



The Impact of Covid-19 on Liquidity and Profitability in the Hotel Industry

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Abstract

This study aims to determine the impact of Covid-19 on liquidity and profitability in the Hospitality Industry. This study utilized secondary data. The source of the data used in this study was obtained from the Hospitality Industry quarterly financial report data. The sample in this study was 9 Hospitality Industry companies listed on the Indonesia Stock Exchange (IDX). The method of analysis in this study was Vertical Analysis and Horizontal Analysis. The results show that the Covid-19 pandemic has an impact on liquidity and profitability in the Hospitality Industry in Indonesia. This research is expected to be useful for companies to determine and maintain the Liquidity and Profitability of the Hospitality Industry during the Covid-19 pandemic.

Keywords: liquidity, profitability, hotel industry

1. Introduction

Indonesia is one of the countries that has imposed a ban on foreign travel to reduce the spread of the Corona virus. This ban caused a number of airlines to cancel their flights and several airlines were forced to continue operating even though the majority of their plane seats were empty in order to fulfill passengers' rights. Many consumers have postponed booking holiday tickets due to the increasingly widespread spread of the Corona virus. This situation causes the government to act by providing policies to overcome this problem.

The impact on the Indonesian economy, both in terms of trade, investment and tourism, has suffered due to this outbreak. Indonesia itself was affected, which is indicated to have come from the arrival of Indonesian people who had just returned from traveling from countries previously infected by this virus. Late awareness resulted in this virus spreading further and ultimately causing loss of life and panic in our society. Without exception, the Covid-19 virus has affected Indonesia's economic structure. Many industries are not running according to their initial targets.

According to Purnamasari (2017), profitability is an indicator of the performance and ability of a business entity to utilize all its assets to generate profits. A high level of profitability reflects that the business entity is able to work effectively and efficiently in its operational activities. A company that is founded has the main objective of seeking profit by obtaining maximum profits so that the company's survival can be maintained and increase profits for its shareholders.

According to Kasmir (2017), the meaning of liquidity ratio is as follows: Liquidity ratio or often also called working capital ratio is a ratio used to measure how liquid a company is. The method is to compare the components in the balance sheet, namely total current assets with total current liabilities (short term debt). The assessment can be carried out over several periods so that the development of the company's liquidity can be seen from time to time.

In this research, research was conducted on the Hotel Industry listed on the Indonesia Stock



Exchange (BEI). The Hotel Industry registered on the official IDX website is 15 Hotel Industry companies and selected 9 companies to be used as samples. The sampling technique is *purposive sampling*, selecting companies that were affected during the Covid-19 period, companies that were busy with visitors and had complete quarterly financial data for 2 years.

2. Method

The scope of the research is only limited to the impact of liquidity on the profitability of the hotel industry before Covid-19 and during Covid-19. The object in this research is the total number of objects whose characteristics will be studied. The object of this research was carried out in the Hotel Industry which was listed on the Indonesia Stock Exchange (BEI) as many as 15 Hotel Industry companies and selected 9 companies to be used as samples. The sampling technique is *purposive sampling*, namely companies affected during the Covid-19 period, and companies with lots of visitors who have complete quarterly financial data for 2 years.

Table 1. Research objects

No	Issuer Code	Information
1	JIHD	Jakarta International Hotel & Development Tbk.
2	SHID	Hotel Sahid Jaya Tbk.
3	JSPT	Jakarta Setiabudi International Tbk.
4	CLAY	PT. Citra Putra Realty Tbk.
5	PLIN	Plaza Indonesia Realty Tbk.
6	PSKT	PT. Red Planet Indonesia Tbk.
7	DFAM	PT. Dafam Property Indonesia Tbk.
8	MINA	PT. Sanurhasta Mitra Tbk.
9	SMMT	Golden Eagle Energy Tbk.

Source: Indonesian Stock Exchange (BEI)

The research location is a research object. The location that researchers took with secondary data was the Hotel Industry *listed* on the Indonesia Stock Exchange (BEI). The research time was carried out for approximately 12 months. The analysis technique in this research uses vertical and horizontal analysis. Vertical Analysis comparing individual items in the current period with the total amount on the same statement can be useful for highlighting significant relationships in the financial statements. Horizontal analysis is analysis by comparing financial reports for several periods or times so that developments can be known.

3. Results and Discussions

Vertical Analysis

The analysis method is carried out by analyzing financial reports in a certain period by comparing one post with another in the same financial report.

Table 2. JIHD Vertical Analysis Table

YEAR		COMPONENT		
		CR	QR	ROA
2019	TW 1	0.96	0.91	1.06
	TW 2	0.82	0.77	0.007
	TW 3	0.94	0.88	0.014
	QW 4	0.71	0.66	0.021
	TW 1	0.75	0.71	0.00007



2020	TW 2	0.78	0.73	0.01
	TW 3	0.77	0.72	0.018

Source: Processed by Researchers (2021)

Based on table 2, the Jakarta International Hotel and Development company's *Current Ratio* ratio has performed poorly, it can be seen from Quarter 1 2020 that the ratio result is 7.5% and until Quarter 3 the ratio is 7.7%, which is below the industry average, namely 200%. then the company has poor performance. *Quick Ratio* has the highest ratio of 0.91 or 9.1% which occurred in the 2019 period in Quarter 1 and the lowest was 0.66 or 6.6% in Q4 2019. The profitability of the Jakarta Internasional Hotel and Development Tbk company is measured by the *Return On Assets ratio* . The calculation results show that the highest ratio is 1.06 or 106%.

Table 3. SHID vertical analysis technique

Year		Component		
		CR	QR	ROA
2019	TW 1	3.03	0.84	0.002
	TW 2	2.89	0.70	0.013
	TW 3	2.84	0.76	0.014
	QW 4	3.25	0.89	0.008
2020	TW 1	2.99	0.78	0.006
	TW 2	3.30	0.75	0.015
	TW 3	3.01	0.71	0.024

Based on table 3, the liquidity of the Hotel Sahid Jaya Tbk company is measured by the *Current Ratio* . The calculation results show that the highest *Current Ratio ratio* of 3.30 or 330% occurred in the 2020 Quarter 2 period. The calculation results show that the highest *Quick Ratio ratio* of 0.89 or 89% occurred in the 2019 Quarter 4 period. Profitability is measured by *Return On Assets* . The calculation results show that the highest *Return On Assets ratio* of 0.024 or 2.4% occurred in the 2020 Quarter 4 period.

Table 4. JSPT vertical analysis techniques

Year		Component		
		CR	QR	ROA
2019	TW 1	2.15	2.13	0.001
	TW 2	1.95	1.93	0.003
	TW 3	1.97	1.95	0.014
	QW 4	1.75	1.74	0.025
2020	TW 1	1.67	1.66	0.035
	TW 2	1.57	1.56	0.027
	TW 3	1.66	1.65	0.047

Based on table 4. The liquidity of the Jakarta Setiabudi Internasional Tbk company is measured by the *Current Ratio* . The calculation results show that the highest *Current Ratio* of 2.15 or 215% occurred in the 2019 Quarter 1 period. The highest *Quick Ratio* of 2.13 or 213% occurred in the 2019 Quarter 1 period. The highest *Return On Assets Ratio* was 0.047 or 4.7 % occurred in the 2020 Quarter 4 period.

Table 5. CLAY vertical analysis technique

YEAR		COMPONENT		
		CR	QR	ROA
2019	TW 1	2.67	2.66	0.01
	TW 2	2.62	2.60	0.021
	TW 3	1.09	1.07	0.03



2020	QW 4	0.50	0.48	0.02
	TW 1	0.26	0.25	0.01
	TW 2	0.19	0.17	0.05
	TW 3	0.08	0.07	0.07
	QW 4	0.05	0.05	0.13

Source: Processed by Researchers (2021)

Current Ratio Citra Putra Realty Tbk of 2.67 or 267% occurred in the 2019 Quarter 1 period. *Quick Ratio* is known to have the highest ratio of 2.66 or 266% occurring in the 2019 Quarter 1 period. The highest *Return On Assets Ratio* of 0.05 or 5% occurred in the 2020 Quarter 2 period.

Table 6. PLIN vertical analysis technique

YEAR		COMPONENT		
		CR	QR	ROA
2019	TW 1	1.23	1.22	0.029
	TW 2	1.02	1.02	0.014
	TW 3	1.39	1.37	0.066
	QW 4	1.64	1.62	0.043
2020	TW 1	1.95	1.93	0.01
	TW 2	2.45	2.43	0.018
	TW 3	2.63	2.62	0.026
	QW 4	2.94	2.94	0.04

Source: Processed by Researchers (2021)

Current ratio PT. Plaza Indonesia Realty Tbk is known to have the highest ratio of 2.94 or 294% occurring in the 2020 Quarter 4 period. *Quick Ratio* is known to have the highest ratio of 2.94 or 294% occurring in the 2020 Quarter 4 period. *Return On Assets* is known to have the highest ratio of 0.066 or 6.6% occurred in the 2019 Quarter 3 period.

Table 7. PSKT vertical analysis technique

YEAR		COMPONENT		
		CR	QR	ROA
2019	TW 1	1.30	1.30	0.006
	TW 2	1.99	1.99	0.017
	TW 3	1.93	1.92	0.022
	QW 4	1.93	1.92	0.03
2020	TW 1	1.99	1.98	0.01
	TW 2	1.87	1.86	0.024
	TW 3	1.83	1.82	0.034
	QW 4	0.43	0.42	0.06

Current Ratio PT. Red Planet Indonesia Tbk is known to have the highest ratio of 1.99 or 199% which occurred in the 2019 Quarter 2 period. *Quick Ratio* is known to have the highest ratio of 1.99 or 199% which occurred in the 2019 Quarter 2 period. 0.06 or 6% occurred in the 2020 Quarter 4 period.

Table 8. DFAM Vertical Analysis Technique

YEAR		COMPONENT		
		CR	QR	ROA
2019	TW 1	1.48	0.51	0.005
	TW 2	1.48	0.49	0.006
	TW 3	1.64	0.63	0.01
	QW 4	1.60	0.46	0.02



2020	TW 1	1.49	0.32	0.002
	TW 2	1.75	0.33	0.03
	TW 3	1.79	0.39	0.02
	QW 4	1.38	0.23	0.04

Current Ratio PT. Dafam Property Indonesia Tbk is known to have the highest ratio of 1.79 or 179% which occurred in the 2019 Quarter 3 period. *Quick Ratio* is known to have the highest ratio of 0.63 or 63% which occurred in the 2019 Quarter 3 period . 0.04 or 4% occurred in the 2020 Quarter 4 period.

Table 9. Vertical analysis techniques MINA

YEAR		COMPONENT		
		CR	QR	ROA
2019	TW 1	15.49	15.01	0.01
	TW 2	29.20	28.96	0.06
	TW 3	19.07	18.97	0.01
	QW 4	16.20	16.17	0.006
2020	TW 1	9.14	9.10	0.009
	TW 2	8.47	8.43	0.02
	TW 3	9.78	9.74	0.04
	QW 4	8.89	2.57	0.08

Current Ratio PT. Sanurhasta Mitra Tbk is known to have the highest ratio of 29.20 or 2.920% which occurred in the 2019 Quarter 2 period. The *Quick Ratio* is known to have the highest ratio of 28.96 or 2.896% which occurred in the 2019 Quarter 2 period . 0.08 or 8% occurred in the 2020 Quarter 4 period.

Table 10. SMMT vertical analysis technique

YEAR		COMPONENT		
		CR	QR	ROA
2019	TW 1	0.33	8.75	0.02
	TW 2	0.66	0.61	0.03
	TW 3	0.56	0.50	0.03
	QW 4	0.61	0.58	0.007
2020	TW 1	0.54	0.51	0.02
	TW 2	0.46	0.44	0.01
	TW 3	0.62	0.52	0.02
	QW 4	0.58	0.48	0.02

The *Current Ratio* of the company Golden Eagle Energy Tbk is known to have the highest ratio of 0.66 or 6.6% occurring in the 2019 Quarter 2 period. *Quick Ratio* is known to have the highest ratio of 8.75 or 875% occurring in the 2019 Quarter 1 period. Profitability is measured by *Return On It* is known that the highest asset ratio of 0.03 or 3% occurred in the 2019 Quarter 2 and Quarter 3 periods.

Horizontal Analysis

According to Sugiono (2016), horizontal analysis is comparing a company's financial ratios from one period to another. Comparing the company's ratios for the current year and the previous year's ratios to produce a conclusion as to whether the company's performance is experiencing increased growth or vice versa.

Table 11. Horizontal analysis

Company Code	Component	Year	
		2019	2020



JIHD	Current Ratio	0.96	0.82	0.94	0.71	0.75	0.78	0.77
	Quick Ratio	0.91	0.77	0.88	0.66	0.71	0.73	0.72
	Return On Assets	1.06	0.007	0.014	0.021	0.00007	0.01	0.018
SHID	Current Ratio	3.03	2.89	2.84	3.25	2.99	3.30	3.01
	Quick Ratio	0.84	0.70	0.76	0.89	0.78	0.75	0.71
	Return On Assets	0.002	0.013	0.014	0.008	0.006	0.015	0.024
JSPT	Current Ratio	2.15	1.95	1.97	1.75	1.67	1.57	1.66
	Quick Ratio	2.13	1.93	1.95	1.74	1.66	1.56	1.65
	Return On Assets	0.001	0.003	0.014	0.025	0.035	0.027	0.047
CLAY	Current Ratio	2.67	2.62	1.09	0.50	0.26	0.08	0.05
	Quick Ratio	2.66	2.60	1.07	0.48	0.25	0.07	0.05
	Return On Assets	0.01	0.021	0.03	0.02	0.01	0.07	0.13
PLIN	Current Ratio	1.23	1.02	1.39	1.64	1.95	2.63	2.94
	Quick Ratio	1.22	1.02	1.37	1.62	1.93	2.62	2.94
	Return On Assets	0.029	0.14	0.066	0.043	0.01	0.026	0.04
PSKT	Current Ratio	1.30	1.99	1.93	1.93	1.99	1.83	0.43
	Quick Ratio	1.30	1.99	1.92	1.92	1.98	1.82	0.42
	Return On Assets	0.006	0.017	0.022	0.03	0.01	0.034	0.06
DFAM	Current Ratio	1.48	1.48	1.64	1.60	1.49	1.79	1.38
	Quick Ratio	0.51	0.49	0.63	0.46	0.32	0.39	0.23
	Return On Assets	0.005	0.006	0.01	0.02	0.002	0.02	0.04



MINA	<i>Current Ratio</i>	15.49	29,20	19.07	16.20	9.14	9.78	8.89
	<i>Quick Ratio</i>	15.01	28.96	18.97	16,17	9,10	9.74	2.57
	<i>Return On Assets</i>	0.01	0.06	0.01	0.006	0.009	0.04	0.08
SMMT	<i>Current Ratio</i>	0.33	0.66	0.56	0.61	0.54	0.62	0.58
	<i>Quick Ratio</i>	8.75	0.61	0.50	0.58	0.51	0.52	0.48
	<i>Return On Assets</i>	0.02	0.03	0.03	0.007	0.02	0.02	0.02

The results of the above calculations are then compared with the industry average standards according to Kasmir below:

Table 12. General industry average standards

No	Ratio Type	Industry standard
1	<i>Current Ratio</i>	2 times/200%
2	<i>Quick Ratio</i>	1.5 times/150%
3	<i>Return On Assets</i>	30%

Source: according to Kasmir (2017)

If the industry average for the *Current Ratio* is 200%, this means that the Liquidity calculation is measured by the *Current Ratio* in the 2019-2020 Hospitality Industry in quarterly form. If the result is above 200% then it can be said that the company's liquidity is good because it is above the industry average. . And if the industry average for the *Quick Ratio* is 150%, it means that the Liquidity calculation is measured by the *Quick Ratio* in the Hotel Industry in 2019-2020 in quarterly form. If the result is above 150% then it can be said that the company's liquidity is good because it is above the average. Industry average. And if the industry average for *Return On Assets* is 30%, this means that Profitability calculations are measured by *Return On Assets* in the Hotel Industry in 2019-2020 in quarterly form. If the results are above 30% then it can be said that the company's profitability is good because it is above average. -industry average.

Table 13. Results of the impact of Covid-19 on liquidity and profitability

Component	Impact of Covid-19 on Liquidity and Profitability
<i>Current Ratio</i>	From the results of this research, liquidity is measured by the <i>Current Ratio</i> ratio. The impact of Covid-19 on Hospitality Industry Liquidity is based on industry averages, in this case several companies have the highest known average ratio of 978% which occurs at PT companies. Sanurhasta Mitra Tbk, in the 2020 Quarter III period. And in this research, the company that was most affected was the Jakarta International Hotel and Development company and in this research, of the 9 samples studied, the ratio was the largest and had good liquidity, the company Hotel Sahid Jaya Tbk. However, in research, the <i>Current Ratio</i> calculation is based on the industry average calculation of 200%, and



more ratios are below the industry average, indicating that company liquidity in the Hotel Industry is not good. Therefore, the results of this research are that the Hotel Industry is affected by Covid-19 in the *Current Ratio calculation*. To protect the tourism industry which has been greatly affected by the Covid-19 pandemic so that it can recover again. This grant also helps local governments (Pemda) to prepare a tourist environment that is clean, healthy and in accordance with Covid-19 protocols, especially for the hotel and restaurant industry.

Quick Ratio

From the results of this research, liquidity is measured by the *Quick Ratio ratio*, based on the industry average calculation of the Quick Ratio ratio being 150%. It is known that the highest ratio in the *Quick Ratio calculation* of 974% occurred at the company PT. Sanurhasta Mitra Tbk, in the 2020 Quarter III period and the company that was greatly affected by Covid-19 was the Jakarta International Hotel and Development company and the company that had the highest ratio of good liquidity was the company PT. Sanurhasta Mitra Tbk. However, in research into *Quick Ratio calculations*, there are more ratios that are below the industry average. This shows that liquidity in the Hotel Industry is not good, so the conclusion is that the Hotel Industry is affected by Covid-19 in the *Quick Ratio calculation*.

This is related to the results of research according to Jessica, (2019) which states that *the Quick Ratio* partially has a significant effect on *Return On Assets*. And the results of this research are in line with the research results of Amelia, P (2014) which states that the influence of the *Current Ratio* and *Quick Ratio* has a significant effect on *Return On Assets*.

Return On Assets

From the results of this research, profitability is measured by the *Return On Assets ratio*, based on the industry average calculation of the *Return On Assets ratio* being 30%. It is known that the highest ratio in the *Return On Assets calculation* of 6.60% occurred at the company Plaza Indonesia Realty Tbk, in the 2019 period in Quarter III and the company that was greatly affected by Covid-19 was Golden Eagle Energy Tbk and the highest Return On Assets ratio was the company PT. Citra Putra Realty Tbk. However, in research calculating *Return On Assets*, there are more ratios that are below the industry average. This shows

that profitability in the Hotel Industry is not good. So from calculating the Return On Assets ratio, the Hotel Industry is affected by Covid-19 in calculating *Return On Assets* .

5. Conclusion

Based on the data obtained and reprocessed, the results of research on the impact of Covid-19 on liquidity and profitability in the hotel industry can be concluded that the Hospitality Industry has been heavily impacted by Covid-19 as evidenced by the decrease or increase in Liquidity and Profitability. According to the research results, Liquidity is measured by *Current Ratio* and *Quick Ratio* with Profitability measured by *Return On Assets* . Liquidity is measured by the Current ratio affected by Covid-19 as evidenced by the number of ratios that are below the general standard, the industry average has increased, it is known that the industry average Current Ratio is 200%, the industry average Quick Ratio is 150% and the industry average Return On Assets is 30% . In this research, the hotel industry experienced an uncertain decline and increase from the 2019-2020 period in quarterly form. Of the 9 samples of companies studied, it was found that more companies experienced a decrease in liquidity and profitability and the average ratio value was more than the ratio was below the average. industry, this proves that the Hospitality Industry is affected by Covid-19.

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IJCSE

INTERNATIONAL JOURNAL OF
COMMUNITY SERVICE AND
ENGAGEMENT

International Journal of Community Service & Engagement

e-ISSN: 2746-4032

Vol. 4, No. 4 November 2023

Ekonomis: *Journal of Economics and Business*, 4(2), 384-388.