BUSINESS RECOVERY OF SMALL BUSINESS AFFECTED BY FLOOD DISASTER IN KELANTAN MALAYSIA

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ABSTRACT

The main objective of this study was to display the data on the effect of direct and indirect effect of flood on small business in Kelantan Malaysia. To achieve the selected objective of this study, primary data were collected through structured survey form. A purposive sampling technique was used to select the sample size of the research. In this study, 380 samples were used for the purpose of data analysis. Statistical Package for Social Sciences (SPSS) version 23 was use to conduct the descriptive analysis of the selected study. In addition, the gathered data has the possible to re-analyse for full empirical research relating to post flood disaster recovery of small business in Kelantan Malaysia.

Keywords: Post Disaster, Flood, Direct Effect, Indirect Effect, Small Business, Malaysia.

INTRODUCTION

Small business plays a very important contribution in the development and growth of Malaysian economy. In Malaysia approximately 95% business units are based on small and medium scale businesses. Kelantan is one of the most important states of Malaysia having plenty of natural resources and human capital with entrepreneurial mind-set. Despite the competitive edge this state is mostly hit by natural disaster for example in 2014 many small business were closed due to the flood. Few small businesses were able to recover their business. The data of small businesses are very important to examine the business recovery. In this research, the data is very crucial to comprehend the effect of direct and indirect impact of disaster and business recovery of small business in Kelantan Malaysia. In contemporary business environment organizational resilience is recognized as one of the most vital assets for the success and sustainability of the business recovery of small business in every sector in the world (Khalique, et al., 2020). There is great need to explore the direct and indirect effect of disaster on small business and their business recovery potentials. This study is very useful to the research community to examine the post effect of flood disaster on the business performance of small business.

LITERATURE REVIEW

This is a comprehensive study accessible for examining the influence of disaster on the business recovery of small business in Kelantan Malaysia. This is very useful for potential researchers who intend to execute comparative research related to flood disaster and its impact on the business recovery in other small business operating in emerging or developed economies around the world. This study is also valuable for future researchers to conduct their studies in others sectors such as manufacturing, agriculture and services sectors. This study is beneficial for investigators who intend to reprocess or reanalyse it to examine the likely association between the direct and indirect effect of flood disaster and business recovery of small business in developing economies.

This study required to expose various avenues to understand the effect of flood disaster on the business recovery of small business in Kelantan Malaysia. This study attempt to examine the comparative impact of post flood disaster in respect of direct and indirect effect on business recovery (Asgary, Azimi, & Anjum, 2013). In addition, the study can be used to examine the impact of post flood effect on ethnicity background, education and income basis also.

Table 1 DEMOGRAPHIC PROFILE OF RESPONDENTS AND THEIR BUSINESS (n=380)		
Item	**Frequency**	**Percentage**
Gender		
Male	249	65.5
Female	131	34.5
Total	380	100
Ethnicity		
Malay	232	61.1
Chinese	143	37.6
Indian	3	0.8
Others	2	0.5
Total	380	100
Marital Status		
Married	350	92.1
Single Mother/Father	14	3.7
Unmarried	16	4.2
Total	380	100
Types of Industry		
Agriculture	8	2.1
Retail	155	40.8
Wholesale	88	23.2
Manufacturing	44	11.6
Services	74	19.5
Tourism	2	0.5
Education	2	0.5
Transportation	1	0.3
Others	6	1.6
Total	380	100
Education		
UPSR	13	3.4
PMR/SRP	27	7.1

		52.1
STPM/Diploma	76	20
Degree	47	12.4
Master and Above	8	2.1
Others	11	2.9
Total	380	100
Income		
My income only comes from this business	320	84.2
My income domes from this business and others	60	15.8
Total	380	100
Ownership Status (Premise)		
Rent	286	75.3
Own	94	24.7
Total	380	100
District of business		
Pasir Mas	66	17.4
Kota Bharu	193	50.8
Kuala Krai	1	0.3
Tumpat	93	24.5
Tanah Merah	21	5.5
Jeli	6	1.6
Total	380	100
Types of Business		
Small Enterprise	364	95.8
Medium Enterprise	16	4.2
Total	380	100
Business Hit by Flood		
Yes	380	100
How Many Times Hit Flood		
1-5 times	230	60.5
6-10 times	69	18.2
11-15 times	33	8.7
16-20 times	24	6.3
more than 20 times	24	6.3
Total	380	100

Table 2 MEASUREMENT ITEMS OF EXTERNAL/ENVIRONMENTAL IMPACTS (direct impacts) (n=380)						
No	Items	1	2	3	4	5
1	Damage to local neighbourhood	51	69	95	103	62
2	Difficulty accessing premises/site	44	70	82	116	68
3	Damage to the ground surface	39	73	79	135	54
4	Damage to or closure of adjacent organizations of buildings	49	61	97	128	45
5	Damage to roads and bridges	40	75	105	115	45

No	Items	1	2	3	4	5
**Table 3**						
**MEASUREMENT ITEMS OF PHYSICAL IMPACTS (direct impacts) (n=380)**						
1	Damage to roads and bridges	62	67	81	103	67
2	Non-structural damage (fittings etc.)	58	73	74	115	60
3	Damage to inventory or stock	54	72	72	126	56
4	Difficulty accessing IT data	62	59	85	119	54
5	Office equipment loss or damage	55	70	68	114	73
6	Machinery loss or damage	40	28	79	177	66

Table 4
MEASUREMENT ITEMS OF HUMAN AND ORGANIZATIONAL IMPACTS (indirect impacts)(n=380)

No	Items	1	2	3	4	5
1	Customer Issues	34	101	98	90	57
2	Changes in staff well being	16	102	134	82	46
3	Perceptions of building safety	49	102	107	83	39
4	Health and safety issues of staff	43	76	127	80	54
5	Supplier issues	48	83	111	80	58
6	Availability of staff	0	6	77	167	130

Table 5
MEASUREMENT ITEMS OF FOR LOSS OF UTILITY IMPACTS (indirect impacts) (n=380)

No	Items	1	2	3	4	5
1	Electricity	8	21	67	154	130
2	Water	3	20	74	160	123
3	Transportation	2	16	67	186	109
4	Internet	3	16	66	177	118
5	Communications and roads	0	19	79	179	103
6	Gas	0	19	71	168	122

RESEARCH METHODOLOGY

In this study a structured survey method was used to collect the from 380 small business owners from different area of Kelantan Malaysia. A purposive sampling technique was used to pick the targeted respondents. A structured survey form was employed to grab the perception of the respondents about the constructs. The structured survey form consists of two sections namely demographic profile and employed constructs. Regarding demographic information there were three parts for demographic information, which are the general information of the owner/manager, the company profile, and the past-disaster experience. All items of the demographic survey were adapted and adopted from various resources and scholars (Asgary, et al., 2012; Runyan, 2006; SME Corporation, 2015). Furthermore, the determinant-choice question type of scale was used for this part, which is respondents have to choose and select only one from the several possible options given in the measurement (Zikmund, et al., 2013). Table 1 shows the items in Part A of the questionnaires survey form.

RESULTS

Part B, the disaster impacts consist of direct impacts and indirect impacts. The direct impacts involve two dimensions, which are the external/environmental impacts (5 items) and physical impacts (6 items). The measurement of the disaster was adapted and adopted from (Asgary et al., 2013; Brown, Stevenson, Giovinazzi, Seville, & Vargo, 2015; Kachali et al., 2015). The items, as shown in Table 2, Table 3, Table 4 and Table 5 for the direct and indirect impacts.

DISCUSSION & CONCLUSION

This study is very valuable when it analysed by using inferential statistical analysis to examine the effect of the direct and indirect effect on the business recovery of small business in Kelantan Malaysia. Empirical findings of the inferential statistics are useable to increase entrepreneurs and policymakers mindfulness level expressing the prominence direct and indirect effect in order to increase business recovery of small business in developing economies. Findings of this study are also very useful for researchers, academicians, students, consultants, policymakers and practitioners for their research, practice and reference. This research adds contribution in prevailing knowledge of business recovery and the business resilience of small business in Kelantan Malaysia and other developing economies.

LIMITATIONS AND FUTURE RECOMMENDATIONS

In-spite of the significant contribution this study has some shortcomings. The data is cross sectional in nature and only descriptive analysis was performed. This study recommend more holistic and longitudinal studies for potential researchers to do empirical analysis for better understanding the concept of business recovery in affected small businesses

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