Comparison of Tourism and Hospitality Industry Financial Performance Before and After COVID-19: A Systematic Literature Review

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Abstract

Purpose of the study: The COVID-19 pandemic has made the tourism sector unstable, where during the COVID-19 pandemic, the tourism industry faced several risks such as decreased revenue and operating profits, this decline certainly affected the company's financial performance. This study aims to explore and describe the trends and evolution of the latest academic literature on the financial performance of the tourism industry before and after the COVID-19 pandemic which were published as relevant articles.

Design/methodology: This study uses the concept of literature review using the Systematic Literature Review (SLR) technique. The Systematic Literature Review technique is an important feature of academic research. By summarizing, analyzing, and synthesizing a group of related literature, can test certain hypotheses and/or develop new theories.

Findings: The results of the study show that the financial performance of the tourism industry before and after COVID-19 is dominant using profitability ratio measurements.

Research limitations/Implications: One limitation of this study is the reliance on secondary data sources for the literature review. As the study uses the Systematic Literature Review (SLR) technique, it may be limited by the availability and quality of existing literature on the financial performance of the tourism industry before and after the COVID-19 pandemic.

Novelty/Originality of the study: This research can be used as material for consideration for conducting further research on the financial performance using activity ratios and market ratios.

INTRODUCTION

Tourism is one of the leading economic sectors in both developed and developing countries around the world. The tourism industry contributes significantly to the global gross domestic product (GDP) and accounts for nearly 10% of the world of work. When the COVID-19 pandemic emerged, hopes for the sustainable growth of the tourism and hospitality industry were dashed (Nhamo et al., 2020). Pandemics such as COVID-19 that occur have an impact on restricted travel and even discrimination against tourists from countries where many cases of COVID-19 have been reported (Jamal & Budke, 2020). Given the health crisis that emerged from COVID-19 and which has become a global economic and social crisis, a large number of questions are asked about the impact, both in the short and long term, on the tourism industry (Gössling, 2020). The COVID-19 pandemic in the tourism industry at least has an impact on the economic risk in relation to: 1) Temporary closure of hotels, restaurants and other tourism industries; 2) Reduction of employees: unpaid leave/ Termination of Employment (PHK); 3) Liquidity difficulties: default on investment credit and working capital; and 4) Permanent business closure (Pambudi et al., 2020).

The main function of the tourism industry is to serve tourists. Its success depends on positive relations between all sectors. It is hoped that this synergy between tourism service providers will translate into a positive experience for each tourist. Basically, the tourism industry consists of four main sectors: (i) Transportation (ii) Accommodation (iii) Additional Services and (iv) Sales and Distribution. Tourism would not have come this far if tourists were not able to travel from one destination to another, in a fast and efficient manner (Camilleri, 2018).

The COVID-19 pandemic has created a dramatic challenge that has turned the financial performance of the tourism industry around the world upside down, and could even reach economic collapse (Ranasinghe et al., 2021). Financial performance is a description of the company's financial condition which is analyzed using financial analysis tools so that it can identify the deficiencies and achievements of the company in a certain period. Financial performance looks at the company's financial statements, the information in the financial statements is very important to be able to know the company's financial position (Esomar & Christianty, 2021).

There are 4 (four) groups of financial ratios, namely: (1) The liquidity ratio is the ratio to determine the company's ability to finance operations and fulfill financial obligations when billed; (2) The activity ratio is the ratio to determine the company's ability to carry out daily company activities or the company's ability to sell, collect receivables and use assets owned; (3) The profitability ratio is the ratio to determine the company's ability to obtain profits from various policies and decisions that have been taken; and (4) the solvency ratio is the ratio to measure how far the company's assets are financed by debt (Sofyan, 2019). In this case, the financial performance of the tourism industry such as hotels, restaurants, travel agencies etc. is influenced by several factors such as profit and revenue. The COVID-19 pandemic has made the tourism sector unstable, where during the COVID-19 pandemic, the tourism industry faced several risks such as decreased revenue and operating profits, this decline certainly affected the company's financial performance (Darafitriani & Kurniasih, 2022).

Many studies discuss the analysis of the financial performance of the tourism industry before and after the COVID-19 pandemic, as was done by Indiraswari & Rahmayanti (2022), in research on the financial performance of transportation companies on the Indonesia Stock Exchange (IDX) before and after the COVID - 19 pandemic, then other research conducted by Rahma et al., (2022) namely the financial performance before and after the COVID-19 pandemic in hospitality companies on the Indonesia Stock Exchange. Further research by Esomar & Christianity (2021) namely the financial performance of the hotel, restaurant and tourism sectors before and after COVID-19. So far there has been no research that examines the Systematic Literature Review (SLR) regarding the financial performance of the tourism industry before and after the COVID-19 pandemic. Thus, it is necessary to conduct Systematic Literature Review research on this topic. This study aims to explore and describe the trends and evolution of the latest academic literature on the financial performance of the tourism industry before and after the COVID-19 pandemic which were published as relevant articles.

LITERATURE REVIEW

Tourism industry

Tourism can be defined as an person's travel and stay activities outside their place of residence and environment for not more than one consecutive year, and has the purpose of traveling, business, or other purposes without working in the place visited (Suryadana & Octaviany, 2015). While the tourism industry is defined as a set of business fields that produce various services and goods needed by people who travel. Every product, both real and virtual, that is presented to meet certain human needs, should be assessed as an industrial product. The tourism industry has the characteristics of interdependence, which are divided into three types, namely: (1) the hospitality industry (food and beverage, and accommodation); (2) travel (retailers and wholesalers; operators);
(3) visitor services (attraction; events; and tourism agencies) (Windhyastiti & Widiawati, 2016). The main function of the tourism industry is to serve tourists. Its success depends on positive relations between all sectors. It is hoped that this synergy between tourism service providers will translate into a positive experience for each tourist. Basically, the tourism industry consists of four main sectors: (i) Transportation (ii) Accommodation (iii) Additional Services and (iv) Sales and Distribution. Tourism would not have come this far if tourists were not able to travel from one destination to another, in a fast and efficient manner (Camilleri, 2018).

Financial performance

Financial performance is the presentation, success, or ability of a company to work related to value creation or effective and efficient capital ownership. Financial performance is a presentation made by the company, expressed in monetary units and usually stated in the company's financial statements (Rahma et al., 2022). Financial performance is a description of the company's financial condition which is analyzed using financial analysis tools so that it can identify the deficiencies and achievements of the company in a certain period. Financial performance looks at the company's financial statements, the information in the financial statements is very important to be able to know the company's financial position. Analysis of a company's financial performance is one that management does to fulfill its obligations to company owners and to achieve company goals. Financial performance appraisal can be used as a decision-making tool (Esomar & Christianty, 2021).

As for the analysis tool to measure financial performance is to use financial ratios, which consist of: (1) Solvability Ratio, is a ratio that is useful for explaining the company's obligations in completing all debts owned by using all assets, if the company is declared liquidated (2) Profitability Ratio, explains how far a company is able to seek profits to run the company's activities, and (3) Liquidity Ratio, this ratio explains whether or not the company is able to complete its obligations which are used for its current assets (Indiraswari & Rahmayanti, 2022).

METHODOLOGY

This study uses a Systematic Literature Review (SLR) approach with data sources derived from journal literature from Google Scholar. The research data population is journals with a focus on the financial performance of the tourism industry before and after COVID-19. Systematic Literature Review (SLR) is defined as the process of identifying, assessing and interpreting all available research evidence with the aim of providing answers to specific research questions (Kitchenham & Brereton, 2013; Taneski et al., 2019). Systematic Literature Review is a term used to refer to a particular research or research methodology and development carried out to collect and evaluate related research on a particular topic focus.

This study uses the concept of literature review using the Systematic Literature Review (SLR) technique. The Systematic Literature Review technique is an important feature of academic research. By summarizing, analyzing, and synthesizing a group of related literature, one can test certain hypotheses and/or develop new theories. Can also evaluate the validity and quality of existing work against criteria to reveal weaknesses, inconsistencies, and contradictions (Xiao & Watson, 2019). SLRs are also often needed to determine research agendas, as part of a dissertation or thesis, and as part of completing research grant applications (Triandini et al., 2019).

Data Collection

The data collected in this study are primary and secondary data.

Primary Data
In this study, the primary data taken were journals originating from the Harzing's Publish or Perish application for the following reasons:
  a. The Harzing's Publish or Perish application provides complete facilities.
  b. The data found is easy to find, because it has a range of years that can be adjusted based on the needs of the researcher.
  c. The data displayed can be adjusted according to needs.

Secondary Data
Secondary data is used to complement primary data, if there is only abstract primary data, secondary data is needed to complement primary data. Secondary data was obtained using the help of Google. Collecting data in research was obtained through several stages, including:
  a. Observation (Observation)
      This is the data collection stage through direct observation to the source, namely the Harzing's Publish or Perish application
  b. Literature review
      This is the stage for conducting data assessment studies related to the SLR Method in journals obtained from the Harzing's Publish or Perish application
  c. Documentation
      Is the stage where the data that has been collected is stored in the Mendeley software.

Search Process
The Search Process is used to obtain relevant sources to answer the Research Question (RQ) and other related references. The search process is carried out using a search engine in the form of an application, namely "Harzing's Publish or Perish". The following are the steps for collecting data from observation to documentation obtained through Harzing's Publish or Perish application sources:

1. Opens the Harzing's Publish or Perish application
2. Enter keywords according to the topic, namely: "financial performance", "tourism industry", and "before and after COVID-19" in the search form
3. In Filter years, enter the range of 2019 – 2022 to determine the year to find the desired issue. Then click search, the title, year of publication, and author's name will be displayed. The results displayed by the Harzing's Publish or Perish application search process are as shown in figure 1, 2 and 3.

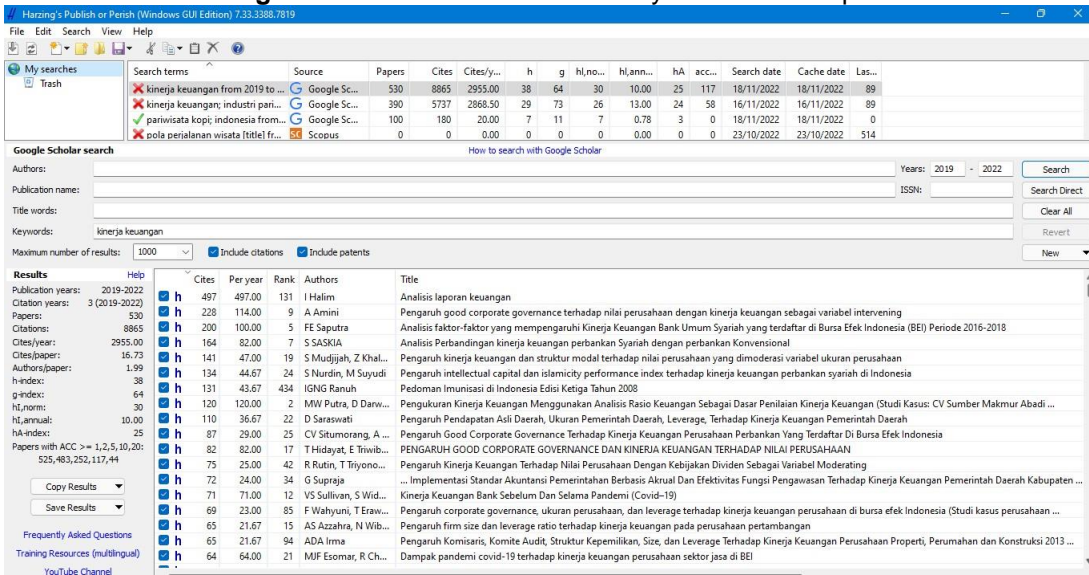**Figure 1:** Search results with the keyword "financial performance"

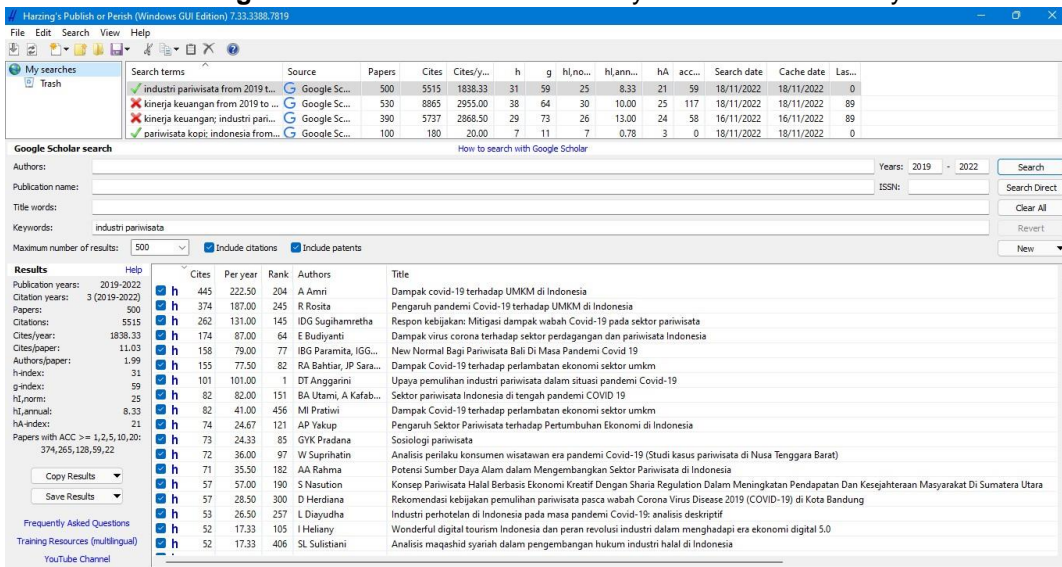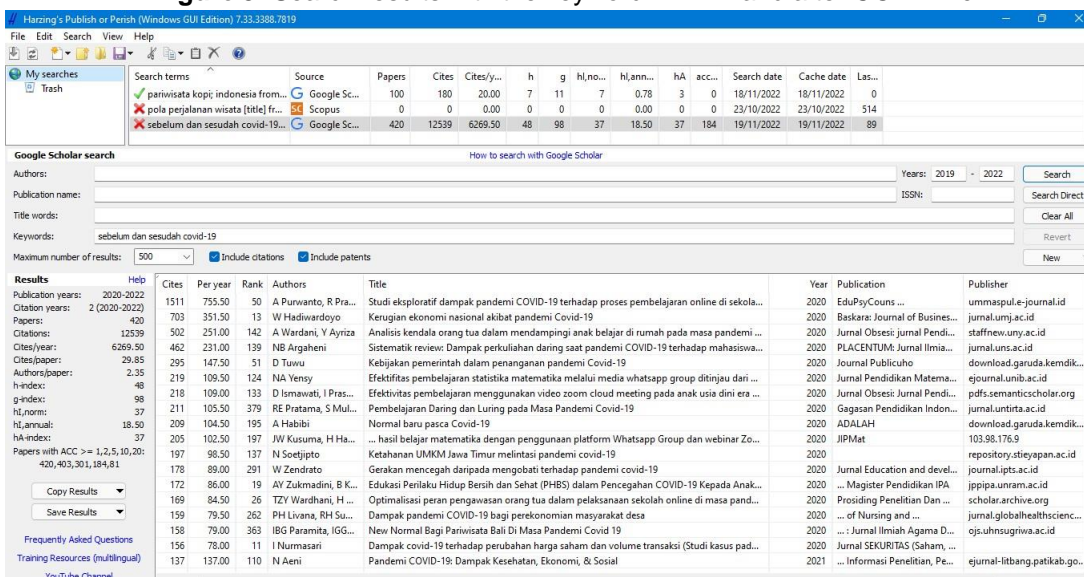**Figure 2:** Search results with the keyword "tourism industry"

Figure 3: Search results with the keyword "before and after COVID-19"

Source: Harzing's Publish or Perish, (2022)

From the results of the data collection in figure 1, figure 2, and figure 3 search results were found for each keyword (financial performance, tourism industry, and before and after COVID-19) with the following numbers display in table 1.

Table 1**:** Data search results by word (financial performance, tourism industry, before and after COVID-19)

Keywords	Number of Journals
Financial performance	530
Tourism Industry	500
Before and After COVID-19	420

Data Analysis
At this stage, the data that has been collected will be analyzed to show:
1. Objectives of measuring financial performance (refer to RQ1)
2. Financial Performance in the tourism industry (refer to RQ2)
3. Financial performance in the tourism industry before and after COVID-19 (refer to RQ3)

At this stage the data is analyzed and the results will answer predetermined Research Questions (RQ) and discuss the results of the dominant methods and approaches emerging from 2019 – 2022.

Research Questions (RQ)
Research questions are made to keep the systematic literature review being carried out in focus (Latifah & Ritonga, 2020). The following is the RQ in this study:
RQ 1 : How to analyze the company's financial performance?
RQ 2 : How is the financial performance of the tourism industry?
RQ 3 : How was the financial performance of the tourism industry before and after COVID-19?

Inclusion and Exclusion Criteria
This stage is carried out to decide whether the data found is suitable for use in SLR research or not. The study is eligible to be selected if there are the following criteria:
1. Data used in the 2019 – 2022 timeframe.
2. Data obtained through Harzing's Publish or Perish application.
3. The data used only relates to financial performance, the tourism industry, and before and after COVID-19

Quality Assessment (QA)
In SLR research, the data found will be evaluated based on the following quality assessment criteria questions:
QA1. Is the journal paper published in 2019 – 2022?
QA2. Does the journal paper write down the financial performance of the tourism industry?
QA3. Does the journal paper write down the financial performance of the tourism industry before and after COVID-19?
From each paper, a score will be given for the answers below for each of the questions above.
1. Y (Yes): for problems and methods written in journal papers in the period 2017–2022 and,
2. T (No): for unwritten problems and methods.
3. Based on the quality assessment, only 23 articles found related to the results of the three QA's (table 2) for further data analysis.

FINDINGS

The results of the search process only took 23 Articles from 28 Journals that met the criteria, namely journal papers published in the 2019 - 2022 period and had discussions related to "financial performance," "the tourism industry," and "before and after COVID-19". The information obtained is then grouped into several types of journals (table 3).

RQ 1. Company Financial Performance Analysis

Based on Research Question 1 or RQ1 on how to measure a company's financial performance, a journal category is generated based on measuring a company's financial performance. From the results shown in table 4, it shows that financial performance measurement can use financial ratios, which consist of liquidity ratios, solvency ratios, activity ratios, profitability ratios, and market ratios.

Table 2: Quality Assessment Results

No	Author/s (year)	Title	QA 1	QA 2	QA 3	Results
1	(Esomar & Christianty, 2021)	The impact of the COVID-19 pandemic on the financial performance of service sector companies on the IDX	√	√	√	Received
2	(Lumenta et al., 2021)	Comparative Analysis of Financial Performance of Transportation Companies Before and During the COVID-19 Pandemic	√	√	√	Received
3	(Indiraswari & Rahmayanti, 2022)	Analysis of Differences in the Financial Performance of Transportation Companies on the IDX Before and After the COVID-19 Pandemic	√	√	√	Received
4	(Baskara, 2021)	Comparison of Company Financial Performance Before and During the COVID-19 Pandemic (Study in the Hotel Company Sub-Sector)	√	√	√	Received
5	(Andriyani, 2020)	The Effect of the COVID-19 Outbreak on Financial Ratios Profitability, Liquidity and Solvability of Companies in the Tourism Sub Sector	√	√	√	Received
6	(Yulianingtiyas, 2022)	Analysis of the financial performance of transportation companies listed on the Indonesia Stock Exchange before and during the COVID 19 pandemic	√	√	√	Received
7	(Darafitriani & Kurniasih, 2022)	Analysis of Factors Influencing Financial Performance Before and During the COVID-19 Pandemic Tourism Companies Listed on the Indonesia Stock Exchange	√	√	√	Received
8	(Baune et al., 2022)	Analysis of Financial Performance Before and During the COVID 19 Pandemic in Tourism Sector Companies Listed on the IDX 2019-2020	√	√	√	Received
9	(Sari, 2022)	Analysis of Company Financial Performance Before and During the COVID-19 Pandemic (Studies in Hotel, Restaurant and Tourism Sector Companies Listed on the Stock Exchange	√	√	√	Received
10	(Natalia, 2022)	Comparison of the Financial Performance of the Tourism, Hotel and Restaurant Sector, Before and During COVID-19	√	√	√	Received
11	(Ningrum, 2021)	Analysis of the Financial Performance of Go Public Companies in the Hotel, Restaurant and Tourism Sub Sector Before and During the COVID-19 Pandemic	√	√	√	Received
12	(Pratiwi, 2022)	Analysis of Financial Performance Before and During the Presence of COVID-19 in Hotel Restaurant and Tourism Sub Sector Companies	√	√	√	Received
13	(Deswita, 2022)	Comparative Analysis of Financial Performance in Tourism, Hotel and Restaurant Companies Before and During the COVID-19 Pandemic	√	√	√	Received
14	(Fachira & Saleh, 2022)	Comparative Analysis of Financial Ratios in Tourism Sector Companies Before and During the COVID-19 Pandemic	√	√	√	Received
15	(Amelia, 2020)	Analysis of Company Financial Performance Before and During the COVID-19 Pandemic (Case Study in the Hotel, Restaurant and Tourism Subsectors Listed on the Indonesia Stock Exchange for the Third Quarter of 2020)	√	√	√	Received
16	(Arief et al, 2022)	Performance Analysis of Hotel, Restaurant and Tourism Subsector Companies Listed on the Indonesia Stock Exchange Before and During COVID19 Using Financial Ratios	√	√	√	Received
17	(Masitha et al., 2019)	Analysis of the Level of Financial Soundness Before and During the COVID-19 Pandemic Using the Altman Z-Score Method in Tourism Companies, Restaurants and Hotels Listed on the Indonesian Stock Exchange	√	√	√	Received
18	(Rosita & Nilasari, 2022)	Analysis of Financial Performance During the COVID-19 Pandemic Pt. Jakarta International Hotel & Development Tbk	√	√	√	Received
19	(Kurnianingrum et al., 2021)	The Effect of Liquidity and Financial Efficiency on Share Prices of Tourism, Restaurant and Hotel Companies	√	√	√	Received
20	(Janifah et al., 2022)	Financial Performance Analysis at Pt. Bukit Uluwatu Villa Tbk During the COVID 19 Pandemic	√	√	√	Received
21	(Ummah, 2022)	Analysis of Financial Performance During the COVID-19 Pandemic in the Hospitality Industry Listed on the Indonesian Stock Exchange	√	√	√	Received
22	(Suminar et al., 2022)	Analysis of Hotel Financial Performance in the Kuta Mandalika Area During the COVID-19 Pandemic Using Ratio Analysis and Dupont System Analysis	√	√	√	Received
23	(Judge, 2021)	Comparative Analysis of Financial Ratios and Financial Distress Before and After COVID-19 in Transportation Sector Companies Listed on the IDX for the 2019-2020 Period	√	√	√	Received

Table 3: Results of Search Process and Selection of Inclusion and Exclusion Criteria

No	Journal Type	Year	Freq.
1	JKBM (Journal of Business and Management Concepts)	2021	1
2	EMBA Journal: Research Journal of Economics, Management, Business and Accounting	2021	1
3	Mandala education scientific journal	2021	1
4	AL-KALAM journal of communication, business and management	2022	1
5	UMM journal (Muhamdiayh Malang University)	2021	1
6	Ace: accounting research journal	2021	1
7	Stie widya wiwaha library	2020	1
8	Scientific Journal of Accounting and Finance	2022	2
9	Call for Papers and National Conference 2022	2022	1
10	JAMBURA: Scientific and Business Journal	2022	1
11	Andalas University e-thesis	2022	1
12	Journal.uc.ac.id	2020	1
13	Poltektegal eprints	2021	1
14	Repository Muhammadiyah University of Ponorogo	2022	1
15	Riau islamic university repository	2022	1
16	Indonesian accounting literacy journal	2022	1
17	Upnas institutional repositories & scientific journal	2022	1
18	UTI institutional repository	2020	1
19	Makassar public university	2022	1
20	Journal of Management and Banking	2022	1
21	JISMA-Journal of Social Sciences, Management, and Accounting	2022	1
22	Perspective journal	2021	1
23	RJABM (Research Journal of Accounting and Business Management)	2021	1
24	University Faculty of Economics	2020	1
25	Unj economics study center	2022	1
26	Digilibadmin.unismuh.ac.id	2021	1
27	Exchange Journal of Economics and Business	2022	1
28	Repository.unisma.ac.id	2021	1
		TOTAL ARTICLES	**29**

Source: authors analysis

Table 4: Measurement of Financial Performance

No	Financial Performance Analysis	Number of articles
1	Liquidity Ratio	5
2	Solvency Ratio	4
3	Activity Ratio	2
4	Profitability Ratio	10
5	Market Ratio	2

Source: authors analysis

Analysis of the condition of a company's financial performance can be done one way by calculating the financial ratios as desired. Financial ratio analysis is an analysis that is widely used (Sofyan, 2019). Financial ratios are an analytical technique commonly used by financial analysts, where in analyzing it only compares between items or components with one another that have a relationship to then be appointed to show changes in a company's financial condition. The following are the types of financial ratios used to analyze financial performance:

Liquidity Ratio
Liquidity ratios are a type of ratio that shows a company's ability to meet short-term obligations (Goddess, 2022). The liquidity ratio is also known as a ratio that can be used to measure how far a company's capability is in paying off its maturing short-term obligations (Andriyani & Aziah, 2022). Through the liquidity ratio, company owners can assess management's ability to manage entrusted funds, including funds used to pay short-term liabilities.

Investors really need a liquidity ratio, especially in terms of distributing cash dividends, while creditors need it to guide repayment of principal loans with interest. Creditors and suppliers will usually hand over loans/debt to companies that have a high level of liquidity (Rosita & Nilasari, 2022).

Solvency Ratio
The Solvency Ratio (Leverage Ratio) is the ratio used to assess a company's ability to pay all of its debts (Esomar & Christianty, 2021). Solvency or leverage is a type of ratio that shows a company's ability to fulfill all of its obligations, both short and long term. The company's ability to finance its assets using loans and how the company fulfills its obligations in loan payments. Companies that do not have leverage means using 100% of their own capital for their company's activities. The solvency ratio consists of debt to assets ratio (debt ratio), debt to equity ratio, long term debt to equity ratio, times interest earned, and fixed charge coverage (Goddess, 2022).

Activity Ratio
Namely the type of ratio that shows the level of effectiveness of the use of company assets or wealth. The activity ratio is also the ratio used to measure the level of efficiency in the utilization of company resources (sales, inventory, debt collection, and others) or to assess the company's ability to carry out daily activities. The activity ratio consists of fixed asset turnover, total asset turnover, accounts receivable turnover, inventory turnover, average day of collection of accounts receivable, average day of inventory collection, and working capital turnover (Indiraswari & Rahmayanti, 2022).

Profitability Ratio
The profitability ratio is a ratio to assess the company's ability to make a profit. This ratio also provides a measure of the effectiveness of a company's management. This is demonstrated by the profit generated from sales and investment income. The point is that the use of this ratio can be done by using comparisons between the various components in financial reports, especially financial reports, balance sheets and income statements. Measurements can be made for several operating periods. The goal is to see the development of the company in a certain time span, both decreasing and increasing, as well as looking for the causes of these changes (Ningrum, 2021). The types of profitability are: Net Profit Margin, namely the ratio used to measure the profit margin on sales, this ratio will describe the company's net income based on total sales, Return On Assets (ROA), which shows the company's ability to generate profits from assets used, Return On Equity (ROE), namely this ratio is a measurement of the income (income) available to company owners (both ordinary shareholders and preferred shareholders) for the capital they invest in the company. In general, of course, the higher the return or income earned, the better the position of the owner of the company (Tausi et al., 2022).

Market Ratio
This ratio looks at the development of the company's value relative to the company's book value (Andriyani, 2020).

RQ 2. Tourism Industry Financial Performance

Based on Research Question 2 (RQ2) about how the tourism industry's finances perform, the results shown in table 4 show that the majority of research on the financial performance of the tourism industry uses profitability, liquidity and solvency ratios.

Table 5: Tourism Industry Financial Performance

No	Tourism Industry Financial Performance	Number of articles
1	Profitability	11
2	Liquidity	8
3	Solvability	4

Source: authors analysis

The tourism industry is a collection of interrelated businesses in the context of producing goods and/or services to meet the needs of tourists in organizing tourism. The tourism industry itself is a collection of various companies that together produce goods and services (goods and services) needed by tourists (Anggarini, 2021). The companies included in the tourism industry are accommodation, provision of food and drink, tourist transportation, guides and travel agents, cultural performances, recreation and entertainment, as well as tourism financial services (Main, 2014). While the description of the financial condition of a company can be done by using the calculation of financial performance ratios to assess it (Wijaya & Wiksuana, 2017). In the tourism industry, the financial performance of each sector, such as hotels, restaurants, transportation, etc., can be used to determine deficiencies and achievements in a certain period. Financial performance can also be known through financial reports, the information contained in financial reports is very important and becomes a reference for decision

making (Warmana & Widnyana, 2017). To measure financial performance in the tourism industry, financial ratios are usually used in the form of solvency ratios, liquidity ratios, and profitability ratios, where the solvency ratio shows whether companies in the tourism industry can fulfill all long-term or short-term obligations if the company experiences liquidation. The liquidity ratio shows whether companies in the tourism industry can meet short-term financial obligations such as paying employee salaries, maturing debts, and company operating costs. While the profitability ratio shows whether companies in the tourism industry can generate profits for the company's survival (Yulianingtiyas, 2022).

RQ 3. Tourism Industry Financial Performance Before and After COVID-19

Previous studies discuss the analysis of the financial performance of the tourism industry before and after the COVID-19 pandemic, as was done by Indiraswari & Rahmayanti (2022), with research on the financial performance of transportation companies on the Indonesia Stock Exchange (IDX) before and after the COVID – 19 pandemic, with the results of the research that there is a significant difference between the profitability ratios return on assets (ROA) & return on equity (ROE) before and after pandemic in transportation companies listed on the IDX. Then other research was also carried out by Rahma et al., (2022) by conducting research on financial performance before and after the COVID-19 pandemic in hotel companies on the Indonesia Stock Exchange, with the results of the research that: (1) There are significant differences in financial performance based on liquidity ratios as measured using the current ratio and cash ratio in hotel companies before and after the COVID- 19 pandemic. This shows that the company's financial performance was not good after the COVID-19 pandemic, (2). There is no significant difference in financial performance based on the solvency ratio as measured using the debt to asset ratio (DAR) and the debt-to-equity ratio (DER) in hotel companies before and after the COVID-19 pandemic. This shows that the company's financial performance is in good condition after the COVID-19 pandemic and (3). There is no significant difference in financial performance based on profitability ratios as measured using return on assets (ROA) and return on equity (ROE) in hotel companies before and after the COVID-19 pandemic. This shows that the company's financial performance is in good condition after the COVID- 19 pandemic. Other research was also conducted by Esomar & Christianity (2021) who conducted research on the financial performance of the hotel, restaurant and tourism sector before and after COVID-19, with the results of the study that there were significant differences in the debt equity to ratio and return on equity ratio before and after the COVID-19 pandemic in Indonesia. The hotel, restaurant and tourism sector need to innovate and promote, the government and entrepreneurs in this sector work together to take strategic and consistent steps to improve the performance of the Indonesian hotel, restaurant and tourism industry.

CONCLUSION

From this study it can be concluded that the financial performance of companies is measured using the most researched financial ratios from 2019 – 2022, namely: profitability ratios, liquidity ratios, solvency ratios, effectiveness ratios, and market ratios. The financial performance of the tourism industry which is widely used in research is the profitability ratio, liquidity ratio, and solvency ratio. The most widely used by researchers is the financial performance of the tourism industry before and after COVID-19 using the profitability ratio. This research can be used as material for consideration for conducting further research on the financial performance of the tourism industry both before and after COVID-19 by focusing more on measuring financial performance using financial ratios which are still few conducted by other researchers, namely by using activity ratios and market ratios.

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