

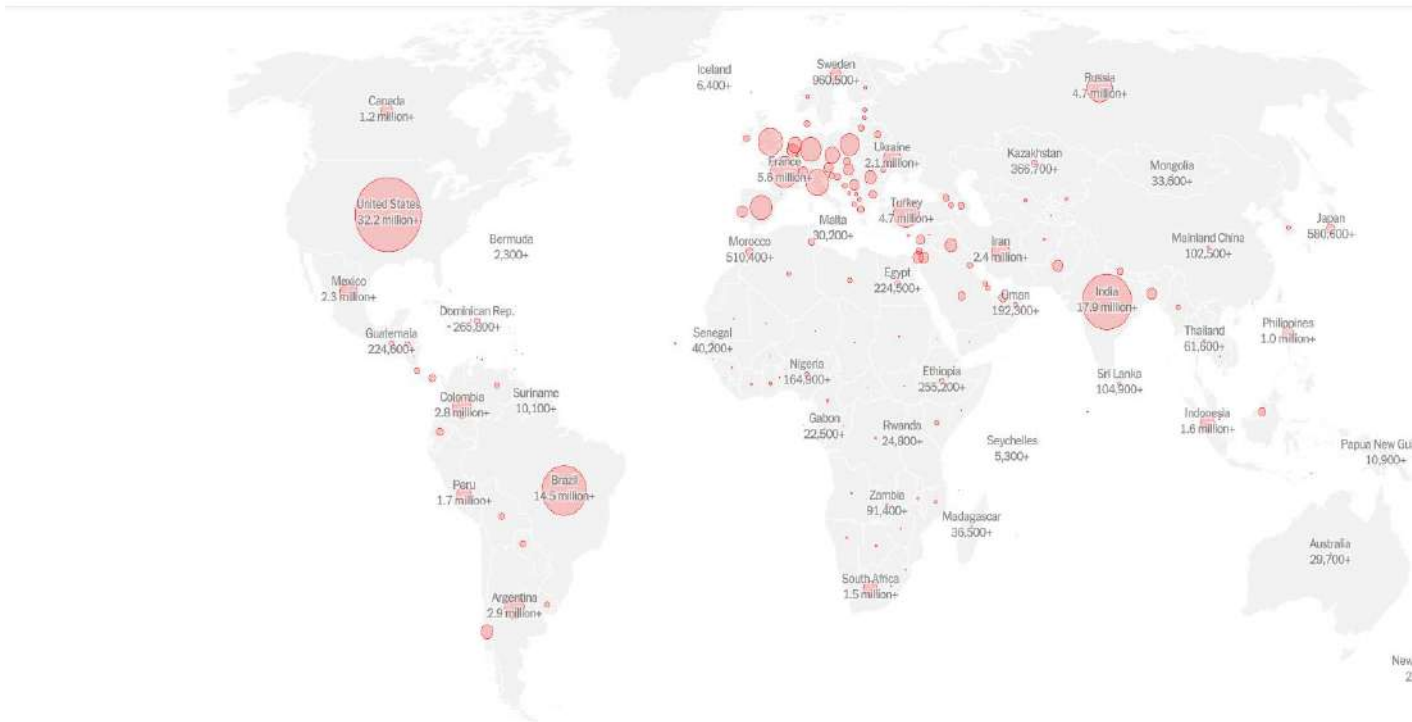
# CHAPTER I

## INTRODUCTION

### A. Background of Research

In early 2020, Coronavirus Disease (COVID-19) has spread to almost all countries in the world and has become a pandemic. The COVID-19 pandemic, also known as the coronavirus pandemic, is an ongoing pandemic because of coronavirus disease 2019 (COVID-19) caused by severing acute respiratory syndrome coronavirus 2 (SARS-CoV-2).

PICTURE 1

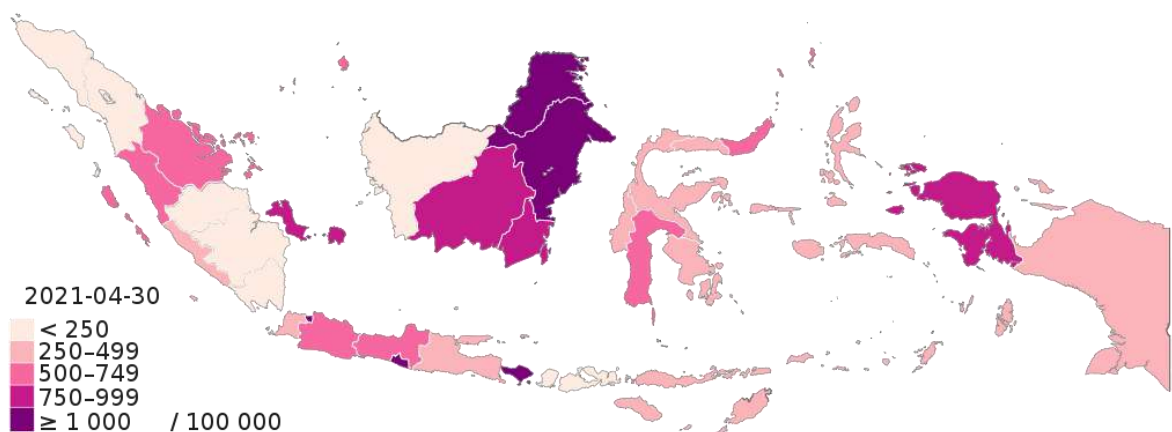


COVID-19 Cases in World by Location as on 29<sup>th</sup> April 2021

This pandemic also happens in Indonesia. It was confirmed to have spread to Indonesia on 2<sup>nd</sup> March 2020, after a dance instructor and her mother tested positive for the virus both were infected by the Japanese person, and it later spread rapidly to all the nations. With 36,721 deaths, Indonesia ranks third in Asia and 17<sup>th</sup> in the world. However, it showed that the number of deaths may be much higher than what has been reported.

## PICTURE 2

### COVID-19 in Indonesia Distribution Maps as on 30<sup>th</sup> April 2021



In response to the increasing number of COVID-19 cases in Indonesia, Large-Scale Social Restriction (Indonesian: *Pembatasan Sosial Berskala Besar* abbreviated as PSBB) for some regencies and cities are currently in place in Indonesia in response to the COVID-19 pandemic instead of implementing a nationwide lockdown. The restriction is implemented by local governments with the approval of the Ministry of Health.

It includes measures such as closing public places, schools, restricting public transport, and limiting travel to and from the restricted provinces or regions. Starting from late May 2020, the Indonesian government applies “New Normal”, which is an alternative way of PSBB that contains PSBB rules but is not really strict anymore, but this policy is only applied for the green and yellow zone country regions.

This policy receives much criticism and is considered a “disaster” because of the still increasing number of cases. On 7<sup>th</sup> January 2021, the measure was changed into enforcement of limitations on community activities (*Pemberlakuan Pembatasan Kegiatan Masyarakat* or PPKM).

The COVID-19 virus outbreak is increasingly afflicting many industries, including tourism and another sector inside it, like Travel Agencies. Before COVID-19, travel and tourism had become one of the most important sectors in the world economy, accounting for 10 percent of global GDP (Gross Domestic Product) and over 320 million jobs worldwide. In 1950, at the dawn of the jet age, just 25 million people took foreign trips. By 2019, that number had reached 1.5 billion, and the travel and tourism sector had grown to almost too-big-to-fail proportions for many economies.

The global pandemic, the first of its scale in a new era of interconnectedness, has put 100 million jobs at risk, many in micro, small, and medium sized enterprises that employ a high share of women, who represent 54 percent of the tourism workforce, according to the Nations World Tourism Organization (UNWTO). Tourism-dependent countries like Indonesia will likely

feel the negative effects of the crisis for much longer than other economies. Contact-intensive services that are the key to tourism and travel sectors are disproportionately affected by the pandemic and will continue to struggle until people feel safe to travel en masse again.

The crisis has crystallized the importance of tourism as a development pathway for many countries to decrease poverty and improve their economies. Smaller, tourism-dependent nations are locked into their economic destinies. Among small island nations, there are few, if any, alternatives sectors in which they can shift labor and capital. Still, the crisis is being viewed as an opportunity to improve the industry in the medium and long term through greater digitalization and environmental sustainability.

The UNWTO has encouraged support for worker training in order to build digital skills for harnessing the value of big data, data analytics, and artificial intelligence. Recovery should be leveraged to improve the industry's efficient use of energy and water, waste management, and sustainable sourcing of food.

The World Tourism and Travel Council in a report on the future of the industry says the pandemic has shifted travelers' focus to domestic trips or nature and outdoor destinations. Travel will largely be "kick-started by the less risk-averse travelers and early adopters, from adventure travelers and backpackers to surfers and mountain climbers". Leisure travel also will lead the comeback in the tourism and travel sector.

Business travel, a crucial source of revenue for hotels and airlines, could see a permanent shift or may come back only in phases based on proximity, and reason for travel. In the end, the return of tourism will likely hinge on what will be a deeply personal decision for many people as they weigh the risk of falling ill against the necessity of travel.

The private sector backed by some tourism-dependent nations is developing global protocols for various travel industries, including a call for more rapid testing at airports to boost confidence in travelling. Previously, in mid-March 2020, the Indonesian Travel Agency Association (ASTINDO) had published data related to the impact of COVID-19 on all of its members. ASTINDO revealed that COVID-19 disrupted the travel agency business by reducing average sales by 75 percent.

The decline in sales figures is of course fatal to the travel agency business. Many employees of travel agencies have been dismissed because no one has come to their office anymore to make transactions. Travel cancellation requests and refunds are being faced by travel agencies in situations like this.

One of the travel agencies in Indonesia that is affected by the pandemic is PT Adiwidya Nusantara Travel. This travel agency is based in Yogyakarta, and specializes in Inbound tours which involve non-residents traveling in another country. One of them only focuses on the Chinese market, because seeing many enthusiastic Chinese Tourists coming to Indonesia. 18% is Taiwanese and Hong Kong citizens, and the rest are from mainland Chinese (82%). COVID-19 Pandemic has severely restricted all people's mobility.

Many countries prohibit their people from traveling and people from other countries to enter their country, including Indonesia, which is also prohibited by many countries from traveling inside. Some people from other countries are also prohibited from coming to Indonesia, including China, which was the origin country of COVID-19 (in Wuhan), causing many countries apart from Indonesia to prohibit Chinese people from traveling outside their country.

Because of this, tour activities at PT Adiwidya Nusantara Travel are affected. Various things in the company must be adjusted to the availability of mobility and capacity. Companies must create new schedules for employees, and companies must also rack their brains to find ways to maintain good relations with customers and keep looking for new customers during the pandemic. Companies also use various marketing techniques such as improving company websites and collaborating with hotel vendors, one reason is that no more Chinese people could travel to Indonesia during this present time.

There are many adaptations made by PT Adiwidya Nusantara Travel which the writer will discuss in this study, including in the Operational Strategy. Operational is the existence of a concept that has an abstract character, namely facilitating the measurement of a variable. Operational, it can be interpreted as a guideline when doing a job.

Operational is the work of managing the inner working of the business so the company runs as efficiently as possible. Whether the company makes products, sells products, or provides services, every small business owner has to oversee the design and management of behind-the-scenes work. The

specific definition of Operational will depend on the industry and also the stage of the business is in. For a travel agency industry, the current process for communicating, collaborating, and managing projects affects the services the company's offering.

On the other hand, Strategy also plays an important role in the running of a company. Strategy is a plan to achieve one or more long-term or overall goals under conditions of uncertainty. Strategy also means the art of devising or employing plans or stratagems toward a goal.

For example, if client projects are continually coming in over budget, one big operational concern would be the methods used to calculate the company estimates at the beginning of a job which is causing an operation in every single aspect of the Travel Agencies division, including the Human Resource division, Marketing and Finance division. Operational in Human Resource, including administrative services, recruitment, job analysis, and employee relationship management.

Operational in Finance including cash receipts from sales of goods and services, cash payments to suppliers, cash payments to employees, and expenses, and Operational in Marketing including products, retail price points, discounted price points, promotions, advertising, customer service, point of sale locations such as physical stores and online stores and customer community.

Therefore the writer feels it needs to study more deeply about the Operational Strategy on the Human Resource , Marketing and Finance division impacted by COVID-19 Social Restriction during pandemic in PT Adiwidya

Nusantara Travel and how the company has been impacted and how the company deals with in the future. The reason why the writer only chose the 3 division of the company is because PT Adiwidya Nusantara Travel only have 3 division .Therefore, the title of this research is “**Operational Strategy at PT Adiwidya Nusantara Travel During COVID-19 Social Restriction (PSBB)**”.

### **B. Focus of Research**

Based on the explanation above, the writer has decided to focus this research on the following statements:

1. The Operational Strategy and Activities on PT Adiwidya Nusantara Travel from the Owner's perspective.
2. The Operational Strategy and Activities which includes on Operational and Human Resource Division that PT Adiwidya Nusantara Travel used before, during pandemic and Large Scale Social Restriction (PSBB), on how they organize their company from the beginning of COVID-19 (March 2020) until present day (2021), and on the future so they can fit in with the things that have to be done during pandemic.
3. The Operational Strategy and Activities which includes on Marketing and Finance Division that PT Adiwidya Nusantara Travel used before, during pandemic and Large Scale Social Restriction (PSBB), on how they organize their company from the beginning of COVID-19 (March 2020) until present day (2021), and on the future so they can fit in with the things that have to be done during pandemic.



**C. The Aims of Research**

The Aims of this research is to answer this statement as follows:

1. The Operational Strategy and Activities on PT Adiwidya Nusantara Travel from the Owner's perspective.
2. The Operational Strategy and Activities which includes on Operational and Human Resource Division before, during pandemic and on the future.
3. The Operational Strategy and Activities which includes on Marketing and Finance Division before, during pandemic and on the future.

**D. Benefits of Research**

The following are some benefits that writer hope of this research to several parties:

1. For the companies that are examined, this research is expected to become a strategy for companies to survive during COVID-19 pandemic and recommend new operational strategies for the future.
2. For the writer, this research can add a new deeper knowledge about the topics and can make the writer have a critical thinking about all the aspects in the research, also can make the writer be more open-minded about all the possibilities to solve a problem.
3. For science, it is hoped that this research can become a reference in the future regarding how to solve the problems that occurred during this pandemic and other ways to overcome its effects.