SPORT ENTREPRENEURSHIP IN SPANISH SPORTS CLUBS

Emprendimiento deportivo en clubes deportivos españoles

Paloma Escamilla-Fajardo, Juan Manuel Núñez-Pomar, María H. González-Serrano

Department of Physical Education and Sports, University of Valencia, Spain

ABSTRACT: Interest in sport entrepreneurship by academics and professionals has grown in recent years as it has a positive relationship with the overall performance of the organization. However, despite their growing importance, the existing literature that considers non-profit sports clubs is scarce. Sports clubs have an important social and sporting function in most countries, so their study and development should have a major role for policy makers and governments. This study therefore analyses sport entrepreneurship in 510 Spanish sports clubs, taking into account their competition level. The main objective was to find out the level of sports entrepreneurship of the sports clubs and to analyse the existing differences according to the level of competition. The results obtained show significant differences in innovation, proactivity and risk assumption between local-regional level sports clubs and national-international level sports clubs. In all dimensions the national-international sports clubs obtained significantly higher values. Finally, practical implications and proposals for intervention that provide important information for the management team of clubs and sports organizations are addressed.

KEY WORDS: sport entrepreneurship, sports clubs, performance, impact, empowerment, innovation.

RESUMEN: El interés hacia el emprendimiento deportivo por parte de académicos y profesionales ha crecido en los últimos años ya que tiene relación positiva con el rendimiento general de la organización. Sin embargo, a pesar de su creciente importancia, la literatura existente que considera los clubes deportivos sin ánimo de lucro es escasa. Los clubes cumplen una importante función social y deportiva en la mayor parte de los países, por lo que su estudio y desarrollo debería llevar un papel principal para responsables políticos y gubernamentales. De ahí que el presente estudio analice el emprendimiento deportivo en 510 clubes deportivos españoles considerando su nivel de competición. El objetivo principal es conocer el nivel de emprendimiento deportivo de los clubes y analizar las diferencias existentes según el nivel de competición. Los resultados obtenidos muestran diferencias en la innovación, proactividad y asunción de riesgos entre clubes de nivel local-regional y clubes de nivel nacional-internacional. En todas las dimensiones los clubes deportivos de nivel nacional-internacional obtuvieron valores superiores. Por último, implicaciones prácticas y propuestas de intervención que aportan información importante para el equipo directivo de clubes y organizaciones deportivas son abordadas.

PALABRAS CLAVE: emprendimiento deportivo, clubes deportivos, rendimiento, impacto, empoderamiento, innovación.
1. Introduction

We are currently in a time of constant change that forces sports organizations to continuously seek the reinvention of services offered, processes and their management (Grimaldi Puyana & Ferrer Cano, 2016). In the sports sector, public, private (Chalip, 1995) and associative actors interact together, so that competition can be tougher than in other sectors. However, it is not only the high level of competition that forces sports organisations to reinvent themselves in order to guarantee their competitive advantage, but also the changing expectations and demands of users, the constant appearance of new sports disciplines and the very characteristics of the environment, which are not always favourable but often even hostile. All this forces sports entities to adopt an entrepreneurial attitude as an identity trait of the organization and not as a punctual and sporadic fact.

Today we suffer a period of global crisis, derived from the COVID-19 pandemic that has affected all sports organizations to a greater or lesser extent. This type of situation highlights the need for entrepreneurial skills and abilities as a process which must be built up over time and which will have a direct and positive influence on the final performance of the organisation (Engelen et al., 2015; Rauch et al., 2009). Organizational entrepreneurship is a means of managing the changing demands and uncertain outcomes of the sports industry (Hammerschmidt et al., 2019).

An entrepreneurial sports organization is one that focuses its attention and invests assets and efforts in product-market innovation by risking the organization's resources and anticipating the competition. However, this organizational behavior cannot be sporadic; for an organization to be considered highly entrepreneurial it must have a sustained pattern over time (Martens et al., 2016).

Therefore, making a diagnosis of the level of entrepreneurial capacity in which the organization finds itself is vital for adopting strategies and proposals for intervention that focus attention on this variable that is widely influential in the economic and sports performance of organizations (do Couto Soares & Perin, 2019), specifically in the performance of sports clubs (Escamilla-Fajardo et al., 2020; Núñez-Pomar et al., 2020). However, this has not been widely studied in the existing literature within the non-profit sports field. Having focused attention mainly on private sports organizations and professional sports clubs (Hammerschmidt et al., 2019; Núñez-Pomar et al., 2016). Hence there is a gap in the literature that is intended to be filled. Therefore, the aim of this study is to discover the levels of risk taking, innovation and proactivity of Spanish sports clubs considering their maximum level of competition, in order to propose practical implications and proposals for intervention.

After this introduction, the existing literature on sport entrepreneurship will be presented. After that, the method will be presented with the participants, instrument,
procedure and data analysis. The results obtained will then be analysed, and finally
the conclusions drawn, practical implications and proposals for intervention.

2. Theoretical framework

Sport entrepreneurship

Sports entrepreneurship was born a few years ago, after a time when academics and
professionals have focused on entrepreneurship in other production sectors
(Engelen, 2010; Rauch et al., 2009). However, despite the fact that sports
entrepreneurship is still in its infancy (González-Serrano, Jones & Llanos-Contreras,
2020), from some time to this part, interest has grown rapidly, as Pellegrini et al.
(2020) have explained in their systematic literature review.

Ratten (2010) "was first to formally identify the parallels between entrepreneurship
and sport, highlighting how sport inherently requires the proactivity, resilience, and
risk taking commonly attributed to entrepreneurial activities" (Hayduk, 2020, p.
135). Over the years there has been a lack of consensus in the definition of
entrepreneurship (Fayolle et al., 2010), however, in terms of sports entrepreneurship
the definitions are oriented along the same lines. "Sports entrepreneurship refers to
any innovative activity in a sports context where most activities are enhanced with a
proactive and risk taking quality" (Ratten, 2012, p.66). Innovation, risk-taking and
proactivity are the most studied dimensions of entrepreneurship, and they
characterize this entrepreneurial attitude (Rauch et al., 2009). Innovation and
proactivity are two behavioural variables, while risk-taking is an attitudinal variable
(Anderson et al., 2015).

Both sport and entrepreneurship depend on innovation (Hayduk, 2020). In fact,
reinventing oneself and innovating in the sports sector is a fundamental aspect since
it is a changing environment and users are active and demanding. This trend of
implementing innovative actions and initiatives covers a wide range of direct and
indirect sports activities, from sport communication (Pegoraro, 2014) and innovation
in the production of sports equipment (Gerke, 2016) to the entrepreneurial attitude
of non-profit clubs (Escamilla-Fajardo et al., 2020). According to Rauch et al.
(2009), "Innovation is the predisposition to creativity and experimentation through
the introduction of new products/services, as well as technological leadership
through R&D in new processes" (p. 763). In this sense, innovation can encompass
product innovations and process innovations, without having to be revolutionary
innovations or ones that no one has implemented before, but rather ones that imply
novelty for the organisation or the environment.

Innovation is considered the most important part of entrepreneurship, as different
authors have argued that the survival of an organization depends largely on its
innovation (Hult et al., 2004; Kojour et al., 2017). However, it has not been widely
studied in non-profit sports organizations (Escamilla-Fajardo et al., 2019), and this study could provide important information for the sports entrepreneurship sector.

Similarly, proactivity is the ability of the organization to know in detail the environment in which it operates in order to anticipate predictable or unpredictable changes. However, proactivity can also be approached from two different perspectives: (i) analysis and detailed knowledge of the environment in which the sports organisation operates, and (ii) analysis and knowledge of the sports organisation itself. According to Rauch et al. (2009) proactivity is the capacity to take the initiative in relation to the rest of the organisations in the sector. In the sports sector, proactivity can come within its nature, since knowing the environment and its own entity, as well as anticipating the competition, is a vital aspect in many competitive sports organizations (for example, professional sports clubs and non-profit sports clubs). Proactivity has a chronological aspect as it helps you to know where you come from, where you are and where you are going. In this sense, anticipating competition is leaving the present behind to think about the future. According to Ratten (2018) ”sport organizations that have a proactive attitude are able to create an environment that fosters entrepreneurship” (p. 108). Hence, proactivity is a key factor in sports organizations.

Finally, risk taking is the ability of the organization to make decisions that may put its sustainability at risk, with the ultimate goal of achieving greater benefit. However, in this sense, most sports entrepreneurs need to be confident that they are doing the right thing and that this can have benefits for their organization (Ratten, 2018). In this way, it is difficult to move forward and gain a competitive advantage over other entities in the sector. Therefore, although risk is a characteristic of the sports industry and should be treated with caution, taking risks and taking the initiative can have a positive influence on the final performance of the organization (Escamilla-Fajardo et al., 2020).

There are different theories that encompass entrepreneurship depending on the aspects on which they focus attention (behavioral, cognitive, personality, social, etc.). However, within organizational management, entrepreneurial theories based on opportunities and resources have gained attention in recent years. According to Shane and Venkataraman (2000) ”entrepreneurship is concerned with the discovery and exploitation of profitable opportunities” (p. 217). According to opportunity-based entrepreneurship theory, a true entrepreneur must be able to explore, discover, value and identify the opportunities that exist in his field of activity. In this way he will have a greater chance of achieving success and benefits for his own organisation.

In this context, the present study can provide relevant information regarding the search for opportunities and the importance of entrepreneurship in the field of sport. Often, the non-profit sector receives less attention in the performance aspects of the
organization, therefore, this work can be a good opportunity to provide important information for academics and professionals.

Sports organisations can be very different according to their nature, standing out among private, public and associative sports organisations. Within the latter we can highlight the non-profit sports clubs, which have a very important social and sports function in today's society. "Activities undertaken by sports clubs provide opportunities for marginalised and underprivileged groups to interact and integrate with other social groups" (Piatkowska et al., 2017, p. 13). Hence the study of non-profit sports clubs has generated interest in recent years because of their importance and growth. However, such clubs can be very different based on different aspects such as size, maximum level of competition or seniority.

This study will study the entrepreneurial capacity of non-profit sports clubs taking into account their maximum level of competition. In this case, we can differentiate between sports clubs at a national-international level or sports clubs at a local-regional level. Therefore, one of the main objectives is to know if there are significant differences in sports entrepreneurship considering the level of competition, and to explain some of the reasons why these results can be presented.

3. Method

3.1. Sample

The sample is composed of 510 Spanish non-profit sports clubs from 21 different sports disciplines (football, basketball, volleyball, handball, swimming, etc.). The 31.74% (n=161) are sports clubs at regional-local level, while 68.43% (n=349) are at international-national. Taking into account the type of financing, 32.94% (n=168) of the clubs are mainly publicly funded and 67.06% (n=343) are mainly privately funded.

3.2. Instrument

The instrument used in this study is the Entrepreneurship Orientation Scale created by Covin and Slevin (1989) and later adapted by Engelen et al. (2015) The scale consists of eight items divided into three dimensions: three items of risk taking (α=.75), three items of innovation (α=.74) and two items of proactivity (α=.72), showing the scale as a whole to have good psychometric properties (α=.84). The response scale is a Likert type with 1 being "strongly disagree" and 7 being "strongly agree" (questionnaire in appendix I).
3.3. Procedure

A total of 3,787 non-profit sports clubs were contacted by email, sending a letter of introduction to the study to the president or coaching staff. This letter explained the objective of the study and a request for collaboration. In addition, there was a link that led to the questionnaire that had to be completed by the club's board of directors or technical, financial or sports manager, with an overview of the sports club in the last three years. The questionnaire was answered anonymously and confidentially through LimeSurvey, the University of Valencia's own platform that directly exports the data to an external document. The estimated response time was 7-10 minutes and the data was collected between September and November 2019.

3.4. Data analysis

To achieve the objectives of this study, descriptive statistical analyses of the variables analysed (risk-taking, innovation and proactivity) were performed using the SPSS 23.0 statistical package. In order to know if there were significant differences considering the level of competition (local-regional and national-international), Student t-tests were performed for independent samples. Previously, Levene's test was performed to know the homogeneity of the variances and Cohen's d to know the size of the effect (Cohen, 1988).

4. Results

According to the results obtained, the risk-taking dimension is the one with the highest average in both international-national (M= 5.41; SD= 1.02) and regional-local sports clubs (M= 5.06; SD= 1.23), while the lowest dimension is proactivity, with values below four in regional sports clubs (M= 3.63; SD= 1.60) and international-national sports clubs (M= 4.45; SD= 1.42).

There are significant differences in all the dimensions of entrepreneurship and in the general scale between sports clubs at a national-international level and sports clubs at a regional-local level. In all cases the national clubs have significantly higher averages than the regional clubs (Table 1).

The results showed significant differences in the dimension of risk taking (t(483)= -3.00, p<.01, d=.31, r=-.15), with national-international sports clubs showing higher data (M= 5.41; SD= 1.02) than local-regional level sports clubs (M= 5.06; SD= 1.23). In the same line, significant differences were found in innovation (t(483)= -2.75, p<.01, d=.27, r=-.13), being the national-international sport clubs those that showed higher values (M= 4.58; SD= 1.27) with respect to the local-regional level sport clubs (M= 4.23; SD= 1.33). Considering the proactivity dimension, we also found significant differences between the analyzed clubs (t(483)= -5.37, p<.01, d=.54,
r = .26), with national-international level sports clubs having higher results (M = 4.45; SD = 1.42) than local-regional level sports clubs (M = 3.63; SD = 1.60).

Table 1. Differences in EO dimensions depending on CL

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>International - National</th>
<th>Regional - Local</th>
<th>Overall</th>
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<tbody>
<tr>
<td></td>
<td>M</td>
<td>SD</td>
<td>M</td>
</tr>
<tr>
<td>Risk-taking</td>
<td>5.41**</td>
<td>1.02</td>
<td>5.06**</td>
</tr>
<tr>
<td>Innovation</td>
<td>4.58**</td>
<td>1.27</td>
<td>4.23**</td>
</tr>
<tr>
<td>Proactivity</td>
<td>4.45***</td>
<td>1.42</td>
<td>3.63***</td>
</tr>
<tr>
<td>EO General</td>
<td>4.86***</td>
<td>1.02</td>
<td>4.39***</td>
</tr>
</tbody>
</table>

Note: **p < .01; ***p < .001

5. Discussion and conclusions

Making a diagnosis of entrepreneurship in sports clubs is fundamental, since it provides relevant information about the starting point in a variable that has a great influence on the final performance of the organization (Núñez-Pomar et al., 2016). Considering the results obtained, attention should be focused on proactivity, moving from the traditional "wait and see" position (Zellweger & Sieger, 2012), to anticipation in decision making in the face of competition by acting in anticipation of future demand (Rauch et al., 2009).

For proactivity to be effective, a detailed analysis must be made from two different perspectives: (i) external analysis of the environment in which the organization operates, and (ii) internal analysis of organizational and structural factors of the organization itself. Therefore, one of the most important management proposals is to enhance the deep knowledge of the sports club itself and of the environment, in which it operates, that is, of all the aspects that have a direct and indirect relationship with the club. In this way, the positioning in the sector and the trends developed by the competition are known. In order to carry out an important action that may have a positive repercussion for the sports entity itself, it is necessary to carry out these two previous analyses. Proactivity can be considered an inherent part of sport, since knowing the club, the environment and the competitors is vital to achieve professional and sporting success. However, not all sports clubs focus attention on this aspect which is of vital importance. Hence, identifying opportunities and making them profitable in the long term (Shane & Venkataraman, 2000) is one of the main objectives that any sports organisation should have, in line with the theory of opportunity. In other words, it is not only necessary to have a new idea, but to carry it out in a satisfactory way before the competition. However, following this theory, it is not necessary to create a new company, organization or sports club, but to explore and implement improvements in what already exists.

According to the results obtained, sports clubs at national-international level show significantly higher values in the proactivity dimension than sports clubs at local-

regional level. This result may be due to the fact that the level of professionalization and formalization may be higher in sports clubs with a higher level of competition (Nichols et al., 2015), and these focus their efforts on analyzing the sector and carrying out initiatives before the competition. However, it is important that the management team of sports clubs operating at a lower level of competition follow the trend set by the older clubs in order to achieve greater performance and positioning in the sector. Analysing the environment before making decisions and taking initiatives before the competition, is a behaviour that can be learned and implemented over time. Often, organizations act by imitating others that are larger or have greater impact on the sector, so it is important that these sports clubs try to carry out entrepreneurial processes.

On the other hand, encouraging innovation in sports organizations is a vital aspect of maintaining and enhancing competitive advantage over other entities in the sector. However, unlike what is generally thought, innovation does not only address the introduction of new products and services, but it can also be innovative to improve existing processes or strategies (Brooks, 1982). In this way, a sports entity must focus its attention on two different and complementary aspects: (i) exploring new opportunities provided by the dynamic environment and changing demands of sport users, and (ii) exploiting existing opportunities that can be improved and implemented.

According to the results obtained, innovation is significantly higher in sports clubs of national-international level, which is why it is as important to maintain the levels of innovation in sports clubs of higher level of competition, as to significantly increase innovation in sports clubs of lower level. One of the most important aspects is the implementation of new technologies that facilitate the adhesion of the user or sportsmen and women, and that can promote fans´ loyalty. Generally, studies have focused on the analysis of the sportsmen or women or the entity itself, however, the impact and repercussion they have on the fans must be evaluated and analyzed.

Developing innovative and proactive aspects, can have as a consequence an improvement in the abilities and enterprising capacities. In this way, the sports organization can adopt useful tools, like the introduction of digitalization, to better face unexpected crisis situations that may affect its organization, such as the crisis generated by the COVID-19. This is in line with who highlighted the importance of firms’ innovation during this crisis (Kraus, Clauss, Breier, Gast, Zardini, & Tiberius, 2020), being the digitalization of the business an example of it. It is difficult for an organization that has not adopted entrepreneurial initiatives during its business life to be able to quickly reinvent itself in adverse situations. It is difficult for an organization that has not adopted entrepreneurial initiatives during its business life to be able to quickly reinvent itself in adverse situations. Hence, for organizations to adopt an entrepreneurial identity no longer only brings positive experiences or improvements in performance at a given time, but also improves the organization's general skills and capabilities in the long term. Therefore, that organizations
implement changes in processes, products or services during non-turbulent times, can improve their ability to react or their ability to deal with adverse situations with satisfactory results.

Finally, according to the results obtained, risk taking is the dimension with the highest values in all sports clubs, regardless of their level of competition, an important aspect since, according to Núñez et al. (2020) whose study analyzing the relationship of entrepreneurial orientation on the social performance of sports clubs, risk taking is the dimension with the highest coefficient in the EO-Social Performance regression model. Although risk must be treated with caution, within limits, it is necessary to take risks in order to achieve significant benefits for the organization. At a general level, according to Fayolle et al. (2006), they argued that specific training in entrepreneurship could improve the capacity to undertake, so this should be taken into account by the management team. Focusing attention on these initiatives can increase the overall entrepreneurial values of the organization, and consequently the overall performance of the organization. Such training can be carried out by companies or staff outside the sports organisation, which may involve a cost, but another option is training among the organisation's employees. Besides, the promotion of corporate entrepreneurship within the sport clubs by the sport managers, could be a good policy to foster entrepreneurial skills in their employees. For example, sports managers could give rewards to employees who propose new approaches for existing products or services, or propose the development of new services or products. Each person has their own skills and they can be shared informally with the rest of the colleagues (knowledge spillover), however, this can have better results if it is done in a structured and coordinated way. In addition to the knowledge and tools you can provide to your colleagues, this can be a motivating factor for the sports club staff themselves. This person will feel that their work is recognized to the point of wanting to be shared with the rest of the human capital that forms the organization.

From this, future practical implications can be drawn for professionals in the sports and organizational sector. Risk taking is a very important factor in sports organization and can have a positive impact on final performance (Núñez-Pomar et al., 2020), however, the management team has the obligation to analyze the cost-benefit and risk-reward relationship that any initiative carried out by the sports club may have. Similarly, implementing innovations in the sports organization does not always bring new processes or services, but it is necessary to explore the opportunities offered by the environment and existing resources in order to exploit them positively.

Finally, it should be noted that proactivity includes analysis of the environment and the competition in order to take action before the competition. On many occasions, companies or external personnel are sought to help in making risky, innovative and proactive decisions, however, the organization's own personnel have had contact and
have relevant information to know the needs of users or customers and have the ability to guide the actions that must be carried out to obtain a benefit.

6. Conclusions

Sports entrepreneurship has attracted the attention of academics and professionals in recent years, however, this has been less studied in non-profit sports clubs. According to the results obtained, there are significant differences in innovation, proactivity and risk taking between local-regional level and national-international level sports clubs, with the latter showing significantly higher data in all cases. If this attribute of the organizations has been shown to be an effective instrument to improve performance, it should be considered as a first order objective to be developed in non-profit sports organizations, since it not only increases their performance, but also positions them better in dynamic and sometimes hostile environments.

However, this study has limitations that need to be addressed. The first limitation is geographical, since the participants in this study are only from Spanish sports clubs. Furthermore, the data were collected at one point in time and the entrepreneurial capacity of the sports clubs was not monitored. Therefore, it would be interesting in future lines of research to carry out a longitudinal study to find out about the change in entrepreneurship over time. The variable "type of financing" could also have been considered to find out the difference between clubs with majority public financing and sports clubs with majority private financing.

7. References


Appendix 1. Questionnaire

<table>
<thead>
<tr>
<th>Items</th>
<th>Likert Scale 1 to 7</th>
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<tbody>
<tr>
<td>1. Our firm stresses a fully delegated policy for employees.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>2. Our organization gives the freedom for individuals or teams to develop new ideas</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>3. In general, the top managers of our organization has a strong tendency to be ahead of other organizations in introducing novel services or ideas</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>4. Our organization encourages and stimulates technological, service delivery and administrative innovation</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>5. Our organization stimulates creativity and experimentation</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>6. Our organization’s innovative initiatives are hard for our rivals to successfully imitate</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>7. In dealing with our rivals, our organization typically initiates actions which they respond to</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>8. In dealing with our rivals, our organization is very often the first to introduce new services, technologies applied to training and/or management, etc.</td>
<td>1 2 3 4 5 6 7</td>
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</table>