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Analysis of the Company's Financial Performance Sub Hotel, Restaurant and Tourism Sector Due to Covid-19

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A B S T R A C T

The purpose of this study was to examine differences in financial performance at Hotel, Restaurant and Tourism sub-sector company with research period before and during the Covid-19 pandemic. To test the difference research use Current Ratio, Total Asset Turn Over Ratio, Return on Assets, Earning Per Share, and Debt to Asset Ratio as a measurement of financial ratio analysis. The samples in this study amounted to 24 companies with a total population of 72 companies taken from the financial statements listed on the IDX in the period 2019 to 2021. The results of this study are that there is a significant difference in the financial performance of the hotel, restaurant and tourism sub-sector companies. On In general, companies experience a decline in financial performance, but there is no significant difference when judged from liquidity, activity, profitability, and solvency.

Keywords: Financial Performance, Financial Performance Analysis, Covid-19 Pandemic

1. Introduction

At the end of 2019 to be precise in Wuhan, Hubei Province of China, the middle worldfacing the Covid-19 outbreak. The Covid-19 virus is a new type of virus the cause and the cure are still not known with certainty which it isdisturbing the entire population of the world. The virus performs attacks on a variety of parties regardless of age ranging from toddlers to even adults. Virus Covid-19 spread quickly in just a matter of months and thoroughly to all parts of the world. The Covid-19 virus itself has arrived in Indonesia early March 2020. The Government of Indonesia carried out various stages of anticipation and issued a decision to implement Large-Scale Social Restrictions (PSBB) so that the transmission of Covid-19 will be slower. The negative impact given by the spread of the Covid-19 virus is encompassing all sectors ranging from economy, tourism, trade, industry, up to transportation and so on. Apart from that, there are other impacts that this pandemic has had namely people must increase caution and stay at home so that resulted in a decrease in visits from both domestic and foreign tourists abroad. Quoted from several sources that tourism and hospitality are sectors that have been hit hard. Hariyadi Sukamdani gave a statement that This pandemic has affected more than 2,000 hotels and 8,000 restaurants bankruptcy and closing. So that it causes a decrease in potential revenue of up to 70 trillion rupiah (idxchannel, 2020).

With the economic turmoil that occurred, it has a direct effect on the company's financial performance, as it becomes an illustration and explanation of the financial status of a business through financial analysis tools. Service industries such as entertainment (such as theaters) and tourism-based industries such as hotels, tourism destinations and resorts should perform well because people have more free time due to office and workplace closures, but because these closures are combined with travel restrictions in the form of lockdowns and bans social gatherings, also resulted in a decrease in their income. Overall, these companies belonging to the service sector have also borne the brunt of COVID-19 (Rababah et al. 2020). The company's financial performance is a summary of the company's financial activities during a certain period. Ratio analysis or account analysis is an effective way to estimate and compare a company's financial performance in a given year with other years and other companies in the same industry (Guo & Wang, 2019). The company's financial activities are recorded and concluded as financial information which will later become company reporting material and evaluation material for subsequent years. Financial performance also provides an overview of the company's financial position to be used as a report, especially to creditors, investors and the company's own management. These conditions lead to management failure in this pandemic situation which cannot generate and stabilize profits in an uncontrollable pandemic (Kubiczek & Derej, 2021). The elements in assessing a company's financial performance are contained in financial reports, in order to know the quality of a company's financial performance with a measuring instrument in the form of financial ratios. A company can be declared good or otherwise by carrying out an analysis of the company's financial statements. The findings of the financial statement analysis can then be used to compare the situation or condition of the company with the previous time. This is because it can have an impact on the decisions taken by the company in the future so that the value of the company will be good in the eyes of shareholders and potential investors. Organizational performance can be measured in three ways, namely financial performance, market performance, and economic performance (Zhang et al., 2021).

The company strives to continue to innovate in the face of competitive competition. This is reinforced by previous studies where there are still research gaps which still require further research due to the inconsistency of the results of previous studies that the researchers summarized. In the research conducted by Firdaus & Dara (2020) the results were that the current ratio had a significant difference, total asset turnover there is no difference, ROA and NPM obtain results that have no significant difference, DER and debt ratio have no significant results on financial performance. However, in the research conducted (Romadoni, 2020) there is no difference for the CR and DER proxies, for ROA there is a difference. Whereas in Hidayat's research (2021) the result was that there was a difference in the average EPS and company value, the measurement of which could be carried out using PER before and during the Covid-19 pandemic.

Hypotesis Development

H1a There are differences in financial performance through the 2019-2020 liquidity ratio

H1b There are differences in financial performance through the 2020-2021 liquidity ratio

H2a There are differences in the company's financial performance through the 2019-2020 activity ratio

H2b There are differences in the company's financial performance through the 2020-2021 activity ratio

H3a There are differences in financial performance through the 2019-2020 profitability ratios

H3b There are differences in financial performance through the 2020-2021 profitability ratios

H3c There are differences in the company's financial performance through the 2019-2020 profitability ratios

H3d There are differences in the company's financial performance through the 2020-2021 profitability ratios

H4a There are differences in the company's financial performance through the 2019-2020 solvency ratio

H4b There are differences in the company's financial performance through the 2020-2021 solvency ratio

2. Methodology

Types of Research

This type of research is a type of quantitative research with different or comparative tests. The data used in this study is secondary data from hotel, restaurant and tourism sub-sector companies listed on the Indonesia Stock Exchange in 2019-2021.

Data Source

The hotel, restaurant and tourism sub-sector company data used in this study is secondary data obtained from www.idx.co.id. Sources of data also come from the financial statements of each company issued by the company.

Population

The population according to Sugiyono (2018) is a generalized area consisting of objects/subjects that have certain magnitudes and characteristics determined by researchers to study and then draw conclusions. The population used in this study are hotel, restaurant and tourism sub-sector companies listed on the Indonesia Stock Exchange in 2019-2021..

Sample

The sample according to Sugiyono (2018) is part of the number and characteristics possessed by this population. The samples used in this research are hotel, restaurant and tourism sub-sector companies listed on the Indonesia Stock Exchange as of 31 December 2019-2021. The criteria for determining the sample in this study are as follows:

a. Hotel, restaurant and tourism sub-sector companies listed on the Indonesia Stock Exchange during the study period.

b. Companies in the hotel, restaurant and tourism sub-sector that issued complete annual financial reports during the Covid-19 pandemic.

Data collection technique

Data collection techniques were used, namely the literature study method. The literature study model is a way to study various existing literature in journals, books, as well as various reading sources needed as research data related to the research topic raised (Randina & Fachrizal, 2016). Companies appointed as research objects are hotel, restaurant and tourism sub-sector companies listed on the Indonesia Stock Exchange in 2019-2021 where data is obtained by browsing the company's official website and information on the Indonesia Stock Exchange or www.idx.co.id to obtain data regarding financial performance, company financial reports and other information needed.

Independent Variable

The variables in this study are the financial performance variables of the hotel, restaurant and tourism sub-sector companies whose measurements use financial ratio analysis. The various ratios used in the study have been described as follows.

1. Current Ratio

Hanafi & Halim (2016) provide a statement that the Current Ratio has benefits for management, namely so that the ability to manage the company's working capital is known, so that the liabilities owned by the company are not higher than the assets used in the company's operations in the short term and cannot be paid. To calculate the current ratio using the formula

$$Current\ Ratio\ = \frac{Current\ Asset}{Current\ Liabilities}$$

2. Total Asset Turnover

Total Asset Turnover is the ratio used in measuring how often a company uses its assets. If the company's assets are large, the number of sales can also increase, and end in an increase in company profits (Brigham & Houtson, 2014). To calculate total asset turnover with the formula:

$$Total\ asset\ turnover\ = \frac{Sales}{Total\ Asset}$$

3. Return on Asset

According to Fahmi (2012) ROA is a measure of the effectiveness of all assets used in company operations to generate profit or profit. Return on Assets can be calculated using the formula:

$$Return\ on\ Asset = \frac{Net\ Profit}{Total\ Asset}$$

4. Earnings Per Share

The ratio used in measuring whether the company's management is successful in providing benefits to investors who own common stock. This ratio reflects the relationship between net income and shareholder ownership (Brigham & Houtson, 2014). EPS can be calculated using the formula:

$$Earning\ Per\ Share = \frac{Earnings\ After\ Tax\ (EAT)}{Outstanding\ Shares}$$

5. Debt to Asset Ratio

This ratio is done by making a comparison of total debt with total assets and measuring how much assets get the company's debt financing (Kasmir, 2015). Debt Asset Ratio can be calculated using the formula:

$$Debt\ to\ Asset\ Ratio = \frac{Total\ Liabilities}{Total\ Asset}$$

Data Analysis Method

1. Descriptive Statistical Analysis

According to Sugiyono (2018) activities in data analysis are grouping and presenting data based on the research variables to be studied. In the data analysis method, a descriptive method is determined, namely analysis used to describe or provide an overview of the data that has been collected (mean, standard deviation, maximum, minimum) as the researcher does not aim to determine general or general conclusions.

2. Normality Test

In this study using a normality test with the aim of knowing whether the normal or otherwise distribution of a data. The Kolmogorov Smirnov statistical test was used. From the test results, if the significance is > 0.05 it indicates that the data has a normal distribution and vice versa if the significant number is < 0.05 it indicates that the data is not normally distributed (Ghozali, 2016).

3. Hypothesis Testing

The Paired Sample T Test or paired samples and the Sign-Wilcoxon Test were used. This test is available as a comparative or comparison test if the data scales for both variables, namely quantitative intervals or ratios. The paired t-test is a parametric different test on two paired data. Meanwhile, the sign-Wiilcoxon test is a non-parametric test to test paired samples. The test is carried out as a substitute for paired sample t-test if the research variable data does not meet the basic or normal selection criteria (Ghozali, 2016).

3. Results and Discussion

Results of Descriptive Statistical Analysis

Financial Performance Descriptive Statistics

Ratio	**Year**	**N**	***Mean***	***Std. Deviation***
CR	2019	72	3,94558	8,192200
	2020		7,16592	28,401582

	2021		3,81408	11,606502
TATO	2019	72	0,47508	0,664225
	2020		0,28625	0,431200
	2021		0,29387	0,481143
ROA	2019	72	0,00554	0,069986
	2020		-0,06317	0,052857
	2021		-0,04871	0,052360
EPS	2019	72	0,10083	0,363340
	2020		-0,41746	0,803145
	2021		-0,26742	0,537781
DAR	2019	72	0,34492	0,185406
	2020		0,38488	0,231979
	2021		0,40713	0,244589

Based on the table above, the hotel, restaurant and tourism sub-sector companies are listed on the Indonesia Stock Exchange. The average or mean Current Ratio (CR) in 2019 was 3.94558, in 2020 it increased to 7.16592 and in 2021 it decreased to 3.81408. For the average or mean of Total Assets Turnover in 2019 of 0.47508, in 2020 it decreased to 0.28625 and in 2021 it increased to 0.29387. The average or mean Return on Assets in 2019 was 0.00554, in 2020 it decreased to -0.06317 and in 2021 it decreased again to -0.04871. The mean of Earnings Per Share in 2019 was 0.10083, in 2020 it decreased by -0.41746 and in 2021 it decreased again to -0.26742. The average or mean of the Debt to Assets Ratio in 2019 was 0.34492, in 2020 it increased to 0.38488, and in 2021 it increased again to 0.40713.

Normality Test Results

1. Normality Test Results

Financial Ratio	*Asymp Sig. (2-Tailed)*	Description	Distribution
CR 2019	0,000	P < 0,05	Abnormal
CR 2020	0,000	P < 0,05	Abnormal
CR 2021	0,000	P < 0,05	Abnormal
TATO 2019	0,000	P < 0,05	Abnormal
TATO 2020	0,000	P < 0,05	Abnormal
TATO 2021	0,000	P < 0,05	Abnormal
ROA 2019	0,200	P > 0,05	Normally
ROA 2020	0,200	P > 0,05	Normally
ROA 2021	0,200	P > 0,05	Normally
EPS 2019	0,000	P < 0,05	Abnormal
EPS 2020	0,000	P < 0,05	Abnormal
EPS 2021	0,000	P < 0,05	Abnormal
DAR 2019	0,200	P > 0,05	Normally

DAR 2020	0,200	P > 0,05	Normally
DAR 2021	0,200	P > 0,05	Normally

The table above shows the ratios of CR, TATO and EPS in 2019, 2020 and 2021 showing sig. 0.000 means less than <0.05, it means that the ratios of CR, TATO and EPS in that year are not normally distributed. At the same time, the ROA and DAR ratios in 2019, 2020 and 2021 show sig. 0.200 this value is more than > 0.05 so it can be said that the ratio is normally distributed. Extreme values or Outliers, both high and low, are one of the factors that make the data abnormal.

Hypothesis Test Results

1. Results of Paired sample t-test

Indicator	***Mean***	**T**	**Sig (2-Tailed)**	**Description**	**Decision**
ROA 2019-2020	0,00554 -0,06317	3,692	0,001	P < 0,05	H3 a Accepted
ROA 2020-2021	-0,06317 -0,04871	-1,522	0,142	P > 0,05	H3 b Rejected
DAR 2019-2020	0,34492 0,38488	-2,299	0,031	P < 0,05	H5 a Accepted
DAR 2020-2021	0,38488 0,40713	-2,006	0,057	P > 0,05	H5 b Rejected

The results of data processing with SPSS in the table above produce sig values. the ROA ratio is 0.001 which means that the value is smaller than the significance level of 0.05. Therefore, it can be concluded that there are differences in financial performance through the profitability ratios for 2019-2020. Meanwhile, the company's financial performance for 2020-2021 shows a significance value of 0.142, which means that this value is greater than the 0.05 significance level. This means that there is no difference in financial performance through the profitability ratios for 2020-2021.

In addition, the DAR ratio produces a sig. the DAR ratio is 0.031 <0.05. This means that there are differences in financial performance through the solvency ratios for 2019-2020. Meanwhile, the company's financial performance for 2020-2021 shows a significance value of 0.057 > 0.05. This means that there is no difference in financial performance through the solvency ratio for 2020-2021.

2. Results Wilcoxon test

Indicator	***Mean***	**T**	***Sig (2-Tailed)***	**Descrption**	**Decision**
CR 2019-2020	3,94558 7,16592	-3,600	0,000	P < 0,05	H1 a Accepted
CR 2020-2021	7,16592 3,81408	-0,229	0,819	P > 0,05	H1 b Rejected
TATO 2019-2020	0,47508 0,28625	-3,743	0,000	P < 0,05	H2 a Accepted
TATO 2020-2021	0,28625 0,29387	-1,283	0,200	P > 0,05	H2 b Rejected
EPS 2019-2020	0,10083 -0,41746	-3,559	0,000	P < 0,05	H4 a Accepted
EPS 2020-2021	-0,41746 -0,26742	-2,457	0,014	P < 0,05	H4 b Accepted

The results of data processing with SPSS in the table above are the results of the sign-Wilcoxon test on the CR ratio with sig. 0.000 < 0.05. So, it is said that there are differences in the company's financial performance through the 2019-2020 liquidity ratio. Meanwhile, the company's financial performance for 2020-2021 shows a significance value of 0.819 > 0.05. This means that there is no difference in financial performance through the 2020-2021 liquidity ratio. The TATO ratio produces a sig. 0.000 < 0.05. So, it is said that there are differences in the company's financial performance through the activity ratio in 2019-2020. Meanwhile, the company's financial performance for 2020-2021 shows a significance value of 0.200 > 0.05. This means that there is no difference in financial performance through the activity ratio for 2020-2021. And also the EPS ratio produces a sig value. 0.000 < 0.05. So, it is said that there are differences in the company's financial performance through the profitability ratios for 2019-2020. Meanwhile, the company's financial performance for 2020-2021 shows a significance value of 0.014 < 0.05. This means that there are differences in financial performance through the activity ratio for 2020-2021.

Discussion

1. Differences in Company Financial Performance on Liquidity 2019-2021

The results of the sign-Wilcoxon test show a significance value for CR 2019-2020 of 0.000 <0.05, meaning that H1a of this study is accepted. This shows that there are differences in the financial performance of companies in the hotel, restaurant and tourism sub-sector in 2019-2020 measured through CR. The results show that the 2020-2021 CR significance value is 0.819 > 0.05, meaning that the H1b of this study is rejected. This shows that there is no difference in the financial performance of companies in the hotel, restaurant and tourism sub-sector in 2020-2021 measured through CR.

2. Differences in Company Financial Performance on Activities 2019-2021

The results of the sign-Wilcoxon test show that the 2019-2020 TATO significance value is 0.000 <0.05, meaning that the H2a of this study is accepted. This shows that there are differences in the financial performance of companies in the hotel, restaurant and tourism sub-sector in 2019-2020 measured by TATO. The results show that the 2020-2021 TATO significance value is 0.200 > 0.05, meaning that the H2b of this study is rejected. This shows that there is no difference in the financial performance of companies in the hotel, restaurant and tourism sub-sector in 2020-2021 measured by TATO.

3. Differences in Company Financial Performance on Profitability 2019-2021

The results of the paired samples test show that the 2019-2020 ROA significance value is 0.001 <0.05, meaning that H3a of this study is accepted. This shows that there are differences in the financial performance of companies in the hotel, restaurant and tourism sub-sector in 2019-2020 measured through ROA. The results show that the 2020-2021 ROA significance value is 0.142 > 0.05, meaning that the H3b of this study is rejected. This shows that there is no difference in the financial performance of companies in the hotel, restaurant and tourism sub-sector in 2020-2021 as measured by ROA.

4. Conclusion and Suggestion

Conclusion

From the discussion in the previous section, the following conclusions are drawn:

1. There were "significant differences in the financial performance of the hotel, restaurant and tourism sub-sector companies listed on the Indonesia Stock Exchange before the COVID-19 pandemic.
2. There is no significant difference in the financial performance of the hotel, restaurant and tourism sub-sector companies listed on the Indonesia Stock Exchange during the Covid-19 pandemic assessed on liquidity, activity, profitability and solvency.
3. One of the indicators for the profitability ratio, namely EPS, resulted in a significant difference in the financial performance of the hotel, restaurant and tourism sub-sector companies listed on the Indonesia Stock Exchange during the Covid-19 pandemic.

Suggestion

The company's good financial performance makes investors not hesitate in determining the port to invest in. It is hoped that the current research can be used as a reference for stakeholders and research development.

It is hoped that the company will implement the right strategy, one of which is by reducing operational costs and efficiency in capital management and good cash flow management. Cash flow management is the backbone of the company, no longer looking at various ratios, but cash flow is the company's benchmark during the pandemic. It is hoped that companies regarding selective and efficient financing, and are ready to face conditions where when this pandemic subsides, the possibility of rising inflation will be real and very influential in the company's conditions and of course this must be of more concern and prepared for companies to deal with it, it is suggested for companies to be more precise in allocating their cash and proper risk management and to be ready even when facing inflationary conditions..

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