

MANAGEMENT OF THE CONSEQUENCES OF THE COVID-19 PANDEMIC: THE CASE OF THE ORGANIZATION OF LEISURE

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Abstract

In the context of the COVID-19 pandemic, organizations faced specific challenges, such as social distancing restrictions, high environmental safety requirements, etc. in research (e.g., Heide, Simonsson, 2021; Brynjolfsson, Horton & Ozimek, 2020), at the beginning of the COVID-19 pandemic, the organization of work has changed; With the transition to remote work, the nature of internal communication has changed, and customer service has also become largely remote. The research problem – what are the consequences of the COVID-19 pandemic for leisure organizations (sports club), and what are the measures to manage them? The purpose of the study is to reveal the measures of the management of the consequences of the COVID-19 pandemic in a leisure organization using the example of a sports clubs. The tasks of research are: to describe the concept of leisure organization, to theoretically discuss the means for managing the consequences of the COVID-19 pandemic; to identify the consequences in a leisure organization using the example of a sports clubs. Research methods – analysis and synthesis of scientific literature. Main conclusion. A leisure organization is treated as such an organization that provides recreational services that consumers consume in their free time from work and everyday affairs. Sport is both leisure and professional activity. Sports clubs fall into the category of leisure organizations, as they are intended for the provision of services of a more recreational and health-friendly nature. Faced with operational restrictions, other difficulties, the organizations providing these services had to adjust business models, change the established processes of service provision, work organization, personnel management. Proactive entrepreneurship, innovation, implementation of digitalization of business, riskier solutions in search of new opportunities are very important. In the management of risks associated with ensuring security in organizations, appropriate measures for personnel management, organization of work, provision of services are important. The use of state aid is also important, as well as the use of state aid to maintain business continuity in times of crisis, to introduce solutions that ensure the provision of services, and to reduce costs due to a decrease in revenues due to limited demand.

Keywords: COVID-19 pandemic, leisure organization, sports club, pandemics consequences, consequences' management measures.

The COVID-19 pandemic that hit the world in the beginning of 2020 undoubtedly affected people's lives and the activities of many organizations in various countries around the world. In the context of the pandemic, organizations faced specific challenges, such as social contact restrictions, high environmental safety requirements, etc. Due to social distancing requirements, many organizations had to switch to remote work to a large extent [4]. In Lithuania some leisure organizations, such as sports clubs, at the height of the COVID-19 pandemic, depending on the legal regulation, could only conduct individual trainings, or only trainings in small groups or individually outside, and work with clients online. All this caused great tensions in the market of private sports clubs, led to the bankruptcy of some of them [10]. So it is clear that leisure organizations such as sports clubs faced serious consequences of the COVID-19 pandemic, which were and still are relevant to manage.

The problems related to changes in the internal environment of organizations and work organization in the context of the COVID-19 pandemic were analyzed by Heide & Simonsson (2021), Brynjolfsson, Horton & Ozimek (2020), Eckleb & Löffler (2021). The results of the researches by these authors revealed what proportion of employees in various business organizations switched to remote work, taking measures to maintain business continuity and efficient work. The peculiarities of the management of the consequences of the COVID-19 pandemic in leisure and tourism organizations in various fields were studied by Tsai (2021), Higgins-Desbiolles (2021), Gössling, Scott & Hall (2021). These changes specifically in sports clubs were partially investigated by Staley et al. (2021), Tseng et al. (2021), Bond, Widdop, Cockayne & Parnell (2021). However, there is a lack of research on the challenges of managing the consequences of the COVID-19 pandemic, and what measures Lithuanian leisure organizations have taken to manage the consequences of the COVID-19 pandemic. Scientific researches revealed that the outbreak of COVID-19 was an unpredictable

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situation that shook the foundations of sports. Social distancing measures and the closure of sports facilities have posed particularly significant challenges for mass sports clubs, which thrive on joint activities and social contact between members (Evans, Blackwell, et al., 2020). In the field of sports, the COVID-19 pandemic posed an existential threat to both professional (Savić, A., and Dobrijević, 2022) and mass sports clubs (Stambulova, Schinke, et al., 2020).

- The sports sector has been particularly affected by the COVID-19 crisis in a way that no factors have ever done before, as in many countries around the world all physical activities carried out in groups of people, in public places, group sports have been suddenly and indefinitely restricted, often relegating physical training at home. Therefore, sports organizations had to reinvent themselves in order to offer quality services to their consumers (Evans, Blackwell, et al., 2020). Sports clubs were closed; and sports events were cancelled. In adapting to these changes, sports clubs had to focus their efforts to maintain the quality of service they offer to their users as well as athletes. Therefore, it was necessary to implement risky, innovative and proactive actions (Staley, Seal, et al., 2021).

As previous studies reveal, the pandemic has created unprecedented challenges for mass sports clubs in the following three respects (Schallhorn, Nolleke, et al., 2022):

As long sport clubs are mainly funded by membership fees, the cancellation of training posed the existential threat. Therefore, it is not surprising that clubs perceived the risk of losing members as the biggest threat posed by the pandemic (Keshkar, Dickson, Ahonen, et al., 2021):

- Sports clubs are highly dependent on volunteering, and club representatives identified the challenge of retaining volunteers as the second biggest risk posed by the pandemic (Evans, Blackwell, et al., 2020).

- Participation in sport club's activities also includes personal contact and conversations before, during and after joint training. In other words, attending training and participating in club activities are at least partially motivated by social motives, and the results of Fallatah's (Fallatah, 2021) study show that the frequency of these activities has significantly decreased during the pandemic.

As scientific studies suggest, the challenges related to pandemics determined management changes in leisure organizations, including sport clubs.

Foss (Foss, 2021) observed that under the influence of the COVID-19 pandemic, companies changed the nature of planning processes. Even after the pandemic, it is likely that leisure service companies will have to: work remotely; delegate more; form smaller teams; make more use of employees who have a loose relationship with the organization, such as freelancers. This encouraged more formalization, more planning and more intensive use of individual awards. Some of these changes increase efficiency while others decrease efficiency.

Regarding the scientific literature that mentions leisure organizations, and more precisely, the measures applied in sports clubs to combat the consequences of the COVID-19 pandemic, Reddy et al. (Reddy, Srividya, et al., 2022) suggest that important corporate factors in managing the consequences of a pandemic include:

- employee protection and information accuracy,
- promoting financial resources,
- income and employment support,
- strengthening of resilience;
- building positive social relationships.

It is important to manage the **financial and economic consequences** of the pandemic. According to Ratten (Ratten, 2020), small businesses have taken the following measures to manage the consequences of the pandemic:

- diversification of products and services;
- redistribution of bank loans;
- reducing operations;
- using savings to finance your activities;
- search for help.

Manifestation of entrepreneurship. The uncertainty caused by the outbreak of COVID-19 in modern society can affect the business model and entrepreneurial behavior of organizations. In a very short time, the sports sector has changed drastically, as have the actions of the organizations operating in this sector. Entrepreneurship consists of the dimensions of innovation, initiative and risk, and these aspects can be developed to a greater or lesser extent by sports organizations (Bowes, Lomax, and Piasecki, 2020). Proactivity is an opportunity-seeking, forward-looking perspective characterized by introducing new products and services ahead of the competition and acting in anticipation of future demand. A proactive sports organization conducts a thorough analysis of the external and internal environment in order to develop strategic measures against the competition (Bartik, Cullen, et al., 2020).

Risk taking. Risk taking is understood as the level of risk that corporate management is willing to take, exposing primarily their own resources, with the expectation of receiving benefits as a return. There is a certain level of organizational risk tolerance that indicates the organization's ability to manage knowledge, which allows for the identification of new opportunities and encourages risky and entrepreneurial behaviors and attitudes (Swart, and Turco, 2020). Due to the need for fast and proactive innovative measures, sports organizations are likely to engage in faster and riskier behavior than they would in a normal situation. Such risky behavior may harm organizations in times of recession or uncertainty, but may lead to benefits that conservative and passive behavior would not achieve (Bartik, Cullen, et al., 2020).

Innovativeness. Innovation and entrepreneurship are the engines of recovery and prosperity. They can be implemented in the current crisis situation caused by COVID-19. Therefore, sports organizations must be proactive and innovative, because if they do not want to respond or respond inappropriately, it can have negative consequences for their performance in the short and medium term (Escamilla-Fajardo, Núñez-Pomar, et al., 2020). The management of emotions and behavior arising from a crisis must be quickly controlled and directed in a positive and entrepreneurial direction. Innovation is necessary not only for competitiveness, but also in periods of economic crisis. However, innovation should not be understood only as the introduction of new products, services or processes, but also as the exploration and use of the resources available to the organization in order to obtain maximum benefits. This is important because during a crisis, risk perception may increase due to uncertain economic impacts, and it may be easier to identify and exploit opportunities and existing resources than to invest in new organizational resources (Keshkar, Dickson, et al., 2021).

The implementation of digital communication technologies and business digitization was an important group of measures in managing the consequences of the pandemic. According to Schallhorn et al. (Schallhorn, Nolleke, et al., 2022), sports clubs have been using digital communication tools in their activities for a long time, have websites, maintain relations with customers and the public

through social networks, use digital media to attract public attention and establish a relationship with their stakeholders. Nevertheless, research results show that digitization was not a high priority for sports clubs before COVID-19. However, it is the transition to the digital communication space that has created opportunities for sports clubs to overcome some of the challenges faced by sports organizations during the pandemic, including communication with their members and volunteers, and the ability to conduct remote training. In this way, virtual customer communication platforms have become an alternative for sports clubs to work with their customers. Armbrecht et al. (Armbrecht, Lundberg, et al., 2021) study results show that digital platforms, such as Facebook or YouTube, have become an excellent opportunity for individuals who must adhere to isolation to exercise according to training conducted by trainers. Thus, constant social connections effectively replaced "live" interactions and protected against the negative consequences of social isolation during the pandemic (Keshkar, Dickson, Ahonen, et al., 2021).

Difficulties in personnel management changes. According to Thukral (Thukral, 2021), employee retention and motivation is an integral part of a recovery strategy. Studies have shown that it takes at least 3–4 months for a new employee to reach the same level of productivity as an existing employee. Also, involving team members in creating the plan will keep them engaged, motivated and feeling ownership of their roles and responsibilities. The challenge is that implementing resilient practices in business is expensive and often creates a demand for limited resources, which is compounded by the size of the company and the crisis they face.

In **conclusion**, the scientific literature identifies many different strategies for how leisure organizations and sports clubs manage the consequences of the COVID-19 pandemic. Faced with activity restrictions and other difficulties, the companies providing these services had to adjust their business models, change established processes of service provision, work organization, and personnel management. Proactive entrepreneurial thinking is very important when offering new services, such as distance training, to your clients. This is related to innovativeness, implementation of digital communication technologies, business digitization.

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УПРАВЛІННЯ НАСЛІДКАМИ ПАНДЕМІЇ COVID-19: КЕЙС ОРГАНІЗАЦІЇ ДОЗВІЛЛЯ

Анотація

В умовах пандемії COVID-19 організації зіткнулися зі специфічними викликами, такими як обмеження соціального дистанціювання, високі вимоги екологічної безпеки тощо. у дослідженнях (наприклад, Heide, Simonsson, 2021; Бріньольфссон, Хортон і Озімек. 2020), на початку пандемії COVID-19 змінилася організація роботи; з переходом на віддалену роботу змінився характер внутрішньої комунікації, а обслуговування клієнтів

також стало багатоманітним. Проблема дослідження – які наслідки пандемії COVID-19 для організацій дозвілля (спортивних клубів) та які заходи щодо управління ними? Метою дослідження є розкриття заходів управління наслідками пандемії COVID-19 в організації дозвілля на прикладі спортивного клубу. Завданнями дослідження є: описати поняття організації дозвілля, теоретично обговорити засоби управління наслідками пандемії COVID-19; виявити наслідки в організації дозвілля на прикладі спортивного клубу. Методи дослідження – аналіз та синтез *scientific literature*. Головне виключення. Організація дозвілля розглядається як така організація, яка надає рекреаційні послуги, які споживачі споживають у вільний від роботи і повсякденних справ час. Спорт – це як дозвілля, так і професійна діяльність. Спортивні клуби відносяться до категорії організацій дозвілля, так як призначені для надання послуг більш оздоровчого і оздоровчого характеру. Зіткнувшись з операційними обмеженнями, іншими труднощами, організаціям, що надають ці послуги, довелося коригувати бізнес-моделі, змінювати налагоджені процеси надання послуг, організації роботи, управління персоналом. Проактивне підприємництво, інновації, впровадження діджиталізації бізнесу, більш ризиковані рішення в пошуках нових можливостей дуже важливі. В управлінні ризиками, пов'язаними із забезпеченням безпеки в організаціях, важливі відповідні заходи з управління персоналом, організації праці, надання послуг. Важливим є також використання державної допомоги, а також використання державної допомоги для підтримки безперервності бізнесу в кризові часи, впровадження рішень, що забезпечують надання послуг, та зниження витрат за рахунок зменшення надходжень через обмежений попит.

Ключові слова: пандемія COVID-19, організація дозвілля, спортивний клуб, наслідки пандемії, заходи з ліквідації наслідків.

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