

# Human Capital Analysis on Regional Ecotourism Development Program in Indonesia: Case Study in Labuan Bajo-Flores-East Nusa Tenggara

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**Abstract:** The objective of this research was to understand comprehensively the sustainable and innovative of social, economic and ecological community empowerment based on strategies and synergies in Labuan Bajo's ecotourism development as an integrated ecotourism ecosystem of marine, forest, mountain, and karst in West Flores, East Nusa Tenggara Province. It was a qualitative research with a program evaluation based on CIPP model conducted in Manggarai Barat Regency in 2016-2018. The data were collected through field surveys, news content analysis, using document studies, observations, recordings, FGD and in-depth interviews conducted with respondents and interviewees from the head of the Regional Tourism Agency of Manggarai Barat, Community Development Agency of European Union, and related local government agencies. The data analysis and interpretation indicates that (1) Labuan Bajo's ecotourism is integrated ecotourism ecosystem of marine, forest, mountain and karst which needs a sustainable and innovative ecotourism development strategic planning; (2) It is important to support global strategies system based on constructive local people participation and proposed by the strategic partnership of European Union and Kementerian Pariwisata RI. Without the support of local government capability, the program will not succeed. (3) The program did not develop a strategic planning because The Bupati of Manggarai Barat Regency has not yet formed Tim Koordinasi Ekowisata and Sekretariat Tim Koordinasi Ekowisata for managing all coordinations and communications about strategic planning and monitoring the Labuan Bajo's ecotourism. (4) Aligning all stakeholder's activities effectively is needed through the CIPP Evaluation Model for improvements by strategic planning approach. The findings lead to the recommendation that contribution of local government regulation for aligning strategic activities were needed to manage the program effectively before and after the program in transforming the Labuan Bajo' ecotourism ecosystem to global market connectivities. This recommendation is important to support the implementation of sustainable development in the future.

## 1 INTRODUCTION

Labuan Bajo is the capital of West Manggarai Regency on Flores Island, East Nusa Tenggara. Sustainable and innovative Labuan Bajo ecotourism development desperately needs global-focused local leadership capability with ecological risk management support from related SKPD (Satuan Kerja Perangkat Dinas- Office of Service Unit) that refers to synergy and regulatory strategies between centers, regions and villages in social, economic and ecological development. The wide gap between the growth of the tourism sector and the social, economic and ecological development of local

communities comes from weak local government capabilities in strategic planning, utilization strategies, control strategies, community empowerment assistance strategies and institutional strengthening strategies for sustainable and innovative ecotourism management. Researchers used Stufflebeam's CIPP (Context, Input, Process, Product) evaluation model to evaluate the Labuan Bajo ecotourism development program for systematic improvement. Because the engineering of regional ecotourism development in Indonesia based on the legal framework, namely Minister of Home Affairs Regulation No. 33 of 2009 on Guidelines for Ecotourism Development in the Region. Sustainable

development with ecotourism development using the theoretical framework of Bhuiyan et al (Bhuiyan, Siwar, Ismail, & Islam) as in figure 1. Program evaluation using (Roysel, Thyer, & Padgett, 2010) thought that program evaluation is a systematic and objective research effort with the aim of studying the process and outcome of an activity / program / policy that has been implemented. Evaluations are conducted to determine the outcomes or scores that the program has achieved. Human capital uses Finn's thinking in Ingham (Ingham, 2007) said Human Capital Management (HCM) utilizes the most valuable asset, which is human resources. In the context of innovative ecotourism development, human capital capability will create ecological innovation. Ecological innovation is a new significant implementation or improvement of products (goods and services), processes, marketing methods, organizational structures and institutional arrangements with the aim of environmental improvement that refers to new alternatives (OECD, 2012). Reference (Kanter, 2003) says four critical factors that make the local economy a world-class: visionary leadership, friendly business climate, commitment to training, and the spirit of collaboration between business and between business and local government. Human Capital, according to Fitz-enz (Fitz-enz, 2009), is a catalyst that improves the operational effectiveness of the organization. Human capital in the context of ecotourism development Labuan Bajo refers to the thinking of (Wilkins & Carolin, 2013) on strategic leadership, innovative leadership and situation management. The capability of strategic thinking leadership is the process used by a leader and his leadership team how to formulate, articulate, communicate, and implement clear, concise, and explicit strategies for the organization.

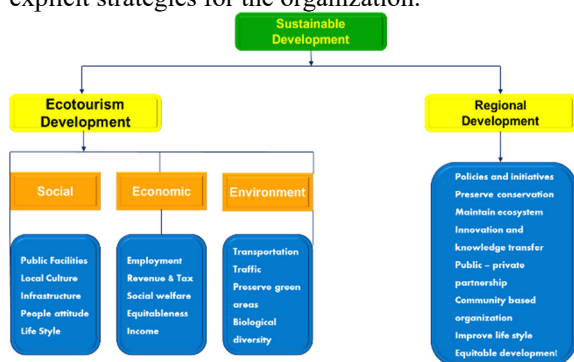


Figure 1: Sustainable Development with Ecotourism Development [1].

Figure 1 shows the development of sustainable and innovative ecotourism is a multisector activity that is highly dependent on short and long term strategic planning. The study aims: 1). Providing improvements to the legal basis and innovation development of Labuan Bajo ecotourism with the enhancement of human capital capacity; 2). Improving human capital capacity has an impact on planning and co-ordination of innovative ecotourism development program of Labuan Bajo; 3). Improving strategic planning capacity has an impact on improving the implementation of innovative development program of Labuan Bajo ecotourism; 4). Increasing the capacity of innovation implementation impacts on the sustainable results of Labuan Bajo ecotourism development; 5). Improving the capacity of sustainable outcomes creates the benefits of Labuan Bajo ecotourism development innovation for socially, economically and ecosystem communities.

## 2 METHODS

Evaluation of Ecotourism Innovation Program in Labuan Bajo using qualitative approach. Researchers conducted observations, interviews and distributed questionnaires to 86 respondents to collect primary data. While collecting secondary data in the form of demographic data and tourism data of Labuan Bajo and surrounding villages in West Manggarai regency, researchers visited the Office of Culture and Tourism of West Manggarai Regency, Nampar Macing Village Office, Tourist Information Center in Cunca Wulang Village, and Representative Office EU in West Manggarai District. The data obtained will be analyzed using descriptive analysis with data reduction technique, data presentation, verification and conclusion.

## 3 FINDING AND DISCUSSION

### 3.1 Context Components

The findings of this research indicate that the ecotourism of Labuan Bajo is a marine ecotourism ecosystem, forest, mountains and integrated karst. Therefore, the weak implementation of strategic planning, utilization strategy and control strategy of ecotourism of Labuan Bajo is a serious problem for ecotourism actors, namely government, local government, business world, and people engaged in

tourism. The local government is more focused on forest ecotourism, whereas more potential ecotourism is marine, mountains and karst. A number of weaknesses of institutional capability of West Manggarai Regency in the context of ecotourism development innovation program can be identified as follows: 1). Local governments do not conduct periodic market surveys to identify tourist populations; 2). The local government is not able to realize the target of ecotourism development program in RKPD (Rencana Kerja Pemerintah Daerah-Local Government Work Plan); 3). Ecotourism development is unable to accelerate the economic, social, and ecological development of communities; 4). The local government has not created constructive stakeholder participation because the Bupati has not established the Coordinating Team for Ecotourism (Tim Koordinasi Ekowisata) and the Secretariat of Ecotourism Coordinating Team. Document studies and interviews with field program managers found that the Innovative Indigenous Flores Ecotourism for Sustainable Trade (INFEST) Project and the Project for the Acceleration of Tourism Development through Creative Entrepreneurship or Creative Entrepreneurship Acceleration Tourism and Local Economic Development (CREATED) Project is a program of tourism community empowerment in development innovative ecotourism in which the objectives and targets of project activities are in line with the provisions of the Minister of Culture and Tourism Regulation No. KM.18 / HM.001 / MKP / 2011 on the National Program for Community Empowerment (PNPM) Mandiri Tourism and Regulation of the Minister of Home Affairs Number 33 Year 2009 Guidance on Ecotourism Development in the Region (Menteri Kebudayaan dan Pariwisata)(Menteri Dalam Negeri). On the contrary, the legal basis for the management of ecotourism in Labuan Bajo has not been strong because the regent does not form the Coordination Team of Ecotourism and the Secretariat of Ecotourism Coordination Team in charge of strategic planning of ecotourism development according to the Regulation of the Minister of Home Affairs No.33 of 2009 (Menteri Dalam Negeri). From the perspective of regional ecotourism development goal 65.00% does not agree to the participation of stakeholders in the process of formulating the program objectives. Because Detail Engineering Design (DED) of Labuan Bajo ecotourism management was completed in 2017, it has not even become a reference of RKPD 2017 and RKPD 2018.

### 3.2 Input Components

The Bupati as the main responsibility of the program has not established the Coordinating Team for Ecotourism and the Secretariat of Ecotourism Coordination Team in charge of coordinating and communicating with ecotourism actors related to planning strategy, utilization strategy and control strategy of Labuan Bajo ecotourism. As a result, the management of Labuan Bajo ecotourism without strategic planning. The proof, local governments have not set tariff retribution for 56 ecotourism destinations from 71 potential destinations. New retribution rates are issued for 15 ecotourism destinations with the highest tariff of Rp 20,000 per person per visit and the lowest rate is Rp 1,000 per person per visit. There are 50 ecotourism destinations that have not been fully managed. There are 14 ecotourism destinations managed by Balai Taman Nasional Komodo (BTNK). There are 4 ecotourism destinations managed by local investors. There are 2 ecotourism destinations managed by the local government. While an ecotourism destination managed by foreign investors. The local government only regulates local taxes and levies from hotels on the mainland. While from the floating inn in the sea there has been no regulation about local taxes and regulations, because the agency has no data on the name and number of floating inn. Though the number of lodging floats more than hotels on the mainland. The impact of the management of Labuan Bajo ecotourism without strategic planning is the limited development of various aspects of supporting tourism activities, non-integration of activities, unclear mechanism procedures, lack of infrastructure infrastructure, and poor monitoring and control.

All input issues are from related Bupati and SKPD that do not provide intensive guidance in developing ecotourism Labuan Bajo in the form of: guidance / supervision / consultation, education / training, monitoring, and evaluation. This is confirmed by respondents' evaluation of the Head of Region and Head of Culture and Tourism Office related to strategic leadership capability, innovative leadership capability and situation management skills in continuous development of ecotourism development of Labuan Bajo. Approximately 67.00% of respondents doubted to strongly disagree Regional Head and Head of Department of Culture and Tourism has the skills of strategic leadership and innovative leadership skills. Approximately 67.00% of respondents doubted to strongly disagree Regional Head and Head of

Department of Culture and Tourism have situation management skills.

### 3.3 Process Components

Labuan Bajo ecotourism management strategic planning can only be done if the Bupati has established Ecotourism Coordination Team such as organigram Figure 2.



Figure 2: Organigram District Ecotourism Coordination Team.

When the West Manggarai District Government has established a Coordinating Team for Ecotourism, the type and activities of ecotourism development are easier to do because type planning and activities are more coordinated between the various parties so that sustainable and innovative Labuan Bajo ecotourism development can involve stakeholder participation without conflicting with community development from a perspective social, economic and ecological. Labuan Bajo's ecotourism development process uses theoretical framework of Drumm & Moore (2002) as in figure 3 to create constructive community participation in ecotourism development.



Figure 2: Essential Elements of Community-Based Ecotourism Development. (Dorobantu & Nistoreanu, 2012)

Development of Labuan Bajo ecotourism with community empowerment program refers to (Drumm & Moore, 2002) requiring integrated planning activities, clarity of mechanism procedures, infrastructure infrastructure, strong monitoring and control. Because Labuan Bajo as a marine ecotourism ecosystem, forest, mountains and karst integrated, program managers and local

governments should focus more on developing sustainable and innovative Labuan Bajo ecotourism rather than mass tourism development. Reference (Dorobantu & Nistoreanu, 2012) holds that ecotourism characteristic lies in awareness, responsibility and commitment to environmental sustainability and improving the welfare of local people, thus having long-term impact. The main challenge of ecotourism ecosystem development program of Labuan Bajo is in the way of strategic planning synchronized with global market driven, because 73.00% of respondents doubted to strongly disagree that the format and type of ecotourism development program activities by the Department of Culture and Tourism has paid attention to the element of education for understanding the conservation of resources nature as a vital element of sustainable ecosystem ecosystem development. The development of Labuan Bajo ecotourism does not accommodate the global market driven because the Regent of West Manggarai District does not supervise supervision, consultation, education and training, supervision and evaluation on innovative ecotourism development program.

### 3.4 Product Components

The development of Labuan Bajo ecotourism is still little to provide economic, social and ecological benefits to the community due to the implementation of the Labuan Bajo ecotourism development program without strategic planning. The local government only focuses on the development of forest ecotourism, while the more potential marine ecotourism, mountains and karst. The local government only collects local taxes and levies from mainland hotels, while more floating inns have not yet been recorded and have not yet been drawn up by local taxes and retributions. As a result, the innkeeper and floating restaurant most feel the economic impact of tourism activities of Labuan Bajo followed by owners of hotels and restaurants on the mainland. While socially, economically and ecologically not much felt by society, except social gap. Although the development of Labuan Bajo ecotourism has not yet applied international ecotourism standards, 68.00% of respondents agreed to agree that the government's program to make Labuan Bajo a priority destination has increased the income of the community, especially in Cunca Wulang Village and Nampar Macing Village.



## 4 CONCLUSIONS

The continuous and innovative development of ecotourism in Labuan Bajo, Flores, East Nusa Tenggara has not involved strategic planning in its management, so it is not in line with the social, economic and ecological development that causes a gap between the growth of tourism business and the welfare of the people. Therefore, researchers recommend the sustainable and innovative development of Labuan Bajo ecotourism requiring a redesign involving central and local regulatory synergies and regulatory strategies, localized global leadership and the presence of relevant SKPD ecological risk management skills in West Manggarai District. Good synergy between the central and regional governments will have a positive impact on strengthening development which ultimately supports the concept of sustainable development in the future. Negative things found in this research need to be improved better in the future by paying attention to aspects of sustainable development, especially in the context of regional development programs in Indonesia.

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