

Tourism Law Compliance: Evidence from Bali's Hotel Industry

I Wayan Eka Santika^{1*}, I Made Sujanayasa², Ni Nyoman Tri Thika Dewanthari³, Gede Adistina Wira Saputra⁴, A. Basir Mesbah⁵

^{1,2,3,4}Politeknik Negeri Bali, Indonesia

⁵Baghlan University, Afghanistan

*Corresponding author: ekasantika@pnb.ac.id

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ABSTRACT

Tourism law compliance is essential for ensuring legal certainty, sustainable governance, and accountability within the hospitality industry. However, empirical evidence on multidimensional tourism law compliance among hotel operators, particularly across licensing, environmental, consumer, labour, tax, and sustainability obligations, remains limited in Indonesia. This study aims to measure tourism law compliance among hotels in Bali across six regulatory dimensions and examine the institutional factors associated with variations in compliance. A quantitative socio-legal design was employed using a structured questionnaire administered to three managerial respondents from each of 100 hotels across Denpasar, Badung, Gianyar, and Buleleng, with the hotel serving as the unit of analysis. Data were analyzed using descriptive statistics, Pearson correlation, and multiple linear regression. Significant predictors, β , p-values, and R^2 were reported. The findings reveal that the overall tourism law compliance score was high ($M = 4.08$; $SD = 0.54$). Licensing compliance ($M = 4.35$) and tax compliance ($M = 4.25$) recorded the highest levels of compliance, whereas sustainable tourism practices ($M = 3.82$) and environmental compliance ($M = 3.85$) showed comparatively lower performance. These findings indicate that hotels demonstrate stronger compliance with administrative legal obligations than with environmental and sustainability-oriented requirements. The study concludes that effective tourism law compliance is influenced not only by legal enforcement but also by organizational capacity, managerial commitment, and institutional governance. The findings indicate that compliance varies across regulatory dimensions, with stronger performance in administrative obligations than in environmental and sustainability-related practices.

Keywords: Tourism Law Compliance; Socio-Legal Research; Sustainable Tourism; Regulatory Compliance

1. INTRODUCTION

The rapid expansion of tourism in Bali has increased the regulatory responsibilities of the hotel industry, particularly in relation to licensing, environmental protection, taxation, labour rights, consumer protection, and sustainable tourism obligations (Sujana et al., 2025; Sulistiyo et al., 2025). Nevertheless, the rapid expansion of tourism has also intensified legal challenges associated with environmental degradation, consumer protection, labor standards, licensing compliance, and corporate accountability. These challenges are particularly evident in the hotel industry, where business operations are subject to complex regulatory obligations that extend beyond commercial licensing to include environmental management, occupational safety, taxation, consumer rights, and sustainable tourism governance. Consequently, legal compliance has become an essential component of hotel management, serving not only as a mechanism for fulfilling

statutory obligations but also as a prerequisite for achieving sustainable tourism development.

From a legal perspective, tourism law has gradually evolved from regulating tourism promotion toward establishing comprehensive governance frameworks that balance economic growth, environmental sustainability, and social responsibility (Sánchez-Fernández et al., 2022). International organizations have consistently emphasized that tourism development should be accompanied by effective regulatory enforcement capable of ensuring accountability among tourism business operators. Hotels, as the dominant component of tourism infrastructure, play a strategic role in implementing these legal obligations because their operational activities directly affect environmental quality, community welfare, and visitor protection. Accordingly, evaluating the extent to which hotels comply with tourism regulations has become increasingly important within contemporary legal scholarship, particularly in

jurisdictions experiencing rapid tourism expansion.

Indonesia represents one of the world's leading tourism destinations, with Bali functioning as the country's primary international tourism hub. The province accommodates thousands of accommodation providers ranging from small guesthouses to internationally recognized luxury hotels. Tourism contributes substantially to Bali's regional economy, yet the concentration of tourism activities has simultaneously generated numerous legal and regulatory concerns (Abdou et al., 2020). These challenges highlight the need to empirically examine how hotels in Bali implement tourism-related legal obligations, particularly those concerning environmental management, licensing, and sustainability standards. Such conditions have prompted both the national and provincial governments to strengthen the legal framework governing tourism businesses through a combination of statutory regulations, regional policies, and sustainability-oriented governance initiatives.

Indonesia's tourism governance is principally regulated under Law No. 10 of 2009 on Tourism, which establishes the rights and obligations of tourism business operators while emphasizing environmental sustainability, cultural preservation, consumer protection, and community participation. More recently, Bali has reinforced these objectives through Law No. 15 of 2023 concerning the Province of Bali, which introduces a stronger legal foundation for sustainable tourism governance by integrating environmental conservation, cultural resilience, and local community empowerment into tourism development policies. These legal frameworks provide the basis for assessing hotel compliance across six dimensions: licensing, environmental protection, consumer protection, labour obligations, taxation, and sustainable tourism practice. Consequently, legal compliance within the hospitality sector should be understood as a multidimensional concept encompassing regulatory obedience, administrative accountability, and sustainable corporate

governance rather than merely satisfying licensing requirements.

The growing international emphasis on sustainable tourism has further strengthened the importance of legal compliance within the hospitality industry (Robinet & Giannelloni, 2020). International standards, including the Global Sustainable Tourism Council (GSTC) Criteria and sustainability certification systems, encourage hotels to integrate environmental responsibility, social inclusion, ethical governance, and legal accountability into daily business operations. Recent international discussions also highlight increasing concern regarding "greenwashing," whereby tourism businesses publicly claim sustainability commitments without demonstrating genuine regulatory compliance or measurable environmental performance. These developments illustrate that compliance is no longer evaluated solely through formal legal documentation but increasingly through measurable governance outcomes and transparent institutional practices.

Previous academic studies have made significant contributions to understanding tourism law and sustainable tourism governance. These findings demonstrate that digital governance and institutional compliance mechanisms can substantially enhance accountability in public service delivery. This suggests that regulatory modernization has the potential to strengthen legal compliance in highly regulated sectors. Meanwhile, comparative legal analyses have emphasized the importance of integrating sustainability principles into tourism regulation to ensure long-term environmental protection and equitable economic development. Recent legal scholarship examining Indonesia's tourism framework likewise argues that clearer legal obligations and stronger enforcement mechanisms are required to ensure effective implementation of sustainable tourism policies (Widiatedja, 2022).

Within the hospitality sector, existing studies primarily examine hotel sustainability through the perspectives of environmental

management, green certification, customer satisfaction, or corporate social responsibility. Other researchers focus on tourism competitiveness, destination governance, or sustainable hospitality management without explicitly measuring legal compliance as an independent analytical construct (Dwyer, 2021). Similarly, legal studies concerning Bali frequently emphasize policy reform, sustainable tourism strategies, or environmental governance, while empirical evidence regarding the actual level of hotel compliance with tourism law remains comparatively limited (Dangi & Petrick, 2021; Disemadi et al., 2025). Although these studies have substantially advanced knowledge concerning tourism governance, they collectively indicate the need for more comprehensive empirical investigation into how legal compliance is implemented by hotel operators within highly regulated tourism destinations such as Bali.

Although previous studies have examined tourism governance, environmental sustainability, and hospitality management, limited research has quantitatively assessed multidimensional compliance with tourism law among hotel operators in Bali. First, most existing studies evaluate legal compliance from a normative or doctrinal perspective by examining statutory provisions, regulatory reforms, or judicial interpretations without empirically measuring the level of compliance among tourism business operators. Consequently, current legal scholarship provides limited evidence regarding whether hotels actually comply with tourism legislation in their daily operational practices. Second, empirical studies within the hospitality sector predominantly investigate environmental sustainability, corporate social responsibility, service quality, or customer satisfaction, while legal compliance is generally treated as a supporting variable rather than the principal object of investigation. Third, previous studies rarely integrate multiple dimensions of tourism law compliance including licensing obligations, environmental responsibilities, labor protection,

consumer rights, taxation, and sustainability standards into a single quantitative framework capable of explaining overall regulatory compliance within the hotel industry (Deng & Zhou, 2022). These limitations indicate that the relationship between tourism law and institutional compliance remains insufficiently explored, particularly in tourism-dependent regions where legal enforcement is expected to support sustainable development.

The present study seeks to address these limitations by adopting an empirical legal approach that combines tourism law with quantitative analysis of regulatory compliance. Unlike previous research that primarily focuses on legal interpretation or policy evaluation, this study develops measurable indicators to assess the extent to which hotels comply with statutory tourism obligations. The use of quantitative evidence contributes to the advancement of empirical legal research by demonstrating how legal norms may be evaluated through observable institutional behaviour rather than exclusively through doctrinal analysis. Such an approach is consistent with the growing movement in socio-legal scholarship that encourages the integration of legal analysis with empirical data to improve the credibility, transparency, and policy relevance of legal research.

This study extends previous tourism governance research by integrating six dimensions of legal compliance into a single empirical framework and applying this framework to hotel operators across major tourism regions in Bali. First, it proposes a multidimensional model of tourism law compliance that integrates several regulatory domains within a unified analytical framework, enabling a more comprehensive assessment of legal compliance among hotel operators. Second, the study shifts the analytical focus from normative evaluation toward evidence-based legal assessment by employing quantitative indicators capable of measuring compliance behaviour objectively. Third, by selecting Bali's hotel industry as a case study,

the research offers practical insights into the implementation of tourism legislation within one of the world's most prominent tourism destinations. The findings are expected to provide evidence-based recommendations for policymakers, tourism regulators, local governments, and hospitality businesses seeking to strengthen legal compliance while promoting sustainable tourism governance.

Regulatory Compliance Theory provides the theoretical basis for examining how organizational capacity, managerial commitment, and institutional governance may be associated with variations in tourism law compliance among hotels. This perspective is complemented by Responsive Regulation Theory, which argues that regulatory effectiveness depends upon a balanced combination of persuasion, cooperation, monitoring, and proportional enforcement rather than relying exclusively on punitive measures. Within the tourism sector, these theoretical perspectives suggest that sustainable legal compliance is achieved through constructive interaction between regulators and regulated entities, supported by transparent governance and institutional accountability.

The study also adopts the principles of Good Governance, emphasizing transparency, accountability, participation, effectiveness, and the rule of law as fundamental elements of regulatory implementation (Subrata, 2025). These principles provide an appropriate conceptual framework for evaluating whether tourism legislation is translated into responsible business practices within the hotel industry. By integrating these theoretical perspectives, the research establishes a comprehensive analytical model capable of explaining both the determinants and the practical manifestations of tourism law compliance in Bali.

Based on the foregoing discussion, this study aims to quantitatively evaluate the level of tourism law compliance among hotels operating in Bali and to identify the institutional factors associated with regulatory compliance.

Specifically, the research addresses the following question:

To what extent do hotels in Bali comply with Indonesia's tourism regulatory framework, and which organizational and institutional factors are significantly associated with variations in tourism law compliance? By answering this question, the study contributes to the development of empirical legal scholarship through the application of quantitative methods to tourism law, while simultaneously providing practical recommendations for strengthening regulatory compliance, improving institutional governance, and advancing sustainable tourism policies in Indonesia.

2. METHOD

This study employed an empirical socio-legal research design using a quantitative approach to evaluate tourism law compliance among hotels operating in Bali, Indonesia. Socio-legal research was selected because it enables an examination of how legal norms are implemented in practice by integrating legal analysis with empirical evidence. Unlike conventional doctrinal legal research, which primarily focuses on statutory interpretation and legal reasoning, the socio-legal approach investigates the interaction between legal rules and the behaviour of regulated entities. Accordingly, this study aims to assess the extent to which hotels comply with tourism legislation and to identify the factors influencing legal compliance within the hospitality sector.

The research was conducted in Bali Province, Indonesia's leading tourism destination, with particular emphasis on four major tourism regions: Denpasar City, Badung Regency, Gianyar Regency, and Buleleng Regency. These regions were selected because they accommodate the largest concentration of hotels and represent diverse tourism characteristics, ranging from urban tourism to cultural and coastal destinations. The hotel organization served as the unit of analysis. Three managerial respondents were selected from each

hotel, and their responses were aggregated at the hotel level before statistical analysis.

The legal analysis was based on both primary and secondary legal materials. Primary legal materials included Law Number 10 of 2009 concerning Tourism, Law Number 15 of 2023 concerning the Province of Bali, relevant Government Regulations, ministerial regulations issued by the Ministry of Tourism and Creative Economy, and regional regulations governing hotel operations, environmental protection, licensing, and sustainable tourism. Secondary legal materials comprised peer-reviewed journal articles, scholarly books, legal commentaries, policy reports, and previous empirical studies concerning tourism law, regulatory compliance, sustainable tourism governance, hospitality management, and socio-legal research. The legal materials were identified through Scopus, Web of Science, ScienceDirect, SpringerLink, Emerald Insight, Wiley Online Library, Taylor & Francis Online, and Google Scholar. Publications were selected based on their relevance to tourism law compliance, empirical legal studies, and sustainable tourism governance, with preference given to publications issued between 2020 and 2025.

Primary empirical data were collected through a structured questionnaire administered to hotel managers and senior administrative personnel. Hotels were selected purposively based on predefined criteria, including active operation, registration as tourism accommodation businesses, location within the four study regions, and willingness to participate. From the selected hotels, three managerial personnel with direct regulatory responsibilities were recruited from each organization (Aksoy et al., 2022; Iswara et al., 2026). The inclusion criteria required respondents to occupy managerial or supervisory positions, possess a minimum of one year of professional experience, and be directly involved in licensing, environmental management, consumer protection, labour compliance, financial administration, or other regulatory matters. In total, 300 respondents

participated in this study, representing 100 hotels distributed across the four selected regions of Bali. The distribution of respondents is presented in Table 1.

Table 1. Distribution of Research Respondents

Region	Number of Hotels	Respondents	Percentage (%)
Denpasar City	25	75	25.0
Badung Regency	35	105	35.0
Gianyar Regency	20	60	20.0
Buleleng Regency	20	60	20.0
Total	100	300	100.0

The research instrument consisted of a structured questionnaire developed from previous studies on regulatory compliance, tourism governance, and sustainable hospitality. The questionnaire employed a five-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Tourism law compliance was operationalized as a multidimensional construct encompassing licensing compliance, environmental compliance, consumer protection, labour compliance, tax compliance, and sustainable tourism practices. The operational definitions of the research variables are presented in Table 2.

Table 2. Operational Definition of Research Variables

Variable	Dimension	Indicator	Scale
Tourism Law Compliance	Licensing Compliance	Validity of business licenses and permits	Likert (1-5)
	Environmental Compliance	Waste management and environmental obligations	Likert (1-5)
	Consumer Protection	Complaint handling and consumer rights protection	Likert (1-5)
	Labour Compliance	Compliance with labour regulations	Likert (1-5)
	Tax Compliance	Timely fulfilment of tax obligations	Likert (1-5)
	Sustainable Tourism	Compliance with	Likert (1-5)

		sustainable tourism standards	
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Before the main survey was conducted, the questionnaire was reviewed by experts in tourism law and empirical legal research to ensure content validity and conceptual relevance. A pilot test was subsequently undertaken to evaluate the clarity and consistency of the questionnaire items. The instrument consisted of items distributed across six compliance dimensions. Item validity was assessed using corrected item-total correlations with a predefined threshold of 0.30, while internal consistency was evaluated using Cronbach's alpha. Cronbach's alpha was used to assess internal consistency, and reliability coefficients were calculated for each dimension (Permana et al., 2025). These procedures ensured that the instrument was both valid and reliable for measuring tourism law compliance among hotel operators.

The collected data were analyzed using IBM SPSS Statistics Version 29. Descriptive statistical analysis was first employed to summarize respondent characteristics and the overall level of tourism law compliance. Instrument quality was then evaluated through validity and reliability testing. Finally, inferential statistical techniques were applied to examine the relationships among the research variables and to test the proposed hypotheses. The analytical procedures adopted in this study are summarized in Table 3.

Table 3. Data Analysis Procedures

Research Objective	Statistical Analysis
Describe respondent characteristics	Descriptive Statistics
Assess instrument validity	Pearson Product Moment Correlation
Assess instrument reliability	Cronbach's Alpha
Measure tourism law compliance level	Mean and Standard Deviation Analysis
Examine relationships among variables	Pearson Correlation Analysis
Test research hypotheses	Multiple Linear Regression
Determine explanatory power	Coefficient of Determination (R^2)

3. RESULTS AND DISCUSSION

3.1. Results

1) Respondent Characteristics

A total of 300 respondents representing 100 registered hotels across four major tourism destinations in Bali participated in this study. The respondents occupied managerial positions directly associated with legal compliance, operational management, environmental governance, financial administration, and human resource management. Their managerial positions and direct involvement in regulatory matters provided relevant perspectives for assessing tourism law compliance within their respective organizations (Manoharan et al., 2021; Jayanti & Wulandari., 2025).

The geographical distribution of respondents was designed to represent Bali's principal tourism regions. Badung Regency contributed the largest proportion of respondents (35.0%), reflecting its status as the province's primary tourism hub, followed by Denpasar City (25.0%), Gianyar Regency (20.0%), and Buleleng Regency (20.0%). This distribution ensured adequate representation of urban tourism, cultural tourism, and coastal tourism destinations.

Regarding gender, male respondents accounted for 58.3%, while female respondents represented 41.7%. Although managerial positions within the hospitality industry continue to be predominantly occupied by men, the relatively balanced gender composition indicates increasing participation of women in hotel governance and regulatory compliance.

Most respondents were between 31 and 40 years old (40.0%), followed by 41–50 years (30.0%), 21–30 years (20.0%), and above 50 years (10.0%). This age distribution suggests that respondents were generally in their productive professional years and possessed substantial managerial experience.

Educational attainment also demonstrated a relatively high professional profile. Approximately 63.3% of respondents held bachelor's degrees, 20.0% possessed master's degrees, 10.0% completed diploma education, and 6.7% held doctoral qualifications. These findings indicate that hotel managers responsible

for legal compliance generally possess adequate educational backgrounds to understand tourism regulations and administrative requirements.

Professional experience further strengthens the credibility of the collected data. Nearly half of the respondents (46.7%) had worked in the hospitality industry for 6–10 years, while 30.0% had accumulated more than ten years of experience. Only 23.3% reported fewer than five years of professional experience.

Overall, the demographic profile demonstrates that the respondents possess sufficient managerial authority, educational qualifications, and practical experience to evaluate tourism law compliance objectively.

Table 4. Respondent Demographics (n = 300)

Characteristics	Category	Frequency	Percentage (%)
Region	Denpasar	75	25.0
	Badung	105	35.0
	Gianyar	60	20.0
	Buleleng	60	20.0
Gender	Male	175	58.3
	Female	125	41.7
Age	21-30 years	60	20.0
	31-40 years	120	40.0
	41-50 years	90	30.0
	Over 50 years	30	10.0
Education	Diploma	30	10.0
	Bachelor's Degree	190	63.3
	Master's Degree	60	20.0
	Doctoral Degree	20	6.7
Work Experience	1-5 years	70	23.3
	6-10 years	140	46.7
	Over 10 years	90	30.0

2) Descriptive Statistics

Descriptive statistical analysis was conducted to determine the overall level of tourism law compliance among hotels in Bali. Six dimensions of legal compliance were examined: licensing compliance, environmental compliance, consumer protection, labour compliance, tax compliance, and sustainable tourism practices.

The overall mean score of 4.08 (SD = 0.54) indicates that respondents perceived the level of tourism law compliance within their hotels to be high. Among the six dimensions, licensing compliance achieved the highest mean score (M = 4.35), suggesting that hotels generally fulfil their licensing obligations and maintain valid operational permits in accordance with Indonesian tourism regulations.

Similarly, tax compliance demonstrated a relatively high level (M = 4.25), indicating that most hotels consistently fulfil their taxation responsibilities. Compliance with consumer protection regulations also received a favourable evaluation (M = 4.18), reflecting effective complaint-handling mechanisms and adherence to consumer rights.

By contrast, environmental compliance recorded a comparatively lower mean score (M = 3.85). Although still categorized as high, this result indicates that waste management, water conservation, and environmental sustainability remain challenging areas for hotel operators. Increasing environmental obligations under sustainable tourism policies may explain the relatively lower performance observed in this dimension.

Likewise, labour compliance obtained a mean score of 3.98, suggesting that while hotels generally comply with labour legislation, several institutions continue to experience challenges concerning occupational safety, employee welfare, and employment documentation.

The lowest score was observed for sustainable tourism practices (M = 3.82). This finding implies that although hotels comply with mandatory legal requirements, the implementation of broader sustainability

initiatives including energy efficiency, biodiversity conservation, and community engagement remains relatively limited.

Overall, these descriptive findings indicate that legal compliance among Bali's hotels is strongest in administrative obligations, while sustainability-oriented obligations require further improvement.

Table 5. Descriptive Statistics of Tourism Law Compliance

Variable	Mean	SD	Interpretation
Licensing Compliance	4.35	0.46	Very High
Environmental Compliance	3.85	0.59	High
Consumer Protection	4.18	0.48	High
Labour Compliance	3.98	0.56	High
Tax Compliance	4.25	0.44	Very High
Sustainable Tourism Practices	3.82	0.63	High
Overall Compliance	4.08	0.54	High

Figure 1. Distribution of respondents across the four tourism regions in Bali.

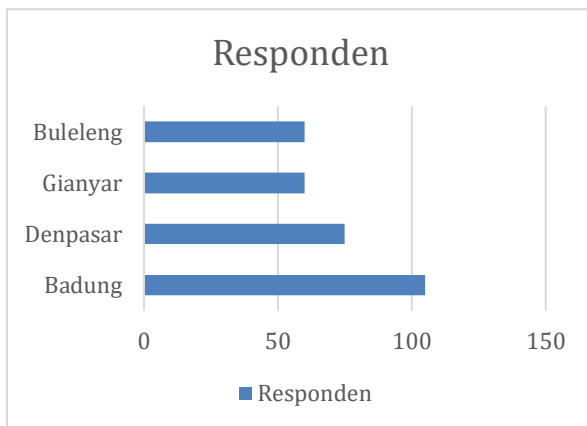
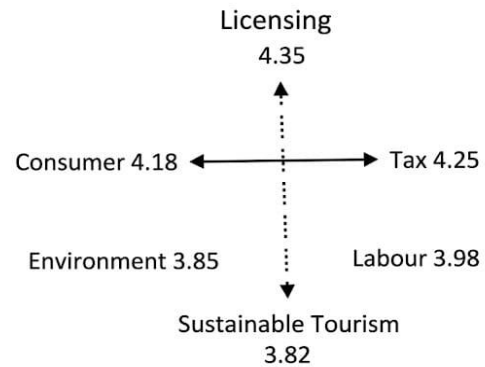


Figure 2. Mean scores of tourism law compliance dimensions among hotels in Bali



B. Discussion

1) Respondent Characteristics

The demographic characteristics of the respondents provide an appropriate basis for interpreting tourism law compliance within Bali's hotel industry. The respondents comprised hotel managers and administrative personnel responsible for implementing legal and regulatory obligations, ensuring that the collected data reflected institutional practices rather than individual opinions.

Geographically, the respondents represented Bali's four principal tourism destinations, namely Badung (35%), Denpasar (25%), Gianyar (20%), and Buleleng (20%). This distribution provides coverage of four major tourism regions in Bali, although the purposive sampling design limits the generalizability of the findings to the broader hotel population. Including hotels from different regions captures variations in tourism intensity, local governance, and regulatory implementation, thereby providing broader geographical coverage of tourism and regulatory contexts within the study area.

The sample also demonstrated balanced managerial characteristics. Male respondents accounted for 58.3%, while females represented 41.7%, indicating increasing female participation in hotel governance and regulatory compliance. Approximately 70% of respondents

were between 31 and 50 years old, an age group typically occupying middle- and senior-management positions with substantial experience in hotel operations and legal compliance.

Educational attainment further supports the reliability of the data. More than 80% of respondents held bachelor's or postgraduate degrees, suggesting adequate knowledge of licensing, labour regulations, taxation, consumer protection, and environmental obligations. Their educational background enhances their capacity to understand regulatory requirements and implement compliance strategies effectively.

Professional experience also strengthens the credibility of the findings. Nearly half of the respondents had worked in the hospitality industry for six to ten years, while 30% possessed more than ten years of experience. Such experience enables managers to understand regulatory developments and evaluate compliance practices from an institutional perspective.

According to Regulatory Compliance Theory, organizational compliance is influenced not only by statutory obligations but also by managerial competence, institutional learning, and organizational commitment (Saputra & Laksmi, 2024). Accordingly, the demographic profile of the respondents indicates that they constitute a credible source of empirical evidence for assessing tourism law compliance in Bali's hotel industry (Nunes, 2023).

2) Discussion of Descriptive Statistics on Tourism Law Compliance

The descriptive analysis indicates that tourism law compliance among hotels in Bali is generally high, with an overall mean score of 4.08. This finding suggests that most hotels have implemented their legal obligations in accordance with Indonesia's tourism regulations. However, differences across compliance dimensions indicate that legal implementation is not uniform. Administrative obligations, particularly licensing and taxation, achieved higher compliance than environmental

management and sustainable tourism practices, demonstrating that different types of legal obligations influence organizational behaviour in different ways.

Licensing compliance recorded the highest mean score ($M = 4.35$), reflecting the importance of maintaining valid operational permits. The high licensing compliance score may reflect the mandatory nature and formal administrative requirements of hotel licensing; however, the specific effects of government supervision and sanctions require further empirical testing. In this regard, licensing functions as both a legal prerequisite for business operations and an instrument for ensuring regulatory certainty within the tourism sector.

Similarly, tax compliance ($M = 4.25$) showed a very high level of implementation. Besides fulfilling legal obligations, hotel tax compliance contributes significantly to regional revenue and tourism development. The widespread adoption of digital tax administration and standardized financial management has strengthened transparency and reduced administrative risks, indicating that compliance is also supported by improvements in institutional governance rather than enforcement alone.

The dimension of consumer protection ($M = 4.18$) also demonstrated strong performance. Hotels generally reported implementing transparent service information, complaint-handling procedures, and mechanisms for protecting guest rights. Effective consumer protection not only fulfils legal obligations but also enhances customer trust, organizational reputation, and long-term business competitiveness within Bali's highly competitive tourism market.

By contrast, environmental compliance ($M = 3.85$) recorded a comparatively lower score. Environmental obligations require continuous investment in waste management, water conservation, pollution control, and environmental monitoring, making implementation more complex than

administrative compliance. The comparatively lower environmental compliance score suggests that environmental obligations may present greater implementation challenges; further research is needed to determine whether financial resources and managerial capacity explain these differences (Mochtar et al., 2025).

The lowest score was observed for sustainable tourism practices ($M = 3.82$). Although sustainability has become a central objective of Indonesia's tourism policy, many hotels still regard sustainability initiatives as complementary rather than integral to legal compliance. Integrating environmental stewardship, cultural preservation, and community participation into daily operations requires long-term organizational commitment that extends beyond minimum statutory requirements (Jones & Comfort., 2020).

The differences between administrative and sustainability-related scores may be interpreted through the distinction between formal and substantive compliance, although these two forms of compliance were not separately operationalized in the present study. Hotels generally perform well in meeting formal legal obligations, such as licensing, taxation, and administrative reporting, because these requirements are clearly regulated and subject to direct supervision. In contrast, substantive obligations related to sustainability require broader organizational transformation, stronger managerial commitment, and greater institutional capacity. Consequently, strengthening tourism law compliance should combine legal enforcement with incentives, technical assistance, and collaborative governance to encourage deeper institutional commitment.

Labour compliance ($M = 3.98$) occupies an intermediate position, indicating that hotels generally comply with employment regulations while still facing challenges associated with seasonal employment, occupational safety, and workforce management. Maintaining compliance therefore requires continuous

monitoring and effective internal governance systems (Putranto et al., 2025).

Overall, the descriptive findings reveal that tourism law compliance in Bali is strongest in administrative dimensions, whereas sustainability-related obligations remain comparatively weaker. This pattern suggests that regulatory effectiveness depends not only on legal sanctions but also on organizational capacity, governance quality, and long-term commitment to sustainable tourism development. These results provide an important foundation for the subsequent inferential analyses examining the determinants of tourism law compliance.

3) Legal Interpretation and Implications for Sustainable Tourism Governance

The findings demonstrate that tourism law compliance among hotels in Bali extends beyond administrative performance and reflects the broader effectiveness of tourism governance. Although the overall compliance level is high, the variation across compliance dimensions indicates that different legal obligations require different levels of organizational commitment. Administrative requirements, such as licensing and taxation, are implemented more consistently than environmental management and sustainable tourism practices because they are supported by clear legal standards, routine supervision, and enforceable sanctions.

From a legal perspective, these findings illustrate the distinction between formal compliance and substantive compliance. Formal compliance refers to fulfilling statutory obligations that are easily verified through official documentation, including business licences, tax registration, and mandatory reporting (Nazarian et al., 2021). In contrast, substantive compliance involves achieving the broader objectives of tourism law, including environmental sustainability, cultural preservation, community participation, and responsible business conduct. While most hotels successfully satisfy formal legal requirements, substantive compliance remains comparatively

weaker because it requires continuous organizational commitment, financial investment, and long-term strategic planning.

This distinction suggests that the effectiveness of tourism legislation should not be evaluated solely by the existence of legal rules or administrative compliance rates. Rather, effective implementation depends on whether regulated entities internalize the principles underlying the law and incorporate them into organizational governance (Ozdemir et al., 2022). Accordingly, tourism law should function not only as an instrument of regulatory control but also as a mechanism for promoting responsible and sustainable tourism development.

The comparatively lower performance in environmental compliance and sustainable tourism practices further highlights the challenges of implementing sustainability-oriented regulations. Bali's tourism industry has generated significant economic growth but has also intensified pressure on natural resources, waste management systems, water availability, and local communities. Consequently, environmental obligations increasingly require hotels to invest in pollution control, waste reduction, energy efficiency, and ecosystem conservation. Such measures often involve substantial financial and technological resources, explaining why sustainability-related compliance remains lower than administrative compliance (Sakshi et al., 2020).

Another important implication concerns the relationship between tourism law and sustainable governance. Contemporary tourism regulation is designed not merely to regulate commercial activities but also to balance economic development with environmental protection and cultural preservation (Melián-Alzola et al., 2020; Putri et al., 2025). Therefore, sustainable tourism should be regarded as a legal responsibility rather than a voluntary corporate initiative. Hotels that comply only with licensing requirements without integrating sustainability into operational decision-making cannot fully

achieve the broader objectives of Indonesia's tourism legislation.

The findings also suggest that effective tourism governance requires a collaborative regulatory approach. Government agencies, tourism businesses, local communities, and civil society organizations all play complementary roles in ensuring regulatory implementation. Given the comparatively lower scores for environmental and sustainable tourism practices, regulatory interventions should prioritize technical guidance, organizational capacity-building, and clearer implementation mechanisms in these areas. Such collaborative governance encourages hotels to view compliance as an investment in competitiveness, reputation, and long-term business resilience rather than merely as a response to legal sanctions (Chung., 2020).

Overall, these results indicate that improving tourism law compliance requires a shift from procedural conformity toward institutional commitment. Sustainable regulatory effectiveness depends not only on the quality of legislation but also on organizational governance, stakeholder collaboration, and the ability of tourism businesses to integrate legal principles into everyday operational practices.

4. CONCLUSION

This study indicates that respondents perceived tourism law compliance among participating hotels to be generally high, particularly in licensing, taxation, and consumer protection, while environmental and sustainable tourism practices received comparatively lower scores, indicating that regulatory obligations supported by clear legal standards and administrative supervision are implemented effectively. However, comparatively lower levels of compliance in environmental management and sustainable tourism practices suggest that substantive legal obligations remain more challenging than procedural requirements. The findings suggest that strengthening tourism law compliance may require attention to organizational capacity, managerial

commitment, and institutional governance, particularly in addressing weaker environmental and sustainability-related practices. By adopting a quantitative socio-legal approach, this study contributes to empirical legal scholarship by providing measurable evidence of tourism law implementation within Indonesia's hospitality sector. The findings further imply that strengthening tourism governance requires not only consistent law enforcement but also capacity-building programs, regulatory guidance, and collaborative partnerships between government authorities and tourism businesses. Future research is encouraged to expand the geographical scope, include additional tourism stakeholders, and employ longitudinal designs to examine changes in legal compliance over time.

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AUTHOR CONTRIBUTIONS

Author 1: Conceptualization, Methodology, Investigation, Formal Analysis, Writing, Original Draft.

Author 2: Methodology, Investigation, Formal Analysis, Writing, Original Draft, Writing, Review & Editing.

Author 3: Conceptualization, Writing & Editing, Supervision.

Author 4: Investigation, Data Curation, Writing, & Editing.

A. Author: Review.

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CONFLICT OF INTEREST

The authors declare no conflict of interest.

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