Analysis of Organizational Resilience Capacity in Accommodation Service Business in Semarang

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ABSTRACT

This study aims to comprehensively analyze how to develop human resource management (HRM) practices that create organizational resilience and investigate factors influencing it. This study was done in a qualitative-descriptive manner. Key informants participated in this study – selected based on positions at work and their length of work relevant to the research problems – included HR Manager, HR Coordinator, and Training Manager Assistant of Hotel Ciputra Semarang. The data was collected through in-depth interviews. To examine the data credibility, a triangulation process to the key informants was done. The data was analyzed using a technique proposed by Miles and Hubberman consisting of data reduction, data presentation and conclusion drawing. This study finds that there are 4 HRM practices that can support the organizational resilience, including selective and measurable recruitment, employee compensation, employee training and development, and employee engagement. Further, there are also 4 factors influencing the organizational resilience, namely healthy finance (reserve fund), good employee performance, leadership, and organizational experience.

Keywords: Organizational resilience, HRM practices, crisis management.

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INTRODUCTION

Organizations are often faced with unexpected events such as natural disasters, terrorist attacks, or deadly virus causing pandemics (Lengnick-Hall et al., 2011; Pearson & Clair, 1998). The organizations must be able to handle all unexpected changes to survive in uncertain environments (Duchek, 2020; Kasali, 2007). They need to develop their resilience capacity to react adequately to unexpected events and utilize them for growth purposes (Lengnick-Hall et al., 2011). Organizational resilience is defined as an organization's capacity to continuously develop resources and identify opportunities to increase competitive advantage after a crisis occurs (Folke et al., 2010; Lengnick-Hall et al., 2011; Madni & Jackson, 2009).

Covid-19 pandemic has occurred in Indonesia since early 2020. Indonesian government took steps to minimize the spread of Covid-19. A total lockdown – which several countries have carried out – is considered as the most appropriate step to break the chain of Covid-19 spread. However, in Indonesia, it raises many pros and cons on its impacts. One of the most crucial impacts is the decline in economy as a result of the restrictions imposed.

A study found that many industrial sectors were not ready to face a crisis situation (Ahmad, 2020). One of the sectors considered most affected is the tourism sector (Sigala, 2020; Su et al., 2021; Wacika, 2021). The Statistics Indonesia (Badan Pusat Statistik (BPS) (2021) recorded that the number of foreign tourists visiting Indonesia in January 2021 decreased by 89.05 percent compared to January 2020, from 1,29 million down to 141,260 visits. The decline in foreign tourist visit has brought an impact on the occupancy rate of hotels in Indonesia. Further, according to the data by Statistics Indonesia (2021), the occupancy rate of hotels in Indonesia fell by 30.35 percent in January 2021, down 10.44 points compared to December 2020 and decreased by 18.82 points compared to the same period in the previous year. The decline has made it difficult for the hotel business to maintain its business continuity, and some eventually went out of business (World Travel & Tourism Council, 2020). Based on the results of a survey done by Indonesian Hotels and Restaurants Association (Perhimpunan Hotel dan Restoran Indonesia (PHRI)) at the end of 2020, a total of 1,033 restaurant and hotel business places in Indonesia was permanently closed due to the Covid-19 pandemic.

The continuity of the hotel business is influenced by both external and internal factors of the hotel organization (Kotler, 2009). The external factors are driven by global environmental security problems that cannot be intervened by the organizations such as natural disasters, terrorism, and virus causing pandemics (Suryaningtyas & Wilujeng, 2019; Triatmanto, 2011). Furthermore, Triatmanto (2011) stated that several factors causing low hotel performance include the inability of hotel organizations to adapt and anticipate the effects of changes in the external environment. In addition, Kasali (2007) revealed that the changes in the market occur very quickly and the businesses must respond quickly to survive – but in reality, many companies fail.

One of the reasons for the failure in anticipating external changes is the human resource factor (Kim, 2020; Triatmanto, 2011). Nirwandar (2006) explained that one of the weaknesses of the tourism industry and its supporters in Indonesia is the low competence of human resources (HR). The low competence of HR triggers the low organizational capacity to adapt more quickly to changes, thus causing low organizational performance (Drucker & Maciariello, 2008; Neilson & Pasternack, 2006; Stewart & O’Donnell, 2007).

Porter (1985) suggested that HR is a determining factor in organizational success. Therefore, HR management practices must be managed properly to create reliable HR (Pfeffer, 1995). The formation of reliable HR in the organization starts from the selection process until retirement. A reliable HR becomes one of the characteristics of a resilient organization. These resilient organizations also demonstrate sustainable development capacity (Kuntz et al., 2017; Rodriguez-Sanchez et al., 2021). Today, the main challenge for organizations is how to manage the HRM practices that can create the organizational resilience.

Researches on resilience capacity have been widely carried out, but there are limited studies focusing it on the HRM practices (Annarelli et al., 2020; Cooper et al., 2014; Duchek, 2020; Fitriyani et al., 2020; Hillmann & Guenther, 2021; Kantur & Arzu, 2012; Kim, 2020; Kraus et
A study by Lengnick-Hall et al. (2011) discussing the development of organizational resilience capacity found that the HRM practices could increase resilience. However, the in-depth explanation about what HRM practices could create the organizational resilience was absent. Past researches suggested to investigate which HRM systems or practices are needed for organizations to respond to disruptions, and increase resilience (Lai et al., 2016; Lengnick-Hall et al., 2011).

In addition, the researches on resilience have also been carried out in various sectors and business fields, but limited studies have been done in the tourism and supporting sectors. A study on resilience had been conducted in the tourism support sector in Vietnam during the Covid-19 pandemic (Su et al., 2021). It discussed efforts to increase the organizational resilience during the pandemic and found various factors that could affect the resilience of the tourism business such as financial constraints, organizational culture, leadership, and the company's vision and mission. Furthermore, there were also previous researches suggesting further studies to examine in other sectors in order to validate and add other factors that could increase the resilience. Meanwhile, researches on resilience had also been carried out in Indonesia, but there are only few researches conducted during the Covid-19 pandemic whereas the business contraction caused by the pandemic was highly contrast to the ones during previous crises (Shalih et al., 2019; Suryaningtyas & Wilujeng, 2019; Triatmanto, 2011). The chairman of the Regional Executive Board of PHRI, Sutrisno Iwantono, emphasized that the impact of the Covid-19 pandemic was far more severe than a number of bomb terrors for the continuity of the hotel business.

Semarang City has a relatively high level of tourist attraction and even awarded as The Cleanest Tourism City in Southeast Asia in 2020-2022 by The ASEAN Tourism Forum held in Brunei Darussalam. According to the data provided by Statistics Indonesia (2019) in 2019, 7.2 million tourists visited Semarang City. This indicates that the tourism attractiveness of Semarang City is quite high, so that the tourism supporting sector, namely hotel accommodation services should be strong. However, during the Covid-19 pandemic, several hotels in Semarang were unable to maintain their business. According to PHRI (2020), there was at least seven hotels in Semarang City which were temporary closed in 2020. Moreover, some had also even closed permanently and were being sold in online buying and selling platforms. Therefore, the strategies and supporting factors to enable them to survive during the pandemic are important to be investigated. This study provides a comprehensive analysis focusing on how to manage the HRM practices that can create the resilience capacity of the hotel accommodation service business during a pandemic and factors influencing it. This research was conducted at Hotel Ciputra Semarang, located at 1 Simpang Lima Street, Pekunden, Central Semarang District, Semarang City, Central Java. It is considered as one of the best hotels in Semarang. A pre-interview was conducted and found that Hotel Ciputra Semarang has the ability to survive and look for opportunities during a pandemic crisis which can represent (Best Practices) organizational resilience during the Covid-19 pandemic. This research is expected to provide references and considerations in determining HRM policies in developing resilience capacity. In addition, this research is also expected to provide literature and insights for future researches.

**Literature Review**

**Organizational Resilience**

Basic theories of resilience are widely discussed in psychology. The term ‘resilience’ was first conceptualized as ego-resilience (ER) – defined as a high adaptability when faced with internal and external pressures (Block & Block, 1980). The ER was originally conceptualized in the context of personality development and is a conceptually and theoretically reasoned construct that explains dynamic personality processes. As time goes by, it has expanded in terms of meaning.

Resilience is defined as the firm's ability to effectively absorb and develop specific responses to situations, and ultimately engage in transformative activities to take advantage of
shocks that have the potential to threaten the survival of the organization (Lengnick-Hall et al., 2011). According to Triatmanto (2011), a resilient organization is an organization that can still achieve its core goals even when facing the opposite situation. This does not only mean being able to deal with crises, but also increasing capabilities and accelerating organizational movement in dealing with crises effectively. In order to deal effectively with the crises, the organizations must also recognize and make changes in response to the complex systems in which the organizations operate (awareness of existing situations) and seek new opportunities even in times of crisis.

In the tourism literature, organizational resilience is defined as an organization's ability to cope with unexpected changes and adapt to unprecedented threats to the business environment (Biggs et al., 2012). It has been studied from a resource-based approach that includes fundamental resources such as finance, human resources, and core values (Biggs et al., 2012). Dahles and Susilowati (2015) explained that the organizational resilience is the capacity of the organization to wait for a return to its normal state, as well as the ability to innovate and grow in the face of disruption. The concept of resilience is not only a matter of finding a way out of crises, but also of recognizing opportunities and stepping out of crises into a new normal (Colse et al., 2020).

HRM Practices to Create Resilience Capacity

HRM practice is an activity designed to implement the HRM function, aiming to maintain a competitive advantage (Minbaeva, 2005; Zainal et al., 2014). Implementation of effective HRM practices in organizations is the main foundation for creating a competitive advantage and improving firm performance (Pablos & Lytras, 2008). Pfeffer (1995) asserted that a competitive advantage can be achieved through an effective HRM. Effective HRM practices are needed because they can increase the organizational resilience (Lengnick-Hall et al., 2011; Su et al., 2021).

During the pandemic, several companies actually eliminate some of their HRM practices such as recruitment, training, and providing incentives. It is because they are considered to be able to help ease the company's financial burden. The company prioritizes efficiency rather than adding resources to strengthen its business so that it can survive and thrive.

Huselid (1995) mentioned that the HRM practices consist of employee selection, performance appraisal, giving compensation/incentives, information sharing, workforce participation, recruitment and training intensity. Furthermore, Delaney and Huselid (1996) categorized the HRM practices into three categories, including recruitment/selection, training/development, and employee participation. This study places more emphasis on the HRM practices according to Delaney and Huselid (1996).

Recruitment is a process to get a number of qualified human resources to occupy a position or job in a company (Zainal & Sagala, 2009). Ferris et al. (2003) suggested that the effectiveness of recruitment practices has an impact on employee effectiveness. The employee effectiveness can improve the firm performance in creating resilience (Lengnick-Hall et al., 2011).

The HR training and development is a series of activities that provide opportunities for every employee to acquire and improve work-related skills (Widodo, 2015). MacKelpang et al. (2012) argued that the training can improve the ability of employees who play a role in improving overall firm performance.

Amstrong (2006) suggested that the employee participation is an activity that ensures that the employees are given the opportunity to influence management decisions and contribute to improving the firm performance. Ardichvili et al. (2003) argued that it is such a key element in the successful implementation of management strategies, and plays an important role in increasing the employee commitment and motivation. Based on the literature review explained above, this research focuses on a set of HRM practices at Hotel Ciputra Semarang that can increase its resilience during the pandemic.
RESEARCH METHOD

This research was done in a descriptive-qualitative manner, providing an overview of the strategy to develop the resilience capacity in the tourism support sector, namely at Hotel Ciputra Semarang. According to Mukhtar (2013), a descriptive-qualitative research method is a method used by researchers to find knowledge or theory of research at a certain time. This study also describes and analyzes the data obtained from key informants about their experiences in managing Hotel Ciputra Semarang during the pandemic.

The object of this research is Hotel Ciputra Semarang. It was selected as it was considered as one of the best hotels in Semarang which also had decades of experience. This indicates that Hotel Ciputra Semarang had gone through various crises that had occurred in Indonesia and even the world, such as the 1997 Asian crisis and the 2008 recession. For these reasons, Hotel Ciputra Semarang is able to represent the organizational resilience during the crisis due to the pandemic. Key informants participated in this study consist of HR Manager, HR Coordinator, and Assistant Training Manager. Each of them had a minimum working period of one year. They were chosen based on positions and years of service relevant to the research problem.

The data was collected through in-depth interviews to HR Manager, HR Coordinator, and Training Manager Assistant of Hotel Ciputra Semarang in July 2021. According to Moleong (2018), the in-depth interview was such a process of digging information deeply, openly, and freely in accordance with the research problems and focus directed towards the center of research. Before starting the interview, the researchers made an appointment with the key informants in relation to the time and media of interview. The interviews were done to 6 key informants online using Zoom – a video conferencing platform. Each interview session lasted for 45 minutes and was recorded for documentation and convenience in analyzing the data. To examine the data credibility, a triangulation process was done to the key informants who were HR Managers, HR Coordinators, and Training Manager Assistants. The triangulation process refers to the process of examining the credibility of certain information by interviewing more than one subject considered to have different points of view.

![Figure 1. Data analysis process](source: Adapted from Miles & Huberman (2007))

This study uses the data analysis technique proposed by Miles and Huberman (2007) describing the following stages of qualitative research data analysis process: (1) Data reduction – done by simplifying the data (removing unnecessary data) to facilitate the researchers in managing the questionnaire results by only taking the ones that answer the research problems, namely how to develop HR management practices for hotel accommodation services businesses to create the organizational resilience and what the important factors determining the resilience of accommodation service business organizations hotel are; (2) Data presentation – done by turning the data into diagrams and narratives to make it easy to understand the situation that occurs and for future planning purposes; (3) Conclusion drawing – made based on the results of the questionnaire data presentation and presented in the form of a narrative.
RESULTS AND DISCUSSION

Overview of Hotel Ciputra Semarang

Hotel Ciputra Semarang owned by Ciputra Group was the first largest hotel in Central Java. This hotel was opened on December 5, 1995 and became the first international standard hotel in Central Java. It was located at 1 Simpang Lima Street, Pekunden, Central Semarang District, Semarang City, Central Java – right in the heart of Semarang City. Hotel Ciputra Semarang was managed by Swiss-Belhotel International – an international management company that oversaw more than 109 hotels, resorts and global projects, headquartered in Hong Kong. It had 200 rooms, a restaurant, a lobby lounge, and a multi-purpose meeting room. It already had decades of experience. This means that Hotel Ciputra Semarang had gone through various crises that had occurred in Indonesia and even the world, such as the 1997 Asian crisis and the 2008 recession. In fact, during the pandemic, Hotel Ciputra Semarang was still able to survive and operate.

Impacts of COVID-19 on Tourism Business

The Covid-19 pandemic had brought an impact on the tourism business (Su et al., 2021). The Ministry of Tourism and Creative Economy (2020) stated that since February 2020, the number of foreign tourists visiting Indonesia had decreased drastically, and the peak was in April 2020 with only 158,000 tourists. The decline in foreign tourist visit had a direct impact on the occupancy of hotels in Indonesia. According to the data provided by Statistics Indonesia (2020), in January-February 2020, the hotel occupancy was still at 49,17 percent and 49,22 percent, decreased in March 2020 to 32,24 percent, and worsened in April 2020 equal to 12,67 percent. This had resulted in several hotel businesses having to close. The impacts of the COVID-19 pandemic on the Indonesian tourism sector could also be seen from the reduction in working hours. A total of 13 million people in the tourism sector experienced a reduction in working hours, and 939,000 people in the tourism sector were temporarily jobless. On the other hand, the COVID-19 pandemic also had a direct impact on various jobs in the tourism sector. According to Statistics Indonesia (2020), around 409 thousand workers in the tourism sector had lost their jobs due to the COVID-19 pandemic.

Strategies of HRM Practice at Hotel Ciputra Semarang during the Pandemic

During the Covid-19 pandemic, the tourism business became the most disadvantaged one, especially in the hotel accommodation service sector. According to Statistics Indonesia (2020), the occupancy rate of hotel room in Indonesia during the pandemic continued to decline. This had an impact on the financial health of the hotel caused by the increase of operational costs, while on the other hand its revenues continued to decline (Nuruddin et al., 2020). Healthy finance was essential for a business to survive and succeed when there was a significant reduction in revenue (Gössling et al., 2020). This situation forced the hotel management to take strategic steps to survive during the pandemic.

As a hotel that was in great demand by tourists because of its location in the center of Semarang City, it did not make Hotel Ciputra Semarang be able to avoid the bad effects of the pandemic. Hotel Ciputra Semarang also suffered losses due to the decline in the occupancy rate. The daily operational expenses continued to increase, but the daily income continued to decline. Hotel Ciputra Semarang attempted to be efficient in various things, but did not reduce the number of employees working there. During the pandemic, the management used reserved funds that had been prepared in advance to deal with crisis situations for the daily operational costs. Thus, when a loss occurred during a crisis, it could be covered from the reserve fund. The reserve fund had been proven to be able to help Hotel Ciputra Semarang in maintaining its business.

In a situation requiring efficiency, Hotel Ciputra Semarang did not stop recruiting employees. During the pandemic, the recruitment was done more strictly and selectively. According to the interviewees, rigorous and measured recruitment could help them achieving efficiency which was highly needed in times of crisis. A measurable recruitment would not burden the company, and instead it was helpful in finding suitable candidates for the company's needs.
When the company's needs were met, the company's resources would increase and so would its resilience.

The key informants stated that the first thing they were worried about was the welfare of their employees. Hotel Ciputra Semarang had always been trying their best for the employees so that they were not burdened financially. During the pandemic, the government made quite strict restrictions, where many access roads were closed to limit community activities. In addition, the number of employees allowed to work in the office was also limited. This made not all of the employees of Hotel Ciputra Semarang able to attend work. To overcome this problem, Hotel Ciputra Semarang made efficiency in the end of use of the employee leave rights. When the restrictions were imposed, the employees were required to spend all their annual leaves. This was done to avoid unpaid leave and reduction of employees. During the pandemic, the employees were still paid according to the standards set by the government. When the employees were treated well, their performance would also improve and simultaneously creating the organizational resilience.

During the pandemic, employee training and development programs would still continue. The training program was carried out using an online system. The employees did not only receive the training at the hotel, but could also receive the training online at home. Those who were on leave could also receive training, so that the time spent on leave was not wasted. This would make them feel cared for and ready to return to work.

Employee involvement during the pandemic was highly required. The key informants emphasized the importance of creating an empowering environment in which the employees were encouraged to participate in policy making and decision making. This was in line with the results found by Lengnick-Hall et al. (2011) who explained that the practices involving employee participation in the decision making could increase the organizational resilience. During the pandemic, Hotel Ciputra Semarang held a special meeting to discuss strategies that should be used to deal with the pandemic. The meeting was attended by the management and bipartite. Bipartite was a forum for employees to convey ideas for the company. Their voices were considered and heard by the management. In the policy making and decision making, the bipartite leaders were always involved to represent the employees' voices.

![Diagram](image.png)

Figure 2. A summary of the respondents’ answers to the first research question

Source: Primary Data (2021)

Figure 2 shows a summary of the respondents’ answers to the first research question on how to develop HR management practices for the hotel accommodation services businesses to create the organizational resilience. The informants stated that the HRM practices that can increase the organizational resilience include selective recruitment, employee compensation, employee training and development, and employee engagement.
Factors Supporting the Resilience of Hotel Ciputra Semarang during the Pandemic

The second research problem of this study is related to the factors influencing the organizational resilience. The key informants did not only share practices that created resilience, but also revealed various factors influencing the organizational resilience.

Healthy finance was essential for a business to survive and succeed when there was a significant reduction in revenue (Gössling et al., 2020). According to the key informants, finance was one of the toughest challenges in running a business during a pandemic. Hotel Ciputra Semarang was challenged to provide service charges to employees, but in fact during the pandemic, the occupancy rate was low causing the income to decrease.

However, this challenge could still be overcome by Hotel Ciputra Semarang. The daily operational costs were covered by the reserve fund. The reserve fund had been prepared in advance to be used when they faced difficult conditions or unexpected threats. According to the key informants, the reserve fund really helped Hotel Ciputra Semarang in maintaining its business during the pandemic.

In addition, the key informants also admitted the importance of the employees’ role in providing good services and increasing the hotel’s profitability during the pandemic. They also added that treating the employees well and caring for them during difficult times would increase employee loyalty and commitment. The employee loyalty played a vital role in managing an organization. When the employee loyalty increased, the employee engagement to the organization would be formed. Thus, the employees would be willing to work as hard as they could and to sacrifice for the organization.

When a crisis occurred, the leaders’ role was needed. According to Su et al. (2021), leadership was a factor affecting the organizational resilience. The interviewees stated that the first thing they were worried about during the pandemic was the employees’ welfare. The leaders always tried their best to make them not burdened financially. In addition, the leaders always directed every employee to be more advanced and to have the same vision and mission as the organization. This showed that leaders had ethical behavior and care for their employees, which was highly needed in running a service organization when faced with a crisis (Ehrhart, 2004; Mullins, 2016).

Furthermore, experience was an important factor supporting Hotel Ciputra Semarang to survive during the pandemic. Hotel Ciputra Semarang had been running for decades since 1995. This explained that Hotel Ciputra Semarang had been faced with various kinds of crises. This made them tend to be more anticipatory in formulating strategies. Hotel Ciputra Semarang did not only prepare strategies in normal situations, but also when they were faced with crisis situations. Therefore, they were more prepared.

Figure 3 shows a summary of the respondents' answers to the second research question regarding the important factors determining the resilience of hotel accommodation service business organizations. The informants stated that the factors influencing the organizational resilience are company finances, employee performance, leadership, and experience.
CONCLUSION

The Covid-19 pandemic has brought an impact on the tourism business. The decline in foreign tourist visit has a direct impact on the occupancy rate of hotel rooms. It continues to decline and results in several hotel accommodation service businesses having to close. This situation forces the hotel accommodation service business to take strategic steps to survive during the pandemic. There are 4 HRM practices that can support organizational resilience, including selective and measurable recruitment, employee compensation, employee training and development, and employee engagement/empowerment. In addition to HRM practices that can create organizational resilience, this study also finds 4 factors affecting the organizational resilience, such as healthy finance (reserve fund), good employee performance, leadership, and organizational experience. Examining one research object has been the limitation of this study. This makes the results of this study cannot be generalized to different types of companies and business sectors. Further researches are suggested to examine a wider and different business sector. In addition, further researches can also be done in a quantitative manner to examine the effect of HRM Practices (selective recruitment, employee compensation, training and development, and employee involvement) to organizational resilience.

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