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## **PRIVATIZATION SAUDI SPORT: UNDERSTANDING THE INTERPLAY BETWEEN STRATEGY AND STRATEGIZING**

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### **Abstract**

#### **AIM**

Since early 2000s, as part of wider government strategic development plans, the Saudi government has initiated a privatization strategy for sports clubs. The underlying objectives of the plan were to reduce government's spending in sports, diversify investments, and stimulate economic growth through a greater involvement of the private sector. However, after years of political rhetoric and significant investments, the progress made thus far has been rather limited. The main aim of this study is to examine the interplay between strategy and managers' practices (i.e., strategizing) in the context of the privatization program of Saudi sports clubs.

#### **BACKGROUND**

The conventional understanding of strategy portrays it as a plan of action designed to achieve specific goals (Shapira, 1995; Jarzabkowski, 2006). However, it has been argued that some of the basic assumptions underpinning the conventional view of strategy ought to be revised (Jarzabkowski, 2003; Pettigrew and Pye, 2006). Hence, the strategy-as-practice school of thought gained increasing importance "... as part of a broader concern to humanize management and organization research" (Balogun et al. 2007, p.6, Weick 1979; Pettigrew et al. 2002). The strategy-as-practice research is primarily concerned with "living beings whose emotions, motivations and actions shape strategy" (Jarzabkowski and Spee 2009, p.70). These 'living beings' are not just confined to one group of elite organizational members, but incorporate multiple levels of action and interaction. According to Jarzabkowski (2005) "from a strategy-as-practice perspective, strategy is conceptualized as a situated, socially accomplished activity, while strategizing comprises those actions, interactions and negotiations of multiple actors and the situated practices that they draw upon in accomplishing that activity" (p.11).

## METHOD

The research investigates the various aspects of organizational actors' roles in shaping strategy-making at macro, meso, and micro levels. This study follows an activity-based research approach proposed by Jarzabkowski (2005) and a holistic multiple-case study design (Yin, 2012). Researching strategizing entails the empirical analysis of everyday processes, practices and activities. The context of this research is the non-profit sports sector in Saudi Arabia. Data were gathered through the use of semi-structured interviews, personal observations and secondary data collection. In total, 30 officials from 13 national, regional and local sport organizations were involved in this research. A thematic analysis was used to analysis data as proposed by Fenton & Langley (2011).

## RESULTS

Preliminary findings demonstrated that the sports sector in Saudi Arabia exhibits a hierarchical decision-making system that is strongly influenced by religious, social, economic, and organizational factors. Compliance with customs and tradition is also a vital part of the government's policy guidance on implementation. Disparities in the implementation of government policies were partly due to inequalities of government subsidies to regional provinces. Moreover, the lack of interest in policymaking has created a gap between managers at different levels, which in turn led to implementation pitfalls. There was a belief at the top of public administration that the participation of managers from various levels in formulating strategy was not necessary. Policymakers at the macro level failed to understand the implementation processes at the micro level. Privatization strategies tended to be ambiguous and under-communicated and were lacking transparency, continuity and stability. The privatization strategy was not supported by clear regulations or guidance governing investments in Saudi sports clubs. Managers' responses were not consistent and regularly changed along with those of the officials responsible for implementation. The relationship between organizational power and ownership amongst privatisation stakeholders was opaque and unclear. Power tended to be centralised at macro level and top managers exercised considerable discretionary power in their daily practices. Discrepancies in manager's daily practices were at odds with the privatization requirements and consultations with lowest levels were ignored.

The selection of privatization committee members at national level was largely based on the personal preferences of the chairman, which has discredited the process. The lack of clear programme of activities in local organizations and short term focus on daily work were common practices in all cases and evidenced the lack of institutional support. Local managers rely heavily on their organizations' capacity to develop free programmes and personal attitudes played main role in shaping daily action or interaction.

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