CHAPTER V

CONCLUSION AND RECOMMENDATION

5.1. Introduction

This chapter aim to conclude the whole study by summarizing and presenting the findings made from data collections and analysis which had been done before. Managerial implications which gave suggestion towards hospitality business as a results of the data analysis will be displayed in the following sub chapter, followed by limitations of the study where the limits of this research will be displayed. Suggestions for further research will also be presented and last the study will be closed by with a conclusion in relations with the study.

5.2. Managerial Implication

As a results of data collection and analysis from this study, researcher found that only 1 out of 7 business actually mentioned the existence of a plan or procedure in dealing with disaster, yet all of the businesses which identify themselves as affected by the event of Mt. Agung's eruption, seemed to find a suitable action upon responding towards the disaster and furthermore this actions, which in character were spontaneous, had seemed to be a good options to put in case of similar phenomenon ever happening again both in near or distant future. Yet the existence of the plan seemed to matters upon easing the job and respond towards the said disastrous phenomenon. One business which seemed to own a plan took actions

according to the standard operating procedure which they have, while for the other businesses, were more or less 'trial and error'. Most of them had implies damage in terms of revenue, yet based on their awareness, the scale of the damage can be arguably controlled. This suggestions of formal organized plan however, were much more suitable for large scale businesses, as in the case of small scale business, both communications and actions, vertical and horizontal can be relatively easier to be done rather than businesses with complex structures and hierarchy, as most of the travel agents and both hotels in this study showed. Though not suggested, in general, small scale business might own more liberty on acting responsively or spontaneously, following the flow of the disaster.

Another interesting findings were in the form of market segment. The study had mentioned before that not all participants implied that they were affected. Some of the participants also claimed that a certain market segment had been their source of revenue although the eruption of Mt. Agung affected them. This do suggest that diversifying market might own a good impact both as pre-caution and as responding act. Diversifying market segments could gave business more options of customers, meaning in the case of certain customer segments not contributing to the business's sales, another segment could took the place as a source of revenue.

Regarding human resource management, all participants mentioned only actions which involved the reducing of variable cost in relation with working hour. Yet in all aspect both operational and management, a training or workshop about operating in the midst of disaster might come in handy. Packed with knowledge regarding the specific topic of disaster, managers and employee could

cope with both disaster and its impact more efficiently specifically in allocating of resources in all forms. Furthermore, employees with disaster handling knowledge would handle the situation much better than the individuals without proper disaster management knowledge. Enrolling human resource in a certain training specifically for such occasion would be proven beneficial to all kinds of hospitality business, especially remembering that human resource management is a key operator in all businesses.

The passage above had discussed about how businesses prepared and responded towards the existence of the impact of Mt. Agung's eruption, which in characteristics were internal, yet a new finding from the study suggest that external threat plays a major role in this specific economy disaster in Southern Bali. This external parties said came in the form of both government and media. Starting early in the pre-disaster stage, all of the participants had claimed that media had benefited them upon giving up to date information about the condition of Mt. Agung, both in the sense of personal and business safety or awareness, yet most of the participants had reported the existence of information which in contrast with the reality that happened in the Island of Bali, especially talking about the conditions of Mt. Agung. This indirectly affected the businesses since this information consumer were not only parties affiliated with the business but the public both as individuals which consumed the media and as the market segment of these hospitality businesses. This information in essence contains content which created an image that the disastrous phenomenon of Mt. Agung is a very dangerous phenomenon which will affect individuals setting foot on Bali. While indeed had been agreed as a form of disaster,

the eruption of Mt. Agung's is not as impactful or dangerous as what the media publish. The consequences of this act were in the form of public fear and perception that the Island of Bali is not a safe place to spend your days in, which ultimately reduce number of visitors to Bali. Further research was needed as to acknowledged what the media had do, whether it is the misunderstanding of the news consumer or indeed the information published were crossing the fact, the businesses participate in this study felt an indirect impact, since many of them relied quite heavily on the coming of foreigners, and this information published had damage the businesses by reducing the market segment entering the location of the businesses.

Another external party mentioned was the government. All hotels and one of the travel agent had expressed their disappointment upon the form of government aid received by the visitors. Compare to the media exposure, the involvement of the government owns a direct impact towards the business, since many of the tourist had a perspective that the business involvement on their trip includes the accommodation provided for the stranded guest while the business acknowledge such as the government's role on aiding visitors which were stranded in Bali. Based on participants respond, there are no stable system which organize this government on giving their aids. This can be seen from the 'flexible rate' of the transport, and the ignorance upon comfort of the transport, since responsible parties in the field tend to forces a transport to exceeds the real capacity of itself. Since the escorting of the accommodation were a direct recommendation of the businesses, tourist or visitors involved with the specific business had the idea that the business is the responsible parties which got them in the situations they were currently at,

automatically give a bad impression that the businesses left the tourist stranded. Further research on the topic was also needed since only from the respond, view of the government, factors, or parties involved in the escorting process from Denpasar to Surabaya cannot be possibly identified, yet such impact were felt by businesses which relies on the government escort to deliver their guest to the meant location.

Both of these new findings were both in the form of parties which is not a part of the business itself, in other words, external parties, yet the threat offered seemed to carry significant impact towards the businesses. A pre-caution of such situations is needed, since it is outside of the business and in a sense were not controlled by the business. Especially with a booking based business such as travel agents and hotels, maintaining a good communication with the guest were suggested in the case of media, for example providing them with accurate information, or at least communicating a trusted channel of information is an option. Such actions might save at least each customer segments from cancelations of service or bad image which haunt the customers willing to book. For example such information can be displayed online in the businesses website, or formal channels. As for the government issue, both better communication or providing extra transportations might be a solutions though both yields its own perks and downside. While communication with government might prove to be cheaper than providing transport, a guarantee of expected respond might not occurs, leading back to the same situations. Providing a transport however, is a good steps on maintaining satisfaction within one's market segment.

5.3. Limitations of Study

Upon the conducting of the study itself, researcher encountered limitations of the study. Realizing fully that compare to the sample, existed many other hospitality business which even in the same group, might own different characteristic. Many of other hospitality business existed, yet this research only take a purposive sampling which considered to be enough to represent hospitality businesses in Southern Bali, yet in an island where tourism is a major economy source, many other hospitality business existed, meaning that even more variations of results can be gained. Therefore upon treating the participants as a representatives of a business, cautions must be there in order to avoid over generalizing the businesses.

Language barriers might be a limitations in this particular study as well. While the businesses involved in it were all touching the domains of international society, all participants were not a native speaker of English. This research upon contacting the participants prior data collection, had invited the participants to speak in 2 options of language which is Indonesia and English. The options were given as to give liberty and comfort for the participants to express their response towards the questions. 9 out of 11 participants had choose English and the rest choose to communicate in Indonesian language. However, remembering that none of the participants spoke as a native English speaker, possible chance of misunderstanding or different comprehension of words and sentences might occurs along the process.

5.4. Suggestion for future research

In the previous sub-chapter, it has been mentioned that existence of other hospitality existed especially talking about Southern part of Bali. In collecting data, while the big picture, all hospitality business react quite similar, yet in essence, all travel agents, hotels and restaurants had different characteristics. This research served as the base study which saw the business involved as parts which forms the bigger world known as 'hospitality business', yet due to the said reason, doing a similar study while focusing on each specific business might yield a result more specific and practical towards each kind of hospitality business themselves.

One thing that future researcher could pay attention as well, is that specifically talking about plan, as mentioned before, it is more relevant to conduct a study on a bigger scale business where individuals or segments moved based on a particular protocol. In smaller scale business, the hierarchy existed were far less complicated then the bigger one, which leads to flexibility in reacting to a sudden change in the lane of the business, meaning that top management can extend reach towards all level of management, ultimately taking short time in both emergency anticipation or responding. The case is different for a bigger companies.

Another suggestion relevant to give towards future researcher, is the existence of un-accounted third parties. While this research do touch the domains of external relationship, communication in particular, it doesn't until later reveals there are third parties which affected the existence of the business in a quite significant relationship, both direct and indirect. Such relationship can also be a

relevant research which is looking on relationship between outside parties such as government or media. The study of relationship between these parties might resulted in practical results which can be used to identify both problems, benefits, or whatever existed in the relationship to assist the tourism world, specifically in Southern part of Bali.

5.5. Conclusion

Concluding the results of his research on readiness and responsiveness of Hospitality business in Southern part of Bali in facing the low probability yet high impact events of disaster, which is the impact of Mt. Agung's eruption, it suggest that in general view hospitality businesses in Southern part of Bali were able to respond well to the effect of a low probability yet high impact event, which is the eruption of Mt. Agung. The businesses had shown steps which in reacting towards the eruption's effect, managed to help the businesses to prolong their existence. All business which identify themselves as affected had managed to do an act of contingency in response towards the decreasing of revenue which ultimately disrupt the businesses in doing their activities.

The same cannot be said about preparedness since majority of the business which identify themselves as affected, shown that all of their act to respond came from an act which identify as responsive in nature, meaning that this acts appears more towards an instinctive and spontaneous respond rather than planned applications of a standard operating procedure both formal and in informal sense. This had clearly shown the lack of preparations in the hospitality businesses in

Southern part of Bali. While it is true that they had managed to respond well, a better preparation might helped the businesses to respond even better and more importantly helped to respond towards the disaster in a far more efficient effort.

The hospitality businesses in Southern Bali however, had learned from this event that a better preparations was crucial to improve the efficiency in handling similar situations in the future. Responsive actions which had been done to deal with the situations had been found suitable for the base of future actions, meaning that learning effect existed for those which identify themselves as affected business in the event of Mt. Agung's eruption.
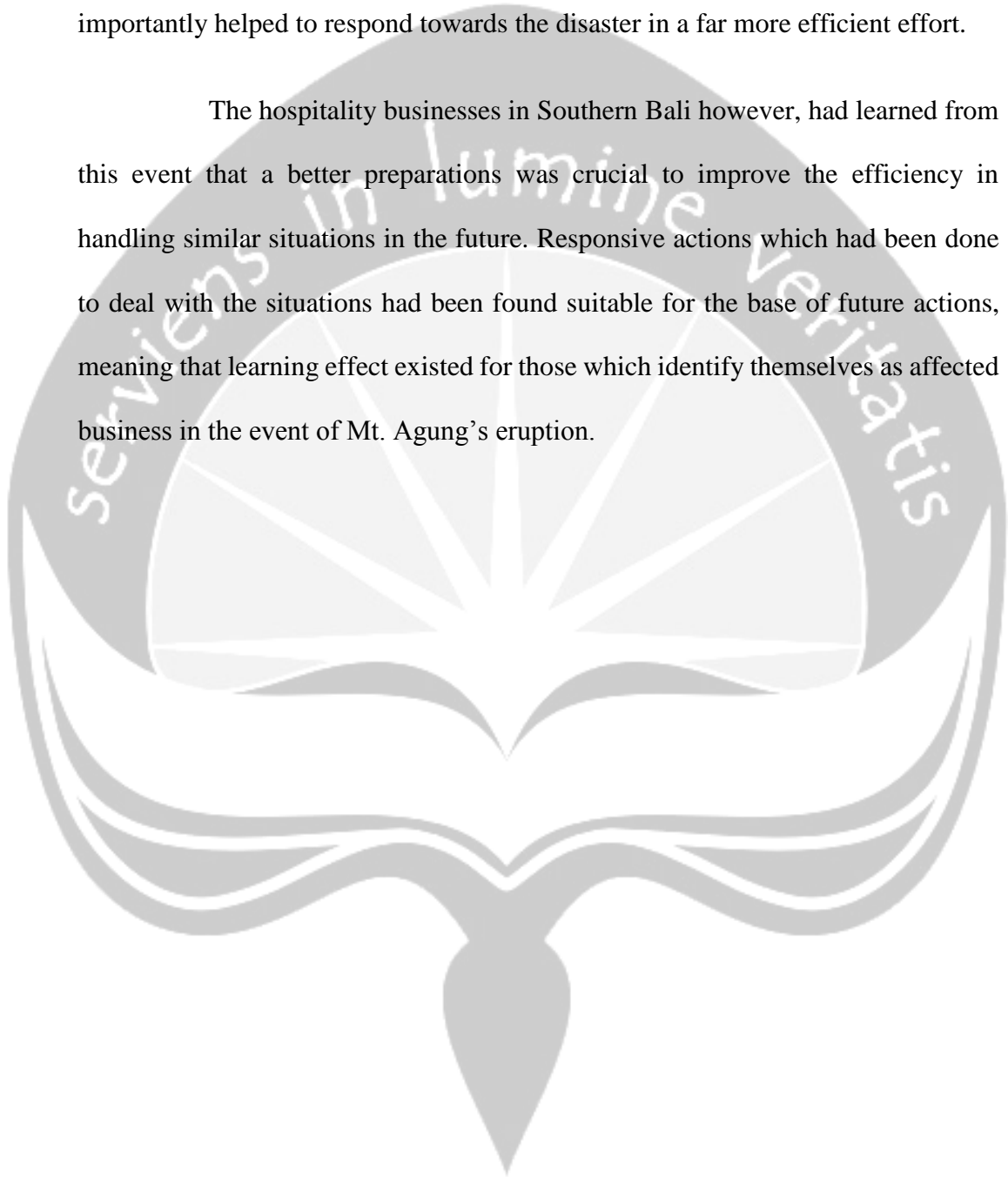
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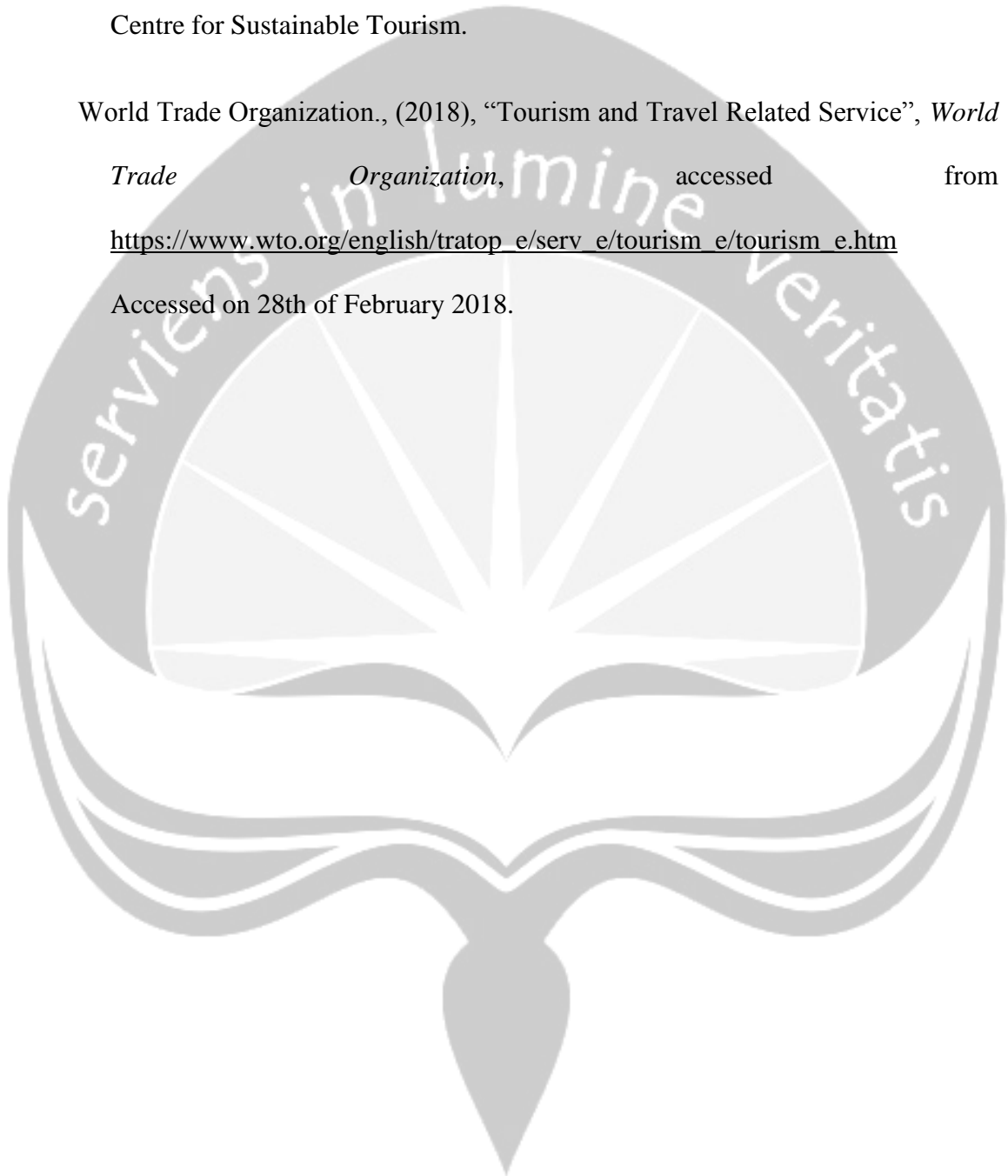
APPENDIX I

INTERVIEW PROTOCOL A

A. **Pre-Disaster Stages**

1. Disaster awareness

   - What does a disaster for you mean?

   - Was there any pre-caution which the business took in preparing itself for a disaster?

2. Early Warning

   - Did you receive warning in relation towards Mt. Agung eruption? , From whom?

   - Did you give a warning in relation towards Mt. Agung eruption? , to whom?

3. Proactive Planning

   - Did the business own a plan for disaster specifically in the case of Mount Agung?

B. **Disaster Stage**

1. Effective Communication

   - Did you communicate the disaster to other parties?

   - Were there any difficulties along the communication process?

2. <u>Emergency Management</u>

a. *<u>Damage limitation and analysis</u>*

- What were the damages done towards the business in the occurring

  of the disaster?

- How did the business respond?

b. *<u>Human resource management</u>*

- In relation towards Human resource management aspect, what

  happened in the business?

C. Post Disaster Stage

- What were the evaluations made in the steps taken upon responding

  towards the disaster?

- Do you have a plan in order a similar event happened for the

  future?

APPENDIX II

INTERVIEW PROTOCOL B

A. Pre-Disaster Stages

1. Disaster awareness

   - What does a disaster for you mean?

   - Do you think the business took any pre-caution in preparing itself for a disaster?

2. Early Warning

   - Do you think the business received warning in relation towards Mt. Agung eruption? , From whom?

   - Do you think the business gave a warning in relation towards Mt. Agung eruption? , to whom?

3. Proactive Planning

   - Did you think the business owns a plan for disaster specifically in the case of Mount Agung?

B. Disaster Stage

1. Effective Communication

   - Did you think the business communicated the disaster to other parties?

   - What do you think the difficulties along the communication process?

2. <u>Emergency Management</u>

   a. _Damage limitation and analysis_

   - What were the damage done towards the business in the occurring

     of the disaster?

   - How did you think the business respond?

   b. _Human resource management_

   - In relation towards Human resource management aspect? What

     happened in the business?

C. Post Disaster Stage

   - What are the evaluations made in the steps taken upon responding

     towards the disaster?

   - Do you think the business own a plan in order a similar event

     happened for the future?

APPENDIX III

SAMPLE OF SCRIPT

Participant T3A :

Okay… So in relation with Mt. Agung itself you own a disaster management team? You own like your own disaster management team?

Uhh we did not have it, let's say officially before mt. Agung, and now we are working on an official one, And that's something we can share with our travel overseas as well, if they.. If they… If they requested, so now what is our protocol when something happens.

And also you're speaking as a one of the top management, in the… In the representatives of the business itself. So what do you think is the role of top management in this whole disaster management business?

Well I mean, the role is of course a leading one… And one that makes sure that our clients are safe, first of all, and second of all, they also have the least of impact on. And we think that that's happen, so umm yeah, that's… That's... It's a challenge (laugh).

I bet! I bet! specially in the company this big.

Yeah! Yeah! True… True.

Okay that's about the pre-disaster stage. Right now we are speaking about the disaster stage. It's more like towards the respon- responding approach. The effective communication you already told me that how do you receive and how did you proceed your warning and towards whom?

Yup.

But is there any difficulties along this communication process?

Yes, the difficulty is umm… if.. .if I take the example of mt agung, the difficulty is that umm… Ee…. Client also tends to… to make their own plans. And the… uuh we would like to keep track of where our clients are right? So umm… Yeah there is sometimes a challenge, so one of the things that we are looking at in our protocol is for example, collecting umm mobile numbers of our client, when they arrive. So we can have you know, whatsapp or sms communication. ………

APPENDIX IV

CODING EXAMPLE

Participant R2B

*Okay so practically what I think is, since Indonesia's a very volcanic country and there are a lot of plate, so big earthquake could possibly **endangers our businesses**, and probably political issue as well. That's what I think. I think yes… Practically we cannot control whatever happen in Jakarta or in any other places in Indonesia.* **(Meaning of Disaster / MOD)**

Okay uuuhm with the natural disaster we don't think we could do anything uuhm like plans or anything because it's very very uuhm… Uncontrollable and it's very very sudden also. So.. And basically speaking uuhm with natural disaster happen. All of the countries might be issued travel warning which we cannot actually, you know… Dismiss and practically speaking, we didn't have many people coming in to Bali. **(No Planning / NP)**

Uuhhmm I don't think we did have any news coming in from government. What we do is we keep an eye on whatever the media provide to us. Uhhhm from day to day actually. And that's all. We don't have any like…. Official statement or anything like that from the government. **(No Early Warning / NEW)**

Towards our friends where's the business…. Nahhh, actually uuuh we didn't talk much to our direct friends who have a similar business to us. I'm pretty much they struggling as well. Same as what we did. Uuhhm Last year, honestly. **(No Communicate / NCM)**