Exploring Sustainable Business Models for Hotel Industry Governance in Bali

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Abstract: A new sustainable governance model for the hospitality industry is presented in this paper. It combines the sustainability model of hotel governance with the Tri Hita Karana concept, which is ingrained in the culture of the Balinese people. This model was tried observationally, including forty-star and non-star lodgings in the Bali region. According to structural equation modeling analysis, cultural and social factors have a greater impact on sustainable hotel regulation, tourism policy, and governance than economic or environmental factors. In addition, the analysis findings in every location where the research was conducted demonstrate that the issue of tourist regulations and policies is the primary concern that requires attention, followed by the issue of sustainable hotel management, as well as socio-cultural, economic, and environmental concerns. According to these findings, Bali's strength as a tourist destination is consistent with the concept of sustainable tourism because of its natural and cultural attractions and the concept of Tri Hita Karana, which is ingrained in the culture of the Balinese people.

Keywords: economy, environment, socio-culture, tourism regulations and policies, sustainable hotel governance.

探索巴厘岛酒店业治理的可持续商业模式

摘要:

本文提出了一种新的酒店业可持续治理模式。它将酒店治理的可持续发展模式与根植于巴厘岛人民文化中的三希塔卡拉纳理念相结合。这一模式经过了观察性尝试，包括巴厘岛地区的四十家星级和非星级住宿。根据结构方程模型分析，文化和社会因素对可持续酒店监管、旅游政策和治理的影响比经济或环境因素更大。此外，每个研究地点的分析结果表明，旅游法规和政策问题是需要关注的首要问题，其次是可持续酒店管理问题，以及社会文化、经济和可持续发展问题。环境问题。根据这些调查结果，巴厘岛作为旅游目的地的优势与可持续旅游的概念是一致的，因为它的自然和文化景点以及根深蒂固于巴厘岛人民文化中的三希塔卡拉纳概念。

关键词：经济、环境、社会文化、旅游法规政策、可持续酒店治理。

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1. Introduction

The climate change has caused significant harm and casualties, and it has a significant impact on the lives and means of subsistence of those reliant on tourism. Research must identify business strategies and models used by tourism-related businesses that canboth mitigate the effects of climate change and support their own sustainability. The company's capacity to survive the Covid-19 pandemic and the subsequent recovery period is also crucial. The importance of sustainable hotels stems from the fact that compared to customer service-centric strategies, messages that focus on sustainability tend to leave guests with a more favorable picture of the establishment and a higher tendency to reserve a room [1].

Therefore, Indonesia conforms to the United Nations World Tourism Organization/UNWTO Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) [2]. In addition, the creation of a blue and green economy in the tourism industry would be a response to changes in the way customers live and work by improving climate awareness and encouraging consumers to choose sustainable products and services after the pandemic. This shift in consumer behavior impacts the tourism industry as well. This is a result of the growing number of tourists seeking eco-friendly tourism options and the movement toward sustainable tourism [3]. The tourism industry is expanding, and travelers are beginning to adopt recycled consumption and sustainable purchasing practices [4]. This demonstrates a transition in tourism, particularly one that is more economically, socially, and environmentally responsible for local populations in tourist sites [5]. Changes in tourist behavior can be validated by the possibility that hotel guests will make decisions based on a hotel's performance interactions with environmental friendliness and sustainability [6].

An additional important reason is that in the years preceding Covid-19, tourism has expanded and diversified, becoming one of the fastest growing economic sectors, with naturalwealth that is very likely to become a potential tourist destination in the region, and cultural wealth that has accumulated many times Indonesia's total land area. Tourism is also the most essential sector supporting the economy.

The competitiveness of the Indonesian tourism industry is expected to rise through 2022 [7]. There was a 3.48-place jump for Indonesia on the TTCI from the 44th to the 32nd out of 117 nations between 2019 and 2021. Every two years, the World Economic Forum (WEF) compiles a ranking of countries' competitiveness in the tourism industry (TTCI) by comparing the performance of different nations. The WEF ranking is determined by considering 14 different subindices. Even though Indonesia's TTCI rose by 3.48 points, several of its sub-indices fell, including the human resources and labor market, which went from 4.45 to 4.36. Female labor force participation, female labor force participation relative to male labor force participation, and female labor force participation relative to labor force qualification all dropped significantly. Comparatively, ICT readiness fell from 4.83 to 4.20, and the business environment dropped from 5.45 to 3.88. Price competitiveness fell from 5.38 to 2.76, and safety and security fell from 5.38 to 2.76. Forest cover change decreased from -1.40 to -53.00. Particulate matter concentration decreased from 5.40 to 5.27. The stringency of environmental regulations sub-index fell from 4.60 to 0.00. Enforcement of environmental regulations fell from 4.53 to 0.00, and fish stock status fell from 1.00 to 0.00, contributing to the overall decrease in environmental sustainability from 3.26 to -2.75. This sub-index reduction data will be used to demonstrate, in the evaluation of sustainable tourism implementation in the hotel industry at each research locus, that sustainable tourism governance from a variety of perspectives, including economic, sociocultural, and environmental, is still not optimal in hotels.

One of the most popular places for travelers to visit, both domestically and internationally, is Bali Island. Despite this, Bali has not yet fully optimized its use of sustainable tourism practices [5]. This may be seen, among other things, from the persistent problem of overtourism, which occurs when the number of visitors visiting a particular location is much higher than the capacity of the ecosystem that supports tourism at that location [8]. The enormous number of hotels on Bali Island, particularly in the Badung Regency, is a further indication of this condition. There have been around 135 hotels in Bali rated 5-star hotels to this point [9].

The authors of this study begin with the premise that hotels can have a major effect on both the natural world and ecotourism [10]. Hotels that contribute to the growth of sustainable tourism must employ sustainable tourism management practices. Sustainable tourism is defined by the UNWTO as "tourism that takes into account its current and future economic, social, and environmental implications and serves the requirements of visitors, industry, the environment, and host communities" [11].

It is essential to conduct research on sustainable tourism as an implementation of the blue and green economy that has been proclaimed by the government, which focuses on hotels where the accommodation provider component in tourism also has a significant

impact on the environment. Based on the things that have been described, it is essential to conduct research on sustainable tourism as an implementation of the blue and green economy that has been proclaimed by the government. As part of an effort to achieve sustainable tourist development in general, which must adhere to the tenets of sustainable tourism, it is anticipated that this research will be able to offer solutions that are appropriate to hotel management that is based on sustainable tourism.

As a result, the outcomes of this study indicate that there are three aspects that should be highlighted in the conversation;

1. In what ways may the hotel industry and its various applications contribute to the development of sustainable tourism in Bali?

2. What steps are taken by the hotel industry in Bali to ensure that sustainable tourism is practiced?

3. How does the sustainable tourism factor into the management strategy for the hotel business in Bali, which is governed by the Indonesian government?

This study is limited to the management of star and non-star hotels in the Bali area that have implemented Tri Hita Karana culture and have been operating for more than 2 years.

2. Literature Review

Sustainable development originated with western, international environmental and conservation movement groups and conferences, such as the 1972 Stockholm UN Conference on the Human Environment and the 1980 World Conservation Strategy. Although seminal works such as Carson's Silent Spring (1962) and Hardin's The Tragedy of the Commons (1962) have had a significant impact on the environmental movement [12]. Over the course of the last half-century, advances both inside and outside the tourism industry have led to the emergence of a new paradigm known as sustainable tourism, which is still in the process of development.

According to [11], sustainable tourism is practiced through meeting demands in the following areas:

1. The optimal use of environmental resources is a crucial part of tourism development because it helps preserve natural heritage and biodiversity.

2. Upholding the social and cultural status of host communities, preserving their legacy and values while fostering mutual appreciation and acceptance of people of different backgrounds.

3. Ensuring economic viability over the long term, distributing socioeconomic advantages equitably to all stakeholders, and helping alleviate poverty by providing steady employment and income and other social services to the community.

From the tourism sector, it is mentioned that the most often associated with the Sustainable Development Goals are Goals 8, 12, and 14 on "decent work and economic growth," "responsible consumption and production," and "life under water".

1. Goal 8: Decent Work and Economic Growth

Tourism supports one in eleven jobs worldwide and drives global economic growth. Everyone benefits from more tourism jobs, especially for women and youth. Identify and implement plans to encourage sustainable tourism that creates jobs and promotes local culture and products by 2030, reflecting the sector's job creation.

2. Goal 12: Responsible Consumption and Production

Sustainable consumption and production (SCP) techniques in the tourism industry can accelerate global sustainability. The program must "develop and deploy instruments to monitor sustainable development impacts for sustainable tourism that produces jobs, promotes local culture and products," as mentioned in the target and goal objectives. The Sustainable Tourism Programme (STP) of the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns seeks resource-saving SCP practices that promote economic, social, and environmental outcomes (10YFP).

3. Goal 14: Life below Water

Shore and marine tourism is big business, especially for Small Island Developing States (SIDS). Sustainable tourism development must be part of integrated coastal zone management to increase the blue economic benefits to Small Island Developing States (SIDS) and least developed countries (LDCs) from the sustainable use of marine resources, including fisheries, aquaculture, and tourism, by 2030.

Through the Ministry of Development Planning/BAPPENAS, the Indonesian government is also developing an Indonesian economic transformation strategy. Sustainable development principles have informed the creation of six primary strategies that will serve as the foundation for Indonesia's medium- to long-term road map, helping the country to reach high levels of sustainable productivity (National Long-Term Development Plan/RPJPN/RPJMN). Here are the six most important ones:

1) Improving HR is the top focus. This is crucial to economic progress as a development institution and primary recipient. Restructuring Indonesia's economy requires investing in its people's knowledge, skills, and capacities in health, intelligence, creativity, and economic growth.

2) To reorganize the economy around value-creating sectors, all sectors must increase productivity. Increasing worker productivity, agricultural modernization, industrialization, tourism promotion, SMEs, and creative industries can do this.

3) Indonesia's green economy transformation will efficiently manage natural resources for present and future generations.

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4) Digital transformation, which offers quality and sustainable economic growth; low-carbon (green, blue, circular economy) development strategies, rising use of new and renewable energy, and climate change prevention and adaptation measures. Digital technology is everywhere in modern life. Restoring and developing the digital economy can enhance innovation, productivity, and sustainability;

5) Improving domestic economic integration. Indonesia's huge archipelago relies on the economic interdependence. Economic integration boosts trade and economic diversification.

6) To boost domestic value chains and regional and international links, a new administrative center is being created. The suggested capital relocation is one way to generate fresh economic growth and distribute development equally across Indonesia beyond political factors and oligarch-government corporate investment.

This study's theory is grounded in the UNWTO's [11] concept of long-term tourism, with a focus on meeting the needs of resource utilization, cultural preservation, and long-term economic growth through analyses of variables and indicators. Elkington's triple bottom line (TBL) methodology allows for the estimation of the repercussions of tourism development on a regional scale [21]. TBL is a planning and reporting system and a framework for making decisions that measures and evaluates an organization's economic, environmental, and social performance. Using TBL to develop sustainable tourism [13] or combining TBL with the UNWTO's sustainable tourism concept to create a hotel sustainable business model (HSBM) makes the hospitality industry more relevant [14]. The intended HSBM can be seen in the illustration below:
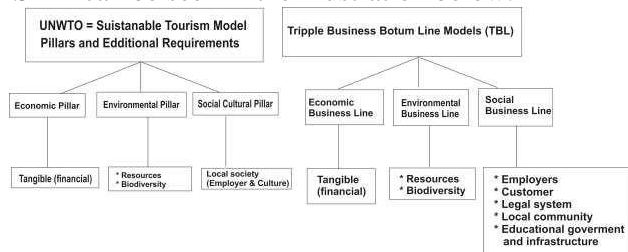

Fig. 1 Hotel sustainable business model (HSBM)

However, according to Nguyen [15], indicators of sustainable tourism include tourism-related institutions and policies, local communities, and additional factors (climate change, international economic integration, industrial revolution).

3. Research Paradigm

The UNWTO's long-term tourism concept [11] serves as the theoretical framework for this study, which analyzes variables and indicators to better serve the goals of resource utilization, cultural preservation, and long-term economic growth. Consistent legal and social legitimacy, manifested through corporate responsibility initiatives, provides a strong bond

between environmental sustainability and social, cultural, and communal well-being [16]. Communicating the company's commitment to social responsibility (CSR) is one strategy to connect the community without diluting the company's standing in the market [17]. The hotel governance sustainability variable is in accordance with [18], which states that the scorecard evaluation approach in architecture and hotel design and the self-reporting system of hotel award submissions must be integrated.

The relationship between the independent factors and the dependent variables is outlined by the study paradigm. In this investigation, a model was constructed to investigate the effect of factors Economic (X1) and 3A Environment (X2) on Hotel Governance Sustainability (Y), with Tourism Regulations/Policies serving as the mediator variable (Z).
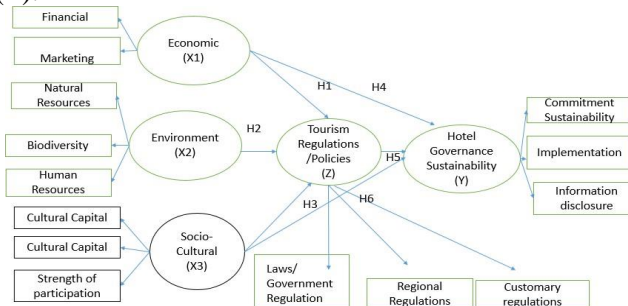

Fig. 2 Research paradigm

This paradigm allows us to formulate the problem as follows:

1. Does the economy significantly impact tourism regulation and policy?

2. Does the environment significantly impact tourism regulations and policies?

3. Does socio-cultural influence tourism regulations and policies significantly?

4. Does socio-cultural influence sustainable hotel governance significantly?

5. Is the Economy a major factor in sustainable hotel governance?

6. Do tourism regulations and policies mediate economic, environmental, and socio-cultural effects on sustainable hotel governance?

4. Methods

This study employs quantitative research methodologies. According to [19], the distribution of questionnaires using the technique of purposive sampling involves sampling employing specific factors in accordance with the intended criteria to decide the number of samples to be investigated. The sample proposal included 40 responses. During the research, five-star, four-star, three-star, and non-star hotels from the Badung district of Bali participated as respondents. Statistical analysis for research using a structural equation model (SEM) is a method that allows for the

simultaneous study of all variables and their indicators. Partial least squares (PLS) methods are used in the data processing. For the operationalization, the variables used are as follows:

Table 1 Operationalization of the variables

Variables	Dimensions	Number of the Indicators	Measurement Scale
Economy	Financial	7	Likert scale
	Marketing	5	
Environment	Natural resources	7	
	Biodiversity	2	
	Human resources	2	
Socio-cultural	Human capital	3	
	Cultural capital	2	
	Strength of participation	8	
Tourism regulations/policies	Laws/government regulations	4	
	Regional regulations	5	
	Customary regulations	5	
Hotel governance sustainability	Commitment sustainability	4	
	Implementation	4	
	Information disclosure	4	

5. Results and Discussion

5.1. Description of the Research Respondents

This study used questionnaire data. This study questionnaire includes statement items about the research variables and the respondent's name, gender, last education, and the length of employment. The respondent data are as follows:

Table 2 Characteristics of the respondents (Data processing, 2022)

No.	Characteristic	Amount	Percentage (%)
1.	Gender		
	a. Man	33	82.5
	b. Woman	7	17.5
Amount		40	100%
2.	Length of work		
	a. 1 year	5	12.5
	b. 13 years old	14	35
	c. 4–10 years	18	45
	d. 10 years	3	7,5
Amount		40	100%
3.	Last education		
	a. High school	19	47.5
	b. Diploma	17	42.5
	e. Bachelor	4	10
Amount		40	100%

The table data suggest that men made up the vast majority of responses (82.5%), with women coming in as a distant second (17.5%). Male employees make up a sizable proportion of those taking part. Among the employed population, 19 have worked for 0-3 years, 35 for 3-5 years, 11 for 5-10 years (11%), and 9 for 10 years (9%). People who have been employed for a while have a distinct advantage over those who are just entering the employment because of their familiarity with the ins and outs of the industry. Most forty people polled had a high school diploma (47.5%), while another 42.5% had some other form of formal education beyond high school.

5.2. Data Analysis

Data processing techniques with partial least squares (PLS) require two stages to assess the Fit Model of a research model. These stages are:

5.2.1. Assessing the Outer or Measurement Model

There are three criteria in the use of data analysis techniques with SmartPLS to assess the outer model, namely convergent validity, discriminant validity and composite reliability.

Convergent Validity

The PLS software's predicted correlation between item and component scores determines convergent validity. If it correlates more than 0.70 with the construct, the reflexive measure is high. For the initial study on a measurement scale, a loading value of 0.5 to 0.6 is sufficient. The loading factor limit is 0.60 in this investigation.

Table 3 Outer loadings (measurement model) (Data processing with SmartPLS, 2022)

No.	Indicator	Economy	Environment	Tourism Regulation and Policy	Socio-Cultural	Sustainable Hotel Governance
1	Financial (KE)	0.977				
2	Marketing (MAR)	0.981				
3	Natural resources (KH)		0.984			
4	Biodiversity (SDA)		0.984			
5	Human resources (SL)		0.982			
6	Human capital (KP)				0.919	
7	Cultural capital (MB)				0.960	
8	Strength of participation (MM)				0.865	
9	Laws/government regulations (PA)			0.937		

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Continuation of Table 3		
10 Regional regulations (PD)	0.922	
11 Customary regulations (UP)	0.834	
12 Commitment sustainability (IPB)		0.968
13 Implementation (KI)		0.777
14 Information disclosure (KPB)		0.783

The results of processing using SmartPLS can be seen in the table above. The value of the outer model or the correlation between constructs and variables meets convergent validity because it has a loading factor value of > 0.60; in conclusion, the constructs for all variables canbe used to test hypotheses.

Reliability and Average Variance Extracted (AVE)

The validity and reliability criteria can also be seen from the reliability value of a construct and the average variance extracted (AVE) value of each construct. The construct is said to have high reliability if the value is 0.70 and the AVE is above 0.50. Table 4 presents the composite reliability and AVE values for all variables.

Table 4 Composite reliability and average variance extracted (Data processing with SmartPLS, 2022)

	Composite Reliability	Average Variance Extracted (AVE)
Economy	0.979	0.959
Environment	0.989	0.968
Tourism regulation and policy	0.926	0.808
Socio-cultural	0.940	0.839
Sustainable hotel governance	0.883	0.718

Based on Table 4, it can be concluded that all constructs meet the reliability criteria; this is indicated by the composite reliability value of > 0.70 and AVE > 0.50 as the recommended criteria.

5.2.2. Structural Model Testing (Inner Model)

The structural model or inner model is evaluated by calculating the proportion of variance explained, specifically by calculating the R^2 value for the dependent latent construct using the Stone-Geisser Q-square test and by examining the structural route coefficients. Using t-statistics and the bootstrapping method, the estimation stability was assessed.
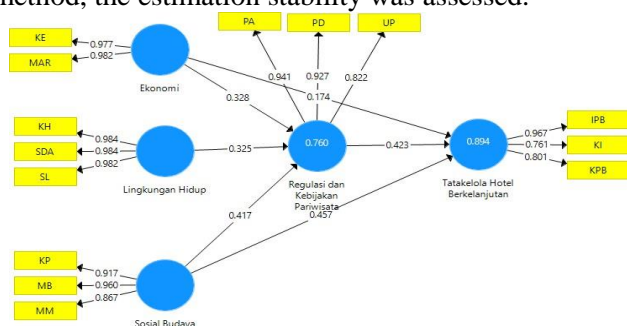

Fig. 3 Structural model

It can be seen from the outcomes of processing with Smart PLS that the value of the outer model for the economic variable is marketing. Furthermore, it can be seen that this confirms that sustainable-based marketing will have a significant effect on economic variables, although financial finance also has a significant influence on these variables. This agrees with the findings of Amatulli [1], who found that guests are more engaged in marketing that has an emphasis on sustainability.

In the environmental variables, the relationship between the natural resources and biodiversity indicators has a significant influence and the same loading factor, followed by the human resources indicator, which, despite being determined, is still significant. This is in accordance with Maisarah [20], who states that sustainable development in tourism is characterized by development that facilitates meeting the needs of tourists while simultaneously ensuring environmental protection.

The growth of Bali's tourism business depends on the island's potential cultural tourist attractions [16]. This is also demonstrated by the findings of factor loading, which demonstrate that the relationship between indicators Cultural Capital, Human Capital, and Participate Strength is significant to social cultural variables.

While economic and environmental variables are important, studies conducted in Bali have found that socio-cultural indicators have a much higher loading factor. Nguyen [15] argues that local government policies and laws regarding tourism have a major impact on the sustainability of the industry there.

The hotel governance sustainability variable is significantly influenced by socio-cultural variables, followed by government and economic policies and regulations. The most significant indicators are commitment, implementation, and information disclosure according to [18], which states that the scorecard evaluation approach in architectural and hotel design and the self-reporting system for submitting hotel awards must be integrated.

The results of the PLS R-squares represent the total variance of the construct described by the model. Table 5 presents the results of calculating the R-squares value.

Table 5 R-square value (Data processing with SmartPLS, 2022)

No.	Variable	R Square
1.	Tourism Regulation and Policy	0.759
2.	Sustainable Hotel Governance	0.767

This study uses two variables that are influenced by other variables. The first is the tourism regulation and policy variable (Z), which is significantly influenced by the economy, environment, and socio-cultural factor, and the second is the sustainable hotel governance variable (Y), which is significantly influenced by the economy (X1), environment (X2), socio-cultural (X3) factor, and tourism regulations and policies (Z). Both of these variables are referred to as explanatory variables (Z).

According to the data in the table above, the value of the R-square statistic for the tourist regulatory and policy variable (Z) is 0.759, while the value for the sustainable hotel governance variable (Y) is 0.767. According to these findings, 75.9% of the tourism regulations and policy variables (Z) are influenced by the economy (X1), environment (X2), and socio-cultural (X3) factor, and 76.7% of the sustainable hotel governance variables (Y) are influenced by the economy (X1), environment (X2), socio-cultural (X3) factor, and tourism regulations and policies (Z).

6. Discussion

In Bali, the tourism industry plays a crucial role in the country's overall economy. The tourism industry is a major contributor to Bali's provincial gross domestic product (GDP), with Badung Regency serving as the hub of the island's tourism sector. This is evidenced by the abundance of hotels in the area, both those catering to tourists and those catering to locals.

Bali's tourism industry is truly one-of-a-kind thanks to the pioneering spirit with which it has been run (sustainable). This is because Bali's tourism industry relies on Tri Hita Karana, sustainable growth based on local norms and customs. Tri Hita Karana regulates the harmony between nature, humanity, humanity's fellow creatures, and the creator, so naturally, all aspects of Balinese society, including the hospitality industry, have adopted this principle.

Research findings reveal that Bali's local population is overwhelmingly supportive of the island's tourism industry and eager to play an active role in ensuring its continued success. As the tourism industry in Bali grows, more and more people, both locals and visitors, are interested in getting involved.

The survey found that the outbreak closed several hotels. Long-standing hotels generate employee ID cards and pay their personnel a few hundred thousand rupiahs per month. After the pandemic, foreign tourists will occupy hotel rooms, generating revenue. As the chaos persisted, hotel businesses have grown. Hotel rooms are increasingly reserved in advance. Bali's hotel occupancy rate has increased by 50–60% since the outbreak, and more foreign tourists are likely to visit. Many tourists return. The G20 conference in Bali helped the hotel fill all its rooms.

Due to the industry's bright future, many want to start accommodation-related businesses. Bali, especially Badung Regency, has many hotels and various accommodation options. The analysis found that tourist permits are still misaligned with hosting. A new rule requires central permit issuance for high-risk hotel enterprises. When central processing of high-risk accommodation company permits relies primarily on permit papers, problems develop. Permits are often issued in areas that violate the provincial and district spatial plans and their designation, even if licenses must be changed to local or regional constraints. Because the local authority knows local conditions better, permits should have been provided beforehand. As a region with strong customs and culture, the local government should cooperate and be involved in the issuing of business licenses for accommodations, hotels, and similar enterprises to avoid disrupting local customs.

The ease of obtaining licenses for hotels and other lodging activities is the second concern from the expanded regulatory power for low-risk central-level firms. As people rush to secure company licenses, lodging demand has increased. Hotels, villas, and other accommodations have increased in many farming areas. The increased hotel construction in Badung may cause a mismatch between bed demand and land availability. As a result, low-cost hotel options have proliferated, providing poor service that can damage both individual hotels and Bali as a whole.

Converting residential or agricultural properties can have unforeseen repercussions. Due to Bali's abundant natural resources, its agricultural land and places have long been tourist attractions. Tourists from around the world visit Bali's beaches, rice paddies, forests, and coastal areas to experience rural Balinese life. Watching the sunset, playing in the sand, learning to surf, or just relaxing and enjoying the view are examples. Thus, it is considered that turning these regions into hotels may deter cheap travelers from visiting Bali.

According to research, Bali hotels have generally implemented comprehensiveness. The hotel uses energy-efficient light bulbs, automated shutoff for lights, air conditioners, and other equipment when guests leave their rooms, and LED lighting. However, sensor lights that only turn on when persons pass through are not currently available. The hotel still uses State Electricity Company electricity and has not switched to sustainable energy sources such as solar, wind, or biogas.

The investigation found that this hotel relies on groundwater for drinking water. Poor local water company (PDAM) service means water rarely flows

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and when it does, it is too little to fulfill hotel needs. Most hotels lack a water filtration system to make undesirable drinking water drinkable. Due to hefty maintenance costs, some hotels have ceased letting guests use their saltwater aquariums. The hotel also lacks an emergency rainwater collection system. Most hotels include biopores, soak pits, or ponds to let rainfall into the earth.

The results of the investigation also revealed that hotels, on average, do not record liquid waste debits and do not independently recycle liquid waste. The hotel has not yet disposed of liquid waste from guest activities and kitchen operations. If someone has recycled liquid waste, the results are suboptimal since they still have an odor, making them unsuitable for reuse.

The hotel separates wet and dry solid waste but does not recycle it. Each hotel stores solid waste in different places and works with other parties such as traditional villages and the business sector to dispose of it. The hotel also stores and disposes of B3 waste with private companies. Hotels, hotel organizations, and the district administration object to solid trash and B3 waste management. Bali lacks a waste treatment facility, although rubbish is an urgent issue that needs immediate attention and a solution. Due to Bali's absence of a B3 waste treatment plant, rubbish must be carried to Java, including Sidoarjo. The hotel says carrying B3 rubbish is expensive. Thus, tourism-related groups believe that Bali will have B3 waste processing facilities.

According to research, the hotel is neglecting outgoing gas emissions. The fact that few hotels give general information customers can read or access without going to the reception desk shows this. Few hotels offer carbon-free transportation such as bicycles. Because hotels still use the State Electricity Company, which generates electricity from fossil fuels, electric bikes are not yet commonly recognized.

Research findings indicate that while many hotels offer only small outdoorspaces and sparsely landscaped grounds, many also offer expansive green spaces teeming with native plants and animals and featuring the distinctive landscape design of Bali. Incorporating elements of Bali's unique culture into park design has a positive effect since it strengthens public appreciation for the island's distinctive culture. Additionally, most hotels have environmentally friendly activities on offer, such as hippocare programs or helping local villagers participate in hippocare initiatives. The survey results also indicate the existence of hotels that have their own organic gardens, albeit with less-than-optimal yields and an inability to independently supply the needs of all hotel staff. The research results also show that most hotels provide a tropical atmosphere with distinctive architectural features, furnishings, and decorative accents that reflect the region's cultural heritage. Also,

there are hotels that have tried to share Bali's culture by staging regular performances of traditional Balinese dance and music.

The results indicate that most of the hotel employees are locals from Indonesia. Furthermore, hotels have social responsibilities, which fosters strong ties between the hotel, local indigenous community, and surrounding population. Because so many Balinese people depend on the hotel industry for their livelihoods, the presence of hotels can improve the quality of life throughout the island. In addition, the hotel's social responsibility is evident in the fact that the hotel's management routinely provides funds to sustain indigenous communities, and the hotel itself typically employs workers from the local area; the hotel's management obtains its workforce data from indigenous communities or is otherwise reliant on them as a source. Sadly, discussions with the hotel's management revealed that the 30% target for hiring locals is rarely met. This is because the majority of the local community in and around the hotel has a low standard of living (SDL), hence lacks the necessary qualifications to be hired as hotel staff.

Research findings indicate a strong link between a hotel's location and its employees' jobs. This is evident through the dedicated service provided by hotel staff at their place of employment. In the pre-pandemic era, hotel employees could typically earn a sufficient salary, especially if the establishment offered bonuses. Despite the hotel's deteriorating condition due to the pandemic, the staff was nonetheless willing to work for low pay. In addition, hotel management strives to improve SDM hotel quality by routinely sending staff members to various training sessions. Research findings also show that hotels, on average, work well with a wide variety of partners, including government agencies and non-profit organizations, as evidenced by the hotels' participation in various programs (such as trainings). Despite this, one of the most pressing needs to sustain Bali's booming tourism industry is the existence of a specialized field that can actively play the role of public relations and help explain Bali's tourist attractions to a wide audience, especially a global one.

7. Conclusion

Research and analysis yield the following inferences:

1. The combination of Bali's natural beauty and rich cultural traditions with the Tri Hita Karana concept, which has become ingrained in Balinese society, has made the island a popular tourist destination. It is hoped that the continued growth of the tourism industry, including its emphasis on blue and green economy, will provide answers to the challenges posed by the inevitable changes in our way of life.

2. We confirm that all the variables used in the research show statistically significant results from the

results of the structural equation modeling tests. Aspects of society and culture make significant contributions to the development of regulations and policies governing the operation of hotels, with consideration afterwards given to the impact on the economy and environment.

3. Analysis results from all study sites show that problems with regulations and policies governing the tourism industry garner the most attention (40.5% of the respondents), followed by issues with the hotel complex governance (25.9%), economy (15.6%), natural environment (9.6%), and society (7.4%).

4. Long-term hotel industry development strategies can consider opportunities, threats, and competitive strengths by paying attention to progression in areas such as these. Long-term hotel management training program (a), SDM skill development (b), environmental awareness (c), and land utilization for farming (d) are all on the agenda. Human resources neighborhood meeting (e) improves the quality of services offered, expands international and domestic connections, and promotes brand awareness.

5. The first step is to create a standard operating procedure (SOP) manual for each step of the service delivery process. The second step is to create an analysis and progress report on the development of the hotel management team.

6. The contribution of this research is the development of a new model by combining Balinese culture (Tri Hita Karana) and Indonesia's commitment to environmental sustainability and responsible natural resource management.

7. The effectiveness of developing this model is 75.9% for tourism regulations and policies and 76.7% for sustainable hotel governance.

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