

CHAPTER I

INTRODUCTION

A. Research Background

Indonesian Minister of Tourism and Creative Economy (2019) explains that the tourism sector is one of the main economic strengths of Indonesia which has succeeded in contributing to the country's foreign exchange of Rp 229.50 trillion in 2018 and increased to Rp 280 trillion in 2019. Also, in 2021 tourism sector ranks second as the largest foreign exchange earner after oil and gas (Yanwardhana, 2021).

Tourism has become a basic need that must be met without our realizing it (Juwitasari, 2016). With the demand that tends to continue increasing from year to year, it certainly affects the offer in terms of accommodation services such as hotels and resorts. The role of the hotel is essential for the tourism industry, as a public accommodation hotel is beneficial for tourists who are visiting to travel with lodging services provided by the hotel. Hotels are considered as basic tourism facilities (main tourism superstructures) which means the lives of the industry are depending on the number of tourists.



FIGURE 1

Source: www.kemenparekraf.go.id, 2020

Figure 1 above shows the number of foreign tourists visits to Indonesia in 2019 vs. 2020. In 2019, the average number of tourists reached 1,200,000 visitors each month. But in 2020, the number of visitors dropped to 200,000 each month since the Q2 to the end of year 2020.



FIGURE 2

Source: www.bps.go.id, 2021

The number of Indonesian Tourists (domestic tourists) in Indonesia in Figure 2 shows that the domestic tourists in Indonesia reached above 700,000,000 trips in 2019. As 2020, the trip of domestic tourists only reaches 500,000,000, it decreased up to -28.6% from 2019.

Room Occupancy Rate of Classified Hotels in Indonesia from 2011 to 2020

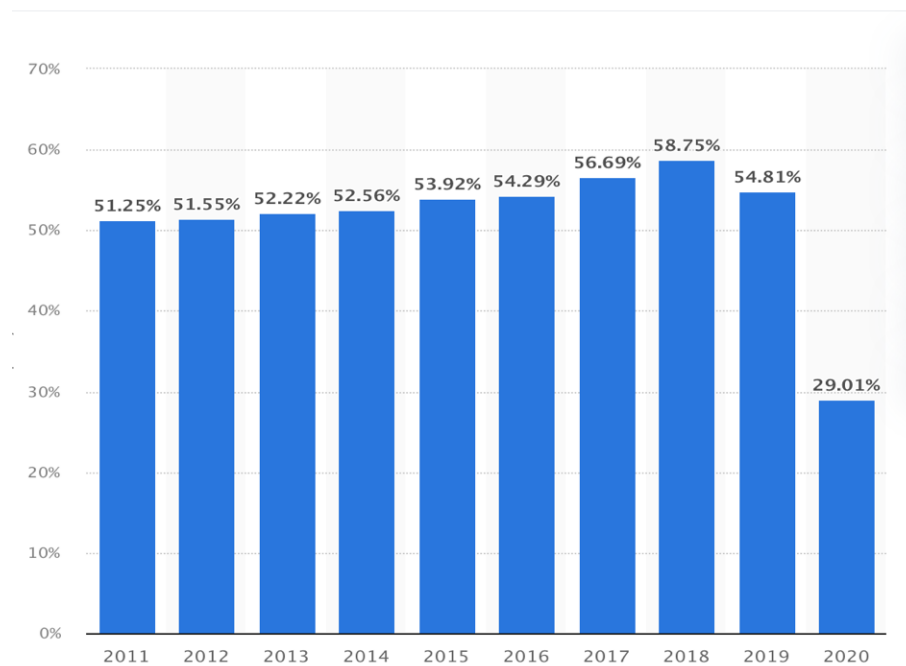


FIGURE 3

Source: www.statista.com, 2021

As the data shown from figure 3, it's explained that from the last nine years from 2011 to 2020, the lowest occupancy rate in Indonesia happened in 2020 which only reached 29.01% in a year. This drastic decline in numbers in 2020 from picture 1, picture 2 and picture 3 was caused by a pandemic phenomenon caused by a SARS-CoV2 virus which nowadays known as COVID-19.

COVID-19 (*Coronavirus disease – 19*) pandemic has been running for about 2 years since the first case was reported on December 31st, 2019, in Wuhan, China by the Chinese authorities and the outbreak occurred in March 2020 with the total confirmed case reached the number of 28,673 cases around the world as per March 9th, 2020, included Indonesia with 6 confirmed cases. On March 11th, 2020, WHO declared the outbreak of the disease caused by the coronavirus COVID-19 as a global pandemic (World Health Organization, 2020).

After the first case was confirmed reported in Indonesia, the Indonesian Government started to make ‘large-scale social restrictions’ (hereinafter referred as to PSBB) policies to break the chain of the Covid-19 Virus. As stated on Indonesian Government Regulation no. 21 of 2020 concerning Large-Scale Social Restrictions in the Context of Accelerating the Handling of Corona Virus Disease 2019 (COVID-19), PSBB policy is included at least; school and workplace holidays, restrictions on religious activities, and/or restrictions on activities in public places or facilities. Also, this government policy indirectly has an impact on changes in the economy and habits of society in general in all fields.

The presence of COVID-19 also shifted the work experience for most employees. It forced organizations across the globe to adapt to how work is organized and how the job is designed. The potential for fractures between employee groups has also increased. For example, those who can work from home and those who cannot, those who remained on payroll versus those furloughed, and even those in different business units were impacted differently

by the pandemic. The hotel industry is one kind of those industries that cannot do the work-from-home job.

Coupled with these measures, Brodoeur et al, (2020) explains the COVID-19 outbreak had led to a significant slowdown in the world economic activities. As the data from Indonesia's Central Bureau of Statistics, in the Q2 of 2020 (PSBB was implemented in some of the regions in Indonesia), the national economic growth was recorded at -5.3% year-on-year with the growth for accommodation and restaurant itself at -22% and continued with the negative number in the following quarters. The data from the Minister of Finance in 2021 showed that the tourism sector – especially the hospitality sector was heavily affected by the COVID-19 phenomenon and the PSBB policy was imposed by the government.

A negative growth rate is not only an indication of a weakening economy but also the possibility of a decline in employment opportunities leading to an increase in the number of people losing their jobs. As of April 2020, 1,266 hotels were forced to close in 31 provinces in Indonesia (Widianto, 2020). Data from BPS (2019) showed the number of workers as of August 2019 was 8.56 million and decreased by 20,000 people in August 2020 with a total of 8.54 million workers (BPS, 2020) this explains that COVID 19 damaged the industries heavily.

Bali as one of the regions in Indonesia that relies on its people's source of income from tourism activities. In 2019 tourism sector contributes up to 78% through the Balinese economy. Way a long shot compared to the agricultural sector which only contributes for 14,5%. This significant

variance causes too much dependence on the tourism sector (Purwahita, et al., 2021).

TABLE 1
Number of Foreign Tourists Entering Indonesia 2018-2020 (Person)

AIRPORTS	2018	2019	2020
All Airports in Indonesia	10.088.781	9.834.706	1.713.572
Ngurah Rai International Airports	6.025.760	6.239.543	1.059.198

Source: www.bps.go.id, 2021

The number of foreign tourists entering Indonesia is shown in Table 1, in 2018 and 2019 it increased, both in the context of the all airports in Indonesia and specifically within Ngurah Rai Airport. But in 2020, the numbers have fallen drastically from 6 million foreign tourists entering Bali to only 1 million foreign tourists.

TABLE 2
Number of Domestic Tourists in Bali 2018-2020 (Person)

	2018	2019	2020
Number of Domestic Tourists	9.757.991	10.545.039	4.596.157

Source: www.bali.bps.go.id, 2022

Table 2 explains that in 2019, the number of domestic tourists was the highest between 2018-2020. Make up to 800.000 additional tourists from 2018. But in 2020, Bali lost up to 6 million domestic tourists.

TABLE 3

Number of Rooms in Star Hotels by Class and Regency/City in Bali Province

	2019	2020	2021
Number of Rooms	58,770 rooms	27,344 rooms	46,302 rooms

Source: www.bali.bps.go.id, 2022.

The shrinkage number of tourists as the data from table 1 and table 2 shown, gave a huge impact in hospitality industry in Bali. Number of rooms in 1–5-star hotels in Bali decreased in 2020 against 2019 and increased quite well in 2021, but still it didn't return to its original number in 2019.

Golden Tulip Jineng Resort Bali as one of the four-star hotel located in Kuta, also find a difficulties regarding the existing of covid-19 virus. With total 190 guest rooms, Golden Tulip Jineng Resort used to have 183 employees to support the business on daily basis with a healthy working culture, where the amount of workload does not pile up and maximum working time. Make the turnover rate at this hotel at 12%.

After a few months of its decreasing time, the industry was trying to recover the business by starting to re-open the hotel as of July 2020 for domestic tourists only (Sandi, 2020) in the middle of the ongoing pandemic, under the extraordinary rules and a new functioning (e.g. physical distancing at the workplace) (Shaw, et al., 2020) and nobody can predict when it will come to

an end. In this case, human resources management plays such a big role, whereas in the hospitality industry human resource is the most important resource (Hayes & Ninemeier (2009) , where the other resources are less important. As Hastuti & Dewi (2019) said, that the human resource is an individual and cannot be replaced by a machine, because machines and/or technology cannot provide the service level that is equal to the expectations of the consumers. Even the word ‘hospitality’ refers to the pleasant treatment of one’s guests, and this human touch must be provided by the organization’s staff members (Hayes & Ninemeier, 2009).

Human resource management is most widely described as the process of managing human capital to achieve organizational goals (Snell & Bohlander, 2010) with functions such as managing employees, integrating resources, formulating strategies, improving performance, cultivating capabilities, and achieving organizational goals. Furthermore, hospitality human resource management also needs to help the industry in providing high-quality services to customers and preserving customer relationships. Wang, et al. (2022) describes Human Resource Management for hospitality as a critical element for connecting customers and transforming services, building core competencies, and improving internal and external performance.

During the COVID 19 pandemic, organizations, and their human resources must navigate through the harsh impact of this virus. This external crisis requires the dynamism of human resource management to address the growing concerns of all sectors around the world, particularly in Indonesia. The human resources department has the role as the communicator between the

organization and its human resources. In addition to this, the HR practitioner must make sure the balance between profit and the sustainability of the organization and the benefit for employees in term of economic, social, and cultural aspects.

To save the company's business during the unpredictable situation, Okumus, et al. (2010) explain the management level need to reassemble their business strategy. The practitioners need to re-study about the process in which firms define their mission, vision, goals, and objectives as well as craft and execute a new strategy at various level to create and sustain a new competitive advantage in this new era, especially in the human resource department. With the fact of the hotel needs to close due to a lack of guest coming and the number of employees that need to be taken care of, the human resource department needs to re-create the strategy in human resource management to re-synchronize between the human capital with the organization system and the business strategy itself which lead into the phenomenon of maximizing the number of employees and benefit given (Suyadharma, 2021).

The existing research shows that this study only discusses the implementation of human resources management strategies in the industry in general, the tourism industry, especially the hospitality sector, which is engaged in services and human capital as one of its main cores, which will certainly require different handling in this challenge. The author wants to clearly examine how the hotel industry applies strategies in managing human resources during a pandemic where after 2 years of existence, the future is still unclear about how

this era will change and affect the working culture in the hospitality industry in the future.

The previous studies on strategic human resources management within the hotel and tourism sectors produced many results. A study by Ganon (2015) gave a result that the HRM practice could develop a competitive advantage. The results of research by Machando (2019), Agbodo-Otimpong (2015), Olli (2018), and Gheliji (2018) explain that the practice of strategic human resource management gave an impact on achieving a higher performance of the company. But to successfully implement the SHRM, the organization need to have a competent manager line as the practitioner, the competencies which are influenced by the context and the environment itself. With the uncertainty in the COVID-19 period, a review of work patterns and strategies within an organization is needed to continue the sustainability of the organization

Therefore, the title of this research is decided to be **“Implementation of Strategic Human Resource Management During COVID 19 Era: A Study case of Golden Tulip Jineng Resort.”**

B. Research Questions

The focus of the research is to find and provide a deeper understanding of the implementation of strategic human resource management in Golden Tulip Jineng Resort during the COVID-19 pandemic.

1. How does Golden Tulip Jineng Resort select, train, and develop employee during COVID 19?

2. How is the reward system during COVID 19 in Golden Tulip Jineng Resort?
3. How is the Strategic Human Resource Management implemented in Golden Tulip Jineng Resort?

C. Research Purposes

The purpose of this research is to examine:

1. To examine how Golden Tulip Jineng Resort select, train, and develop employee in COVID 19 era.
2. To find out how the reward system during COVID 19 era in Golden Tulip Jineng Resort.
3. To find out how Strategic Human Resource Management is implemented during COVID 19 era in a Golden Tulip Jineng Resort.

D. Research Benefits

1. Theoretical benefit:
 1. The author could be deepening the knowledge about how strategic human resource management was implemented.
 2. For the reader, to be a learning material in researching strategic human resource management in the hospitality industry
2. Practical benefit:
 1. For hotels, it is hoped that it can be used as an evaluation material regarding the importance of implementing strategic management in human resources and as a base to revise the policy to improve the

human resource, management, strategy, and the implementation if needed.

2. For further research, it is hoped that it can become a source of information and references regarding the implementation of human resource management strategies.