

## SPORTS INDUSTRY DURING THE COVID-19 PANDEMIC PERIOD (A CASE STUDY OF THE COLLABORATION BETWEEN PSSI AND STAKEHOLDERS)

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### ABSTRAK

Football in Indonesia is under the auspices of PSSI (Football Association of Indonesia). During the Covid-19 pandemic, the challenges were thoughtful, including the temporary suspension of the Indonesian League. This situation raised the pros and cons because clubs have to pay and also manage football management during a pandemic. The theory used in this study is organizational innovation theory, and the second is management theory during the Covid-19 pandemic. This qualitative study gained the data collection from secondary sources and also previous research information. This research used the comparative study to analyze the data. By the end of this research, it answered how the PSSI response and what steps were taken by the government, especially the ministries, football clubs and the managements to organize the club and carry out the league again during the Covid-19 pandemic.

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### Introduction

The Indonesian national football team is currently ranked 191 in the world. Based on data quoted from (Wunderlich & Memmert, 2016), this ranking was the worst in the history of Indonesian football. During the Covid-19 pandemic, all majority activities were stopped, including League 1 and League 2 in Indonesia. League 1 and League 2 competitions were originally suspended for two weeks from 16 March. The Covid-19 outbreak continues to increase. This situation triggered the directives from the President, Police, and BNPB to implement the large-scale social restriction. As a result, PSSI Decree was issued stating March to June 2020 as the 2020 season competition can start again on July 1, 2020 if the government does not extend the emergency status. The new emergency status is set until May 29, but if it is finally extended, the 2020 season competition will be terminated.

The club understands that safety is paramount. According to Ferry Paulus as the sporting director of Persija Jakarta (Indonesian Football Association of Jakarta), he felt that PSSI had made the right decision. Meanwhile, for Madura United, through Haruna Soemitro, stated that football is a livelihood, not life, so life certainly takes precedence. The health aspect certainly should be prioritized considering that football matches are very likely to be a means of spreading Covid 19. But dismissing the league provides a lot of homework for the club, especially regarding player salaries. In the letter, PSSI allows clubs to pay players and officials 25 percent of the previously agreed contract value. In response to this, several clubs began to raise their voices. Borneo FC, through team manager Farid Abubakar, hopes that players can understand the policy of cutting wages.

*"I think all the players in Borneo also understand. At least as long as they are not employed, they will also have an income," said Farid.*

Club income will clearly decrease, especially income from tickets so that salary cuts can ease the burden on the club. Even so, Persija Tangerang (Indonesian Football Association of Tangerang) hopes that PSSI will clarify the technicality of cutting wages so that they can be well received by all parties. "Therefore, we hope that PSSI will be involved in this situation, at least to clarify the technicality of determining the percentage of wages that will be given during this emergency period," said the manager of Persija Tangerang, I Nyoman Suryanthara. Since the postponement of League 1, almost all clubs have suspended training sessions for up to a week. originally going back to training on Monday (23/3) but then again canceled like Persija. Quoted from the official website of Persija, Bambang Pamungkas as the team manager announced the postponement of the training session but stated that the players remained professional by exercising independently and maintaining their diet.

The new competition will roll on for a long time, there is even the possibility of being dismissed, some clubs have allowed their players to return home. On Friday (27/2), Borneo made a policy to send players home. On the same day, Persib Bandung (Indonesian Football Association of Bandung), through coach Robert Alberts, invited the players to return home, including foreign players if there were still flights to their country. Persib is facing an unwanted condition. A new player who successfully scored four goals in the first three matches, Wander Luiz tested positive for Covid-19. Quoted from Persib's official website, Wander Luiz did not experience symptoms because his immune system was strong so he carried out independent isolation to avoid transmission.

Clubs and players will certainly experience various difficult conditions because of Covid-19. Players do not get a full salary but have to maintain a fit condition when the competition starts again. The club is in a difficult economic situation so that several decisions must be taken such as cutting wages, but should maintain good relations with players. PSSI as the umbrella for Indonesian football have to take decisions based on government directions and make policies so that conditions for clubs and players remain stable. Football fans must be patient to return to watching matches and undergo government directions so that the spread of Covid-19 can be suppressed.

From the above background, this study aims to examine comparative studies of European competitions that were still running during the Covid-19 pandemic. Like the English league, the Spanish league and other leagues in Europe. These leagues are the barometer of football in the world. In this case, this is the collaboration between PSSI as a football federation in Indonesia, with sponsors who support and provide investment in each club that participates in League 1 in Indonesia. So that League activities can be carried out during the Covid-19 pandemic.

## **Method**

This study uses a qualitative approach with an exploratory study design (Yin et al., 2014) in which this research seeks to investigate the policies carried out by sponsors, supporters, and fans in general. Selection of participants refers to people who are the core stakeholders (internal stakeholders) and also sponsors so that the League can be re-organized in Indonesia. And also the organization of the club which is based on the results of research (Cicut et al., 2017), therefore the 5 participants who were chosen deliberately (purposive) including club heads, secretaries, coaches, assistant coaches and players become interview

respondents. The method used is to collect primary and secondary data, then process the data according to the theory used.

### **Result and Discussion**

The impact of COVID-19 on audience demand for football. But the reality is that the opposite relationship is equally relevant: what impact will professional football and direct spectator sports have on the spread of the virus? Social distancing measures saw fan stoppages at many stadiums in Western Europe starting March 2020, as the pandemic was brought under control.

There is some historical evidence that major sporting events can have a significant impact on public health. There is evidence of an increase in influenza infection rates from the 2002 Winter Olympics (Gundlapalli et al., 2006) and the 2006 FIFA World Cup (Schenkel et al., 2006). More convincing evidence is found by studying the annual National Soccer League Super Bowl. Using a difference-in-differences approach, (Stoecker et al., 2016). found that cities in the United States represented in the Super Bowl experienced an 18% increase in deaths from influenza. Nonetheless, part of understanding when allowing fans to return to sports stadiums is knowing how far the demand will be reduced by the risk of ongoing infection. In other words, if fans are allowed to return tomorrow, will quite a few actually show up and gather in such a way that social distancing in the stadium, concourse and surroundings is practical?

The result is that overshadows the possibility that spectator sports will recover even when social distancing measures are relaxed by the government. One argument is that there will be a pent-up demand effect, which could offset or even override the negative effects of the ongoing risk of COVID-19 infection. Two of the most sustained increases in attendance in the history of British football have occurred after

the suspension induced by each World War (Dobson & Gerrard, 2010). But this is a tentative parallel, as the results here suggest that in the early stages of the European COVID-19 outbreak there was already a substantial negative demand response, suggestive of the implied risk of infection, even when the disease was significant and its implications are equally underestimated by politicians.

The elite European football clubs represented in the study are likely to survive the outbreak financially, given their access to sizable funds in addition to receiving match day gates. But professional football below that level is still largely dependent on gaining fans on match days. By forensically studying the 2018/19 accounts of professional football clubs in England and Wales, (Otto et al., 2020). has found that most of these companies were already on the verge of bankruptcy prior to loss of income and asset write-offs, that is, player ratings, due to COVID-19. That result is to imply that the club will likely face huge ongoing losses even after they are able to fully reopen their stadium, as crowd demand will decrease as long as there is a constant risk of being infected in matches.

From fans to returning to football stadiums when social distancing measures are relaxed. The clubs may have to become very flexible and agile with the dynamic ticket prices to get started, until they understand how their customer base has changed. Learning from experience when this has been implemented by sport organization in the past (Shapiro & Drayer, 2012), and specifically for football, (Kemper & Breuer, 2016), also see (Shah et al., 2019), for a survey on the economics of sports ticket prices). (Kemper & Breuer, 2016) show that ticket prices for home games in Derby County F.C., a team in the second tier of English football, systematically increase over time from the base starting price when the stadium fills up to the day of the match.

This shows that football fans are shortsighted. With stadium capacity potentially being limited when crowds are allowed to return to stadiums after COVID-19, clubs can take advantage of their fans' tendency to buy tickets late by raising prices significantly in the days leading up to matches.

In a world with social distancing and people worried about the risk of catching or transmitting COVID-19, teams can also search for 'friends and family' group tickets. If the restrictions imposed by the authorities involve a minimum distance between the number of households in the public space, then group price discounts can increase income by filling a larger proportion of seats. We find little evidence of the extent to which elite football clubs have implemented family discounts, but (Clowes & Clements, 2010). found that this was rare more than two decades ago in the Premier League, suggesting that clubs see little added value in them. COVID-19 can change this.

Meanwhile, according to FIFA, the Task Force recommends a two-phase mesocycle for the first 4 weeks of training: initially, a short retraining phase followed by a special football performance phase. The retraining phase should begin with a basic but broad-spectrum assessment of the player's physical condition (strength, endurance, joint mobility and body composition). Soccer specific tests should form the basis for the development of injury prevention strategies and physical adaptations of players.

Due to the large differences in training routines performed during confinement, this phase should be done on an individual basis, particularly for players who have tested positive for COVID-19 during confinement or for those with suspicious symptoms. Once the desired results from the retraining phase have been achieved, the player should progress towards the specific performance phase of football, including the specific goals of

strength, endurance, capacity and speed of high-intensity intermittent training. It is imperative that the player is progressively exposed to the training game during this phase. Online supplementary 2 contains the main objectives, organization and recommended exercise types for each phase, and references for optimal load management during each training phase.

The task force's proposals for the competition calendar and in-game rule change allowance cover a minimum training period of 4–6 weeks between the first day of training at the team facility to the first official match. This period is recommended for a confinement period of more than 30 days, which is the current scenario for most football leagues, as a suitable number of pre-season training sessions may entail a 'healthier' end to soccer competitions. Furthermore, the task force recommends continuing competition with an official match distribution that secures at least 72 hours between matches. This will result in a less dense ball calendar with the potential to reduce injury rates.

Other recommendations include two outstanding substitutions (for a total of five substitutions per match), the use of a must-pause refresh at the 30th and 75th minutes of the match to allow in-game recovery and the use of low-solar and low-solar match schedules. Lowest possible ambient temperature, especially in games played in zones of moderate to high relative humidity.

Whereas what happened in the Spanish La Liga was a natural candidate for our goal. First note that Spanish clubs were among the most extravagant when it came to spending on salaries and compensation costs. Table 1 shows the two highest ranking wages awarded in Europe in 1999 and of the largest compensation costs ever paid. Second, Spanish clubs were not yet present on the stock market, contrary to English clubs for example, and this may have a significant impact on club policy. Apart from being a

source of finance, the stock market also acts as a limit on expenses and losses because the club was responsible for its shareholders. In

Spain, an assembly of people who support a team usually elects the club president. As these people pay more attention to sportsmanship than profits, it seems that non-pecuniary results are very important in prize grading for Spanish clubs, exacerbating rental searches. Indeed, the club president was pressured to raise the level of spending to register the best players. Therefore, this particular context fits perfectly into our study.

Another attractive characteristic of the Spanish industry may lie in the fact that the ethnic and cultural pride of some of its clubs reinforces competitive and even aggressive behavior on the demand side of the workforce. Therefore, the team's performance assumes a special importance, as a matter of nationalist pride, thereby enhancing rental assessments and the associated rates of lease-seeking expenditure. Finally, the Spanish professional league appears to have fully completed the Bosman revolution as it was one of Europe's most open leagues internationally: In 1999, only 61% of players were Spanish national. As a result, some of the best European and non-European players take part in the Spanish competition, which was perhaps the strongest in Europe.

In Indonesia, we have a League, namely the Indonesian League 1. During the Covid-19 Pandemic, this league was deactivated. Even though the League 1 competition has long been awaited, football fans, sponsors and the general public can experience disappointment. The reason is that the National Police has just announced that there is no permit for League 1 and League 2 match activities. The running of competition during the Covid-19 pandemic has resulted the league does not become a new cluster for the spread of Covid-19.

A solution model is needed so that the financial crisis does not occur in football clubs in organizing football management. One

of them is to form a cooperation model with synergy between sponsors, government, clubs and also the media in making innovations in broadcasting League 1 during the Covid-19 pandemic. So that the synergy pattern of the researcher's solution based on the comparison results is as follows:

**Figure 1: Synergy of League Cooperation during the Covid-19 Pandemic**



Sources: Researcher

In the concept of synergy in the case study of football, the researcher analyzed based on the results of the comparison that there must be synergy between the league club in collaboration with the football federation, in this case PSSI as an organization. It requires the role of the media in online platform about sports broadcasts in every match. And also the role of sponsors as an important element in the synergy for the running of the league event during the Covid-19 pandemic. Apart from PSSI, League Clubs, Sponsors and Media, there is the role of the government as a policy maker, in this case the Ministry of Youth and Sports, the Ministry of Finance, and the Ministry of Tourism. With this synergy, the researchers are sure that the Indonesian league can be held, by still seriously implementing the standard Health protocol.

**Conclusion**

The league events actually can still be carried out, with the condition by taking serious the health prototype such as organizing the swab test for all players and

people in charge and also maintaining a distance according to the restriction protocol. In carrying out matches, the leagues are held without spectators, with this, the match will continue to be organized, both in the primary league and in the Champions League. This method is a form of innovation for clubs and federations in maintaining management and coordination with sponsors and media organizers who continue to broadcast the leagues in Europe. This is a comparison in Indonesia so that the leagues in Indonesia remain organized. It is also necessary in cooperation with relevant ministries and the private sector in building cooperation.

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