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## CRISIS MANAGEMENT STRATEGIES AND ENTREPRENEURIAL RESILIENCE OF TOURISM BUSINESS OPERATORS IN JAKARTA AMID COVID-19

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#### **ABSTRACT**

The tourism and creative economy sectors in Indonesia have undergone notable growth over recent years, playing a pivotal role in bolstering the nation's revenue and contributing to the advancement of communities across the country. Jakarta, as the nation's capital and the economic center, serves as the primary entry point for international tourists, supporting the overall growth of the tourism industry. Soekarno-Hatta Airport, aside from being an international aviation hub, facilitates access to various tourist destinations across Indonesia. The emergence of Covid-19 has triggered a global crisis and greatly disrupted the world economy. The WHO's declaration of a health emergency led to the implementation of multiple virus control measures, including lockdowns, social distancing protocols, and travel restrictions. Consequently, the tourism sector which heavily reliant on human mobility, experienced severe setbacks and become one of the hardest-hit industry. To endure such crises, businesses are required to adapt swiftly and adopt an entrepreneurial perspective to meet consumer needs amid uncertainty. This research aims to investigate the strategies for crisis management and the application of entrepreneurial resilience among Jakarta's tourism business operators in response to the Covid-19 pandemic. The study employs qualitative descriptive approaches, using semi-structured interviews and documentary analysis as data collection techniques. Interviews were conducted with stakeholders in the tour and travel and hospitality industry. Findings indicate that not all businesses have crisis mitigation procedures for the unexpected threats. Businesses are responding to this crisis by adapting, innovating, and seizing every opportunity to ensure their survivals.

Keywords: Tourism, Crisis Management, Entrepreneurial Resilience

#### 1. INTRODUCTION

Indonesia's tourism sector exhibits immense potential, constituting a significant driver of both national and regional economies. The continual expansion of tourism, coupled with the creative economy, makes substantial contributions to income streams across various regions Kemenparekraf (2023). Notably, Indonesian tourism plays a pivotal role in bolstering the country's foreign exchange reserves, with a substantial contribution of approximately US\$ 10 billion in 2018. This positioning makes the tourism industry the primary foreign exchange earner

following industries like oil, coal, and palm oil. Moreover, this sector stands out as a labor-intensive field, offering abundant opportunities for residents residing in tourist-centric areas. It serves as a crucial economic pillar for regions reliant on tourism by generating employment opportunities across various sectors, including hotels, dining establishments, tour guiding, transportation, local handicrafts, and a range of supporting services. The industry's capacity to absorb both direct and indirect labor underscores its significant role in fostering economic growth and sustainability within these regions.

The Covid-19 outbreak (2019) that quickly spread throughout the world and had a significant impact on the global economy. According to World Health Organization (WHO), as of April 16, 2022, Covid-19 had spread to 230 countries, with 500,186,525 people confirmed positive and causing 6,190,349 people to die. In Indonesia alone, there were 6,039,266 people confirmed positive and 155,844 of them died. The coronavirus pandemic is estimated to have a worse economic impact than the 2008 global financial crisis Ratten (2020). In contrast to several health pandemics that occurred in the past, such as MERS-CoV and Ebola, which impacted certain geographic areas, the COVID-19 pandemic has impacted countries throughout the world (WHO, 2020). On January 30 2020, the World Health Organization (WHO) declared the emergence of the corona virus as a PHEIC (Public Health Emergency of International Concern) and recommended several control measures such as lockdown, social distancing and travel restrictions. The lockdown policies have had a major impact on many country's economics. In international business sector, it has caused disruption of global supply chains and limited labour mobility. The tourism business, travel agents, hotel and related small business sectors, experienced a very serious impact and even suffered large losses due to this travel restriction policy. Many countries have also implemented bans on group activities, forcing large-scale entertainment, sports and music events to be cancelled. Uncertainty, unemployment, poverty and declining economic growth are challenges faced by almost all countries in the world, both developed and developing countries.

The COVID-19 pandemic significantly impacted Jakarta's tourism industry, triggering a sharp decrease in both domestic and international tourists due to travel restrictions and border closures. This decline reverberated across hotels, restaurants, and tourist sites, resulting in financial losses for businesses and widespread job cuts within the tourism sector. A shift in travel preferences, prioritizing safety, steered travelers toward quieter spots or personalized activities. To bounce back, the government and industry implemented strategies like stringent health protocols and promoting local tourism. Simultaneously, Soekarno-Hatta Airport, the primary hub, witnessed a notable drop in international flights and passenger traffic, amplifying economic challenges for the tourism and hospitality sectors and underscoring Jakarta's vulnerability as a global gateway and pivotal aviation center amid the ongoing pandemic. To confront this crisis, business actors are forced to develop new strategies so that their businesses can continue to run. In this market environment full of uncertainty, in order to survive, the business world is required to adopt an entrepreneurial perspective Ratten (2020).

## 2. LITERATURE REVIEW 2.1. TOURISM INDUSTRY

The tourism industry involves a wide array of activities catering to individuals traveling for leisure, business, or other purposes. It includes diverse sectors such as travel, accommodation, dining, and entertainment, offering an extensive range of

services that include lodging options, dining venues, sightseeing attractions, travel-related services, and transportation facilities. Notably, tourism serves as a substantial economic driver for numerous countries and regions, generating employment opportunities and fostering local economic development. This multifaceted industry operates at the intersection of commerce and societal engagement, emerging as a principal sector globally Bong et al. (2019). Within Indonesia, tourism plays a significant role in bolstering the national economy, evidenced by its substantial contribution to the Gross Domestic Product (GDP) while fortifying the country's income and economic vitality.

As reported by the World Travel and Tourism Council (2020), the Covid-19 pandemic significantly affected global travel and tourism. Indonesia saw a sharp decline in foreign visits due to the pandemic in 2020. Tourism is an industry that cannot survive without tourist mobility. The tourism industry is also a labor-intensive sector. A slowdown in the industry could endanger millions of jobs and threaten sustainable development progress. Sharma et al. (2021) highlighted four vital factors that are important for building resilience in this industry, namely government response, technological innovation, local ownership, and trust from consumers and employees. By implementing an inclusive resilience approach, the tourism industry can metamorphose into a new global economic order, characterized by sustainable tourism, community well-being, climate action, and local community participation Sharma et al. (2021).

#### 2.2. CRISIS MANAGEMENT

A crisis is defined as an unstable event experienced by an organization with various possibilities that cause undesirable impacts Devlin (2020). According to Lawrence Barton (1993), a crisis has three characteristics: surprising, threatening and require a quick decision making. A crisis requires immediate and appropriate handling, because otherwise it has the potential to cause many unexpected negative impacts. On the other hand, adept management of a crisis can potentially yield benefits for the organization. A crisis can be described as a phenomenon that does not occur often, has a high level of uncertainty, and has an impact on people's lives. Health crises are more difficult to understand because they are usually rare and unpredictable but have severe consequences and large economic impacts Kuckertz et al. (2020). In reality, not many businesses are prepared to face a health crisis like the Covid-19 pandemic. This crisis has had a major impact, especially on small businesses that rely on weekly projections to maintain market share. On the other hand, the sudden impact of the pandemic also provides an opportunity for entrepreneurs to develop needed products and services quickly Ratten (2020).

Fink (1993) defines crisis management as a technique to mitigate risks and uncertainties aimed at controlling situations or salvaging oneself as effectively as possible. Planning is the most crucial component of a crisis management strategy. According to Iriantara (2004), the required steps in crisis management for the company to operate normally consist of the following:

Identifying a Crisis: Identifying a crisis involves the initial stage of
recognizing and comprehending the specifics and origins of the crisis at
hand. This process delves into understanding the nature of the crisis, which
could stem from various sources such as natural disasters, financial
setbacks, reputation-related issues, or a myriad of other factors. It entails a
thorough examination and assessment to grasp the underlying causes and
the scope of impact posed by the crisis. For instance, natural calamities

might encompass events like earthquakes, floods, or pandemics, whereas financial challenges could involve economic recessions, market crashes, or fiscal mismanagement. Similarly, reputation-related crises could stem from public relations mishaps, ethical lapses, or controversies affecting public perception. Identifying the crisis lays the groundwork for subsequent strategic planning and targeted responses to mitigate its effects.

- Analyzing the Crisis: Analyzing a crisis involves a thorough investigation to deeply understand the core issues, implications, and factors that exacerbate the situation. This is more than just identification, namely exploring the root causes, dynamics, and complexity of the crisis. This phase evaluates short-term and potential long-term impacts in a variety of areas, from the organization's operations and finances to reputation and stakeholders. This chapter examines external factors such as market conditions and internal aspects such as management decisions or vulnerabilities to understand their role in escalating the crisis. Anticipating the impact on the company, brand image and sustainability will help design strategic responses for crisis management and mitigation.
- **Isolating the Crisis:** During the crisis isolation phase, strategic actions are taken to contain and limit the crisis's impact, preventing it from spreading further and causing more harm. This involves setting boundaries around the crisis, containing its effects within manageable limits. One aspect is containment, where affected areas are quickly identified, and immediate measures are applied to stop the crisis from spreading. This could mean separating affected operations or implementing damage control tactics, like transparent communication or backup plans. The goal is to control the crisis's reach and minimize its effects on the organization, its reputation, and stakeholders. Effective isolation allows organizations to focus on resolving the crisis and recovering without letting it escalate further.
- **Determining a Strategy:** After gaining a deeper understanding of the crisis through analysis, the next important step is to develop a strategic plan to effectively address the issue and return the company's operations to normal. This phase involves designing a thoughtful strategy and establishing actionable steps to overcome the crisis. By formulating a well-structured strategy, companies can proactively address the crisis, minimize its impact, and guide the organization towards recovery. This phase serves as a roadmap, guiding the decision-making process and actions to successfully navigate a challenging situation. It serves as a strategic guide that enables companies to navigate the crisis and steer operations back on track
- **Establishing a Crisis Control Program:** The final phase is all about putting a program in place to handle the crisis. This means carrying out the exact actions that were planned earlier to manage the crisis and make sure its effects aren't too bad. It also involves taking steps to stop the same kind of crisis from happening again in the future. So, it's like following a set of steps that were already planned to fix the crisis and prevent it from happening again. Overall, this process is designed to provide a structured framework for dealing with crises, enabling companies to take measurable and effective steps to overcome these difficult situations. A crisis has the potential to have a negative impact on a company. However, when an organization executes adept managerial strategies in response to a crisis it can turn into a profitable opportunity for the company.

#### 2.3. TOURISM CRISIS MANAGEMENT

The perception of safety is an important aspect that influences a person's decision on whether a tourist destination is worth visiting or not. Therefore, stakeholders in the tourism industry should strive to reduce uncertainty and risk perception among their customers Martens et al. (2016). Perspectives on risks may vary among tourists, industry players, or tourist destinations. The tourism industry, especially in terms of international tourism demand, is highly venerable to crises or disasters Cró & Martins (2017). Tourism Crisis Management, as described by Ritchie & Jiang (2019), involves systematic efforts within the tourism sector to manage occurring crises and prevent the unexpected spread of their impacts. Such events can generate significant uncertainty, requiring urgent strategies to aid businesses in recovering from adverse effects. While incidents like terrorist attacks may have brief recovery periods, others, such as natural disasters causing infrastructure damage (e.g., earthquakes), could take years for societal recovery. Response and recovery can vary depending on the nature and impact of the crisis or disaster Ritchie & Jiang (2019).

The Indonesian Minister of Tourism Regulation Number 10 of 2019, focused on Tourism Crisis Management, was further detailed in 2018 through the issuance of Standard Operating Procedures (SOPs) for Tourism Crisis Management by the Ministry of Tourism. This regulation outlines distinct pathways for addressing crises within the framework of tourism crisis management, emphasizing four key phases:

- 1) Preparedness & Mitigation Phase. This initial stage focuses on planning and preemptive measures to reduce the likelihood of crises and mitigate their potential impact. It involves creating strategies, protocols, and resources in advance to deal with foreseeable risks.
- 2) Emergency Response Phase. When a crisis occurs, this phase involves immediate responses aimed at containing the crisis and minimizing its effects. It includes deploying rapid action plans, ensuring safety, and managing the initial impact.
- 3) Recovery Phase. Following the emergency response, this stage concentrates on restoring operations, stabilizing the situation, and rebuilding affected areas. Efforts are directed towards recovering economically, socially, and operationally.
- 4) Normalization Phase: Once stability is achieved, this phase focuses on returning to pre-crisis conditions or establishing new norms post-crisis. It involves adjusting strategies, policies, and operations to adapt to the changed circumstances and promote sustainable recovery.

In this study, various indicators were identified to utilize abstract concepts that cannot be measure directly. According to Bryman (2016), an indicator is something that is designed or already exists and is used as if it were a measure for a concept. Indicators can be direct or indirect in relation to the underlying concept. In qualitative research, indicators are useful for providing clear guidelines during data collection in the field. For analyzing crisis management strategies, researchers identified three main indicators: threats, strategies, and mitigation. Threat indicators assess a company's response to crises and how these situations endanger its survival. Strategy indicators evaluate a company's actions in dealing with pandemic-related crises and how they contain their impact. Mitigation indicators examine decision-makers' involvement during crises and whether the company has established crisis protocols for the future.

#### 3. ENTREPRENEURIAL RESILIENCE

Entrepreneurial Resilience refers to entrepreneurial strategies that reflect how entrepreneurs can ensure the continuity of their business during challenging economic situations Dzingirai & Ndava (2021). Amid the Covid-19 pandemic, this theory emphasizes entrepreneurs' capacity to overcome challenges and unexpected outcomes through creativity and innovation Alonso et al. (2020). In addition, it involves an organization's ability to adapt to new circumstances to mitigate the impact of incidents Supardi (2020). Entrepreneurial resilience strategies require coordination, various crisis management techniques, good relationships (between all stakeholders), comprehensive networks, recognition of risks and opportunities, as well as timely and measurable interventions Sharma et al. (2021).

Entrepreneurial Resilience includes the process entrepreneurs use to develop their ability to adapt and respond to challenges they face Zettel & Garrett (2021). During the Covid-19 pandemic, adaptable businesses seized opportunities and expanded, leading to notable growth in sectors like technology, entertainment, health services, and more Zahra (2021). Industries like technology, home entertainment, health services, e-commerce, and cybersecurity experienced significant growth due to pandemic-driven changes. Numbers of industries have experienced significant growth since the beginning of pandemic. Among them are the technology services, medical equipment suppliers, e-commerce retailer, elearning providers, courier and delivery services, cyber security, sanitary product manufacturer etcetera Amoah et al. (2021). Meanwhile, according to Amoah, many of these industries already operate on a global scale and are able to capitalize on the success of their innovation during the pandemic. Apart from that, the pandemic has also accelerated digitalization across industries. Entrepreneurial resilience in developed countries may be different from that in developing countries Ratten (2020).

In research, indicators help measure ideas or define how something works. Bryman (2016) explains that indicators can come from questions in interviews, observing behavior, official data, or studying content. In this study, researchers used four indicators: adaptation, innovation, resources, challenges, and opportunities. Adaptation indicators look at how companies change during a crisis, what changes they make, especially during the pandemic. Innovation indicators focus on the new ideas a company comes up with, who creates them, and how they help during the pandemic. Resource indicators show what a company has and how outside factors help in making a business stronger during tough times. Lastly, challenge and opportunity indicators explore the problems companies face and how they keep running their business smoothly.

#### 4. RESEARCH METHOD

This research is conducted using a qualitative approach. Qualitative research aims to study something in its natural context, as well as an effort to understand and interpret a phenomenon in terms of the meaning that researchers attach to it Det al. (2009). According to Creswell (2013), qualitative researchers tend to collect data in the field at locations where participants experience the issue or problem being researched. Information is gathered by talking directly to people and seeing how they behave and act in a context. Qualitative methods rely on text and image data, have unique steps in data analysis, and use a variety of designs. According to Bryman (2016), qualitative research can be defined as a research strategy that usually

emphasizes words rather than quantification. In descriptive qualitative research, researchers usually collect various forms of data, such as interviews, observations, documents, and audio-visual information and do not just rely on one data source. Then the researcher examines all the data, understands it, and organizes it into categories or themes that cover all data sources Patton (2015). The results of descriptive qualitative research are expected to produce an analysis that contains a clear picture of the phenomenon being studied and can provide an in-depth understanding of the experiences and perspectives of the participants or subjects involved in the research. In this research, researchers used descriptive qualitative research methods with the aim of finding out the crisis management strategies and implementation of entrepreneurial resilience by the tourism industry in Indonesia in facing the impact of Covid-19.

This research uses data collection methods through semi-structured interviews and documentation study. Semi-structured interviews were conducted through face-to-face conversations and guided by an interview instrument which contained a list of questions related to the research object. In semi-structured interviews, researchers use guidelines or frameworks that have been prepared previously but are not strictly bound to it. This allows researchers to explore topics and adjust questions based on responses and direction of conversation during the interview more freely. This approach provides important flexibility for researchers to gain indepth insights from sources, without having to limit themselves to a predetermined set of standard questions Bryman (2016). To support this study, the researchers identify specific sources to gather data and information relevant to the research problem. The selection of these sources is based on their expertise and understanding of the issue under investigation, they are a tour and travel business owner, an F&B coordinator in the hotel industry, and a user of tourism services.

Documentation study is a research method that includes the analysis of various types of documents including books, newspaper articles, academic journal articles, and institutional reports. Every document that contains text is a potential source for qualitative analysis Patton (2015). Written documents are very important in qualitative research because they are relatively easier to access. Apart from that, documents also last relatively longer and can provide more comprehensive insights Denzin & Lincoln (2009). Various documents such as journals, government policies, news articles, and online publications relevant to the research were analyzed. The information sources used include the Ministry of Tourism and Creative Industries (https://www.kemenparekraf.go.id) and the Central Statistics (https://www.bps.go.id), along with other websites discussing the Indonesian tourism industry, particularly during the Covid-19 pandemic.

# 5. RESULT AND DISCUSSION 5.1. PANDEMIC IMPACT ON TOURISM BUSINESS OPERATORS IN JAKARTA

The Covid-19 pandemic has profoundly affected Indonesia's tourism industry. The sector faced significant challenges due to measures like travel restrictions, social distancing and closure of tourist spots, and suspension of activities. Famous destinations saw a drop in visitors, causing a sharp decline in revenue for hotels, restaurants, and small businesses. Airlines suffered from numerous cancellations and delays, impacting their operations. This downturn hit many workers hard, from tour operators to hotel staff. Besides economic effects, the pandemic changed how tourists behave, pushing the industry to adopt new health standards and hygiene

protocols. Travel restriction, quarantine and social distancing policies aimed at preventing the spread of the corona virus directly affect the movement of people, including tourists. Data obtained from the official website of the Ministry of Tourism and Creative Economy states that the number of foreign tourists visits one month after the Covid-19 case was first discovered in Indonesia dropped drastically from 1.2 million people in January 2020 to 158 thousand people in the April 2020 period. As a result of the decline in the number of foreign tourists, the country's income or foreign exchange from the tourism sector also experienced a sharp decline, namely from 16.91 billion US dollars or around 250 trillion rupiah in 2019, down to 3.31 billion US dollars or around 49 trillion rupiah. in 2020 and will decline again to 0.54 billion US dollars or around 8 trillion rupiahs in 2021 (BPS, 2023). Meanwhile, the number of international tourist visits to Jakarta in 2020 also dropped sharply, from over 2.4 million tourists in 2019 to around 435 thousand in 2020.

Table 1

Table 1 International Tourist Visiting Jakarta in 2018-2020				
Region	2018	2019	2020	
Jakarta	2,811,956	2,421,124	435,888	

Source DKI Jakarta Central Bureau of Statistic

Travel restrictions imposed during the pandemic affected not just international tourism but also limited movement of people, both tourists and workers, within the country. According to the Ministry of Transportation, there was a significant decrease in passenger and cargo from March to April 2020. This decline impacted various sectors: airline ticket sales, hotel bookings, and tour package sales all dropped sharply. In April 2020, air transport passengers decreased by 82.25%, and aircraft movements decreased by 63.37%, as reported by the Coordinating Ministry for the Economy in 2021. The International Air Transport Association (IATA) noted a dramatic decrease in global passengers, from 4.5 billion in 2019 to just 1.8 billion in 2020. Domestically, Indonesia's Central Bureau of Statistics recorded a 57.76% decrease in air passengers in 2020 compared to 2019, dropping from 76.7 million to 32.4 million passengers. Similarly, the number of international passengers landing in Indonesian airports fell by 80.61% throughout 2020, showing the widespread impact of reduced travel on air transport in the country, and of all that, the number of visitors coming to Jakarta international airport was that decrease the most. Concurrently, sales of tour packages for both domestic and foreign destinations are also experiencing the impact of this travel restriction policy. As per the interview conducted with the proprietor of Vision Tour Jakarta, there has been a complete absence of sales since April 2020.

Table 2

Table 2 International Air Passengers (in thousand people)			
City Airport	2019	2020	
Jakarta	7,834.8	1,517.3	
Denpasar	6,938.5	1,349	
Surabaya	1,143.1	199	
Medan	1,082.6	188.4	
Makassar	136.3	33	
Others	1,719.7	369.5	

Source Databoks

The decline in the number of foreign tourists visiting Indonesia also has a direct impact on hotel occupancy rate in Indonesia. In January and February 2020, the

average hotel occupancy rates were relatively stable at around 49.17% and 49.22%. However, in March 2020 this figure dropped significantly to 32.24% and it worsened in April 2020, plummeting to only to 12.67% Kemenparekraf (2023). This decline in occupancy rates illustrates the drastic impact of the COVID-19 pandemic on the hotel industry in Indonesia, indicating a substantial reduction in visitors during that period. Information gathered from interviews carried out by researchers with the F&B coordinator of Raffles Hotel Jakarta revealed a decline in the Raffles hotel's occupancy. Previously averaging at 80%, the occupancy plummeted to merely 10% within the initial three months of the pandemic, spanning from March to May 2020.

The cancellation of music concerts or festivals also led to a loss of income for many workers in the music industry. According to the Survey by the Media and Creative Industry Workers Union for Democracy (Sindikasi) conducted between March 20th and April 4th, 2020, involving 139 workers, sub-sectors experiencing contract cancellations included film, video, and audio-visual workers, performing arts, fine arts, photography, and visual communication design. Approximately 239 exhibitions or 90% and at least 69 music events, comprising music concerts, tours, and music festivals, were cancelled between March and December 2020 Kompas (2020). Workers in the tourism sector faced a decrease in their working hours, affecting approximately 12.91 million individuals, with an additional 939 thousand temporarily unemployed. BPS data from 2020 showed that roughly 409 thousand workers directly lost their jobs in the tourism industry because of the COVID-19 pandemic.

## 5.2. CRISIS MANAGEMENT OF TOURISM BUSINESS OPERATORS IN JAKARTA

The Indonesian government has taken several measures to address the risks and uncertainties faced by businesses in the tourism industry, aiming to minimize their losses. The crisis management strategy, orchestrated by the Ministry of Tourism and Creative Economy (Kemenparekraf) in response to the impact of the Covid-19 pandemic on Indonesian tourism, comprises three key phases: emergency response, recovery, and normalization. The emergency response phase primarily focuses on the health sector by initiating social protection programs, encouraging creativity while working from home, coordinating crisis responses, and preparing for recovery. During the recovery phase, tourist attractions gradually reopen with Cleanness, Healthy, Safety, and Environmental Sustainability protocols, along with support for MICE activities. In the normalization phase, tourist destinations prepare by implementing CHSE protocols, boosting market interest, and offering discounts on tour packages and MICE activities. One significant implemented initiative is the Virtual Travel Fair launched since August 2020.

#### 6. POTENTIAL THREAT

The tourism industry, particularly tour agencies and hospitality service, confronts severe challenges that pose a threatening risk to their survival if not promptly managed. For instance, a sharp decline in bookings for tours, flights, and hotel stays has led to a severe loss of revenue for these agencies and hotels. Additionally, the cancellation of events like music shows, art exhibitions, conferences, and weddings has had a substantial impact on the income of the hospitality sector. Many hotels heavily rely on income from MICE activities, alongside room bookings, as a significant revenue stream. Notably, hotels like Hotel

Raffles Jakarta heavily rely on event-based income, particularly from weddings, contributing up to 60% to 70% of their total revenue. The income derived from this specific source, such as banquet events and particularly from weddings, holds substantial importance in supporting the hotel's financial health. If this source of income were to diminish or disappear, it would severely impact the hotel's ability to generate revenue and cover its operational costs, potentially jeopardizing its ability to sustain its operations and survive.

Furthermore, the tour and hospitality operators in Jakarta are required to adjust their operations in accordance with stricter health protocols. The implementation of CHSE (Cleanliness, Health, Safety, and Environment) mandated by the government demands these companies to enhance measures such as increased frequency of routine cleaning and sanitation, rearrangement of public areas like lobbies, restaurants, and meeting spaces to accommodate physical distancing, reduction of capacities, utilization of personal protective equipment (PPE), and body temperature checks. The additional costs associated with implementing CHSE pose a serious threat to the sustainability of the companies. The obligation to make such adjustments will directly raise the operational costs for the companies, which poses a significant additional burden considering the substantial decrease in revenue occurring simultaneously. For businesses already impacted by declining revenue, these increased costs could pose a serious obstacle to sustaining operations amid the ongoing uncertainty.

#### 7. STRATEGIES

From the findings of researcher-conducted interviews, it's evident that not all business entities possess standardized crisis management strategies. Instead, they instinctively adopt diverse measures to control situations and safeguard their interests amidst uncertain circumstances. The main goal is to minimize risks due to uncertainties that arise and reduce potential losses. These steps include:

- **Crisis identification:** Tourism business operators such as tour and travel agency and hotel in Jakarta are making comprehensive efforts to understand the impact of the spread of the Covid-19 virus to their business. However, the readiness of these businesses to tackle a health crisis like the pandemic is quite limited. Health crises, particularly ones like Covid-19, pose significant challenges due to their complex and unfamiliar nature. Health crisis is usually difficult to understand. Despite their rarity, their effects can be profound, affecting various aspects of society, including public health and the economy.
- **Crisis analysis:** The Covid-19 pandemic has brought about a series of crisis conditions severely impacting Jakarta's tourism industry. These include a significant decrease in foreign tourist arrivals, reduced airplane ticket sales, lower hotel occupancy rates, event cancellations, and complete halt in tour package sales. These disruptions have directly affected the financial stability of the companies. Additionally, the government's strict health protocols have increased costs for these businesses, further complicating their financial situations.
- Crisis isolation: Tourism business and hotel operators in Jakarta are
  proactively responding to the crisis by implementing several measures to
  isolate the further risk and impact caused by the outbreak. These actions
  involve operational modifications through a strict health protocol, wearing
  masks and carrying out regular SWAB and PCR testing and maintaining

- physical distancing. Additionally, they are undertaking financial restructuring efforts to reduce expenses and review their budgets. Some entities are also exploring alternative business models, transitioning towards online services, or offering your packages on a smaller scale.
- Strategy determination: The interview findings reveal that while tourism business operators in Jakarta do not yet have a standard crisis management strategy, they spontaneously take various actions to control the situation or protect themselves and their businesses as best as possible. Their primary objective is to mitigate emerging risks, address uncertainties, and minimize incurred losses. These efforts encompass implementing health protocols, supporting employees, downsizing staff, and work hours. During the pandemic, the Raffles Hotel Jakarta management enforced stringent health protocols to curb the transmission of the coronavirus. All staff members underwent mandatory SWAB or PCR tests to ensure they remained unaffected by Covid-19. This initiative was crucial not only for safeguarding the employees' health but also for portraying a commitment to CHSE principles. The hotel aimed to uphold these standards effectively, thereby enhancing the image of the Raffles Hotel Jakarta.

Tourism operators in Jakarta have adopted further efficiency measures, notably by reducing labor hours. Vision Tour, a tour operator, took drastic steps by shutting down entirely during the pandemic to minimize operational expenses due to a drastic decline in revenue. A similar efficiency strategy was employed by the Raffles Hotel Jakarta, including reduced working hours and a work-from-home policy. While the hotel management opted not to terminate employees, they chose not to renew expiring employment contracts as part of their cost-cutting measures.

To streamline expenses, the Raffles Hotel initiated salary reductions, commencing with the General Manager, followed by the Director, and finally, the staff. In the initial three months of the pandemic, the GM didn't receive any salary, while the employees experienced up to a 50% reduction in their pay. As a gesture of support, the overseeing Accor group extended direct aid to employees affected by the pandemic, offering cash assistance totaling approximately four million rupiah, which was distributed among all Accor group employees globally. In addition to adjusting work hours and ending contracts, the Raffles Hotel Jakarta's management is implementing efficiency measures by cutting down on certain employee amenities, like uniforms and meal options. Currently, the hotel staff isn't required to wear uniforms, aiming to enhance efficiency and minimize laundry expenses.

#### 8. MITIGATION

Mitigation in crisis management refers to actions taken to reduce the impact or severity of a crisis. It involves proactive measures and strategies implemented before, during, and after a crisis to minimize its effects. This could include risk assessments, contingency planning, establishing protocols, training employees, securing resources, and creating communication channels to handle and address the crisis effectively. The goal is to lower the probability of a crisis occurring or lessen its impact if it does happen. The interview results shows that Raffles Hotel Jakarta currently lacks a specific Standard Operating Procedure (SOP) tailored for crisis situations. Despite this, Raffles Hotel Jakarta's management has gleaned invaluable insights from their ongoing crisis experiences. In anticipation of potential future crises, the hotel has proactively upgraded and maintained essential equipment required for emergency scenarios to ensure seamless operations. Following the

lessons learned from the Covid-19 pandemic, Vision Tour has implemented a strategic approach to mitigate risks through product and service diversification. Post-pandemic, they've intensified efforts in domestic destinations while maintaining focus on international ones. This diversification aims to secure business continuity, given the unpredictability of travel restrictions, with backup plans in place for non-travel-related services should future crises arise. Moreover, Vision Tour has developed additional business lines unrelated to the tour and travel sector, serving as contingency plans should future crises arise. This adaptive strategy aims to fortify the business against potential disruptions.

## 9. ENTREPRENEURIAL RESILIENCE AMONG TOURISM OPERATORS IN JAKARTA

Entrepreneurial resilience among tourism operators in Jakarta refers to their ability to withstand and adapt to challenges, particularly those faced during turbulent times or crises such as the pandemic. It encompasses their capacity to pivot strategies, innovate, and sustain their businesses amidst adversity. These operators display resilience by implementing various measures, like adjusting operational models, adopting stringent health protocols, diversifying services, and optimizing resources to navigate uncertainties and sustain their enterprises.

#### 10. ADAPTATION

Vision Tour, a tour operator, responded by suspending its operations while awaiting improved conditions. This decision became necessary due to the complete halt in ticket and accommodation sales – the primary revenue sources – brought on by travel restrictions. Initially focused on international ticket sales and overseas tour packages, particularly in Japan, Korea, Turkey, Europe, and the Americas, the company faced a sharp decline in income. With borders closing worldwide, Vision Tour shifted focus to explore the domestic market, catering to local demands by offering plane and train tickets and organizing smaller-scale corporate events. This strategic pivot aimed to address the altered travel landscape caused by global travel restrictions.

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#### 11. INNOVATION

Throughout the COVID-19 pandemic, tour operators and hotels in Jakarta have implemented diverse innovations to navigate the challenges at hand. To cope with

travel restrictions, many tour and travel operators in Jakarta, including Vision Tour, created online services such as virtual tours to popular places and selling tickets for shows or concerts on the internet. However, this didn't work out too well. Based on an interview with a user of these tour operator services, it was discovered that the virtual tour packages and online music concerts lacked the same excitement as the in-person experiences. As a result, they tried it once or twice but decided to discontinue it and prefer to wait for things to get better so they can enjoy traveling and live concerts again. On another note, Raffles Hotel Jakarta introduced new service bundles to complement their quarantine or expatriation packages. These include airport pick-up and delivery options, F&B menu packages for guests in quarantine, and Covid-19 test packages required for completing the quarantine period.

#### 12. RESOURCE

Tour operators and hotels in Jakarta leverage a variety of resources to navigate the challenges posed by the COVID-19 pandemic. They utilize technology and online platforms, their brand reputation, management & employees, and the government support. For instance, Vision Tour utilizes technology and online platforms to create virtual services like virtual tours and online concert ticket sales. The management of Raffles Hotel Jakarta capitalizes on the reputation of Raffles, Ciputra Group (the owner of Raffles Hotel Jakarta), and the Accor network, renowned for their high quality, to maintain guest interest during these times. The staff and employees of Raffles Hotel Jakarta helped build business resilience by contributing their creativity in designing products and services offered during the pandemic. Government support comes in the form of a policy that allows hotels, such as Raffles Jakarta, to function as quarantine facilities, enabling them to stay operational by accommodating repatriated guests.

#### 13. CHALLENGES AND OPPORTUNITIES

Throughout the COVID-19 pandemic, tour operators and hotels in Jakarta encounter several obstacles. The primary issues involve a notable decline in tourist numbers and the cancellation of tour, hotel reservations and events, resulting in substantial revenue loss that jeopardizes their long-term sustainability. This pressure on income increases due to the necessity of implementing a range of health protocols. Health protocols can significantly impact a company's finances. Implementing health protocols often involves additional expenses such as purchasing protective gear, conducting frequent cleaning and sanitization, installing safety equipment, training staff, and adhering to compliance standards. These costs can strain a company's budget, especially during challenging times when revenue might already be limited due to reduced operations or decreased customer traffic. Moreover, stringent health measures might require operational adjustments that could potentially reduce efficiency or increase labor costs, further impacting the financial aspect of a business. These challenges are exacerbated by continuously changing government policies, especially regarding travel restrictions and health protocols. The ever-changing nature of these regulations creates uncertainty and making it difficult for businesses to map out definitive strategies or even manage day-to-day operations effectively. Adapting to changing health regulations requires a high degree of flexibility. Companies often find it tough to chart a definitive course when the rules they follow today might change tomorrow. It can be immensely frustrating, especially when these changes directly impact daily operations and overall strategies. Businesses may feel hesitant to invest in long-term plans or commit resources to strategies that could become obsolete with the next regulation update.

However, amid this challenging time, a range of opportunities have emerged. Take Vision Tour, for instance, they realized that there was an untapped market in meeting domestic needs during the pandemic. They shifted their focus towards catering to domestic needs, a move that surprisingly proved immensely profitable. Even with international borders sealed shut, the hunger for domestic travel and the arrangement of corporate and government events persisted, serving as a lifeline for Vision Tour. As the pandemic neared its end and some countries cautiously reopened borders with limitations on foreign visitors, Vision Tour notably increased international airline ticket sales. Vision Tour saw a significant spike in international flight ticket sales. Despite an increase in ticket prices due to airline policies, demand for travel remains high. The company's owner reported that by mid 2023, the airline tickets sales alone had hit 20 billion rupiahs, surpassing the pre-pandemic sales figures in 2019. This scenario shows how Vision Tour has successfully capitalized on changing market needs during the pandemic, by adapting their strategy to fit the evolving landscape.

The Raffles Hotel Jakarta seized a significant opportunity by adapting to the government's repatriation policy, repurposing the hotel as a quarantine facility. According to interview findings, the Food and Beverage (F&B) sector notably contributed to the hotel's revenue during the pandemic. The varying quarantine durations, spanning from 3 to 14 days, led to guest restlessness, prompting them to seek entertainment through diverse food orders. Leveraging this opportunity, the Raffles Hotel offered an array of appealing menus, including Asian, Western cuisines, and an assortment of desserts. Furthermore, the hotel demonstrated its adaptability by accommodating and fulfilling special requests from guests undergoing quarantine, catering to their specific needs and preferences. This responsiveness to the guests' demands within the quarantine setting not only showcased flexibility but also contributed significantly to the hotel's ability to navigate the challenging landscape posed by the pandemic.

As the crisis gradually eased, the Raffles Hotel Jakarta identified fresh prospects in the banquet events domain, including weddings and group meetings. While weddings continued to be a primary revenue source, the hotel expanded its focus to target burgeoning market segments such as technology firms, social media, and digital entertainment entities like TikTok, IT companies, and the skincare industry. Interviews revealed the rapid development of these sectors, indicating a willingness to invest in upscale hotel venues for events and meetings to captivate consumers. Additionally, Raffles' F&B division actively introduced a diverse range of celebratory products like hampers for special occasions and major holidays. This surge in gifting, increasingly popular during the pandemic, became an added avenue for the Raffles Hotel. Unlike many other Jakarta hotels offering food and beverage delivery, the Raffles Hotel opted out. Further opportunities emerged through bar and restaurant takeovers, a frequent occurrence throughout the year. The F&B Coordinator highlighted the hotel's successful initiatives, including hosting Michelin Star Chefs for a continuous five-month period, culminating in the December 2023 British Chef event. By capitalizing on these diverse opportunities, Raffles Hotel Jakarta has effectively cultivated its entrepreneurial resilience, ensuring the sustainability of its business.

#### 14. CONCLUSION

The insight gathered from semi-structured interviews with the owner of Vision Tour and the F&B Coordinator of Raffles Hotel Jakarta underscored the significant disruption caused by Covid-19 on the tourism and hospitality business in Jakarta. This sector that is heavily reliant on people's mobility and event organization, faced substantial challenges, primarily due to the decline in income stemming from travel restrictions and reduced tourist numbers. Social distancing measures, implemented to curb virus transmission, led to the cancellation of numerous events, further impacting the industry. Regulations implementing strict health protocols have an impact on increasing operational costs that they must incur, and this is an additional burden for the industry which is already suffering from the difficulty of earning income.

This study reveals that tourism operators in Jakarta do not have a standardized crisis management strategy but demonstrate spontaneous but decisive actions to protect their businesses during difficult times. Amid the pandemic, Raffles Hotel Jakarta implemented strict health protocols, ensuring staff underwent mandatory testing to uphold health standards and improve the hotel's reputation. Vision Tour and Raffles Hotel Jakarta implemented efficiency measures, with Vision Tour suspending operations, and Raffles Hotel Jakarta reducing staff working hours, not extending expiring work contracts, and implementing a work from home policy. Hotels are implementing salary reductions, from upper management to staff. As a form of company support, the Accor group provided cash assistance to their affected employees. Additionally, the hotel minimized costs by eliminating some employee perks to improve operational efficiency.

The resilience shown by tourism operators in Jakarta amid crises, such as the pandemic, reflects their ability to adapt and innovate. Vision Tour and Raffles Hotel Jakarta demonstrated agility by adapting strategies to navigate change. Vision Tour strategically shifted from international to domestic markets and achieved success despite global travel restrictions. Meanwhile, Raffles Hotel Jakarta changed its function to a quarantine facility and utilized income from the food and beverage sector. Both entities leverage available resources such as technology and government support. Challenges remain, including declining tourist numbers and ever-changing regulations, requiring adaptability in operational models and service offerings. However, they identified new prospects as the crisis eased, with a focus on weddings, technology companies and high-end events. Despite facing difficulties, the resilience and strategic pivot of tourism operators in Jakarta shows their ability to survive amidst difficulties.

#### **CONFLICT OF INTERESTS**

None.

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