

THREATS OF THE COVID-19 PANDEMIC ON EXISTENCE OF HOSPITALITY BUSINESS IN MAINTAINING BUSINESS CONTINUITY MANAGEMENT (BCM)

Lien Maulina¹⁾, & Sukmadi²⁾

^{1,2}, Sekolah Tinggi Pariwisata Bandung

Email: [1lim@stp-bandung.ac.id](mailto:lim@stp-bandung.ac.id); [2ads.stpnhi@gmail.com](mailto:ads.stpnhi@gmail.com)

Abstract

The spread of the corona virus (covid-19) is still a hot issue in the international world, including Indonesia. This outbreak has affected economic activity in Indonesia with a very significant impact, especially on one of the foreign exchange earners in Indonesia, namely the tourism sector. Ministry of Tourism and Creative Economy, the number of tourists coming to Indonesia is not only reduced but almost non-existent, including tourist visits to the hotel industry. All cross-sectoral and industrial organizations in dealing with the Covid-19 pandemic have made changes in their operations in business as usual conditions, where every activity in the workplace apart from their respective homes, both in offices, factories and other locations. Based on these problems, the purpose of this study is to identify and analyze the threat of the COVID-19 pandemic on the existence of the hospitality business in maintaining business continuity management (BCM). The research method used is a descriptive qualitative method based on secondary data in the form of journals related to research problems, research results and library references regarding data and information related to the threat of the covid 19 pandemic. Data collection techniques use documentation. Data analysis is done through content analysis. The results showed that the Covid-19 pandemic was an event in which the existence of the external environment was relatively uncontrollable or outside the company's control. The direct impact that affects business entities relates to conventional business activities in marketing, finance, human resources and operations. For hoteliers, it is necessary to adjust quickly in the midst of the Covid-19 pandemic and strive to develop product and service innovations in accordance with market demand trends accompanied by transformations in online application services as well as providing and displaying the applied health protocol and certification carried out by the Ministry of Tourism and Creative Economy.

Keywords: Covid-19 Pandemic, Hospitality Business, Business Continuity Management (BMC)

A. INTRODUCTION

The spread of the corona virus (covid-19) is still a hot issue in the international world, including Indonesia. Since the beginning of 2020, the whole world has been hit by the COVID-19 virus, Indonesia is one of the countries affected by the COVID-19 outbreak since March 2. In less than three months, there have been 118 thousand cases in 114 countries, including Indonesia. In this country, the number of citizens who have tested positive for the corona virus continues to increase. Of course this has an impact on mobilization and productivity, both for professionals and the general public. Covid-19 caused an economic shock that affected the economy of individuals, households, micro, small, medium, and large enterprises, and even affected the country's economy with a scale of coverage from local, national and even global.

Data as of March 2021, COVID-19 cases have been confirmed with a total of 120,401,219 cases. In this data, the United States is still in the first position in the world Covid-19 case rate with a total of 30,081,023 cases with the addition of new cases in the last 24 hours as many as 36,262 people. The second rank is followed by Brazil with a total of 11,483,370

cases with an increase in the last 24 hours reaching 44,120 people. Meanwhile, Iran and Indonesia are currently in the top 20 of Covid-19 cases in Asia. Iran itself has had 1,746,953 cases with an increase in the last 24 hours of 7,593 cases. Meanwhile, Indonesia currently has confirmed cases reaching 1,419,455 with the addition of positive cases in the last 24 hours reaching 4,714 people. This outbreak has affected economic activity in Indonesia with a very significant impact, especially on one of the foreign exchange earners in Indonesia, namely the tourism sector. Ministry of Tourism and Creative Economy, the number of tourists coming to Indonesia is not only reduced but almost non-existent. In 2019 the number of tourists who came to Indonesia reached 16 million visitors and provided foreign exchange to the country as much as USD 20 billion (Prayoga, 2020).

Anticipating the impact of covid-19 has received attention from the policies of the Central Government and Regional Governments throughout Indonesia, with dynamic logical consequences on business activities. The presence and spread of Covid-19, which is in an external environment and uncontrollable or outside the company's control, is considered to have contributed to determining the survival of a business entity. Indonesia has implemented policies of social distancing, work from home (WFH) and large-scale social restrictions (PSBB) for local government officials, companies, the education sector and reducing the intensity of public transportation. This policy is an effort to reduce the spread of Covid-19 which, if uncontrolled, will have a bigger and more prolonged negative effect.

According to Maulina et al (2021) the hotel business is one of the parts of the tourism business that has been most disadvantaged due to the Covid-19 pandemic. Chairman of the Indonesian Hotel and Restaurant Association (PHRI) Hariyadi P. Sukamdani stated that PHRI noted that the average hotel occupancy in Indonesia is only 20%, which means that 80% of rooms are empty (Anwar, 2020). This low occupancy condition encourages hotels to save on expenses or even stop their operational activities. Many hotels have been forced to close because there are no more guests and the food and meeting businesses are no longer occupied. Indonesia feels the impact of its spread, currently there are many policies that have been carried out by the Central Government to inhibit the spread and also policies in the economic sector and community welfare which greatly impact all levels of society without distinguishing rank and class and strata of people's lives. Plus the government's recommendation to remain silent at home, work at home, study at home so that many of the hotel industries are experiencing symptoms of bankruptcy.

All cross-sectoral and industrial organizations in dealing with the Covid-19 pandemic have made changes in their operations in business as usual conditions, where every activity in the workplace apart from their respective homes, both in offices, factories and other locations. In response to this situation, each organization implements business continuity management (abbreviated as BCM) by owning and implementing an emergency response plan (abbreviated as ERP) and a business contingency plan (BCP) with Work from Home (KDR) as one form. The implementation of ERP and BCP supports an organization's resilience in the face of disruption so that it can recover when conditions return to normal (business as usual). Without ERP and BCP, or completely without BCM an organization can find it difficult to survive a disruption and cannot or at least be as difficult to recover as an organization with effective BCM does.

ISO 22301 is an international standard that specifies the requirements for implementing a Business Continuity Management (BCM) system. This standard provides guidance for organizations to build and continuously improve a business continuity system

that enables them to reduce the occurrence of a disruptive event, respond effectively when a disruption occurs, and recover quickly if a similar event occurs. ISO 22301 was developed by the International Organization for Standardization (ISO) in 2012. This standard was written by specialists in the field to provide the best framework for managing business continuity in an organization. The requirements specified in ISO 22301 are applicable to all organizations. Any organization, large or small, for profit or non-profit, private or public, can use this standard to build a BCM system that suits its needs and meets the requirements of interested parties. This standard is also compatible with other ISO management system standards, thus supporting consistent and integrated implementation and operation of the associated management systems

B. RESEARCH METHODS

The research method used is descriptive qualitative method based on secondary data from research results and literature references regarding data and information related to research. Data collection techniques use documentation techniques as a way for researchers to collect data from various reference sources. The type of data is secondary data, both in the form of qualitative and quantitative data from journals and online news. Secondary data is data that refers to information collected from existing sources. Secondary data sources are company records or documentation, government documentation or government publications, industry analysis by media, websites and others (Uma Sekaran, 2011).

C. RESULTS AND DISCUSSION

One of the business sectors that was severely affected by the Covid-19 pandemic is the hotel business. Because during the corona virus outbreak, people are urged to stay at home and avoid traveling or leaving the house for something that is not urgent. In addition to travel restrictions, strict requirements for using public transportation, and the increasing number of infections, many people also think twice about traveling long distances. Like it or not, hoteliers have to rack their brains how to make their businesses breathe in the midst of a pandemic.

The hotel sector is an important part of the tourism industry. The Covid-19 outbreak has caused the sector to stop working for the past few months. This has led to a slowdown in the economy and resulted in an increase in poverty. Based on data obtained from the Central Statistics Agency (BPS) in March 2020, the number of poor people was 475.72 thousand people when compared to September 2019 of 440.89 thousand people (BPS, 2020). However, hopes for the hotel sector will come back with the start of a new normal order for the world of tourism. Through the new normal order, it is hoped that the existing hotels can resume operations, so that the economy can quickly recover. Currently the tourism industry does not only rely on uniqueness and beauty as the main attraction for tourists. The implementation of health protocols, especially in handling Covid-19, is a must in every corner of this industry.

There are several reasons for hotel business actors to close their hotel business: (1). Supporting the government in campaigning for the hashtag #dirumahaja with the aim of reducing the space for covid-19 by carrying out social distancing and physical distancing; (2). Protecting hotel employees from being exposed to the Covid-19 virus caused by interactions with hotel guests if the hotel remains open; (3) Protecting the image of the hotel, entrepreneurs choose to avoid the potential of finding ODP in their hotels which will impact their image hotel in the eyes of the public (4). There was a significant decrease in the occupancy rate within a

week than usual. And (5). There was a decrease in the demand for the provision of meeting rooms and production and food and beverages that occurred in hotel restaurants. In this case the hotel managers call it the term Gross Operating Loss (GOL) which causes the hotel financial condition to be disturbed and negative.

Research conducted by Anngit Dyah Kusumastuti (2020) the effect of COVID-19 pandemic on the existence of MSME businesses in maintaining business continuity management. This study aims to analyze the impact of the Covid-19 pandemic on the existence of MSME business in business continuity management (BCM). The research methods used is descriptive qualitative method based on secondary data from research result and reference on data and information from journals and online reporting. The result showed that the impact of the Covid-19 pandemic was felt directly by the sustainability of the MSME business in decreasing its productivity. The business sector that was constrained by its development and even experienced a decline during the Covid-19 pandemic was the transportation, tourism, shopping center, and offline trade business which only focused direct consumer visits. While business activities that can still survive and exist to serve consumers (transformed using an online application platform) are education, retail, staple food.

Sharfina Nabilah, Muhammad Nursan and Pande Komang Suparyana (2021) the impact of the covid-19 pandemic on MSMEs (Case Study of Zea Food MSMEs in Mataram City). This article focuses on the impact of Covid-19 on MSMEs and the strategies used by business actors to increase sales turnover during the Covid-19 pandemic. The research method used in this study is a qualitative research method, with data collection techniques in the form of direct interviews with Zea Food business owners and from several other journal sources. The results of this study indicate that the impact of the Covid-19 pandemic on Zea Food SMEs is quite high, namely an increase in sales turnover of 60 percent during the Covid-19 pandemic. This is because Zea Food uses digital marketing to promote its product sales. There are several ways that SMEs can do to survive and increase sales turnover during the pandemic, including e-commerce, digital marketing, improving product and service quality, and CRM.

The implementation of the hospitality industry health protocol is related to the implementation of four main points, namely cleanliness, health, safety and environmental sustainability. This is because the pattern of demand and behavior of tourists after the Covid-19 outbreak will be greatly influenced by their awareness of these four points. Kemenparekraf collaborates with certification bodies in an effort to be able to verify against the standards of the CHSE manual that has been set. Kemenparekraf also collaborates with the Ministry of Health and associations such as PHRI (Association of Indonesian Hotels and Restaurants), ASITA (Association of The Indonesian Tours and Travel Agencies) as an integrated national team and coordinates with provincial and district / city teams in verifying the type of business / sector / public facilities and services as well as a regional independent declaration for business actors.

As business becomes more and more globalized, companies large and small alike are experiencing a pandemic situation. Apart from the lack of visitors, hotels also lost revenue from the MICE sector (Meetings, Incentives, Conventions and Exhibitions). In fact, MICE tourists, who are also referred to as business travelers, have several advantages over ordinary tourists, including being an opinion leader. Their assessment of a stake conducting a conference can have an impact on others. MICE tourists are also classified as quality tourists because they stay longer and spend more money than ordinary tourists, and are even suspected of spending seven times more than leisure tourists. They are a valuable asset for the tourism industry.

In the case of Covid-19, to anticipate the loss of this MICE opportunity or to close the hotel expansion, many hotels have strengthened their teams in the food and beverage sector. Namely by selling food through delivery orders. You do this by doing telemarketing with corporate, government and individuals to market delivery orders. In maintaining its business, the hotel also carries out delivery orders through social media at affordable prices, free delivery fees and with strict health protocols. These efforts are useful in helping to create an operational environment that is slow to rotate but still running.

Managerial skills are needed in an effort to maintain the existence of the hotel. Inventory management is one of the company's managerial skills that functions to manage the inventory of goods on hand. Starting from how to obtain supplies, store them, until the supplies are used or released. In a pandemic like this, inventory management is needed because inventory stock is an idle company asset. Or assets that are still stored and waiting to be used. In the hotel business, if the available supply is excessive, it will cause high expenses. Every item that is stored will definitely cost money. However, if the available supply is lacking, it will hamper activities, the risk of losing customers is even more so with the uncertainty regarding the timing of orders, supply from suppliers and uncertainty of demand.

In the aftermath of the global pandemic, many organizations are thinking and contemplating what they have, are doing and must do to be able to maintain their business operations during this time of disaster. Business Continuity Management (BCM) is a critical matter that organizations should have, unfortunately not many have it. Business Continuity is the intended outcome of the proper execution of business continuity planning and disaster recovery. Which is the result of purchasing cost-effective backup machines and servers, backing up and taking them elsewhere, assigning clear responsibilities, performing drills, educating employees, and being vigilant. In other words, basically, the stronghold and resistance of the organization against failure, is to add the word "management" in the phrase "business continuity". Which relates to the ability of businesses to plan and implement changes in the operating environment through the use of risk frameworks that have been identified previously.

The Disaster Recovery Preparedness Council recently announced that sustainability and recovery is viewed by more than $\frac{3}{4}$ organizations around the world as an option, despite the number of disruptive events. A detrimental move, given that many experts say that after a disaster, 75% of organizations without BCM systems fail within 3 years. The likelihood of a business surviving tough times and bouncing back without a clear system is extremely low. BCM is able to help your organization recover from things like:

1. A business failure that does not allow for recovery
2. A dangerous emergency resulting in injury or death
3. Loss of income and net worth
4. Respond to crises that have a negative impact on your brand
5. Inability to operate due to application failure or shutdown

Business Continuity Management (BCM) is a series of planned, measurable and comprehensive management system processes; which includes early identification, development of resilience, the ability to effectively control any potential incidents, recovery of conditions, and the process of carrying out activities back to normal to ensure the continuity of the company / organization's business. Business Continuity Management (BCM) is a series of planned, measurable and comprehensive management system processes; which includes early identification, development of resilience, the ability to effectively control any potential incidents, recovery of conditions, and the process of carrying out activities back to normal to

ensure the continuity of the company / organization's business. Simply put, BCM can be interpreted as a recovery process after an incident. BCM is carried out to ensure all aspects such as health and safety, IT, HR, Operations, risk management, HRD and others. Health and Safety, for example, where identification must be carried out in relation to all levels of emergency events or crises that may occur in an organization in order to determine the appropriate steps for prevention and mitigation. How they ensure the safety and health of every personnel is still considered even in precarious conditions. The goal is that business processes or operational activities in an organization or company can still run even though they are not optimal (at least not until they stop) when an incident occurs.

As of February 29, 2020, the central government through the Decree of the Head of the National Disaster Management Agency (BNPB) Number 13 A of 2020 concerning the Extension of Certain Disaster Emergency Status Outbreaks of Corona Virus in Indonesia established the status of "Corona Disaster Emergency" in Indonesia until the 29 May 2020. This was done in response to the increasingly widespread spread of COVID-19 in various parts of the world, as well as preventing uncontrolled spread in Indonesia. A few days later, on March 2, 2020, the first positive case of corona infection was found in Depok and on March 11, 2020, the World Health Organization (WHO) declared COVID-19 a pandemic after it had spread to 114 countries.

To respond to various developments in the situation above, all Indonesian people should support the efforts of the central and local governments to reduce the rate of increasing the number of COVID-19 cases in Indonesia. One way to do this is by implementing social restrictions and self-isolation at home. For all organizations across sectors and industries, this means that there has been a disruption event that has led to the organization's operations no longer being in a business as usual condition where every activity in the workplace other than their respective homes, whether in offices, factories, or other locations, are no longer accessible.

As a response to this situation, each organization should implement business continuity management (abbreviated as BCM) by having and implementing an emergency response plan (abbreviated as ERP) and a business contingency plan (BCP)., with KDR (Working From Home) as one form. Organizations that have previously had a BCP for the implementation of KDR will certainly be more prepared and nimble in implementing government recommendations to carry out domestic violence compared to other organizations which then only limit their activities by temporarily laying off their personnel. In addition, ERP and BCP also support organizational resilience in facing disruption so that it can recover when conditions return to normal (business as usual).

D. CONCLUSION

The Covid-19 pandemic is an event that is relatively uncontrollable or outside the company's control. The direct impact that affects business entities relates to conventional business activities in marketing, finance, human resources and operations. The business sector which is hampered by development and even experienced a decline during the Covid-19 pandemic is the transportation, tourism, shopping center business, especially the hotel business. Business activities that can still survive and serve consumers (transformed using online application platforms) are education, retail, and other manufacturing industries. For hoteliers, it is necessary to adjust quickly in the midst of the Covid-19 pandemic and strive to develop product and service innovations in accordance with market demand trends

accompanied by transformations in e-commerce services and online applications as well as providing and displaying the applied health protocol and certification. by kemenparekraf.

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