

# Marketing Communication and Performance of Sharia Hotels in Indonesia

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**Abstract** : This study observes marketing communications for Islamic hotels in Indonesia through content analysis methods from various trusted media such as magazines, newspapers and brochures and hotel advertisements coupled with annual financial reports published or reported to financial service authorities of all sharia hotels or those applying registered sharia principles. in the Indonesian stock exchange from 2000 to 2020. Triangulated with descriptive analysis of the vector error correction model. We find a positive relationship between human capital investment in the field of marketing communication skills and the performance of Islamic hotels.

**Keywords:** Human Resources, Sharia Hospitality  
Marketing Communication

**JEL Classification** : C10,M12,M2

## 1 INTRODUCTION

Islamic hotels are identified with Muslim-friendly hotels and apply Islamic principles in their management. Of course, this requires marketing communication that can convey the intent and objectives of the Islamic hotel organization in a good marketing communication package (Shen, et al., 2020; Ananta, et al., 2015). Good communication skills are certainly needed in reducing the risk of miscommunication. In theory, in human capital theory, employee skills including communication skills have an impact on performance (Doppelt, 2019; Brown, 2020).

This study examines the marketing communication skills of employees of Islamic hotels in Indonesia through trusted print and online media to be analyzed objectively and systematically in order to understand the capabilities of Islamic hotels which are the object of research in marketing communication. Communication skills are one of the elements of skills from the point of view of human capital that can be improved through training and education mechanisms. In human capital, there are five basic elements that are integrated into humans, namely

knowledge, skills, health, innovation and creativity. These five elements need to be supported by work equipment, organizational structural capital and work protection, including social security and health (Psacharopoulos, 2015; Konara & Wei, 2019). In increasing human capital, it does not only pay attention to the human capital contained in each individual but also social capital that supports each individual in completing his work. Language skills are a determining factor in building and developing social capital. Social capital is a working relationship and personal relationship in a group of individuals in the ability to support each other and help in solving work and problems at hand.

The human capital theory explains the human potential outwardly in making contributions that can be valued economically. The concept of human capital is a combination of psychological and economic concepts. In providing the best contribution to the organization in the form of performance, human capital with the elements in it can be developed and improved through training and education mechanisms as well as equipment and technology support in improving individual performance in the organization (Sankaran, et al., 2020; Binhong, 2015).

Human resources in the form of knowledge and skills inherent in individuals so that physical and psychological health factors need to be considered. Because physical and psychological health affects individual performance in making the best contribution to the organization (Jones & Spender, 2012; Marve, 2020). Communication is very important in managing human resources. Communication makes the process of transferring information good. Effective communication is able to provide motivation, increase performance and convey creative ideas and innovations, as well as increase work morale, can be realized (Goel, 2012). Communication that is carried out effectively by involving the right expressions and intonations can encourage employee morale and can improve organizational performance (Maccoy, 2014). The effectiveness of communication can strengthen the relationship between employees and employees and managers, which in turn forms an organizational culture with strong social capital.

Communication and leadership styles are closely related, different leadership styles require different communication. When an authoritative leadership style is applied, the communication that is built is efficient communication, firm and with clear objectives. Likewise, a democratic leadership style needs a different style of communication. Good communication can improve performance and good communication for a manager must be adjusted to the applied leadership style (Kiril, 2014). Communication can lead to the transfer of information both from employees to managers and vice versa. This information transfer becomes an understandable task and the report can be understood

(Rubenzer, 2014). Good communication can avoid miscommunication and in the end understanding can be obtained and performance can be improved.

## 2 LITERATURE REVIEW

Every organization becomes a social environment for all people in it, both those who act as employees and managers. A social environment requires communication in order to work well together. Good communication is able to provide understanding for everyone so that they can carry out their duties according to their roles and functions. Conversely, when communication is not good, there will be chaos and performance can decrease drastically (Smither, et al., 2016). Good communication makes employees understand their respective roles and duties so that everyone can carry out their duties properly and voice complaints, opinions and questions properly. So that communication is very important in the organization. When communication and communication systems are well established, performance can potentially increase. Good communication can build good relationships between parties within the organization. A good personal relationship with each individual in the organization is important because it can build social capital which is very important in improving performance (Daniel, 2018).

Communication skills can be used in various areas of business within the Islamic hotel industry including marketing communications. Marketing communication is a communication process that is managed to achieve marketing objectives. In the hotel industry, the role of marketing communication to persuade them to buy in the hospitality industry is to persuade guests from all over the world to stay at hotels. Of course, making marketing communications for international guests requires good English skills. Islamic hotels not only focus on the domestic market but can also be comfortable hotel for anyone around the world. To convey this message, English skills are needed as one of the international languages commonly used throughout the world as the language of marketing communication. The hotel identifies itself as a Muslim friendly hotel and adheres to Islamic principles in conducting its business. This of course has an effect on employee psychology. Employee psychology has a major influence on the success of human capital investment to boost organizational financial performance (Stephenson, 2014; Salleh, et al., 2019).

## 3 RESEARCH OBJECTIVE AND METHODOLOGY

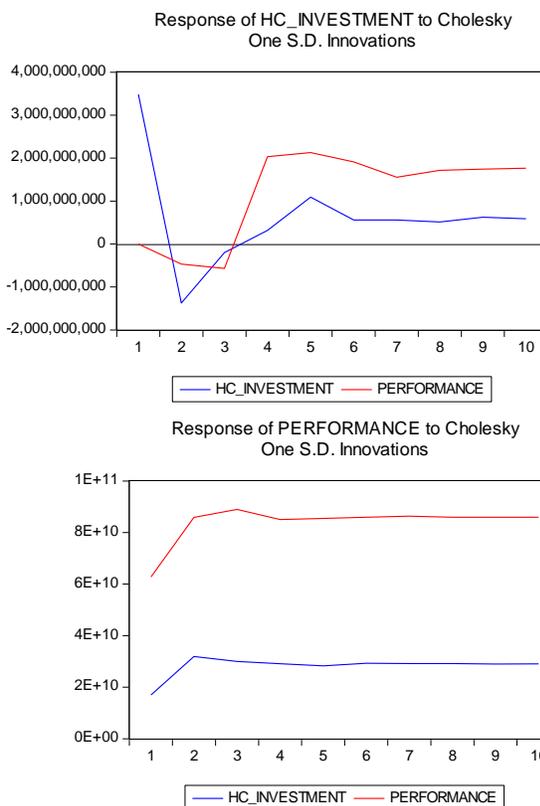
In this study, we used a combination of qualitative and quantitative research methods. We use the qualitative method of content analysis, which is a research method to identify patterns in the literature that can be trusted by using the critical reading analysis method. In analyzing content, we use hundreds of annual reports from all

Islamic hotels listed on the Indonesia Stock Exchange and from trusted media as well as literature studies from books and scientific journals from 2000 to 2020. This is done to systematically analyze the contents of an association. text, whether written, spoken, or visual that was collected during the study period. This study combines qualitative content analysis from a collection of written, oral and visual texts to conclude with quantitative content analysis using secondary data collected during the study period which is estimated using the Vector Error Correction Model to see the relationship between human capital investment and financial performance. in the hospitality industry in Indonesia.

## 4 RESULTS AND DISCUSSION

From the results of research and observations in the research period from 2000 to 2020 in Islamic hotels throughout Indonesia using the random sampling method in selecting samples with great care and respect for the privacy of the object of research. We conclude that the ability and skills of employees' English and communication can improve the performance of Islamic hotels in Indonesia. To anticipate that human capital will have an impact on the performance of Islamic hotels in Indonesia, triangulation is carried out using quantitative methods using a vector error correction model which is presented in the following graphic form:

Figure 1. Response Impulse Factor



From the VECM estimation results presented in graphical form, it can be seen that there are behavioural data between human capital investment and financial performance that influence each other with patterned flows where patterned flows are influenced by other factors outside of human capital investment. So it can be concluded that communication skills that are part of Human Capital can affect the performance of Islamic hotels. Where investment in the form of increased skills and employee education has a direct impact on the performance of Islamic hotels.

## 5 CONCLUSION

Employee communication skills are capital assets owned by employees that can be used to improve the performance of Islamic hotels in Indonesia. This is triangulated by analyzing the results of testing marketing communication skills which can be observed openly in hotel marketing media having an impact on hotel performance using the content analysis method or content analysis using the critical reading analysis method which is then triangulated again using a quantitative approach vector error correction model that provides the same conclusion.

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