

# Exploring Sport Manager's Role In Finland

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## **Aim of the research**

The global market value of sport has grown enormously during the last decades and the industry has faced significant changes in revenue models, organizational structures and management practices. As an academic discipline, sport business management can be considered as a relatively young field of study despite that it has been taught at the degree programme level in hundreds of universities in USA and UK. And the need for systematic research and formal education has recently gained increasing attention among Finnish scholars and sport professionals. In 2013, Sport Business School Finland and Jyväskylä University launched a co-operation project to enhance the state of higher education in professional sport business management in Finland. The aim of this research was to explore the role of sport business managers and identify required competences and skills needed for these business professionals. Based on this aim two research questions were established:

RQ1. What are the characteristics of the sport business manager?

RQ2. What are the current and future key challenges for sport business managers?

## **Theoretical background**

Due to the increased economic importance and the fierce competition for available resources, sport organisations are forced to apply solid business principles. Prior studies show how, for example, the on field-performance of a sport club correlates positively with its long term financial performance (Gomez, Kase & Urrutia, 2010). The strategic management process requires a precise analysis of the sport organisation's position in the highly competitive environment. The theoretical foundation for this research describes the complexity of the sport business environment, the necessity of strategic management and the most commonly used tools for competitive environmental analysis and performance measurement of the organisations (Kaplan & Norton, 1999; Porter, 2004). However, there is still an ongoing debate concerning to what extent sport can be treated similarly to any other business. Scarce resources need to be controlled and coordinated accordingly, and proactive approaches to strategic management help to reduce the uncertainty typical for sport organisations. The sport business framework model by Stewart and Smith (2010) discusses how the unique features of sport affect also the employed management practices.

## **Methodology, research design and data analysis**

A qualitative research strategy was chosen for the research. The study was limited to professional and commercial sport organisations in Finland. The data collection was implemented through semi-structured interviews in which the aim was to discover what kinds of characteristics describe the profession sport business manager, how the informants define their roles and what kinds of business knowledge, professional competences and skills should be acquired for the future. Altogether, seven interviews were conducted among acknowledged sport business managers and professionals. The interviews were recorded and then transcribed after each interview session until a certain similarity or saturation of the answers was met. The data was analysed through content analysis method.

## **Results, discussion and implications**

The educational backgrounds and the professional career paths of the informants were significantly diverse. The findings indicated that the definition of the term "sport business manager" is not fully unambiguous. The term was mostly used in two distinctive contexts and defined accordingly in two different ways. Sport business manager was seen either as a professional person in charge of the management of a sport club and its organization, or he was described as a person who manages the athlete's career, business or brand. However, the understanding of these two roles was more similar among the interviewees. The sport business manager was described as a professional position in a highly competitive international environment, where the unique roles of fans and volunteers, and the collective power of stakeholders and shareholders create elusive business contexts and specific challenges for the managers where utility maximisation is preferred over profit maximisation.

The results indicate that the Finnish sport industry seems to suffer from the same type of dysfunctional problems previously discussed by Stewart and Smith (2010). The constant poor financial performance of sport clubs and ongoing lack of resources are seen at least partly caused by the of lack distinct business

management knowledge and competences. The findings show that the future sport business managers must be able to use effective strategic management, marketing and IPR protection tools and techniques. Sport business managers must be particularly competent within the sport industry in order to create value and to satisfy the high expectations of shareholders and stakeholders.

## References

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