



Sport Club Management

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Abstract

In recent years sport clubs need more and more to be well-organized with a expert and carismatic leadership who is capable of managing a club and its different divisions. Management a sport club has many aspects to be considered. Sport club management is not just planning a club and designing mission and vision, manager has a lot of responsibility in leading the club and club members, leading and controlling people engaging with the club, understanding environment, business, legal and ethical issues and so on. Also sport clubs have a huge impact on individuals, sportive life development, and their personal lifestyle. Working on sport club management will help to better understand managerial tasks, issues, difficulties and strategies to analyze and then solve incidental and unusual problems by addressing rules and regulation, and guidelines.

keywords: Club; Organization; Society; Coaches

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Introduction

Management is a necessary part of every organization, which is very unique in function and manager is the most important person in an entity who keep people together to achieve defined targets and drive it. Each organization has a president or top manager and some managers in other divisions like: Financial manager, Human resources manager, Sales manager and some other managers depends on organization's needs, who are responsible for managing their division under supervision of top manager. Some of top manager's detailed function are setting objectives, managing organization, motivation, communication, measurements, developing people, negotiation with funds and loans, and so on [1]. Sport Clubs have been changed a lot recently. In the past, they were not business and were volunteer-based or were running by some governmental or charity-based organizations as non-profit entity that were coaching by volunteers or parents of the players, and not by professionals and experts to develop communities. Nowadays, sport clubs are part of the business industry, some nonprofit and others for

profit with defined budgets, professional staff, board of directors, fulltime coaches and so on. Everyday this industry grows so fast that it becomes one of the significant business industries worldwide. "Estimates vary on just how large it is- from \$152 billion, making it the 11th largest industry, to near \$300 billion, putting it among the top few" [2]. The club plan is a stated document that defines goals and structures, beside, mission and vision, and policies and procedures.

The club's plan is a real and tangible stipulated document that can create the best guideline for the leader of the club, even if the CEO is being changed, also it would attract investors and sponsors to develop the club and support it as well as it can. Each element should be illustrated very carefully to consider all aspects of the club. Two major factors are mission and vision statements that are explained by the leader of the club to clarify communication of purposes and primary objectives, also shows directions to develop club's principles, moreover, it guides leaders to make proper decisions [3]. In addition, Policies and procedures are defined in the club plan for long term goals with transparency of how and what the

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sport club to do by setting some general rules, guidelines and priorities formulated and adapted in terms of organization's terms and conditions considering it internally and externally, that affect decision makings, actions and activities by standardization them within the boundaries set by the leader. There are some models that a sport club would follow, but it depends on how a sport club is going to be structured and organized. Sole proprietorship is a model that the club would be owned by an individual who controls the club and makes all decisions by himself [4]. Partnership is another model which is owned by two or more individuals that they will have benefit in terms of their owned share percentage, and they would provide services and capitals for the club together. They share all profits, losses and controlling over all aspects.

There are two aspects of view in a sport club: Organizational Theory that focuses on the larger organization, like its system, goals, structure, mission, policy and procedures. Organizational behavior concentrates inside the organization and sport club and its staff and individuals, how treat them and how their behavior can affect club and organization. Management is conducting, controlling, and supervising a sport club's resources and individuals inside the club to get to achieve club's objectives cooperation with people through planning, organizing, implementing, controlling and coordinating [5]. To have a successful management for achieving club's goals and objectives, there should be a strong collaboration between management and all individuals inside the club by setting up measurable

outcomes and motivation concentrating on developing process and getting rid of unnecessary functions to obtain proper and fitting quality. Moreover, manager needs to satisfy nonmembers. By the meaning of business, managers in a club should plan to supply services to customers, rather than job creation for individuals or stakeholders. So, it needs to have an impressive impact on people, communities and society. The purpose of this study was to investigate the theoretical foundations and research in the field of sport club management.

Human Recourses Management

"Human resources management has been defined as ensuring that an organization has the right people in the right place at the right time who are capable of efficiently completing the tasks that help an organization achieve its goals."

In order to have a prosperous sport club all individuals inside include managers, employees and club members should perform efficiently and strategic as it is written in mission and plan guideline by focusing on organization's policy. Therefore, human resource manager is an empowered person to arrange the staff by putting them all in right position and control their behavior and performance as well [6].

In comparison with a business entity, sport club has a unique HRM system and features. The most obvious difference is payment terms, which salary is the highest in bottom line of employees in a sport club even more than a senior manager, as it is shown it figure.1:

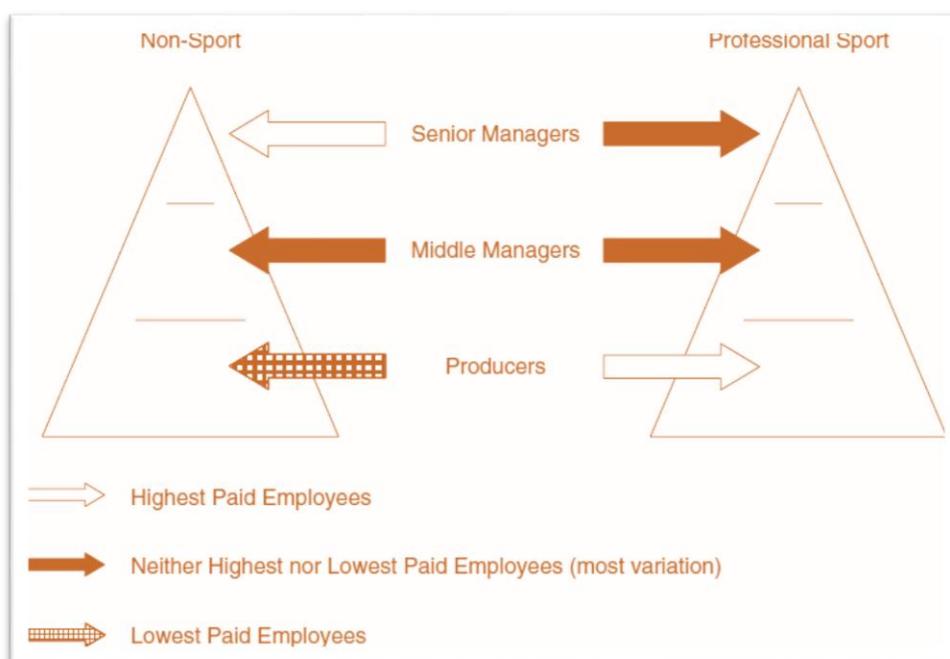


Figure 1. Pay and organization level in professional sport and non-sport organizations [7].

Human resources management Process

Primary responsibilities of a human resources manager are compensation and benefit, training and development, employee relations and recruitment and selection. In addition, HRM team is responsible for preparing job description for all job positions and associated with the position, select employees in accordance with their ability, knowledge and competency. After job designing, the employee would be more satisfied and motivated based on feeling of tasks given, his knowledge used, and results coming from his effort. Tasks intrinsically are composed of four aspects that they make together task's concept: task identity, task significance, task autonomy and task

feedback which are complementary to define a determined assignment as well as possible. Human resource planning has highly important role in a HR system which embraces assessing and forecasting. Assessing is about whether the employees and staff are enough for in a department and its future demand or it requires adjusting. Also, forecasting is a way of prediction about staff turnover, their temporary or permanent position, salary and so on. HRM process should be executed accurately to recruit fitting staff and make a strong coordination in the club with efficient and effective performances [8].

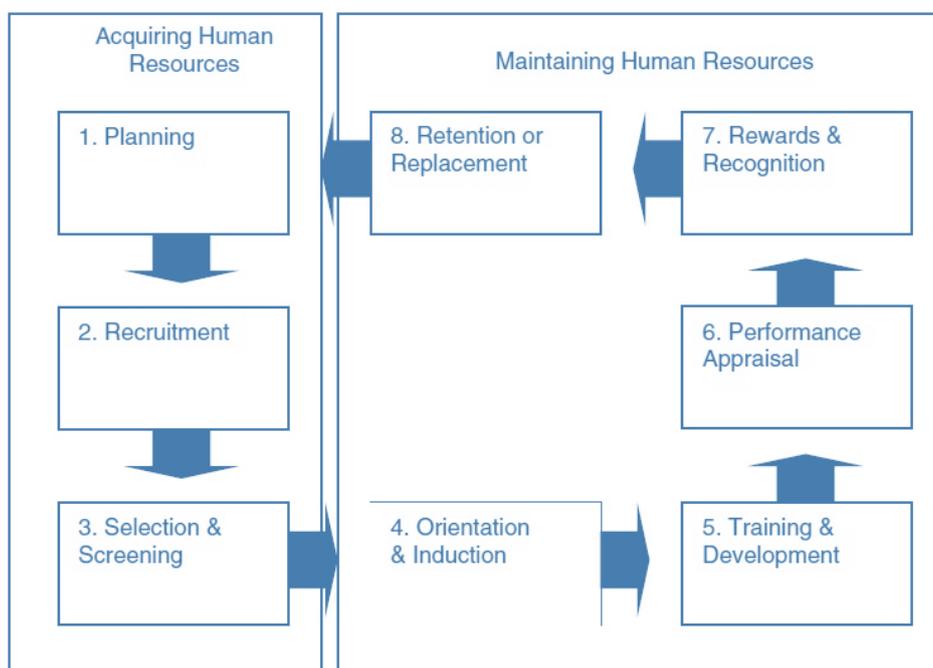


Figure 2. The traditional Human resource management process [7].

Well-designed human resources management conducts a sport club toward a unique and successful situation that the club would generate and improve better athletes to introduce them to professional sport field and get benefit by selling them for higher revenue achievement.

New Employee Orientation

After recruitment process, now it is time to acquaint new employees to club's policy, procedure, goals and even organizational culture to get to know the club better and adapt themselves to the determined rules and respect them, then the new staff are made known to their responsibilities and how to perform to achieve the club's purposes, besides, being introduced to supervisors and subordinates. In order to be more effective in coordination with the club and the others inside the club, new employees require to make a strong and healthy relationship with the people and make familiar with their interests, hobbies and characteristics regarding the club's culture.

The Employee's Experience Improvement

By initiation some activities in the club, employees can improve their experience within the club and promote their understanding of the club to professional activities. Retreat gives an opportunity to the employees for being away of their routine job and concentrate on a big scenery of the club. Professional developments can be acquired by setting up some seminars, workshops, licensing courses and conferences. Visiting other similar organizations which is a common practice for grasping new ideas and experiences. Publications staff's expertise and providing information about job responsibilities and bookmark them are other ways to get benefit of

them. Staying active outside the club and being connected with professionals and bring prestige and new technical skills and knowledges regarding their profession would prepare great opportunities for the individuals and the club either.

Performance Evaluation

A multi-purposes process for measuring and appraisal of all employees within the club including coaches, supervisors and subordinates to excel them in their tasks and performance by getting feedback and finally using reward and punishment system or promotion and demotion method to reflect what they have done, according to evaluation criteria which is created by all the staff such as personal skills, teamwork skills, communication skills, creativity, independency, job knowledge, and so many other criteria in terms of job conditions and position.

Employee's Job Satisfaction

Indeed, in a work place, job satisfaction should be concerned by developing a comprehensive HR system and mutual interaction between supervisors and subordinates. Five important job satisfaction elements are payment, promotion, job nature, coworkers and supervisors. All these elements could provide a pleasant or unpleasant job environment to motivate or demotivate people from their performance and responsibility. By providing a good work place and influencing employees, leader can create a value for the club and job positions and make them satisfied and motivated to achieve club's goals [9].

Legal Aspects of Club Management

A sport club has plenty of legal issues since establishment, involving liability, criminal law, and basic morality and ethics.

A club manager has to know about all legal aspects of an organization and sport club including rules, laws, responsibilities and even moral obligations, considering the best interests of the club and participants, and ensure all club members and staff to take care of them as well as possible and proving the highest liability [10].

1. Legal Principles

Laws are created in order to debate between right and wrong and enforce society to obey the rules. One of the most significant liabilities for a club manager is taking care of all employees, and the club is ultimately accountable for individuals and members, coaches, superiors and subordinates, even more importantly administrative actions of

all. There are some legal principles that a sport club manager should be familiar with:

2. Doctrine of Respondent Superior

"A legal doctrine that states that an employer is liable in certain cases for the negligent acts of an employee if the act is done within the scope of that employee's responsibilities."

3. Torts

"A *tort*, in common law jurisdictions, is a civil wrong that unfairly causes someone else to suffer loss or harm resulting in legal liability for the person who commits the tortious act, called a tortfeasor."² (Wikipedia, n.d.)

4. Negligence

Evade doing necessary action deliberately or unintentionally under the circumstances which could be action of omission. Negligence would cause damages that can be classified to some parts like economical or financial loss seen in balance sheet, physical or mental anguishes, hurt or impairment.

5. Intentional Torts

Intentionally wrongful act that is trying to hurt someone else physically, mentally, financially or reputational injury.

Business aspects of Club Management

A successful sport club should respect customer's requirements as a business entity by generating revenue for the club and provide services for the clients and make them satisfied. The revenue is income from business activities and services provided. Net income is accounted after subtract expenses of operations done by the club.

1. Budgeting and Accounting

Budgeting is making sure that revenues of the club is more than its expenses in short-term and long-term period of time. Budgeting is planning for the club's activities, money generation, expenses and assets and taking control of them by monitoring them accurately based on previous years. Accounting is a part of budgeting which is a systematic process of recording, measuring, analyzing, classifying, summarizing and finally interpreting financial statements that displays profit or loss and the club's value [11].

2. Budgeting

A sport club manager needs to plan for its budget and for doing that should prioritize all expenses and necessary actions. The most important part of

² <https://en.wikipedia.org/wiki/Tort>

a budgeting plan is knowing about revenue generators and expenses. Receiving revenues would be indicated from sponsorships, registration fees, product selling, tournaments, fund-raising, renting facilities, and many other activities that a club can make money that is called ancillary revenues. In order to figure out how much net revenue the club may earn, it is required to forecast all amount of expenses that the club has, and provide them all by a part of the revenue generated. After gathering information of all allocated budget for the club and the expenses from previous years, it is time to trade-off and raising registration fees, products prices or other money generators to deal with coming expenditures. Fixed costs, variable costs and capital expenditures are within the budget that are elements of budget should be appraised from earlier financial statements.

3. Accounting

Basically, every business needs accounting and interpreting financial statements to realize about net profit. Revenues generated by the club are debits and expenses have been budgeted are credits to be paid.

For understanding better of profit and loss of the club, club managers should be aware of basic financial statements elements: balance sheets, income statements, cash flow statements and net worth statement. A balance sheet states how is the financial statement of a club and displays club's asset, liability and equity accounts which is stated on the report over the preceding period of time. Income statements is a statement that shows all revenues and expenses made by the club over a

period of time. "Cash flow statements is a statement that shows the exchange of money between a company and the outside world over a period of time."

"A financial reporting document that exhibits the assets and liabilities - both short and long-term - of a company or individual. The net worth of the filer is the result of subtracting liabilities from assets." (WebFinance, Inc., n.d.)

Marketing

Marketing in a sport club is set of activities and communications for promotion and selling products and services to attract customers and supply their needs and demands, also satisfy them by setting proper prices in a right place and right time that needs a strategic marketing management by creating an extreme plan.

Multisport club needs to meet its goals and objectives, but goals might differ from each other. For an expensive sport club producing high-level athletes and staying in a competitive position are focused, instead, in an inexpensive sport club only participating in real tournaments and developing athletes are much more concentrated. Therefore, clubs can develop their objectives by determining achievable goals in mind and ability to get a right position put themselves in a marketplace. Goals can be defined as the number of members in the club, competitions and awards won by the club and its players, and many other objectives that a club can develop its plan and set up the Five Ps of a sport club marketing to achieve them [12].

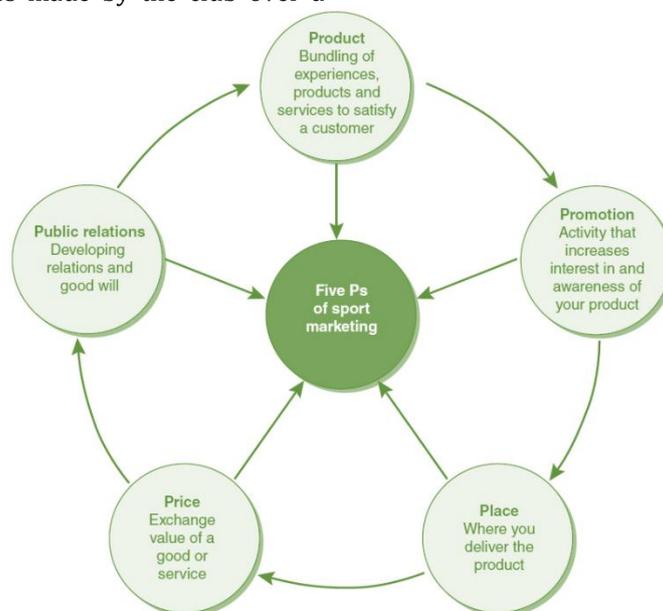


Figure 3. The Five Ps of sport marketing are most effective when they are coordinated.

Marketing has a big impact on the club to increase revenue in as a long-term plan, which is located in central part of money generation plan by providing services and promote them.

1. Product

A set of services and products that satisfy customers and club members including providing appropriate services on time and support them all as good as possible. Product in sport clubs are different than the other entities and companies because of variety of services and club member's satisfaction which would not be the same from one to another.

2. Price

Price is not just salary, it can also be performing a business with people and members of a club that exchanges value of provided products or services, by understanding club's cost, customer's value, profit margin for the club and worthiness of the competition the club is in. Price make a customer satisfy if the service or product he bought is valuable for the money paid by measuring the value and its price to make the club and its member satisfied. This price should be considered whether customers can afford to buy and being aware of competitors for the offered price and services.

Price is the most transparent element that can be manipulated easily by the marketers to stay in a competition depends on the circumstances the clubs in, and this marketing element is assessed in terms of expenses and operation expenditures the club spend, even more importantly strength of the club and its brand. (Marketing theory)

3. Promotion

Promotion in a sport club can be with the form of attracting clients and club members and increasing their awareness of the club and its brand, also activities for generating sales, and the more important is brand loyalty creation to convince the customers to become a member. Meanwhile, for being successful in promotion effort, the club needs to reach target audience, and to do that it needs to know how and where the club can reach. Some efforts are identified for promotion the club: Advertising, E-mail communication, consumer to consumer marketing, sales promotion, sampling by giving opportunities to experiment, and tabling which is unifying five mentioned efforts in events and interact with potential customers [13].

4. Public Relations

Making a good relationship between the club and the customers is very important by creating an impressive image on the clients mind. Developing a strong connection and interaction between the

clients and stakeholders, publics inside and outside the club would help the club to achieve its targets. Meanwhile, a club manager can make a media relationship with the volunteers to make people aware of their activities and upcoming events to have a strong connection.

5. Place

The process of penetrating in target audience to deliver products and services so that attract individuals in different regions, cities or countries. Choosing a right place for the club is so influential part of place marketing. A sport club needs enough space to build many different buildings and sport areas for multisport club also parking lot for the members to facilitate their needs. Another sort of a place marketing for a sport club are stands and shops in public places to sell club's products and introduce the services club has prepared, modern stands in athletic events, and social space for the club members and parents who want to meet club's development and make connection with club leaders.

Discussion and Conclusion

The purpose of this study was to investigate the theoretical foundations and research in the field of sport club management. In new form of sport management particularly in developing countries as a result of growing GDP who are following developed countries and most in front United States, globalization has the major impact on sport management. Globalization, and meeting new technologies are new challenges for club managers that might make trouble in future if they don't pay attention to the developing sport clubs and underestimate them who are modifying themselves to meet new technologies also marketing their club as a brand to attract investors and sponsors worldwide specifically the rich ones in order to thrive and make a big gap. This means that sport clubs need and want to be globalized by using strategic management and differentiation to stay in the front line of competitiveness.

Privatization is another challenge in some developing countries who are trying to become professional in sport and leagues. In some of countries like Iran some of sport clubs have governmental owner and not depends on private sector. There are major and fundamental problems in those clubs, like lack of real power for the club's presidents to decide about any aspects of the clubs independently. They always face financial challenges, because revenue from selling products, sponsors, selling tickets and so on, goes directly to government's bank account then a small percentage comes back to the clubs. Therefore, manager has limited amount of money to spend over required facilities even buying listed players

by team's coaches to transfer. This huge problem will generate many other problems such as not monitoring club's culture that cause lack of control over fan leaders then fans and finally chaos in club and environment [14].

Solutions are suggested by the experts and researchers to be considered to solve the problem and prevent other probable generating issues. Major problem should be answered by handing over the ownership from government to a private sector according to FIFA rules in first step which is the hardest step then going through other occurred issues. This push is done by the Asian Football Confederation with insisting on delivering the clubs to the private sectors and making pressure on governments to move out from Sport Club's ownership. The next step is attracting sponsors and wealthy organizations or people to invest in the clubs and take their ownership. And the other solution is being gave up those sport clubs from all professional leagues and competitions which is not recommended.

Without doubt the solutions need more research and studies then investigate them detail by detail, beside, cooperation and coordination of all involved organizations and corporations.

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