



Analysis of Factors Affecting Company's Financial Performance in the Covid-19 Pandemi (Case Study at PT. Sinar Karya Mustika Manado)

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Abstract: To measure the company's financial performance can be seen from two sides, namely from the internal and external sides of the company. Financial performance helps companies to evaluate the company's strengths, weaknesses, and make financial decisions. Good financial performance shows the company can work effectively and efficiently. One of the factors that can show how good the company is or not is by analyzing financial performance. This study aims to analyze what factors influence financial performance during the Covid-19 pandemic. The research method used is qualitative with a case study approach. The results of the study show that the company's financial performance during the Covid-19 pandemic has decreased, because from the results of a review of financial statements, the company has suffered substantial losses in the last two years, namely 2020 and 2021. Then the factors that affect the company's financial performance are: (1). External Factors. Firstly, Government Regulations, namely Large-Scale Social Restrictions and a ban on the export of nickel ore, which then creates other external factors, namely Demand where the prohibition makes the Client Project reduce the number of production requests and the company has to reduce the amount of production, which means that the company's income decreases. Then the last factor is that company financial institutions do not get additional capital that can sustain operations in the midst of a pandemic. (2). Internal factors. First, human resources, where at the time of the pandemic the company reduced employees due to a lack of ability to maintain a number of employees. Of course, the reduction in human resources greatly affected the company's productivity. Second, namely finance, decreased income due to reduced production affects the company's financial performance.

Keywords: Financial Performance, Internal Factors, External Factors

INTRODUCTION

The financial performance of a company can be interpreted as a good future or prospect, growth and development potential for the company. Financial performance information is needed to assess potential changes in economic resources that may be controlled in the future, to estimate the production capacity of existing resources. Financial performance is an illustration of the achievement of company success which can be interpreted as the results that have been carried out, financial performance analysis is carried out to see the extent to which a company has carried out using the rules of financial implementation properly and correctly.

The company's ability to generate profits is the key to the company's success so that it can be said to have good company financial performance, because profit is a component of financial statements that is used as a tool to assess whether or not the company's financial performance is good. This will affect the sustainability of the company to move forward and cooperation between one company and another.

At the end of 2019, in December to be precise, the world was shocked by an incident that made many people nervous, known as the corona virus. The World Health Organization named this virus Severe Acute Respiratory Syndrome coronavirus-2 (SARS-CoV-2) with the name of the disease, namely Coronavirus disease 2019 (Covid-19). WHO then declared COVID-19 on March 12 2020 as a global pandemic. And until now the corona virus case has spread widely and infected many victims in various countries and even Indonesia has also been affected by this pandemic with the number of cases continuing to increase rapidly, until June 2020 there were 31,186 confirmed cases and 1851 deaths (PHEOC RI Ministry of Health, 2020). The Covid-19 pandemic will have social and economic impacts.

Quoted from kompas.com - President Joko Widodo emphasized that policies for productive activities at home need to be implemented to suppress the spread of the corona virus or Covid-19 disease. Meanwhile, these activities are mainly related to work, study, as well as worship. This was conveyed by President Jokowi in a press conference at the Bogor Palace on Monday (16/3/2020). "The policy of studying from home, working from home, and praying at home needs to be intensified to reduce the reduction in the spread of Covid-19," said Jokowi.

This situation may have a significant impact on the financial statements of various companies, especially in the following aspects: (1). The company's revenue will decrease due to the weakening public purchasing power and the possibility of inflation. (2). Measurement of Employee Benefits. Some companies may decide to reduce the number of workers to balance the decreased activity. This will have an impact on the measurement of the company's employee benefits. Measurement of employee benefits liability in PSAK 24 needs to take into account the impact of the Covid-19 pandemic. (3). Measurement of company reserves. The company has reserves that usually use normal business assumptions. For example, reserves for accounts receivable, reserves for product warranty claims, reserves for damaged/obsolete inventories, or other reserves. Companies must consider the impact of the corona virus on company reserves, especially for interim financial reports in the first half of 2020. Companies need to consider the impact of the Covid-19 pandemic in their company's risk management. (4). The company's profit may decrease in 2020 due to the covid-19 pandemic.

This declining condition was triggered by the existence of very large restrictions by the Indonesian government without exception in the corporate sector which imposed a work system of 50% of the company's normal activities. This 50% work system is called Work From Home (WFH) which indirectly reduces the company's performance by 50%, because the company's employees do their work online (online).

The entire economy including companies are also affected, both from the marketing, production and financial aspects. Good or bad financial condition of a company can be known from the analysis conducted on the company's financial statements. From the results of this analysis the company can make strategic decisions and policies according to the goals and plans that have been set.

In the previous study, Niu & Wokas (2021) explained that there were significant differences in the profitability of the four state-owned banks, namely BRI, BNI, Mandiri and BTN, increasing financing or providing credit to third parties by also increasing their loss reserves in 2020, ROE experienced an increase in the amount of liabilities that not used to increase the amount of equity owned by the Bank, but used and allocated for reserves for losses mandated by the OJK in dealing with problems and risks that occurred during the Covid-19 pandemic and trying to increase the recovery of allowance for estimated losses on commitments and contingencies and impairment of productive assets during the Covid-19 pandemic. This situation means that there was a significant impact when this pandemic occurred.

The company's finances need to be analyzed so that it can identify the shortcomings and achievements of the company in a certain period. This is very important so that resources are used optimally in dealing with environmental changes. Analysis of a company's financial performance is one that management does to fulfill its obligations to company owners and to achieve company goals. Information that is properly presented in a financial report will be very useful for companies in making decisions and to find out the company's financial performance.

In assessing and measuring financial performance, it must be balanced with good financial planning. Especially in this pandemic situation, companies are required to be more optimal in planning operational activities so that they can continue, even though in reality many unexpected things are happening within the company which causes operational activities to experience problems, thus affecting the company's financial performance.

Financial performance can not only be calculated by financial ratios but also by conducting a comparative analysis on each of the results of the company's financial statements from several periods both in terms of revenue and profit/loss of the company, so that in this way you can see a picture of the company's financial condition in a certain period both regarding aspects of raising funds and channeling funds, whether the company is capable of developing its business or not. The results of this analysis can then be seen how financial performance is if it is in good condition or has decreased.

Internal and external factors are also important aspects that can affect a company's financial performance. Internal factors exist within the company, the hope is that it is easier to manage, predictable, and can anticipate every risk, but often what is expected does not work as it should, companies need to analyze the structure, culture, and resources to find out the strengths and weaknesses that exist in the company to anticipate unplanned circumstances occur, such as during the Covid-19 pandemic, many companies experienced internal problems, especially due to human resources, so if ignored, it would have a direct effect on the company's operational activities.

While external factors are factors from outside the company, but can impact the processes within the company. This external factor is very likely to be one of the factors of failure in the company because of its potential to become a threat if it cannot be predicted properly, and can be an advantage if it can be handled properly. The best managerial and strategy will be needed in controlling external factors, especially in the midst of facing the Covid-19 pandemic, companies are required to be more optimal in analyzing any problems that can arise from outside the company because the country's economy is not doing well, so

threats from outside the company getting bigger and can disrupt the company's operational activities and the impact on the company's financial performance.

PT. Sinar Karya Mustika is a company engaged in the mining business. In 2020, according to the government's advice, the company will implement social distancing, work from home (WFH) and large-scale social restrictions (PSBB) policies for all employees, both at the Manado head office, Jakarta representative office, and those in the field, this policy is an effort to reduce the spread of Covid-19, which if not controlled will have a bigger and longer negative effect. The company is also in the face of this pandemic situation, laying off work relations for many employees and this can be an obstacle in the company's operational activities. The following is the development of the company's revenue for the last 5 years, which can be seen in the total revenue table.

Table 1. of Total Income

No	Periode Tahun	Pendapatan
1	2017	89.824.089.940
2	2018	214.191.640.804
3	2019	156.550.889.168
4	2020	59.782.737.332
5	2021	64.928.301.627

Source: Financial Report of PT. SKM Period 2017-2021 (data processed)

Based on the total revenue table, it can be seen that the total revenue from 2017 to 2018 has increased, in 2019 it has also decreased slightly but not significantly decreased, then in 2020 during the pandemic the company experienced a decrease in income of more than fifty percent from last year before, and in 2021 it has increased from the previous year but has not increased significantly like the years before the Covid-19 pandemic. According to the data and explanation, it shows that there is a decrease in financial performance and obstacles that occur in the company's operations or activities so that further research is needed regarding the factors that cause the situation as described. This study aims to determine the factors that influence the company's financial performance at PT. Sinar Karya Mustika during the Covid-19 pandemic.

LITERATURE REVIEW

Corporate Environment Theory

According to Daft and Marcic (2013) The managerial environment is the internal and external environment that can influence the performance of managers in organizations.

Stages in analyzing Financial Performance

According to Irham Fahmi (2017) the assessment of the financial performance of each company is different because it depends on the scope of the business being carried out. There are 5 (five) steps in analyzing a company's financial performance in general:

- Conduct a review of financial report data. The review here is carried out with the aim that the financial statements that have been made are in accordance with the application of generally accepted principles in the world of accounting, so that the results of these financial reports can be accounted for.
- Performing calculations applying the calculation method here is adjusted to the conditions and problems that are being carried out so that the results of these calculations will provide a conclusion in accordance with the desired analysis.
- Comparison of the calculation results that have been obtained From the calculation results that have been obtained, then a comparison is made with the calculation results from various other companies. From the results of using these two methods, it is hoped that a

- conclusion will be made which states that the company's position is in very good, good, moderate/normal, not good, and very bad conditions.
- d. Perform interpretation (interpretation) of the various problems found. At this stage the analysis looks at the company's financial performance. After carrying out these three stages, an interpretation is then carried out to see what problems and constraints the company is experiencing.
 - e. Seeking and providing solutions to various problems found.

Company Financial Performance Factors

According to Fabozzi, Frank J (2000) a company's financial performance is influenced by two factors, namely: Internal factors. Internal factors are factors that can generally be divided into the control of the company's management, including:

- a. Personnel management is related to human resources so that they can be utilized as optimally as possible to achieve company goals in a humane manner.
- b. Marketing Management, which is related to programs aimed at achieving company goals.
- c. Production Management, which is related to the factors of production so that goods and services are as expected.
- d. Financial management, which is related to planning, seeking, and utilizing funds to maximize company efficiency.

External Factors. External factors are factors that are beyond the control of company management, including:

- a. Economic conditions are conditions that are influenced by government policies, political, economic, social conditions and stability, and others.
- b. Industrial conditions, namely including the level of competition, number of companies and others.

METHODS

Types of research

The method used in this study is a qualitative method with a case study approach. The source of data used in this study is primary data obtained through direct data collection at the research site. Informants in research are people or actors who really know and master the problem, and are directly involved with the research problem. The main instrument for collecting data is the informant himself by observing, asking, listening, requesting and taking research data. In this case this research must obtain valid data so that not just any source is interviewed.

Method of collecting data

Data collection methods used: 1). Documentation, data collection is done by studying company records or documents in the form of financial reports in accordance with the required data. 2). Observation or observation, collection of relevant data and information is carried out by directly observing the processes that occur in the company. 3). Interviews, by conducting free questions and answers both structured and unstructured to obtain broad information about the object of research. In this interview conducting question and answer with parties who are considered to know the information needed. 4). Literature Study, research is carried out through books or literature that has been explained on a theoretical basis as a support in carrying out this research. The validity of the data used the source triangulation method which was carried out by checking whether the data obtained through the source, on the grounds that this study compared interview data with observational data.

RESEARCH RESULT

Based on the results of observations and research interviews conducted based on the research title, namely an analysis of the factors that influence the company's financial performance during the pandemic, the case study at PT. Sinar Karya Mustika Manado. This study involved six informants who had backgrounds according to the research title.

Company Financial Performance Analysis

- a. In reviewing the company's financial statements, it has complied with generally accepted rules and regulations in the world of accounting, the company refers to the Financial Accounting Standards for Entities Without Public Accountability (SAK-ETAP).
- b. The company performs calculations using the accrual basis method, which is an accounting recording technique, which is recorded when a transaction occurs even though cash has not been received. Recording using the accrual basis according to the company is more accurate, and by using the accrual basis assets, liabilities and equity are easily measured.
- c. So far the company has not made a comparison of the calculations that have been obtained with similar companies, but it is hoped that in the future the company can make a comparison and that is likely to occur when the company's status is Public (open) in accordance with the goals to be achieved. So that companies can see and compare problems that occur in similar companies.
- d. Of course, the company makes an interpretation or interpretation of the problems that have been found based on the company's financial statements, and then analyzes all aspects or elements that cause any problems that arise and affect the company's financial performance.
- e. Of the various problems found during this analysis, the company is trying to find a way out. Moreover, the problems that arose in the midst of the Covid-19 pandemic were not predicted in advance that this would occur, so that the company experienced delays in operational activities and even the company's income experienced a significant decline.

Factors Affecting Financial Performance

a. External Factors

External factors or from outside the company are related to government regulations, and the current situation, even though government regulations make the company experience obstacles in operational activities, due to circumstances and conditions, there are also regulations that must be obeyed so that whether we want to or not, the company must carry out the rules that have been issued by the company government. In the midst of a pandemic, the level of company competition in business activities has no effect. Then it relates to financial institutions because companies during a pandemic need additional capital so that the business runs smoothly, and finally the problem of demand also affects the company's operational activities.

b. Internal factors

Personnel management in the midst of this pandemic tends to have more influence because of its relation to human resources, for marketing management it doesn't seem to have any effect. Then for production management it also has an effect on the company because it relates to human resources, so if resources are problematic then production is also problematic, moreover this company is engaged in mining so the services used are very influential in producing production.

If human resources and production have problems then it will affect financial management, this is clearly seen in the financial reports for 2020 and 2021 at the time of

the Covid-19 pandemic, where the company's income has decreased significantly and suffered losses because the company's costs are greater than revenue.

Discussion

Company Financial Performance Analysis

a. Review of Financial Performance

The company has so far conducted a review of the implementation of accounting in accordance with the applicable rules. Company records refer to the Financial Accounting standards for Entities Without Public Accountability (SAK-ETAP). In the process of reviewing financial reports, problems arose as a result of the co-19 pandemic. The company's unpreparedness to face the sudden pandemic had a huge impact on the company's operational activities. Of course, with this incident, cash flow was hampered, there were several unbudgeted costs that had to be incurred due to circumstances that required the company to make more sacrifices, because otherwise it would cause other problems.

The Covid-19 pandemic initially affected state law, namely the issuance of social-distancing policies in accordance with government regulations. This interferes with the company's financial performance activities in carrying out business or business activities. In the midst of this situation, the government is moving quickly to be able to control the chaos that is happening in the country, so it has to issue regulations such as Large-Scale Social Restrictions (PSBB). Like it or not, all agencies or companies must follow all the rules set by the government. And this is also one of the factors that affect the company's financial statements.

The leaders tried to maintain the stability of the company in the midst of a pandemic, but in reality the problems that occurred affected operational and financial activities, so the company had to terminate employment for 446 employees spread across several work locations. With reduced human resources as a result of termination of employment, production activities are hampered so that the targets that have been planned and should be running in the end do not match what the company expects, total production has also decreased because the number of requests from the Client Project is reduced Due to the economic problems caused by the pandemic, the company's revenue has decreased.

b. Calculation of the Application of the Method

In calculating the implementation of the company using the accrual basis method. The company keeps records when transactions occur even though cash has not been received. In recording using the accrual basis it is hoped that the company will be more accurate, and by using the accrual basis assets, liabilities and equity are easy to measure.

Revenue is recognized when the company has the right to collect from the transaction results through the issuance of invoices and tax invoices. And using this accrual basis does not care about when cash will be received, and when cash will be issued. Expenses are recognized on the accrual basis when the obligation to pay is due. And these costs can be recognized when the obligation to pay has occurred, even though cash has not been issued.

c. Do Comparisons

In accordance with the theory, the company must make comparisons with the calculation results that have been obtained and from the calculation results that have been obtained, then a comparison is made with the calculation results from various other companies.

However, so far the company has never made a comparison of financial performance with similar companies, the company has only made physical or visible comparisons, for example, where is the location of a similar project to see if the company can get opportunities there too.

Comparative analysis can actually help companies to find out the company's performance and development, as well as changes that occur in financial report items, more specifically during this pandemic the company must move quickly regarding the steps that need to be taken, so that the company's financial performance can be controlled. However, in practice the company has not done what it should have done, so when a pandemic occurred many problems occurred and put the company in a bad situation.

d. Interpretation of the Problem

At this stage the company has made an interpretation or interpretation based on the results that have been obtained, to see and analyze all the problems that arise from every aspect or element in the company's financial statements, as explained in the first point that the company's income has decreased when it occurred. this pandemic, and so have unnecessary rising costs. This is a problem within the company that should be addressed immediately because if it does not have a negative impact on the company's financial statements.

e. Solution to problem

As discussed in the previous points, that there are problems that occur related to the company's financial performance. During the pandemic, the company was in a position of short-term financial difficulties, namely not being able to pay financial obligations when they were due, this would cause bigger problems, namely imbalances, for example the amount of debt was greater than the amount of assets.

When company costs increase without prior planning, it reduces company revenue and every target is not achieved as planned. The company as much as possible tries to overcome all the obstacles that occur, to achieve production of course with a strategy in operational activities. For example, the company added working hours/overtime and also incentives for field workers to keep them enthusiastic at work.

Factors Affecting Financial Performance

a. External Factors

The results of interviews with informants then found external factors that influenced the company's financial performance during the pandemic, namely:

1) Government Regulation

Large-Scale Social Restrictions (PSBB)

As it is known that the Government stipulates Large-Scale Social Restrictions (PSBB) in Government Regulation Number 21 of 2020 concerning Large-Scale Social Restrictions in the framework of Accelerating the Handling of Corona Virus Disease 2019 (Covid-19) stipulated on March 31, 2020.

The company implements regulations according to government instructions, this causes several things to be delayed or hampered, for example, this regulation makes employees working in the head office work from home and at that time the company's declining financial condition was also felt by every employee working from home. because all employees only get a salary of 50% (fifty percent) and that happens for several months, until the local government allows them to be able to work from an office with a maximum of 20% (twenty percent) of the total employees.

And the government regulations that limit modes of transportation are also very much felt because the delivery of goods to the project site was also difficult because of this regulation, so that operational activities on the site decreased. For example, there is a tool or vehicle that needs to be repaired so that it can operate in the end, it is delayed or repaired for a long time because the spare parts that must be sent as soon as possible are hampered due to restrictions, especially since the district where the project location was locked down, so regulations issued by the central and regional governments very influential on the company's activities and its impact on the company's financial performance.

Export Prohibition

As of 1 January 2020, nickel ore with a grade below 1.7% is no longer allowed to be exported. This has even been strengthened in Law no. 3 of 2020 concerning Minerals and Coal (Minerba) that it is not permissible to sell raw goods anymore. The government's reason for accelerating the ban is based on several considerations. The first is that low-grade nickel ore can already be processed domestically, due to advanced technological developments. Moreover, nickel can be used as raw material for electric car components. The second is the rapid construction of nickel smelters in recent years which requires a relatively high supply of nickel from within the country.

When this situation occurred, the Client Project from the company, namely PT. TEs were affected especially since this regulation coincided with the onset of a pandemic so they also had to reduce the number of requests for nickel production, in this situation of course it greatly affected the company's production activities.

Then the condition of the Covid-19 pandemic also affected the economic situation of the Client Project, namely PT. FBLN, where they also have to reduce the number of production requests to companies from what they should have been before the pandemic. In the end, the company also has to do according to the request from PT. Even though FBLN has tried to negotiate in order to continue to carry out the amount of production that should be, due to the declining economic situation they cannot fulfill the demand. The company finally agreed with the possible consequences. So that the company's financial performance began to be hampered, starting from decreased production, hampered operations to termination of employment.

2) Demand

The impact of government regulations ranging from Large-Scale Social Restrictions (PSBB) to a ban on nickel ore exports resulted in a decrease in the number of production requests as previously described.

During the economic crisis when the pandemic occurred, the company should have maximized its income by increasing the amount of production due to unplanned expenses, but in reality demand decreased and the amount of production had to be reduced so that the costs incurred were greater but the income decreased significantly.

3) Financial Institutions

To expand its business, the company requires additional capital from other parties, namely financial institutions such as banks, investment companies, insurance and capital markets. And getting additional funds in order to develop the business there are conditions that must be met, one of which is audited financial reports.

In 2019 the company issued audited financial statements for 2017 so that it could get additional funds from financial institutions, and in 2020 the company should have issued audited financial reports for 2018 to obtain funds that could help run operations,

but it has not yet been completed in the process processing of financial reports to be audited, the covid-19 pandemic occurred and entered Indonesia.

Since the pandemic, operational activities have experienced problems which have caused the company's business situation to start to decline, and there have also been several problems experienced by the management so that the audit report has not been completed. additional capital for the company's business activities.

b. Internal factors

1) Human Resources

At the time of Large-Scale Social Restrictions (PSBB) for employees who had already been furloughed they could no longer enter the project location because they were restricted, not to mention that if it coincided that there were employees who were on leave and were hit by Covid-19, it meant that the employee had not been able to return to work. site because it has to be quarantined in advance according to government regulations for those affected by the virus are required to quarantine for two weeks, so in this situation the employees in the project location must work continuously or overtime because the employees who are supposed to replace cannot enter and they also cannot can take leave, this also causes some employees to get sick from work fatigue and some stop working/resign and some even run away secretly from the project site because they are no longer able to work in such a situation.

The company terminated this employment relationship because the situation and conditions that occurred during the pandemic made it impossible to maintain a number of employees, a significant decrease in income due to reduced production volume as well as decreased production demand from client projects resulting in a lack of the company's ability to pay employee salaries.

In 2020 the company laid off 446 people, both in the project and the Manado head office with the following details:

Table 2. of Employees Affected by Layoffs

Lokasi Proyek	Jumlah Karyawan	Status Karyawan (Orang)
Head Office	5 People	Staff
Site Gebe	56 People	7 Staff
Tekindo site	385 People	49 Nonstaff 6 Staff 379 Nonstaff

Source: Processed Data (2022) based on interview results

Of course the occurrence of obstacles in human resources affects the production process which is the most important form of activity in the company:

Productivity decreased due to lack of labor

As previously discussed on human resources, the number of workers has decreased a lot and there have been some problems with the workforce due to the pandemic. Then, because some employees were late returning to the project site for production activities, for example heavy equipment operators, the equipment unit was not operating even though it was available and could be used.

There were also incidents where employees in charge of the repair or repair department could not enter the project site so that the equipment that was supposed to be repaired could not be repaired and operational immediately.

Delay in delivery of spare parts

Because the restrictions that occur cause delays in the supply of spare parts that enter the project site, so that vehicles or equipment that should be repaired for use in operational activities cannot be repaired and used as soon as possible, delays in incoming spare parts cause the equipment and vehicle units to become partially damaged, because the damage is eventually not can produce so that there is a decrease in the amount of production.

This situation occurs within the company and has an impact on the production process, and production targets that have been planned are not met and are not running as they should.

2) Finance

In applying the records, the company refers to the Financial Accounting Standards for Entities Without Public Accountability (SAK-ETAP) using the accrual basis method.

Basically the company makes and plans a budget so that it can manage and control the costs that will be incurred. However, during this pandemic there were factors in costs that affected the company's financial performance, for example fixed costs that had to be paid, there were also other additional costs, in this case the costs for PCR, medicines, medical personnel were also very limited at that time so there should be more effort.

From the analysis of the company's financial statements and interviews with informants, it was also found that several factors contributed to the company's losses during the pandemic, namely the following:

Income

Decreased production means that revenue has also decreased, and the company experienced a significant decrease in revenue in 2020 compared to 2019, which can be seen based on the 2019 and 2020 revenue tables.

Table 3. of Net Income for 2019 (in rupiah units)

Total Revenue – Net	
Gebe mining revenue	68.572.327.928
Gebe's other income	15.655.243
Weda mining revenue	82.844.280.767
Vedic other income	2.811.409.229
Bull rental income	1.562.772.000
Toll Rental Income	59.008.000
GAG Rental Income	685.436.000
	156.550.889.168

Source: Processed data (2022) results from interviews.

Table 4. of Net Income for 2020 (in rupiah units)

Net income	
Gebe mining revenue	50.849.179.363
Gebe's other income	210.783.273
Weda mining revenue	7.083.336.650
Vedic other income	1.639.438.046
Bull rental income	-
Toll Rental Income	-
GAG Rental Income	-
	59.782.737.332

Source: Processed data (2022) results from interviews

In accordance with the results of the interviews that the decline in income is one of the causes due to the occurrence of a pandemic and the factors are in accordance with what has been explained in the point of human resources and production.

Business costs

As previously explained, income has decreased, but there are a number of fixed costs that must still be paid, even if there are costs that increase during a pandemic, the following is the explanation:

a) Salary Cost

In the discussion of human resources, it is known that the company was forced to terminate the employment of several employees according to the total employee termination table. Termination of Employment, then the employer is obliged to pay severance pay and long service pay as well as compensation for rights that should be received. And because of that, salary costs in 2020 are the costs that most affect the company's financial statements, as shown in the 2020 salary and wages table, the following details salary costs:

Table 5. of 2020 Salary and Wage Costs (in rupiah units)

Project Salary and Wage Costs	26.197.645.438
Head Office Salary and Wages	8.237.551.813
Total Salary and Wages	34.435.197.252

Source: Processed Data (2022) results from interviews

b) Leasing Fees

Even though it is in a state of decreased income due to reduced or hampered production processes, the company still has to pay leasing installments as usual so that the company's finances are really in a bad state.

c) Operational Cost

According to information from interviews, operational costs have increased due to additional costs, such as PCR (Polymerase Chain Reaction) tests for those affected by Covid-19 and antigen for all employees in the head office and those in the field, medicines, medical personnel, and medical claims. This causes additional costs in operational activities. The following is the company's total operational costs both in the project and in the head office based on the operational cost table below.

Table 6. of 2020 Operating Costs (in rupiah units)

Project Operations	7.874.466.987
Head Office Operations	1.778.087.895
Total	9.652.554.882

Source: Processed Data (2022) results from interviews

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

From the results of the study, it can be concluded that the company's financial performance during the Covid-19 pandemic has decreased because seen from the results of a review of financial statements, the company has suffered substantial losses in the last two years, namely 2020 and 2021. The problems that occurred as a result of this pandemic is the main factor so that the company's productivity decreases, and there are two factors that affect the company's financial performance, namely:

1. External Factors. First, the Government Regulation, namely Large-Scale Social Restrictions (PSBB), so that operational activities in the project have decreased. Then the

Government Regulation regarding the ban on nickel ore exports also affected the company, which then caused other external factors, namely Demand where the ban made the Client Project reduce the number of production requests and the company had to reduce the amount of production, which meant that the company's income decreased. Then the last factor is financial institutions because in 2020 during the pandemic the company experienced internal problems and could not issue audited financial reports so that the company did not get additional capital that could sustain operations amid a pandemic.

2. Internal Factors. First, human resources, where at the time of the pandemic the company reduced employees due to a lack of ability to maintain a number of employees. Meanwhile, production that had been reduced was according to demand and established government regulations affected the company's condition. Of course, the reduction in human resources greatly affected the company's productivity. The second is finance, decreased income due to reduced production while fixed costs must still be paid and additional unexpected costs as a result of the pandemic.

Recommendations

As for suggestions that can be conveyed by researchers and are expected to be taken into consideration or input for both the company and for other parties, are:

1. The company's management must always prepare a backup plan in the future, if in the future unwanted things happen, especially if the problem or threat can cause a big risk to the company. Management must better anticipate emergencies whenever they can occur by always preparing a backup plan, in this case the company's finances, so that even in a pandemic or other emergency, the company's operational activities are still running well, of course, supported by stable cash flow.
2. Companies should prepare an emergency fund to be used in urgent situations or if a disaster occurs which causes economic difficulties such as what happened during the Covid-19 pandemic.
3. The company should make a budget plan, a budget prepared from the start will help manage finances effectively throughout the year. The budget acts as a guide that allows making business decisions, making a budget will also greatly help companies to more easily manage business development plans.
4. Company management conducts a two-way dialogue between leaders and workers in a transparent manner in anticipating labor conditions due to the Covid-19 pandemic. This dialogue is the main door for building a shared understanding of dealing with the impact of the Covid-19 pandemic for both companies and workers, so that if this can be done, it is possible that the company's production process and financial performance can slowly recover and return to normal.

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