

INVESTIGATE CRISIS MANAGEMENT OF MONEY CHANGER INDUSTRY DURING COVID-19 PANDEMIC

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ABSTRACT

The COVID-19 pandemic has delivered uncertainty and shocks to money changers as one of growing industry in Bali's tourism sector due to decrease in banknotes transaction obtained from foreign tourist. This study explores the challenges faced by money changers and the strategies used to survive. Using interpretive phenomenological approach, semi-structured interviews were conducted with 10 owners, directors, and managers of money changers in Bali. The findings show that various challenges faced during pandemic, including psychological, decreased turnover and transaction volume, daily rate volatility, stock management, temporary branch closures, and transformed human resource practices. Strategies used to survive the crisis, such as creating crisis team, managing capital structure and cash availability, banknotes stock management system, renewing employee contracts, marketing strategies to reach local segment, and comply with health protocols. The development of digital-based foreign exchange platform post pandemic which might be disrupt money changer industry are also discussed as future research.

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1. INTRODUCTION

Since the first case of COVID-19 was discovered at the end of 2019 in Wuhan, China, economies around the globe have experienced uncertainty. On 30 January 2020, The World Health Organization (WHO) declared the COVID-19 outbreak a Public Health Emergency of International Concern (PHEIC) [1]. The WHO Emergency Committee announced that the COVID-19 pandemic status as of January 2022 remains a PHEIC [2]. The tourism and leisure industry has faced the COVID-19 tourism impacts hardest-hit and most damaged global industries, which indicated a steep decline to 2.86 trillion US dollars or more than 50% revenue losses [3]. However, in previous health crises or other types of crises (terrorism, natural disasters), most tourists have alternatives tourist destinations. This time, all around the world has been affected by the COVID-19, which has completely disrupted various activities, in particular leisure sector [4].

In Indonesia, the first two cases of COVID-19 were reported on March 2, 2020. Cumulatively, in the January-December 2020, foreign tourist arrivals to Bali decreased by 83.26% [5]. In particular, Bali as one of favorite leisure destination has previously gone through several crises, including the Bali Bombing Tragedy I (2002) and the Bali Bombing II (2005). Compared to the impact of terrorism, The COVID-19 impact on Bali tourism industry is much more severe and created challenges for all tourism stakeholders [6].

According to Faulkner [7], the last decade the number of disasters and crises has continued to increase, affecting the tourism industry. When a disaster occurs, the public needs crisis management to determine the impact and what they can do about it. Previous researches have investigated the impact of the COVID-19 pandemic crisis on tourism sector and developed concepts regarding crisis management, including the impact of the COVID-19 pandemic, challenges, and survival strategies for the tourism industry, particularly the hotels in Indonesia

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[8], crisis management practice in Small and Medium-Sized Enterprises during the COVID-19 pandemic.[9][10]. A similar study was conducted which developed a disaster management framework for a hotel case study in China [11]. The tourism recovery strategy against the COVID-19 pandemic was again examined[12]. The research that has been dominating so far is related to hotel crisis management.

There are six important research theme regarding COVID-19 aside from crisis-induced research area, such as: the level of complexity, change in destination image, change in tourist behavior, change in resident behavior, change in the tourism industry, and long term and indirect effects. This present study explores one of these six themes i.e., change in the tourism industry. Particularly, small business operators are vulnerable in this regard due to path-dependent behavior and low levels of collaboration [13].

The repercussions and challenges of COVID-19 pandemic crisis provide a complex situation because tourism and hospitality industry cannot be separated from other issues (e.g., sociocultural, economic, and political), the integration of business sectors in tourism must be viewed as a whole [8], [13]. Aside from hotels, there are small business sector in tourism that supports tourism activities, such as restaurants, transportation, travel agencies, money changers, cultural and entertainment attractions, and individual services and tour guides. This study explores money changer as one of growing yet vulnerable industry in Bali's tourism sector.

The foreign exchange market is regarded as the largest market globally given that it trades approximately \$6 trillion every day. The money exchangers market in the United States has a market size of about \$788 million and it is expected to grow at least 2.3 percent in 2020 [14]. Based on report by Bank Indonesia, Bali have contributed 55.26% of national foreign exchange transactions originating from the tourism sector [6]. Prior to the COVID-19 pandemic, based on Bali Economic Report in August 2019, foreign exchange transactions by money changer in Bali Province reached Rp 9.75 trillion. The report also shows that there are 617 licensed money changer offices in Bali. However, during the COVID-19 pandemic, there were only 14 offices that carried out normal operations, 148 offices chose to reduce operating hours, and 455 offices chose to temporarily close [15]. Significant developments prompted Bank Indonesia and foreign exchange association in Bali to encourage the implementation of digitalization of foreign exchange in line with Bali tourism conditions which returned to normal after the COVID-19 pandemic [16]. However, money changer only permitted to exchange foreign currency in cash, as per Bank Indonesia regulation No. 18/20/PBI/2016 [17].

Considering the importance of money changers as foreign exchange service in the tourism industry in Bali, this study aims to explore crisis management practices focusing on challenges and strategies deployed by money changers during COVID-19 pandemic. This study followed phenomenological approach to learn rich explanations from owner, manager, and director of money changers concerning their experiences and practices used in dealing with COVID-19 pandemic crisis.

2. METHOD

2.1 Research Design

The primary method by which a researcher investigates an organization, institution, or process is through the experience of the individual who built the organization or went through the process [18]. According to [19], there are five types of qualitative research: narrative research, phenomenology, grounded theory, ethnography, and case studies. The interpretive phenomenological approach was used as an analytical approach in this study. This approach is considered appropriate because it focuses on a single phenomenon to be explored. The crisis faced by money changer due to the COVID-19 pandemic was identified as a single phenomenon or the center of this research.

2.2 Data Collection and Participants

This study employed a qualitative approach based on semi-structured interview techniques. The purpose of this type of interview is to discover problems more openly from opinions and ideas of participants [20].

In this study, the interview method was semi-structured interview format combined with improvising probe. Dialogue allows for the investigation of unexpected problems [21]. Gears et al. (2018) said unstructured interviews with casual and improvised conversation styles can produce more complex results. Developing probe is completed by asking questions that are in-depth investigations such as explanations, clarifications, descriptions, evaluations depending on the participant answers [22].

The probe is also crucial for researchers to ask for more information and to ask for an explanation of the thoughts of the interviewed participants [23]. According to Moustakas (1994), in interviews with a phenomenological approach, participants were asked questions based on two basic questions: "what have you experienced in terms of the phenomenon?" and "what context or situations have typically influenced or affected your experiences of the phenomenon?". With this question, the interview results can provide an understanding of similar experiences shared by participants regarding the phenomenon under study [19].

Individuals who participated in this study were person in charge or decision makers from various money changer companies in Denpasar, Gianyar, Badung, and Singaraja. These individuals carried various positions such as owner, director, and manager. The participants in this study are as follows:

Table 1 List of Participants

ID Code	Genre	Position	Years of Experience	No of Employee	Main Office
I-01	Male	Owner	29 years	10	Kuta, Badung
I-02	Male	Director	6 years	30	Kuta, Badung
I-03	Male	Owner	18 years	10	Kuta, Sanur, Ubud
I-04	Male	Director	5 years	200	Legian
I-05	Female	Director	5 years	20	Ubud
I-06	Male	Director	30 years	4	Lovina, Singaraja
I-07	Female	Owner	26 years	45	Sanur, Ubud, Kuta
I-08	Male	Manager	22 years	50	Kuta, Seminyak
I-09	Female	Manager	14 years	30	Legian
I-10	Male	Owner	11 years	107	Ubud, Denpasar

All participants who took part in the interview have agreed to keep their identities and companies anonymous [9]. This study's ethical standards are all in accordance with the General Data Protection Regulation (GDPR). In addition, participants were asked to indicate their willingness to participate in the study, and their anonymity was protected [24]. Prospective participants are regarded as approachable because researchers are actively involved in foreign exchange transactions with the money changer companies listed in table.

2.3 Data Analysis

The analysis technique for the phenomenological approach is centered on individual experience and the context of the experience which refers to the context of the phenomenon [19]. This study used Interpretative Phenomenological Analysis (IPA) analysis technique aimed at obtaining insight the experience of participants in the context of a phenomenon. The IPA technique's analytical procedure presents the findings of in a table that describes the phenomenon under investigation and divides it into three columns: Observed Phenomenon, Exemplar Statement, and Explanation [25], [9].

3. RESULTS AND DISCUSSION

3.1 Challenges

Based on the results of the analysis conducted on interview transcript data with the NVivo 12 application, the first superordinate theme is Challenge. The main theme of the challenge is divided into six nodes.

3.1.1 Psychological Challenges

Overall, participants described a lack of preparedness for the COVID-19 pandemic crisis. As stated by I-09, participants communicate and provide psychological support to the company's internal environment in the midst of an alarming situation and news related to the pandemic:

"The impact is not only on our health, but on our mental health. Because we are immigrants with ongoing responsibilities. We are psychologically overloaded. We simply embrace each other like family, and what was once a distance has become closer as we strengthen and support one another."

Economic Report released by Bank Indonesia August 2020, shows that licensed money changer in Bali which was recorded at 617 offices, there were only 14 offices that carried out normal operations, 148 offices reduce operating hours, and 455 offices temporarily close [15]. The small number of money changer offices that operate normally motivates participants to strengthen and support employees who are still actively working to commit continuing the operation while attempting to comprehend and guess the nature of the COVID-19 pandemic crisis.

3.1.2 Decrease in Turnover and Transaction Volume

Money changer business' supply of banknotes originating from foreign tourists who take a vacation in Bali. Due to travel bans and other restrictions, the tourism sector in Bali had been paralyzed, resulting in a decrease in the volume of banknotes circulated through money changers. According to the informant, the most common currencies traded at money changers were USD, AUD, EUR, and JPY. There were also money changers who specialized in Asian currencies like Indian rupees, HKD, CNY, and KRW.

As the restrictions were implemented, significant volume reductions occurred. Starting with the lockdown by Australia as per March 26, 2020, it has officially established the status of "Do Not Travel" for Indonesia [26]. Most of the participants stated that the drastic volume of AUD currency transactions after the repatriation of Australian tourists was carried out simultaneously, as stated by I-02:

"Since March, when the country of Australia went into a 70% lockdown, our turnover has decreased by 90% in two months. Because no one can truly rely on foreign tourists."

For some participants, the decline in the volume of AUD currency become as a "wake up call". Concerns about the suspension of international airline operations sparked panic among foreign tourists, who immediately exchange their remaining foreign currency. The volume of foreign exchange transactions continued to decline in line with domestic restrictions. Following the restrictions, vital tourism sites in Bali such as Tanah Lot, West Bali National Park, Jatiluwih, Garuda Wisnu Kencana Cultural Park, and several other popular tourism destinations in Badung, Tabanan, Gianyar, and Buleleng regencies were closed.

3.1.3 USD/IDR Daily Rate Volatility

The rise and decrease of currency exchange rates in the money market, namely appreciation and depreciation, demonstrates the degree of volatility that exists between one country's currency and the currencies of other countries. The greater the volatility, the greater the movement of the currency's appreciation or depreciation. If the currency exchange rate experiences extreme volatility, the economy will experience both macroeconomic and microeconomic instability [27].

The volatility of the daily exchange rate of IDR against USD was also a challenge for participants, where the daily exchange rate movement at the peak of the COVID-19 pandemic was

insignificant compared to before the pandemic. However, it created panic among participants, especially when the rupiah depreciated to Rp 16.575/USD.

During 2020, the average economic growth was -3% but the rupiah exchange rate against the USD remained relatively stable, ranging from 14,100 – 14,800/USD. This is due to the external sector of the US economy prioritizing spending to assist people affected by COVID-19, the number of whom continues to rise [28]. On a year-to-date basis, during the pandemic that took place with data from March 2 to April 15, 2020, the Rupiah exchange rate against the USD was corrected to weaken by -12.4%. However, the volatility of this figure is still lower than that of the 2008 financial crisis, during which the Rupiah depreciated by 30.9% [29].

The limited supply of foreign exchange volume, combined with insignificant daily volatility, posed a challenge for participants to operate, particularly when it came to money changer income derived from foreign exchange differences.

“During a pandemic it feels flat. For the money changer business, this is detrimental, because rates are flat, there is no foreign exchange supply. Automatically, nothing can be done.”

If the daily exchange rate changes are not significant, the informant needs to postpone the sale to partner banks, while at the same time there is a need for rupiah for operational.

3.1.4 Maintaining Banknotes Stock

Banknotes, as a product traded by money changers, are subject to exchange rate fluctuations, participants are divided into two groups: those who immediately sell them to partners and those who collect them until reach a certain volume.

According to the informant, banks that work with money changers have adjusted their minimum transaction requirements during pandemic. However, small money changers prefer to take steps to immediately sell stock another money changers or bank partners to mitigate the exchange rate risk.

Money changers who still had foreign currency supply from their customers took a different approach, choosing to collect stock first until they reached the calculated profit. The need for Rupiah to support the operations of the money changer office also influences foreign exchange stock management. On the other hand, if the demand for Rupiah was high, the informant stated that they were unable to fully able to target a certain income point from exchanger rate.

3.1.5 Branch Office Temporary Closure

Most of money changers in Bali are close to tourism centers or hotel areas. As the result, the character of each tourism destination influences the of banknotes transactions. Participants stated that, the counter in the hotel area was unreliable due to the decline in the room occupancy rate of hotels. According to Bali Province Statistic (2020), the room occupancy in August 2020 was only 3.68%, compared to August 2019 which reached 67.10%. The counters located at hotels are temporarily closed, considering the supply of banknotes mostly comes from in-house guests.

Participants chose to temporarily disable branches at non-potential points which are located near the hotel area such as Jalan Kartika Plaza, Kuta; Jalan Pratama, Nusa Dua; and Sanur. Apart from hotels, money changers at these points during the pandemic also lost supplies sourced from partners such as offline travel agents, art shops, restaurants, and excursion service providers such as cruise and water-sports.

The informant stated that these branches were still recording losses during the peak of the COVID-19 pandemic, which occurred when the government declared The Emergency Community Activities Restrictions Enforcement or CARE from July 3 to 20, 2021. Operations were then concentrated on branches that still had transactions in line with the government's relaxation of restrictions, the *Work From program*, and the reopening of international flights at I Gusti Ngurah Rai Airport. Despite it was only opened to a few countries at the time, the participants stated that the branch operation with the volume of foreign exchange transactions began to increase after The Emergency CARE end was in Ubud. According to the participant's view, the Ubud area is

popular with long period of stay (more than 90 days) for foreign tourists who interested in spiritual tourism, healing, and seeking peace.

3.1.6 Transformed Human Resources Practices

Participants who choose to lay off permanently their employees are based on the desire to immediately cut expenses due to uncertainty during COVID-19. However, with the implementation of staff lay-offs. However, with the implementation of staff lay-offs, companies need to prepare large amounts of severance funds, as explained I-04:

“Employee changes are very massive, and when we let go some of them, we give them severance pay. We pay a large sum at first, but it gradually becomes less as time goes on. We decide to employing people according to the portion and the capacity we have.”

As a result, permanent layoffs during a crisis can only be carried out by companies with large capital structures. Another challenge following layoffs is operational management to avoid dysfunctional, where in one branch office there are positions such as branch head, dealer, cashier, counter staff, and delivery staff.

Just like other tourism industries, money changer are risking the need for skilled employees who will be needed again once the pandemic crisis is over [9]. In order to train new employees, the participant stated that the challenge lies in the skill to distinguish some banknotes from genuine or fake which can only be recognized manually. Therefore, more intensive training is needed to reduce the risks of counterfeit money and physical rejection by bank.

Second, the decision to lay off employees and reduce their pay. This decision was based on most participants' empathy for their employees. Working hours were applied in a month by alternating methods between employees, for example, 15 working days and 15 days off. It also altered the pay system, which was then operationally useful in reducing employee salary costs.

In addition to lowering costs, laying off employees provides equal opportunities for all employees to work shifts and take vacation days. This action also reduces employee stress, virus exposure, and, of course, provides employees with income even during times of crisis [30].

3.2 Survival Strategy

The second superordinate theme is Survival Strategy, as determined by the results of the analysis performed on interview transcript data using the NVivo 12 The main theme is divided into seven nodes.

3.2.1 Creating Crisis Team

This study found that most of the participants as decision makers tried to remain optimistic by concentrating transactions at the head office and crucial branches which were considered to still have potential. Operational monitoring during the COVID-19 pandemic crisis was carried out by participants with the support of a team formed to look for opportunities that could be developed during the minimal volume of banknote transactions, as revealed by I-10:

“My management and I continue to come in every Monday and Thursday to monitor the situation and see what efforts can be made, including opportunities to increase income and shift employees.”

This "crisis team" was involved in decision-making and regular discussions about temporary branch closures, opening delivery services, leasing non-operational branch offices, establishing visa extension services, and "wait and see" news related to cross-border COVID-19 restrictions. The participants confirmed that all existing and stand-by employees in the crisis team were receiving salaries that had been deducted for an average of more than six months in accordance with the agreement.

Participants stated the organizational culture prioritized supporting rather than giving punishment to branches that had not contributed significantly. Similar support was also received by employees, where both owners, directors, and managers, went directly to the branches. The principle of openness is also applied, even though employees received salary cuts, trust was built

through the transparency of monthly financial reports, provide moral support, holiday incentives even if in small amounts. The owner's closeness to management and directors fostered a sense of ownership, where fund management was carried out collaboratively to ensure agility of capital and cash for operations.

3.2.2 Capital Structure and Cash Management

This study shows the importance of maintaining credit during crisis, which can be applied to other industries. Financial leverage is the use of borrowed funds from third parties to increase a company's profitability and economic growth [31]. This financial leverage refers to the use of debt in the company's components or capital structure.

The COVID-19 crisis has forced the government through the Financial Services Authority or Otoritas Jasa Keuangan (OJK) to provide a stimulus based on POJK No. 11/POJK.03/2020 concerning impact of the spread of COVID-19. Based on this policy, OJK asks banks to proactively offer credit restructuring schemes, either in terms of timeframe, installment amount, or interest relaxation. However, almost all of the participants agreed to loosen cash at the beginning, by closing all types of credit immediately, as explained by participants I-01 and I-04:

"The first step is to reduce loss, we close everything related to credit. Even though I had time to restructure credit at the bank, I closed it immediately"

"We can't predict this pandemic. In terms of credit, we have paid off everything. So, it will loosen our cash even more. Even if there is a relaxation from the government, the tenor is only getting longer."

Furthermore, money changers require the availability of cash funds in the form of Rupiah in order to keep operate. According to participant I-10, capital structure agility is critical to surviving the crisis.

"Financial health should be prioritized. The ratio between debt and receivables, or the availability of cash and receivables must be reconsidered. Increase capital, but reduce debt."

Delays in expansion, such as opening new branches are stopped, then focusing on costs such as prepaid rent, particularly long-term repayment steps during the COVID-19 pandemic, which is critical to a money changer's financial survival strategy.

3.2.3 Banknotes Stock Management System Automation

As small and medium-sized businesses, money changers do not all have automated stock management through the system. The use of digital technology by small and medium-sized businesses to ensure business sustainability necessitates strategic rethinking of business processes supported by adequate system infrastructure and employee understanding to ensure operations run smoothly [32]. During pandemic, corporate leaders must make complex decisions and implement changes that stem from the COVID-19 pandemic's challenges and turn them into opportunities.

So, with potential branches still operating during the pandemic, the participant realized the need for a system that accommodates real-time stock management so as to minimize risks such as unreported stock. Moreover, with the reduction of employees in money changer operations, jobs that were previously done manually will be more efficient through systematic stock management. The stock management system is also useful in connecting the front office with the back office.

3.2.4 New Employment Contract

Bali has legally stipulated the implementation of the layoff of employees in the tourism industry in connection with the COVID-19 pandemic with the enactment of the Bali Regional Regulation No. 10 of 2019 concerning Employment Organization. To avoid the possibility of failing to pay employee salaries, companies in the tourism industry are expected to take steps

such as paying attention to work efficiency and company maintenance, this is done to reduce layoffs [33].

The COVID-19 pandemic crisis has the potential to gradually update human resource management theory and practice. It is critical to consider job retention as a core practice in human resource management. As a result, individual employee behavior and company performance will be affected. It is also hoped that the company will be able to actively manage job retention in order to provide efficiency and focus on employee well-being [34]. As stated in I-04, indicate the need for contract renewal during the Pandemic:

"We list first, whose performance and KPIs are good. We have classified them, so the selected staff was offered a new contract, with adjusted salary, they have to choose whether they want to take it or not, there is no coercion either."

Considering money changers to be a business activity under the auspices of the central bank, Bank Indonesia, which has yet to fully implement an effective human resource strategy. During the COVID-19 Pandemic, in the context of standardizing services of Payment System Service Providers, including money changer, Bank Indonesia held Competency Standards in accordance with PBI No. 21/16/PBI/2019. Later, all money changers are required to take expertise certification [35].

On the other hand, participants expressed concern about the company's ability to retain employees. Considering that this competency certification will be paid by each company, the participants' attention is directed to the employment contract which is likely to be more binding.

3.2.5 Marketing Strategies

Money changers are one of the industries in Bali that benefits from the volume of foreign exchange transactions made by foreign tourists. As the number of COVID-19 cases grows and restrictions are tightened, most participants' first step is to maintain contact with business partners and regular customers based in Bali. Changes in target customers who were originally foreign customers, participants tended to focus on local customers during the pandemic.

Money changers in Singaraja Regency, particularly in the Lovina Beach area, benefit from foreign currency owned by cruise ship workers who return home and are temporarily unable to sail. Cruise ship workers were previously employed by luxury cruise ships docked at Celukan Bawang Harbor, Gerogak District, Singaraja Regency. The presence of this port serves as a strategic entry point for luxury cruise ships carrying foreign tourists.

This study found that there was digital marketing transformation of Money Changer in Bali during and after the COVID-19 pandemic. The approach taken to the local market segment, considering that so far the form of marketing approach to foreign customers has not been significant. The informant stated that targeting the local market means bringing the company's access closer through social media channels. In terms of digital marketing content, it includes strategies to increase engagement with fun-fact content about foreign money, tips on maintaining health protocols when conducting foreign exchange transactions, COVID-19-free travel tips in Bali, special holiday theme content, tips for traveling abroad with a trusted foreign exchange, and facilitating the foreign exchange needs of businesses such as money bouquet and money cake.

To take a more personal approach, the participants used the company's customer database. During the crisis, communication are being strengthened by sharing complaints and paying attention, particularly to regular or loyal customers. Exchange rate information is routinely provided directly via personal communication channels such as SMS, Whatsapp, or phone calls.

Adjustments to the services provided include home delivery services. The participants are aware about the risks associated with providing a foreign exchange delivery service. However, when the government recommends limiting activities outside house during the pandemic, delivery service is value added for money changer services in addition to maintaining customer comfort. To survive the pandemic crisis, the hotel industry also makes adjustments to services or

sells alternative products [8], but management must continue to use the principle of prudence in deciding alternative steps to generate revenue.

3.2.6 Health and Safety Protocols

Bank Indonesia and the money changers association ensure that health protocols are followed by branch offices. Participants actively followed socialization related to restriction adjustment during COVID-19. Branch offices that are still in operation have a partition that limits the counter during transactions, hand sanitizer, and a well-lit waiting room.

The participants also communicated mandatory protocols and regulations from the government, which required all employees to take the COVID-19 vaccine. Calling for employees to return to work post-pandemic are only given to those who have done a complete vaccine.

3.2.7 Preparing New Normal & Banknotes Transaction Digitalization

A pandemic as a disruptive event should be facilitated by appropriate actions for recovery towards a better and digital world. By digitization, which mean incorporating digital objects into processes, tasks, products and services, creating major changes in business [36]. Regarding to digitalization program initiated by Bank Indonesia and the association of money changers, there are two platforms that have been developed since the pandemic, called KUPVA (authorizedmoneychanger.id) and Go Valuta (govaluta.com).

These two platforms aim to improve efficiency and convenience for digital money changer customers. According to the participant, the industry would be competitive with these two applications, which allows customers to find the nearest money changer and book exchange rates before they arrive. Participants still see operational risks that may occur, they expect new opportunities to expand after the COVID-19 subsided, especially in potential areas such as Ubud, Sanur, Legian, Kuta, and Nusa Dua.

3.3 Crisis Management Framework for Money Changer Industry

This study explores the challenges and survival strategies faced by money changers with a phenomenological approach, especially the Interpretive Phenomenological Analysis (IPA) which comprehensively presents the experiences of decision makers of money changer in Bali in the context of COVID-19 pandemic crisis as single phenomenon.

Practically, this research contributes as knowledge for the money changer industry and other companies that are under the tourism sector in dealing with the impacts and uncertainties. The survival strategy used to deal with the COVID-19 pandemic crisis is also described in this study as reference in decision making. The challenges faced by money changers which are highlight in this study, include management of banknotes as products that contain the risk of exchange rate. Along with cutting costs through reducing employees, stock management automation is priority to improve operational effectiveness.

The circulation of banknotes through money changers, especially in Bali, which is mostly obtained from foreign tourists, has been affected by travel restrictions. The lack of foreign tourist visits has forced money changers to survive the pandemic by shifting market segments to local customers. As a result, all marketing channels for reaching the local market are maximized, and the personal approach is also implemented. This marketing strategy is in line with research by [37] related to marketing messages during the COVID-19 pandemic which found the importance of elements such as safety, accurate pandemic information, open outdoor spaces show, positive destination attributes, authentic local experience, locals support, and reminders of joys of travel.

The participants stated that in a state of crisis, it is important for businesses to stay on the side of customers. Companies that lead with empathy and truly meet customer needs can strengthen customer relationships. Steps taken to maintain good relations with consumers during the crisis include those relating to safety, security, and stability, convenience and ease of use, and emotional bonds and trust [38].

Stimulus from government in the form of credit restructuring was not utilized optimally by participants considering the perception of the pandemic which will last for a long period. According to [39], the decision to immediately reduce spending and borrowing was made to maintain the availability of funds for operations. In addition to cutting costs by reducing employee salaries and temporarily closing branch offices, focusing on expenditures that require immediate payment and delaying capital expenditures can assist in providing cash funds to survive during a crisis.

The existence of crisis team in charge of monitoring business during crisis, also look for opportunities that can be developed. The open leadership style of leaders is the main element that influences the success of managing the COVID-19 crisis. This is in accordance with research by [40], where leaders with an open leadership style involve others in their work and clearly communicate their responsibilities, empowerment, expectations, and difficulties to stakeholders. Thus, this approach can facilitate effective teamwork, can be trusted, and help avoid conflict as every decision is made collectively.

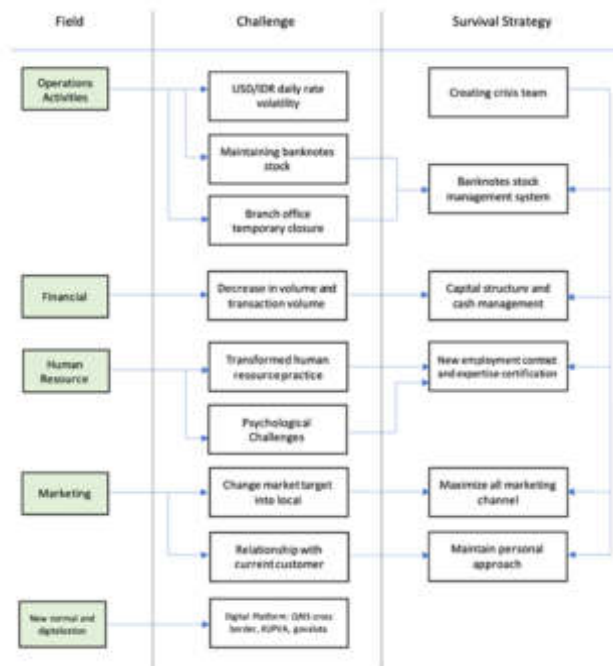


Figure 1 Crisis Management Framework for Money Changer Industry

In term of health and safety protocols in money changer, participants decision to call back employees to return to work post-pandemic are only given to those who have done a complete vaccine. This shows that participants want to make their employees understand the importance of following the COVID-19 vaccine. This practice is in accordance with the concept of "open climate" communication which creates a discussion for mutual understanding between the organization and its employees about their safety, health, and threats from the impact of the COVID-19 disease. Consequently, employees will be motivated to comply with workplace health protocols and guidelines [41].

An economic crisis provides an opportunity to focus on the effectiveness and consequences of government policies in order to avoid job losses [42]. The transformation in terms of human resource management occurred simultaneously with the momentum of the COVID-19 pandemic. Where money changers need to renew work contracts considering the existence of certification obligations from central bank to have more standardized expertise.

The development of digitalization of foreign exchange transactions can be a challenge that increase the competition between money changers or even disrupt the money changer industry itself, which has been utilizing physical exchange of banknotes as the main service. Governments as policymakers should shift their focus to supporting small businesses in the further identification and evaluation of new opportunities with more advanced elements in the entrepreneurial ecosystem, more focused and effective support can be provided to help small businesses survive and grow amidst and post-pandemic [43]. For this reason, the transformation of the foreign exchange transaction scheme in Indonesia through a digital-based money changer needs to be studied further.

4. CONCLUSION

The money changer industry and other companies that depend on and are under the tourism sector are facing the impact and uncertainty of the COVID-19 pandemic crisis and other crises that may occur in the future. This study Presents the experiences of decision makers of money changer in Bali in the context of COVID-19 pandemic crisis as single phenomenon. The survival strategy used to deal with the COVID-19 pandemic crisis is also described in this study as a reference in decision making. The challenges faced by money changers which are important points in this study, including the management of banknotes as product that contain the risk of exchange rate fluctuations, transformed human resource practices, shifting the market target and maintain customer relationship.

The existence of a crisis team in charge of monitoring business developments during a crisis also functions to look for opportunities that can be developed during the low volume of banknote transactions. Credit restructuring as stimulus from government was not utilized optimally, focusing on expenditures that require immediate payment and delaying capital expenditures can assist in providing cash funds to survive during a crisis. The development of digitalization of foreign exchange transactions can be a challenge that has the potential to increase the climate of competition between money changers or even disrupt the money changer industry itself, which has been utilizing physical exchange of banknotes as the main service.

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