

CHAPTER V

CONCLUSION

This chapter will be providing the conclusion from the findings and discussions of the research which has been shown in the previous chapter. Also this chapter show the limitation in this study and implication for the possible future directions for the research.

5.1 Research Conclusion

This research used quantitative approach which involves two sources. The first is primary source of data collected and process through the hypothesis testing to analyse the effect that one or more variables are influencing the other variables. The second is secondary data from other literature, journal, books, publication and any other sources that can give reliable data. The survey was conducted to meet with micro, small and medium enterprises in Padang-Pariaman regency that was in earthquake prone area and impacted by the 2009 West Sumatra Earthquake.

The objective of the present study is to examine the relationships between West Sumatra 2019 post-earthquake impact, fear of failure on SME's performance and how the latter has an effect on SME's wellbeing. The quantitative data processed through Excel 2013, SPSS 16, and SmartPLS 3.0. From this sources of data 5 hypothesis can be concluded and explained:

1. Post-earthquake impact is positively and significantly affect the SME's fear of failure. The people in Padang-Pariaman region experienced directly of how

devastating the earthquake of an extreme event that destroying their house, business even mortality. This created trauma for them and shape their perception that earthquake is one of the fear that can really make them failing in business even worse. People here become a living proof that the 2009 West Sumatra Earthquake really devastating for them. Some of this people still afraid of earthquake and worried it would be happening again.

2. Post-earthquake impact is positively but not significantly affect SME's Performance. The post-earthquake impact most likely still an unforgettable experienced for the SME's owner on Padang-Pariaman regency but it is not really affecting the performance. This would likely that the economic on this region is already recovered and not influenced anymore by the earthquake. Some of them mention that the business performance nowadays decreasing not because of the earthquake but because the economic condition of Indonesia that also affecting this region. This economic condition affecting the buying behaviour which in return decrease consumption and reduce sales in this business. They also mention that the post-earthquake impact have no influenced anymore to their business performance.

3. Fear of failure doesn't influenced the SME's performance in Padang-Pariaman regency. From the hypothesis testing indicates that fear of failure is have a negative effect but not significant. This may due that there are other problem affecting the SME's performance in this region. Another things that could explain why fear of failure doesn't affecting business performance in this region maybe

because the characteristic of Minangkabau people. A research mention that Minangkabau people have low uncertainty avoidance and high innovative behaviour. This kind of character explain that Minangkabau people not afraid to take risk therefore fear doesn't affecting them in making decision in business and thus not influence the performance. Fear of failure such earthquake impact doesn't have any psychological effect for them and also regarding to recent issues about megathrust earthquake they don't afraid or worried of this threat.

4. Fear of failure doesn't mediate between the influenced of Post-earthquake impact to SME's performance. Fear of failure could become a partial mediation which means that independent variable which post-earthquake impact have a direct and indirect affect to SME's performance. The direct effect is not mediated but the indirect could be transmitted from one or other variable outside of this research. The explanation maybe because that Padang-Pariaman understand about the impact of an earthquake and consider it of one the source of fear of failure in business. But it is not affecting them in decision making in business thus not affecting their performance. Probably there are other things that decreasing the effect of earthquake and fear of failure such as resiliency and religiosity. For instance, according to Sabatino (2016) argues that resilient enterprises can absorb the hostile situation, becoming aware of what is happening and thinking over what they need to do, and to realize about the activities of adaptive transformation to survive in the long period. The other reason maybe because the religiosity of the people. Padang Pariaman were majority Islam and highly religious, Islamic value affecting them in many aspect of live including in entrepreneurship. Islamic value

teach such as *tawakkal* or “trusting in god plan” and *syukur* or “gratitude for whatever the situation”. From this value may reduce fear of failure and post-earthquake impact. Religion affects the psychological state of entrepreneurs, and, when religion is well regarded, enhances happiness and satisfaction (Dodd & Gotsis, 2007).

5. SME's performance is positively and significantly influenced wellbeing. The performance a business is really influenced the wellbeing of SME's owners in Padang-Pariaman regency. The better the performance, both financially and non-financially the better wellbeing of an entrepreneur. Good performance create self-confidence, self-efficacy, optimism, senses of belonging and are likely to develop positive views towards others and the benefits of social contribution, which in turn reflect their wellbeing. Through past earthquake experience, the pressure of fear of failure, the upcoming megathrust earthquake SME's in Padang-Pariaman can still have a good wellbeing.

5.2 Research Implication

This research can have some implication for SME's owner that could be useful and considered for entrepreneur in Padang-Pariman regency which is area prone to natural disaster such as earthquake and tsunami. The implication as followed:

1. Post-earthquake impact should become consideration for SME's for having preparation in their business. SME's in this region know and understand how an earthquake can very devastating destroying the region in 2009. From what the researcher observe they know about this matter but not much planning and

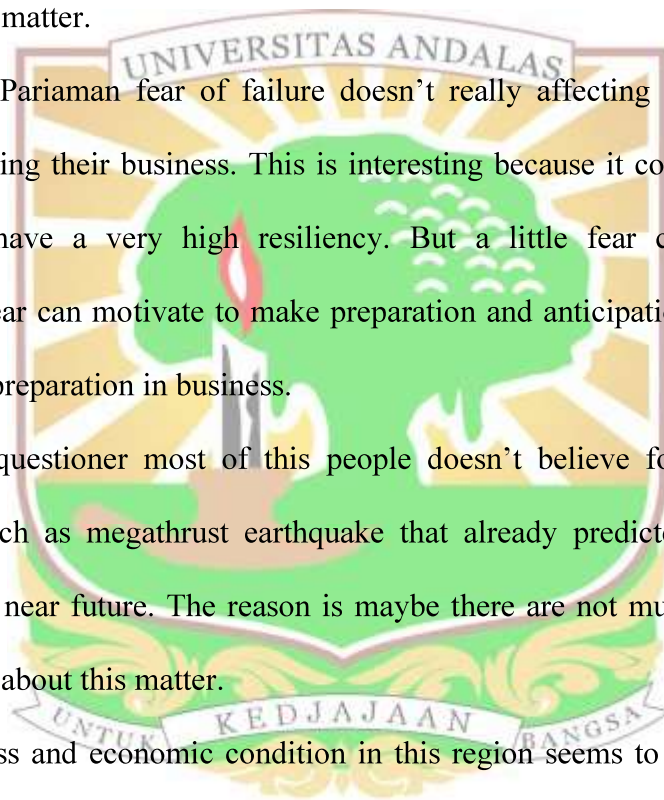
preparation in case of such of an extreme event happening again. With no preparation, if another natural disaster happen there will be huge financial loses and even mortality. From what the researcher find SME's in this region do not pay attention for long term sustainability.

2. The other perspective to see why most of this business not prepared themselves because they are SME's, most SME's didn't spare resources and paying attention to this kind of matter.

2. In Padang-Pariaman fear of failure doesn't really affecting most of SME's owner in running their business. This is interesting because it could be seen that people here have a very high resiliency. But a little fear could be useful sometimes. Fear can motivate to make preparation and anticipation, thus making planning and preparation in business.

3. From the questioner most of this people doesn't believe for an upcoming earthquake such as megathrust earthquake that already predicted scientifically happen in the near future. The reason is maybe there are not much socialization and education about this matter.

4. The business and economic condition in this region seems to already recover from post 2009 west Sumatra earthquake. It's already 10 years since the 2009 earthquake, its reasonable that in long term the economic is going back to normal. Which probably tell that 2009 earthquake impact in this region only have in short or medium run effect.



5. Wellbeing of an entrepreneur have relation to its business performance. It can be understandable since goods performance can give many benefits to the owner of the business.

6. From the observation the researcher realize how Islamic religion shape this people mindset in conducting business. Many of them mentioning the value on Islam really control their behaviour in business.

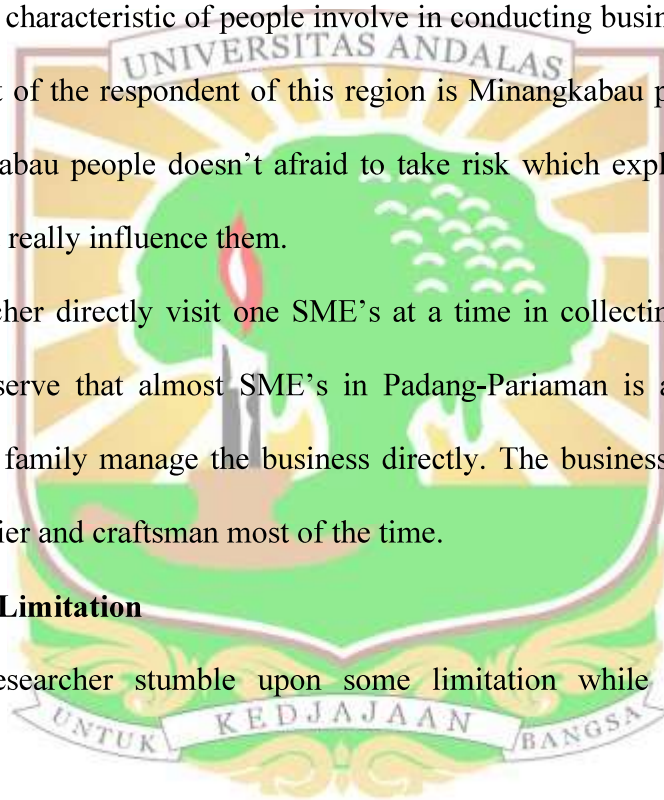
7. Culture and characteristic of people involve in conducting business. This can be seen that most of the respondent of this region is Minangkabau people. It can be seen Minangkabau people doesn't afraid to take risk which explain why fear of failure doesn't really influence them.

8. The researcher directly visit one SME's at a time in collecting the data. The researcher observe that almost SME's in Padang-Pariaman is a family owned business. The family manage the business directly. The business only hire local for clerk, cashier and craftsman most of the time.

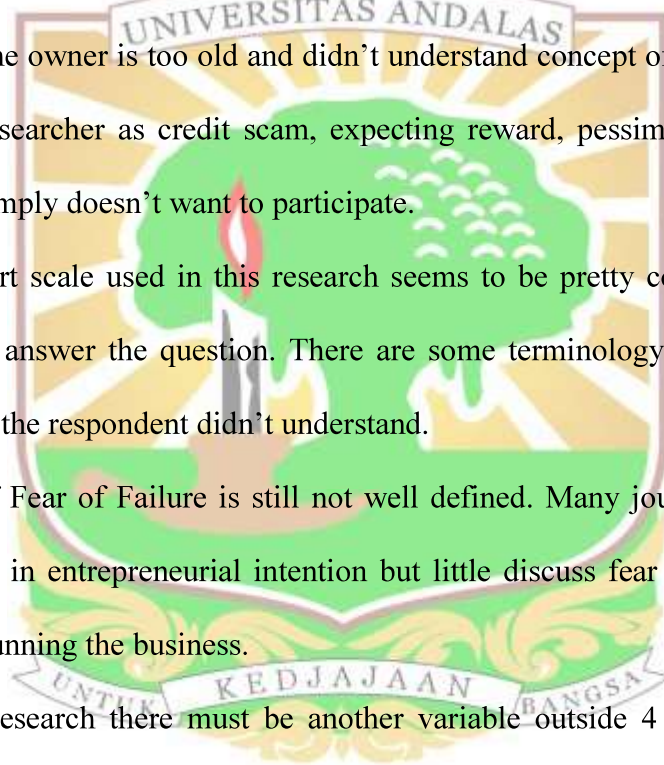
5.3 Research Limitation

The researcher stumble upon some limitation while conducting the research:

1. Padang-Pariaman is a large regency and the location that impacted severely by the 2009 West Sumatra Earthquake is located in remote area pretty far from Padang. Because of this the collecting data process is time and energy consuming for the researcher.



2. The researcher have to directly visit SME's in Padang-Pariaman directly. Before the researcher already tried to collect data by spreading online questionnaire through Google Form but to no avail.
3. Information related to SME's only available from the owner. There are no manager and mostly at the store the only person available are employee working as clerk, cashier or craftsman.
4. Many of the owner refuse to participate in this research. The reason varied started from the owner is too old and didn't understand concept of research, busy, assume the researcher as credit scam, expecting reward, pessimistic toward the research, or simply doesn't want to participate.
5. The 7 Likert scale used in this research seems to be pretty confusing for the respondent to answer the question. There are some terminology in the research statement that the respondent didn't understand.
6. Variable of Fear of Failure is still not well defined. Many journal only relate fear of failure in entrepreneurial intention but little discuss fear of failure when operating or running the business.
7. From the research there must be another variable outside 4 variable in this research. Because from this current research doesn't really conclude or explain as a whole of how past earthquake impact toward performance and later SME's wellbeing.



5.4 Future Research Recommendation

Some suggestion for future research:

1. The sample on this research is small. It is suggested to have more sample in order to make an accurate interpretation from the data.
2. For future research to have a better research model than this research. By including variable such as resiliency, religiosity or cultural aspect to really understand of how post-earthquake impact, fear of failure effect performance and later wellbeing.
3. To have use more simple practical language of research question or statement so it can be understand easily by the respondent.
4. The next research should study about SME's preparedness toward upcoming earthquake such as megathrust earthquake or other extreme event. This research is important especially in Sumatra Barat since it was area prone to natural disaster. Preparedness is important for business for reducing loss if an extreme event happening.

