RISK MANAGEMENT FOR PT HOTEL INDONESIA NATOUR'S SANUR HEALTHCARE AND WELLNESS CENTRE SPECIAL ECONOMIC ZONE PROJECT

Izaz Ilham Aththariq
Wiwiek Mardawiyah
Raden Aswin Rahadi

ABSTRACT

The growing demands of the hotel industry market requires hotel owners, such as PT Hotel Indonesia Natour, to actively diversify its business and services to remain competitive. One of the current trends for the hotel industry is the current needs of healthcare and wellness offerings. Healthcare and wellness services within the hotel industry typically offer services aimed to fulfil the needs of guests' physical, mental, and emotional well-being. The government, through the Ministry of State-Owned Enterprises, supports initiatives to recover and develop the Health and Tourism sectors, which have been significantly impacted by the COVID-19 pandemic. This includes the establishment of the Sanur Healthcare and Wellness Centre Special Economic Zone Project in Indonesia through PT Hotel Indonesia Natour. The project aims to establish the first medical tourism and wellness tourism facility in Indonesia, as such facilities are currently limited worldwide and are yet to be established in Asia. Establishing a health care and wellness centre within a hotel poses a set of risks that has to be managed. Moreover, it shall be noted that as a pioneer project in Indonesia and Asia, conducting risk management can present its own unique challenges. ISO 31000:2018 provides the framework for an effective risk management that can be applied for this particular hotel health care and wellness expansion plan. In addition, as a pioneer in Indonesia and even Asia there are This research focuses on analysing the implementation of ISO 31000:2018 in Sanur Healthcare and Wellness Centre Special Economic Zone Project. This research will be conducted using primary data and interviews with PT Hotel Indonesia Natour employees and risk management expert. which includes establishment of project objectives, identifying risks, processing risks, evaluating risks, and mitigating risks. The research found the implementation of ISO 31000:2018 has been done thoroughly. However, it is found that there is excessive acceptance of risk treatment and lack of monitoring mechanisms in the Sanur Healthcare and Wellness Centre Special Economic Zone. This research serves as a guided approach for hotel operators in conducting risk assessment using ISO 31000:2018 by providing a step by step process for the risk management.

Keywords: Risk management, ISO 31000:2018, Hotel, Health Care, Wellness Center

INTRODUCTION

According to a report by the Global Wellness Institute in 2021, the wellness industry is estimated to be worth $4.5 trillion globally and is expected to grow by 6.4% annually from 2015 to 2020. On the other hand, the Tourism sector, which is a leading sector for increasing revenue, foreign exchange, and job opportunities, is currently facing challenges due to the impact of COVID-19. It is predicted that until 2025, medical care and medical wellness will grow 13,3% and 5,8% respectively (BRIDS, 2022). In addition, Indonesian richest there is a coming trend that Indonesian richest sought medical treatment abroad (Deloitte, 2019).

In the first quarter of 2022 global tourism has tripled when compared to 2021 data (UNWTO, 2022). Therefore, As the global situation stabilizes and travel restrictions ease, there is likely to be a rising demand for travel and tourism. Expanding hotel capacity can help accommodate the anticipated surge in demand, ensuring that hotels are well-prepared to meet the needs of travellers. Hotel expansion typically refers to the process of increasing the number of hotels or hotel rooms in a particular region or market. This can involve the construction of new hotels, the expansion of existing hotels, or the acquisition of new properties (Dogru, T &Das, D. 2019).

The government, through the Ministry of State-Owned Enterprises, supports initiatives to recover and develop the Health and Tourism sectors, which have been significantly impacted by the COVID-19 pandemic. This includes the establishment of Sanur Healthcare and Wellness Centre Special Economic Zone Project ("SEZ Sanur") through PT Hotel Indonesia Natour. The project aims to establish the first medical tourism and wellness tourism facility in Indonesia, as such facilities are currently limited worldwide and are yet to be established in Asia. However, the expansion plan of making a health care and wellness centre within a hotel involves a complex set of risks, the risks associated with the expansion of health care and wellness centres in hotels can be financial, operational, regulatory, and reputational, among others (BRIDS, 2022). The addition of health care and wellness centres in hotels presents an opportunity for hotel operators to attract more guests and increase revenue.

As previously mentioned, the expansion plan of making a health care and wellness centre within a hotel involves a complex set of risks. For instance, the initial investment costs for setting up a health care and wellness centre can be significant, and the return on investment may not be realized for some time. Operational risks may include issues such as staff training, management, and maintenance of equipment, while regulatory risks may involve compliance with local laws and regulations. In addition, reputational risks may arise if the hotel fails to meet guests' expectations in terms of quality of services or the ability to maintain a clean and healthy environment (BRIDS, 2022).

The study of risk management is now increasingly sought after, amongst them is a research on risk management using ISO 31000:2018 conducted in RSUD BLUD X, in this research it is found RSUD BLUD X solely conducts a risk identification procedure without any established guidelines for risk analysis, risk mitigation, and risk evaluation. As a result, there is a susceptibility to subjectivity. Therefore, implementing a risk management system is crucial to ensure the effectiveness of risk mitigation efforts (Anindya, 2023). Therefore, it can be understood that conducting a comprehensive risk management before implementing any expansion plans is crucial.

PT Hotel Indonesia Natour ("HIN") is a leading Indonesian state-owned hospitality company that operates and manages a wide range of hotels, resorts, and other accommodation facilities across the country. The company was established in 1961 as a subsidiary of PT Hotel Indonesia (Persero), a state-owned enterprise that manages some of Indonesia's most iconic hotels, including Hotel Indonesia Kempinski Jakarta and Grand Inna Padang.

The project aims to establish the first medical tourism and wellness tourism facility in Indonesia, as such facilities are currently limited worldwide and are yet to be established in Asia. The concept of KEK Sanur is inspired by the accomplishments of the healthcare and wellness centre in Dubai.

This project is highly promising as it will greatly enhance tourism in Indonesia. It will attract both local residents and foreigners due to its comprehensive and all-in-one facility. In addition, Internal feasibility report shows that there is untapped market in wellness and medical tourism in Indonesia.

However, the expansion plan of making a health care and wellness center within a hotel involves a complex set of risks, the risks associated with the expansion of health care and wellness centers in hotels can be financial, operational, regulatory, and reputational, among others (BRIDS, 2022). Therefore, it is crucial for hotel operators to conduct a comprehensive risk management before implementing any expansion plans (Sinha, 2019). The International Organization for Standardization (ISO 31000:2018) has developed a framework for risk management, ISO 31000:2018, which provides guidelines on how organizations can manage risks effectively. The ISO 31000:2018 standard is widely recognized and accepted by organizations worldwide and provides a practical approach to managing risks in a systematic and structured manner. In addition, risk management is also mandatory for state owned company as stated in Ministerial Regulation of the Republic of Indonesia State-Owned Enterprises Number Per-5/MBU/09/2022 Regarding the Implementation of Risk Management in State-Owned Enterprises. Thus, it further imply the importance of implementing a risk management for SEZ Sanur.

RESEARCH OBJECTIVE

The aim of this thesis is to analyse the risk management of SEZ Sanur using the ISO 31000:2018 and provide a practical guide for hotel operators to conduct a risk assessment using the ISO 31000:2018 framework. The research will examine and treat the various risks associated with KEK Sanur, to ensure a sustainable success of the project.

LITERATURE REVIEW

A. Risk Management

Risk Management is the process of systematically addressing risks by identifying, assessing, and treating risks by weighing its probability and consequence. Risk Management is used to sustainably ensure the success of an organisation's ability to achieve its objectives. Potential risks addressed arise from both external and internal factors, which consists of financial, operational, legal, reputational, technology, etc. (ISO 31000:2018) Every organisation inevitably encounters diverse risks, necessitating the utilisation of tools that aid organisational leaders in effectively managing and making informed decisions grounded in cost and risk components (Moeller, 2011). Risk management can be traced back to the early civilization of China and Egypt, it was reported that farmers used risk management to protect their crops (Wu & Olson, 2019). In the modern era, risk management was officially considered as a formal discipline in the 1950s, where it was initially used for analysing financial risk (Jorion, 2019). Through its development, risk management has expanded its scope to other types of risks, such as financial, operational, legal, reputational, technology, etc. Nowadays, risk management has become a crucial aspect of business operations of organisations ranging from all sizes and industries. It is used to detect and evaluate potential risks, create risk-mitigation or risk-avoidance strategies, and track and manage risks over time (ISO 31000:2018). The probability and impact of risks can be reduced, decision-making can be improved, and overall organisational performance can be improved with effective risk management (ISO 31000:2018).

In recent years, risk management has become even more important in the wake of global events such as the COVID-19 pandemic and cybersecurity threats (Olson & Wu, 2021). Organisations are investing in new technologies and processes to better identify and manage risks, such as artificial intelligence and machine learning tools for risk analysis (Kang, Kim, & Hong, 2020). There is also growing recognition of the importance of integrating risk management into overall organisational strategy and culture (Eriksson & Kovalainen, 2019). Risk management is a critical aspect of organisational performance, and its importance continues to grow in the face of global challenges and new technologies. By identifying, assessing, and treating risks, organisations can improve decision- making, reduce the negative impact of risks, and enhance overall performance. It is important to acknowledge that risk management does not aim to entirely eradicate the risks faced by an organisation. Instead, the primary objective of the process is to identify, assess, and mitigate risks in order to minimise their potential impacts (Aloini, Davide & Riccardo, Valeria. 2007).

B. Risk Management process using ISO 31000:2018

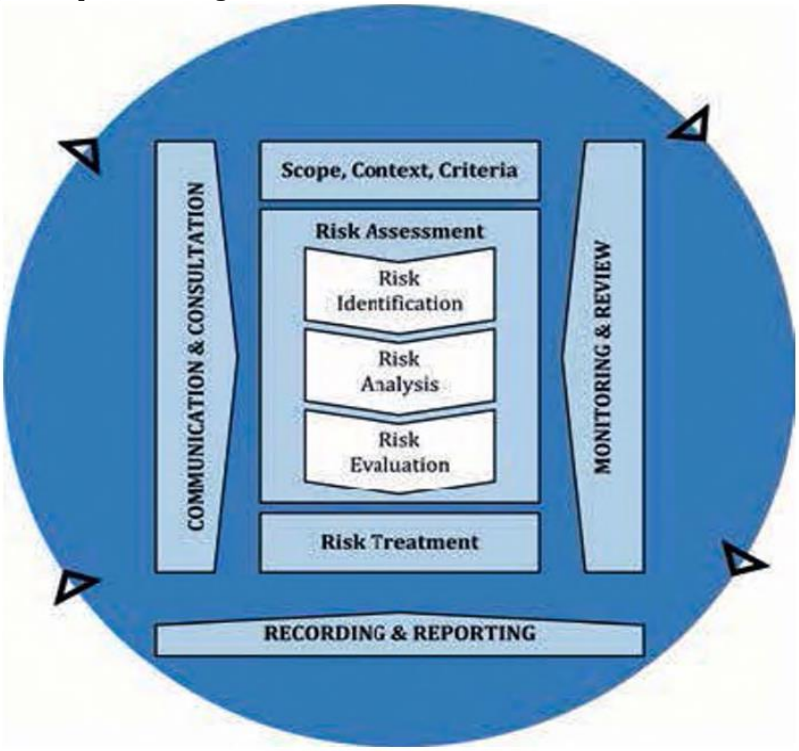


Figure 1 ISO 31000:2018 Risk Management Process (ISO 31000:2018 Guideline)

Risk Management Process

It can be seen in figure 1, the process of risk management begins with communication and consultation among risk owners (ISO 3100:2018). In practice, communication and consultation are expressed through meetings, seminars, and workshops conducted by risk owners. The scope and context of risks are then determined, followed by the assessment of risks, which includes identifying, analysing, and evaluating them. Once risks have been identified, the next step is to test the qualitative and qualitative impact of these events (ISO 31000:2018). The process of detecting and evaluating potential hazards, as well as creating solutions to reduce or manage them, is known as risk analysis. It entails identifying potential risk sources, evaluating their likelihood and impact, and creating plans to lessen their detrimental consequences on the project or business (Rajabion et al., 2017).

The risk assessment process mainly involves the input of a risk register, which is a program that aids in assessing risks. Techniques for risk assessments can be quantitative or qualitative. Utilising statistical models and numerical data, quantitative risk analysis determines the likelihood and consequences of prospective risks. Comparatively, qualitative risk analysis uses professional judgement and subjective evaluations to identify and rank hazards (Verma & Kapoor, 2019). Risk analysis is an active, ongoing activity that needs to be constantly monitored and assessed. Risk analysis must be updated and modified when new risks develop or old risks alter to match the current situation (Kao & Lin, 2021). Organisations can utilise risk analysis to assist them in deciding how to allocate resources and prioritise initiatives. Organisations can choose which initiatives or strategies to pursue and how to allocate their resources more wisely by being aware of any potential hazards associated with them (Nouri et al., 2019).

Finally, the output of the risk register is used to determine which risk treatment is suitable, which can be accepted, rejected, mitigated, shared, transferred, or enhanced. Risk Treatment is the process of modifying risks in order to eliminate, reduce, or mitigate their negative impact on an organisation. The primary objective of Risk Treatment is to reduce the level of risk, both in terms of severity and probability, to an acceptable level (Hillson, 2019).

It shall also be noted that public organisations have a responsibility to effectively, skilfully, and proportionately implement risk management and recognize its potential (Nuriah, 2021).

RESEARCH METHOD

A qualitative approach is being used to assess the risks associated with SEZ Sanur. This method entails gathering data through interviews with the risk officer of HIN, VP Finance of HIN, a risk management expert, and relevant literature. These sources of information will provide valuable insight into the potential risks associated with the SEZ Sanur project. The obtained data will next be thoroughly evaluated in order to identify the significant risks that may harm the SEZ Sanur project. This study will include reviewing relevant literature on similar projects, risk management procedures, and industry standards as well as examining the information gathered from the interviews. The goal of doing a detailed analysis is to acquire a thorough understanding of the risks that may develop and their possible influence on the SEZ Sanur project. The ISO 31000:2018 standard will be used as a guideline to successfully manage these risks. This internationally recognized standard outlines risk management principles, assessment process, and risk treatment strategy. By following the ISO 31000:2018 guidelines, the risk management process for SEZ Sanur

will be structured and comprehensive, ensuring that all important areas of risk identification, assessment, and treatment are addressed.

A. Scope, Context, and Criteria

a) Scope

According to data gathered from interview and feasibility study, it is reported that the goals of the risk management is to ensure sustainable success of SEZ Sanur

b) Context

By establishing context, business environment condition can be obtained through information gathering of potential sources of risks that could hinder the objective (ISO 31000:2018).
External context: stakeholders, macroeconomy, geopolitical, market, reputation, and technology
Internal context: vision mission, finance, organizational rules, human resources, and technology

c) Criteria

Determination of risk criteria is mainly required and will be used in the risk analysis phase. There are two criteria that needs to be considered: (1) Probability criteria, measuring the likelihood or frequency of risks using statistical approaches or analysing their occurrence over a specific timeframe. (2) Consequence criteria, Risk criteria evaluate the impact areas used to assess the severity of risks, including financial losses, reputational damage, performance decline, legal claims, and more.

- **Probability Criteria**

Table 1 SEZ Sanur Probability Criteria

Hampir Tidak Pernah Terjadi (1)	Jarang Terjadi (2)	Mungkin Terjadi (3)	Sering Terjadi (4)	Hampir Selalu Terjadi (5)
Risiko mungkin terjadi sangat jarang, paling banyak satu kali dalam setahun	Risiko mungkin terjadi hanya sekali dalam 6 bulan	Risiko pernah terjadi namun tidak sering, sekali dalam 4 bulan	Risiko pernah terjadi sekali dalam 2 bulan	Risiko pernah terjadi sekali dalam 1 bulan
< 1 permil dari frekuensi kejadian / jumlah transaksi	Dari 1 permil s/d 1% dari frekuensi kejadian / jumlah transaksi	Di atas 1% s/d 5% dari frekuensi kejadian / jumlah transaksi	Di atas 5 s/d 10% dari frekuensi kejadian / jumlah transaksi	> 10% dari frekuensi kejadian / jumlah transaksi
Probabilitas kejadian risiko di bawah 20%	Probabilitas kejadian risiko dari 20% sampai dengan 40%	Probabilitas kejadian risiko antara 40% sampai dengan 60%	Probabilitas kejadian risiko antara 60% sampai dengan 80%	Probabilitas kejadian risiko antara 80% sampai dengan 100%

(SEZ Sanur risk register, 2022)

Table 1 displays probability criteria that is determined internally by HIN. The probability is established through meetings among risk owners of HIN, the numbers provided are determined accordingly for the specific conditions and needs of SEZ Sanur.

- **Consequence Criteria**

Table 2 Simplified SEZ Sanur Consequence Criteria

NO	Criteria	VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH
1	Strategic					
	Strategic Goals	Min. parameter is one month late	Min. 1 parameter is one month late	Min. 1 parameter is one month late	Min.1 parameter is one month late	Min. 1 parameter is one month late
2	Legal and Compliance					
	Legal Violation	Minimum legal trouble	Legal notice	Legal action	Lost in Court	Lost in appeal
3	Reputation					
	Overall Reputation Damage	Managable complaints can be treated in 1 day	Managable complaints can be treated in 3 day	Spread complaints can be treated in 7 day	Spread complaints can be treated in 10 day	Managable complaints can be treated more than 10 day
4	Human Resource					
	Employee Turnover	less than 1% a year	1%-5% a year	5%-10%	10%-15%	more than 15%
5	Infrastructe and Technology					
	Implementation Readiness	Unimportant asupporting infrastructure non-functional for 1 day.	Unimportant asupporting infrastructure non-functional for 1-3 days.	Vital infrastructure non-functional for 1 hour.	Vital infrastructure non-functional for 2-6 hours.	Vital infrastructure non-functional for more than 6 hours.
6	Finance					
	Operational Revenue Target	≥100% from RKAP target	97% ≤ x < 100% from RKAP Target	93% ≤ x < 97% from RKAP Target	90% ≤ x < 93% from RKAP Target	x < 90% from RKAP Target
	Operational Cost Deviation	X ≤ 0% from RKAP target	0% < X ≤ 3% from RKAP Target	3% < x ≤ 5% from RKAP Target	5% < X ≤ 10% from RKAP Target	x > 10% from RKAP Target
7	Operation					
	Operational Performance	≥100% from RKAP target	97% ≤ x < 100% from RKAP Target	93% ≤ x < 97% from RKAP Target	90% ≤ x < 93% from RKAP Target	x < 90% from RKAP Target
8	HEALTH, SAFETY, SECURITY, AND ENVIRONMENTAL					
	Environment	minimum significance damage	minor effect on environment	short-term effect inaffecting ecosystem	serious environmental damage	very serious environmental damage

(Authors, 2023)

According to table 2 For each risk category, detailed consequence severity is meticulously determined from very low up to very high consequence. For example, in regards to legal and compliance, the severity is measured in legal steps undergone in the event of a legal dispute. In this case, minimal legal dispute is considered very low because it has minimum legal implication, meanwhile lost in appeal means it has very high legal implication.

RISK = CONSEQUENCE X PROBABILITY

a) Risk identification

Risk identification is the first step in the risk assessment process, which is conducted by risk owners by filling out a risk register. Its purpose is to identify potential risks as early as possible, in order to reduce or eliminate any surprises.

In the case of SEZ Sanur, according to the risk officer of HIN risk identification is initially identified by a third party through a feasibility study. After that, HIN's risk owners then identify the risks by filling out HIN's own risk register program according to ISO 31000:2018 guideline.

In the case of this project the identified risks and their explanation are displayed below;

- **Portfolio**
  Uncertainty regarding a favorable market share, high market attractiveness, and good performance.
- **Macro, Geopolitical, and Market (MGM)**
  Uncertainty in the acquisition of value or losses indicated in financial statements due to fluctuations in market variables (exchange rates, interest rates, commodity prices), macroeconomic and political changes.
- **Strategic**
  Inability to achieve objectives due to inadequacy or failure in planning, implementation, and execution of strategies, accurate business decision-making, and/or insufficient responsiveness to external changes.
  Risk of strategy increases, among other factors, due to unfavorable political stability, high inflation, and security stability.
- **Operational**
  Inability to fulfill obligations that potentially result in inadequacy or failure of internal processes, or occurrence of events originating from external environment.
- **Legal and Compliance**
  Risk arising from legal claims and/or weaknesses in legal aspects.
- **Reputation and Sustainability**
  Uncertainty in stakeholder trust, derived from negative perceptions, both at the entity and group level.
- **Organization and Human Resources (HR)**
  Risk related to achieving performance, optimising work culture, communication skills, adequacy and quality of employees.
- **Finance**
  Uncertainty in managing finances or assets due to financial losses and/or failure in financial management, reliability of financial protocols, financial policies, and financial strategies.

- **Technologies**
  Uncertainty regarding potential vulnerabilities and threats to information resources used, such as data leaks and system breaches due to hacker attacks.

As previously mentioned, as a state-owned company, HIN is obligated to implement risk management in its operation. In the case of risk identification, the identified financial risks are managed and assessed through financial health assessment according to the Ministry of SOE No.KEP-100/MBU/2002 about financial health assessment of SOEs (BRIDS, 2022). The aforementioned SOE financial health assessment is mandatory and applicable for a non-financial service SOE (Daryanto, 2018). This further clarifies HIN seriousness in complying to regulations, which will maximise the sustainable success of SEZ Sanur.

Table 3 Risk Register

Identifikasi Risiko								
No.	**Sasaran**	**Aktivitas Utama**	**Peristiwa Risiko**	**Kategori Risiko**	**Sub Kategori Risiko**	**Penyebab Risiko**	**Dampak Risiko Kuantitatif**	**Penjelasan Dampak Risiko**
B1	A2	A4	B4	B5	B6	B7	B8	B9
R-01	PP KEK telah disetujui dan diterbitkan	Pengurusan perizinan KEK	Proses Perizinan dan Permohonan KEK Sanur tidak selesai sesuai dengan waktu yang sudah ditargetkan	Hukum dan Kepatuhan	E2 Kepatuhan	Dokumen-dokumen pendukung untuk proses pengurusan KEK kurang lengkap		Menghambat proses kerjasama dengan pihak lain, sehingga akan mempengaruhi cashflow perusahaan karena adanya penundaan kerjasama
R-02	Pembangunan infrastruktur dasar telah selesai 100%	Konstruksi infrastruktur dasar	Tidak tercapainya target progress pekerjaan infrastruktur dasar	Operasional	D3 Pelaksanaan Proyek	1. Proses penyelesaian lahan yang berlarut-larut 2. Kesulitan mencari mitra kerjasama untuk pembangunan infrastruktur dasar	Rp258.000.000.000	Infrastruktur dasar yang tidak selesai sesuai target dapat merugikan pihak yang sudah berkontrak dengan PT HIN, sehingga akan berpotensi untuk terjadi permasalahan atau gugatan di kemudian hari.
R-03	Memiliki sumber pendanaan untuk penyelesain proyek KEK Sanur	Proses Pendanaan	Tidak memiliki sumber pendanaan untuk membangun dan mengelola KEK Sanur	Keuangan	H1 Struktur Pendanaan Jangka Panjang	1. Kurangnya ketersediaan dana dari perusahaan sehingga berpotensi terganggunya proses pembangunan infrastruktur dasar. 2. Belum memiliki alternatif pendanaan selain dari modal	Rp1.500.000.000.000	Pembangunan KEK Sanur menjadi tertunda dan berpotensi mangkrak
R-04	Tidak membuat kerusakan dan pencemaran di sekitar kawasan KEK Sanur	Pengurusan perizinan AMDAL	Terdapat potensi pencemaran lingkungan dan kerusakan lingkungan hidup.	Reputasi dan Kelangsungan	F1 ESG (Environmental, Social, Governance)	Tidak mendapatkan persetujuan AMDAL		Pencemaran lingkungan
R-05	Warga lokal dan para pemangku kepentingan tidak merasa terganggu dengan pengembangan & pembangunan di KEK Sanur	Pemindahan fasilitas publik (Pura)	Risiko adanya tuntutan ganti rugi dari warga atas fasilitas publik (pura) yang harus direlokasi karena menghambat pembangunan proyek.	Reputasi dan Kelangsungan	F4 Reputasi Stakeholder	Kurangnya komunikasi dengan warga lokal dan pemangku kepentingan untuk relokasi fasilitas publik		1. Berpotensi adanya tuntuan dari warga dan penolakan pengembangan KEK. 2. Progres pembangunan proyek akan terhambat
R-06	Operasional Kawasan dilakukan oleh orang yang memiliki expertise dibidang pengelolaan Kawasan	Persiapan SDM	Operasional Kawasan dilakukan oleh SDM yang tidak memiliki expertise, dan operasional dilakukan tanpa ada SOP yang memadai tentang pengelolaan Kawasan	Organisasi dan Sumber Daya Manusia	G1 Ketersediaan Tenaga Terampil	Tidak memiliki background bisnis mengenai pengelolaan kawasan.		Pengelolaan dan Pengembangan Kawasan menjadi tidak optimal
R-07	Kondisi infrastruktur dasar KEK Sanur tetap terawat dan dalam kondisi terbaik	Maintenance Infrastruktur Dasar	Infrastruktur dasar KEK Sanur rusak dan tidak terawat	Operasional	D1 Disrupsi Proses Bisnis	1. Tidak ada PIC yang bertugas khusus untuk melakukan maintenance untuk perawatan infrastuktur dasar di KEK Sanur 2. Tidak dilakukan oleh pihak yang memahami mengenai maintenance infrastruktur dasar		Berpotensi untuk menurunkan nilai jual kawasan di mata calon investor
R-08	Desain & kualitas bangunan sesuai spesifikasi yang ditetapkan	Perencanaan & Pembangunan project	Terjadi kesalahan desain & kualitas bangunan	Operasional	D3 Pelaksanaan Proyek	1. Kurangnya informasi yang diperoleh sehingga menyebabkan kesalahan implementasi 2. Material yang digunakan tidak sesuai dengan spesifikasi yang ditentukan		1. Bangunan menjadi tidak sesuai dengan harapan dan mempengaruhi nilai jual dan estetika. 2. Berpotensi meningkatkan biaya proyek.
R-09	Progres pengerjaan proyek sesuai dengan timeline	Pembangunan Project	Risiko keterlambatan progress & penyelesaian proyek	Operasional	D3 Pelaksanaan Proyek	1. Kurangnya pengawasan dari Manajemen Proyek. 2. Keterlambatan pengiriman material 3. Kondisi keuangan dari kontraktor yang tidak stabil		1. Berpotensi menambah biaya proyek. 2. Berpotensi menurunkan reputasi perusahaan
R-10	Terpenuhinya standar layanan pengguna jasa yang optimal	Implementasi perangkat IT	Kegagalan teknologi dalam pengelolaan database kawasan	Teknologi Informasi	I2 Keamanan Jaringan	Kurang optimalnya pemanfaatan IT untuk KEK		1. Berkurangnya kualitas layanan yang diberikan kepada pengguna jasa 2. Proses bisnis pada KEK kurang efektif dan efisien
R-11	Mendapatkan manfaat perpajakan	Pengurusan Manfaat Fiskal KEK Sanur	Risiko kegagalan HIN untuk memperoleh fasilitas dan kemudahan dalam KEK. (Tax Benefit)	Keuangan	H3 Pajak	Tidak mempunyai experience dalam pengelolaan KEK dan pengurusan tax benefit		Mengurangi daya tarik investasi di KEK Sanur.

(KEK Sanur risk register, 2022)

From table 3 it can be seen that SEZ Sanur has thoroughly identified risks along with its goals, causes, and consequences. To better analyse the identified risks, categorising risks based on its categories and subcategories ease the later risks evaluation step. In addition, it can also be seen that SEZ Sanur has also taken into account quantitative consequences in some of the risks identified, that later would be converted into consequence criteria.

b) Risk appetite and Risk Tolerance

Risk Appetite is the level of risk that is targeted in an effort to achieve the company's goals. Meanwhile, Risk Tolerance is defined as the lowest level of risk tolerance that can be accepted in relation to risk appetite.

According to the interview and SEZ Sanur's risk register provided by the risk officer of HIN, after being converted into the author's own risk register, SEZ Sanur's risk appetite prefers **Low Risk Level** for all risks. Meanwhile, SEZ Sanur's risk tolerance for all risks is set at 6, which converts to a **Medium Risk Level** on the matrices.

c) Inherent Risk and Residual Risk

Inherent Risk refers to the risk that has not received the expected treatment, which can reduce the probability or impact of a risk. Residual Risk, on the other hand, refers to the risks that persist after taking action to address the inherent risk. It is the risk that remains even after mitigating actions have been taken to reduce the inherent risk.

Table 4 Risk Register on Inherent and Residual Risk

No.	Dampak		Kemungkinan	Nilai Risiko Inheren (D x K)	Nilai Risiko Inheren (D x K)	Indeks Keefektifan Pengedalian Internal (IKPI)	Tingkat Dampak Current (D)	Tingkat Kemungkinan Current (K)	Nilai Risiko Current (DxK)	Batas Selera Risiko
	Tingkat Dampak Inheren		Tingkat Kemungkinan Inheren							
B1	B11		B13	B14	B14	B17	B18	B19	B20	B21
R-01	C	3	5	C5	15	0,25	1	2	A2	6
R-02	C	3	5	C5	15	0,25	1	2	A2	6
R-03	E	5	3	E3	15	1	5	3	E3	6
R-04	C	3	3	C3	9	0,25	1	1	A1	6
R-05	C	3	3	C3	9	1	3	3	C3	6
R-06	E	5	3	E3	15	1	5	3	E3	6
R-07	C	3	3	C3	9	1	3	3	C3	6
R-08	C	3	4	C4	12	0,7	3	3	C3	6
R-09	D	4	4	D4	16	0,7	3	3	C3	6
R-10	C	3	3	C3	9	1	3	3	C3	6
R-11	B	2	4	B4	8	1	2	4	B4	6

(SEZ Sanur risk register, 2022)

From table 4.4 above, it can be seen that the inherent risk and residual risk of each risk which are numbered with R-01 – R-11 are calculated in detail. The values given on each risk are determined internally by the HIN risk officer based on meetings with all risk owners. For example, in R-01 the inherent risk probability is valued at 5 and inherent consequence is valued at 3, it is gathered that the inherent risk value of R-01 is 5x3 = 15. After internal control the residual risk is valued at 1 in consequence and 2 in probability, which means the residual risk is valued 1x2= 2.

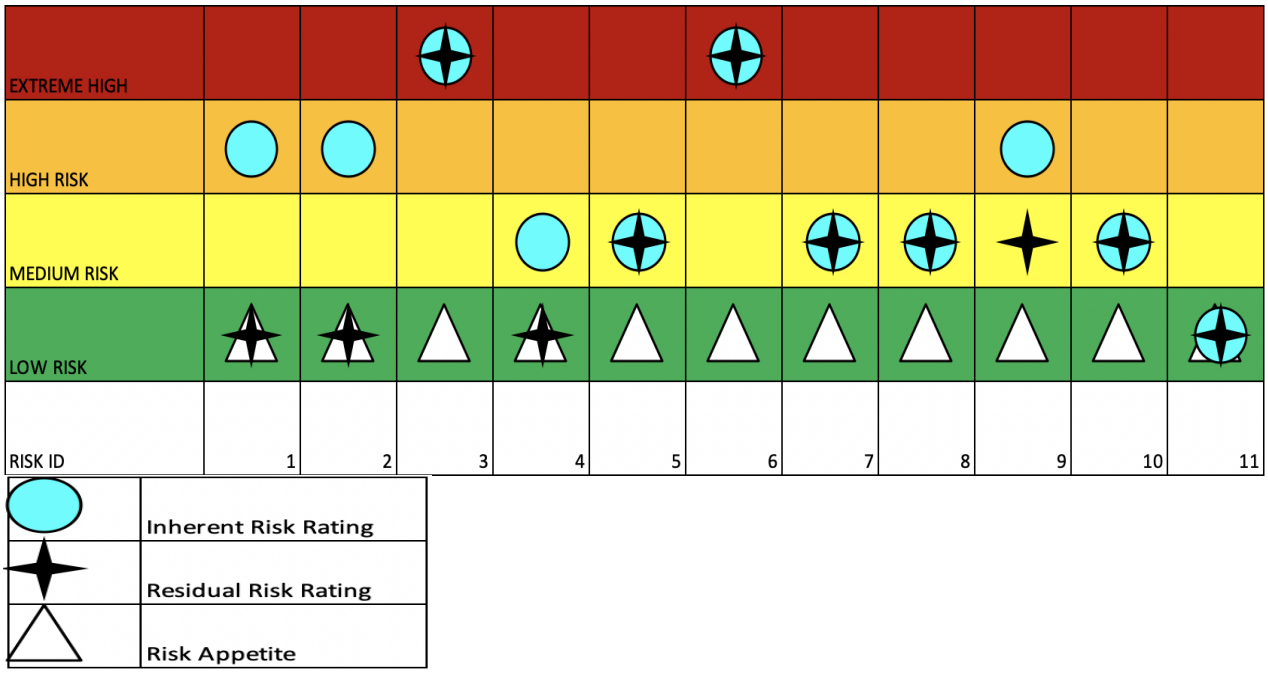
d) Risk Analysis

Once risks have been identified, the next step is to test the qualitative and qualitative impact of these events. (ISO 31000:2018) By assessing the impact of these risks, organisations can develop appropriate strategies to mitigate or manage them, which can help to minimise negative effects and maximise positive outcomes.

e) Risk evaluation

The purpose of evaluating risk at the unit or function level is to prioritise key risks and determine which ones require further handling. The process involves comparing the risk analysis results to determine whether the risk and magnitude are acceptable or tolerable.

Figure 6 Risk Appetite



(SEZ Sanur risk register,2022)

According to figure 6, it can be seen that risk no. 3 "Lack of funding sources for the development and management of the SEZ Sanur" and risk no. 6 "The operation is carried out by personnel lacking expertise, and the operations are conducted without adequate Standard Operating Procedures (SOPs)" has the highest inherent risk level but worryingly retain its level on its residual risk level. Meanwhile risk no. 1 "The process of licensing and application for the SEZ Sanur is not completed within the targeted time frame" and risk no. 2 "Failure to achieve the target progress of basic infrastructure construction" displays the improvement of inherent risk to residual risk.

Hence, the author believes risk no. 3 and risk no. 6 shall be prioritised and given special attention.

f) Risk Treatment

Risk treatment is the process of modifying risks so that they can be eliminated, reduced, or have less adverse effects on the organisation. The main goal of risk treatment is to lower the level of risk, both in terms of impact and likelihood, towards a more tolerable level.

SEZ Sanur's risk register stated that risk no. 1 "The process of licensing and application for the SEZ Sanur is not completed within the targeted time frame", risk no. 2 "Failure to achieve the target progress of basic infrastructure construction", and risk no. 4 "Potential environmental pollution and damage to the natural environment" are **accepted.** Meanwhile, the rest of the risks are **mitigated**.

FINDINGS

Overall, SEZ Sanur has generally implemented ISO 31000:2018 thoroughly. However, there are certain aspects that must be addressed, one of the identified concerns is the excessive amount of risk acceptance in risk treatment of the identified risks. ISO 31000:2018 stresses the importance of assessing risks and implementing appropriate treatment strategies, such as risk avoidance, risk mitigation, risk transfer, or risk acceptance with contingency plans. Although HIN has their own calculated reasoning as to why they choose to accept three risks, I believe the probability of SEZ Sanur success would be higher if HIN implemented other treatment strategies for the three risks.

Moreover, the absence of a monitoring mechanism is a significant disadvantage. Throughout the project lifecycle, ISO 31000:2018 emphasises the significance of continuous monitoring and evaluation of risks. This includes establishing explicit monitoring procedures, establishing key performance indicators, and implementing periodic risk assessments to ensure the timely identification and mitigation of emerging risks. Without a comprehensive monitoring plan, it is difficult to trace the progress of risk management activities and respond quickly to any deviations or new risks that may emerge.

In addition, the lack of an actual monitoring plan exacerbates the situation. A well-defined monitoring plan specifies monitoring responsibilities, frequency, and methodology. It provides guidelines for data collection, risk assessment, and risk-related information reporting. By having a firm plan in place, project stakeholders can ensure that risk management is incorporated into the project's daily activities and decision-making processes.

LIMITATION

This research is conducted in limited amount of time, hence there are limitations on the amount of data that could be gathered and analysed SEZ Sanur is currently still an ongoing project, hence some data provided by interviewees are kept confidential and the data provided can change overtime during the progression of SEZ Sanur. In addition, research is only conducted within the hotel industry specifically for HIN in 2023, and only analyses the risk management aspect. Future researchers might conduct similar research not exclusively on risk management.

CONCLUSION AND RECOMMENDATION

This research aims to analyse the risk management of SEZ Sanur using the ISO 31000:2018 framework and provide hotel operators with a practical guide for conducting risk assessments. While SEZ Sanur demonstrates compliance with state-owned enterprise regulations and ISO 31000:2018 implementation, there have been identified areas for refinement. Risk management is impeded by excessive risk acceptance and the absence of a robust surveillance mechanism. To improve the project's success, it is suggested that treatment strategies be re-evaluated and a comprehensive monitoring plan be developed. By addressing these issues, SEZ Sanur can strengthen its risk management practices, contribute to improved decision-making, and advance project objectives. This study's practical guide will aid hotel operators in undertaking comprehensive risk assessments in accordance with the ISO 31000:2018 framework.

REFERENCES

Aloini, D., Dulmin, R., & Mininno, V. (2007). Risk management in ERP project introduction: Review of the literature. *Information & Management, 44*, 547–567.

Anindya, S. R. (2023). Potential risk management design based on ISO 31000:2018 a case study of RSUD BLUD X. *InCAF: Proceeding of International Conference on Accounting and Finance*, *1*, 1–9.

BRI Danareksa Sekuritas (BRIDS). (2022). Internal Feasibility Study for SEZ Sanur.

Daryanto, W. (2018). Financial Performance Measurement of State-Owned Enterprises Under Aviation to Support Visit Wonderful 2018 in Indonesia. *International Journal of Business, Economics and Law, 16(1)*, ISSN 2289–1552.

Deloitte. (2019). 21st Century Health Care Challenges: A Connected Health Approach Megatrends in Healthcare. https://www2.deloitte.com/id/en/pages/life-sciences-and-healthcare/articles/ehealth-publication-Indonesia.html

Dogru, T., & Das, D. (2019). Global Hotel Expansion: An Exploration of the Growth of Hotel Chains Across the World. *Journal of Travel Research*.

Eriksson, T., & Kovalainen, A. (2019). Integrating risk management into strategy: Myth or reality? *Journal of Business Research, 102*, 481–493.

Global Wellness Institute. (2021). The Global Wellness Economy: Looking Beyond COVID. https://globalwellnessinstitute.org/industry-research/the-global-wellness-economy-looking-beyond-covid/

International Organization for Standardization. (2018). ISO 31000:2018.

Hillson, D. (2019). *Managing risk in projects: A practical guide*. Routledge.

Hotel Indonesia Natour (HIN). (2022). SEZ Sanur Risk Register.

Hotel Indonesia Natour (HIN). (2023). SEZ | Hospitality of Indonesia Network. www.hin.id/sez

Jorion, P. (2019). *Financial risk manager handbook: FRM Part I/Part II*. Wiley.

Kang, Y., Kim, J., & Hong, J. (2020). Machine learning in risk management: A survey. *Applied Sciences, 10(10), 3581*.

Ministerial Regulation of the Republic of Indonesia State-Owned Enterprises Number Per-5/MBU/09/2022 Regarding the Implementation of Risk Management in State-Owned Enterprises.

Ministry of SOE No.KEP-100/MBU/2002 about financial health assessment.

Moeller, R. R. (2011). *COSO Enterprise Risk Management: Establishing Effective Governance, Risk, and Compliance Processes (Vol. 560).* Wiley.

Nouri, H., Rezaei, J., & Tavana, M. (2019). Multi-criteria decision-making approaches for risk analysis and management in the petroleum industry: A systematic review and future research directions. *Journal of Cleaner Production, 231, 218-235.*

Nuriah, S., Rois, B., & Isnaeni, U.S. (2021). Efektivitas Manajemen Risiko dan Hasil. *Jurnal Akuntansi Syariah*.

Project Management Institute. (2017). *A guide to the project management body of knowledge (PMBOK guide)*. Project Management Institute.

Rajabion, L., Ghasemi, R., & Yousefi, M. (2017). A review of risk management in different stages of construction projects. *Journal of Civil Engineering and Management, 23(5),* 551–567.

Sinha, T. (2019). Risk Assessment and Management. *The Global Environment: Science, Technology and Management*, 1–9.

UNWTO. (2023, May 9). *Tourism Recovery Gains Momentum as Restrictions Ease and Confidence Returns*. https://www.unwto.org/news/tourism-recovery-gains-momentum-as-restrictions-ease-and-confidence-returns

Verma, A., & Kapoor, S. (2019). A Review of Risk Analysis Techniques in Project Management. *International Journal of Innovative Technology and Exploring Engineering, 8(7)*, 384–390.

Wu, D., & Olson, D. (2019). Risk management: A brief history. *Journal of Risk Management in Financial Institutions*, *12(3)*, 195–203.

Izaz Ilham Aththariq
SBM ITB
Email:izaz_aththariq@sbm-itb.ac.id

Wiwiek Mardawiyah Daryanto
Sekolah Tinggi Manajemen IPMI
Email: wiwiek.daryanto@ipmi.ac.id

Raden Aswin Rahadi
SBM ITB
Email: aswin.rahadi@sbm-itb.ac.id