities and colleges) and charity organizations (environmental concerned) have close and intense relation with hotels since they both generate positive impacts of having network.

(3) What are the network elements (actors, activities and resources shared) involved in this network?

As informed by the academic literature (Hakansson & Johanson, 1992; Tikkanen, 1998; Brennan, Canning, & McDowell, 2008; Ford & Mouzas, 2010), the actors involved in the relationships could be individuals, a group of individuals, parts of a firm, whole firms, or a group of firms. The literature indicated that there are two categories of activity in a network of business relationships: transformation and transfer activities (Hakansson & Johanson, 1992; Tikkanen, 1998). From the findings and researcher's observation, it was apparent that the activities involved in the network of business relationships were transformation and transfer of resources. In this study, resources from all the parties involved in the complementary relationships were transferred by actors through activities. The findings of this study confirmed to the theory that shared resources include both tangible and intangible. The intangible resources included technological, material and knowledge (Hakansson & Snehota, 1992; Tikkanen, 1998). Tangible resources included sponsorships, vouchers, scholarships, non-verbal information and curriculum. The finding related to network elements is presented in the table below.

Table: Network Elements

Hotels to Complementary		Hotels and Complementary			
Actors		Activities		Resources	
Educational Institution	Environmental Charity	Educational Institution	Environmental Charity	Educational Institution	Environmental Charity
□ Firm □ Human resource department □ Resident/gener al manager □ Human resource manager □ Human resource officers	□ Firm □ Human resource department □ Resident/gener al manager □ Human resource manager □ Human resource officers	□ Place for students' on the job training □ Lecturer training □ Hotel's employees training □ Seminars □ Workshops □ Curriculum developmen t □ Job placement □ Sharing knowledge □ Sharing information □ Social activities	□ Seminars □ Meetings □ Programme activities, such as planting the trees, cleaning the beach	□ Sharing information □ Sharing knowledge □ Developing curriculum □ Providing job opportunitie s □ Scholarship for students	□ Donation □ Sharing information □ Sharing knowledge
Complementary to Hotel					
□ Institution □ Director □ Assistant directors □ Cooperation unit □ Appointed	□ Organization □ Executive manager □ Project managers				

person in charge					

Source: the research finding

(4) How do hotels nurture their CSR programme?

The majority of hotels nurture their networks by conducting intense communication and clear coordination. The findings confirmed communication as one of the important factors in a network of business relationships. They suggested that the main reasons were: it was a way in which to maintain the relationship; it prevented the possibility of problems or conflicts occurring; it was a means of solving problems or conflicts; and it was a tool for having good coordination. The academic literature confirms that communication serves as the process by which programmes are coordinated (Anderson & Narus, 1990), power is exercised (Gaski, 1984), and commitment and loyalty are encouraged (Anderson & Weitz, 1992). The statement below illustrates the importance of communication:

> "Yes, communication also influences the relationship. Communication can prevent misunderstanding as a basic source of conflict. And by any chance, if misunderstanding does occur, I believe that it can be solved by conducting communication."

Some efforts to communicate among networks have been done through face-to-face communication (i.e. visiting partners' offices, meeting for discussion, seminar, and workshop); written communication (i.e. letter by e-mail and official printed letter); oral communication (i.e. contacting by phone); social media (i.e. Facebook, Twitter, and Messengers); and internet (i.e. Webpage). The researcher has been given the opportunity to read the e-mail correspondence between hotels and their partners. They mainly utilized e-mail for correspondence and coordination.

Coordination among hotels and its partners is ensured by the person in charge. As an example, in one of hotel, the sales and marketing manager or representative liaises with the Sales and Marketing Manager or representatives from other hotels, travel agents, tour operators, and event organizers; the purchasing manager liaises with suppliers; and institutions are handled by the human resources manager or officers. The general manager is rarely involved in daily liaison with partners, and is only

consulted when there is a special or urgent case. The daily coordination is usually handled by the operational manager. The majority of hotels have special unit to take care of their CSR programmes. One hotel manager stated:

> "The coordination process is conducted between people in charge of that specific task. This is stated clearly in our job description. Coordination to solve a conflict is conducted among functional managers, without involving resident manager or operational manager unless they cannot solve it."

> Similarly, the head of educational institution said:
> "The coordination between us and hotel partners is mainly handled by the Cooperation Unit and the Human Resources Manager and/or officers of hotel. We coordinate without having trouble. This is because we always communicate regularly with them."

(5)   What are the benefits of hotels establishing CSR programme?

For non-business partners, particularly for educational institutions, the ultimate benefit was to have a curriculum that meets the industry's needs. The additional benefits were getting more privileges when dealing with the hotels in a network, such as training students, training lecturers, and offering placements for students on job training; improving brand image and reputation; and providing job opportunities for the graduates. One of the head of educational institution mentioned the benefits of the relationship as the following: "We get more privileged such as a location for students' on the job training and lecturers' training, a wide range of job opportunities, and curriculum development." Meanwhile, for the environmental charities, having an active participant to support its programmes was the main benefit of being involved in a relationship. Hotels perceived this relationship as a tool to improve their brand image and reputation. The researcher read documentation regarding curriculum, students' on the job training and lecturers' training for the last three years that support the statement from the interviewees.

All of the interviewees in all cases agreed that there were no significant downsides to relationships that might significantly affect business activities. The findings suggested that this was because hotels and their partners conducted careful partner selection before establishing a relationship. The mutual orientation or interest and mutual need are the basis of the relationship. However, it cannot be ignored that a network has

possible downsides that may trap firms into unproductive relationships or prevent partnering with other potential firms (Gulati, Nohria, & Zaheer, 2000; Waldman *et al.*, 2010).

CONCLUSION

The importance of balancing the relationships with partners in the network particularly in the complementary relationships, through implementing CSR programme, is apparent from the findings. Hotels and their non-business partners (nonprofit oriented relationships) understand the benefits that might be generated from establishing CSR programme. At the end hotels and their non-business partners want to achieve business sustainability for the long period of time. This can be done by nurturing the relationships equally and fairly utilizing communication tools and conducting regular coordination. The managerial implication of this study is to consider seriously using CSR initiative as one of hotels' marketing strategy as increasing number of green customers can be targeted. Concurrently, the practical implication to the hotelier practitioners is to emphasize the importance of CSR programme as a nonfinancial added value. The researcher acknowledge the primary limitation of this study is that the limited number of respondents, due to the feeling of insecurity being interviewed. It is suggested for the future research to explore this topic further by utilizing other means of research strategy in order to achieve generalization as the limitation of case study.

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