

# Impact Termination of Employment for Performance Company in Indonesia During the Covid-19

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**Abstract.** The Covid-19 Pandemic period has changed all current human activities such as the education sector, social governance, culture, economy and so on. One aspect that is in the public spotlight is the economic aspect. This is because many companies engaged in the economy have had to temporarily stop due to the implementation of Large-Scale Social Restrictions (PSBB) in various regions, countries and even the world, as a result various companies have closed their businesses. In addition, employees who originally worked later have to be laid off and some employees have terminated their working relationships in this pandemic situation. The phenomenon of termination of employment is a form of termination of employment for certain reasons, during this pandemic the reason for layoffs is that the company loses money which results in the company's inability to pay its employees' wages. Then during this pandemic, the dismissed employees will carry out work activities on a virtual basis, namely by using digital media such as zoom, google meet, skype, Microsoft team and others. This journal will discuss the impact termination of employment for performance in Indonesia during the Covid-19 pandemic.

Keyword: Termination of Employment, Employee Performance, Covid-19 Pandemic

## 1. Introduction

The country's economy is facing enormous problems with the presence of Covid-19 which has spread throughout the world including Indonesia. In various countries, in overcoming covid-19, the government and even the community feel unrest and losses that have an impact on the economy. So, the government needs to deal with this problem more quickly by carrying out the right policies so that the country's economy does not get worse. This policy has led several companies to take steps to reduce losses due to Covid-19[1].

The company was founded with the other purpose of making the company owners or shareholders prosper. This goal can be realized by maximizing the value of the company with the assumption that the owners or shareholders will prosper if their wealth increases. The main goal of the company is to maximize the wealth or value of the company. The company's financial performance is a fundamental factor in influencing changes in shares obtained by investors. Of course a company will be tested in this covid pandemic whether it can survive or collapse or continue to survive this pandemic. Of course there are many things that will become a lot of considerations for companies in running the company in the midst of this pandemic, many policies have been taken and changes in organizational structure through mapping and making efficiency in the midst of the plague that is hitting the Indonesian nation

now. My own company works which is one of the ones implementing the policies in this covid pandemic. Among them are being inspired and carrying out efficiency in all lines, from budgets, strengths, marketing strategies and changing organizational structures with the aim of surviving the Covid pandemic[2].

Human resources are the most important component in an organization, because they have a role as a driver and controller of organizational activities. All organizations will definitely make every effort to improve the form and improve the quality of employee performance with good human resource management by prioritizing employee performance during the Covid-19 pandemic, steps taken by several Indonesian companies, namely having to terminate employment (PHK) at the employees who work at the company[3]. The company terminated the work relationship, namely because the costs incurred were not balanced with the income obtained by the company in the end the company made efficiency and reduced employees, and there were also companies that cut costs in various activities carried out by the company, especially in marketing. The purpose of this research is that many things are related to the impact of the Covid-19 pandemic, one of which is layoffs for employees whose organizational structure automatically changes due to the flow that occurs, especially in PT X. In the face of the global crisis due to the Covid-19 pandemic, business players, both large entrepreneurs, can survive by taking advantage of existing technological advances.

In this journal I will discuss the impact of layoffs on PT X companies related to Covid-19 in Indonesia. My case study performs quantitative data on whether companies with layoffs will continue to run well as usual or not because the impact of this pandemic is very significant for companies to make decisions to survive and be consistent in these circumstances.

## 2. Method

The research used analysis descriptive qualitative. By processing and analyzing data, and describing the data that has been collected in general. The characteristic of descriptive data are collected in the form of words and pictures, not numbers. The data collected comes from interview, photos, videos, field notes, personal documents and other official documents[4] (Table 1).

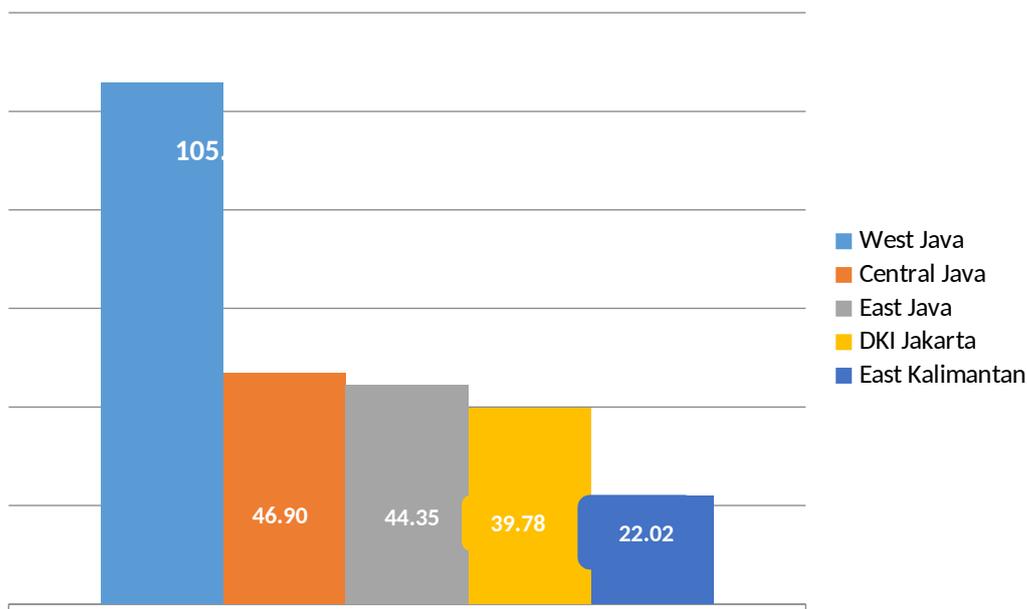
Below is the total number of employees who took in the survey.

**Table 1.** Employees who took in the survey

No	Gender	Number of responses
1	Man	59,80%
2	Woman	40,20%

More man who work at PT X, almost 59.8% who took the survey and the remaining 40.2% women, of course this figure is very reasonable because more women become housewives and more men who earn a living. And from my research data, which I have distributed as many as 50. below are the graphs obtained from this research [5] (Figure 1).

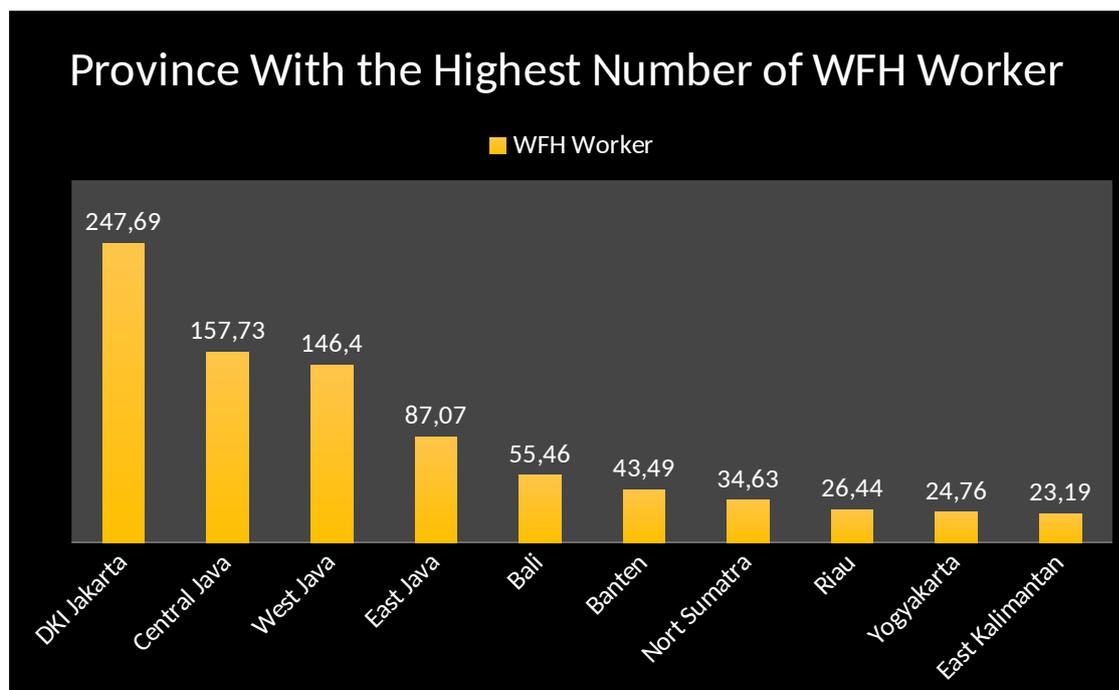
### 3. Results and Discussion



**Figure 1.** Provinces with the greatest number of workers terminated

The data obtained shows that West Java is the province with the almost layoffs among other provinces. Meanwhile in East Kalimantan is the lowest.

The first problem faced by families affected by layoffs (PHK) is that families are faced with the problem of uncertainty when their unemployment ends. And the problem of layoffs that is happening now is because of the Covid-19 pandemic. Of course everyone hopes that Covid-19 will quickly end and the economy will return to stability, and the role of government assistance that is needed in this pandemic, especially in the new normal period, hopes that the role of the government to create jobs increases and investors can return so that new jobs increase and unemployment experiences drop [6-10]. And the small people can meet the needs of them from living, clothing, education, health and welfare onward. In the companies that I studied, the WFH program treats more than the layoff system because the company prefers to take advantage of the quality of employee work compared to breaking contracts because in the end when conditions improve, the company has to return to recruitment to fill vacant positions[11-15] (Figure 2).



**Figure 2.** Chart of workers who work from home (WFH)

From the data above, it can be seen that the biggest impact is DKI Jakarta, which works from home (WFH) and is still fully paid even though working from home. Of course, it is very detrimental for the company, but for the employees it is very beneficial because in a cost budget there are very few expenditures and in health they are more awake because they do not leave the house for activities. Social distancing and PSBB and physical distancing are the government's slogans in inhibiting the chain of spreading Covid-19. And this strategy is also almost followed throughout Indonesia[10].

#### 4. Conclusion

In fact, the pandemic has had a significant impact on companies, especially in the income sector, where companies need income to maintain company productivity. One that can collect the burden on workers, so most companies decide to lay off employees to reduce the burden on the company. However, the actual layoffs will also be detrimental because the company is already working normally, then the position of employees at layoffs will be vacant and the company will need new workers, where the costs for training and recruitment are also not small. It would be wise for the company to choose the WFH program for employees. In addition, companies can reduce employee

income costs by means of cutting wages, reducing costs can also be done by reducing electricity usage while employees work at home. Namely, the working conditions of the company have returned to normal, the company can return to maximizing its performance as it was before the pandemic occurred.

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