

The University of San Francisco

## USF Scholarship: a digital repository @ Gleeson Library | Geschke Center

---

Sport Management

College of Arts and Sciences

---

2020

### Team Peru Olympic Decision- Making during Covid-19

Michael Goldman

Raul A. Rosales Zavaleta

Gustavo A. Martín Castillo

Shaun Read

Follow this and additional works at: <https://repository.usfca.edu/sm>



Part of the [Sports Management Commons](#)

---

# Team Peru Olympic Decision-Making during Covid-19

*Michael M. Goldman, Raul A. Rosales Zavaleta,  
Gustavo A. San Martín Castillo and Shaun Read*

---

The global spread of the Covid-19 pandemic in early 2020 impacted all 206 states set to compete in the Games of the XXXII Olympiad, originally scheduled to be hosted in Tokyo from July 24 to August 9, 2020. Even before the Olympic and Paralympic Games Tokyo 2020 were postponed to 2021, many of the National Olympic Committees were faced with government-imposed international and domestic travel restrictions, bans on qualifying competitions and tournaments, and even suspected infections among athletes qualified to compete in the Games. Within this environment of substantial uncertainty, national leaders of the Olympic movement were under pressure to make high-stakes decisions, which were time-sensitive, posed significant risks, and required consequential decisions. This chapter examines the decision-making of the leaders of Peru's Olympic administrative structures during 2020.

### **Managerial decision-making**

The primary role of managers in an organization is to make decisions, which often substantially impact the performance of the organization and the achievement of its purpose (Francis-Smythe, Robinson, & Ross, 2013). A variety of decision-making models have been developed, which are broadly grouped into bounded rationality, political, and garbage can perspectives (Wright et al., 2016). In the bounded rationality model, managers view decisions as a systematic process of correctly identifying the problem, developing a set of alternative solutions, and applying a criterion to these alternatives to select the most appropriate solution. Unfortunately, incomplete information or limited human cognition may see decision-makers settling for satisfactory, rather than optimal, solutions. In the political model, decisions are the result of a bargaining process based on competing interests in the organization. In the third model, described as “organized anarchy,” problems and solutions meet up on a random basis, as if found in a “garbage can” (Wright, p. 162). Of the three groupings, bounded rationality is normally advocated as the model that decision-makers should adopt (Francis-Smythe et al., 2013). Within sport management, Parent (2010) found that in an organizing committee for a mega-event, the same group of decision-makers moved between

AU: I had to cut some word here, as only a maximum of 42 characters is allowed. Please confirm the new version is ok; if not, make a suggestion!

the three decision-making groupings over time, with the parameters of time (or the lack thereof), context and resources framing their decision-making. As noted by Parent, control over decision-making was shown to become more constrained as the event in question approached, resulting in decisions being made that used only readily-available information, lower levels of stakeholder engagement, and more on-the-ground decision-making.

The importance of available information is reinforced by evidence-based management (EBM), which is an extension of the bounded rationality model of decision-making (Wright et al., 2016). The success of evidence-based management in medicine has inevitably led to the evidence-based approach to decision-making being adopted in other arenas of decision-making (Morrell, 2008). Whilst the use of research evidence in decision-making processes is not new, Rousseau (2006) bemoaned the fact that managers ignored evidence available to them, in favor of factors such as personal experience and teachings from business books. Managers have been found to ignore the best evidence available to them for the same reasons that some doctors ignore clinical evidence, namely reliance on personal judgment and experience (Pfeffer & Sutton, 2007). Proponents of EBM advocate that this model can be used to close the gap between research and practice, and allows decision-makers to bring the best evidence to bear on their decisions (Rynes, Giluk, & Brown, 2007).

However, EBM is not without its critics (Morrell, Learmonth, & Heracleous, 2015). Even the most successful manifestations of evidence-based practices in the medical field have been criticized (Learmonth & Harding, 2006). Opponents of EBM have also cast doubt on whether or not the rapid changes in organizations lend themselves to EBM (Reay, Berta, & Kohn, 2009), and have questioned the quality of “evidence” used in EBM (Morrell, 2008). Specifically, critics argue that the proponents of EBM ignore two important elements of evidence-based practice: 1) the judgment of the manager and 2) the individual context to which evidence-based practice is to be applied. For this reason, they contend, the definition of evidence needs to be expanded beyond the realm of academic research (Morrell; Wright et al., 2016). Further research has indicated that managers seek answers rather than evidence, gather information from stakeholder engagement, and use their own intuition to arrive at a decision (Dane & Pratt, 2007; Martelli & Hayirli, 2018). Briner, Denyer, & Rousseau (2009) responded to this critique by providing a definition of evidence-based management that consists of four sources of information: 1) practitioner expertise, experience and judgement; 2) the local context, organizational actors, and circumstances; 3) an evaluation of the best available research evidence; and 4) the perspectives of stakeholders who may be affected by the decision. This scholarly debate calls for further research on the sources of information that managers use to make decisions, as well as the process they use to arrive at a decision (Francis-Smythe et al., 2013). In addition to the rapid organizational changes that make decision-making more difficult, more volatile environments, such as the global spread of the Covid-19 pandemic, can make information “inaccurate, obsolete, and/or unavailable” (Parent, 2010, p. 293).

### **The case of Team Peru**

Peru had officially participated in 17 Summer Olympic Games and two Winter Olympic Games prior to 2020, having won a total of four medals. By March 15, 2020, 23 Peruvian athletes had qualified for the Olympic and Paralympic Games Tokyo 2020, and were part of the country's Athlete Support Program (Programa Apoyo al Deportista [PAD]). The program is funded through grants from the Peruvian Institute of Sport (Instituto Peruano del Deporte [IPD]), which is the governing body of Peru's national sports system and attached to the Ministry of Education in the national government. Peru recognized 61 National Sports Federations, as well as the National Paralympic Association.

Team Peru was selected as the case for this research, as it represents a typical case of national Olympic decision-making in an emerging market context, and where access to key informants provided in-depth access to the organization. For these reasons, the case selection process met Yin's (2003) rationale for a single case design when it is a "revelatory case" (p. 42) that enables the researcher to describe and analyze a situation that reveals deeper information about the phenomenon. In addition, Stake (1995) suggested that a case study design is best when issues are not simple, but "intricately wired to political, historical, and especially personal contexts" (p. 17), as is the context of an emerging market such as Peru.

This case analysis of the way in which Covid-19 impacted decision-making within Team Peru included multiple semi-structured interviews with three leaders of the Olympic movement in Peru: Carlos Manuel Lazarte Labarthe, Secretary General of the Peru Olympic Committee; Gustavo San Martín Castillo, President of the Peruvian Institute of Sport; and Gonzalo Castillo Guzmán, President of the Badminton Federation of Peru. In addition, the case analysis included multiple secondary sources to triangulate the data. Following Miles and Huberman (1994), the interviews were recorded, transcribed, and then coded and analyzed to draw conclusions regarding the themes observed in the data. The qualitative data analysis consisted of four concurrent flows of activity, including data reduction, data display, conclusion drawing, and verification. As the iterative data analysis process continued, more explanatory pattern codes were used during periodic rereading of coded transcripts. Basit (2003) argued that coding allows researchers to communicate and connect with data to comprehend the "emerging phenomena" (p. 152), and to generalize theory grounded in the data.

### ***Nature of decisions***

One of the earliest decisions Team Peru needed to make was about their athletes competing, or preparing to compete, in Olympic qualifying events around the world. By March 20, 2020, 43% of the available places at Tokyo 2020 for the world's athletes had been filled, although qualifying events were being canceled daily (McKnight, 2020). The Badminton World Federation, for example, had

canceled the last five qualification tournaments in March 2020 due in part to “heightened travel and quarantine restrictions and the subsequent extreme logistical complications” (Reuters, 2020, para. 10). Castillo Guzmán was focused on canceling national and regional badminton tournaments and handling the repercussions of canceled international events, while San Martín Castillo was involved in behind-the-scenes calls with international contacts to gauge which events were likely to be affected. Lazarte Labarthe described the implications of these cancellations and travel restrictions on athletes:

We had to reprogram some of the traveling for some of these athletes, but some of them were actually caught up trying to travel and they had to come back ... a high-level competition athlete has everything programmed precisely on time ... the peak moment for an athlete is quite difficult to achieve, so they plan exactly to be at their peak around the Olympics calendar.

The Peruvian Olympic Committee coordinated with the federations to identify Peruvian athletes abroad, who they felt needed to return to the country. The Olympic Committee had the support of the Peruvian Foreign Ministry to include the athletes in humanitarian flights, and even accommodated some in embassy facilities. Athletes were repatriated from Ecuador, Canada, and Cuba, amongst others (Loayza, 2020). As José María Lúcar, a Peruvian boxing athlete commented:

We were at the gates of the pre-Olympic in Buenos Aires and with the boxing delegation we already had two weeks in Argentina, and with one week left everything is canceled. We returned to Peru two days before the closing of the border.

(IPD, 2020, para. 6)

A second set of decisions related to the financial implications of postponing the Olympics. The leadership of Team Peru recognized the expected negative impact on government budgets for high performance sport as a result of the competing health priority. Lazarte Labarthe acknowledged: “We are going to expect budget reductions, that’s for sure. All of the governments will, little by little, refocus what they think is less important and redirect that towards either health administration or the recovery of their own economies.” To mitigate this likely reprioritization away from sport, the IPD ring-fenced existing allocations into 2021. The IPD’s San Martín Castillo described the funding decision as creating a “safety box for the athletes, to secure their programs, secure their money, and secure their preparation for the games.”

By mid-March, the official statement from the International Olympic Committee (IOC) was that Tokyo 2020 was still planned for this year, although many in the Olympic movement believed that a postponement was imminent. In Peru, Lazarte Labarthe was concerned about the travel expenses already incurred

for athletes and trainers, and the risks associated with not receiving reimbursements: “Some of this money actually is a budget that comes from the government, which is quite strict in the way that you need to spend money in a tournament sanctioned by a federation.”

Thirdly, the leadership of Team Peru needed to decide how to manage the terms of office of elected officials, as these terms are legally tied in Peru to a four-year Olympic cycle. Lazarte Labarthe described the “big political uncertainties” resulting from the postponement of Tokyo 2020 to 2021, essentially creating a five-year cycle. The resulting conflict between Peru’s government regulations of a four-year term, and the likely five-year Olympic cycle, could see new National Federation officials change the athletes receiving support for the Olympics in 2021, and be out of synchronization for future Olympic events. San Martín Castillo confirmed the “sensitive” nature of this “political issue more than a sport issue.”

In summary, Team Peru made travel and logistical decisions, financial and budget-related decisions, and political and governance decisions as a result of the Covid-19 pandemic. The first two types of decisions were more reactive due to the urgency of the issues, while the latter was more proactive given the number of months available to resolve the legal conflicts and potentially host elections for each National Federation.

### **Sources of information**

The leadership of Team Peru needed to balance the uncertainty, lack of any precedent, and lack of information with the need to make decisions. Our analysis found evidence of three of the four sources of information that Briner et al. (2009) defined: practitioner expertise, local context and circumstances, and stakeholders.

#### ***Practitioner expertise***

At the beginning of February 2020, Lazarte Labarthe participated in a meeting of the National Federations, and recalls being confident that the Olympics were going to be postponed: “I basically told them – I am now 100 percent sure that these are not going to happen ... of course, a lot of them were hesitant, saying no, no, we need a formal communication.” In this way, Lazarte Labarthe was relying on his own personal experience, as well as his reading of the likely implications of the cancellations of qualifying and other events, believing that “these are not isolated cases.”

The management legacy of hosting the Pan American Games in 2019 provided a strong foundation of expertise and experience, which the decision-makers drew on. For San Martín Castillo, his involvement leading the regional event ensured that he was given “a lot of respect and support,” and provided a “web of relationships” that he could work with. For Lazarte Labarthe, the uncertainty of

the Covid-19 situation resulted in more informal than formal scenario planning about the coming months. He argued: “We know this, we have it in our heads. We are thinking about it. Everybody's aware of it, but we are not making a formal ABC scenario and putting a percentage of probability to each of the different scenarios.”

Within the Badminton Federation, Castillo Guzmán drew on his professional experience outside of sport to navigate the uncertainty and make decisions, “since these decisions are also based on professional experiences ... [I] know how to manage and move forward without neglecting the sport or its members.” He formed and led a Badminton Crisis Committee, which included the Head of the Technical Unit, the Head Coach, and the Federation Administrator.

These examples reinforce the important role of practitioner expertise in making decisions during periods of uncertainty, when the manager believes the situation or decision is unique.

#### *Local context and circumstances*

Decision-makers in Peru's Olympic movement relied more on local information than international practices during this period. San Martín Castillo explained his caution regarding information from countries or regions that were dissimilar to Peru when he argued, “When someone comes to me and says – look, this is the way they do it in Germany or that's the way they do it in Singapore or even in China, that is not our reality ... the reality is sometimes very, very different.”

One of the local circumstances facing San Martín Castillo and his colleagues was the negative impact on tourism from the Covid-19 pandemic. By 2020, travel and tourism contributed to around 10 percent of Peru's economic activity. The potential tourism contribution from investing in hosting upcoming sporting events influenced San Martín Castillo's financial allocation decisions, beyond the direct considerations of sport:

Hosting the event would involve bringing more than 1,000 athletes from all over the world to Lima, which implies a lot of money in tourism, in hotels, in food, in taxes, bringing more fresh money to our economy, and is good exposure for the country.

San Martín Castillo's position within the government enabled access to the Minister of Tourism and other officials, so that decisions were aligned to the organizational context. The local circumstances of Peru's extended quarantine also influenced decision-making. Castillo Guzmán and his Badminton Federation staff continued to work remotely, including preparing an annual financial audit electronically, although contingency plans were put in place for the athletes' physical and mental training and support. Decision-making meetings and communications were adjusted to take the local Covid-19 context into account. For example, San Martín Castillo restructured his large management meetings to a smaller number of

executives on regular video calls, and hosted shorter large online gatherings “with 15 people maybe not all talking at the same time or not participating, but at least know the decision so they can be able to implement it later.”

#### *Evaluating external evidence*

Although San Martín Castillo and Lazarte Labarthe were part-time instructors at a local university, they were cautious about the use of academic research as a source of information to assist their current decision-making. San Martín Castillo believed that external evidence was less helpful “in this particular situation, because it’s unique. The first time ever we have a situation like that. I think around the world.” He was concerned about the quality of some local research, as well as the generally limited amount of quality sport management research in Spanish.

San Martín Castillo and Lazarte Labarthe reflected on the importance of written documentation, although they acknowledged that comprehensive and continuous record-keeping was difficult in the Peruvian context. Lazarte Labarthe discussed the difficulties of accessing physical documents during the quarantine in Lima in March and April, while San Martín Castillo shared his experiences of having to keep his own physical and digital records:

Really many, many occasions I have been hired in a new position and I go back to the computer of the people who was in my position before, and was totally blank. They took all the files away. When I complain, they always say – well, it was my work, so it’s mine.

The leadership of Team Peru therefore did not rely on external evidence to inform their decision-making, arguing that the evidence was less relevant to the current set of decision. In this way, the decision-makers’ critical judgment was that the external evidence was not available and/or applicable to the situation.

#### *Stakeholders*

Our analysis found that the leaders of Team Peru relied heavily on information from stakeholders, including athletes, the government, and the leaders of the National Federations. The athletes felt positively about the decisions taken, although their views of the implications of those decisions were mixed. For example, María Belén Bazo, a national windsurfing athlete, was positive about the rescheduling of the Olympics: “It benefits me a lot. One more year of training is key for me, I will continue training a lot, keep improving and give everything to reach the best in the world” (Deportes, 2020, para. 3–4). The situation facing athletes such as Pan-American Games gold medalist, Gladys Tejeda, who would be almost 36 years old at the Olympic Games in 2021, was more uncertain. Pedro Del Rosario Delgado, President of the Peruvian Olympic Committee,



expressed concern about “several athletes who are no longer going to arrive next year, who prepared specifically for Tokyo 2020 as the end of their sports cycle and are no longer coming, people who are bordering on ages where the competition is toughest” (Loayza, 2020, para. 8). The importance of athletes as stakeholders in decision-making was also emphasized by the Badminton Federation’s Crisis Committee, which was “constantly motivating athletes and their families to continue with their training, thanking the support that family and athletes give to the sport, motivating them, etc.”

The Peruvian government was reported to be against Team Peru participating in the Olympics in 2020, given the risks related to Covid-19. A local newspaper quoted a government source stating: “If the date of the Olympics is maintained and there are no health guarantees in Asia, the focus where the pandemic began, the Government’s indication will be not to expose our athletes” (Libero, 2020, para. 8). As head of the IPD, San Martín Castillo represented the government in Team Peru discussions and decisions with the Peru Olympic Committee and National Federations. For example, when considering the local political decision related to the Olympic cycle, San Martín Castillo emphasized that the IPD was “the maximum responsible for sport in Peru,” and that the “government point of view is supposed to be the most important.” When discussing the success of the Lima 2019 Pan American Games, San Martín Castillo pointed to the “total support of the government ... because it was a country issue.”

The leadership of Team Peru judged the influence of the National Federations to be important. As discussed, the political decisions related to Peru’s Sport Law and the Olympic cycle created substantial uncertainty. San Martín Castillo reflected on the “kind of consensus between all of the federations” needed to avoid “people arguing in the media about the decision.” As found in other countries, San Martín Castillo suggested that some National Federation officials “want to develop the sport, but they also want to have some kind of presence in the political sport point of view, and if they have the resources that the government gives them they can use them to be in the spotlight.” In addition, information from other countries’ national federations was used to make decisions. Castillo Guzmán drew on “video conferences with the presidents of the Federations of 15 countries in South America,” while Lazarte Labarthe was influenced by “all of the Olympic movement and especially within the Americas and Peru.”

## Conclusion

This chapter examined the decision-making practices of the leaders of Team Peru in early 2020. Within this uncertain environment, their sport leadership decision-making demonstrated how three of the four sources of information that Briner et al. (2009) highlighted were used. The research suggests that decision-making during the Covid-19 pandemic was based on factors other than possible research or external evidence. In this way, the case study analysis supports the emphasis on management judgment and context, and the varying importance of each of

the four elements of evidence-based practice for each situation and decision, and that the definition of “evidence” needs to be expanded beyond the realm of academic research (Morrell, 2008; Wright et al., 2016). This research also provides evidence of national Olympic leadership decision-making with respect to travel logistics, finances and governance issues as a result of the Covid-19 pandemic.

Sport industry leaders can draw specific guidance from this research. Firstly, the case analysis points to the importance of drawing on multiple sources of information in decision-making. This chapter demonstrates the relative importance of each of the four elements of evidence-based management, and finds evidence for the relevance and applicability of this bounded rationality model of decision-making, even in a unique or unprecedented situation. Specifically, managerial decision-making should take place at the intersection of practitioner expertise, local context and circumstances, external evidence, and stakeholders.

## References

- Basit, T. N. (2003). Manual or electronic? The role of coding in qualitative data analysis. *Educational Research*, 45(2), 143–154.
- Briner, R. B., Denyer, D., & Rousseau, D. M. (2009). Evidence-based management: Concept cleanup time? *Academy of Management Perspectives*, 23(4), 19–32. doi:10.5465/amr.2009.45590138.
- Dane, E., & Pratt, M. G. (2007). Exploring intuition and its role in managerial decision making. *Academy of Management Review*, 32(1), 33–54. doi:10.5465/amr.2007.23463682.
- Deportes. (2020, March 24). *María Belén Bazo: “We athletes agree with the postponement of Tokyo 2020”*. Retrieved from <http://movistardeportes.pe/noticias/maria-belen-bazo-lo-s-deportistasestamos-de-acuerdo-con-la-postergacion-de-tokio-2020-21276#1>.
- Francis-Smythe, J., Robinson, L., & Ross, C. (2013). The role of evidence in general managers decision-making. *Journal of General Management*, 38(4), 3–21. doi:10.1177/030630701303800402.
- IPD. (2020, April 28). *José María Lúcar: “We crowd this coronavirus”*. Retrieved from <http://www.ipd.gob.pe/noticias-federaciones/jose-maria-lucar-a-este-coronavirus-lo-no-queamos-todos>.
- Learmonth, M., & Harding, N. (2006). Evidence-based management: The very idea. *Public Administration*, 84(2), 245–266. doi:10.1111/j.1467-9299.2006.00001.x.
- Libero. (2020, March 19). *Last minute! Peruvian participation in Tokyo 2020 is in danger if there are no guarantees for coronavirus*. Retrieved from <https://libero.pe/deportes/1546503-tokio-2020-clasificados-peru-gobierno-dejaria-vayan-coronavirus-asia-juegos-olimpicos-covid-19-japon-facebook>.
- Loayza, D. F. (2020, March 24). *How does the postponement of the Tokyo Olympics impact Peruvian sport?* RPP. Retrieved from <https://rpp.pe/multideportes/juegos-olimpicos/coronavirus-tokio-2020-como-impacta-la-suspension-hasta-el-2021-de-los-juegos-olimpicos-para-el-deporte-peruano-covid-19-noticia-1253775?ref=rpp>.
- Martelli, P. F., & Hayirli, T. C. (2018). Three perspectives on evidence-based management: Rank, fit, variety. *Management Decision*, 56(10), 2085–2100. doi:10.1108/md-09-2017-0920.

- McKnight, M. (2020, March 20). Coronavirus and the U.S. Olympic qualifying conundrum. *Sports Illustrated*. Retrieved from <https://www.si.com/olympics/2020/03/20/coronavirus-us-olympic-team-qualifying-events-beach-volleyball>.
- Miles, M., & Huberman, M. (1994). *Qualitative data analysis: An expanded sourcebook*. Thousand Oaks, CA: Sage.
- Morrell, K. (2008). The narrative of 'evidence based' management: A polemic. *Journal of Management Studies*, 45(3), 613–635. doi:10.1111/j.1467-6486.2007.00755.x.
- Morrell, K., Learmonth, M., & Heracleous, L. (2015). An archaeological critique of 'evidence-based management': One digression after another. *British Journal of Management*, 26(3), 529–543. doi:10.1111/1467-8551.12109.
- Parent, M. M. (2010). Decision making in major sport events over time: Parameters, drivers, and strategies. *Journal of Sport Management*, 24(3), 291–318. doi:10.1123/jsm.24.3.291.
- Pfeffer, J., & Sutton, R. I. (2007). Evidence based management. *Public Management*, 89(8), 14–25.
- Reay, T., Berta, W., & Kohn, M. K. (2009). What's the evidence on evidence based management? *Academy of Management*, 23, 5–18.
- Reuters. (2020, March 20). *Olympic qualifying events called off due to coronavirus*. Retrieved from <https://www.reuters.com/article/us-health-coronavirus-badminton/olympic-qualifying-events-called-off-due-to-coronavirus-idUSKBN2171RR>.
- Rousseau, D. M. (2006). 2005 Presidential address: "Is there such a thing as 'evidence based management'?" *Academy of Management Review*, 31(2), 256–269.
- Rynes, S. L., Giluk, T. L., & Brown, K. G. (2007). The very separate worlds of academic and practitioner periodicals in human resource management: Implications for evidence-based management. *Academy of Management Journal*, 50(5), 987–1008. doi:10.5465/amj.2007.27151939.
- Stake, R. E. (1995). *The art of case study research*. Thousand Oaks, CA: Sage.
- Wright, A. L., Zammuto, R. F., Liesch, P. W., Middleton, S., Hibbert, P., Burke, J., & Brazil, V. (2016). Evidence-based management in practice: Opening up the decision process, decision-maker and context. *British Journal of Management*, 27(1), 161–178. doi:10.1111/1467-8551.12123.
- Yin, R. K. (2003). *Case study research: Design and methods*. Thousand Oaks, CA: Sage.