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Research Article

Risk Management among Department of Tourism-Accredited Hotels in Region VIII

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ABSTRACT

The study assessed the risk management implementation and the degree of likelihood and severity of risks affecting the Department of Tourism-Accredited hotels in Region VIII. In addition, it took into account if there is a significant difference between the perspectives of middle management and rank-and-file employees and the significant relationship of risk management implementation and likelihood and severity of risks and its facilitating and impeding factors. To attain these, the study utilized both quantitative framework through survey and a qualitative method through interview. Sixteen hotels participated the study. Overall, establishments demonstrated an implemented category yet presence of variability suggests the need for continuous improvement in implementation. As to likelihood and severity of risks it is perceived as "unlikely to happen" yet "very severe" suggesting to roll-out proactive measures. It showed significant difference in viewpoints where the middle management have a better grasps of risk management than the rank-and-file employees. While for the test of significant relationship it has a clear negative correlation while no significant correlation was found between risk management and severity of risks. It revealed themes reactive approach rather than proactive risk management where these hotels need to embody a culture of proactive culture, employee education and training, budget allocation and get rid of being resistance to change and lack of cooperation to enhanced strategies to risk management. Based on the findings, a comprehensive risk management plan anchored to ISO 31000-2018 will be helpful to lessen the vulnerability to various risks to safeguard its stakeholders especially it guests.

Keywords*: Accommodation, Ormoc city, Risk assessment, Risk management*

Introduction

Tourism is one of the leading industries that serves crucial in the economic success of most countries around the globe. It is one of the fundamental components and one of the main revenue generators for developed and emerging nations (Costa, 2017). As per the United Nations World Tourism Organization

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(UNTWO), tourism supports around 9% of the global workforce, representing one out of the eleven jobs globally. It also plays significant role in the global economy, contributing around 10% of the total GDP, generating over $1.5 trillion in trade income, and accounting for approximately 30% of global exports. In an environment where "tourism is paramount," one might see the economic and non- economic contributions to the economy. With this estimate and the potential rollout of tourism in global development, all possible risks must be weighed and considered.

Tourism is undoubtedly extensive but this industry is prone to risks (Li et al., 2020) One of its integral sectors is the accommodation sector because traveling people require a place to stay, rest, sleep, buy local products, avail of other services, and relax. Accommodation is a firm ground in the tourism industry chain as it is an essential element of the whole tourism and hospitality procedure, providing guests with short to long-term lodging space. One of the accommodations acquired by guests is hotel accommodations. Hotels are but one of the many industries that provide accommodation. However, hotels are arguably the economically significant of these factors (Slattery, 2012).

The Philippines is a beautiful country in Southeast Asia endowed with the rich, captivating beauty of nature and culture, attracting local and foreign tourists. In 2019, tourism in the Philippines emerged as the largest source of employment, with around 5.7 million individuals, accounting for 13.6% of the country's overall workforce (Caynila et al., 2022). According to a recent account from the Department of Tourism (DOT), there was an increase in the number of visitor arrivals in 2022 reaching more than 2.6 million, which is higher than the recorded tourist arrivals in 2021 caused by the pandemic.

Along with the hype of the tourism industry in the Philippines, risks are always possible. The United Nations Global Assessment Report 2013 (GAR13) has recognized tourism as rapidly expanding industry that is also highly vulnerable to risks. This vulnerability is attributed to the fact that many tourist attractions are exposed (Cardona et al.,2012) and situated in locations prone to hazards, such as mountains, rivers, and coastlines. According to a recent article by the World Bank released on March 2023, the Philippines is very susceptible to natural disasters, making it one of the most disaster-prone nations globally. Situated inside the Pacific Ring of Fire, the nation is extremely vulnerable to seismic and volcanic hazards, with an annual average of 100-150 earthquakes (PHIVOLCS, 2022). On July 2023, PHIVOLCS reported that eruptive activity continued at Mt. Mayon, a highly active stratovolcano. The eruption of Taal Volcano had a significant impact on numerous households and resulted in millions of dollars in damages (Rappler, 2020). The Philippines is considered the typhoon belt and, thus, prone to experiencing extreme typhoons. As per Asian Disaster Reduction Center (ADRC), the Philippines experiences an average of 20 typhoons annually, out of them, five are harmful. The Philippines possesses the most elevated level of disaster risk, as indicated by an index score of 46.82, based on the annual report of the World Risk Index.

Aside from natural catastrophes, artificial violence also poses significant threats and risks in the industry. According to a November 2022 report by Statista Research Development in November 2022, the Philippines has significant incidence of crime, violence, and terrorism. In 2021, the country was among the five lowest in the regional order and security index ranking. There are also rebel groups that continue to pose threats and risks in the industry, such as the MILF group in Mindanao, the New People's Army (NPA), whose members are scattered within regions, and other notorious groups.

The pandemic has also brought challenges to the tourism industry. All parts of its vast value chain have been affected, according to UNTWO. The pandemic greatly affected hotel accommodations as one of the top choices for lodging. As per the statistics provided by Hotel Tech Report, the customary contribution of hotel accommodations to the global Gross Domestic Product (GDP) typically stands at approximately 10%. However, amidst the unprecedented circumstances of the COVID-19 pandemic in 2020 (Ritchie et al., 2021), the hotel industry's share of the global GDP diminished significantly, registering a mere 5.5%. In the Philippines, many hotels were quarantine

facilities. The Inter-Agency Task Force (IATF) imposed a total ban on tourism activities, which left most of the hotel accommodations temporarily offloaded from operating, and some have declared permanent closure. The hotels have challenged the sector, highlighting that it is the biggest and most widespread subsector in the tourism industry (Cooper et al., 2008, p. 343).

Eastern Visayas is a beautiful region located on the eastern seaboard of the Philippine archipelago, composed of the two largest islands, the Leyte and Samar Islands. Many hotels in Eastern Visayas were affected during the COVID-19 pandemic. Some hotels shifted to quarantine facilities. As posed by the DOT regional office, 21 hotels were used (PNA, 2022). Aside from the pandemic, the region also faces natural catastrophic risks and threats. The region is famous for being a pathway of solid typhoons and earthquakes, thus making the region the typhoon belt in the Philippines, acknowledged by the Climate Change Commission (PhilStar, 2014). The massive and most destructive typhoon that hit the region over the past century in 2013 was Super Typhoon Yolanda (internationally known as Haiyan). Due to its physical location, with its eastern section facing the Pacific Ocean and being situated inside the Pacific Ring of Fire, the region is very susceptible to calamities, making it one of the most disaster-prone locations in the country (Philippine News Agency, 2018).

Moreover, the region is also facing rebel groups scattered along its provinces. The most notorious rebels in the region are the New People's Army (NPA), commonly found in Samar. The Armed Forces of the Philippines has ranked Eastern Visayas seventh regarding NPA resurgence.

The researcher believed this study would amplify the call for more substantiated, result-oriented, research-based innovations and frameworks to address the concerns and issues regarding risk management standards and practices among hotel accommodations. With the salient skills and expertise in the field of tourism and hospitality management through academic and personal competencies, this study reaffirmed the commitment and the capacity of the researcher to make a difference in collaborating science and society through a comprehensive risk management plan to lessen the vulnerability to varied types of risks which may impact the operations of the hotels.

Research Objectives

Specifically, the study answered the following questions:

1. What was the level of risk management process implementation among the hotels as assessed by the respondents in terms of:
   1.1 understanding risks,
   1.2 identifying risks,
   1.3 analysing risks,
   1.4 evaluating risks,
   1.5 treating risks, and
   1.6 monitoring and controlling risks?
2. What was the degree of likelihood and degree of severity of the hotels to be exposed to the different types of risks affecting the hotels as evaluated by the respondents:
   2.1 property risks,
   2.2 people risks,
   2.3 operational risks, and commercial risks?
3. As assessed by the respondents, was there a significant difference between:
   3.1 Middle management's perspective and rank and file employees' perspective in terms of the level of risk management implementation within their respective establishment?
4. As assessed by the respondents was there a relationship as between:
   4.1 Level of implementation of risk management and degree of likelihood of risks; and
   4.2 Level of implementation of risk management and degree of severity of risks?
5. What were the other factors that facilitate and impede the level of implementation of risk management, the degree of likelihood of risks and the degree of severity of risks as assessed by the participants?
6. Based on the findings of the study, what comprehensive risk management plan can be created to lessen its vulnerability to the various types of risks?

Methods

The research design utilized in the study were both quantitative research framework specifically for SOP 1-4 involving data collection through surveys to quantify outcomes form conclusive analysis while qualitative method for SOP 5 through simple thematic analysis.

The setting was Region VIII – Eastern Visayas which is highly vulnerable to various environmental hazards due to its geographical location. Major provinces like Leyte and Samar experience coastal flooding, flash floods, earthquakes, strong typhoons, and impacts of climate change. Additionally, the region faces security concerns, with the presence of New People's Army in mountainous areas.

The respondents for this study were the personnel from the middle management and the rank-and-file employees of the accredited hotels. Out of 21 targeted Department of Tourism-Accredited Hotels in Region VIII 16 establishments participated. Survey was carried out to gather data about the risks management process implementation as well as the risk assessment including property, people, operational and commercial risks. A test of difference for risk management perspectives from that of the middle management and rank-and-file employees was also rolled-out while a test of significant relationship for risk management implementation and both likelihood of risks. And an interview that elicited the facilitating and impeding factors on risks management implementation, likelihood and severity of risks.

The survey questionnaire was adopted from Muhamad Istiaq but was modified to fit to the hospitality sector. It utilized 4-point Likert Scale to eliminate central bias and ensure more accurate scoring. The questionnaire undergone reliability test through Cronbach's alpha and validity evaluation by experts in the field. The result of both tests was acceptable and suitable to be utilized for the research.

The data collection started immediately after the approval of the study, following the proper procedures and protocols beginning with securing approval from the Dean of Dean of the College of Management, Business, and Accountancy then disseminating the transmittal letter and endorsement from the Department of Tourism Region VIII. Following that, the data collecting process got on. It used a self-gathering and delivery approach that increased management's confidence by alluringly stating that the researcher would strictly protect the privacy and confidentiality of the information gathered. By giving them the option to select potential collection dates, all respondents were requested to complete the questionnaires at their own convenience and at their own leisure. This gave the respondents more time to consider their answer and deliver a more objective response, which improved the results' overall dependability.

Data was collected and inputted into utilizing statistical tools for statistical analysis and Microsoft Excel for a variety of descriptive statistical instrument, including simple percentage, weighted mean, t-test and Spearman rho correlation. The survey's first part was created to evaluate important factor like risk awareness and identification, analysis, evaluation, treatment, and monitoring and control. There were thirty-seven statements in this section. Each item was measured using a four-point Likert scale, ranging from "not implemented at all" (1) to "well-implemented" (4). A brief scale was described in Table 1 for interpreting the level of risk management process implementation from risk understanding to risk monitoring and control among respondents from different Department of Tourism-Accredited Hotels in Region VIII.

Table 1. Four–point Likert Scale for Assessing the Risk Management Process Implementation of the Accredited Hotels in Region VIII

Scale	Scale Range	Interpretation
4	3.26-4.00	Well-implemented
3	2.51-3.25	Implemented
2	1.76-2.50	Less Implemented
1	1.00-1.75	Not Implemented at all

Part II was designed to evaluate various risks affecting these accredited hotels, in terms of the likelihood of risk occurrence and the severity of potential damage to the establishments. A four-point Likert scale was still utilized to evaluate the degree of likelihood and severity of risks. Tables 2 provided a brief description of each scale

Table 2. Four–point Likert Scale for Assessing the Degree of Likelihood & Severity of Risks Accredited Hotels in Region VIII

Scale	Scale Range	Interpretation	
4	3.26-4.00	Very Likely to Happen	Very Severe
3	2.51-3.25	Likely to Happen	Severe
2	1.76-2.50	Unlikely to Happen	Less Severe
1	1.00-1.75	Very Unlikely to happen	Not Severe at all

Result and Discussion

This chapter presents, analyses, and interprets the data on risk management process implementation among the Department of Tourism-Accredited Hotels in Region VIII. The data is in tabular form with corresponding analysis and interpretation, and the researcher used the Delve qualitative application tool for the thematic analysis.

There are five (5) sections in this chapter. The first section presents the Level of Risk Management Process Implementation Among the Department of Tourism-Accredited Hotels in Region VIII. The second section presents the Degree of Likelihood and Severity of Risks. Section three presented the test the significant difference on the perspective of the middle management and rank-and-file employees in terms of risks management. While fourth section tests of significant relationship between the Level of Implementation of Risk Management and the Degree of Likelihood of Risks and Severity of risks, and the last section presents the factors that facilitate and impede risk management implementation and the likelihood and severity of risks.

1. Level of Risk Management Process Implementation Among the Department of Tourism Accredited Hotels in Region VIII

The level of risk management process implementation among Department of Tourism accredited hotels in Region VIII in terms of understanding risks, identifying risks, analysing risks, evaluating risks, treating risks, and monitoring and controlling risks are shown in the table below.

Table 3. Level of Risk Management Process Implementation of the Accredited Hotels in Region VIII

Critical Variables	n=48 Overall		Qualitative Description
	Mean	SD	
Understanding Risks	2.97	0.14	Implemented
Identifying Risks	2.69	0.28	Implemented
Analysing Risks	2.49	0.17	Less Implemented
Evaluating Risks	2.79	0.17	Implemented
Treating Risks	2.54	0.33	Implemented
Monitoring and Controlling Risks	2.77	0.24	Implemented
Overall Risk Management Process Implementation of the Accredited hotels in Region VIII	2.72	0.41	Implemented

Table 3 presents the findings indicating that for Understanding Risks, the overall mean is 2.97 (SD=0.14). The relatively high mean score indicates that respondents have a firm grasp of understanding risks within their establishments. It suggests a robust foundation for

identifying potential threats and vulnerabilities. It aligns with the research by Smith and Walters (2019), who emphasized the importance of a comprehensive understanding of risks in the hospitality sector. They highlighted that a clear understanding enables organizations to identify and mitigate risk proactively, contributing significantly to operational resilience and overall success.

For Identifying Risks, the overall mean is 2.69 (SD=0.28). Although the mean score for identifying risks is slightly lower than understanding risks, the standard deviation suggests variability in respondents' ability to identify risks. Organizations may need to improve their processes for recognizing and cataloging potential risks to ensure comprehensive risk identification. These findings resonate with the research of Jones et al. (2020), who discussed challenges in identifying risks in the hospitality sector due to its vast and diverse operational areas and the different types of evolving risks.

Evaluating Risks has a mean score of 2.79 (SD=0.17), and organizations generally exhibit satisfactory competence in assessing risks. However, the standard deviation indicates some variance in the effectiveness of risk evaluation practices. Fine-tuning evaluation methods and ensuring consistency in risk assessment criteria further enhance this aspect of risk management. Garcia and Lee (2018) support this finding by emphasizing the importance of solid evaluation methods to accurately assess risk likelihood and impact.

Moreover, Treating Risks is comparatively lower at 2.54 (SD=0.33), indicating potential areas for improvement in risk mitigation strategies. The relatively high standard deviation suggests a wide range of approaches to risk treatment among respondents. Organizations should focus on developing tailored risk treatment plans that address specific vulnerabilities and align with their overall risk management objectives. Li and Chen (2021) highlighted challenges in implementing risk treatment measures in hotels, including resource restraints and the need for standardized protocols.

While the mean score of 2.77 (SD=0.24) for monitoring and controlling risks is moderately high, the standard deviation suggests variability in the effectiveness of monitoring practices across organizations. Enhancing monitoring mechanisms and implementing proactive controls can help organizations detect and respond promptly to emerging risks. Kim and Park (2019) emphasize that real-time monitoring technologies and automated controls in risk management in this sector can help proactively mitigate risks and enforce compliance.

In contrast, for the variable of analysing Risks, the overall mean is 2.49 (SD=0.17), indicating a lower level of risk management process implementation. This finding suggests that there may be deficiencies or challenges in effectively analysing risks within the surveyed establishments. Such shortcomings could hinder the ability of hotels to identify and mitigate potential threats, thereby increasing their vulnerability to adverse events. Addressing these deficiencies in risk analysis is crucial for enhancing overall risk management effectiveness and ensuring the resilience of hotel operations.

The overall analysis of Risk Management Process Implementation among the Accredited-Hotels in Region VIII reveals a mean score of 2.72 with a standard deviation of 0.41, placing it within the “implemented” category. This indicates that the accredited hotels in the region have generally succeeded in implementing risk management processes to a satisfactory extent. It suggests a collective recognition among these establishments regarding the critical importance of mitigating operational risks and ensuring guest safety. However, the presence of variability, as indicated by the standard deviation, suggests that while some hotels have strong risk management systems, others require further enhancements. This underscores the need to continuous monitoring and improvement efforts to further bolster the resilience and competitiveness of hotels in Region VIII. Such measures could include ongoing investment in resources, staff training, and the adoption of proactive risk management strategies. And to anticipate risks is another proactive practice that can help to prevent them (Qiao et al., 2023).

Tables 4 and 5 show the perspective comparison in terms of the level of risk management process implementation among the Department of Tourism-Accredited Hotels in Region VIII

from the viewpoint of middle management and rank and file employees, revealing notable insights into the consistency and areas of improvement from the different sample sizes.

Table 4. Level of Risk Management Process Implementation from the viewpoint of the Middle Management

Critical Variables	n=16 Overall		Qualitative Description
	Mean	SD	
Understanding Risks	3.26	0.14	Well implemented
Identifying Risks	2.89	0.28	Implemented
Analyzing Risks	2.75	0.17	Implemented
Evaluating Risks	3.06	0.17	Implemented
Treating Risks	2.73	0.33	Implemented
Monitoring and Controlling Risks	3.00	0.24	Implemented
Overall Risk Management Process Implementation of the Accredited hotels in Region VIII from the viewpoint of the Middle Management	2.95	0.44	Implemented

Table 5. Level of Risk Management Process Implementation from the viewpoint of the Rank-and-File

Critical Variables	n=32 Overall		Qualitative Description
	Mean	SD	
Understanding Risks	2.82	0.32	Implemented
Identifying Risks	2.60	0.46	Implemented
Analysing Risks	2.36	0.51	Less implemented
Evaluating Risks	2.66	0.41	Implemented
Treating Risks	2.44	0.44	Less Implemented
Monitoring and Controlling Risks	2.69	0.38	Implemented
Overall Level of Risk Management Process Implementation from the viewpoint of the Rank-and-File	2.61	0.36	Implemented

Regarding understanding risks, the overall mean is 3.26 (SD=0.61) for the middle management, whereas for the rank-and-file employees, the overall mean is 2.82 (SD=0.32). It indicates that the middle management viewpoint has a high level of understanding risks compared to the rank-and-file employees' viewpoint of understanding risks. Regarding identifying risks, the overall mean for the middle management is still higher than that of the rank and file employees. Both demonstrate consistent perceptions of risk identification, showing a marginally higher mean score.

Regarding analysing risks, the middle management had a higher mean score of 2.75 (SD=0.63), indicating a better implementation; the variability in responses is higher, suggesting differing opinions among respondents. In the analysis, the rank-and-file employee had less implementation, with a mean of 2.36 (SD=0.51). The middle management indicates a better implementation of risk management processes compared to rank-and-file employees. This suggests that middle managers may have a deeper understanding of risk management principles and are more actively involved in implementing risk management strategies within their respective departments or teams. In evaluating risks, the middle management, as shown in Table 4, reflects a more significant consensus on the evaluation process than the rank-and-file employees depicted in Table 5.

The analysis reveals that in terms of treating risk, there is a notable difference between rank-and-file employees and middle management. Rank-and-file employees, with a mean score of 2.44 (SD=0.44), indicate a need for improvement in their approach to treating risk. On the other hand, middle management, with a mean score of 2.73 (SD=0.48) demonstrates a level of implementation in their risk treatment strategies. These findings suggest that while middle management progress in integrating risk treatment measures, there remains room for enhancement in how rank-and-file employees address and mitigate risks within their respective roles. With monitoring and controlling risks, both studies demonstrate monitoring and control practices, although middle management shows a slightly high implementation perspective in this aspect.

In examining the perspective of both middle management and rank-and-file employees regarding the implementation of risk management process among Department of Tourism-accredited hotels in Region VIII, it is evident that both groups perceive the implementation being accomplished. With a mean score of 2.95 (SD=0.44) for middle management and 2.61 (SD=0.36) for rank-and-file employees, the findings suggest that the established risk management processes are considered to be effectively in place within these hotels.

Middle management and staff align regarding perceived implementation levels across critical risk management. Improving risk analysis and treatment is vital to strengthen risk management capabilities further. Also, to identify evolving needs and areas of improvement to enhance overall resilience in the face of dynamic challenges, continuous improvement of risk management processes and soliciting feedback will be considered (Hall et al., 2023).

2. Degree of Likelihood and Severity of Risks of the Department of Tourism Accredited-Hotels in Region VIII

Table 6 presents the likelihood and severity of potential risks faced by the Department of Tourism-Accredited hotels in Region VIII across various categories, including property, people, operational, and commercial risks. property risks, people risks, operational risks, and commercial risks.

Table 6. Degree of Likelihood and Severity of Risks among the Department of Tourism-Accredited Hotels in Region VIII

Categories	n	Likelihood		Qualitative	Severity		Qualitative
		Mean	SD	Description	Mean	SD	Description
Property Risks	48	2.27	0.90	Unlikely to happen	3.63	0.31	Very Severe
People Risks	48	2.31	0.47	Unlikely to happen	3.40	0.44	Very Severe
Operational Risks	48	2.27	0.21	Unlikely to happen	3.06	0.00	Severe
Commercial Risks	48	1.83	0.35	Unlikely to happen	3.23	0.21	Severe
Overall	48	2.19	0.40	Unlikely to happen	3.39	0.34	Very Severe

Based on the data presented in Table 6, the mean scores and standard deviations indicate the degree of likelihood of potential risks within different categories for the Department of Tourism-Accredited hotels in Region VIII. Specifically, Property Risks with a mean of 2.27(SD=0.90), People Risks with a mean of 2.31 (SD=0.47), and Operational Risks with a mean of 2.27 (SD=0.21) exhibit mean scores ranging from 2.27 to 2.31, with standard deviations reflecting varying degrees of dispersion around these means. While these risks are deemed unlikely to happen on average, organizations should still acknowledge the potential for variability and take proactive measures to mitigate them. This may involve

implementing robust safety and security protocols, training staff members for emergency preparedness, and maintaining adequate operational controls to minimize the impact of unforeseen events.

Additionally, Commercial Risks have a lower mean score of 1.83 (SD=0.35), suggesting a relatively lower perceived risk level than other categories. The lower mean score for Commercial Risks suggests that respondents perceive these risks as less likely to occur than other categories. However, a standard deviation indicates some variability in perceptions within this category. While the likelihood of commercial risks may be relatively low, organizations should remain vigilant and address potential vulnerabilities in market fluctuations, competitive pressures, and economic uncertainties. The overall degree of likelihood of potential risks among the Department of Tourism Accredited-Hotels in Region VIII reveals a mean of 2.19 (SD-0.40) which falls under the category of Unlikely to Happen. These findings indicate a slight chance of occurrence. Research by Brown and Smith (2020) emphasizes the importance of considering potential risks even when they are unlikely. This study underscores the need for robust safety protocols and proactive measures to address potential hazards.

The severity assessments provided in Table 6 illustrate varying perceptions of risk within the Department of Tourism-accredited hotels in Region VIII. Property Risks with a mean of 3.63 (SD=0.31) and People Risks with The severity assessments provided in Table 10 illustrate varying perceptions of risk within the Department of Tourism-accredited hotels in Region VIII. Property Risks with a mean of 3.63 (SD=0.31) and People Risks with a mean score of 3.40 (SD=0.44) are perceived as very severe, indicating a high potential for significant im0pact on operations. These risks are expected to have a considerable disruptive effect on the establishment. Moreover, Operational Risks, with a mean of 3.06 (SD=0), and Commercial Risks, with a mean of 3.23 (SD=0.21), respectively, are categorized as severe. This classification suggests that while these risks may not be as severe as Property Risks or People Risks, they still threaten the establishment's operations.

Overall, the degree of severity of risks among the Department of Tourism accredited hotels with a means of 3.39 (SD=0.34) is perceive to have a very severe impact which indicates the risks will definitely have high effect towards the establishment and could highly disrupt operation. Hotel management must acknowledge and address these perceived severities to effectively manage potential disruptions and safeguard business continuity. Garcia and Lee (2018) highlighted risks categorized as very severe, such as Property Risk and People risks, requiring immediate attention and effective strategies due to their impact on operations and guest safety. Kim and Park (2019) highlight a need for proactive practices even if risks are not. And to note that these days, one of the most crucial problems facing enterprises is risk management (Zoghi et al., 2022).

3. Test of Difference between the Middle Management's Viewpoint and Rank and File Employee's Viewpoint

The hypothesis suggested that there is no significant contrast between the perspectives of middle management and rank and file employees. A t-test of independent sample was employed to discern any noteworthy differences between the viewpoints of these two groups.

Table 7 below displays the difference between the middle management and the rank-and-file employees' viewpoints. From Table 7, it appears that there is a significant difference between the means of middle management and rank and file employees. The difference in means, favouring middle management by 0.338, coupled with a computed t-value of 2.86 and a corresponding p-value of 0.006 which is less than the significance level, $\alpha = 0.05$, suggests that the observed difference is significant. Therefore, the null hypothesis H_{01} which suggested no significant difference between the groups, is rejected. This indicates that there is indeed a significant difference between the viewpoints of middle management and rank-and-file employees. This suggests that there

may be differing perceptions, priorities, or experiences between these two groups within the organization. This could indicate potential communication gaps, disparities in understanding organizational goals, or varying levels of involvement in decision-making processes related to risk management.

Table 7. Difference between the Middle Management's Viewpoint and Rank and File Employee's Viewpoint

					95% CI for Mean Difference	
t	**df**	**p**	**Mean Difference**	**SE Difference**	**Lower**	**Upper**
2.86	46	0.006	0.338	0.047	0.100	0.575

Note. Student's t-test.

Furthermore, recognizing and addressing these differences is crucial for effective organizational management and decision-making. Strategies may need to be implemented to foster better communication, collaboration, and alignment of goals between middle management and rank-and-file employees. This could involve regular meetings, training sessions, or forums aimed at promoting a shared understanding of risk management practices and their importance within the organization. Ryba highlighted that all employees regardless of status should be able to understand processes and what is expected for them so they will not only be aligned with the organization but will engage in their work including risk management implementation. Understanding the specific factors contributing to the observed differences can provide valuable insights for targeted interventions and improvements. Addressing the significant difference in viewpoints between middle management and rank-and-file employees is essential for enhancing organizational cohesion, effectiveness, and ultimately, the success of risk management efforts within the organization.

4. Test of Significance between the Level of Implementation of Risk Management and Degree of Likelihood Risks and Degree of Severity Risks

A hypothesis that suggests no significant correlation exists between the level of risk management implementation and the likelihood of risks, nor between the level of risk management implementation and the severity of risks. A Spearman's rank correlation coefficient is used to determine the relationship between the extent of risk management implementation and the likelihood of risks, as well as the relationship between risk management implementation and the severity of risks.

Table 8 presents the Spearman's rho correlation coefficients indicating the relationship between risk management implementation levels and both the likelihood and severity of risks.

Table 8. Relationship between Level of Implementation of Risk Management and Degree of Likelihood Risks and Degree of Severity Risks

		n	**Spearman's rho**	p	**Lower 95% CI**	**Upper 95% CI**
Risk Management	- Likelihood	48	-0.291	*0.045	-0.531	-0.008
Risk Management	- Severity	48	-0.123	0.404	-0.394	0.167

p < .05, ** p < .01, *** p < .001

Table 8 indicates that the correlation coefficient between the level of implementation and risk management and the likelihood of risk occurrence is -0.291, demonstrating a negative correlation. A 95% confidence interval of (-0.531 to -0.008), which does not include zero, and a p-value of 0.045, which is less than the significance level of α=0.05, suggests that the relationship is significant; hence, the null hypothesis (H_o1) is rejected. Consequently, it can be concluded that there is a significant relationship between the level of risk

management implementation and the likelihood of risks occurring. This significant relationship implies that as the level of risk management implementation increases, there is a corresponding decrease in the perceived degree of likelihood of risks occurring.

Organizations should prioritize and invest resources in enhancing their risk management processes to mitigate potential risks effectively. As emphasized by Johnson and Smith (2020), implementing robust risk management practices has experienced lower frequencies of risk events, attributing this correlation to proactive practices that can improve safety, stability, and resilience within the organization, ultimately safeguarding its operations and enhancing overall performance. In addition, Safety culture, concurs with Johnson and Smith that proactive approach will surely reduce the chance of something to happen wrong can help minimize the damage it can cause.

Furthermore, table 12 presents that the correlation coefficient between the level of implementation and risk management and the severity of risk occurrence is -0.123, also demonstrating a negative and negligible correlation. A 95% confidence interval of (-0.394 to 0.167), which includes zero and a p-value of 0.404, exceeding the predetermined significance level of α=0.05, suggests that the relationship lacks significance, hence failing to reject the null hypothesis (H_o2). Consequently, it can be concluded that there is no significant relationship between the level of risk management implementation and the perceived degree of severity of risks occurring. The lack of a significant relationship implies that, based on the current analysis, enhancing the implementation of risk management processes may not notably influence the perceived severity of risks occurring within the organization. However, organizations must continue monitoring and evaluating their risk management strategies to ensure effective mitigation of potential risks, even if their perceived severity may not directly correlate with the level of implementation. Management should have the commitment to it. Kaplan (2012) expressed that an establishment's ability to weather storms depend on how serious its executives to risk management when everything is doing well.

5. Facilitating and Impeding Factors of Risk Management Implementation and Likelihood and Severity of Risks among the Department of Tourism-Accredited Hotels in Region VIII

Risk management is essential to organizational resilience, particularly in industries prone to external disruptions, such as the hospitality sector (Stoneburner et al,.2002). The study examined risk management practices in Department of Tourism-Accredited hotels in Region VIII and factors affecting these practices, impacting risk likelihood and severity. Key findings included themes like reactive and proactive risk management, employee roles, and compliance standards. Facilitating factors were proactive culture, leadership, employee education, budgeting, and teamwork. Support of the management is really essential in the successful implementation of risk management (Vij, 2019). Impediments included staff resistance to change. Service quality gaps, misinformed staff, and lack of cooperation influenced risk likelihood or severity. It was stressed that proactive measures, staff training, compliance awareness, teamwork, and incident management help to prevent risks and safeguard guest safety, aiding hotels in enhancing risk management practices.

Conclusion

Based on the data gathered on the level of risk management process implementation among the Department of Tourism-Accredited Hotel across Region VIII where respondents have a strong understanding of risks, yet there are deficiencies in identifying, analyzing, and treating risks, as well as variability in the effectiveness of risk evaluation and monitoring mechanisms.

1. It indicates a need for a more structured and thorough risk management approach.
2. While the perceived likelihood of risks is low overall, the severity of Property and People Risks is very high, with Operational and Commercial Risks posing notable threats to business continuity. It underscores the importance of proactively addressing risks to safeguard operations and guest safety.

3. The significant difference of perceptions between the middle management-and-rank and file employing suggests different viewpoints, priorities and experience in the establishments. This may come from that of gaps in communication in understanding hotel's goals or the varying levels of how involved the employee is in terms of risk management decision making. It is essential to address the differences in order to have a unified goals and to employ the same strategies and practices towards risk management.
4. There is a significant negative correlation between risk management implementation and the likelihood of risks occurring, highlighting the importance of investing in risk management practices to mitigate potential risks. However, no significant correlation was found between implementation and perceived severity of risks, emphasizing the necessity for continuous monitoring and evaluation of risk management strategies to manage risk severity effectively.
5. Prevalent risk management approaches include reactive measures, response protocols, and growing recognition of proactive risk management. Facilitating factors such as a proactive culture, leadership commitment, and employee awareness are crucial for effective risk management. Impediments like staff disengagement and resistance to change, gaps in service quality, misinformed staff, and lack of cooperation highlight the vulnerabilities within the establishments. Addressing these factors through proactive measures, training compliance, teamwork, and effective incident management is essential to mitigate risks effectively.
6. The findings emphasize the need for a comprehensive risk management plan tailored to the specific needs and challenges faced by the Department of Tourism-Accredited Hotels in Region VIII. Such a plan can be anchored to ISO 31000-2018 Risk Management focusing on improving risk identification, analysis, treatment, evaluation, and monitoring processes while addressing the facilitating factors and mitigating the impeding factors to guarantee the security and welfare of all the guests, stakeholders, and staff.

Recommendations

In the context of the results, the following recommendations are advanced:

Primary Recommendation:

The proposed comprehensive risk management plan crafted by the researcher that will be implemented can be beneficial in mitigating various types of risks that could jeopardize the Department of Tourism-Accredited Hotels in Region VIII and compromise guest safety and satisfaction.

A comprehensive risk management plan for hotels encompasses various strategies and procedures to identify, assess, mitigate, and monitor potentials to ensure the safety and security of guests, staff, and assets. This plan will be anchored to ISO 31000-2018 and tailored in the context of hotels.

Secondary Recommendations:

The researcher proposes the following secondary recommendations to facilitate the implementation of the comprehensive risk management plan:

1. An enhanced and proactive risk management approach must be considered to improve execution and application at the same time emphasize the importance of proactive measures. Activities can include having a periodic evaluation, encouraging staff to report any hazards, employing technology to optimize operations, and create risk treatment strategies to address vulnerabilities. Allocation of resources for employee training and awareness campaign can help in making sure that all staff members are well-informed about risk management methods and regulations.
2. Address the different factors that hinder risk management implementation to mitigate and minimize or eradicate the damaged it can cause to the establishments. This can be done by having an established mechanism that will regularly monitor and evaluate the strategies employed to avoid risk from taking place again. Another, is to have clear communication and collaboration within the establishment that will

make sure that all vital information about the risks are communicated and acted upon in a prompt manner. The management should also ensure that there is a sufficient resource in conduction risk management measures allocate adequate resources to implement the different risk management initiatives. This can include prioritizing the safety of guests and staff ensuring that risk efforts are in line with the main objective and important in minimizing possible hazards and disruptions to operations.

Further Recommendations:

Further study is recommended on those non-accredited hotels to check on their standpoint on risk management in their respective establishments. In addition, involving the local government and regular guest on their perception of the establishments' risk management implementation to elicit and verify information and details that will help develop an effective risk management plan. For comparative purposes, similar studies, particularly those undertaken in the same research locale, can be carried out in other parts of the nation. And lastly, future researchers can replicate and apply the study in other industries.

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