

Impacts of Covid 19 Pandemic on Tourism and Hotel Employee Performance in Bandar Lampung

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Abstract

This paper aims to empirically ascertain the effect of COVID-19 pandemic on a tourism firm's employee performance in Bandar Lampung. The purpose of this study is to obtain empirical evidence about the effect of the COVID-19 pandemic on the performance of tourism company employees in Bandar Lampung. This study achieved the objective by sourcing data via a questionnaire which was administered online to tourism company employee in Bandar Lampung. The study employed the Linear Regression to test the hypotheses stated in the study. In this study, the researcher studied the effects of the COVID-19 pandemic toward the tourism company employee performance in Bandar Lampung. Coronavirus (COVID-19) Pandemic negatively impacts the employee performance of the temporary closed down tourism businesses in Bandar Lampung.

Keywords: Covid 19, Employee Performance, Hotel, Tourism.

A. INTRODUCTION

The global pandemic of Corona Virus or the one that we know as COVID 19 has brought negative impact on entire socio-economic structures and has challenged the operations of companies in the multi-industry. Nowadays, potential repercussions and alternative solutions are volatile. The strategy for the recovery of the economy, employment, and business functions are necessary. At first, COVID 19 is allegedly highly infectious virus that used to infecting groups of people with unhygienic lifestyles and diets who have limited health care in their lifestyles and they are usually classified as poor people (ECDC, 2020). But ironically, COVID 19 first attacked international travelers and caused a global pandemic through international travelers (ECDC, 2020). Tourism consumers are part of international travelers. Tourism is one of the growing industries in

Indonesia, and Indonesian tourism industry both international and domestic tourism is significantly affected by COVID 19 pandemic.

In Indonesia, the government issuing massive scale social distancing as a result of the upsurge of the coronavirus. This massive-scale social distancing features the restriction on transportation of people and goods, significantly disrupt outputs and exports, hinders the growth of the private business by undercuts in the investments due to the loss of investors' confidence in the market (Jung et al., 2016). One of Indonesian city that its socio-economic structures are highly affected by COVID 19 is Bandar Lampung. In Bandar Lampung, a lot of companies choose to close their business temporarily and lay off their employee. Coronavirus disease 2019 or COVID-19 pandemic causing 33 companies in Bandar Lampung, closing their business for temporary (Disnaker Lampung, 2020). In March-May 2020 period there is about more than 2.000 laid-off employee in Bandar Lampung due to COVID 19 pandemic situation (Disnaker Lampung, 2020). The 2.190 laid-off employee due to COVID 19 pandemic in Bandar Lampung comes from the formal sector and 159 laid-off employees due to COVID 19 pandemic in Bandar Lampung comes from informal sector (Disnaker Lampung, 2020).

Bandar Lampung government appeal to the company that temporarily closed making policy to not resorting to employee dismissal for the laid-off employee after the 14 days isolation period. However, if the laid-off employee dismissal is already been done and the companies do not give the employee compensation after dismissal, Bandar Lampung government encourage the dismissed employee reporting their condition to Bandar Lampung government, so the Bandar Lampung government can provide support and assistance for the dismissed employee (Disnaker Lampung, 2020). The 26 of 33 companies in Bandar Lampung, that closing down their business for temporary due to COVID 19 pandemic comes from tourism, hotel, and MICE industry (Disnaker Lampung, 2020). Table 1 listed below the details of the 26 of 33 company in Bandar Lampung, that close down their business for temporary due to COVID 19 pandemic.

Table 1. Temporary Closed Down Company in Bandar Lampung

No	Company	Category
1	Akademi Pariwisata Satu Nusa	Tourism Education
2	Hotel Golden Tulip	Hotel and MICE
3	Hotel Grand City Hub	Hotel and MICE
4	Hotel Andalas Permai	Hotel and MICE
5	Hotel Batiqa	Hotel and MICE
6	Hotel Bukit Randu	Hotel and MICE
7	Hotel De Green	Hotel and MICE
8	Hotel Dwipa Wisata	Hotel and MICE
9	Hotel Emersia	Hotel and MICE
10	Hotel Grand Anugerah	Hotel and MICE
11	Hotel Grand Praba	Hotel and MICE
12	Hotel Horison	Hotel and MICE
13	Hotel Krida Wisata	Hotel and MICE
14	Hotel Kurnia 2	Hotel and MICE
15	Hotel Kurnia Perdana	Hotel and MICE
16	Hotel Marcopolo	Hotel and MICE
17	Hotel Pelangi	Hotel and MICE
18	Hotel Sahid	Hotel and MICE
19	Hotel Sheraton Inn Lampung	Hotel and MICE
20	Hotel Sparks Lite	Hotel and MICE
21	Hotel Swissbell	Hotel and MICE
22	Hotel Whiz Prime	Hotel and MICE
23	Hotel Yunna	Hotel and MICE
24	Restoran Begadang 2	Food and Beverage
25	Transmart Lampung	Retail
26	PT Eka Sari Lorena Transport	Transportation

Source : Disnaker Lampung (2020)

Against the backdrop of government lockdown and a halt of business activities, the mentioned above businesses' financial and non-financial performances would be affected. A sharp decline in sales which would subsequently lead to insufficient cash flow in carrying out various operations, financing, and investing activities. Inventory will become obsolete and lead to a loss in economic value. The implication of the temporary closed down company in Bandar Lampung

as a result of the decrease in the sale will ultimately lead to private businesses pack up and downsizing which will cause job loss (increase in unemployment) in Bandar Lampung. Due to the high level of laid-off employees, the researchers choosing this study with the purpose of empirically ascertain the effect of COVID-19 pandemic on a firm's employee performance in Bandar Lampung. The researchers hope that this study can be an initial study that can be further developed to help Bandar Lampung tourism business owners in mitigating the pandemic effect on their company employee work performance.

B. METHOD

This research was conducted based on rational choice theory. Rational choice theory is known as choice theory, where individuals are assumed to always make logical decisions with the aim of giving the individual the highest personal gain or satisfaction. (Aifuwa et al, 2020). In this study, this theory was used to understand and provide a rationale for Bandar Lampung tourism businesses' decision to shut down operations as a result of the COVID-19 pandemic. The data that is analyzed in this study is obtained from 260 respondents from 26 companies in Bandar Lampung, that closing down their business for temporary due to COVID 19 pandemic. The data is obtained using a questionnaire that constructed from Aifuwa et al (2020) questionnaire in their research about COVID-19 pandemic influence on employee performance in Nigeria. The questionnaire was administered online using the Google document platform. The online platform was considered the best medium to administer the questionnaire because of the current situation of the COVID-19 pandemic in Bandar Lampung.



Figure 1. Research Design

This study conducted based on the research design in Figure 1. The hypothesis is analyzed using the linier regression analysis. The Cronbach Alpha statistics were used to determine the internal consistency of the item of scale constructed in the questionnaire. Our hypotheses were

tested using the non-parametric inferential statistic–linear regression after converting the categorical data into continuous data. This study conducted based on the equation:

$$\text{EmpPerf} = \beta_0 + \beta_1 \text{COVID-19}_i + \varepsilon_i$$

Where :

EmpPerf	= Employee Performance;
β_0	= Constant;
COVID-19	= Coronavirus Pandemic
β_1	= Coefficient of explanatory variable
ε	= Standard error
i	= Cross sectional (Companies)

C. RESULT AND DISCUSSION

Out of 260 respondents, there are more females than males. Female respondents are 73,52%, and male respondents are 26,48%. However, there is not a big difference between the two proportions. The age group varies from the 20s to 50s with the largest age group is come from 21-30 years old age group (43,30%). A reliability test was analyzed and interpreted in Table 2 below.

Table 2 Test of Reliability

<i>Cronbach's Alpha</i>	<i>N of Items</i>
.839	260

Source : Data Processed (2020)

Hair et al (2010) stated that the Cronbach's alpha score can be used to show the reliability of research data. The reliability test results showed a Cronbach alpha value of 0.839. According to Hair et al (2010), the reliability test with Cronbach's alpha score value higher than 0.7 which indicates that the variables used in the analysis are reliable. The results of the Cronbach's alpha using 260 respondents indicated that all variables used in this study are reliable. The result of the linear regression is presented in Table 3.

Table 3 Linier Regression

Model	Coefficients ^a		Standardized Coefficients Beta	t	Sig.
	Unstandardized Coefficients B	Std. Error			
1					
	(Constant)	3.604	1.851	7.183	.000
	Covid19	-.577	.135	-6.83	.000

a. Dependent Variable: Employee Performance
Adjusted R Square = .497; Std. Error of the Estimate = 1.45536; F = 141.225
Source : Data Processed (2020)

The linear regression test results shown in Table 3 show a significant negative relationship between Coronavirus Pandemic and the performance of tourism company employees in Bandar Lampung $T(1.963) = 11.073$, $\beta_1 = -0.577$, $sig = 0.000$. The results of the linear regression test showed that if an increase in the COVID-19 pandemic would reduce the performance of tourism company employees in Bandar Lampung by -0.577 . The result, therefore, rejects the hypothesis that COVID-19 pandemic has no negative impact on employee performance of tourism company in Bandar Lampung.

The hypothesis proposed in this study is the Coronavirus pandemic (COVID-19) does not negatively affect employee performance, but the results of linear regression tests show that the COVID-19 pandemic affects the performance of tourism company employees in Bandar Lampung negatively. The respondents work from home (WFH) condition can be used to explain the hypothesis test results. According to the Disnaker Kota Bandar Lampung (2020) the work from home (WFH) policy causing a decrease in employee performance.

In practice, the implementation of work from home has challenges and obstacles that are not easy, because not all sectors of work can be done from home. Many factors can affect the implementation of work from home such as the absence of work tools and communication, lack of coordination, disruption of the "domestic" environment in the household, and so forth. Aifuwa et al (2020) research support this study. Aifuwa et al (2020), revealed that Coronavirus (COVID-19) Pandemic harms both the financial and non-financial performance including employee performance of private businesses.

D. CONCLUSION

The purpose of this study is to obtain empirical evidence about the effect of the COVID-19 pandemic on the performance of tourism company employees in Bandar Lampung. This study achieved the objective by sourcing data via a questionnaire which was administered online to tourism company employee in Bandar Lampung. The study employed the Linear Regression to test the hypotheses stated in the study. In this study, the researcher studied the effects of the COVID-19 pandemic toward the tourism company employee performance in Bandar Lampung. The study concluded that the COVID-19 pandemic negatively affects tourism company employee performance in Bandar Lampung.

This study has two main limitations. The relevant study should be conducted in a way that overcomes the limitations found in this study. First, the study was conducted as the initial study in limited places for a limited time in Bandar Lampung. This limitation can be overcome in the following studies by conducting research surveys for a longer period with a more diverse company. Secondly, this study limited its scope of subjects. There is a lot of tourism companies in Bandar Lampung, but in this study, the researcher only studied the 26 of them that closed down for temporary. This limitation of research can be overcome by studying more various companies in later studies.

Significant changes in the tourism business caused by the COVID-19 pandemic will be greatly felt by tourism businesses. While some tourism business managers will reconsider their tourism business and it is likely they will focus more on marketing sustainable local tourism products, without the intervention of relevant government agencies, which are currently struggling to save lives from the Covid-19 pandemic and are trying to create conditions conducive to reactivating the economy and the education system. For many tourism business managers and related government institutions, especially those who are more concerned with profits, the focus on tourism will be business as usual. Therefore, this study recommends that the government should include tourism companies in stimulus packages or palliative programs to keep tourism companies in Bandar Lampung operating after a pandemic without dismissal of employees.

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