GeoJournal of Tourism and Geosites
ISSN 2065-1198, E-ISSN 2065-0817

Year XVI, vol. 51, no. 4spl, 2023, p.1645-1654
DOI 10.30892/gtg.514 spl06-1161

THE IMPACT OF FINANCIAL MANAGEMENT TOOLS ON TOURISM COMPANIES IN THE POST-COVID ENVIRONMENT

Catan PETRU*
University of European Studies of Moldova, Kishinev, Moldova,
e-mail: researchers2205@gmail.com

Aliona LÎSÎI
Economic Sciences Faculty, University of European Political and Economic Studies ”Constantin Stere”, Kishinev, Moldova, e-mail: lisiilion@gmail.com

Sofia SCUTARI
“Business Administration, Marketing and Accounting” Department, University of European Political and Economic Studies ”Constantin Stere”, Kishinev, Moldova, e-mail: sscutari453@gmail.com

Ludmila FRUMUSACHI
“Business Administration, Marketing and Accounting” Department, University of European Political and Economic Studies ”Constantin Stere”, Kishinev, Moldova, e-mail: millasachi8915@gmail.com

Georgeta MELNIC
“Accounting, Auditing and Economic Analysis” Department, Academy of Economic Studies of Moldova, Kishinev, Moldova, e-mail: georgettamel@gmail.com

Citation: Petru, C., Lîsîi, A., Scutari, S., Frumusachi, L., & Melnic, G. (2023). THE IMPACT OF FINANCIAL MANAGEMENT TOOLS ON TOURISM COMPANIES IN THE POST-COVID ENVIRONMENT. *GeoJournal of Tourism and Geosites*, 51(4spl), 1645–1654. https://doi.org/10.30892/gtg.514spl06-1161

Abstract: This research focused on the financial management of tourism companies in Moldova during the post-Covid period, highlighting its critical role in ensuring business sustainability and stakeholder value creation in times of crisis. The aim of the paper is to determine the impact of financial management practices on the development of tourism companies of Moldova in post-Covid period in terms of short- and long-term financial management. The study employed the methods of financial analysis to identify the peculiarities of financial management of tourism companies of Moldova in the post-Covid period. The methodological framework of the analysis is the method of analyzing financial ratios from four groups: ROA; Debt/Equity; Liquidity; EBITDA Margin, Profit Margin. Key financial indicators for 2022 showed improvements: ROA increased to 2.1%, the Debt/Equity ratio improved to -2.8 times, liquidity management normalized to 1.7 times, EBITDA Margin rose to 32.1%, and Profit Margin to 6.9%. Practical significance of this study lies in its provision of a direct, applicable set of short-term and long-term financial management strategies for tourism companies during the economic recovery phase post-pandemic. Prospects for further research are to study both financial and market factors influencing the practice of financial management in the post-Covid period and adaptation as part of the economic recovery after the pandemic.

Key words: financial management, post-Covid environment, sustainability, Return on Assets, working capital, liquidity, stakeholder

* * * * * *

INTRODUCTION

The coronavirus pandemic caused a large-scale crisis entailing a wide range of socio-economic consequences. Different groups of economic agents suffered significant financial losses as a result of the crisis. The pandemic caused not only a general decline in economic activity in the world, but also had more specific manifestations. The economic recovery in the post-Covid period is a separate challenge due to the significant impact of the pandemic. Accordingly, companies from various sectors of the economy found themselves in a difficult situation in the post-Covid environment. Their specifics determined varying degrees of influence on different sectors and branches of the economy. The mentioned consequences are diverse, for example: a drop in the purchasing power of households, depressed consumer expectations, reduced passenger traffic, restrictions on physical contact, negative news background and many others. The above-mentioned consequences have a negative impact on the state of the tourism sector, which is a key component of the service sector.

Small and medium-sized companies are under specific pressure from exogenous and endogenous environmental factors due to their limited resources and low market power compared to large companies. This puts companies in the tourism sector in a difficult position. Their management faces the task of preserving the company itself, as well as the value created

* Corresponding author

for stakeholders. Adequate financial management in the post-Covid environment is key to ensuring the achievement of these goals. Adequate financial management enables assessing the current financial condition of the company, potentially threatened areas in the context of financial management, and the effectiveness of the company's actions on the market. Achieving short- and long-term results in the field of financial management is important not only for the company's management, but also for its stakeholders, which allows them to be convinced of the company's health and its future prospects. In this context, the specifics of financial management decisions for tourism companies in the post-Covid environment require detailed study. The aim of the article is to analyse peculiarities and challenges in financial management faced by tourism companies during the pandemic, the subsequent recovery phase, and the proposed measures for improvement. The aim involved the fulfilment of the following research objectives:

- carry out an analysis of the financial status of a sample of tourism companies of Moldova;
- propose the ways of improving the practice of financial management of tourism companies of Moldova in the post-Covid environment.

LITERATURE REVIEW

There is a significant number of studies on the economic essence of the crisis caused by the pandemic and the post-Covid period, the resulting socio-economic consequences and the impact on different economic agents, in particular, tourism companies. Hanifah et al. (2023) indicate a significant relationship between risk management, investment decisions, and firm value during this period, underscoring the importance of strategic decision-making in times of crisis. Arango et al. (2023) provide a localized view of the pandemic's impact on tourism, emphasizing stakeholder perceptions in a specific geographic context. Seshadri et al. (2023) offer marketing solutions tailored to the unique challenges and opportunities emerging in the UAE's tourism industry after the pandemic. Gu (2023) focuses on the financial implications of a global health crisis on a major industry in one of the world's largest economies. From the perspective of financial losses for business as a result of the crisis caused by the pandemic, Anderson et al. (2020) notes the significant destructive impact of both the pandemic itself and the socio-economic consequences that rise during the crisis. This is explained not only by the force of destruction directly caused by the pandemic, but also by the factor of deep integration and interconnection of various companies, industries, markets, and countries, which has lasted for the past decades. Gourinchas (2020) emphasises the fact that economic agents are strongly interconnected in the globalized world. This is the reason why the established relationships are destroyed during a crisis, paralyzing the functioning of economic sectors. The damage was also caused at the micro level – the pandemic worsened the company's financial condition, as the vast majority of companies faced decreased sales and increased liabilities (Devi et al., 2020; Alviana and Megawati, 2021).

It should be understood that the crisis caused by the pandemic is significantly different from more traditional socio-economic crises by its nature and range of socio-economic consequences. This thesis is supported by Gills (2020) regarding the fundamental change of the development paradigm as a result of the pandemic. Lewandowsky et al. (2021) finds both challenges and opportunities in the context of transformation during the pandemic-related crisis. Some researchers — Song et al. (2021) and Ding et al. (2021) — suggest that the socio-economic crisis caused by the pandemic is fundamentally different from past crises in terms of its causes, scale, and severity of consequences. This thesis is further confirmed by the fact that the study of the socio-economic consequences of the pandemic is a complex interdisciplinary task that cannot be fulfilled by applying only one field of knowledge (Wen et al., 2020). The industries that were open to globalization and were the main drivers of accelerating economic growth suffer particularly hard as a result of the pandemic. McCabe and Qiao (2020) notes that the tourism sector has a significant contribution to global economic development and is a leading sector that creates jobs in all regions of the world. In turn, Novelli et al. (2018) emphasises that the tourism sector is vulnerable to numerous environmental, political, socio-economic risks. A UNWTO study (2020) notes that the impact of the pandemic on the tourism sector will not be uniform across time and space, with financial losses already amounting to $1.2 trillion in export earnings and 120 million lost jobs in the industry as of September 2020.

The tourism sector is significantly limited in its development as a result of the pandemic, which has a negative impact on the economy as a whole. The negative consequences of the crisis most affected the tourism sector in developing countries, in particular, in the Southeast Asian region (Rassanjani et al., 2021). Different countries of the world suffer from the consequences of the pandemic for the tourism sector. In Bangladesh (Rahman et al., 2021), the tourism sector is one of the significant drivers of the national economy, where the pandemic has caused unemployment among workers in the hotel industry. In Iran (Masaeli et al., 2022), the pandemic and its impact on the tourism sector are considered through the reduction of economic activity in related sectors of the economy. In Spain (Araújo et al., 2021), the pandemic prompted significant changes in the management practices of the tourism companies. In South Africa (Nyawo, 2020), the problem of ensuring the functioning of the tourism sector during the pandemic is considered at the national level. In particular, there are significant reductions among hotel workers under the influence of the pandemic (Joanna, 2021).

Hall et al. (2020) notes that socio-economic crises did not become a turning point in the development of the tourism sector before the pandemic. In this context, Gills (2020) notes that the pandemic will be a point of transformation that will lead to significant changes in the world. A revision of the development paradigms that prevailed before the pandemic will be one of such drivers of changes in views on the prospects for the development of the tourism sector (Ioannides and Gyimóthy, 2020; Higgins-Desbiolles, 2020). Skare et al. (2021) deals with the problem of the impact of the pandemic on the tourism sector, studying the significant destructive impact of the crisis on the sector. The researcher proposes the introduction of a private-public partnership in order to support it, as well as provides suggestions for the development of new risk management methods in order to overcome the consequences of the crisis in the sector.

There are a number of studies on the impact of the economic crisis on the specifics of financial management of companies depending on the industry and size. In particular, Eggers (2020) concludes that small and medium-sized companies are more affected by the pandemic than large companies. Eggers (2020) explains this by the unfavourable position of a small company as such in a crisis period, as well as the lack of resources in small and medium-sized companies. Eggers (2020) suggests ways to overcome economic downturns in terms of finance, strategy and institutional environment. Dimson et al. (2020) studies a sample of small and medium-sized companies from 5 European countries (Great Britain, Spain, Italy, Germany, France) and shows that the vast majority of analysed small and medium-sized companies report a decrease in their revenues. In Great Britain, Italy, and Spain, the decrease in their incomes is approximately 30-33%, while in Germany and France — 23% and 27%, respectively. Another study conducted by Kalemli-Ozcan et al. (2020) based on the data from companies from 17 countries estimates an increase in the bankruptcy rate of small and medium-sized companies by about 9 percentage points in the context of the pandemic. Kalemli-Ozcan et al. (2020) notes that the tourism sector is one of the most affected sectors of the economy.

One of the key consequences of the current crisis at the micro level is the deterioration of the financial condition of companies. In this context, Mirza et al. (2020) conducted a study of the impact of the pandemic on the solvency of a sample of non-financial companies listed on the stock exchange in 15 EU member states. Mirza et al. (2020) identified the problem of the growth of the risk of bankruptcy of companies because of the fall in their market capitalization. Moreover, Rizvi et al. (2020) assesses the impact of the Covid-19 crisis on the market valuation of non-financial companies in 10 EU member states using a stress-testing scenario. Rizvi et al. (2020) uses a sample of non-financial companies listed on the stock exchange, and based on the results of the analysis shows significant losses in terms of market valuation results obtained in all sectors of the economy. Among the key drivers, Rizvi et al. (2020) names a possible decline in sales and an increase in the cost of equity capital. Rizvi et al. (2020) estimates that medium-sized enterprises in some sectors of the economy can lose up to 60% of their estimated value in a one-year period because of the crisis caused by the Covid-19 pandemic.

Accordingly, companies had to change their approaches to financial management against the background of the atypical course of the current crisis. Gadelius and Larsson (2019) notes that as a result of the crisis, the approach to working capital management, which is considered by management as a tool for increasing the company's profitability, has changed. Salehi et al. (2019) also noted the importance of short-term financial management during a crisis, where managerial decisions regarding working capital are considered as a critical component of improving the financial condition of a company in a crisis period. In turn, Chang (2019) notes that, erroneous management decisions regarding working capital made during a crisis period can lead to significantly negative consequences for the company because of the loss of liquidity.

Mullins (2020) offers a set of tools that are easy to use and support effective cash flow management in the context of effective financial management during a crisis. Mullins (2020) argues that the need for working capital must be financed by both internal and external resources (using leverage) that can be raised in the long run. Mullins (2020) notes that a company's financing decision affects its overall performance. For this reason, companies should deeply study the positive and negative aspects of each method of financing their activities. Studying the problems of financial management in the post-Covid environment is of particular importance at the current stage. Schillig (2021) points to the importance of building a sustainable relationship between public policy aimed at exiting the crisis caused by the pandemic and micro-level financial management. Tokbolat and Le (2022) point to the importance of adequate financial management during the post-Covid stage to restore sustainable business growth. Crook (2022) suggests taking into account the context of post-Covid business environment in business planning, including in the investment policy of companies of the post-Covid crisis.

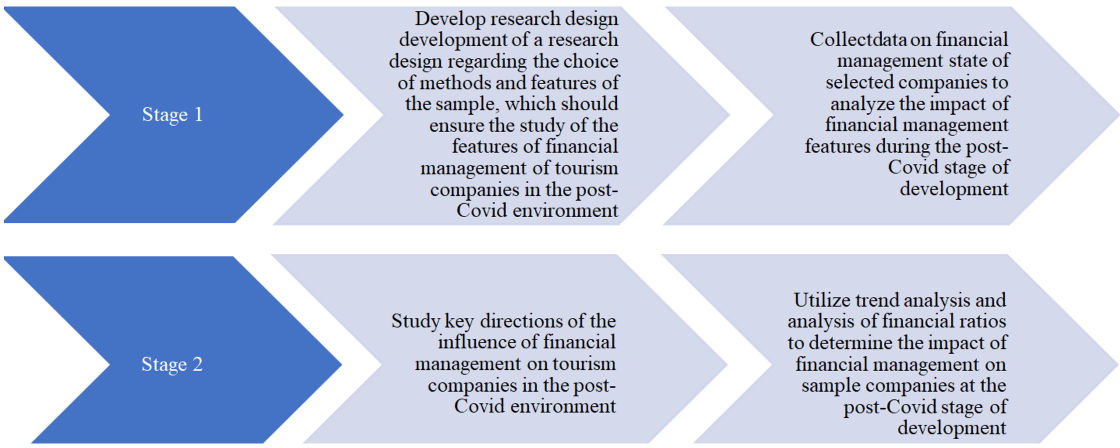

Figure 1. Key steps in research design (Source: created by the author)

METHODOLOGY

Research design

The first — preparatory — stage provided for the analysis of current studies on the issues of financial management of tourism companies in the post-Covid environment. A critical evaluation of the results of previous studies gave grounds for formulating the aim and objectives of researching the main directions and challenges for financial management in the current conditions. The next part of the preparatory stage is the development of a research design regarding the choice of methods and features of the sample, which should ensure the study of the features of financial management of tourism companies in the post-Covid environment. It was followed by the data collection on the state of financial management for selected companies for their further processing and use in the study of the impact of financial management features at the post-Covid stage of development. The second stage of the research involves the study of the key directions of the influence of financial management on tourism companies in the post-Covid environment. At this stage, the obtained results are interpreted using the methods of financial analysis. The trend analysis and analysis of financial ratios is applied to determine the impact of financial management on sample companies at the post-Covid stage of development. The final stage of the study provides for determining the limitations under the methodology and implementation of the conducted study of the impact of financial management on tourism companies in the post-Covid environment, as well as drawing conclusions based on the conducted research. The research design flowchart is presented on Figure 1.

Sample

The sample was formed from leading tourism companies of Moldova (a total of 15 companies). The sample of this size is sufficient for the purposes of analysing their financial management practices. The companies included in the sample are leaders in their market and have a high quality of information disclosure. The sample included companies that make up the foundation of the Moldovan tourism sector, namely tourist operators, hotel complexes, and wineries. Table 1 presents the composition of the sample companies.

Table 1. Sample companies (Source: created by the author)

Company	Country	The field of the tourism sector
BT Travel S.R.L.	Moldova	Tourist operator
Trapeza Tour S.R.L.	Moldova	Tourist operator
S.C. Nobiltur S.R.L	Moldova	Tourist operator
S.C. Dromos Tur S.R.L.	Moldova	Tourist operator
I.M. Intercangal S.R.L.	Moldova	Tourist operator
Cosmos S.R.L.	Moldova	Hotel operator
Hotelul Codru I.M.	Moldova	Hotel operator
Leogrand Hotel S.R.L.	Moldova	Hotel operator
Cricova S.A.	Moldova	Hotel operator
Castel Mimi S.R.L.	Moldova	Hotel operator
I.M. VINARIA PURCARI S.R.L.	Moldova	Winery
VITIS-HÎNCEȘTI S.A.	Moldova	Winery
VINURI-IALOVENI S.A.	Moldova	Winery
F.C.P. ASCONI	Moldova	Winery

Methods

The methods of financial analysis were used in order to study the impact of financial management practices on the development of tourism companies in the post-Covid environment. In particular, it is a method of trend analysis of trends in terms of financial management of sample companies at the post-Covid stage, as well as a method of analysing financial ratios to identify key features of financial management of sample companies in the post-Covid period. The methodological framework of the analysis is the methodologies of Walden University (2022), Deloitte (2020). These methodologies are focused on studying the specifics of financial management of companies during the crisis caused by the pandemic and in a post-Covid environment. The applied financial ratios are the most common in terms of the best practices of strategic and operational management of companies during the crisis and post-crisis period. The analysis of financial ratios based on the financial statements of the sample companies was carried out for 2019-2022. Table 2 provides the description of the applied financial ratios.

Table 2. Financial ratios used in the financial analysis of sample companies (Source: created by the author)

Financial ratio	Comments	Formula
ROA, %	the effectiveness of the use of assets	Net profit/ Assets, %
Debt/ Equity, times	the ratio of loan capital to equity capital	Bank loans/ Equity, times
Liquidity, times	the company's ability to cover short-term obligations	Short-term assets/ Short-term liabilities, times
EBITDA Margin, %	the level of the company's operational efficiency	(Earnings before interest and tax + Depreciation + Amortization) / Total revenue, %
Profit Margin, %	the company's profitability	Net profit/ Total revenue, %

Table 3. Results of financial ratio analysis for sample companies, 2019-2022 (Source: created by the author)

Financial ratio	2019	2020	2021	2022
The values of the financial ratios, 2019-2022				
ROA, %	11.1%	-19.1%	-3.9%	2.1%
Debt/Equity, times	32.2	-148.1	-9.1	-2.8
Liquidity, times	1.0	6.5	3.8	1.7
EBITDA Margin, %	45.1%	-62.3%	23.2%	32.1%
Profit Margin, %	11.2%	-12.1%	5.1%	6.9%
Annual growth of the financial ratios, %				
ROA growth, %	5.1%	-30.2%	15.2%	6.0%
Debt/Equity growth, times	10.2	-180.3	139.0	6.3
Liquidity growth, times	0.4	5.5	-2.7	-2.1
EBITDA Margin growth, %	10.4%	-107.4%	85.5%	8.9%
Profit Margin growth, %	9.3%	-23.3%	17.2%	1.8%

Instruments

The research employed MS Excel for the purpose of data analysis of the financial statements of the sample companies. In particular, Analyze Data on the MS Excel platform is used.

RESULTS

Table 3 presents the key trends in financial management for a sample of companies in the post-Covid period. A more detailed description of key trends in financial management of the sample companies under study is provided below. The analysis of the financial statements of the sample companies showed a number of key trends. The gradual recovery of the Return on Assets (ROA) from 11.1% in 2019 to 2.1% in 2022 is notable among these trends in the post-Covid period. The tendency to reduce the financial leverage (Debt/Equity) from 32.2 times in 2019 to -2.8 times in 2022 is also noticeable. The trend of increasing liquidity (Current Assets/Current Liabilities) from 1.0 in 2019 to 1.7 in 2022. There is a tendency to restore the profitability rate at various levels of activity.

In particular, EBITDA Margin shows a recovery trend from 45.1% in 2019 to 32.1% in 2022. In turn, Profit Margin also shows a recovery trend from 11.2% in 2019 to 6.9% in 2022. In the context of the pandemic, Return on Assets (ROA) of the sample companies decreased significantly against the background of the negative dynamics of the exogenous and endogenous environment in which the tourism companies of Moldova operate. The ROA trend had a moderate trajectory, with a decrease from 11.1% in 2019 to 2.1% in 2022. This observation indicates a declining profitability of the company over the period. In annual terms, the figure declined to 30.2% in 2020, followed by a recovery of 15.2% in 2021, and ultimately showed growth of 2.6% in 2022. The significant decline in 2020 can be explained by the COVID-19 pandemic, which negatively affected the companies under study. The resumption of growth observed in 2021 indicates that the sample companies are experiencing a post-pandemic recovery phase.

However, the increase in ROA has been relatively modest over the previous years. The negative compound annual growth rate at -7.0% indicates that the ROA trend is decreasing during the studied period. A lower level of profitability turns into less created value for stakeholders. As a result, this leads to, firstly, a decrease in capitalization, secondly, the need for additional financing from shareholders, and thirdly, a decrease in the interest of potential investors and partners in such companies. In the post-Covid period, the state of the studied indicator shows a positive trend towards improvement, which indicates a strong position of the companies in the sample. Figure 2 demonstrates the results of the analysis.

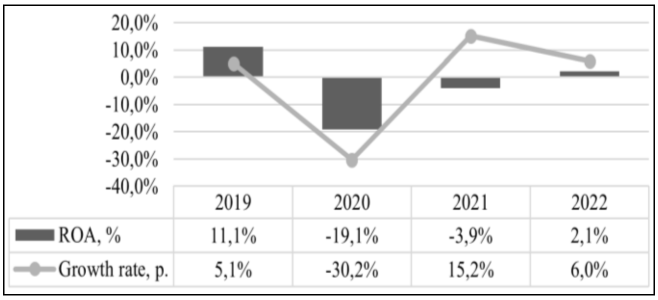

Figure 2. ROA dynamics for sample companies, 2019-2022 (Source: created by the author)

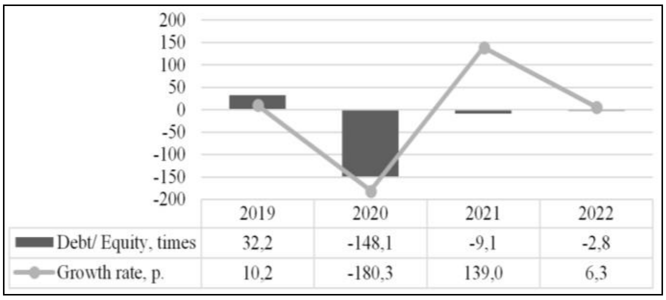

Figure 3. Debt/ Equity dynamics for sample companies, 2019-2022 (Source: created by the author)

A decreased profitability of the studied companies because of the negative impact of the exogenous and endogenous environment leads to an increase in the debt burden. Companies need additional financing, it becomes more difficult for them to finance their assets at the expense of equity capital. In turn, the debt burden is growing against the background of worse financial results and the market conditions. The analysis of the sample companies showed that the financial leverage (Debt/Equity) increased significantly during the pandemic. In 2019, the Debt/Equity ratio of the sample companies was 32.2. The value of this ratio for the sample companies is quite high, which indicates a significant level of debt financing leverage. In 2020, the Debt/Equity ratio of the sample companies was -148.1. The sample companies showed an improvement in the state of the debt burden, which was reflected in the improvement of the state of the indicator to -9.1 in 2021. At the current stage, the financial ratio remains negative (although this is the closest approach to zero that was observed during the studied period). Therefore, it is important to closely monitor the Debt/Equity ratio of the sample companies in subsequent periods to prevent dangerous trends. It should be taken into account that a sharp increase in financial leverage leads to an increase in the risk of insolvency and the company’s dependence on creditors. It should be noted that the debt burden of the sample companies shows an improving trend in the post-Covid period.

This indicates a decreasing dependence on loan financing thanks to the restoration of normal business functioning in the post-Covid environment. Figure 3 presents the results of the analysis. The analysis of the studied companies showed an increase in liquidity during the pandemic. This is explained by the great importance of the company’s ability to pay for its obligations on a short term during a crisis. The average annual change in liquidity during the previous four-year period was recorded at -41.0%. This indicates a significant decrease in liquidity during the previous 4 years. The liquidity for 2019 was 1.0 times with a sharp increase to 6.5 times in 2020, the crisis year of the pandemic. The financial ratio further stabilized at 3.8 times for 2021, reaching 1.7 times at the current stage.

Annual liquidity fluctuations show a stable negative trend, with an average change of 0.4 times per period. The focus on short-term assets leads to excessive immobilization of funds and loss of opportunities to invest in business development in the medium and long term. In the context of the pandemic, companies need to find a balance between the short-term ability to cover all their obligations and the prospects for business development. In the post-Covid period, the excessive focus on the liquidity of the sample companies is decreasing, which indicates the improvement of financial management practices. Figure 4 illustrates the results of the analysis.

All of the above leads to a decrease in the profitability of the studied companies. EBITDA Margin and Profit Margin decreased during the pandemic with a slight improvement in the Moldovan tourism sector. EBITDA Margin of the sample showed a favourable trajectory between 2019 and 2022. After a significant decline in 2020, the sample companies managed to resume the growth trend and achieve higher profitability both in 2021 and 2022. The percentage change from 2019 to 2020 is -107.4%. This is followed by the percentage growth of +186.9% from 2020 to 2021, while the percentage growth was +38.4% from 2021 to 2022. Although EBITDA Margin in 2022 remains lower than in 2019, the observed growth trajectory indicates that the sample companies are achieving development in a favourable direction. In the context of the post-pandemic and the resulting crisis, the studied companies show an increased marginality rate, which is additional evidence of the recovery of financial management in the post-Covid environment.

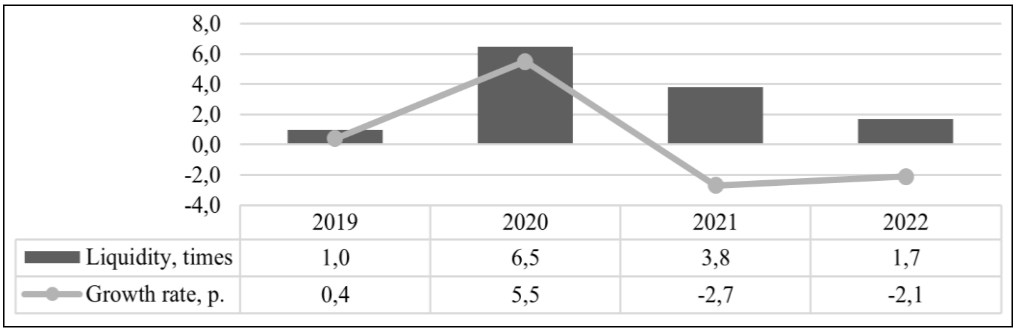

Figure 4. Liquidity dynamics for sample companies, 2019-2022 (Source: created by the author)

Figure 5 and Figure 6 present the results of the analysis. The aforementioned requires tourism companies to adequately respond to the exogenous and endogenous challenges - in terms of their financial management. The areas of financial management for the analysed companies in the post-Covid environment are combined into the following complex:

1. Short-term financial management, working capital management;
2. Medium- and long-term financial management;
3. Management of financial obligations;
4. Financial control and monitoring.

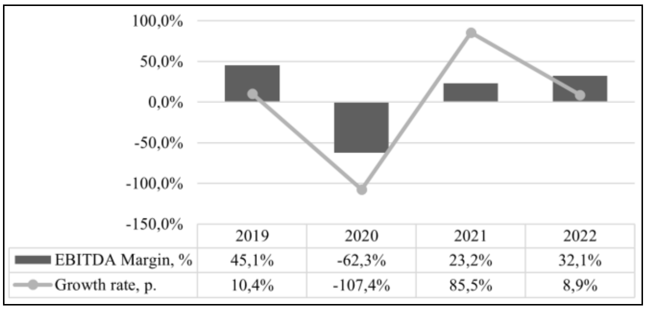

Figure 5. EBITDA Margin dynamics for sample companies, 2019-2022 (Source: created by the author)

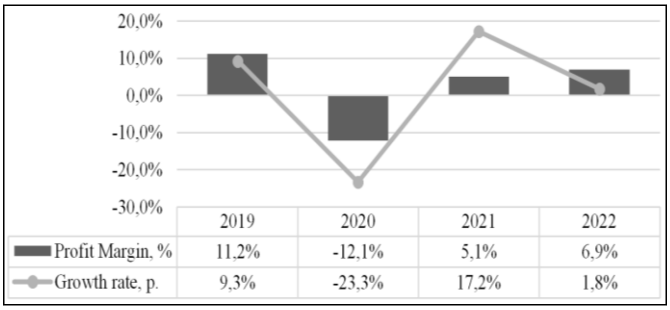

Figure 6. Profit Margin dynamics for sample companies, 2019-2022 (Source: created by the author)

Table 4. "Short-term financial management, and working capital management" block (Source: created by the author)

Tasks within the direction	List of measures
Prioritization and allocation of key financial management processes	Determine the most relevant areas of financial management for managers, for which it is necessary to maintain communication in the crisis environment; Reject redundant and irrelevant financial management processes left over from the pre-crisis period; Maximize financial management processes for the end user.
Adaptation of financial management processes to the current realities	Introduce the practice of recurrent and short-term, but comprehensive reporting of cash flows, debt service, status of key customers and suppliers; Refuse irrelevant reports in the field of financial management during the crisis period.
Communication of changes in financial management processes	Implement the practice of regularly informing stakeholder groups according to their areas of responsibility; Create a comprehensive list of the most common questions and answers for internal use in the context of financial management problems during a crisis.
Management of the programme of payments and incentives	Develop adequate plans for working with personnel in the event of a reduction or postponement of material benefits for personnel employed by the company (as a result of the introduction of a part-time working week, downtime, etc.), in particular, in terms of psychological motivation and other support measures for employees who will lose part of their income.
Updating the cash flow forecast in accordance with current realities	Carry out an in-depth analysis of the range of factors influencing cash flow, including indirect factors; Use terminology and means of communication that are available to non-financial managers and help them make effective decisions; Prepare several scenarios with cash flow forecast, including sensitivity analysis; Revise seasonality assumptions in the context of cash flow management;

	Introduce the practice of cash flow reporting on a weekly basis (in some cases — daily).
Application of measures to immediately reduce company costs	Identify areas of immediate cost reduction and formation of measures that enable this task (significant limitation of business trips, non-priority purchases, etc.); Revise groups of expenses that the company can temporarily abandon without harming the key business (subscriptions, consultations, etc.); Develop an action plan to reduce personnel costs taking into account future business needs; Identify areas of possible cost reduction (capital investment programmes); Start a programme for the implementation of measures aimed at reducing the cost price (without harming the quality of the product)
Using opportunities for short-term cash flow growth	Offer special conditions for customers with the aim of increasing sales in the short and medium term; Study the possibility of selling non-core assets even in unfavourable market price conditions in order to increase the company's cash flows.
Using opportunities to attract short-term financing on special terms	Study the possibilities of attracting financing on special terms from a partner bank; Prepare a programme for negotiations on restructuring of the debt to the bank; Maintain open and transparent communication with the bank for attracting additional short-term financing; Create a "reserve" of financial flexibility as additional leverage in negotiations with the bank; Study the existing possibilities of attracting short-term financing outside the partner bank on favourable conditions for the company.
Attracting state aid	Study the existing state support programme in order to use it optimally by the company; Study the possibilities of participation in the state support programme before taking irreversible measures in the field of human resources, work with clients and suppliers; Study the working conditions for bank loans guaranteed by the state.
Inventory management	Create an optimal level of stocks, which is enough for uninterrupted work in the crisis period without excess and deficit; Study the possibility of selling stocks of finished products at a reduced price in order to generate cash and avoid their immobilization in stocks.
Accounts receivable management	Improve monitoring of overdue payments; Update critical accounts receivable aggregated data: contract details, accuracy of invoices, problem counterparties for which late payments are identified or expected; Coordinate action plans with key clients who may have payment difficulties; Consider the possibility of changes in the conditions of trade credit for suppliers — where possible and justified for the crisis period; Consider the early payment discount tool.
Accounts payable management	Propose a plan to postpone the payment of payables with an agreed payment calendar; Maintain communication with suppliers with potential payment difficulties, preferably with a prepared action plan and negotiating position.

Table 5. "Medium- to long-term financial management" block (Source: created by the author)

Tasks within the direction	List of measures
Loan management	Consider opportunities to take advantage of low interest rates; Avoid increasing financial leverage above an excessive level, which can become a burden on the company's existing business model.
Management of own capital	Recurrently inform shareholders about the course of events and the current market and financial position of the company; Study the possibilities of additional capital investment by shareholders.
Dividend policy management	Consider the possibility of reducing the dividend rate

Table 6. "Financial Liabilities Management" Block (Source: created by the author)

Tasks within the direction	List of measures
Bank covenants management	Revise covenants together with the bank;Maintain open and transparent communication with the bank, especially in case of potential risk of non-compliance with covenants; Consider the possibilities of attracting loan financing under special support programmes from the state.
Restructuring of financial obligations	Propose a debt restructuring programme or special debt service conditions for the period of crisis (credit holidays, postponement of repayment of the loan body) attractive to various groups of stakeholders

Table 7. Block "Financial control and monitoring" (Source: created by the author)

Tasks within the direction	List of measures
Ensuring the reliability of control, taking into account operational changes in the company	Do not impose excessive bureaucracy during the crisis period; Explain the reasons for changes and communicate changes in the company's business processes.
Confirmation of the cost management policy	Balance the need for greater control with the need to quickly respond to new circumstances of the exogenous environment (for example, authorization of new suppliers in a crisis period); Revise the policy of personnel costs in the context of the changed working methods of the company; Carry out effective communication regarding changes in the corporate spending policy.
Improvement of the reporting reconciliation process	Increase the frequency and accuracy of balance sheet reconciliations and substantiation in order to confirm cash flow forecasts; Periodically check the status of debtors for the possibility of collecting the debt on trade credit

The proposed complex of financial management measures for tourism companies in the post-Covid environment covers critical areas — both in terms of financial and market position of companies. The proposed complex is balanced in its structure - both short-term and long-term financial management measures are available. The proposed set of measures covers the tasks of both operational (working capital, liquidity) and strategic (equity capital, loan capital) financial management. This contributes to meeting the needs of a wide range of stakeholders of the analysed companies that occur during the crisis. The proposed set of financial management measures in the post-crisis period is considered in more details below. Tables 4-7 present the list of proposed measures within the framework of selected areas of financial management for tourism companies in the post-Covid environment in detail.

Accordingly, this set of measures is designed to fulfil a number of key tasks in light of improving financial management in the post-Covid environment. First of all, these measures are aimed at restoring the economic development of companies in the tourism sector of Moldova, as well as ensuring business resilience to future exogenous challenges.

DISCUSSION

The features of financial management at tourism companies in the post-Covid conditions with a focus on both the short- and long-term horizon of management decisions are established. This approach is designed to support the sustainable development of tourism companies at the post-Covid stage of development, taking into account the needs and motivations of key stakeholder groups. The obtained results will be described in greater detail below.

This study indicates that financial management is of key importance in forming the basis for the tourism companies to get out of the crisis caused by the coronavirus pandemic. This impact is reflected in both the short and long term of business management in the tourism sector. Special focus should be on alignment of short-term and long-term goals in order to ensure sustainable recovery of business in the post-Covid stage. This result is supported by a number of previous studies. In this context, the obtained result is supported by Anderson et al. (2020) in terms of the significant impact of the pandemic on the financial and economic condition of the tourism sector with the need for competent financial management as a basis for the companies' going out of the crisis. This result is also confirmed by Gourinchas (2020) in terms of the need for significant investments in the post-crisis stage of the development of companies in the light of the post-Covid stage of development of the national and world economies. In addition, this thesis is confirmed by Song et al. (2021), which focuses on the significant challenges of a financial and economic nature for companies at the stage of out of the crisis caused by the coronavirus pandemic. This result finds confirmation in the earlier work of Ding et al. (2021) in terms of the need for competent financial management at the company level in the period of recovery from the crisis caused by the pandemic to ensure long-term business growth.

Earlier studies on the economic and financial state of the purely tourist sector in light of the impact of the pandemic add separate accents in terms of the obtained result. The thesis of McCabe and Qiao (2020) about the devastating impact of the crisis caused by the pandemic and the need for balanced financial management for tourism companies when successfully going out the resulting crisis confirms that. This is additionally conformed by the previous work of Skare et al. (2021) in terms of the critical importance of adequate financial management for companies in the tourism sector in order to ensure business survival. Additional confirmation is given by another thesis of Skare et al. (2021) in terms of the need to competently provide financial management techniques from other industries and sectors of the economy for the management of tourism companies when getting out of the crisis caused by the pandemic. In addition, the obtained result confirms a number of previous studies on the problems of financial management when going out of the crisis caused by the pandemic for small and medium-sized companies, including tourism companies.

Earlier study by Dimson et al. (2020) emphasizes the need for competent management of working capital as an integral component of financial management of companies during the crisis and when going out of the crisis. The obtained result is also confirmed by Kalemi-Ozcan (2020) in terms of the importance of ensuring the key urgent needs of the business through competent financial management, taking into account the future trajectory of going out of the crisis caused by the pandemic. In this area, a result was also obtained regarding the peculiarities of the financial management of the sample of companies in terms of the growth of liquidity among those companies in the studied period. Similar findings were recorded in earlier studies, in particular, Gadelius and Larsson (2019) note that the approach to working capital management, which is considered by management as a tool for increasing the company's profitability, has changed because of the crisis. This result is supported by another earlier work by Salehi et al. (2019). Salehi et al. (2019) proves that managerial decisions regarding working capital are considered as a critical component of improving the company's financial condition during a crisis. This thesis is supported by the results of earlier work by Chang (2019). In particular, Chang (2019) notes that erroneous management decisions regarding working capital made in a crisis period can lead to significantly negative consequences for the company due to the loss of liquidity.

The results of the analysis of the level of profitability and financial stability of companies carried out in this study showed the importance of long-term financial planning for companies during the pandemic and the post-Covid period. In contrast to the reviewed earlier studies on the financial management practices during the pandemic, the results of this study emphasize the importance of maintaining a balance between short- and long-term financial planning. This result is important in the current context of going out of the Covid-related crisis and updating the needs of financial management in the post-Covid environment. It should also be emphasized that earlier studies do not cover the issues of financial management in the tourism sector despite the fact that this industry is a leading component of the service sector of the economy. Moreover, unlike earlier studies, which lack practical recommendations regarding comprehensive financial management measures for going out of the current crisis, the proposed study provides a set of industry-specific recommendations.

CONCLUSIONS

The study identified the peculiarities of financial management of tourism companies in the post-Covid period. The special importance of adequate financial management for tourism companies of Moldova is emphasized, which shall ensure the preservation of business and the creation of value for a wide range of stakeholders during the crisis and in the post-crisis environment. The analysis of the financial statements of the sample companies showed the deterioration of their financial position during the pandemic with the subsequent recovery of financial management in the post-Covid environment. The identified set of consequences of the pandemic indicates an urgent need to apply a set of financial management measures both in the short and long term. In particular, an improvement was recorded for 2022 in almost all key indicators of financial management of sample companies in the post-Covid environment. In the post-Covid conditions, the studied companies showed an increase in ROA to 2.1%, an improvement in the Debt/Equity ratio to -2.8 times, a normalization of liquidity management to 1.7 times, an increase in the EBITDA Margin 32.1% and Profit Margin 6.9%.

The results of this study gave grounds to propose a set of practical measures to improve the financial management of tourism companies in the post-Covid period. The proposed set of measures covers four directions, namely:

1. Short-term financial management, working capital management;
2. Medium- and long-term financial management;
3. Management of financial obligations;
4. Financial control and monitoring.

The proposed set of measures covers the tasks of both operational (working capital, liquidity) and strategic (equity capital, loan capital) financial management. The practical value of the obtained research results is in the proposed set of financial management measures for tourism companies during the period of economic recovery after the pandemic. The list of measures that can be directly used in planning and implementation of financial management measures in the post-Covid environment is of practical interest.

Prospects for further research may include the extended study of factors influencing the financial management of tourism companies in the context of adaptation to the post-Covid environment. It is also promising to study not only financial, but also market indicators that reflect the state of tourism companies in the post-Covid environment. The study of the problem of adaptation of tourism companies to potential new pandemics can be of interest.

Author Contributions: Conceptualization, C.P., S.S. and G.M.; methodology, A.L., S.S., and G.M.; validation, A.L., L.F. and G.M.; formal analysis, C.P., A.L. and G.M.; investigation, C.P., A.L., S.S., L.F. and G.M.; data curation, C.P., A.L., S.S., L.F. and G.M.; writing - original draft preparation, C.P., A.L., S.S. and G.M.; writing - review and editing, C.P. and G.M.; visualization, A.L., S.S. and L.F.; supervision, C.P. and G.M. All authors have read and agreed to the published version of the manuscript.

Funding: Not applicable.

Institutional Review Board Statement: Not applicable.

Informed Consent Statement: Not applicable.

Data Availability Statement: The data presented in this study may be obtained on request from the corresponding author.

Acknowledgments: The research undertaken was made possible by the equal scientific involvement of all the authors concerned.

Conflicts of Interest: The authors declare no conflict of interest.

REFERENCES

Alviana, T., & Megawati, M. (2021). Comparative Analysis of Company Financial Performance Before and During the Covid-19 Pandemic on LQ45 Index. *Financial Management Studies,* 4(1), 60-73. https://jkmk.ppj.unp.ac.id/index.php/fms/article/view/52

Anderson, R.M., Heesterbeek, H., Klinkenberg, D., & Hollingsworth, T.D. (2020). How will country-based mitigation measures influence the course of the COVID-19 epidemic? *The Lancet,* 395(10228), 931-934. https://doi.org/10.1016/S0140-6736(20)30567-5

Arango, L.F.Q., Arias, D.J.Z., & Piñeros, S.T. (2023). Perception of tourism stakeholders due to the effects of covid-19. Case of municipal territories in Antioquia - Colombia. *Tendencias*, 24(1), 1–23. https://doi.org/10.22267/rtend.222302.213

Araújo, N., Brea, J., & Matos Pereira, A. (2021). Societal Changes Due to “COVID-19”. An Analysis of the Tourism Sector of Galicia, Spain. *Sustainability*, 13(15), 8449. https://doi.org/10.3390/su13158449

Chang, C.C., Kam, T.Y., Chang, Y.C., & Liu, C.C. (2019). Effects of the 2008 Financial Crisis on the Working Capital Management Policy of US Enterprises. *International Journal of Business & Economics,* 18, 121-39. https://ijbe.fcu.edu.tw/assets/ijbe/past_issue/No.18-2/pdf/vol_18-2-1.pdf

Crook, M.W. (2022). Mission impossible: Foundation investment policy in the Post-COVID world. *Social Science Research Network,* 1-12. https://doi.org/10.2139/ssrn.4178186

Deloitte. (2020). Confronting the crisis. https://www2.deloitte.com/us/en/insights/economy/covid-19/covid-19-crisis-management-in-financial-services.html

Devi, S., Made, N., Warasniasih, S., Masdiantini, P.R., & Musmini, L.S. (2020). The Impact of COVID-19 Pandemic on the Financial Performance of Firms on the Indonesia Stock Exchange. *Journal of Economics, Business, and Accountancy Ventura*, 23(2), 226-242. http://dx.doi.org/10.14414/jebav.v23i2.2313

Dimson, J., Mladenov, Z., Sharma, R., & Tadjeddine, Z. (2020). COVID-19 and European small and medium-size enterprises: How they are weathering the storm. *McKinsey & Compan*y. https://www.mckinsey.com/industries/public-and-social-sector/our-insights/covid-19-and-european-small-and-medium-size-enterprises-how-they-are-weathering-the-storm

Ding, W., Ross, L., Chen, L., & Wensi, X. (2021). Corporate Immunity to the COVID-19 Pandemic. *Journal of Financial Economics,* 141(2), 802-830. https://doi.org/10.1016/j.jfineco.2021.03.005

Eggers, F. (2020). Masters of disasters? Challenges and opportunities for SMEs in times of crisis. *Journal of Business Research,* 116, 199-208. https://doi.org/10.1016/j.jbusres.2020.05.025

Gadelius, A., & Larsson, E. (2019). The impact of the global financial crisis on working capital management in Swedish listed firms. *Digitala Vetenskapliga Arkivet*. https://www.diva-portal.org/smash/record.jsf?pid=diva2%3A1356093&dswid=-4689

Gills, B. (2020). Deep restoration: From the great implosion to the great awakening. *Globalizations,* 17(4), 577-579. https://doi.org/10.1080/14747731.2020.1748364

Gourinchas, P.O. (2020). Flattening the pandemic and recession curves. *CEPR*. https://cepr.org/voxeu/columns/flattening-pandemic-and-recession-curves

Gu, S. (2023). Financial distress in the China hospitality industry during the Covid-19 disaster. *South Asian Journal of Social Studies and Economics,* 18(3), 38–49. https://doi.org/10.9734/sajsse/2023/v18i3659

Hall, C.M., Scott, D., & Gössling, S. (2020). Pandemics, transformations and tourism: Be careful what you wish for. *Tourism Geographies,* 22(3), 577-598. https://doi.org/10.1080/14616688.2020.1759131

Hanifah, U., Widyarti, M.T.H., & Hardiningsih, S. (2023). The effect of enterprise risk management and investment decision on firm value during the Covid-19 pandemic (Evidence from hotels, restaurants, and tourism companies listed in Indonesia Stock Exchange 2020-2021). *Applied Accounting and Management Review (AAMAR)*, 1(2), 36–45. http://dx.doi.org/10.32497/aamar.v1i2.4166

Higgins-Desbiolles, F. (2020). Socialising tourism for social and ecological justice after COVID-19. *Tourism Geographies,* 22(3), 610-623. https://doi.org/10.1080/14616688.2020.1757748

Ioannides, D., & Gyimóthy, S. (2020). The COVID-19 crisis as an opportunity for escaping the unsustainable global tourism path. *Tourism Geographies,* 22(3), 624-632. https://doi.org/10.1080/14616688.2020.1763445

Joanna, L., Rosmah, M., & Anuar, S. (2021). A Bibliometric Analysis of Employee Turnover Intention in the Hotel Industry (1988-2020). *Journal of Management & Muamalah,* 11(2), 29-53. https://www.researchgate.net/publication/353730072_A_Bibliometric_Analysis_of_Employee_Turnover_Intention_in_the_Hotel_Industry_1988-2020

Kalemli-Ozcan, S., Gourinchas, P.O., Penciakova, V., & Sander, N. (2020). COVID-19 and SME Failures. *International, Monetary Fund Working Paper,* 20(207), 1-55. https://www.imf.org/-/media/Files/Publications/WP/2020/English/wpiea2020207-print-pdf.ashx

Lewandowsky, S., Facer, K., & Ecker, U. (2021). Losses, hopes, and expectations for sustainable futures after COVID. *Humanities and Social Sciences Communications,* 8, 1-17. https://doi.org/10.1057/s41599-021-00961-0

Masaeli, A., Rezaei, N., Derafshi, K., & Basakha, M. (2022). Effects of Corona Epidemic on Labor Employment in Iran's Tourism-Related Industries. *Tourism & Management Studies,* 16(56), 279-308. https://doi.org/10.22054/tms.2021.59352.2512

McCabe, S., & Qiao, G. (2020). A review of research into social tourism: Launching the Annals of Tourism Research Curated Collection on Social Tourism. *Annals of Tourism Research,* 85, 103103. https://doi.org/10.1016/j.annals.2020.103103

Mirza, N., Rahat, B., Nagvi, B., Kumail, S., & Rizvi, A. (2020). Impact of Covid-19 on corporate solvency and possible policy responses in the EU. *The Quarterly Review of Economics and Finance,* 4, 1-10. https://doi.org/10.1016/j.qref.2020.09.002

Mullins, J. (2020). Are your cash-flow tools recession ready? *Business Horizons,* 63(6), 693-704. https://doi.org/10.1016/j.bushor.2020.04.003

Novelli, M., Gussing Burgess, L., Jones, A., & Ritchie, B.W. (2018). 'No Ebola…still doomed' – The Ebola-induced tourism crisis. *Annals of Tourism Research,* 70, 76-87. https://doi.org/10.1016/j.annals.2018.03.006

Nyawo, J. (2020). Evaluation of Government Responses and Measures on COVID-19 in the Tourism Sector: A Case of Tour Guides in South Africa. *African Journal of Hospitality Tourism and Leisure,* 9(5), 1144-1160. https://doi.org/10.46222/ajhtl.19770720-74

Rahman, M., Muzareba, A.M., Amin, S., Faroque, A.R., & Gani, M.O. (2021). Tourism Resilience in the Context of Tourism Destination Management in Post-COVID-19 Bangladesh. In *Destination Management in a Post-Pandemic Context (Tourism Security-Safety and Post Conflict Destinations)*, 113-125, Emerald Publishing Limited, Leeds. https://doi.org/10.1108/978-1-80071-511-020211008

Rassanjani, S., Novialdi, R., & Maz, D. (2021). Impact of COVID-19 on Economic Activities and Poverty Threats in the Asia-Pacific Region. *Policy & Governance Review,* 5, 82-96. https://doi.org/10.30589/pgr.v5i1.353

Rizvi, S.K.A., Yarovaya, L., Mirza, N., & Naqvi, B. (2020). The impact of COVID-19 on valuations of non-financial European firms. *SSRN*. https://doi.org/10.2139/ssrn.3705462

Salehi, M., Mahdavi, N., & Tarighi, H. (2019). Association between the availability of financial resources and working capital management with stock surplus returns in Iran. *International Journal of Emerging Markets,* 14, 343-361. https://doi.org/10.1108/IJoEM-11-2017-0439

Schillig, M. (2021). Banking and Finance after COVID-19. *King's Law Journal,* 32(1), 49-59. https://doi.org/10.1080/09615768.2021.1886659

Seshadri, U., Kumar, P., Vij, A., & Ndlovu, T. (2023). Marketing strategies for the tourism industry in the United Arab Emirates after the COVID-19 era. *Worldwide Hospitality and Tourism Themes*, 15(2), 169–177. https://doi.org/10.1108/whatt-10-2022-0120

Skare, M., Soriano, D., & Porada-Rocho, N. (2021). Impact of COVID-19 on the travel and tourism industry. *Technological Forecasting and Social Change*, 163, 1-14. https://doi.org/10.1016/j.techfore.2020.120469

Song, J.H., Yeon, J., & Lee, S. (2021). Impact of the COVID-19 pandemic: Evidence from the US restaurant industry. *International Journal of Hospitality Management,* 92, 102702. https://doi.org/10.1016/j.ijhm.2020.102702

Tokbolat, Y., & Le, H. (2022). Covid-19: Corporate diversification and post-crash returns. *Finance Research Letters,* 46, 102501. https://doi.org/10.1016/j.frl.2021.102501

UNWTO. (2020). UNWTO; Madrid, Spain: 2020. *UNWTO World Tourism Barometer,* 18(2),1-26. https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2020-05/UNWTO_Barom20_02_May_Statistical_Annex_en_.pdf

Walden University. (2022). Managing finances in times of crisis. https://www.waldenu.edu/programs/business/resource/managing-finances-in-times-of-crisis

Wen, J., Wang, W., Kozak, M., Liu, X., & Hou, H. (2020). Many brains are better than one: The importance of interdisciplinary studies on COVID-19 in and beyond tourism. *Tourism Recreation Research,* 5, 310-313. https://doi.org/10.1080/02508281.2020.1761120

Article history: Received: 10.10.2023 Revised: 01.11.2023 Accepted: 29.11.2023 Available online: 29.12.2023