



THE RELATIONSHIP BETWEEN ORGANIZATIONAL STRUCTURE AND STRATEGY IN SPORTS CLUBS: CRITICAL REVIEW

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Abstract:

The principal task of a professional club manager is to form a competitive team/athlete, which participate in official competitions and achieves the sporting successes expected by its federations, official members and fans. This fundamental task constitutes different systems to be run by a club manager starting from designing strategy (planning the vision, mission, and objectives of the sports club) to implement the mentioned elements. To implement the strategy managers need to have a clear club structure which is appropriate for better implementation of the strategy and get better performance. So that, the performance of the sports clubs in every corner of the world depends on the appropriateness of the sports club strategy and organizational structure (but these are not the only reasons for improved athlete's performance). Organizational structure and strategies are some of the very important tasks which must be considered to formulate and manage the sports clubs. Organizational structure and strategy are not only important for sports clubs; they are also closely related to each other. The investigation of different researchers shows that structure has followed the strategy of the club. The purpose of this review article is to systematically review the literature and articles, which explore the particular issue of the relationship between strategy, organizational structure, and performance of sports clubs. The result and source reviewed for this article show, organizational structure and strategy have a connection in sports clubs. The relationship they have been discovered from different sources. This review article used secondary methods of data sources. The writers try to review different empirical and related kinds of literature on sports clubs strategies and organizational structure and their relationship. Finally, this systematic review is significant to show about strategy and organizational structure to the readers by summarizing what different scholars results look like.

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1. Introduction

The sport has a great role in job creation and economic activities throughout the world. Different countries have been formulating sports clubs in different club ownership structure and strategies. The organization of the sports clubs depends on the countries current situation. It is also considered the level of athletes we want to have in the coming future. Determination of the athletes we want to have in the coming future depends on the club structure and strategy we designed. As Fahlén, (2006), mentioned in his study, the sporting individuals are highly affiliated to their national associations according to their country branch of sport- which in turn answers to a national sports federation. Many countries organized different clubs and/or teams competing against other teams from other clubs at local, regional or national level. The clubs of these different countries organized in different forms. This form is structure. However, before designing the type of structure clubs must formulate their strategy which is important to achieve the goal of the clubs. After the strategy formulation, the club must design a structure that is suitable for the implementation of the strategy: this structure can be expressed by charts.

Similarly, as mentioned, in the above idea different scholars have done an investigation to understand the relationship between strategy and organizational structure, and its influences on the performance of sports clubs. Fadcyi, et al (2015), also supported in their review article entitled with organizational structure and strategy distinguished among the earliest research is the work of Chandler (2012) who found that new organizational strategy or at least an amended organizational structure is important for large organizations to be run effectively. Kavalc (2012) supported chandler's idea, to have an effective organization there must be a proper strategy and structure. This idea could be expressed as there must be a connection or proper relationship between organizational strategy and structure in sports organizations to lead effectively. He further reported that a difference between organizational strategy and organizational structure will result to a negative performance for the organization/sports club. Sports clubs have a varying degree of formalized structure which can enhance or impedes the successful implementation of their club strategies. The ideas discussed above also verified more by the most known researcher on the relationship between structure and strategy, Chandler (1962), the organizational structure of a single organization has influenced by its organizational strategy. This can be clarified as if the organizational strategy is not properly designed, it is very difficult to design and implement properly the organizational structure of the organization/sports club.

The very important issues we want to address in this review article for the scientific community are: how the different scholars express their ideas on the definition

of strategy, strategy management process, basic elements of strategy, definition, and dimensions of club structure, the connection between club strategy and structure, as well as their relation with the working environment are presented.

The sport has a long history, starting from the traditional to this modern day and it is full of sophisticated movements and activities. People also compete in different sporting activities individually and/or in the group. Through process, clubs have been organizing in different forms to make competitions. This club formation shows that sport becomes one of the huge business industries throughout the globe. This sports industry consists of multiple ranges of events which are with different level of variety which can benefit people from local to global level. (Masterman, 2009). Since the sports industry becomes sophisticated in the form of different sports clubs, it needs good and specialized management. According to Vojinovic et al (2015) managing modern sports organization is very complex and it is full of challenges and this is due to the complexity of the internal and external environment which it operates the whole process. And also this is influenced by the global socio-economic processes could be expressed by globalization, because of the results new approaches has emerged in relation with imagining the future. To manage the modern sports managers should think strategically and organized their clubs in a suitable form.

To sum up, the sport is one of the social institutions which consist of different items of sports events. In this modern life, different countries are organizing clubs for the purpose of competition at local, national or global level. These clubs need proper management that requires critical thinking and decision making. Hence, organizational structure and strategy do play in the dynamic process.

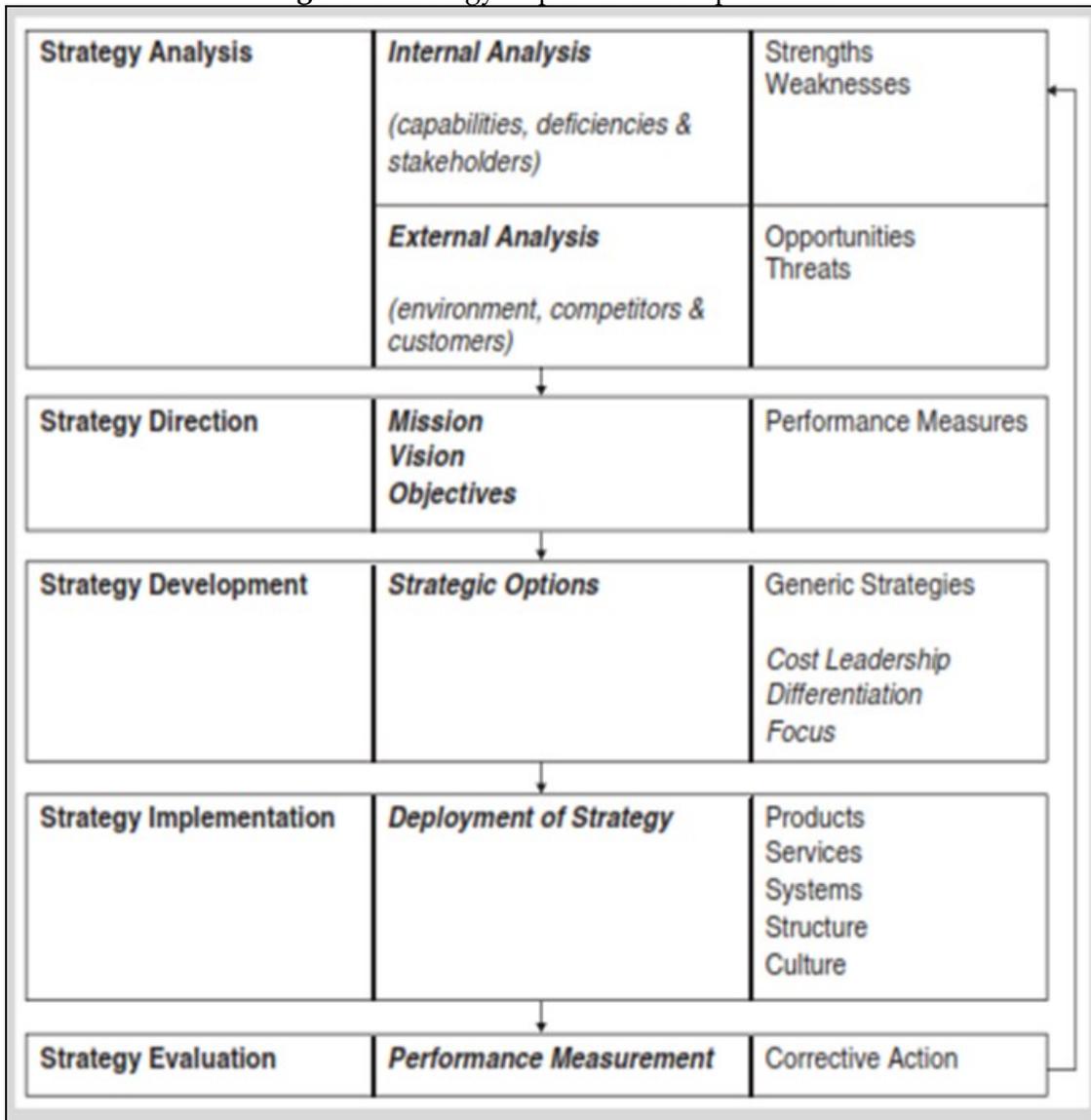
1.1 Definition of Strategy and Structure

A strategy is the most important thing to manage sports clubs effectively and it is a long-term track, and span of an organization. A strategy is important to achieve a significant advantage of the organization/ sports club through its distribution of resources in the challenging condition, to get together the wants of a marketplace (produce competent athletes) and to accomplish manager's prospect (Johnson et al. 2008). A strategy is a process which is very critical to determine the long-term vision, mission, and objectives of the organization; it is also the preparation for the accomplishment of the future actions of the sports clubs. The strategic activities to be completed in the long-term process should be listed out in sports club strategy. The strategy also consists of the allocation of resources required to achieve the ends of the organization which were designed during strategy formulation (Kavalc, 2012).

A strategy is the combination of a future course of actions with their means to achieve the goals and objectives of the organization. It is concerned with long-term directions of an organization and its strategic decision-making process to achieve an advantage in a dynamic environment through the proper allocation of (physical, financial, technological and human) resources to be competent enough with the other organizations to fulfill the expectation of managers. As Chandra and Oscarius (2015),

stated in their study (Rangkuti, 2000) the main importance of strategy is to decide the lives of the organization. Strategy determines the existence of the organization or to exist in the coming future. Organizations need a proper strategy to exist and be effective. Strategy execution is a process which follows circular ring movement between formulations, evaluation implementation (Rajasekar, 2014). Strategy follows different steps and the following diagram showing the step which sport organization managers should follow

Figure 1: Strategy implementation processes



Source: Hoey, et al, 2006.

Similarly, it is true that the life of a sports club is determined by its strategy. If the club managers formulate appropriate strategy it will also impact the performance of the club. So all sport club leaders must formulate a proper strategy which fits with their environment.

The structure was defined by different authors from different viewpoints'. An organizational structure defined and introduced in different ways (Penning, 1976). The definition given by different management scholars similarly work to sports clubs. In easy language, organizational or club structure is a representative frame of the clubs. As (Lorsch, 1987, Power, 1988, Ranson et al, 1980 & Hoey, et al, 2006) defined organizational structure is the distributions of specific authorities to managers with specifically configured work specializations. This includes lines of authority, a division of tasks to responsible professionals and this informs the means how to understand the division of labor and how to be managed within an organization/ sports clubs.

Augusto (2009) also mentioned in his study entitled *Organizational Structures within the Scope of Strategic Marketing Planning: a Discursive Study* Vasconcellos and Hemsely (2002) have described organizational structure in three ways: authority sub-system, communication sub-system and activities, all the categories managed by the people/professionals assigned under each clusters existing in the organization.

Soltani et al (2013) as they used in their article, Dubrine (1990) has also substantiated the defined of organizational structure is the framework of relations, tasks, and authorities among different organizational units. Organizing is a managerial function which includes devising an organizational structure and allocating human resources to designed job to assure the achievement of aims. Even if organizational Structure defined in different ways and introduced to the scientific society, formally or informally it can be represented in two. 1. The lines of authority and communication between different administrative offices and officers. 2. The information and data that flows through the lines of communication and authority. (Chandler 1962).

2. Methodology

The purpose of this review is to analyze the works of scholars on the relationship between organizational structure and strategy in sports clubs. To carry-out, the work non-empirical descriptive approach was used. Accordingly, research articles and references related to the problem under investigation were reviewed.

2.1 Objectives of the review

Management researchers and scholars in the field of sports in different countries, particularly in the western world, have targeted to undertake their studies around the relationship between strategy and structure in different organizations. In their works, they have covered a lot about the relationship between strategy and structure on the effectiveness of sports organizations/clubs. The objectives of this review article are to:

- Identify the criteria's to design organizational strategy in sport clubs.
- Examine the elements of strategy in designing the strategy of the sports club.
- Summarize the different studies for readers on the connection between club strategy and structure.
- Identify the importance of structure and strategy to sports clubs.

2.2 Significance of the review

This article is important to different scholars, stakeholders, and the scientific community, through analyzing the works of different researchers and authors on the connection between organizational structure and strategy in sport clubs that have already been done. Besides, this review article may contribute a few to the sport industry and give a direction to other writers.

3. Discussion on Strategy and Structure of Sport Clubs

First, the strategy and structure of a sport club must fit with the working environment. If the strategy and structure of the sports clubs fit each other with other factors club will have better performance. If the organization managers don't consider the environmental factors, they will be forced to make changes. After the managers checked the environment of the organization, the next step is directed by the environmental factors to the strategic and structure design. In this process after stockholders designed the strategy again, they need to choose an appropriate structure which fits the strategy implementation.

This assured that, the configuration with the strategy and structure to the environment. (Johnson et al, 2008) In his strategy and structure study, Chandler (1962) find out the organizational structure of the organization was affected by the strategy of the organization. The organizational structure of the firm designed next to the strategy of the organization. Everybody can assume the relationship between organizational structure and strategy. First, the clubs must design their strategies. To implement the strategy there must be a structure. To assign workers to fill the structure there must be a strategy to be implemented. The above idea assures us organizational structure and strategies are inseparable. In another word, both have a relationship even though one comes first the other follows.

Figure 2: Strategy and structure relationship (strategy imperative)



Source: Kavale, 2012.

As the figure shows us, organizational strategy designed based on the environment. Similarly, organizational structure designed to assign the human resource for proper implementation of the club strategy with a different authority. Molina et al (2012) findings support the idea of the relationship of strategy, structure and club performance. The existences of rules and regulations, difficulties and decentralization have an optimistic effect on organizational strategy, and it has also a positive effect on organizational performance. Effect of the competitive strategy on the relationship between structure and firm performance also shows the connection between them. As

Kavale (2012) stated, organizational chart is not the end representative of an organizational structure. All the people, procedures, processes, culture, technology and other related components are the representatives of the organizational structure in an organization. To this end, structure must be totally interrelated with the organizational strategy. The relationship between the two helps the organization to achieve its mission and goals. This means structure support strategy. If there is also any change in the organizational strategy, there must be a change in the organizational structure to support the changed strategy. The change shows how structure and strategy have a positive relationship on performance effectiveness. Sometimes club managers may change the strategy and use the existing structure then, they will back to the old strategy.

The idea of Kalvale strengthens by Chandler (1962). Organizational structure must design after the strategy has designed. Always organizational structure designed after the organizational strategy has formulated. From the idea of the scholars, we decided that organizational structure and organizational strategy are inseparable components to manage clubs effectively. These must be also designed by considering the club environment.

For an organization to be successful, a strategy must be consistent with its internal and external environment. Getting appreciable performance is the result of a match between strategy and environment. To achieve such harmonization, managers need to understand the factors that determine and shape the behavior of customers, suppliers, competitors and their employees, in the context they participate.

7. Conclusion

This study reviewed previously studied articles and other sources on organizational strategy, organizational structure, and the relationship between strategy and structure. We, reviewers, tried to identify the expected procedures in the sports clubs during designing club strategy and structure. From the idea of different researchers, the reviewers reach to the following conclusions:

- In formulating the Club, structure and strategy managers should consider the internal and external working environment.
- Club managers have to design the club strategy before the club structure.
- Club structure should be designed based on the club strategy. Because structure supports the club strategy. Club structure follows strategy.
- Even though, structure follows strategy or strategy comes first and structure comes next to strategy, they are inseparable. One cannot stand without the other. The only difference is the time of formulation. Club structure and strategy are strongly connected to each other.
- If club managers have to change the club strategy in implementation for further improvement, club structure should also be revisited to fit with the strategy.

- Carefully crafted strategy and well-designed structure have a positive contribution and impact on the performance of sports clubs.

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