

The Impact of Covid-19 on Employee Welfare and Human Resource Management in Indonesia

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Abstract

The research investigates the impact of COVID 19 by looking at the change in the average income of employees in the research object for 24 months, namely January 2019 to month 1 and December 2020 to month 24, both those who are still working and have already worked. sent home or who lost his job. We conducted online surveys and in-depth interviews regarding the monthly income and workplace conditions of 400 respondents in Jakarta and Bandung. We focus on three things, namely the respondent's income, the change in the average number of employees at the respondent's workplace, the Indonesian government assistance received by respondents before and during the coronavirus pandemic, the respondents' expenditure or consumption, then the regression is carried out using the moving average autoregression method. . We find that economic policies have a more positive impact on the level of public consumption than the assistance provided by the Indonesian government. Where employment opportunities have a more positive impact than providing subsidies or assistance during the COVID-19 pandemic.

Keywords: COVID 19, Income, Consumption

Background

In the business world, the coronavirus or known as COVID-19, which has now become an epidemic, has a huge impact on almost all business sectors in the world, including Indonesia. Business organizations are faced with unprecedented challenges. Business uncertainty is getting bigger with the absence of drugs and vaccines at the beginning of the year the virus broke out with government policies that kept changing according to the needs of handling cases of the spread of the COVID-19 outbreak (Baporikar,2021).

The virus that broke out in 2020 destroyed many business sectors and of course is a challenge that must be faced together. In the human resource management environment, the COVID-19 virus outbreak is a challenge that is not easy to overcome (Petraakis,2020). The COVID-19 virus outbreak has also had an impact on employee welfare by adjusting to the conditions of the business environment (Ramraj,2020).

We tried to investigate the impact of COVID 19 by looking at changes in the average income of employees in the object of research for 24 months, namely January 2019 as month 1 and December 2020 as month 24, both those who are still working or have been sent home or who have lost their jobs. We conducted online surveys and in-depth interviews related to monthly income and workplace

conditions of 400 respondents in Jakarta and Bandung. We focus on three things, namely the respondent's income, changes in the average number of employees at the respondent's workplace, the Indonesian government assistance received by respondents before and during the coronavirus pandemic, the respondents' expenditure or consumption.

Literature Review

Adaptation and adjustment are things that must be done during the COVID-19 pandemic. Very drastic changes have occurred suddenly in almost all business environments in the world due to the COVID-19 pandemic. In human resource management, adjustment is imperative in adapting to a drastically changing environment. Reducing employees and increasing the use of information technology in a business environment is something that must be done and may be necessary because of the regulations on employee restrictions that allow the government to come to work (Tosone,2020).

Many businesses have been destroyed and companies have been forced to close due to the Covid-19 pandemic (Dukare et al,2020). As a result of the many companies that closed, many employees lost their jobs and became informal workers or opened micro and small-level businesses. Not a few employees who are still working lose most of their income because they have to adapt to the company's financial condition. Massive savings were made by both the company and the employees (Unni, 2020). However, in Indonesia, many subsidies and assistance from the Indonesian government have been issued to help people survive the COVID-19 pandemic. Every effort has been made by both the Indonesian government and society as a whole to maintain the economy while maintaining health with strict discipline. Every effort has been made to adapt to the COVID-19 conditions (Bland,2020).

Research Method

The research investigates the impact of COVID 19 by looking at the change in the average income of employees in the research object for 24 months, namely January 2019 to month 1 and December 2020 to month 24, both those who are still working and have already worked. sent home or who lost his job. We conducted online surveys and in-depth interviews regarding the monthly income and workplace conditions of 400 respondents in Jakarta and Bandung. We focus on three things, namely the respondent's income, changes in the average number of employees at the respondent's workplace, Indonesian government assistance received by respondents before and during the coronavirus pandemic, the respondents' expenditure or consumption, then the regression is carried out using the moving average autoregression method. with the following equation:

$$Co_t = C_t + \beta_1 I_{t1} + \beta_2 NE_{t2} + \beta_3 GT_{t3} + e_t$$

Where,

Co = consumption

C = constanta

I = Income

NE = number of employees at workplace

GT = Government Transfer Received

e = Term Error

All data are calculated based on the average of the respondents' interviews in USD (\$).

Result and Discussion

The estimation results are as follows:

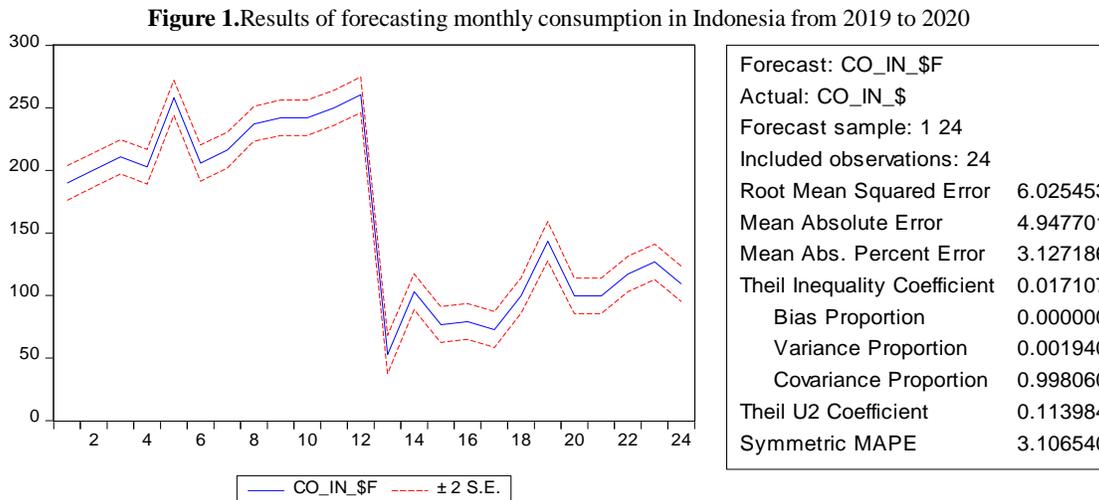
$$CO_IN_\$ = -6.39139134166 + 0.0416788384008*GT_IN_\$ + 0.796047838573*I_IN_\$ + 2.47096364021*NE_IN_\$$$

From the estimation results, consumption is influenced by income, both income obtained from work (I) or from government assistance (GT) and the number of employees allowed to work in the workplace also has a positive effect on the average consumption of respondents, which means that the number of employees allowed to work by the government has an impact on public consumption in general. Where each 1% increase in consumption is followed by an increase in income from work (I) of 0.79% and income obtained from government assistance (GT) of 0.04% and a very significant increase in the number of employees allowed to work in the workplace by 2, 4%. This means that the percentage of employees who are allowed to work has more of an impact on increasing public consumption than the number of subsidies or assistance from the government provided to the community, which is briefly described in Table 1 illustrating the estimation results as follows:

Table 1. Estimation Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-6.391391	8.34658	-0.76575	0.4528
GT_IN_ \$	0.041679	0.054301	0.767549	0.4517
I_IN_ \$	0.796048	0.085029	9.362051	0
NE_IN_ \$	2.470964	1.318114	1.87462	0.0755
R-squared	0.992268	Mean dependent var		162.2917
Adjusted R-squared	0.991109	S.D. dependent var		69.99968
S.E. of regression	6.600553	Akaike info criterion		6.763196
Sum squared resid	871.3461	Schwarz criterion		6.959538
Log likelihood	-77.15835	Hannan-Quinn criter.		6.815285
F-statistic	855.5928	Durbin-Watson stat		1.325735

Based on the estimation results described in Table 1. Consumption has a positive effect on income that can be forecasted in the study period in Figure 1 as follows:



Based on the results of the forecast in Figure 1, Indonesia's consumption in 2019 tends to increase but will decline sharply in 2020 when the coronavirus pandemic arrives. However, Indonesian consumption is still stretching because of the new normal policy and assistance from the Indonesian government so that the Indonesian economy can move and does not continue to decline.

Conclusion

From the research results, it can be concluded that economic policies have a more positive impact on the level of public consumption than the assistance provided by the Indonesian government. Where job opportunities have a more positive impact than providing subsidies or assistance during the COVID-19 pandemic.

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