CHAPTER I

INTRODUCTION

A. Research Background

As a response to the Indonesian National Long-Term Development Plan for 2005-2025 (RPJPN), both The Ministry of National Development Plan (BAPPENAS) (2020) and The Ministry of Tourism and Creative Economy (KEMENPAREKRAF) (2020) stated that from 2020 to 2024 Indonesia would focus on the manifestation of Sustainable Development Goals (SDGs) in development agendas. In Indonesian tourism industry, as stated by the Indonesian Ministry of Communication and Informatics (KEMKOMINFO) (2021), Idris (2021), and Damayanti (2021), these changes will result in a shift of tourism's success indicators from annual tourists quantity (mass tourism) to tourism experience quality (sustainable tourism) that also indicates further managerial and operational changes.

On the other hand, the pandemic of COVID-19 started in early 2020 has thoroughly affected the global tourism industry. According to Southerden (2020), Behsudi (2020), Molz (2020), The Organisation for Economic Co-operation and Development (OECD) (2020), and Nelson (2020), the COVID-19 pandemic has raised further questions and discussions on how the tourism industry should be more balanced, equitable, resilience, sustainable, and quality-focused. In global post-pandemic tourism development, Brock (2020), Southan (2021), and Bhaumik (2021) believe that conscious travel

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as a sub-set of sustainable tourism will emerge as a travel trend. Future travellers are believed to be more thoughtful on how their travel affects destination and will ask for more indigenous activities.

These impending conditions indicate the start of the Indonesian sustainable tourism industry era that needs careful planning and management. As stated by The World Commission of Environment and Development (WCED) (1987) and United Nations World Tourism Organization (UNWTO) (2005), sustainable tourism is tourism activities that preserve and consider the account of stakeholders within in natural, economic, and socio-cultural environment both in present and future time. Mohieldin and Klimenko (2018) and Stainton (2020) believe that one of the pivot roles of sustainable tourism's effectiveness is through the private sector's involvement and investment in environmental, social, and governance (ESG) criteria. To support this understanding, Penz (2017) stated that travel agents, as a central link in the industry, have the power to influence tourist behaviour by providing professional assistance and trustworthy information. On a deeper level, the implementation of sustainability in a business operation requires consciousness and drive from business managers. As Haanaes (2018), Gibbons (2019), Zimek and Baumgartner (2020), and Kiesnere and Baumgartner (2020) stated, management is the core of a business and therefore responsible for every sustainability plan, operational, and further assessment of the business. Furthermore, to ensure that business operational is aligned with sustainability vision, as explained by Swarbrooke (1999), UNWTO (2012), Jadhav (2013),

and Crocker (2019), it is essential for travel businesses to have sustainable company's guidelines, Code of Conduct or Standard Operational Procedures (SOP). These management tools help improve business competitiveness, increase social benefits, and fulfil the travel business's role in shaping more responsible tourists.

One of the travel businesses in Indonesia that have taken sustainability as their business core is Wise Steps Travel. The company was founded in 2017 in Jakarta, Indonesia, under PT. Matayu Jelajah Khatulistiwa and declared itself as a socially responsible organization that focuses on sustainable and specialized market access travel. Wise Steps believes that their products are answers to sustainability problems commonly found in tour activities, such as high economy leakage, negative environmental impacts, limited access to rural communities, and little consideration to local culture and conditions.
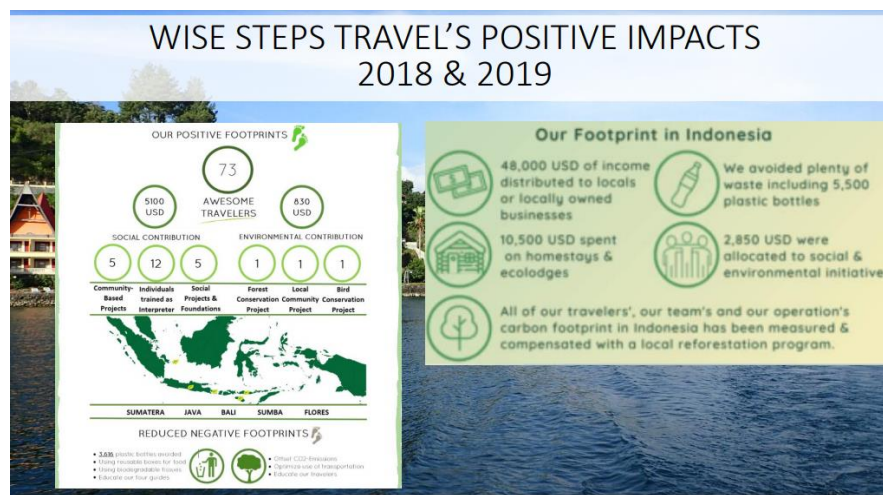
Source: Social Entrepreneurship in Tourism (2020)

FIGURE 1. WISE STEPS TRAVEL POSITIVE IMPACTS

IMPACT MAPPING WISE STEPS TRAVEL

	IMPACT	Assessment	Product Development	Marketing & Sales	Services	Evaluation
Economic	(+)	Donate to local initiatives or projects; Infrastructure development; Using local services & providers (contribute to	Partnering with small scale accommodation; Partnering with local homestay and local community; Co-created product; Create job opportunity	Promote our responsible partner(s) - lead to global visibility; Increased income for local businesses and communities	Economic growth; Create job opportunity	Improve economic efficiency; Improve economic distribution
	(-)				Economic leakage when our client prefers to stay at (more) responsible international chain hotel due to trust; Taxes; Insurance cost; Dependency on tourism	Expense on data accummulation; Expense on monitoring and evaluation
Social	(+)	Awareness towards responsible tourism practices and tourism impact; Elevate country loving attitude; Preserve cultural identity and heritage; Motivation and inspiration; Sharing knowledge	Collaboration with local initiatives or projects or foundations; Networking	Publishing insightful and educational content; Awareness raising; Inspiration	Better cross-cultural understanding; Awareness raising among travelers; More access to knowledge - sharing principal & activity; Increased cultural identity and pride	Provide training for tour guides and partners; Increase self-esteem; Increase awareness on social impact
	(-)	Mistrust; Scepticism		Overcrowding (e.g. travel fair)	Negative social-cultural impact (cultural misunderstanding)	Dissapointment; Discouragement
Environ-ment	(+)	Carbon offset; Awareness towards environmental friendly practices	Carbon offset; Partnering with responsible accommodation; Partnering with foundation that focuses on environmental issues	Carbon offset; Raising awarenss on environmental practices and climate change	Avoiding single use plastic; Reducing waste; Support national parks, foundation and local initiatives which support environment and animal conservation; Using responsible accommodation	Carbon offset; Improve environment friendly practices; Environmental awareness
	(-)	Carbon emmission; Waste production	Carbon emmission; Waste production (paper waste)	Carbon emmission; Printing materials	Carbon emmission; Risk to leave negative footprint (e.g. food waste)	Carbon emmission; Waste production

Source: Social Entrepreneurship in Tourism (2020)

FIGURE 2. WISE STEPS TRAVEL POSITIVE IMPACTS MAPPING

Based on the tourism development change explained above and supported by GTSC's (2020) and the B-Corporation Certification's (2018) records of Indonesian sustainable tourism companies, it is clear that there is a vast opportunity to expand sustainability in travel industry. Blumenfeld (2019) is convinced that Wise Steps Travel might become a positive example of a successful sustainable travel business operation model. Therefore, it is important for Wise Steps Travel to fulfil its sustainability commitments and certify its company based on legal regulations.

Based on Tourism Minister Regulation of Indonesian Republic No.14 of 2016 about Sustainable Tourism Destinations Guidelines (2016), Indonesia's evaluation tools for sustainability rooted in UNWTO's sustainable tourism concept and approved by GSTC. In 2016, GSTC released sustainable criteria for tourism destinations, hoteliers, and travel industries as a guideline for sustainable operation management and implementation. On GSTC's Industry

Criteria for Travel Operators (2016), GSTC differentiate sustainable management acts into four dimensions: demonstrating effective management, the maximization of social-economic, heritage-cultural, and environmental benefits, and minimize negative impacts.

Most researches available stress the importance of destinations and tourist's behaviour and rarely speak of industry's role in this matter. Furthermore, the internal management system of travel agencies are rarely taken into account in company's sustainable application researches as will explain further in Chapter II. Therefore, using GSTC Sustainable Industry Criteria for Tour Operator, this research will evaluate Wise Steps Travel's sustainable management system to ensure its involvement in sustainable tourism development. This research will title **'Sustainable Management as The Future of Travel Industry: Case Study of Wise Steps Travel, Jakarta'.**

B. Research Focus

Based on the research background explained in the previous section, this research will evaluate the sustainable management system of Wise Steps Travel's on shaping sustainable involvement. These focuses are explored to meet the objectives:

1. How is sustainability management SOP function on improving company's involvement in sustainability?

2. How is legal compliance function on improving company's involvement in sustainability?

3. How is reporting and communication system function on improving company's involvement in sustainability?

4. How is staff engagement function on improving company's involvement in sustainability?

5. How is the customer experience function in improving company's involvement in sustainability?

6. How is the accurate promotion function on improving company's involvement in sustainability?

7. How is information and interpretation function in improving company's involvement in sustainability?

8. How is destination engagement function on improving company's involvement in sustainability?

9. How far company's sustainable management system affect its involvement in sustainability?

C. Research Objectives

Objectives of this research are:

1. To understand the function of sustainable management SOP to company's involvement in sustainability.

2. To understand the function of legal compliance to company's involvement in sustainability.

3. To understand the function of reporting and communication systems to company's involvement in sustainability.

4. To understand the function of staff engagement to company's involvement in sustainability.

5. To understand the function of customer experience to company's involvement in sustainability.

6. To understand the function of accurate promotion to company's involvement in sustainability.

7. To understand the function of information and interpretation to company's involvement in sustainability.

8. To understand the function of destination engagement to company's involvement in sustainability.

9. To understand the effect of company's sustainable management system on their involvement in sustainability.

D. Research Limitations

Limitations of the research are:

1. The research will only refer to GSTC's Industry Criteria for Tour Operator.

2. Due to the vastness of GSTC's indicator, this research will focus only on point A, which to implement an effective management system.

3. The research will not include points 7 (Buildings and Infrastructure) and 8 (Land Water and Property Rights) of effective management system since office building's management system is the third party's authority outside PT. Matayu Jelajah Khatulistiwa and COVID-19 physical limitations make it impossible to survey the building area.

4. The research will only undertake the company's perspectives over the concern.

5. The research will only occur in Wise Steps Travel and will not include Wise Steps Foundation or Wise Steps Consulting.

6. Physical limitation due to pandemic Covid-19 suppresses person-to-person interaction.

E. Research Significance

1. Academic Significance:

   a. As a reference for further research related.

   b. Enrich sustainability tourism knowledge field through sustainable management studies.

2. Practical Significance:

   a. For Wise Steps Travel, this research will serve as suggestions for future establishment.

   b. For travel agencies in Indonesia, this research will assist as a reference model on sustainable tour management establishment and development.

   c. For the researcher, this research will improve the researcher's sustainability knowledge and form a logical and systematic mindset to solve a problem.