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THE PROTECTION OF INDONESIAN INDIGENOUS HERITAGE IN THE INTERNATIONAL CONVENTIONS AND THEIR IMPLICATION TOWARD INDONESIAN LAW

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Abstract

As an archipelago, Indonesia consists of 17,507 islands. The regions of Indonesia have some of their indigenous ethnic groups. However, in the light of the geographical aspect, Indonesia has 128 ethnic groups which have different cultures. Meanwhile, since the end of 1990s, the topic of genetic resources, traditional knowledge and Indigenous heritage ambit of Intellectual property discussions. Batik and Angklung are Indonesian Indigenous heritage which have been acknowledged by UNESCO as Intangible Cultural Heritage. One of the purposes of the acknowledgment is to avoid any claim from another country which has the same culture. Besides batik and angklung, there are so many indigenous heritages that have not been acknowledged as Intangible Cultural Heritage. Due to this condition, the research is made to know what the protection should be given by law to Indigenous heritage in international law perspective. There is also how the implementation of International convention to Indonesian law can protect and maintain the cultural heritage.

The method used in this study is a juridical normative with the specifications of analytical description. The research was conducted by collecting primary, secondary and tertiary legal materials through library and field research, and then analyzed with qualitative method.

Based on the results of this study, it is revealed that: Firstly, the legal basis of the application of the Implementation of Protection of Indonesian Indigenous heritage have been already very relevant but still insufficient in implementation. Hence, it is not impossible that Indonesian government can take economic advantages of Indigenous Heritage. Secondly, there are various forms of Legal protection of Indigenous Heritage, these are Law of Intellectual Property Right and Legal Protection besides Intellectual Property.

Key word : Indigenous Heritage, Intangible Cultural Heritage, Intelectual Property Right.

A. BACKGROUND OF STUDY

Angkung and batik are Indonesian Indigenous Heritage, which have awarded by UNESCO as Indigenous Heritage in 2010. Beside Angkung and Batik, Wayang Puppet Theatre and Indonesian Keris have been acknowledged by UNESCO in 2003 and 2005. That is the fact that Indonesia has a large amount of Intangible and tangible assets. There are various approaches to indigenous knowledge within Indonesian ethnic communities of which the Javanese would be the largest.

Batik, Angklung, Wayang puppet and keris are a small number of Indonesian indigenous knowledge, fortunately, they have been awarded by UNESCO.

Furthermore, there are large number of Indonesian Indigenous knowledge that have not been acknowledged by UNESCO. As mentioned above, Indonesia is An Archipelago State. There are more than three hundred and fifty ethnic groups, living on more than thirteen thousand tropical islands stretching more than five and half thousand kilometres along the equator. That is why Indonesia has a large number of Indigenous knowledges such as folklore, spices and tonic herb traditional medicine, traditional food industry.

One of the purposes of the acknowledgment is to avoid any claim from another country which has the same culture. For Example A case that happened in 2007, when the Malaysian Government used the folk song Rasa Sayang for a tourism campaign. On that
occasion the song is widely regarded as having originated in Moluccan Islands of Indonesia. However, while the Malaysians regarded the song as heritage of entire Malay archipelago. The Indonesian Minister for Tourism and culture wanted to investigate whether Indonesia could claim copyright for the song. Another case till in 2007 Malaysia registered batik “Parang rusak”from Yogyakarta of Indonesia as Malaysian design. In 2004, an artist from Bali island has been sued by United Stated government in case of “Borobudur” handicraft which made of silver and the artist reported the sue to Human Right Commission of Indonesia.

Current Indonesian intellectual property law provides traditional knowledges protection especially for Folklore as part of the Copyright Act and for local varieties as part of the Plant Varieties Protection Act. Within these laws, part of folklore and traditional knowledge have the concept of equitable benefit sharing, although recognized as important, until now these laws were insufficiently implemented. As for copyright the Indonesian state is regarded and implemented to prevent foreign exploitation of Indonesian indigenous knowledge without the state’s priority consent. As well as the Plan Variety Protection Act provides that Local varieties owned by communities are controlled by the state.

The problem is, however, whether concepts derived from the debates on ownership and control of cultural resources and also knowledge in other countries can be easily applied at the national level in Indonesia. Indonesians point to different concepts and philosophy held by indigenous people in Asia and other such as Australia, New Zealand, the United States and Canada. Indigenous Indonesians have the position in terms of politic and culture. The meaning of “indigenous “ in Indonesian law terms has to be re-evaluated, because Indonesian terms Indigenous people tends to cultural property right.

The notion of cultural property stems originally from the indigenous movement in settler colonies, where indigenous leaders and activities have embarked on a campaign to halt the flow of indigenous cultural appropriation and stress the importance for indigenous minorities to regain control over their own cultures, which they have inheritance from their ancestors.

This perception differs from the Indonesian perception of the relation among culture, ethnic community and the state, in which the concept of indigenous culture is interwoven with the concept of the Indonesian nation and national culture.

The traditional Indonesian medicine (jamu), for example is one of Indonesian Indigenous knowledge that has not been acknowledged by UNESCO. The term of Indigenous in Jamu industry is an example describing the difference in the terminology as mentioned previously.

Immediately after independence, The Indonesian government constructed the term asli or “indigenous Indonesian” to reserve the marginalized position of ethnic Indonesians as indigenous people of the archipelago during the colonial period. The terms asli Indonesian and later the term pribumi or “indigenous Indonesian” were used until now to assert the majority position of ethnic Indonesians against Indonesian citizen of foreign descent.

Further, the Indonesian government has used the concept of “indigenous” in the process of nation building to emphasize the authentic characteristics of the Indonesian nation. The relation of the concept of nation is the concept of the Indonesian culture. The Indonesian national culture has been constructed under the national motto of Bhineka Tunggal Ika or “unity of diversity”. The motto signifies an attempt to unite the diversity of local culture and tradition into a single national culture, which nevertheless at the same time allows every ethnic community to uphold its custom and characteristic.

II. LITERATURE REVIEW.
Silke define that term of Indigenous ,from the beginning up to now, has not led to a clear definition. International law does not provide for an agreed definition, at the national level the membership of indigenous groups is often determined by state recognition or registration. Firstly United Nation attempt a definition of indigenous people. It Stated that:

Indigenous communities, people and nation are those, which having a historical continuity with pre invasion and pre colonial societies that developed on their territories, consider themselves distinct from other sector of the societies now prevailing in those territories, or part of them. They form at present non dominant sectors of the societies and are determined to preserve, developed and transmit to future generations their ancestral territories, and their ethnic identity, as the basis of their continued existence as peoples, in accordance with their cultural partners, social institutions and legal system.

Christops Anton said, in Indonesian terms is different from concept above. After Independence ,the Indonesian government constructed the term native or “indigenous Indonesian” to reserve the marginalized position of ethnic Indonesians as indigenous people of the archipelago during the colonial period vis a vis the European colonizers and foreign minorities such as Chinese, Indians and Arab, who were permanent residence of the colony. Peter Mahmud determined ,In this case, the term “indigenous” does not mean one who is born or grown up in Indonesia but it refers to ethnological notion in that one is of Indonesian ethnics. Those who were neither Europeans nor Indigenous Indonesians fell into the Foreign Orientals. Hence Sudargo Gautama said, Indigenous Indonesian is the one who living under their customary or “adat law” and not registered in the civil registration.

Later, The terms native Indonesian and later the term pribumi or “indigenous Indonesian” were used until now to assert the majority position of ethnic Indonesians against Indonesian citizen of foreign descent. Pribumi means sons of the soil. It can say that The Indigenous Indonesians were native who did not change their status into other group and those who were people of other group that have made self absorption into native Indonesian people.

Further, the Indonesian government has used the concept of “indigenous” in the process of nation building to emphasize the authentic characteristics of the Indonesian nation. Related to the concept of nation is the concept of the Indonesian culture. The Indonesian national culture has been constructed under the national motto of Bhineka Tunggal Ika or “unity of diversity”. The motto signifies an attempt to unite the diversity of local culture and tradition into a single national culture, which nevertheless at the same time allows every ethnic community to uphold its custom and characteristic.

Indigenous cultures find expression not only in their land but also in specific knowledge of the use of the land and its resources, in their medicinal and spiritual knowledge and in traditional art, beliefs and values as they have been pass on from generation to generation. To capture all of these elements, the term indigenous heritage has been proposed and now is reflected in Art 31 of the Declaration. It stated:

Heritage is everything that belongs to the distinct of a people and which is theirs to share, with other people. It includes all of those things which International law regards as the creative production of human thought and craftsmanship, such as songs, stories, scientific knowledge and artworks. It also includes inheritances from the past and from nature, such as human remains, the natural features of the landscape, and naturally-occurring species of plant and animals which a people has long been connected.

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8 Ibid
10 Christops Antons, Loc.cit.
11 Peter Mahmud Marzuki , 2011, An Introduction To Indonesian Law, Setara Press, Malang, p.4
12 Sudargo Gautama, 2006, Indonesian Business Law, Bandung, Citra Aditya BAkki, p.9
14 Ibid.
16 Ibid.
Indigenous cultural objects, knowledge, and resources have been inherited from the past, they have been passed on generation to generation. In the most cases. No written evidence exist, and the know how is transferred orally. As indigenous knowledge and artwork are constantly evolving, they are being adapted to the changing environment and to changing needs and priorities of their group. “Traditional” in this context is not to be equated with Old but refer to its indigenous origin.

Indigenous cultural heritage is an intellectual property right which is not owned and monopolized by individual members of the indigenous group but it is collective rights to be reserved for elders, shamans or healers. 17 The notions of Intellectual property right in this term is not the same as Intellectual property right in western legal system. It stated intellectual property right is an individual and exclusive right to something newly invented or created. 18 This concept is generally not shared by indigenous people and is not referred to when indigenous community talk about their intellectual property and heritage.

III. THE METHODOLOGY

The methodology used for this research is library based on this study uses secondary data as the main data source, and the selected material is a matter of law concern. The information and data collected in this normative research and secondary data consists of primary law materials and secondary legal materials that are qualitative. These will be obtained by studying and analyzing various kinds of sources that relate either directly or indirectly to this research problem, such as Reports and research results, Indonesian legislation; International conventions; Global nature of international documents, such as conventions, declarations and guidelines; Books/references; and Journals, and other sources.

Examining information and data from books or references, journals and other sources will help to get the concepts, theories and strategies for indigenous knowledge. The data and information are considered to be important because they give a general description of the phenomena of the issues raised, which can serve as the conceptual basis for the analysis when confronted with the available factual data.

Besides library research, interviews and discussions or correspondence with relevant experts will be conducted against the issues raised. Discussions and correspondence will use an interview guide prepared in the form of opened (free-response) questions. The interviews will focus on the object of research and will use discussions and interviews conducted by researcher with government such as the private sector to seek official opinions.

IV. RESULTS AND DISCUSSIONS

1. INDIGENOUS HERITAGE IN INTERNATIONAL LAW AND ITS IMPLICATION TO INDONESIAN LAW

Traditional knowledge is regulated by The Indonesian Copy Right Act 28/2014, This Act apparently inspired by WIPO/UNESCO drafted Tunis Model Copyright Law for developing Countries of 1976 and The WIPO/UNESCO Model Provisions of 1982. In the previous Act 2002 the term folklore and community cultural expression or traditional knowledge was added to the protected subject matter. It stated that : copy right over creation held or implemented by state in folklore and community culture expression or traditional knowledge such as stories, tale, fairy tale, legends, chronicles, songs, handicrafts, choreography, dances, calligraphy and other artistic works are valid for unlimited period. 19 But in the latest Act 2014 it is not regulated in detail this act only stated on Traditional Cultural Expression and unknown creators.

A part from regional cross-border disputes, the centralized approach through copy right to folklore as national property with the ongoing process of decentralization in Indonesia. Indonesian government has an aim to transfer political decision making power as well as tax collection to the regions and districts and which has also led to a remarkable revival of the institutions of customary law (adat).

Articles 18 B (2) of the amended Constitution of 1945 states that the state “recognizes and respects community units based on adat law along with their traditional rights as long as these are still in existence and in accordance with the development of

17 Darrell A Posey, Beyond Intellectual Propety, towards Traditional Resources Rights for Indigenous People and Local Communities Ottawa, p 205-206
19 Copyright Act , 2002 and Copy Right Act 2014.
society and the principles of the Unitary State of the Republic of Indonesia as regulated by law. Also in Chapter XA Human Rights, guarantees respect for “the cultural identities and rights of traditional communities in accordance with cultural development and civilization. Further, the various qualifications used in the constitutional provisions leave no doubt that the policy changes with regards to such communities may not affect the predominant concerns of development and civilizations.

While the new reference to masyarakat adat (adat community) seems better and non-discriminative term in comparison to the previously used “masyarakat terasing” (isolated community) or suku bangsa terasing (isolated ethnic group) its blur the distinction to majority ethnic groups in Indonesia, such as the Javanese, Sundanese, or Balinese which are communities based on their respective form of adat.

In multi-ethnic Indonesia with its thousands of islands, claims of the central government to things such as folklore are a highly political issue and its require to govern in an act for the implementation of Act 2014. This lack of implementation has not prevented various government department to begin the development of digitized inventories and registration systems, initially mainly for folkloristic material. This action is very important to protect Indonesian folklore for a claim from another countries which have similar cultural with Indonesian such as Malaysia, Singapore, as ‘serumpun melayu’. Rasa Sayang is one example how Indonesian folklore not be protected by local government law.

Another problem is who will be the owner of Intellectual property right of indigenous knowledge? The element of regional cultural such as art music, craft, medical are the knowledge related to national culture as well as local indigenous traditions and Indonesians seem them selves as bearers of national and regional ethnic Indonesian culture at the same time. Local communities are perceived by the national government as using elements of cultures such as customs and religion to assert their distinctive ethnic identity.

The Indonesian traditional herbal medicines is an example for the ambiguity of the concept of “cultural property rights” because it uses knowledge, which can be claimed by the state in one side, by single ethnic community in other side. It can be happened in case of traditional medicine in particular may also involve the entire range of traditional knowledge and traditional culture expressions. Jamu may be transmitted by using folkloristic expressions and the raw materials used may come from farming and from maintaining herbal garden as well as from natural habitats and rainforests. In Indonesia, knowledge of traditional health and medicine is generally transmitted orally from one generation to another. According to Javanese, Balinese, Madurese the knowledge belongs to the community and not to particular individuals.

People in those ethnic are sharing a common empirical knowledge of traditional herbal medicine, as historically there are cultural links among these islands. In any case, the Indonesian government in law of 1963 regulated traditional remedies such as jamu as indigenous Indonesian medicine. It defines as “medicine that are obtained directly from materials available in Indonesia, processed in a simple manner based on experience and used in “traditional (medical) treatment). From the definition, it clear that Jamu belongs to all Indonesian people and can be used as national “cultural property” for the benefit of the nation. On the other hand owner of jamu companies, such as Mustika Ratu, Nyonya Meneer, etc, believe their knowledge of making jamu as their property which they have inherited from their ancestors. This is an advance problem to find many cases of Jamu came inter company. The cases of Mustika Ratu vs Martha Tilaar, Nyonya Meneer vs Keraton of Surakarta, are the examples of disputes of intellectual property of traditional knowledge. However Government declared Jamu as Indigenous Indonesian Medicine; and therefore it is as national traditional knowledge.

The potential to solve the cases is regional designation which regulated by Act 51 of 2007 on Geographical Indications. Under Article 1 of Government Regulation as “good, which due to its geographical environment factors, the nature, the people or the combination to its geographical environment factors, the nature, the people, or the combination of the two factors give specifics characteristics and quality to the produced goods.”

22 Christopher Antons, Ibid,

With this regulation the government will minimize such conflicts with its promotion of jamu as national heritage and as national asset. It means jamu appears of form of national medicine and in its specific regional form at the same time.

At the international level, things may be more complicated. Because of common language, culture, and traditional links and migration, Indonesia’s traditional knowledge is also shared by the ethnic Malay population in neighbouring Malaysia, Brunei, and Singapore. Same as folklore, Malaysia has the same similarity with Indonesian Jamu. The plant is popularity known in Malay and Indonesian speaking country as Tongkat Ali and Pasak Bumi respectively and is widely used in jamu ingredient. As the Malaysian patenting of Tongkat Ali demonstrates, claim to traditional medical knowledge become more sensitive, where the knowledge has crossed national boundaries.

2. PROTECTION TO INDONESIAN INDIGENOUS HERITAGE

Some International Convention can be used as a shield of protection of Indonesian Indigenous Heritage. As mentioned previously, Batik, Angklung, Keris and Wayang Puppet have been awarded as Intangible Cultural Heritage by UNESCO.

On the other hand, there are a lot of Indigenous Heritage have not been acknowledged by UNESCO. In the name of nation’s interest this matter is very important. The award not only will protect the culture but also to announce the culture to the world to prevent the claim from another country. Based on Article 2 (1) Convention on The Safeguarding of The Intangible Cultural Heritage stated: ‘The Intangible cultural heritage means the practices representation, expressions, knowledge, skills as well as the insturnents, object, artefacts, and cultural spaces associated the rewith, that communities, group am, in some cases, individuals recognize as part of their cultural heritage’.

From the article can conclude that indigenous peoples have the right to maintain, control, protect, and develop their cultural heritage, their traditional knowledge and traditional cultural expression, as well as the manifestations of their culture. They also have the right to maintain, control, protect and develop their intellectual property right over such cultural heritage, traditional knowledge and traditional cultural expressions. We can say that Indonesia have a right to an economic value from this intellectual property right.

A tradition can be categorized as intangible Cultural heritage firstly if the knowledge is an oral traditional and inheritance by their ancestors, secondly this knowledge is a custom for indigenous people. From the definition Jamu and Folklore have a big possibility to enter the representative list by UNESCO. Basically it is very important to collect basic information regarding the formation and development of element of culture in that area. The information could be the communities, religion and faiths, livelihood; languages and social system. This information will perfect when it is completed by examples and audio/visual illustration for cultural element having visual aspect. For folklore the information is accomplished by a text in the original language. If the text is an ancient heritage such as written in a palm leaves or stone inscription, then a reference photograph will be included.

If a tradition awarded by UNESCO this tradition will be listed in representative list. Based on Article 17 of the Convention, representative list is a list in order to ensure better visibility of intangible cultural heritage and awareness of its significance, and to encourage dialog which respect cultural diversity, the committee, upon the proposal of the states parties concerned, shall establish, keep up to date and publish representative list of intangible cultural heritage of the intangible cultural heritage.

To maintain the representative list and also to improve the heritage to be awarded by UNESCO, Government have to maintain the tradition to avoid this tradition become unlisted by UNESCO. In sum there are some cases in Indonesia describes a strong national interest in the promotion of folklore, traditional medicine and other forms of traditional knowledge. The Indonesian state regards most of these forms as national heritage and either property of the state or as property of local community to be administrated and controlled by government.

V. CONCLUSIONS AND SUGGESTION

1. CONCLUSION

A. The legal basis of the application of the Implementation of Protection of Indonesian Indigenous heritage have been already very relevant but still insufficient in implementation.

B. It is not impossible that Indonesian government can take economic advantages of Indigenous Heritage.

C. There are various forms of Legal protection of Indigenous Heritage, these are Law of Intellectual Property Right and Legal Protection besides Intellectual Property.

2. SUGGESTIONS

A. Indonesian Government should have a cultural map to collect the Information regarding to indigenous heritage of Indonesia.

B. Local government must have a plan to make investation to implement the UN Convention on The Safeguarding of The Intangible Cultural Heritage hence the program need huge money to implement.

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Convention on The Safeguarding of The Intangible Cultural Heritage


Indonesian Copyright Act 2002 and Copy Right Act 28 of 2014.

Act 51 of 2007 on Geographical Indications

ANALYSIS OF LOCAL WISDOM AS AN ENVIRONMENTAL CONSERVATION STRATEGY IN INDONESIA

Astri Hasbiah
Abstract

Environmental problems as a result of unsustainable development require holistic solution to be solved. One of the solutions is the reimplementation of local wisdom. In the past, people lived in harmony with the environment and almost all ethnic groups in Indonesia have the wisdom to preserve and manage the environment inherited by their ancestors. Local wisdom is invaluable tradition that has influenced people’s attitude and behaviour towards nature. However, this wisdom is abandoned by modern developments. This study aims to analyse the reimplementation of local wisdom as an environmental conservation strategy. Difficulties in learning and using local wisdom practiced in the past are encountered in the reimplementation process. This is due to unavailability of local wisdom official records. Another difficulty is society’s unwillingness to re-implement local wisdom. Local wisdom is considered as outdated by many people. Reimplementation of local wisdom can be conducted through systematic approach in education system, integrated socio cultural approach and consistent government development policies. The re-implementation of local wisdom should be adapted to current times. It should not simply adopt local wisdom in the past as it was because it will not suitable with the present time. Renewal of existing local wisdom can be used by the government to create sustainable development. Environmental conservation should be conducted by considering local situation and condition as Indonesia has a very diverse population and environmental conditions.

Keywords: environmental conservation; local wisdom.

1. Introduction

Indonesia is not only blessed with natural resources but also with abundant cultural diversity and pluralistic society across the archipelago (Ministry of Environment of Republic Indonesia, 2002). Each community has social resources that are beneficial to development, such as traditional knowledge, wisdom and environmental ethics. In the past, Indonesian local community held strongly to and practiced traditional wisdoms aimed at preserving and safeguarding nature and the environment. The wisdoms are inherited from generation to generation. The local wisdom is often very detailed and accurately guiding the society in developing their life. Local wisdom is proved to be very effective to preserve the environment and ensure compatibility of community and environment. However, modern development seems to be leaving this wisdom behind. Moreover, communities are often excluded from development policy decision making (Baharudin, 2012). As a result of unsustainable development, many places in Indonesia experience environmental problems.

To overcome environmental problems and implement sustainable development, it is recommended to give more attention to social resources that have been proven successful in environmental conservation through reimplementation of local wisdom. This paper aims analyse the reimplementation of local wisdom as environmental conservation strategy.

This research is a descriptive study with case study method. Data collected in this research is secondary data obtained from the literature review. The case study used is in-depth study of the events, environments, and situations that reveal the condition of the society’s local wisdom in various locations in Indonesia and other countries during the past and current conditions. This study compare and evaluate the implementation of local wisdom to overcome environmental problems.

2. Literature Review

Wisdom is a set of knowledge developed by a group of local community collected from long experience and mutual relationship between human and environment in a sustainable and harmonious rhythm. Local wisdom is knowledge gained from active adaptation with the environment. The knowledge embodied in the form of ideas, activities and equipment. Local wisdom is developed, guided and passed down from generation to generation by the community (Ministry of Environment of Republic Indonesia, 2002).

Local wisdom usually has a very deep meaning and closely related to the cultural institutions, particularly religions and customary law. Wisdoms are collection of abstractions experienced by all members of the community and serve as guidance in managing the environment, especially in exploitation of natural
Many local wisdoms developed by thousands of communities scattered throughout Indonesia. Each community adapts and develops local wisdom as a result of abstraction of experience managing the environment. Often their knowledge of the local environment is very detailed and accurate. It serves as guidelines for the community in developing everyday life. Principally, the original Indonesian culture proved to have a pro-environment philosophy. Almost all ethnic groups and regions in Indonesia have their own local knowledge in preserving the environment (Ministry of Environment of Republic Indonesia, 2002). Local wisdom is the solution to environmental problems, as it consists of values to balance the environment (Fahrianoor et al, 2013). The local wisdom can be seen from the community’s view of life and knowledge of the environment. Another example of local wisdom as a way to conserve the environment is showed by Tobelo Dalam tribe in Sulawesi. When the tribe experienced forest ecological problems, they re-implement the forest management wisdom inherited from their ancestors to resolve the problems (Tamalene et al 2014). This shows that reconsider the implementation of local wisdom in managing the environment in the past is necessary to overcome environmental problems. The local wisdom can be seen from the community’s view of life and knowledge of the environment.

Another study by Rim-Rukeh, Irerhievwie and Agbozu (2013) explain contribution of local culture practices in forest conservation. Local community preserve holy places using traditional belief. The belief uses taboos that restrict people from the holy places. The practices help enforce environmental conservation especially forest protection and other natural resources. Kamonthip (2007) study on local wisdom implementation to overcome environmental problems caused by development in Thailand concludes that the way the community solve environmental problems is by collectively studying the problems, recovering remain traditional wisdom and knowledge and then finding the solutions through integrating new knowledge with the inherited local wisdom.

Agmi et al (2014) analyse local wisdom implementation in coral reef management in Kei Besar Island greatly affects the sustainability of coastal areas. Local wisdom has a role in implementation of coastal areas management (Primyastanto et al 2013).

Local wisdom is the solution to environmental problems, as it consists of values to balance and preserve the environment (Fahrianoor et al, 2013). Moreover, local wisdom also protect, appreciate and recognise local people’s role as the main agents in...
maintaining and shaping biodiversity. As local wisdom reflected in everyday life, it will be reflected on people’s knowledge and practices in utilising and maintaining the environment. Tamalene et al (2014) argue that local wisdom strengthens human and nature relationship. The relationship create emotional attachment and establish mindful attitude. The relationship increases community’s awareness of environmental value and importance. Local wisdom will be eternal as long as people maintain and pass it down to the next generation.

Indonesian government recognise the important of local wisdom in environmental management. It confirmed in Law Number 23 of the Environmental Management in 1997 that aspect of human behaviour is integral part in environmental management. Another Indonesian regulation Law number UU RI 32/2009 about Protection and Management of the Environment regulates to develop and maintain culture and local wisdom in order to preserve the environment. The law stated that community’s participation and involvement in environmental conservation is important. Therefore, local wisdom should be acknowledge in environmental management policy decision making.

3. Result and Discussion

Local wisdom can be use as reference material in implementing sustainable development. Local wisdom was applied as a guidance in managing the environment, especially management of natural resources. Environmental management was developed by considering the importance of social function to ensure community survival (Ministry of Environment of Republic Indonesia, 2002). Sustainable development enables the use of wisdom and social resources as principal in environmental conservations.

Modern development has decreased societies’ interest on tradition or culture. Often people assume that tradition or local culture is incompatible with technological progress (Baharudin 2012). However, mutual relationship between human and nature is correlated with development process. It will have reverse effects on the environment. Therefore, there is a need to maintain balance between development and environmental conservation. Human has great influence on environmental changes. Baharudin (2012) argue that local wisdom can be synergised with modern technology in connection with the environmental conservation and sustainable development.

Awareness of nature as the source of human’s life will increase when people are aware that they are depending on the environment. This awareness encourages people to create norms that are used as guidelines for their behaviour in managing the environment. The guideline is added with social sanction (Ministry of Environment of Republic Indonesia, 2002). Respect for the environment or the protection of wisdom is the key success of increasing the role of society in the environmental management.

Current absence respect for the environment was developed due to lack of understanding and unavailability of local wisdom information implemented in the past. Moreover, the information is not easily available and accessible (Ministry of Environment of Republic Indonesia, 2002). Therefore, documentation or inventory of local wisdom and traditional knowledge developed by various groups of local community in the entire country is required. Dissemination of local wisdom and traditional knowledge information is also required to be conducted. Globalization and rapid development followed by the spread of new values and application of advanced science and technology has led to obvious degradation on local knowledge. It is necessary to disseminate local knowledge through development of accessible complete data base.

Inventory or documentation efforts, revitalization and legal protection of local wisdom are required. This is important to deal with the rapid growth of development that introduces new values, technology and advanced knowledge. It is also important to empower local communities and to increase participation in environmental management (Ministry of Environment of Republic Indonesia, 2002).

Local wisdom is not only to maintain harmonious relationship between human and the environment but also used as a source of local community’s life (Affandy and Wulandari, 2012). Local wisdom is valuable heritage which greatly influence the communities’ attitudes and behaviour. Furthermore, Affandy and Wulandari (2012) argue that local wisdom should be considered in a development process. They argue that public policy is aligned with local communities’ welfare. Local wisdom is expected to improve local revenues and can achieve optimal decentralization. However, in most cases local governments are unaware of local wisdom benefit in generating society’s sustainable income.

Enabling community’s involvement in development is not only improve the economy and the role of society in environmental development, but also can
enhance the ability of communities’ social control to access and control the natural resources management. Re-implementation of environmental wisdom and traditional knowledge is an effective way in environment conservation.

Another problem encountered in the reimplementation of local wisdom is local wisdom was designed in the past. It was designed when the total population was relatively small with simple needs and abundant natural resources. Hence, the re-implementation of local wisdom will face different and more complex challenges compared with the situation in the past. The local wisdom re-implementation should be adjusted with current situation and condition. Re-creating the environmental wisdom and traditional knowledge that has been abandoned or degraded due to the influence of the new value should be conducted in a compatible way with present time.

An appropriate step to re-implement the local wisdom is to review the existing wisdom in the community to achieve harmonious relationship with the environment. Tradition and local rules are created and handed down for generations to manage the environment; this can be an important material for the formulation of environmental policy (Ministry of Environment of Republic Indonesia, 2002).

Problem faced in the policy development is that government ignores the importance of tradition or culture in environmental management. Local culture is often considered outdated and often the community involvement is omitted in the development planning (Baharudin 2012). Government should formulate policies and legislation that protects the rights local peoples. Policies and programs should be able to provide access, opportunity and accommodate active role of local peoples in environmental management and utilisation of natural resources. This can also guarantee or protect traditional knowledge of local peoples, such as environmental ethics, environmental wisdom and social institutions.

Environmental management process should consider the local situation and condition (Baharudin, 2012). In Indonesian case, this view is relevant. The values and norms in Indonesia’s environmental conservation strategy should consider each region local culture and environment. Local communities in Indonesia have its own concepts of local values in each ethnic group. The values include leadership systems, social relationships, living in groups, the importance of sharing materials and experiences to others, learn continuously from nature, etc. This values can be extracted, explored and formulate for the benefit of nation environmental conservation strategy.

Pluralism of Indonesian society is a driving factor in environmental management. Social and cultural construction are necessary and aimed at achieving sustainable social function, economy and ecology. Hence, it can sustain the life of a community or nation. Social capital which contains environmental wisdom is the force of development. It contribute positively in conservation of ecosystem function (Ministry of Environment of Republic Indonesia, 2002).

Different characteristics of each region in Indonesia will require different environmental adaptation strategies. The adaptation strategy is based on the knowledge gained from the experience of adaptation to the environment. Therefore, each community need to develop social capital that is adaptive to the environment. Diversity of environmental management adaptation in Indonesia is caused by Indonesia's diverse society. This factor must be taken into account in planning and implementing sustainable development considering the importance of society’s participation in environmental management (Ministry of Environment of Republic Indonesia, 2002).

Yunianto (2012) argues three systematic approaches to develop environmental awareness. The approaches are education, integrated and sustainable socio-culture, and consistent law enforcement. Based on Law no. 32 of 2004, government system in Indonesia is changed from centralized to decentralized systems. This brings opportunity for local government to create sustainable development through revitalisation of existing local wisdom. Important thing to consider by the government is the internalisation of local wisdom values in policy of decision making process.

In addition, Wikantiyoso and Tutuko (2014) stated that local wisdom is also important in the spatial city planning process. As the local wisdom characterizes the city, hence the planning policy should accommodate the local wisdom to develop better city planning. Decentralisation is a good opportunity for re-implementing local wisdom in development policies. This is because local governments have maximum authority to formulate appropriate policies based on local needs. Hence local community positioned as development subject and able to manage local development strategies. An advantage of Local community empowerment is reducing dependencies on central government, develop local potential and preserve local values identity.
Therefore, it is important for the government to develop policies based on local wisdom to preserve local culture and natural resources.

Local community should be regarded as an important actor in government policy decision making, as local wisdom represents the local area character. Inclusion of local wisdom in policy decision making can stimulate local economic development and reduce economic disparities among regions (Affandy and Wulandari, 2012).

Optimum role as development subject should be given to the community. Local community has deep understanding of the area and comprehend the potential to strengthen and develop the area. This can be done through optimising existing social capital supported by local wisdom. Development policies should consider local knowledge as one important aspect to support sustainable development in each region (Affandy and Wulandari, 2012).

Local knowledge is considered to able to bridge the demands of development whilst establishing healthy environment conditions. It is expected that sustainable development can be achieved through local based sustainable development strategy. Local wisdom functions as balancing factor between meetings human needs and environmental conservation. Local community in Indonesia have shown survival capability by preserving natural resources and local traditions. Local community has an optimal role as subjects or actors of regional development. This is because local knowledge strengthens development potential and sustainable development implementation on each decentralise area (Siswaandi 2003).

4. Conclusion

Affandy and Wulandari (2012) argue that local communities’ wisdom and traditional knowledge has important role in environmental conservation strategies. Local wisdom is an important part in the development strategy as it affects environmental sustainability. Local wisdom greatly influences the attitudes and behaviour of local community. Reimplementation of local wisdom can create sustainable development as local wisdom represents local area character and stimulate local economic development (Ministry of Environment of Republic Indonesia, 2002).

Culture provides a clear illustration of how to maintain nature continuously. The environmental wisdom can be used as a handbook for communities to implement sustainable development. Hence, the government also need to make the environmental wisdom as reference material in the development plan (Ministry of Environment of Republic Indonesia, 2002). Re-implementation of local wisdom can be conducted through systematic approach in education system, integrated socio cultural approach and consistent government development policies. Moreover, environmental management approach should be conducted by considering local situation and condition. This is due to the facts that each region have different culture (Ministry of Environment of Republic Indonesia, 2002). Furthermore, the reimplementation of local wisdom should be adapted to current times. It should not simply adopt local wisdom in the past as it was because it will not suitable with present time.

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INFLUENCE OF PARENTS’ BEHAVIOR ON AWARENESS OF CHILDREN TOWARDS ENVIRONMENTAL PRESERVATION
Abstract

Environmental quality in Indonesia, particularly in the urban areas, have been significantly degraded. Indonesian usually inherits traditions in preserving the environment over generations. In this research, a survey was conducted to investigate the influence of parents’ behaviour on awareness of children towards environmental preservation. Respondents were selected from several elementary schools located near Cikapundung River, Bandung, Indonesia. Questionnaires were distributed to find out how students preserve the river. The results of the research showed an insignificant correlation (determination coefficient 0.3) between parents behaviour and children knowledge in preserving the river. Additionally, tradition in preserving the river and environment has also been degraded. Furthermore, 46 percent of respondent believe that wastewater can be discharged directly into the river. The research concludes that both children and parents’ awareness in preserving the environment should be improved through formal education, community engagement and key stakeholders involvement.

Keywords: parents’ behavior, children awareness, environmental preservation, environmental education

1. Introduction

Environmental preservation is everyone responsibility. It has been occurring for a long time, the environment condition has deteriorated, which then more or less made our lifestyle changed. The insensitivity of the community towards their own environment has made the environment condition become worse, like air pollution, river pollution and solid waste problem. In respond to this, the Indonesia Government has initiated the implementation of environment education/learning since 1975. This initiative has been a joint-cooperation between the Ministry of Education and Ministry of Environment. Through this program, the Indonesian people and citizen should be actively involved in preserving the environment.

Preserving the environment is not something new to Indonesian. The formal initiative may have been coming from Government of Indonesia. However from the local story and wisdom, the ancestors of Indonesian people have taught their descendants on how to preserve the environment surround us. Due to the fast development in the sector of industry, economy and population, the level of pollution has increased significantly over the past few years. Not to mention, the forest degradation in Indonesia has been the focus of attention of the international community. Some of the environmental problems in Indonesia are deforestation, wildlife trade, pollution, overfishing. National development cannot be avoided. However preserving what have been told by our ancestors should also become important consideration. In addressing the situation above, it is important that we are able to participate in the development, also at the same time we are able to preserve the environment as much as possible. In some of the areas in Indonesia, there are some communities that still uphold the local culture or habit to preserve the nature and environment through preserving their forest, river and water springs.

With the growth of economy and development, the traditional values have been diminished. The transfer of values from one generation to the next generation has not been done well. The role of parents to transfer the good values from our ancestors in
preserving the nature and environment has also efficiently. Some of young generations do not have a clue to the existence of all these good values from their ancestors on the importance of preserving the nature.

The children might follow the behavior of their parents in their daily life. If the parents do not really care about the environment, then it might be reflected in the behavior of their children toward the environment. If in the daily life, the parents have bad habits such as throwing garbage everywhere, unhealthy living, or dirty house, then there is a possibility that the children will also follow those bad examples. Parents’ behaviors and habits of the family members will form the character of the children or other family members. The ancestors has probably had better understanding in preserving the environment through the thinking that a man is an inseparable part of the environment itself. What a parent do to its environment will affect to children behavior in the future. Have the parents taught their children to live well side by side with the environment? Do they teach their children about the local habit in their areas?

One of the legacies of the Bandung’s people is Cikapundung river. This river has been known for the water sources for people live in Bandung area. Local government officials in Bandung have been working hard to preserve the river to maintain its quality and quantity. Efforts to preserving this natural resources through education and socialization for the Bandung community to be actively involved in guarding and preserving the surrounding environment of the river and their houses.

This research was conducted to see whether the culture in preserving the environment are still well maintained or not. The research also observed the influence of parents’ behavior toward the children’s behavior with regards to preserving the environment. The selected respondents came from the elementary schools around the Cikapundung river, Bandung-Indonesia. The questionnaires were disseminated to explore how the students involve in preserving the river near their schools. Through this research, it is also expected that a better understanding regarding the influence of the parents in transferring the culture to the children in preserving their environment.

2. Method of Research

In January 2014, Study Program of Environmental Engineering of Pasundan University and Department of Life and Environmental Engineering in the University of Kitakyushu have done a preliminary research to identify the influence of parents’ behavior toward the student’s knowledge and awareness in preserving the river and its surrounding. The data collection in this research was conducted through dissemination of questionnaires for 208 students from 5th grade from 7 elementary schools located around Cikapundung river in Bandung city. The 5th grade elementary school students were chosen because at this level, they have been taught about the environmental education as instructed in the curriculum.

This research was conducted in area of Babakan Siliwangi, Bandung Indonesia. The particular area where the research conducted was sub-district of Lebak Siliwangi. This sub-district has 8 RW and 25 RT with the total area of 100 hectares/acres. Geographically, the location of the Lebak Siliwangi is geographically more or less 700 meters above the sea level. In 2009, the total population of sub-district of Lebak Siliwangi was 4,167 people or equal to 1,023 households. The sub-district of Lebak Siliwangi is the most populous area with the low quality of sanitation. Therefore, it was very important to conduct the study/field research in this area. The location for the dissemination of the questionnaires can be seen in the following map. Figure 2 shows about map of Lebak Siliwangi area near Cikapundung River. This map shows the area questionnaire distributed in 7 elementary schools.

In selecting the elementary school, this research focused on the elementary schools that are located near the Cikapundung river and that has been selected under the Adiwiyata Mandiri Program. Adiwiyata Mandiri Program is a program run by Ministry of Environment to involve the schools that actively preserving the environment through their environmental education.
SD Pertiwi (Pertiwi Elementary School) is one of the ten elementary schools that selected to participate in the Adiwiyata Mandiri Program. As one of these schools, SD Pertiwi has several other elementary schools to be mentored. Those other mentored elementary schools were SD Pelesiran, SD Lingga Wastu, SD Baptis, SD Mathlaul Khairiyah, SD Yakeswa and SD YKPPK. All of these seven elementary schools have been selected for this research.

3. Result and Discussion

“Young citizens of today are growing up in a world that is very different from their parents and grandparents. It’s a world in which they are confronted by four difficult and intersecting challenges: dangerous environmental change, growing social inequality, an unsustainable global economy, and weakening democracies as local communities struggle to hold global power to account” (Hayward 2014)

Global warming and climate change have been the ongoing discourse in national or international community. Environmental education is an important tool to increase the awareness of the people toward the environmental preservation. Based on the previous research, environmental education has more or less influenced the young generation to be more aware on the importance of preserving the environment. To enable the environment education to influence the students’ behavior more, a more interesting method or techniques to teach the environment issue is needed. Those interesting techniques may include outdoor learning, participate directly in problem solving activities on the environment issue with tother organization, etc (Hsu, 2010).

Parents’ behavior has been one of the factors that may have influenced their children’s knowledge and behavior. Nonetheless, other aspects may have also influence either parents’ or children’s knowledge or behavior in the issue of preserving the environment. Some results from the research, the graphics based on the responses from the question regarding the distance of the river to their houses and whether it influences the parents’ behavior or children’s knowledge.

Fig 2: River distance - Behavior of the father

Fig 3: River-distance behavior of mother.
The figures show some of the results of the preliminary survey done in January 2014. As demonstrated by the two graphics above, the distance of the river toward the parents behavior has weak correlation. The figure below also demonstrated that behavior of the parents has weak correlation with the knowledge of the children in preserving the environment. The two graphics below (fig 4 and 5) showed the correlation of father’s behavior with the knowledge of their children and the correlations of mother’s behavior with the knowledge of their children. Mother behavior in this paper is how a mother behaves friendly to the environment in the surrounding rivers. A score of 100 was given if the behaviour or knowledge of the individual towards the environment was very good, based on the responses for every question or statement. In this study, using a scale of 100. The division of scale as follows: 0-25 : very bad, 25-50 : bad, 50-75 : Good, 75-100 : Very Good

Figure 4 and 5 above demonstrated the environment education from the parents did not strongly influence the knowledge of the children in preserving the river. Therefore, in the effort of increasing the awareness of the importance of preserving the environment, the subject of Environment Education (PLH – Pendidikan Lingkungan Hidup) in elementary school is crucial. Figure 6, 7 and 8 demonstrated the results of the behavior of the students of elementary school about the Cikapundung River.

Figure 6 : “I participate in making the Cikapundung river clean”

Figure 7: “River is where you throw your garbage”

Figure 8: “Wastewater in the bathroom can be dumped into the river”

In general, the elementary students realized that the river has to be preserved and no garbage should be
thrown into the river. Most of the students were not aware that the wastewater from bathroom should not be discharged into the river (53.2 percent). Aside from that, the result of the study has also shown that not all the students have applied everything that they have learned from the environment education. One of the causes was because the method used for studying the environment education was not interesting enough.

Based on the observation of the river condition in the big cities in Indonesia, most of them have similar poor conditions. River with full of household garbage has been a common view. Most of the children are not aware that the water in the river has to be preserved well. The river cannot be treated as a moving garbage that will sweep the garbage away along with the rain. One of the reasons that made the quality of the water in the river decreased was the increase of wastewater concentration in the river. This kind of water pollution has been caused not only by the liquid waste from the by the industrial wastewater but also domestic waste (waste water from bathroom, kitchen and toilet).

Those conditions have become the concerns for every environmental activist and other citizens who have been of the importance of preserving the environment. The government of Indonesia has been working hard in campaigning the program of environmental education not only in the school, but also in the general community.

Aside from the government’s efforts, community has also had some culture in preserving the environment. One of the examples the culture that relates to preserving environment is “Bersih Deso”. This is a ritual that has been traditionally preserved by the people in Gasang village in East Java Indonesia. In a group, the people in this village, There are together cleaning surrounding. They clean the streets, the public sewage and the river. In other area, such as Ciomas in West Java Indonesia, the people there have jointly preserved their forest and water springs. They have called their forest as the forbidden forest. Since long time ago, only certain people can go to those areas, because they were concerned that their young generation cannot preserve their forest and water springs. Those kind of learning and values should be taught from the parents or older generation to the children or younger generation, in order to have a good environmental preservation. The environmental education is one of the tools in enabling the changes of the way we think about how we can live in an environmentally friendly earth.

These kind of cultures that respect the environment, which have been inherited from our ancestors are the key points to have a sustainable environment for humanity. These local wisdom (“kearifan local”) has become knowledge, belief, understanding, habits, traditions or ethics that have been inherited, nurtured and well maintained in the community in certain area from one generation to the next generation.

Based on the results of the questionnaires that the parents’ has little influence toward the student’s knowledge on the environment, has also confirmed that the parents have not successfully transfer the local wisdom in preserving the environment, in particular the preservation of Cikapundung river as one of the legacies that need to be preserved by the Bandung people. The limitation of the knowledge of the parents in relations to the environment is probably one of the factors that cause the low correlations between knowledge of the parents and the behavior of their children toward environment. The education for the community conducted by the local government of Bandung or by NGOs (Non-governmental Organizations or LSM/Lembaga Swadaya Masyarakat) can become one of the learning media for the parents. The children then can study the remaining materials from the schools or the teachers. Furthermore, the knowledge and skill of the teacher in teaching the environmental education is also important to be considered as one of the aspects that can influence the students’ behavior toward environment. Methods and tools used by the teacher in teaching this environment issue may also affect the level of materials absorbed by the students. In the end, all of these factors will determine whether they can shape the students to be more environmentally friendly to their surroundings.

6. Conclusion

One of the roles of the parents is to educate their children to live better in an environmentally friendly place. However, the question is how big is the influence of the parents toward their children, in particular in inheriting their habits. In responding to this issue, environmental education is also needed by the parents of the students. This way, the parents are able to be reminded about how historically our ancestors had environmentally friendly way of living. The way of thinking of young generation is influenced by so many factors. Those factors are role of parents as friend, the community surround the students either at school or at home and the information from social media. Quality of the teachers as the main educator at school has also been
very crucial in forming the way of thinking of the students. Therefore, the teachers need to have the right knowledge and skills in teaching the environmental education.

In relations to this research, intensive and more environment education for the community in general is needed urgently, so that Indonesia will have young generations who are more concerned and more active in preserving the environment.

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INSTITUTIONALIZING CULTURAL FUNDING AT THE LEVEL OF THE LOCAL GOVERNMENT IN THE PHILIPPINES

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Abstract

The major purpose of the study is to outline how the institutionalization of funding for Culture and the Arts could be operationalized at the Local Government Units (LGUs) in the Philippines to facilitate the sustainability of cultural programs in Philippine localities. More specifically, this study aims to discuss the status of cultural funding in the Philippines and the challenges that beset the LGUs in operationalizing cultural funding at their level. Using the qualitative approach, the study proceeds with the analysis of the status of cultural funding in the Philippines; data are derived by the researcher as a participant-observer during a national training on Culture-based governance participated in by executives and tourism officers from Philippine LGUs. Gender- Responsive Budgeting is presented as a case of an institutionalized mechanism for financing gender concerns in the country, an illustration of the possibility of implementing institutionalized funding for Culture and the Arts at the level of the LGUs. The operationalization of the institutionalization of cultural funding is then outlined; challenges associated with the process of institutionalizing Culture and the Arts funds are analyzed using Thomas Schmitt’s general framework for the analysis of fields of governance; and recommendations are made as to how these challenges are to be confronted by the LGUs. The institutionalization of cultural funding can only be ultimately realized for the LGUs via a Republic Act. A requisite external to institutionalization is the process of reforming mindsets in understanding Culture and its role in human development; and in shifting existing beliefs to the idea that effective Cultural Governance is equivalent to institutionalizing cultural funding at the Philippine LGUs.

Keywords: Cultural Funding, Institutionalization, Funds for Culture, Philippine Local Government, Local Government Funding

1. Introduction

The discourse on cultural funding in the Philippines could be situated in the broader context of human development. This is in recognition of the view of Culture as ‘the solid fourth pillar in sustainable development’ [1]. The issue has to do with the lack of the specificity of budget allocation for cultural programs which results in the need for funding for Culture and the Arts at the level of the LGUs (provincial governments, cities, or municipalities) in the country. The challenge then is how to implement effective Cultural Governance in the form of sustainable income-generating cultural programs in the local communities that would allow community-based artists to achieve socio-economic growth for themselves and the rest of the communities. The institutionalization25 of cultural funding at the LGU level is a way to effective Cultural Governance.

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25 This is defined by Huntington as ‘the process by which organizations acquire value and stability’ (1968, p.12).
The global context of the issue of cultural funding has been brought out in the ‘Agenda 21 for Culture’. The presumption is that in acknowledging the ‘renewed importance of Culture’, local governments must be committed to the achievement of cultural development via cultural programs and budgets [2].

Locally, there exists a constitutional mandate for Culture. Section 15, Article XIV of The 1987 Constitution of the Republic of the Philippines in its online version states that ‘Arts and letters should enjoy the patronage of the State. The State shall conserve, promote, and popularize the nation’s historical and cultural heritage and resources, as well as artistic creations’ [3]. There are also ‘Allocations for Education, Culture & Sports/Manpower Development’ as indicated in the Statement of Income and Expenditures (SIE) Manual of the Bureau of Local Government Finance (BLGF) [4]. These allocations are specifically for the improvement of school facilities, for manpower development, for sports, and for ‘cultural preservation and enrichment’ [5].

Given that cultural funding is a ‘glocal’ [6] concern, it becomes imperative to discover means by which funding for Culture and the Arts at the level of the Philippine LGUs could be permanently reinstated for sustained income-generating community-based cultural programs. The major purpose of the study is to outline how the institutionalization of funding for Culture and the Arts could be operationalized at the LGUs in the Philippines to facilitate sustained community-based cultural activities that can be sources of livelihood not only for the local artists but for the other members of the localities as well. The specific aims are to (1) discuss the status of Philippine cultural funding; (2) examine the challenges that beset the LGUs in the process of operationalizing cultural funding at their level; and (3) make recommendations to address the challenges.

The significance of the study is two-fold. In the area of Public Administration, having the means for an institutionalized cultural funding is equivalent to strengthening and stabilizing cultural programs in the LGUs. As Gera (2008) states: ‘…to operationalize the notion of institutionalization, the main attribute that is easily measured across polities is stability’ [7]. There will be accountability and transparency in decision-making relating to cultural planning. A credible government policy commitment to promoting Culture would be in place.

In terms of development, the institutionalization of cultural funding will be instrumental in achieving national development as sustained cultural programs are definite means to make the Filipinos discover their cultural identity. Sectoral development would also take place with sustained income-generating cultural activities in the localities. With these programs as constant sources of livelihood for community-based artists, the cultural sector could engage in participating in economic growth in their areas; this is the realization of an opportunity for sustainable human development.

2. Literature Review

The Policy Department of the European Union (2006) reports the sources of cultural funding of its member-countries [8]. The examination of the cases of the sources of cultural funds of Poland and Germany is useful to the Philippines given that all three have the local-level government as governmental structure; that whatever funding resourcing works for the two countries may also do for the Philippines. Poland makes use of its local government taxing authority with what it calls the ‘1% Percentage Legislation at the Municipal Level’. In this mechanism for sourcing cultural funds, every citizen in Poland allot 1% of his or her salary to a chosen cultural group or sector [9].

Germany, on the other hand, through public-private partnership, utilizes the ‘1% Rule.’ In this set-up, 1% of the cost of the construction of any building is allocated to the cultural design of that building [10]. Both countries also finance culture with lottery funds, with Germany prioritizing the support for artists; and Poland focusing on the support for education.

In the Philippines, ‘82% of the LGUs surveyed do create allocations for cultural activities’ [11]. However, these allocations do not ensure the sustained planning and implementation of programs responsive to the specific requirements as set by the Culture and the Arts for community-based artists due to the lack of a mandated cultural funding.

The present study draws on the reality presented by Campomanes and Virtucio (2004) and continues with the analysis of the state of cultural funding in the Philippines using Thomas Schmitt’s (2011) general framework for fields of governance, focusing on Cultural Governance. Also adopted are the concepts intrinsic, instrumental and institutional values of Culture (Holden & Balta, 2012).

This descriptive and exploratory study proceeds with the description of the status of cultural funding in the
Philippines. Aside from existing literature and documents, data are derived by the researcher as a participant-observer during a national training on Culture-based Governance participated in by executives and tourism officers from Philippine LGUs. A budget officer has been interviewed for additional data on the process of generating funds for cultural programs at the local government level. Gender-Responsive Budgeting is then presented as a case of an institutionalized mechanism for financing gender concerns at LGUs in the country. This is an illustration of the possibility of implementing institutionalized funding for Culture and the Arts at the LGU level. The operationalization of the institutionalization of cultural funding is then outlined using the data sources previously mentioned. The challenges associated with the process of institutionalizing Culture and the Arts funds are analyzed using Schmitt’s general framework for the analysis of fields of governance. Recommendations are made as to how these challenges are to be confronted by the LGUs.

3. Discussion

At the national level, there are agencies responsible for the promotion and conservation of Culture in the Philippines.

The National Commission for Culture and the Arts (NCCA) is created through Republic Act No. 7356. It is a national agency in charge of the ‘protection and conservation of the national cultural heritage’ (as stated in Republic Act No. 10066). The NCCA receives funding via The National Endowment Fund for Culture and the Arts (NEFCA) [12].

The Cultural Center of the Philippines (CCP), ‘the national center for the performing arts’ [13], has its origin in Presidential Decree No. 15 [14]. Section 11 of the same Presidential Decree provides that CCP would derive its funds from the ‘5% of the total annual collections of all taxes on amusements’. Section 47 of the National Cultural Heritage Funding, on the other hand, provides an appropriation for culture in the amount of PhP 100,000,000.00 [15].

As a supporting legislation, Republic Act No. 10066 provides ‘for the Protection and Conservation of the National Cultural Heritage, Strengthening the National Commission for Culture and the Arts (NCCA) and Its Affiliated Cultural Agencies, and for Other Purposes.’ Section 47 of the same republic act states that the National Cultural Heritage funding appropriation amounting to PhP 100M would come from the National Treasury [16].

At the level of the LGUs, cultural funding is facilitated through a regular ordinance accompanied by an appropriation ordinance. The Annual Investment Plan in the Short-term Development Plan of the LGUs, along with the Multi-sectoral Development Plan, is another possible source of cultural funds. Funding could also be channeled through Account 200—Grants and contributions, aids to cultural programs—which is included in the expenditure component of the budget. Cultural funding could be included in the Executive agenda as well. Aside from ordinances and resolutions, memoranda from city directors to barangay captains could be conduits for fund allocation (D. Lopez, personal communication, October 6, 2014).

Cultural funding is institutionalized only at the level of the national cultural agencies via legislation. The operationalization of the institutionalization of cultural funding at this level is top-down.

Although LGUs can be beneficiaries of the cultural programs of national agencies, these instances are not on a regular permanent basis. As for the LGUs, executives have to be ‘very creative in looking for cultural funding’ (Participants in the National Training on Culture-based Governance, communication, October 7, 2014).

The Gender and Development (GAD) Budget Law, a funding institutionalization mechanism enacted during the term of President Fidel V. Ramos aims ‘to incorporate gender in the mainstream budget process of policy formulation and implementation...’ It stipulates that ‘...a minimum of 5% of all agency budgets must go down to women and development’ [17]. GAD Budgeting demonstrates the possibility of institutionalizing Cultural funds at the Philippine LGUs. The following are the supporting legislation for GAD:

1) Republic Act 7192 of 1992 or The Women in Development and Nation Building Act;
2) Executive Order No. 273 of 1995 Approving and Adopting the Philippine Plan for Gender-responsive Development;
3) 1995 General Appropriations Act (GAA);
4) Joint Memorandum Circular 2004-1 ‘Guidelines for the Preparation of GAD Plan
and Budget and Accomplishment Report to Implement the Section on Programs/Projects Related to GAD of the General Appropriations Act (GAA) by the Department of Interior and Local Government (DILG), Department of Budget (DBM), and the National Commission on the Role of Filipino Women (NCRFW)

5) Joint Memorandum Circular 2007-1 ‘Guidelines for Gender and Development (GAD) Planning, Programming and Budgeting, Implementation and Monitoring by the DILG, DBM, NEDA, and NCRFW’ [18].

The Quezon City GAD Code is an illustration of the implementation of GAD Budgeting at the local government level. This is made possible through Ordinance No. SP-1401, S-4004 ‘An Ordinance providing for a city gender and development code and for other purposes’ [19].

The operationalization of cultural funding can follow the top-down process via legislation. This is a tedious and long process that initially begins with the search for Congress legislator lobbyists.

Bill
↓
Republic Act
↓
General Appropriations Act
↓
Implementing Rules and Regulations
↓
Joint Memorandum Circulars
↓
Code
↓
Ordinance

Fig.1 Top-down institutionalization of cultural funding

The bill is the appropriate measure to take since the issue has to do with budget appropriation of the government [20] for the arts.

Given the list of taxes that the local government can impose for collection as indicated in the Philippine Administrative Code of 1987, culture funds could possibly be derived from the amusement tax collection of the provincial governments. This amendment could be effected by specifying a particular percentage of the said tax to be allocated to cultural funding. The amendment could further specify the direct transfer of the funds from the provincial government to the cities and municipalities who would have the function of planning and implementing cultural programs.

Aside from the challenge posed by the time element in completing the process of transforming a bill on cultural funding into a law, there is the challenge of reforming mindsets and paradigms in the LGUs’ understanding of Culture and its role in human development. The LGUs interchange tourism, culture, and the arts; worse, ‘… notions of culture range from staging beauty contests to inventing a fiesta…or from launching art contests…to the maintenance of museum or a library as mere infrastructure’ [21]. Culture and the Arts are also treated as entertainment [22].

On the part of the executives of LGUs, there exists the challenge of understanding that effective Cultural Governance is achievable through the institutionalization of funds for Culture and the Arts. Their leadership priorities must be redirected towards cultural policy priorities.

In the aspect of the structural organization in the Philippine local government, the perception by LGUs that cultural programs can be accommodated by tourism officers and offices [23] has to be corrected. It is the ideal that cultural workers are made to plan and implement these programs since their knowledge and experience would contribute to the relevance and responsiveness of such programs to the specific cultural needs of the communities. A related issue is the ‘absence of full-time [cultural] workers under a plantilla’ [24]. Items for cultural workers need to be in place. This would ensure the sustainability of manpower support for the planning and implementation of community-based cultural programs.

The case of the cultural funding in the Philippines is grounded on the issue of the priority given by LGUs to Culture and cultural programs. Community-based cultural groups experience the lack of a sustained financial support from the LGUs (J. Cristobal, personal communication, August 28, 2014). There are laws pertaining to the promotion and preservation of Culture but these are not pertinent to budget allocations. The list of functions of LGUs does not include functions relating to Culture and funding for it. There is a conflictive relationship between the community artists and the LGUs on the issue of cultural financing. The LGUs still adhere to a culture
of dogmatic orientation to rules and budgetary discretion. It is hoped that with the negotiation between parties, sustainable income-generating cultural programs could be planned and implemented.

Meeting the challenges previously mentioned is difficult. But attending Culture-based governance trainings, similar to those conducted by the National Commission on Culture and the Arts of which the writer is a part, should be a good start in deepening the LGU executives and legislators’ understanding of Culture and its instrumentality in human development. With these trainings, LGUs would be made to realize that Cultural Governance is most effective if there is a permanent and constant source of funding for cultural programs.

Tourism offices in LGUs must be distinct from cultural offices. Aside from the difference in competencies required by each agency, there is a significant difference in the valuation attributed to Culture, which may be intrinsic, instrumental, and institutional [25]. Tourism offices focus on the instrumental value of Culture; that is, funding is allocated to Culture because of its economic and social returns. Cultural offices, on the other hand, attribute all three valuation to Culture. The community-based cultural workers would incorporate in their planning and implementation of cultural programs the mindset that cultural activities are valuable goods in themselves (intrinsic value of Culture). The aspect of creating sustainable income-generating cultural activities for artists and the rest of the communities is a part of the instrumental value of Culture. The institutional value of Culture, on the other hand, is to be exercised in the manner by which cultural programs are better designed and implemented not just for the community of artists but for the public in general.

Although the institutionalization of funding could only take place with a legislation, LGUs can already put in place ordinances and corresponding appropriation ordinances for cultural programs. This is the only way to secure institutional financial support for Culture and the Arts at the level of the LGUs while awaiting legislation.

Another necessary step that is related and is a requisite to the operationalization of the institutionalization of cultural funding at the LGUs is to amend the list of functions of the LGUs in the Philippine Administrative Code of 1987 to include cultural planning and implementation.

4. Conclusion

The institutionalization of cultural funding is an issue at the level of the Philippine LGUs that can primarily be addressed through a top-down approach to legislation. The possibility of this process has been illustrated in the case of the GAD Budget. The toughest challenge in the process of institutionalizing cultural funding is reforming the mindsets of LGU executives and legislators, particularly reorienting them to the concepts of Culture and effective Cultural Governance. This would eventually lead to the prioritization of cultural programs by the LGUs. The availability of items for cultural workers in the cities and municipalities is another hurdle. Finally, the drafting of ordinances and appropriation ordinances at the LGUs would serve the purpose of cultural funding institutionalization as the legislation for Culture and the Arts funds is awaited. The possible ways of addressing the issue on the institutionalization of LGU cultural funding include the attendance by LGU executives and legislators at culture-based governance trainings; the establishment of cultural offices distinct from tourism offices in LGUs; the creation of an ordinance and its corresponding appropriation ordinance as immediate forms of legislation at the level of the LGUs; the inclusion of cultural planning and implementation in the list of LGU functions; and ultimately, the legislation of cultural funding via a Republic Act. Nothing is difficult or impossible with political will.

5. References


MEDIA AND CULTURAL HERITAGE

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Abstract

In general, media coverage can have a strong influence on the reputation of a cultural heritage. Media coverage often has an effect on a cultural heritage’s reputation when ‘good’ or ‘bad’ news is reported. This amplifying effect has often been studied through the lens of agenda setting theory. The hypothesis behind the theory is that the frequency with the media report on an issue determines that issues’ salience in the minds of the general public. In other words, the media may not be successful often in telling people what to think, but it is stunningly successful in telling its readers what to think about. The news media ‘set’ the public agenda.

Since people cannot possibly attend no to every little detail about the cultural heritage around them, setting in communication is important because it helps shape the perspectives through which people see all cultural heritage in the world. In generating good news coverage about a cultural heritage, communicating with the media is one of important activities that should be maintained between communication professionals (in cultural heritage) with journalists.

Keywords: media coverage, agenda setting, framing news

Introduction

Cultural heritage which is culturally associated with the ancestors of the nation needs to be preserved. The preservation is aimed to protect the heritage from extinction which can be caused by natural disasters or vandalism.

In connection with the planned preservation, the existence of a cultural heritage requires publications. Publications will help to deliver information about the existence of the heritage, and also will help spread the word if the site is worth visiting. Such publications will involve both mainstream (such as newspapers, magazines, radio and television) or the social media (new media approach).

When the relationship with the media is built, it should be understood that a main idea of the relationship between the media and public arise with regard to the power or influence of the media. Namely, how information are selected before being published to the public. The processes are gatekeeping process and framing process on an information into a news story carried out by the media.

The Media Conglomeration

The mass media contributes to the formation of human perception and definition on social reality. With regard to this issue, there is a ‘frame of reference’ which connects the media and the public. Walter Lippmann (Protess, 1991) stated that the role of the newspaper is to give a picture of the outside world in the mind of the reader, although the presentation of the picture does not fully conform to the reality. Lippmann’s main idea is that the news media is a window to the world and determines the cognitive map of the readers/individuals regarding the world.

Meanwhile, Tuchman (1978) in his book Making News confirmed that the news is not the mirror nor the reality of life, but the news is a window of the world, because the news is a product of social institutions; media workers are converting occurrences into news events. Tuchman further confirmed that the news is the result of compromise and negotiation about things that are newsworthly (newsworthiness).

The role of the media as described above will only be achieved if there is freedom of the media. When the media is not free, i.e. interference from the rulers, then the media will potentially be an instrument of political or
economic interests of particular groups.

At present, the phenomenon of increasingly concentrated media ownership is a symptom of capitalism that occurred globally in many countries. In Australia, two media companies (owned by Packer and Rupert Murdoch) control more than 70% of the print media market. In the United States of America, there are currently five media groups controlling more than 60% of the media market, namely AOL-Time Warner, Disney, Viacom, The News Corporation, and Sony Columbia. In the UK, there are five publication groups controlling 93% of print media market. While in Indonesia, there are three groups of television media networks, namely Media Nusantara Cipta (RCTI, MNC, Global TV), Bakrie Group (TV One and ANTV), and PARA Group (TransTV and Trans7). For newspapers, there are currently 19 newspaper publishing group with a total of as many as 296 network members or 53% of the total number of newspapers in Indonesia. In other words, more than half of the publication of newspapers in Indonesia is part of the media conglomeration (Currant, 2000:92).

The phenomena of conglomeration, privatization and concentration of media ownership in the hands of several owners which is prevalent in the global scale could prevent the media in running its social function. Namely, that in addition to providing information, entertaining as well as making profit, the media is also a place for the people to exchange ideas related to an issue, to voice opinions and to provide feedback freely. The media can also criticize an issue/problem, perform and make coverage without the being 'restricted' by partisanship and the interests of the capital owners.

The fact that the media does not have the freedom due to the prevalent concentration of media ownership also has an impact on the coverage of information or events. In this context, there is a decrease in the quality of journalism as the audience tend to find it difficult to get the news in a transparent manner. This is because of facts or events that is reported are having the tendency of being 'engineered' by media institutions. Media which is included in a conglomeration, will have a reporting type similar to each other. Information will be selected and adapted to the direction of economic and political interests of media owners.

Gatekeeping Process: Manifestation of Pressure in Coverage

One of the things that need attention to understand the process of making news is that the media content is not only influenced by one factor, i.e. only media organizations, but there are other influencing factors such as political and economic power outside media organizations.

A study by Shoemaker and Reese shows that the media organization can not be separated from the influence of power from within and outside the organization. These relationships can be either negotiation, exchange or sometimes also in the form of conflict, both intangible and tangible.

Moreover, Gerbner (1969) illustrates that mass communicators are in a distressed condition. The pressures they face come from various power outside the organization, among others: (1) economic power represented by advertisers, competitors, foreign news agency, owners, an trade unions, (2) social and cultural force, represented by the political authorities and the law, experts, other institutions, (3) the interests and demands of the audiences, and (4) the provision of information and culture on an ongoing basis.

Of the illustration of powers surrounding the media organization, five relationships are formed which require closer attention to observe the effects that exist in the media organization and mass communicators, namely (1) the relationship with the community, (2) the relationships with pressure groups, (3) the relationship with the capital owners, advertisers, suppliers, (4) the relationship with the audiences, and (5) the relationship between parts of the organization.

Relationship model between the media with the public can be distinguished on the basis of the main goals of the media themselves. According to the organization theory, organizational goals are divided into two types: utilitarian organizational goals and normative organizational goals. The utilitarian organizational goals are the goals of making money, typically ignores heavily other factors such as education and social responsibility. The normative organizational goals are organizational goals that are not only about making money, but also the pursuit of a certain ideal values.
In addition, the relationships between the media and public are also determined by the neutrality and partisanship of media crews. Neutral journalists will be accepted by the majority of the audience, otherwise journalists in favor of particular interest will only be accepted by the constituents. Another issue is about the professionalism of the media crew. The media crew who understand the mission of the organization, dedicated to their tasks, always trying to improve the quality and objectivity of news, would be more preferred not only by the institutions, but also by a mass audience. Cohen (1963) devised the two roles of journalists, namely (1) neutral reporter-press, as information providers, interpreters and tools of government, (2) participant-press, as representatives of the public, critics of the government, and watchdogs. As a middle way of role dichotomy of ‘neutral vs. participant’, Weaver suggests three other journalist roles, namely as: interpreter, disseminator or adversary. Interpreter have the role to analyze and interpret complex questions, investigate government statements, and discuss national policies. Disseminator have the role to rapidly disseminate information to the public, and concentrate on the audience. Adversary role is against both the government and the business world. Although this role is weakened, it is still recognized.

Although people do not directly affect the organization of the media, pressure groups and interest groups do. For example pressure groups can limit what should be reported to the public/audience. In this condition, the relationships between pressure groups and interest groups will be formed against media organizations.

On the other hand, the relationship with the capital owners tends to reduce the independence of journalists. It is almost improbable for a journalist to make independent and critical coverage of the interests of capital owners and its cronies. The capital owners can affect media organizations, for example with a request to insert or remove a particular news content. In the context of this relationships, information is no more than a commodity to be traded. Consequently, all forms of production of the message can not be separated from the interests of the capital owners and political power surrounding it. The information presented to the audience is a reality that has been selected and arranged according to the ideological considerations of media institutions through editorial decisions (second-hand reality).

The same happens to the advertisers. Even for some particular media, advertisers are considered as 'heroes' associated with the source of funds for the survival of a media organization. The advertisers are usually sensitive to media content that is not in line with their messages, and also to controversial matters. Advertisers usually will also seek to encourage journalists to make news that supports their messages and negate news that is less or not supportive to their advertising messages. To dampen the ‘unrest’ on the advertisers' side, the media organizations usually make "self-censorship" immediately.

In simple ideas and based on the facts, media relationships is not only limited to the capital owners, advertisers, or interest groups. The public are clients and the source who have influence in media organizations. However, many studies have found that many mass communicators do not regard the public as something important. Of the many studies that have been done by taking samples of television viewers, it is learned that the public are often seen in a cynical manner as ignorant, incapable and unworthy (Altherde 1974, Elliott, 1972, Burns 1977, and Schlesinger 1978 in McQuail, 2005). The media determine what they want, not what the people want.

Of the illustration of five media relationships above, it appears that media organizations are in a position of attraction with the power that exist around the media organization itself, such as the economic and socio-cultural power in making news where there is a tendency for the media in favor of economic and political power of media owners.

**Selective Exposure: Eastern and Western Perspectives**

Today, the remarkable developments in the field of information and such advanced communication media technology, people are not just living in the era of communication revolution, but are also experiencing what is referred to as the era of communicative abundance or cornucopias of communication (Neuman, 1991; John Keane, 1998).

Communicative abundance or cornucopias of communication makes individuals have many opportunities to make choices and rejection of the information in accordance with self-
cognition. Communicative abundance has also become a trigger of changes in information consumption patterns which is previously passive, waiting in front of the television screen, radio, or read newspapers delivered by deliveryman, into the audience who are actively seeking for information by using Google or Yahoo search engine, or the remote control of television. Individuals become active creatures in selecting and processing information in accordance with their interests and needs. Individuals are no longer be passive beings in receiving information, individuals are active in finding and rejecting an information instead.

Terminology in which an individual determines his choice of a news or information is called selective exposure. Selective exposure can simply be defined as an effort of a person (individual) to favor the desired information and avoid the unwanted one. Availability of information is abundant, and the individual will select and choose the information to be accessed and not be accessed.

With regard to the process of selective exposure, there is a difference between the West and the East. According to Lawrence Kincaid (Littlejohn, 2002), there are four distinctions in communication from the perspective of the West and the East. Firstly, the East perspective tends to focus on the aspects of unity and wholeness, whereas the West tends to look at the units or parts, and does not integrate it in a unity. Secondly, the East perspective emphasises on emotional and spiritual unification, and views the results of communication as a natural and unplanned consequences. Whilst, the West perspective, especially the United States of America, is dominated by the vision of individualism, full of planning, and schedule. Western perspective assumes that individuals actively try to achieve personal goals. Thirdly, the East perspective, verbal symbols tend to have a reduced role, and viewed with skepticism. Western style rationality also tends to not be trusted in the Eastern tradition. What is taken into account in many Asian nations philosophy is intuitive view obtained from direct experience. The thought patterns tend to be convoluted. Meanwhile, another characteristic of Western perspectives is dominated by the language. The way of thinking is linear, with a cognitive approach. Fourthly, the East perspective views relationships in society as more complicated, because it related to the social position of the role, status, and power. The Western perspective views relationships as rather not complicated, namely relations exists between two or more individuals, irrespective of differences of various backgrounds and levels.

Young Yun Kim in his article titled ”Intercultural Personhood - An Integration of Eastern and Western Perspectives” (1994), and Jiafei Yin in ”Beyond The Four Theories of The Press: A New Model for The Asian and The World Press” (2008), explained that the distinctive perspectives of East and West communication due to differences in the concept of the universe, knowledge, and time is the fundamental basis for how people act and behave, including the way people communicate the concepts they believed in.

In the Western perspective, the universe is seen as something that is externally created and controlled by the Supernatural power. The West view the relationship between the creation (the universe) and the creator as separate entities. The West view that the universe is not a living material, but the elementary particles that is interrelated with one another in a predictable pattern. The characteristics of the West on the universe are dualistic, materialistic and lifeless.

Whereas the East view the universe as more holistic, dynamic and the inherent to the spiritual dimension. In the East, it is believed that the universe entity is very vast, multidimensional, living organisms are consist of many parts and power interdependent with one another. For the East, the universe is a consciousness and wrapped in a continuum of His creation. The pattern formed is self-contained and self-organizing which asserts that the universe is a manifestation of the living force of the Supernatural power. All the power of life is inseparable from human and its existence. The East view that everything in the world is impermanent.

From the above description, it is illustrated that the West and the East are not only have differences in structure but also in the content of cognition, which resulted in differences in cultural values in the society as well as communication perspective. Namely, Western societies tend to form an individualistic culture that prioritizes the personal values in the development of self-concept and process of communication. Meanwhile, Eastern societies are the opposite.
Conclusion

It is undeniable that the mass media have a role of mediation between objective social realities and personal experience. That is, the mass media are often among the recipients with parts of other experiences that are beyond perception and direct contact of the recipients. The mass media also often provide information to shape the audiences’ perceptions, the mass media can also be a link between the beauty of the world heritage with the public through travel article.

The phenomenon that is increasingly concentrated media ownership is a symptom of capitalism that occurred globally in many countries. The concentration of media ownership has made the media tends to lose its independence due to the intervention of the capital owners through media networks. Consequently, all forms of message production can not be separated from the interests of media owners. The information presented to the audience is a reality that has been selected and arranged according to ideological considerations of media institutions. These conditions describe a weak bargaining power of journalists when dealing with the interests of media owners. Unequal relationships also make journalists being understood as workers and not as media professionals.

Today, the people are not only living in the era of communicative abundance. Communicative abundance or cornucopias of communication makes individuals have many opportunities to make choices and rejection of information in accordance with the self-cognition. Individuals become active creatures in selecting and processing information in accordance with their interests and needs. Individuals are no longer be passive beings in receiving information, individuals are instead active in finding and rejecting an information.

Therefore, in delivering cultural heritage news, media professionals are expected to understand the cultural context (east and west) and the media organization’s ideology in addition to realizing the media owners’ interest in news coverage and also realizing the proactive information selection process of the audience.

References


CULTURAL MAPPING AS A TOOL IN HERITAGE CONSERVATION IN A WORLD HERITAGE SITE: THE VIGAN CITY EXPERIENCE

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Abstract

This paper presents how Vigan utilized cultural mapping as a tool in heritage conservation. It discusses the importance of cultural mapping and the process of documentation, the results of the hands-on cultural mapping activities in terms of documented resources, and the ensuing projects along heritage conservation that were adopted by the City Government of Vigan.

The cultural mapping project covered four components of the heritage: natural heritage, built heritage, movable heritage and intangible heritage. The cultural mapping yielded ten volumes of documentation which were submitted to the local government of Vigan and were later exhibited at the University of Santo Tomas in Manila and at the Vigan Cultural Trade Center.

Cultural heritage conservation projects ensued from the cultural mapping such as the Buridek: Vigan Children’s Museum, Vigan Heritage River Cruise and the UNESCO World Heritage City of Vigan Philippines Heritage Homeowner’s Preservation Manual.


1. Introduction

The confluence of cultures in Vigan from pre-colonial era to the present time makes the island a valuable educational site and tourist destination. With its unique blend of Asian and European influences in its architecture and its gridlike layout of a Spanish pueblo, the United Nations Educational, Scientific and Cultural Organization (UNESCO) enlisted Vigan as a World Heritage Site on December 2, 1999. The historic town of Vigan met two criteria for inscription: “1) it represents a unique fusion of Asian building design and construction with European colonial architecture and planning, and 2) it is an exceptionally intact and well-preserved example of a European trading town in East and Southeast Asia”26. Vigan is regarded as a “site of exceptional universal value” and since it became a World Heritage Site, Vigan as a living museum has been host to visitors from all over.

Bigan (the old name of Vigan) was already an important trading post even before the coming of the Spaniards to its shores. Don Juan de Salcedo, the Spanish conquistador, established the Spanish settlement of Villa Fernandina in Bigan in June 13,

It flourished during the colonial era and became the third most important city after Manila and Cebu. It was the economic, political, religious and cultural center in the northern part of Luzon.

The bishops of Nueva Segovia preferred Vigan as residence over Lal-lo in Cagayan which was frequently flooded then. When the seat of the diocese was transferred from the City of Nueva Segovia in Lal-lo, Cagayan to Vigan by Decree of September 7, 1758, Vigan automatically earned the title Ciudad Fernandina de Vigan. It lost its cityhood during the American period but regained it on January 22, 2001 through a plebiscite. Since then it had to attend to issues of keeping pace with modernization while facing its own development needs as well as responding to the needs of its citizens and visitors.

The two developments – enlistment of Vigan as a UNESCO World Heritage Site and regaining its cityhood—continue to impact on the Bigueño’s way of life and endanger the City’s heritage.

2. Significance of the Study

UNESCO Representative Richard Englehart posed the challenge of cultural conservation to all Bigueños as stewards of the world patrimony during the unveiling of the World Heritage Site historical marker on April 30, 2000.

The threats to Vigan’s cultural heritage are aggravated by the influx of visitors immediately after

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3. Related Literature

This paper discusses cultural mapping as a tool for heritage conservation in Vigan City, its purposes, the cultural mapping methodology undertaken by the City Government, outputs of the cultural mapping and the cultural programs and projects that ensued from the cultural mapping.

This paper used a qualitative approach to data collection, in particular library research, documents review, interview, ocular survey, photo documentation and personal experience of the paper presenter as a participant in the cultural mapping project.

This paper is based on the cultural mapping project conducted by the City Government of Vigan in 2006 to 2007.

3.1. Cultural Mapping

Cultural mapping is the process of identifying and systematically documenting the heritage resources distinct to a community. This approach uses the idea of recording various layers of information, historical and current, about an area in a map format. The
A cultural mapping project was adopted as a facilitative way of coming up with an inventory of the heritage resources of Vigan City.

3.2. Cultural Heritage

Cultural heritage are valuable resources passed on from past and present generations to the succeeding generations.

Former Chair of the National Commission for Culture and the Arts, Evelyn B. Pantig, stresses the importance of cultural heritage as a landmark of human creativity and excellence, to which the Bicolanos must constantly direct their heritage conservation efforts.

Pantig said that in this fast changing world, cultural heritage gives people their identity, what their lives mean and where they came from. Heritage buildings, monuments and sites, artworks and artifacts as well as languages, customs, communal practices and traditional skills are fast becoming the essential means of expressing identity and meaning for local communities, regions, nations and mankind as a whole.

The World Heritage Convention has categorized heritage into cultural heritage and natural heritage. The former are of two types: tangible heritage and intangible heritage.

Heritage that can be touched are tangible heritage. This category includes immovable heritage such as architectural works, monuments, archaeological sites, historic centers, groups of buildings, cultural landscapes, historical parks and gardens, botanical gardens and industrial archaeology.

Movable heritage can easily be transferred from one place to another. This includes museum collections, libraries, archives and other collections.

Intangible heritage, on the other hand, exists in non-physical forms as music, dance, literature, theatre, local expressions such as traditions, know-how, crafts and religious ceremonies.

Natural heritage includes 1) natural features and 2) natural sites. The first type are physical and biological formations, geological and physiographical formations and which constitute the habitat of threatened species of animals and plants of outstanding universal value from the point of view of science and conservation. Natural sites include areas of outstanding universal value.

To the World Heritage Convention, a cultural heritage must have outstanding universal value, that means “cultural and/or natural significance which is so exceptional as to transcend national boundaries.

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Handout for the Cultural Mapping Project, Vigan City, 2006

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and to be of common importance for present and future generations of all humanity.\(^{32}\)

The foregoing related literature would provide understanding on the classification of Vigan City’s heritage.

### 4. Results and Discussion

#### 4.1. Purposes of Cultural Mapping

The cultural mapping project of Vigan was intended to accomplish certain objectives along with the documentation, “Cultural mapping raises the awareness of stakeholders on the heritage resources and it could generate valuable information as basis for conservation planning, development and legislation. More importantly, it could generate valuable interest in a broader sector beyond the community such as the academe, the government, the business sector, and civil society.\(^{33}\) The collection of information was hoped to facilitate the integration of cultural heritage in education for transmission of the cultural values to the younger generations who seemingly lack consciousness of their heritage. Furthermore, the documentation could help in the generation of product ideas that could be offered to visitors and which would provide a means of livelihood to the residents while boosting the local economy. In this way, the Bigueños would participate more meaningfully in the cultural exchange with visitors and hopefully would deepen the former’s commitment to conserving Vigan’s heritage.

The purposes of the cultural mapping are in line with the City’s stewardship of the UNESCO World Heritage Site, which Favis\(^{34}\) who has worked with UNESCO Bangkok echoes in his article on the UNESCO World Heritage Convention. He explains the commitment of State Parties which was agreed upon during the General Conference of UNESCO on November 16, 1972:

> Being listed in the World Heritage List requires long-term commitment on the part of the Government and on the people of the country where the site is located. World Heritage inscription is very prestigious, for it brings international recognition of the site as having universal value, as a heritage worthy of protection and preservation for humanity as a whole. However, along with this prestige come the obligations and duties of the State Parties, made more difficult as population explodes, industries develop, environments degrade, and mass tourism overwhelms the sites.

#### 4.2. Cultural Mapping Methodology

The cultural mapping project of Vigan was implemented on the basis of a Memorandum of Agreement in 2006 between the City Government represented by City Mayor Ferdinand C. Medina and the University of Santo Tomas Center for Conservation of Cultural Property and Environment in the Tropics (CCCPET) represented by Rev. Father Isidro C. Abaño, Director. The CCCPET was the training partner who provided the team of lecturers.

#### 4.2.1. Participants

Twenty one (21) participants were selected to undergo training and do actual documentation.

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\(^{34}\) R. L. Favis. “The UNESCO World Heritage Convention Understanding and Implementing the Convention Concerning the Protection of the World Cultural and Natural Heritage.” *Samtoy*, July-September 2000, p. 6-8, 11
Representatives came from the City Council and City employees, Department of Education, University of Northern Philippines, Tawid ti Ilocos Foundation, Dadapilan, media, religious sector, professionals and other cultural workers. Craftsmen and residents also supported the project as resource persons.

4.2.2. Phases of the project

The cultural mapping project consisted of two phases: 1) training on heritage documentation from July to December 2006 and 2) hands-on cultural mapping from November 2006 to January 2007.

The training was comprised of ten modules that included lectures on heritage, techniques of documentation, principles of heritage conservation, policy, strategy and planning, organization and mobilization, product development, heritage and education, tourism and education, and heritage marketing.

Lectures were held in the mornings and workshops in the afternoons on Fridays and Saturdays. The trainees were also brought to historical and cultural sites and were shown the outputs of cultural mapping done in Ilocos Norte. Assignments were given after every module such as the review of legislation on cultural conservation, integration of heritage in the curriculum, planning the re-use of a heritage site, assessment of an ancestral house, product design using heritage resources and sample documentation of heritage resources.

4.2.3. Scope of the Cultural Mapping

The participants were divided into four groups to conduct hands-on cultural mapping or actual documentation of heritage resources after the training. They were grouped according to the category of resources to document: 1) natural heritage, 2) built heritage, 3) movable heritage and 4) intangible heritage. The mapping included all heritage resources in the poblacion (city proper) and the barangays (villages) that could be covered within the limited period of actual documentation (November 2006 to January 2007).

4.2.4. Data Gathering Tools

During the workshop, each group was given a briefing on the templates/documentation forms and how to use them in the actual documentation. The templates were those used by CCCPET. The trainees reviewed the templates/forms and revised them to include other important information related to the heritage resources.

The template for natural heritage includes the name/other name/s of the resource, its location, physical features, significance, flora and fauna in the site, maps and pictures.

For built heritage, the template includes name/historic name/other name of the resource, special features, historical significance, physical description of façade, interiors, materials and decorative features; also ownership, location and approach, usage in the past and present, state or preservation, condition description, designer, date of construction, maps, plans and pictures.

For movable heritage, the template includes title/name of resource, popular name, object category, artist/maker, theme, medium and techniques, period/year, nature of acquisition, material, color, dimension, functional description, inscriptions, present condition, and relation to other objects.

Two templates were used for intangible heritage because of the variety of resources: one for general use and another for personalities. The template for general use includes name of the resource, kind of resource (whether music, dance, cuisine, etc.), location, season/period, process, costume, chants, vocabulary, bibliography, photographs/illustrations. For personalities, the template includes the name, place of birth, date of birth, residence/address, parents, spouse, children, brothers/sisters, achievements and contributions, significance, photographs, related bibliography.

Various ways of obtaining information appropriate to the heritage resource were done as follows: ocular survey, photo documentation, interview, library research, document analysis, illustrations. Maps and photographs, both oldest and more recent ones if available and related literature were
collected/photocopied and attached to the templates/forms.

4.3. Outputs of Cultural Mapping

Within a period of two months and working only during their vacant time, the cultural mapping groups were able to submit 10 volumes of documentation to the CCCPET which exhibited them at the UST Museum of Arts and Sciences on October 16-30, 2007. After the exhibition, the outputs were turned over to the City Government of Vigan who also exhibited them during the 2008 City Fiesta in January. The exhibit ran to the end of March 2008.

The outputs were as follows:

4.3.1. Natural heritage – one volume that includes rivers, hills, flora and fauna found in the river banks, shore and quarry. Among them are:

1) Abra River – gateway to Vigan from Manila
2) South China Sea (now West Philippine Sea) and Mindoro Beach – passageway for traders to Cagayan in earlier era
3) Mestizo River – entry point of early traders and Juan Salcedo who founded Villa Fernandina de Vigan on June 13, 1572
4) Govantes River – a trade and transportation route in the 15th to 19th c.

35 Cultural Mapping of the Heritage City of Vigan (10 vols.) Output of the Cultural Mapping Project, Vigan City, 2007

5) Pagbantayan (Mira Hills) – highest place in Vigan, where a watchman was assigned to sight for incoming ships and pirates in past eras

4.3.2. Built heritage – one volume on 48 structures that include ancestral houses, government buildings, churches and cemeteries, among which are:

1) Adora Ancestral House – the only surviving century old kalapaw (hut)
2) Don Ladislao Donato Granary – one of the oldest commercial structures
3) Don Gregorio Syquia House – the only two-storey brick and masonry structure at the Gremio de Naturales (section where the natives resided)
4) Don Eugenio Singson House – two-storey solid brick stone structure with original clay roof tiles
5) Don Leocadio Sebastian House – small wood and brick house
6) Don Juan Gonzales Ancestral House (1788 – also known as Father Burgos House – birthplace of Father Jose Burgos, hero and martyr
7) Doña Felipa F. Florentino House (c. 1860) – was used as supply depot of the katipuneros (revolutionaries against the Spaniards)
8) Don Jose Gabriel Florentino House – was used as the Vigan Christian Hospital in 1899-1938
9) Protestant Church – constructed in 1901
10) Vigan Central School (Gabaldon) – American structure that was used as a camp and hospital during World War I and World War II
11) Ong Kai Dragon Kiln – a brick kiln where the burnay (jar) is fired
12) Colonial Period Monuments – one brick marker between Cuta and Pagpandayan and another between the San Jose-San Julian Road and Vigan-Raois Road
13) Sentry House – the only remaining sentry of its kind

14) Municipal Jail (1657)/Provincial Jail – oldest surviving structure in Vigan
15) Tombs I – IX – century-old tombs made of bricks with superb architectural designs, moldings, sculptures and other decorative features

4.3.3. Movable Heritage – one volume on heritage resources housed in the Museo San Pablo/Conversion of St. Paul Cathedral which include
1) furniture, pews, cathedra confessional boxes
2) chandeliers
3) statues and other religious icons
4) carved religious images
5) framed photographs
6) framed paintings of saints
7) molded art: Stations of the Cross
8) Tabernacle
9) other fixtures such as altar table, main retablo, pulpits and choir loft

4.3.4. Intangible Heritage – seven volumes, some of the resources are:
1) Technology – abel (local cloth) weaving, burnay (jar) making, damili (pottery)
2) Food – dudol (rice custard), miki (flat noodles), empanada (rice pastry with vegetable, egg and meat filling), pinakbet (vegetable stew cooked with little broth), sinanglao (innards and beef stew), dinengdeng (vegetable stew with generous amount of broth)
3) Festivals – Solidarity Day (September 7), Semana Santa (Holy Week), Viva Vigan Festival (First week of May), Tres de Mayo (Feast of the Black Nazarene, May 3)
4) Music – includes songs traditionally sang as folk songs and other compositions on Vigan and by Bigueuos. Francisca C. Quitoriano composed liturgical songs compiled in Just a People that were sung in all Paulinian schools in the country in the 70’s.
5) Personalities – this category includes heroes, writers, persons with significant contributions to the Bigueuos and society, among them are: Padre Jose Burgos – martyr who championed for the cause of the Filipino clergy; Diego Silang – liberator of the Ilocos; Isabelo delos Reyes – father of the Philippine Labor Movement; Elpidio Rivera Quirino – first Ilokano President of the Philippines; Bishop Alfredo F. Verzosa, D.D. – first Ilocano Bishop and founder of the Congregacion de la B. Maria de Eusefinanza Cristiano; Leona Florentino – first Filipina poetess whose poems were exhibited at the Exposicion General de Filipinas in Madrid then in Paris; Fidel Antiporda Go – 1990 National Folk Artist; Esteban Villanueva – painter of the Basí Revolt series
8) Beliefs and rituals to ward off harmful spirits
9) Games – siki (catching stones with the palm and back of the hand), lastiko (rubber bands), bending,
4.3.5 Other Outputs

Other outputs were the assignments during the training as follows:

1) review and annotation of the conservation guidelines for built heritage\textsuperscript{37} – one volume
2) adaptive re-use of cultural sites\textsuperscript{38} – one volume
3) integration of cultural heritage in the basic education curriculum, both in the elementary and high school levels – one volume.

Some of the documented resources may not be of significant universal value as defined by UNESCO, but to the cultural mapping teams and the Vigan residents, they give meaning to the people and life of the City, as a community based on Pantig’s definition of cultural heritage. As such, they are worth protecting and conserving as well as transmitting to future generations.

The documentation of heritage resources as outputs of cultural mapping represent only a portion of the heritage resources.

From this initial documentation, one can look more closely at the Bigueños born in the land of Samtoy, whose life and character was enriched by the blending of Asian and European cultures. The story of the Bigueños and their lessons in life are woven in their tales, poems and riddles. Their resourcefulness and frugality are expressed and blended in their cuisine. Their crafts speak of their industry and patience. Their thoughts and depth of faith are felt in their festivals and rituals.

5. Projects After Cultural Mapping

Various projects and activities ensued after the cultural mapping project. The participants of the cultural mapping celebrated their completion of the training with follow-up cultural activities. The City Government of Vigan also implemented cultural projects based on the outputs of the cultural mapping. Some of the activities which exist to this day are the following:

1. Lectures/trainings on built heritage and conservation measures and on cultural education and governance in the schools
2. Cultural exhibits and festivals
3. Buridek: Vigan Children’s Museum – the third to be established in the Philippines. This museum presents the heritage resources in miniature sizes or scaled down to children’s size. This was launched in 2008.
4. Vigan Heritage River Cruise – this project has revived the historic Mestizo River and the cruise up and down the river narrates the history of Vigan. The refreshing boat ride also makes residents and visitors aware of the need to conserve and protect the environment. This was launched in 2009.
5. World Heritage City of Vigan Philippines

Heritage Homeowners Preservation Manual, c 2010 published by UNESCO and the City Government of Vigan

6. Conclusion

The cultural mapping project was successful in documenting the heritage resources of Vigan City. The information already compiled are ready references on Vigan’s heritage resources which could be used as basis for further conservation and socio-economic development planning. Cultural conservation of the intangible heritage is now consciously integrated in the City’s programs and activities. However, there is still so much more


documentation to be done and as the City has become a new attraction to tourists having been declared one of the New Seven Wonders Cities of the World in December 7, 2014, greater efforts should be undertaken by both the City Government and all other stakeholders to consciously fulfil their responsibility as stewards of this world patrimony.

7. Recommendations

The following measures are recommended:

1. The cultural mapping outputs should be disseminated to libraries in the city so students, researchers and cultural workers can have easy access to them as references.
2. The intangible resources should be translated to other forms for better appreciation by the residents and visitors, e.g. production of zarzuelas, recording of songs, books, and souvenir items.
3. The next batch of cultural mappers should be trained.
4. Cultural mapping should be continued by the City Government in partnership with the schools and non-government organizations.
5. Production of information materials on the heritage and the need to protect and conserve them should be undertaken by tourism and cultural organizations.
6. The City Government must protect and sustain the authenticity of cultural heritage resources and presentations particularly those that are offered to visitors and for transmission to the next generations.

8. Acknowledgments

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Cultural Mapping Project of the Heritage City of Vigan Exhibit Vigan Culture and Trade Center, Vigan City, January-March 2008


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She finished Doctor of Public Administration with Academic Excellence Award from the University of Northern Philippines in 2006. She was a recipient of the Research Award Program from the Philippine Social Science Council of the Philippines for her dissertation “Cultural Development Programs of State Universities and Colleges in Region I.” She is a Professor V and the Dean of the College of Arts and Sciences in UNP since December 2008 to date. She has been actively involved in the cultural heritage conservation program of the City of Vigan and has represented the City Government in the UNESCO training and workshop on Cultural Heritage Specialist Guide Programme held in Macao, S.A.R., China and in Borobudur, Java, Indonesia in 2009. She has conducted researches along cultural heritage and is a member of the National Research Council of the Philippines. As Business Manager and member of the Board of Directors of Nakem Conferences International Philippines, she helps in the conservation and promotion of the Ilokano culture. She wrote articles on Vigan and the Ilocos and edited a cultural magazine, *Samtoy* in 2000-2005. She integrates cultural heritage in her instruction and has just been recognized by the City Government of Vigan as 2015 Biguena awardee for education.

Ancestral Houses in Calle Crisologo

**Mestizo River**

**Abel Iloco**
VALUE CREATION ON CRM: EVIDENCE OF EMPLOYEE COMPETENCE IN SERVICED APARTMENTS

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Abstract

With the fast-pace growth on apartment buildings in major cities in Indonesia, it is interesting to investigate the underlying reasons behind such high growth rates. Relying on the perspective of employee competence and prevailing activities on customer relationship management (CRM), this study intends to investigate the degree on influential factors toward organizational value creation for Bird Group, as the owner/manager of a few service apartments in the city of Bandung, in the province of Jawa Barat, Indonesia.

It has become a public knowledge that any potential improvements on employee competence should generally impact the employee performance in carrying their tasks and responsibilities. Improvements on employee performance are expected to bring about enhancements on the combinations of CRM activities. The betterment in CRM activities may likely inspire public to step-up their buying intentions (BI) toward products/services. This may be true as the general level of customer satisfaction has increased. Undoubtedly, the higher BI is expected to push-up the organizational value creation. Having said that, it is uncertain whether or not such relationships do occur among those chosen variables in this study.

This study relies on a quantitative approach to objectively evaluate empirical evidence. Since there are countless theoretical discussions on competence and the needs for employee training/development, this study seeks to investigate the actual significant influence of employee competence toward CRM activities, BI, customer satisfaction and organizational value creation. It is expected that the relationships among variables are positive and significant. In addition to the quantitative approach, a qualitative method is also utilized to extract managerial insights on the relationships among variables/indicators.

Keywords: employee competence, CRM, customer satisfaction, buying intention, organizational value creation

1. INTRODUCTION

Competition is certainly rising. With the trends toward abolishing international borders in exports and imports, smooth operational activities to strengthen the organizational competitive advantage becomes crucial. Hospitality industry has certainly
experiencing such pressures for a long time. With the common “requirement” on partnering-up with international-chain brands, hotels have experiencing better growth rate and survivability in the local market than relying on the use of local brands. This condition forces local brands into survival mode toward sustainability. Changing the regular apartment buildings into serviced apartments is one of the options that may help the business keep up with the situation.

In the serviced management, it is a good opportunity for a hotel operators to manage the property in order to gain trust from public. Instead of buying apartment units and leaving the apartment units vacant when the apartment owners are not using them, it is better to have an operator, who can manage the property better to earn stable cash flows from the apartment units. As the lifestyle changes, people preferences also change. Today, people fond simplicity. In comparison to hotel rooms, serviced apartments appear to have offer a better choice.

Serviced apartments are more tempting examples than regular apartments for both buyers and developers. Most of the service apartments are contractual-based between the apartment owners and professionals, who are usually hotel operators, who eventually provide hotel-like services, such as; housekeeping, wifi, room service, and will also rent the apartment units via the networked reservation systems (Travel Intelegence Network, 2013). From the developer side, serviced apartments indicate advance payments from apartment owners to further finance the construction. This provides developers with an easier way to fund projects (Bloomberg, 2013).

Serviced apartments appear to be preferable for long-stay guests due to the nature of the cheaper price while experiencing the same or even better benefits on basic necessity, such as; fully functioning kitchen, which enables guests to control meal costs, and countless of personalized services. Serviced apartments becomes a perfect choice for travelers when they are away from home.

To increase organizational value, good strategic path needs to be followed by companies. It is important to have the right value creation of the product that businesses are trying to sell to potential buyers, and employee competence that may likely supports and influences the buying intention (Couto, Divakaran, & Caglar, 2012). The opportunity of turning regular apartments into serviced apartments may be beneficial to both apartment owners and hotel operators. For apartment owners, the occupancy rate may be a bit more certain in comparison to personal attempts in renting the apartment unit themselves. For hotel operators/management, operational costs become relatively cheaper as those apartment units belong to individuals, who have previously purchased those units.

To successfully do this, hotel operators/management may have to evaluate the employee competence to ensure the proper handling of those apartment units. There are 3 basic employee competence; knowledge, skill, and attitude (Gotsch, Keck, & Spencer, 2012). These trio are considered basic and widely-acceptable in various work setting.

Considering the background situation, this study attempts to seek the relationships on employee competence, CRM activities, customer satisfaction, and buying intention onto organizational value creation in hospitality industry.

1.1. RESEARCH PROBLEMS & RESEARCH QUESTIONS
Based on the above background, this study focuses on the following research problems and questions;

<table>
<thead>
<tr>
<th>Research Problems</th>
<th>Research Questions</th>
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<tr>
<td>1. Employee competence influences CRM activities</td>
<td>1. How strong does the employee competence influence CRM activities?</td>
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<tr>
<td>2. CRM influence activities buying intention</td>
<td>2. How strong do the CRM activities influence buying intention?</td>
</tr>
<tr>
<td>3. CRM activities customer satisfaction</td>
<td>3. How strong do the CRM activities influence customer satisfaction?</td>
</tr>
<tr>
<td>5. Buying intention influences organizational value creation</td>
<td>5. How strong does the buying intention influence organizational value creation?</td>
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1.2. LIMITATIONS OF RESEARCH
First, this study is limited to apartment buildings in Bandung, which have attempted to increase their
values by modifying it into serviced apartments. Second, since basically there are numerous influential factors toward organizational value creation, factors other than employee competence, employee diversity, CRM activities, buying intention, and customer satisfaction are not considered.

2. LITERATURE REVIEW

2.1. EMPLOYEE COMPETENCE
Employee competence is one of the factor that influenced of worker performance and at the end, it will influence to the performance of the business itself especially if the business relates with the service industry (Ismail & Abidin, 2010). It is a collection of knowledge, skills, and attitudes that affects the main part of employees’ job performance (Hsieh, Lin, & Lee, 2012). By having the standard of employee competence, it is going to be easier to conceptualize and operates the job. For the company, it is mandatory to design and develop effective competence management development strategy to fulfill the need of future workforce (Janjua, Naeem, & Kayani, 2012).

2.1.1. SKILLS
Skills are psycho-motor abilities, which represent the level of individual expertise (Gotsch, Keck, & Spencer, 2012). Skills are measured in both quantity and quality of performance during a specific period. One study noted that skills contain eight primary skills; communication skills, teamwork skills, problem-solving skills, initiative and enterprise, planning and organizing skills, self-management skills, learning skills and technology skills that work together with the personal attributes at work and daily life (Hsieh, Lin, & Lee, 2012).

2.1.2. KNOWLEDGE
Knowledge denotes a series of complex processes, which require the ability to remember, making necessary relations, judging, formulating ideas, and abstractions (Gotsch, Keck, & Spencer, 2012). It often refers to a breadth of information on both the theoretical and practical understanding of particular subjects/issues, which are acquired by individuals through experience or education. On the other side, knowledge also represents the factual or procedural nature, which may be required to understand certain subjects/issues. Employees need to keep improving the level of knowledge to increase the ability to sell products/services (Hsieh, Lin, & Lee, 2012).

2.1.3. ATTITUDE
Attitude refers to individual affective abilities. It shows ways of responding to people in different situations. The responses are based on beliefs, values, and assumptions. Employees' responses to a particular situation reflect their natural attitudes (Gotsch, Keck, & Spencer, 2012). Positive attitude often serves as sets of positive guidelines on potential individual behaviors, which may lure individual toward increasing his/her work motivation and commitment (Susanty, Miradipta, & Jie, 2013).

2.1.4. PERSONAL DIVERSITY
One prominent element in relation to the employee competence is personal diversity among employees. In general, personal diversity focuses on differences among individuals, which are commonly used to differentiate individuals based on age, gender, race, ethnic groups, religion, sexual orientation, socio-economic condition, education, experience, physical appearance, ability/inability, and other characteristics (Dessler, 2004; Jones & George, 2008; Setio & Anantadjaya, 2014; Anantadjaya, Nawangwulan, Kusumah, Setio, & Kartika, 2015). Those differences can be categorized into primary and secondary categories (Hellriegel & Slocum, 2004). Both the primary and secondary categories shape the individuals' behaviors. The shaped individuals’ behaviors may likely impact the employee competence, and thus, employee performance in carrying tasks and responsibilities.

2.2. CUSTOMER RELATIONSHIP MANAGEMENT (CRM)
Though there are debated among individuals and/or institutions, this study uses the abbreviation of CRM to refer to the customer relationship management (CRM Indonesia, 2008). The simplest description on CRM is the customer-oriented business practices, and ways on managing customer relationships (Baran & Galka, 2008; Ueno, 2006). It is actually easier said than done since customer dimensions are basically countless, from internal customers and external customers, for instance. The customer dimension can also range from distributors, agents, dealers, lateral partners, and public-at-large, or otherwise referred to as "consumers" (Josiasse, et al., 2010). With the technological advancement, CRM is often connected into software these days. However, Ueno (2006) pointed out that CRM is not about the technology. CRM is about developing sustainable relationships with customers to achieve the long-term customer profit, which may be resulted from the company's brand equity. The attempts to develop sustainable customer relationships are commonly encircled
around 3 activities; acquisition, development, and retention (Baran & Galka, 2008; Ueno, 2006; Baran R. J., 2010). Hence, it is obvious that CRM cannot work independently. Aside from setting the appropriate corporate culture, everyone’s involvement and supports are crucial, across divisions. All divisional efforts must be orchestrated and integrated smoothly with the business strategy (Cravens & Piercy, 2009; Damodaran, 2005; Curseu, Schurijer, & Boros, 2005). This conforms to the theory of the firm, particularly the resource-based view, or may also be referred to as the resource-based theory of the firm (Acebo, Baroso, & Galan, 2006; Bridoux, 2004; Maes, Sels, & de Winne, 2003). This is also conforming to the theory on value-based marketing, particularly on the importance of intangible assets for companies (Doyle, 2000).

According to Patrick (2012), to ensure the success of CRM activities, there are fundamental understanding to conform by all members of organizations, particularly in terms of the following; (1) customers are important assets for the company, which generate revenue; (2) not all customers are equally desirable; (3) customers have various needs, preferences, and buying behaviors, and (4) all employees must attempt to customize and tailor product/service offerings to maximize overall value. This fundamental understanding directs companies to shift from a mass-marketing effort to one-to-one marketing (Patrick, 2012; Ratnawati, Anantadjaya, & Lahindah, 2012). Following the notion on one-to-one marketing, CRM activities may likely channel the company’s investment toward the right customers, which are expected to increase the likelihood of bigger margin and fatter bottom-line (Tarasi, 2004; Patrick, 2012).

In addition, to increase the chances of success in acquiring new customers, retaining old customers, and winning back customers, who have previously left the companies for other organizations (Baran & Galka, 2008; Ueno, 2006; Baran R. J., 2010; Ghavami & Olyaei, 2006), organizations must ensure the existence of common knowledge toward CRM activities in terms of collaboration, operational, and analytical efforts (Cooper, 2002).

2.2.1. COLLABORATIVE CRM
The underlying efforts in collaborative CRM activities are mainly encircled around the existence of technology and/or infrastructure within the companies to smooth-out interactions among divisions and customers. At the very minimum, companies may have to ensure that there are telephones, computers, printers, intranet/internet, and person on duty/representatives to ensure the cross-sectional access are effortless (Roberts-Lombard & du Plessis, 2012; Cooper, 2002; Temporal & Trott, 2001). In this case, employees may have to ensure their competence to support this collaborative CRM activities.

2.2.2. OPERATIONAL CRM
The underlying efforts in operational CRM activities are mainly encircles around the back-office tasks and responsibilities. This includes the systems and procedures in dealing with various issues, not only about the customer handling, but also about the customers’ requests and complaints. For illustrations, the operational CRM activities cover all systems and procedures from customer interactions, mobile/internet interactions, front-office interactions, back-office interactions, and information sharing across supply chains (Roberts-Lombard & du Plessis, 2012; Cooper, 2002; Temporal & Trott, 2001). Without the proper employee competence, companies may not able to safeguard these operational CRM activities.

2.2.3. ANALYTICAL CRM
The underlying efforts in analytical CRM activities are mainly encircles around the data analysis and reporting to ensure the proper recording and documentation of all business interactions. This covers the analytical efforts in noting the mass-relationships across available data from numerous divisions, and extract the values on those relationships. This results in profitability data for the managerial insights and future decisions/policies (Roberts-Lombard & du Plessis, 2012; Cooper, 2002; Temporal & Trott, 2001). Employee competence deficiencies may bring about inaccurate results on these analytical CRM activities.

Concerning the relationship between employee competence and CRM activities, it is expected that any improvements on employee competence impact on superb CRM activities. Hence, it can be hypothesized as follows:

H1: Employee competence has a significant influence on CRM activities

2.3. BUYING INTENTION
Buying intention, or commonly referred to also as the intention to buy, is usually considered important to study in marketing research. This is crucial to provide estimation on future buying behaviors. However, it
may also be described as the temporary state of admiring a product/service, which are produced by particular companies, rather than the real meaning of the intention to buy from people (Bird & Ehrenberg, 2010). This means that if the same exact products/services are labelled differently, and/or produced by different companies, the buying intention sways. Having said that, the buying intention is believed to approximate the degree of customer satisfaction and the level of economic profitability, the size of market share, and the potential income. This means that company may be easily satisfy the customers, but may have failed in boosting the customer intention to return and repurchase due to many reasons. If this is happening, the company may not experience revenue growth (Sumaedi, et al., 2014).

2.3.1. BRAND IMAGE
Brand image is intended to help customers in recognizing needs and wants on the particular brands, which can offer those customers some levels of satisfaction. Brand image is about how producers make their brands unique from others to accumulate the motivational power in buying their brands (Anwar, Gulzar, Sohail, & Akram, 2011). Perceived public relation has certainly a positive relationship with customer loyalty, whereby customers return and make repetitive purchases. When brand image is favorable, the positive effect of perceived public relation on customer loyalty is significant (Hanzae & Farsani, 2011). Though brand is relatively intangible, it influences greatly on customer buying behavior (Malik, et al., 2013a).

2.3.2. BRAND AWARENESS
Brand awareness relates to individual’s ability in remembering and/or recognizing particular brands though he/she may yet to buy the products, and experience the services. The pattern of brand awareness depends on seasonal trends, long-term ones, and the short-lived of the promotional activity (Bird & Ehrenberg, 2010). Upon making purchases, customers should be aware of the brands. Otherwise, no other communication effects can occur to influence the brand awareness toward buying intention. A brand that has gained some societal level of awareness is more likely to be considered and chosen. By having brand awareness, it will increase the probability of the company (Malik, et al., 2013b).

Concerning the relationship between CRM activities and buying intention, it is expected that as the CRM activities become more prominent, customers’ buying intention jumps. Hence, it can be hypothesized as follows;

H₂: CRM activities have significant influence on buying intention

2.4. CUSTOMER SATISFACTION
In comparison to other industries, hospitality management is one of the fastest growing and accounted for more than 1/3 of the total global services trade (International Labour Organization, 2010). It includes the lodging, cruise industry, foodservice, casinos and gaming (Morrison, 2010).

Service Quality (ServQual) is regarded as the most common measurement in the service industry. Though it may be predominantly evident in the service-based organizations, ServQual has become the focal point for companies across industrial sectors. The compacted version of the ServQual has a mere 5 dimensions; tangibility, reliability, responsiveness, assurance, and empathy (Markovic & Rasp, 2010). Parasuraman’s 10-point dimensions, which are; tangibility, reliability, responsiveness, competence, courtesy, credibility, security, accessibility, communication, and understanding, may also be considered as a comparison to note the wider perspectives on potential gaps in service delivery and maintaining service quality (Anantadjaya, Pratama, Nawangwulan, Sibarani, & Riwoe, 2011). Customer perceptions of service quality are evaluated based on the comparisons before and after services are rendered/performd (Naik, Gantasala, & Prabhakar, 2010). This basically compares between the customer perception/expectation and the actual service experience. The smaller the gap, the level of customer satisfaction increases (Anantadjaya, Pratama, Nawangwulan, Sibarani, & Riwoe, 2011). ServQual has become a cornerstone in marketing strategy, and it serves as one of the driving factors toward companies’ value creation, particularly in terms of survivability and growth (Berinyuy & Daniel, 2010; Nawangwulan, Anantadjaya, Widayatmoko, & Seancho, 2012b).

2.4.1. TANGIBILITY
Tangibility implies to physical being that people can physically see, touch, smell, or hear. In terms of the hospitality industry, the tangibility may include all
physical facilities, equipment, and employee appearance (Markovic & Raspor, 2010). Improvements on tangible factors are considerably easier than attempting to enhance the intangibilities (Naik, Gantasala, & Prabhakar, 2010). Since intangibility means the lack of physical products, it means that customers cannot touch, taste, smell, or even hear before making consideration toward purchases. This suggests that it is going to be rather difficult for customers to understand the nature of what those customers will receive. Hence, the tangibility aspect is important to support the intangibilities before customers are able to experience the services rendered (Berinyuy & Daniel, 2010).

2.4.2. RELIABILITY
Reliability is considered as the most important predictor aspect in ServQual. In hospitality industry, this dimension refers to problem-solving, flawless performance, deliver services at the promised time, providing good service, and convenient opening hours (Markovic & Raspor, 2010). Hence, reliability is parallel to dependable and accurate services (Naik, Gantasala, & Prabhakar, 2010).

2.4.3. RESPONSIVENESS
Responsiveness is willingness to help the guest and providing prompt service. In hospitality industry, the employee should have initiative to give the best service which may beyond the expectation of the guest (Markovic & Raspor, 2010). Hospitality industry is constantly teaching employees on extending the extra miles-of-services to customers (Naik, Gantasala, & Prabhakar, 2010).

2.4.4. ASSURANCE
Assurance signifies the employees’ courtesy and ability in gaining trust and confidence. To gain customer trust and confidence, superb product knowledge is crucial (Markovic & Raspor, 2010). If employees know the product well, actual product sales may be just around the corner (Naik, Gantasala, & Prabhakar, 2010).

2.4.5. EMPATHY
Empathy refers to providing the individualized attention to customers. People want to be recognized, and when people receive extra attention, they will be both happier and satisfied (Markovic & Raspor, 2010). This dimension is mostly applied when customers are unhappy, at which time that employees need to be empowered to handle and formulate satisfactory solutions. Those employees should be equipped with numerous “tools”, such as; having a good communication skill, pleasantly appropriate body language/intonation, sincere/natural apology, and following-up with customers to potentially erase the bad memories, and keep them loyal (Naik, Gantasala, & Prabhakar, 2010).

Concerning the relationship between CRM activities and customer satisfaction, it is expected that as the organizations seek for the betterment in their CRM activities, the higher the level of customer satisfaction toward the organizations’ products/services. Hence, it can be hypothesized as follows;

H3: CRM activities have significant influence on customer satisfaction

2.5. VALUE CREATION
Value creation is an all-encompassing process, including both the service providers and customer actions (Gronroos & Voima, 2011). The value is actually created not only for the organizations, but also for the stakeholders, society and the environment. The assessment of value creation involves relationships among company, competitiveness, performance, communities, stakeholders, supply chains, and the surrounding environment. These elements may have to be constantly monitored to allow the most accurate management information onto business modeling, which may eventually support or threaten the organizational value creation (Ernst & Young LLP, 2013; Doyle, 2000).

2.5.1. NUMBER OF OCCUPANCY PERCENTAGE
In terms of hotels, room occupancy may be considered as one of the key performance indicators. It shows the “fitness” of the hotel by noting the percentage number on room occupancy. Room occupancy, which is usually calculated in percentage, measures the effectiveness of the sales and marketing department, including the external and internal marketing efforts of the front office (Bardi, 2011). Room occupancy is calculated by dividing the numbers of room sold and total numbers of available rooms in the hotel (Saleem & Juboori, 2013).

2.5.2. NUMBER OF FACILITIES
Number of facilities provided in the hotel shows the different range of various commercial features; from low-end, midscale, upscale, and suites, to fulfill different market demands. The more money that
customers are willing to pay, the more facilities those customers can enjoy (Roth & Fishbin, 2014). For commercial real-estate facilities, for instance, the lot owners own whatever are available on the inside of the unit, but not the main structure of the building. Major asset components, which are offered from commercial real-estate properties, can certainly vary from one to another, such as the availability of hallways/shared spaces, lightings, pools/spas, fitness centers, parks/gardens, water heaters, and parking areas (Burt, 2012). Logically, the more facilities are offered, the happier the customers (Nawangwulan, Anantadjaya, Widayatmoko, & Hulu, 2012a). Happy customers may likely have higher degrees on buying intention. The higher degrees on buying intention may be translated into returning and repurchasing from the same companies. Such behaviors are expected to relay more values toward companies.

### 2.5.3. ACCESSIBILITY

Accessibility may become one of the most important determinants in hospitality industry. Perhaps, this may be due to the fact that distance/duration of travel and the frequency on making connections to the final destination are the main concerns (Karakas, 2012). Accessibility is also essential as it extends impact on the necessary customers’ purchasing processes (Toth & David, 2010). The increased accessibility means less distance/duration. The less distance/duration creates convenience. Convenience lures customers to make more visits. The more visit suggests more traffics with the likelihood of making purchases. The more purchases made by customers, the companies’ revenue jump.

### 2.5.4. SALES

Sales can be defined as numbers of activities, which are designed to attract customers in making actual purchase on company’s products/services (Rahmani, Mojaveri, & Allahbakhsh, 2012; Rehme & Rennhak, 2011). The more sales indicate the companies’ abilities in generating earnings. To keep the growth, companies must formulate strategy to generate sales volume using the same numbers of stores, or available assets, while maintaining the hefty profit margin (DeFranco & Lattin, 2007).

### 2.5.5. NUMBER OF TENANTS

Number of tenants refers to the number of people, who occupy certain property. The accumulated numbers of past and potential customers are the figures that denote the information on how well have the companies met customers’ needs, and the market position (Morrison, 2010).

Concerning the relationship between customer satisfaction, buying intention and organizational value creation, it is expected that as the level of customer satisfaction increases, peoples’ buying intention jumps. It is expected that there are evidence on organizational value creation. Hence, it can be hypothesized as follows;

**H₄**: Customer satisfaction has a significant influence on buying intention

**H₅**: Buying intention has a significant influence on organizational value creation

### 2.6. PREVIOUS STUDIES

Some previous studies in relation to the topic chosen are as follows:

<table>
<thead>
<tr>
<th>Title</th>
<th>Variables</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the Image of Indonesian Contemporary Artists Matter? A Theoretical Review on Personal Diversity, Brand Image, Market Acceptance &amp; Market Opportunity (Anantadjaya, Nawangwulan, Kusumah, Setio, &amp; Kartika, 2015)</td>
<td>Personal Diversity (Age, Gender, Blood Type, Ethnic Group, Religion, Education, School Origin, and Experience)</td>
<td>Theoretically, there are relationships among variables. Depending on the personal diversity of the artists, the image of those artists may likely influence the market acceptance toward the artists’ works, and the level of opportunities that the artists may have.</td>
</tr>
<tr>
<td></td>
<td>Brand Image (Product Attribute, Benefits, Organizational Associations, Brand Consumer Relationship, and User Perspective)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Market Acceptance (Power Distance, Uncertainty Avoidance, Individualism, Masculinity, and Long-Term Orientation)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Market Opportunity</td>
<td></td>
</tr>
<tr>
<td>Title</td>
<td>Variables</td>
<td>Findings</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Public Transport Passengers’ Behavioral Intentions:</td>
<td>Behavioral Intentions (Service Quality, Perceived Value, Satisfaction, Trust, Image, and Perceived Sacrifice)</td>
<td>Customer decision making process is absolutely influenced by the behavioral intentions which drive from company efforts for the customers which creates competitive advantage for the firm.</td>
</tr>
<tr>
<td>Paratransit in Jabodetabek - Indonesia (Sumaedi, et al., 2014)</td>
<td>(Control, Anticipated Level of Activity, Market Competition, and Competitors)</td>
<td></td>
</tr>
<tr>
<td>Impact of Brand Image and Advertisement on Consumer Buying Behavior</td>
<td>Brand Image (Business Performance, and Social Responsibility)</td>
<td>Customer buying behavior is strongly influenced by the brand image, and people nowadays more conscious about having branded products to show their social level. Advertisement also gives positive impact on brand awareness and make the customer has better perception about it. In summarize, Good brand image will lead to the customer loyalty which automatically influenced consumer buying behavior.</td>
</tr>
<tr>
<td>(Malik, et al., 2013a)</td>
<td>Advertisement (Product Packaging)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Consumer Buying Behavior (Emotional Aspect, Psychological Aspect, and Behavioral Aspect)</td>
<td></td>
</tr>
<tr>
<td>Customer Buying Behavior Intentions of Internet Service Providers -</td>
<td>Service Quality (Reliability, Assurance, Tangibility, Responsiveness, and Empathy)</td>
<td>All factors have significant effect on customer buying behavior. not only reliability, tangibility, responsiveness,</td>
</tr>
<tr>
<td>The Role of Service Quality and its Aspects, Satisfaction and</td>
<td>Customer Buying Behavior</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Title</td>
<td>Variables</td>
<td>Findings</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Value(Nikhashemi, Paim, Osman, &amp; Sidin, 2013)</td>
<td>(Perceived Value, and Customer Satisfaction)</td>
<td>empathy and assurance which are the dimension of ServQual can have positive impacts on service quality, at the same time it also has positive influence on customer perceived value and satisfaction.</td>
</tr>
<tr>
<td>Customer Relationship Management (CRM) in a South African Service</td>
<td>CRM (trust, commitment, and conflict handling)</td>
<td>The level of trust and management commitment fuel the 2-way communication among employees, which may be translated into a better organizational CRM</td>
</tr>
<tr>
<td>Environment: An Exploratory Study (Roberts-Lombard &amp; du Plessis, 2012)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kepuasan Kerja dan Keinginan Untuk Berpindah Kerja (Analisa Karyawan di</td>
<td>Work Satisfaction Intention to Move OCB</td>
<td>The level of work satisfaction appears to be driving the initial intention to move to another firms. This may be true for employees with strong OCB, where they are happy to go beyond their job descriptions.</td>
</tr>
<tr>
<td>Sebuah Perusahaan Eksporasi Masyarakat Indonesia) (Racquel, Yanto, &amp; Manurung, 2013)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Effects of Brand Image and Perceived Public Relation on Customer</td>
<td>Relationship Quality (Brand Image, Perceived Public Relations, and Customer Loyalty)</td>
<td>Customer loyalty has strong relationship with the brand image, because customer feels that they can rely on that particular brand and it will perceive public relations between company and customer.</td>
</tr>
<tr>
<td>Loyalty (Hanzaee &amp; Parsani, 2011)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Effect of Wellness Brand Perceived ServQual</td>
<td>Younger people have better</td>
<td></td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Title</th>
<th>Variables</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness on Expected and Perceived Service Quality (Bertsch &amp; Ostermann, 2011)</td>
<td>(Perception of Quality)</td>
<td>knowledge about the brand rather than the older people, and the more number of brands that the customer knows, the more expectation that they have for the service quality.</td>
</tr>
<tr>
<td>Brand Awareness (Demographic Differences between Brand Aware and Non-brand Aware Wellness Guests)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ratio Analysis on Entrepreneurial Service Quality: A Case Study in a Motorcycle Dealership in East Java (Anantadjaya, Pratama, Nawangwulan, Sibarani, &amp; Riwoe, 2011)</td>
<td>Ratio Analysis 5-Dimension Service Quality (Tangibility, Reliability, Responsiveness, Assurance, and Empathy)</td>
<td>It is empirically evident that the dimensions service quality, regardless of the total points of the service quality, have influence toward the ratio performance.</td>
</tr>
<tr>
<td>10-Dimension Service Quality (Tangibility, Reliability, Responsiveness, Competence, Courtesy, Credibility, Security, Accessibility, Communication, and Understanding)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2.7. DIFFERENCES IN STUDIES

Behavioral intentions and consumer decision making process have a strong relationship. The customer decision making process is absolutely influenced by the behavioral intentions, which drive from company efforts to the customers which creates competitive advantage for the firm (Sumaedi, et al., 2014).

On the other hand a research has concluded that customer loyalty has a strong relationship with the brand image, because it engaged the customer with a particular brand and gained their trust in order to perceive public relations between company and customer (Hanzaee & Farsani, 2011).

Tests on brand awareness and service quality, have shown strong connections, whereby younger people have better knowledge on brands rather than older people. Also, the more number of brands that an individual knows, the more expectation that he/she has on the service quality (Bertsch & Ostermann, 2011).

To support, customer buying behavior is strongly influenced by the brand image, and people nowadays more conscious about having branded products to show their social level. The advertisement also gives a positive impact on brand awareness and make the customer has a better perception about it. To summarize, good brand image will lead to the customer loyalty which automatically influenced consumer buying behavior (Malik, et al., 2013a).

In service management, all factors have significant effect on customer buying behavior, not only reliability, tangibility, responsiveness, empathy and assurance which are the dimension of ServQual can have a positive impact on service quality, at the same time it also has a positive influence on customer perceived value and satisfaction (Nikhashemi, Paim, Osman, & Sidin, 2013).

All of the factors above are based on previous studies, which have been proven that there were strong relationships. Such strong relationships signify that there are correlations among customer satisfaction, buying intention, and organizational value creation. In addition to those variables, this study attempts to add employee competence and CRM activities into the equation to evaluate the relationships.

2.8. RESEARCH MODEL & HYPOTHESES

Based on the theoretical review, the following research model can be formulated.

As previously stated, the hypotheses in this study are;
1. \( H_1 \): Employee competence has a significant influence on CRM activities
2. \( H_2 \): CRM activities have a significant influence on buying intention
3. \( H_3 \): CRM activities have a significant influence on customer satisfaction
4. \( H_4 \): Customer satisfaction has a significant influence on buying intention
5. H₃: Buying intention has a significant influence on organizational value creation

3. RESEARCH METHOD
The research method that is used in this research is the causal descriptive analysis, with the use of quantitative data. It begins with the observation to collect data, followed by data analyzing, and ended up with some explanation of the research results. To accomplish the objectives of this research, primary and secondary data will be collected and analyzed. From the descriptive above, this research will use a causal descriptive research design by collecting quantitative data which the major emphasize is to know the cause-effect relationship of each variable. The research is about employee competence in service management and its value creation of the customer intention to buy a service apartment.

3.1. TYPE OF DATA
The primary data that are used in this study consists of quantitative data and it will be collected using questionnaires, which is going to be distributed to the respondents, who are the managerial level people and corporate people in serviced apartments under Bird Group in Bandung. These questionnaires will measure the impact of having employee competence in service management, its value creation and intention to buy of customers in a serviced apartment.

The secondary data is the data that have been collected or recorded by someone which readily available from other sources. Different types of data, such as examples, statistics, registration and official publication, letter journals and branch literature, books, journals, articles, map, website is also going to be collected (Ut, 2013).

3.2. DATA GATHERING
The methods that used to collect the data needed in this research are quantitative by distributing questionnaires by cluster sampling. In this research, the questionnaire is going to be filled by the guests who have experienced staying in serviced apartments under Bird Group.

The respondents, which are the guests of serviced apartments in Bandung under Bird Group, should fill the questionnaires that have been prepared. The result will show how strength is the correlation between employee competence, service management, value creation and intention to buy a product in a service apartment.

The distribution of the questionnaires will be conducted on the properties, which are; The Majesty, Grand Setiabudi, and Galeri Ciumbeluit.

3.3. POPULATION & SAMPLE
The total of the population in this study is known. They are the guests who are staying in the serviced apartments under Bird Group in Bandung with the total number of guests is 9,906. The questionnaires will be based on a Likert scale to approximate the relationships among chosen variables in this study. There are three different serviced apartments, Galeri Ciumbeluit Hotel, Grand Setiabudi Hotel, and The Majesty Hotel.

The calculation on the number of samples in this study is based on PHStat with the assumptions that the estimated true proportion is only a mere 50%, a sampling error of 10%, and targeting the confidence level of 95%, as shown in the following table.

<table>
<thead>
<tr>
<th>Data</th>
<th>Estimate of True Proportion</th>
<th>Sampling Error</th>
<th>Confidence Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate Calculations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Z Value</td>
<td>-1.9600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calculated Sample Size</td>
<td>96.0365</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Result</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sample Size Needed</td>
<td>97.0000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: PHStat

With the above sample size calculations, this study will attempt to target a total of 100 potential respondents.

<table>
<thead>
<tr>
<th>No.</th>
<th>Property</th>
<th>Percentage</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The Majesty</td>
<td>24.88</td>
<td>25</td>
</tr>
<tr>
<td>2.</td>
<td>Galeri Ciumbuleuit</td>
<td>33.13</td>
<td>33</td>
</tr>
<tr>
<td>3.</td>
<td>Grand Setiabudi</td>
<td>41.99</td>
<td>42</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

Source: PT. Bandung Inti Graha, 2014
3.4. RESEARCH INSTRUMENTS
The questionnaire that used in the research consists of series of employee competence in service management, its value creation, and the intention to buy factors of customers in buying serviced apartment. The statements are used to understand the correlation between each variable and to evaluate it. The result of the questionnaires using the Likert scale will be analyzed quantitatively.

Below are the variable structures to obtain information about the relationship of employee competence in service management and its value creation to customer intention to buy a particular product. The interview questions will be based on 4 categories:

<table>
<thead>
<tr>
<th>Table 5: Research Instruments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Category</strong></td>
</tr>
<tr>
<td>CRM Activities: Collaborative, Operational, and Analytical</td>
</tr>
<tr>
<td>Buying Intention: Brand Awareness, and Brand Image</td>
</tr>
<tr>
<td>Value Creation</td>
</tr>
</tbody>
</table>

3.5. VALIDITY AND RELIABILITY
Validity refers to the degree a measuring instrument actually measures what it declare to measure, and corresponds with reality (Oluwatayo, 2012). To note the level of validity, this study relies on KMO test.

In addition to validity, reliability focuses on the question of whether the results of a study are reliable across respondents. Hence, reliability concerns with the responses’ consistency of the measurement (Drost, 2011). To note the level of reliability, this study relies on the standardized Cronbach alpha.

3.6. DATA ANALYSIS
The data analysis follows the AMOS’ Structural Equation Modeling (SEM) to note the statistical relationships among variables used in this study (Wu, 2010), using the following parameters on goodness of fit:

<table>
<thead>
<tr>
<th>Table 6: Goodness of Fit Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Criteria</strong></td>
</tr>
<tr>
<td>p-value</td>
</tr>
<tr>
<td>CMIN/df (normed chi-square)</td>
</tr>
<tr>
<td>χ² (likelihood ratio chi square statistic) as a testing tool to check the overall fitness of the model</td>
</tr>
<tr>
<td>RMSEA (root mean square error of approximation)</td>
</tr>
<tr>
<td>GFI (goodness of fit index)</td>
</tr>
<tr>
<td>AGFI (adjusted goodness of fit index)</td>
</tr>
<tr>
<td>TLI (Tucker-Lewis index)</td>
</tr>
<tr>
<td>CFI (comparative fit index)</td>
</tr>
<tr>
<td>NFI (normal fit index)</td>
</tr>
</tbody>
</table>
4. RESULTS AND DISCUSSIONS

4.1. BIRD GROUP OVERVIEW

Bird Group is a management group for hotels and residences, which provides management services with best image residences in Bandung. It is a team from the hotel/apartment/mall with a different background and expertise in each sections and have experienced working in 4-star and 5-star hotels/apartment hotels.

Bird Group professional team provides various services from planning stages, which include the creation of business concepts according with the investment climate in Indonesia, feasibility studies, management plans, and projections on potential investment costs.

As of the period of data gathering from Bird Group, there are 3 serviced apartments under Bird Group management team in Bandung. They are; Galeri Ciumbeluit, Grand Setiabudi, and The Majesty.

4.2. STATISTICAL ANALYSIS

Descriptive analysis provides the general characteristics of the data set. The minimum value of all variables is 1.00 and the maximum value of all variables is 4.00 with different averages and standard deviations. At a mere 2.43, employee knowledge (KNW) appears to have the lowest average among all indicators, whereby brand image (BRI) at 3.30 appears to be the highest average. At 0.76, employee knowledge (KNW) is the smallest standard deviation. Assurance (ASS) has the highest standard deviation at 1.18.

4.2.1. PRE-TESTING

The pre-test validity is based on responses on 30 respondents. At the value on KMO of 0.546, this means that the questionnaire is considered valid for further tests and analysis. The pre-test reliability is also based on the distribution of 30 questionnaires. The table shows that the questionnaire is 100% valid with the value of Cronbach’s Alpha 0.771. This means that the questionnaire is considered 77% reliable. This questionnaire is considered reliable for further tests and analysis.

<table>
<thead>
<tr>
<th>Table 7: KMO and Bartlett’s Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Olkin</td>
</tr>
<tr>
<td>Measure of Sampling Adequacy.</td>
</tr>
<tr>
<td>Bartlett's Test of Sphericity</td>
</tr>
<tr>
<td>df</td>
</tr>
<tr>
<td>Sig.</td>
</tr>
</tbody>
</table>

Source: SPSS, modified

4.2.2. POST-TESTING

The post-test validity is based on all respondents. The table shows a value of 0.743 for the KMO. This means that the questionnaire is considered valid. In addition, at the value of 0.743 for the Cronbach’s Alpha, it indicates the questionnaire is considered reliable.

<table>
<thead>
<tr>
<th>Table 8: Reliability Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach’s Alpha Based on Standardized Items</td>
</tr>
<tr>
<td>Value</td>
</tr>
</tbody>
</table>

Source: SPSS, modified

With the combination of the level of validity and reliability, as shown above, further process on data analysis can be performed.

4.3. RESULTS ON HYPOTHESIS TESTS

The following illustration portrays the statistical results from AMOS.

Figure 2: Structural Equation Model
CRM is the lowest indicator in approximating CRM activities. Though relatively lower than originally expected, collaborative CRM contributes to the successfulness of CRM activities at 62%, which may eventually translate into the higher level of buying intention.

Looking from the highest indicator in approximating CRM activities, it is apparent that operational CRM is preferred. This signifies that combination on operational activities in the back-office and front-office are more crucial in showing the CRM activities, rather than having the state-of-the-art technologies and infrastructure within companies. In other words, the actual customer handling, as per the company’s systems and procedures, have more impact toward the successfulness on CRM activities (Roberts-Lombard & du Plessis, 2012; Cooper, 2002; Temporal & Trott, 2001). Perhaps, such operational CRM provokes better brand awareness, and lures people in increasing their buying intention toward company’s products/services.

3. As previously stated, \( H_3 \) is “CRM activities have a significant influence on customer satisfaction”. From the statistical results, which were processed in AMOS, it is indicated that CRM activities have 90% explanatory power toward customer satisfaction. In this study, collaborative CRM represents the lowest indicator in approximating CRM activities. Though relatively minimal and much lower than originally expected, collaborative CRM contributes to the successfulness of CRM activities 62%, which may eventually translate into the higher level of buying intention.

From this result, it is apparent that though the technologies and infrastructure within companies are certainly beneficial in supporting the success of CRM activities, nonetheless, the actual operational activities in customer handling holds the record in noting the excellence in overall CRM activities. In combination with the level of employee’s responsiveness, the outstanding systems and procedures, and employee’s analytical ability, have the power to push-up for higher buying intention.

With such findings, it is important that the management emphasizes on the operationalization and analytical processes of CRM. In doing so, the management may also

---

As shown above, the model is statistically identified as a good fit model with all the statistically valid and reliable variables/indicators. With these results, research hypotheses can be concluded as follows:

1. As previously stated, \( H_1 \) is “employee competence has a significant influence on CRM activities”. From the statistical results, which were processed in AMOS, it is indicated that employee competence has 73% explanatory power toward CRM activities. Surprisingly, employee’s knowledge represents the lowest indicator in approximating employee competence. Likewise, unsurprisingly, attitude signifies the highest indicator. The combination of both employee’s knowledge and attitude show that the level of competence is basically defined more by someone’s attitude than knowledge. With these findings, management may want to spend more time with positive-attitude employees, and equip them with vast product knowledge. Spending time with knowledgeable employees, whose attitudes tend to be standard and/or leaning toward negative, may be a waste of time. This is particularly true in conjunction toward the successfulness of CRM activities.

2. As previously stated, \( H_2 \) is “CRM activities have a significant influence on buying intention”. From the statistical results, which were processed in AMOS, it is indicated that CRM activities have 81% explanatory power toward buying intention. In this study, collaborative

---

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Model Value</th>
<th>Goodness of Fit</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMIN/df</td>
<td>2.015</td>
<td>Acceptable</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.142</td>
<td>Acceptable</td>
</tr>
<tr>
<td>GFI</td>
<td>0.723</td>
<td>Acceptable</td>
</tr>
<tr>
<td>TLI</td>
<td>0.768</td>
<td>Acceptable</td>
</tr>
<tr>
<td>CFI</td>
<td>0.741</td>
<td>Acceptable</td>
</tr>
<tr>
<td>NFI</td>
<td>0.704</td>
<td>Acceptable</td>
</tr>
<tr>
<td>PNFI</td>
<td>0.499</td>
<td>Marginal</td>
</tr>
<tr>
<td>PGFI</td>
<td>0.456</td>
<td>Marginal</td>
</tr>
</tbody>
</table>

Source: (Ghozali, 2004; Santoso, 2009; Schumacker & Lomax, 2004; Wijaya, 2009)
want to constantly persuade employee’s responsiveness to allow customers experience into becoming more tangible over time.

4. As previously stated, \( H_4 \) is “customer satisfaction has a significant influence on buying intention”. From the statistical results, which were processed in AMOS, it is indicated that customer satisfaction has 69% explanatory power toward buying intention. In this study, assurance element is the lowest indicator in approximating customer satisfaction. Though relatively minimal and much lower than originally expected, assurance element contributes to the higher level of customer satisfaction at 46%, which may eventually translate into the higher level of buying intention.

This result portrays that assurance element, which is mainly concerning the employees’ courtesy and ability in gaining customer trust and confidence may not be playing a significant role as originally expected. Having said that, it does not mean that product knowledge is not important. This only relays that what have been discussed in literatures about product knowledge (Markovic & Raspor, 2010; Naik, Gantasala, & Prabhakar, 2010), may not be conforming to what is actually happening inside companies. On the other side, at 96%, responsiveness element is the strongest indicator in approximating customer satisfaction in this study. Since this study focuses on the hospitality industry, which is mainly represented by serviced-apartments, the willingness to help and extending prompt services appear to hold the top ingredient in boosting the level of customer satisfaction. Basically, it appears that in the hospitality industry, employees should have initiatives to give the best service beyond the guests’ expectations (Markovic & Raspor, 2010; Naik, Gantasala, & Prabhakar, 2010).

5. As previously stated, \( H_5 \) is “buying intention has a significant influence on organizational value creation”. From the statistical results, which were processed in AMOS, it is indicated that buying intention has 76% explanatory power toward organizational value creation. In this study, brand image symbolizes the lowest indicator in approximating buying intention. Though relatively minimal and much lower than originally expected, brand image contributes to the higher level of organizational value creation at 30%. Since brand image attempts to show the uniqueness of certain products/services from the crowd, a better brand image fuels higher motivational buying power (Anwar, Gulzar, Sohail, & Akram, 2011; Malik, et al., 2013a; 2013b). Hence, combining with brand awareness at 44%, as an indicator to approximate buying intention, companies may have to ensure that both brand awareness and image of the companies’ products/services are well-maintained.

From the perspective of organizational value creation, it is interesting to note that the numbers of facilities in the premises, at 55%, represent the lowest indicator. On the other hand, the accessibility shows the highest indicator to approximate organizational value creation. The rankings on those indicators represent important findings for the management. If the management attempts to boost organizational value creation, \( ceteris paribus \), it is important to evaluate accessibility (86%), sales (77%), occupancy rate (64%), numbers of tenants (60%), and numbers of facilities (55%). When management may not able to do much on accessibility, sales, and occupancy rate, which may well be due to externalities, it is crucial that management focuses on the variations of tenants and facilities provided in the premises as a way to enhance organizational value creation. For sure, the mixtures of tenants and facilities may lure people to re-visit and re-purchases products/services offered by the serviced-apartment complexes in the future (Nawangwulan, Anantadjaya, Widayatmoko, & Hulu, 2012a).

5. CONCLUSIONS AND RECOMMENDATIONS

As originally set up, this study seeks to identify the extent of influence of employee competence toward organizational value creation. In order to evaluate such a relationship, CRM activities, the level of customer satisfaction and buying intention are incorporated into the equation.

Therefore, based on the data analysis, as discussed above, this study concludes;

1. Employee competence has a 73% influence on CRM activities
2. CRM activities have a 81% influence on buying intention
3. CRM activities have a 90% influence on customer satisfaction
4. Customer satisfaction has a 69% influence on
buying intention
5. Buying intention has a 76% influence on organizational value creation

With the above conclusions, it is essential that management concentrates on the following issues;
1. Employee competence via constant improvements on skills, and knowledge. These mixtures may enhance performance in dealing with customers.
2. CRM activities via proper introduction on company’s technologies and infrastructure to enhance customers experience from interactions, information sharing, and data reporting.
3. Increasing the level of customer satisfaction via strengthening the assurance element within companies to amplify reliability of product/service delivery.
4. Ensuring the joint efforts on brand awareness while making sure that the brand image stays positive over time. This includes educating the public, perhaps, to understand better what the company can actually offer.
5. Proper management and mixtures on facilities and tenants within a particular premises to prolong organizational value creation in years to come.

Future studies may use the same variables and indicators and apply them into other industrial sectors. This is to confirm the cross-sectoral applicability of those variables and indicators used in this study. Alternatively, it is interesting to note the level of influence of other variables and indicators prescribed by theories.

6. REFERENCES

Indonesia: Best Image Hotel & Residences (Bird Group).


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Proposed beam former.

Fig. 1

6. Conclusion

4. Result and Discussion
This part contains the conclusion of the research.

Appendixes, if needed, appear before the acknowledgment.

7. Appendix

8. Acknowledgments

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