The Theoretical Framework of Efficient Management of Sports Organizations

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Abstract:

The paper is devoted to analyzing the variety of theories that frame the system of management of sports organizations to buildup a comprehensive system. The main four approaches were studied institutional, network, power in an organization, and stakeholder theories, which allowed to suggest an efficient management system to reach financial efficiency and create a positive and attractive image of sports organizations. Additionally, the steps of business strategy development were analyzed to highlight its changeable nature and the overall interrelations among strategy, operations, and improvements.

Keywords **—**sports organization, theoretical framework, strategy, management, power, stakeholders, institutions, comparative advantages**.**

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I. INTRODUCTION

Management in sports organizations is extremely crucial as it is dealing with planning, resource allocation, all internal and external organizational activities, human resources, ensuring communication and coordination, and solving and eliminating possible conflicts. The need for sports management appeared with the first professional sports organizations. Additionally, while talking about human resource management in sports organizations, it should be mentioned that it deals with two groups of individuals namely athletes and staff of an organization. Thus, the human resource management should develop separate strategies to deal with those two groups depending on the goals, training and motivation needs, personal skills requirements, etc. All of the mentioned-above functions are included in the overall management system of an organization, thus, studying the main theories is needed to buildup a comprehensive management system, which will be appropriate for sports organizations to reach financial efficiency, and positive perception of all related market actors and obtain competitive advantages.

II. METHODOLOGY

To reach the aim of the study a critical literature review of related papers was done, and the main organizational and managerial approaches were compared to identify the most crucial concepts that should be fulfilled by sports organizations to reach financial efficiency, create a positive image, keep current consumers and attract new, get competitive advantages. Additionally, content analysis was done to determine the interrelations between strategy, operations, and improvements and to show their interdependence and the overall changeable nature.

III. ANALYSIS AND DISCUSSION

In the comprehensive scientific analysis of the specifics in management approaches and theories appropriate for sports organizations the following three should be studied in detail organizational theory, organizational behavior, and strategic management. Thus, the organizational theory deals with the macro-level of an organization and focuses on the issues of the ways of increasing the efficiency of an organization, controlling its activities, and determining the role of an organization within the society in general. At the

same time, the organizational behavior approach aims at answering micro-level issues regarding individuals and groups as their performance, satisfaction, turnover, organizational commitment, leadership, team building, communication, and psychological interactions within an organization. Additionally, strategic management purposes the ways how competitive advantages can be gained and maintained, what resources are needed to be successful, and what is the position of an organization within a related market.

Institutional theory

According to the theory, all organizations have common characteristics as they are formed and developed in similar conditions, meaning that social settings and environments are taken for granted based on common norms, beliefs, rules, etc. Besides that, the theory suggests that most organizations are acting similarly because of the wiliness to follow the practice and activities of the most successful organization within a related market. Specifically, this can be seen while implementing new technologies or innovations in the organizational activities, meaning that after an efficient launching of the new approach by a leading organization, the rest will adopt the same practice, thus, limiting the introduction of various innovations within the market or industry in general. Furthermore, the adoption of the same technologies and innovations makes all organizations similar, additionally, it reduces the risks of insufficient technologies and the overall level of uncertainty in the business environment [1].

While discussing the implementation of the institutional approach within sports organizations, the massive external institutional pressure should be mentioned as financial. Meaning that stakeholders from inside and outside expect that the organization will be self-funded and business efficiency. Thus, managers should commercialize their organization and its activities to meet the expectations of internal and external stakeholders, support athletes, and promote and maintain public interest. Furthermore, sports organizations that are fully financed by the government are seen by the general public as not financially successful, which limits future financial funding and investments into those organizations, and creates a negative image for the society [2].

Network Theory

The main goal of the network theory is to analyze the formation and management of various linkages between organizations. These linkages can be created in a form of strategic alliances, networks, and partnerships. A strategic alliance is a formal relationship between a few organizations established as a response to the challenges that exist in the business environment, those relations are built up on the organizational learning, knowledge and experience exchange, collaborations, risk sharing, improving market position, etc. At the same time, there are cases of forming linkages between sports organizations and governmental organizations, as a rule, participants of such linkages believe that they will be preferred over other sports organizations to be included as a part of government programs, etc. Additionally, networks are created on skill-based incentives and formal and informal social relations. Thus, networks ensure an increase in the overall flexibility, reduction in uncertainty, enlargement in the capacity of production, and extensive accessibility to skills, knowledge, and information exchanges.

While talking about various forms of linkages the issues regarding the methods of managing such groups of organizations should be highlighted as well. A manager of an organization that is a part of the linkage should not only take into account the needs and goals of an individual firm but rather form a unique system that will allow each participant to be efficient and to get the benefits of the formed linkages as well.

Power in Organizations

The theory origins from sociology and tries to determine and analyze the nature of power and authority. Power from a managerial perspective can be determined as an ability to force people to obey regardless of their resistance, at the same time, authority can be seen as giving orders voluntary obeyed by people [3].

The theory of authority was developed further into three organizational types. Thus, charismatic organizations are formed based on a leader's abilities, but this type is limited in terms of long-term perspective, as the leader should be replaced with a suitable person to keep the same organizational performance and system in general, another issue can arise in a case when an individual loses its abilities, so the system becomes unstable. Another type is traditional organizations, which are developed based on organizational precedent, commonly accepted norms, values, and traditions. Lastly, bureaucratic organizations are considered a modern form of organizations, which are formed based on determined roles, rules, and responsibilities, rather than based on personal abilities.

Regarding the variety of forms of power, the following ones should be analyzed as structural, behavioral, and personal power. The structural power can be formed as a response to the dependency between individuals, organizations, or market actors in general. Thus, resource dependency leads to getting some power from organizations that control resources.

Structural power mostly is related to managers, meaning that managers are becoming more powerful the better they can cope with the uncertainty and the more non-substitutable they are.

Behavioral power can be noticed within the interactions among individuals, for instance, when an individual does something that would not be done otherwise at all. Personal power is linked to the personal characteristics of a particular individual.

Stakeholder theory

According to the theory, business ethics and the overall accountability of the needs and expectations of all related groups as consumers, employees, suppliers, business partners, local communities, creditors and others are parts of an organizational management system. This means that to be financially efficient an organization should take into account the needs and expectations of all stakeholders while making business decisions [4]. Later this theory was extended to the concept of corporate social responsibility which implies the active participation of organizations in social problem-solving processes [5].

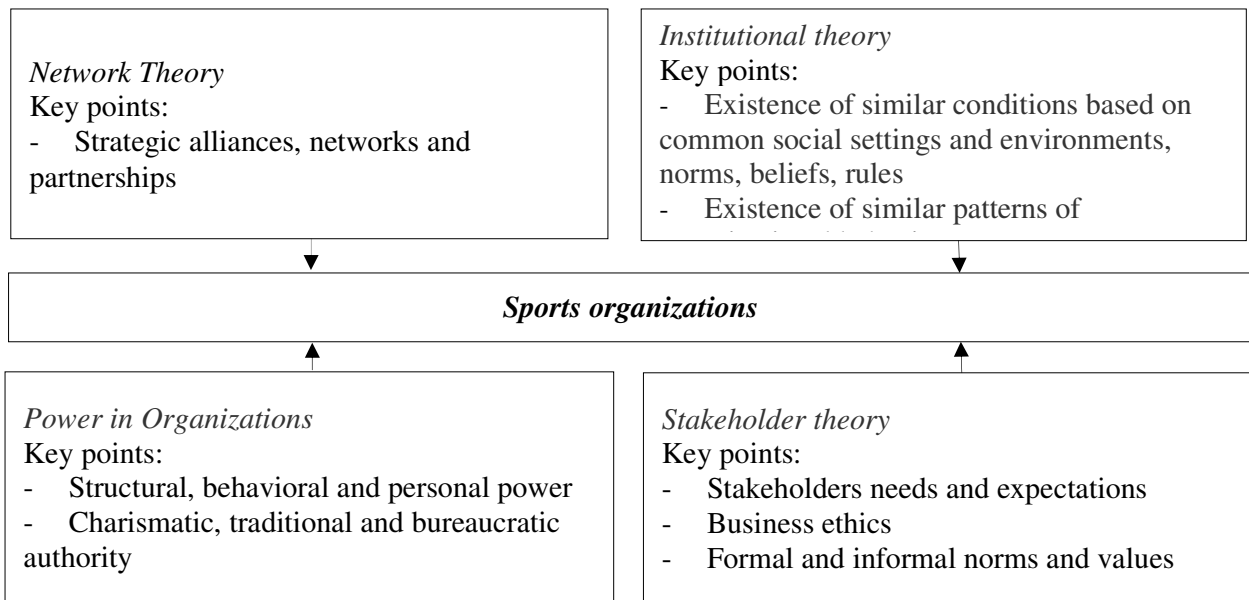| Network Theory Key points: - Strategic alliances, networks and partnerships	Institutional theory Key points: - Existence of similar conditions based on common social settings and environments, norms, beliefs, rules - Existence of similar patterns of
Sports organizations	
Power in Organizations Key points: - Structural, behavioral and personal power - Charismatic, traditional and bureaucratic authority	Stakeholder theory Key points: - Stakeholders needs and expectations - Business ethics - Formal and informal norms and values

Figure 1. The System of Theories Determining the Management System in Sports Organizations. Source: developed by the author.

Based on the analyzed various theories related to the management approaches (figure 1) that can be used by sports organizations the following managerial framework can be developed.As it is known all organizations were created and are run in similar institutional, economic, social, and political conditions, which makes them quite similar in the process of making decisions. Sports organizations are not excluded, so they follow the general pattern of managing an organization accounting for commonly accepted social and formal norms and traditions and shared values.

At the same time, it was proved that specifically small and medium-sized enterprises are interested in forming different forms of networks in the related industry as it allows them to survive, minimize risks, share the costs, exchange knowledge and experiences, and develop the whole industry, attract investments, etc. Mentioned benefits are related to sports organizations as well as the majority of them are small in size and lack appropriate investments from outside, thus, by building a network of a few market players, sports organizations and all related market actors can benefit and reach some innovational and financial progress in general. Additionally, in all organizations the power of managers is a buildup in one of these forms structural, behavioral, and personal power, and depending on the form and the way how it is realized the whole management system will be determined.

It is necessary to know that the style of management is suitable for the existing employees, otherwise, the talented and experienced manager will not be able to reach the organization's goals, and employees will not be satisfied with the system, which will prevent the overall further growth and progress. Moreover, with the introduction of the stakeholder theory it became compulsory for all organizations to take into account the needs and expectations of all related market actors as consumers, employees, suppliers, business partners, and local communities, as active and positive interaction with stakeholders helps to build up a loyal and trustful image of an organization, which in turn can increase the productivity, funding possibilities, sales, etc. All mentioned-above approaches are highly relevant to sports organizations to be financially efficient and to have a positive image among stakeholders.

As it is known, the strategy of an organization should determine the goals and potential of the future development of an organization. According to the existing approaches the strategy is seen as a context, which frames all the inner and outer processes and necessitates the further improvements of actions and activities to reach previously settled objectives of private, state, nonprofit or volunteer-based organizations [6, 7].
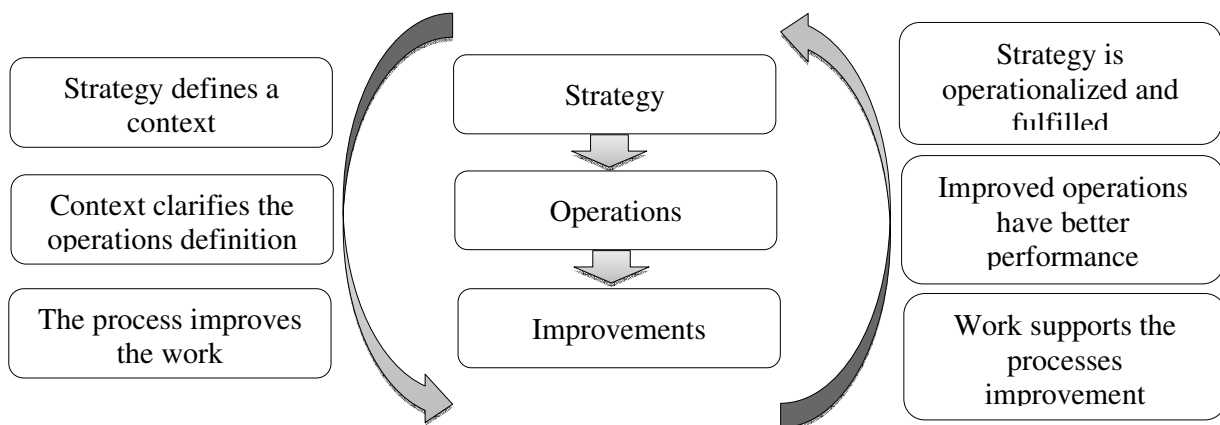

Figure 2. The Interrelation Between the Strategy, Operations, and Improvements. Source: developed based on [8].

Meaning that the process of the formation and development of an appropriate strategy can be seen as a cycle, where the strategy requires future improvements and those improvements modify the actual strategy, thus, making it continuously changeable.

Based on the above mentioned, the new modern approach was proposed, according to which sports organizations should be managed efficiently at each of the following levels namely its strategy, operations, and implementations. The interrelations among them are presented in figure 2.

The presented model on the interrelations shows the linkages between the three main levels of an organization and how they modify each other. Thus, the strategy is seen as a context of all other components of an organization, that determines the directions for further efficient and required improvements, which will ensure obtaining and maintaining competitive advantages [9, 10]. At the same time, the stakeholder theory should be mentioned, as to get some competitive advantages, the needs of all external and internal stakeholders should be counted in the proposed strategy of an organization. As long as the goals are determined, improvements that should be done become visible, later, fulfilled improvements would ensure obtaining competitive advantages.

A recent study has shown that among the most vital issues for sports organizations the following can be mentioned as low revenue, high costs, and reduced ability to "get athletes". At the same time, the authors suggested possible ways of minimizing and eliminating those issues. Thus, if the issue is about the low revenue received by an organization, an organization should increase the number of athletes to make bigger tuition fees related to the practices. If an organization faces high costs, it should identify sponsors, enlarge the sports practices, and support equipment procurement. In the case of lower ability to "get athletes", an organization should increase the capability to have more athletes and provide appropriate conditions for their simultaneous training [8].

Additionally, following the principles of the stakeholder theory, all stakeholders and their needs and expectations should be studied to identify the main issues that can prevent the targeted way of further development and improvement of sports organizations. Among the most vital issues are high registration costs for not professional athletes or locals, high costs of training coaches, and low participation of females [8]. Mentioned-above matters are critical as they form the overall attitude and perception of an organization, if those issues are not solved the future development of an organization will be restricted as locals will not be loyal and supportive. The authors suggested some strategies that should be fulfilled to keep the overall attitude on the positive side and to satisfy the needs of all groups of stakeholders. Thus, sports organizations should create and follow the policy which will allow them to reduce the registration fees for locals, regarding training coaches sports organizations should try to find sponsors, collaborate with other sports organizations in the same district, and provide fundraising activities. As for gender issues, the most efficient way to increase the participation of females is to reduce the registration costs for them and to organize women's leagues, teams, etc. to attract more female athletes.

IV. CONCLUSIONS AND RECOMMENDATIONS

The completed analysis allowed us to determine four key theories, which can help to improve the business performance of an organization and its financial efficiency. The comprehensive system of combined main principles of various theories allowed to suggest an approach to management that will be specifically appreciated by small and medium-sized enterprises including sports organizations as they have similar characteristics and face common challenges.

Additionally, the changeable nature of a business strategy was highlighted as strategy determines the priorities and directions for further development, when those improvements are done the business strategy should be modified accordingly, which makes this process continuously changeable.

Moreover, the main challenges that sports organizations face were discussed and the ways of minimizing and solving those problems were suggested. Among them, the key ones that should be mentioned, as to provide lower registration fees for local communities and female athletes, find sponsors and establish fundraising, to expand the areas suitable for training to reduce the registration costs and enlarge the revenue.

Future studies should analyze the specifics of managing sports organizations compering to other organizations, and determine current issues and challenges that sports organizations have to develop methods of overcoming those issues.

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