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# Human Resource Management in Sports: A Critical Review of its Importance and Pertaining Issues

## Authors' contribution:

- A) conception and design of the study
- B) acquisition of data
- C) analysis and interpretation of data
- D) manuscript preparation
- E) obtaining funding

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## ABSTRACT

This paper will illustrate the meaning and importance of human resource management (HRM), human resource planning, and strategic human resource management, which are critically important for an organization's effectiveness and must be effectively managed (Doherty, 1998). This study used the literature review method to acquire its final results. The relevant HRM literature review was done according to the purpose of the study. It used the purposive random sample method for selecting relevant literature. This study shows the current economic environment in the sports industry; the second part of the study critically analyzes the value of the strategic management of employees for the effective and efficient operation of sports organizations. It also critically evaluates human resource planning and other pertinent issues in terms of legislation, recruitment, selection, training, induction, and reward management from different international examples in sports management. Over the past few decades, increasing competition, globalization, and continuous changes in the market and in technology have emphasized the need to rethink the management of the organization and of human resources for the sake of overcoming significant challenges (Taylor et al., 2006). Therefore, managers should use strategic human resource management to overcome significant issues and to form well-planned strategies so that the organization may succeed.

## KEYWORDS

human resource management, strategic human resource management, sports, HRM process, current issues

## Introduction

### Current international sports context

In the current international context, sports are becoming more commercialized, and sports organizations have become more competent over the years (Bauer et al., 2005). Sporting events play a significant role in developing tourism and economic activities on the national and international scale; their positive economic benefits have increased the awareness of sports among the general public and have created a positive image in the general community (Hanlon, & Cuskelly, 2002). In 2003, the Australian Rugby World Cup generated AU\$494 million and created more than 4,000 full- and part-time jobs. Furthermore, it contributed AU\$289 million to the Australian GDP. At the same time, the Los Angeles Sports and Entertainment Commission estimated that the average economic impact of hosting a major sporting event

was US\$32.2 million, and in 2003, the Canadian Tourism Alliance claimed that over US\$2 billion per annum was generated by sports tourism industries through sporting events (Bohlmann, & van Heerden, 2005). Furthermore, Gerrard (1999) has pointed out that other income sources for sporting events include broadcasting rights, which had an estimated value of US\$18 billion worldwide in 1997. In addition, professional sports players have significant value in sports industries; most sports companies use popular players to market their sports products (Bauer et al., 2005). Therefore, nowadays, sports businesses must manage their time, energy loss, activities, money, and human resources to reach the goals of their organizations (Unlua et al., 2012a); in particular, organizations must invest in their human resources for the effective and efficient organization of operations (Khasawneh, 2011).

## **Methodology**

This study is based on data from secondary sources; the data were collected using the qualitative research method. The qualitative method is used to gain a better understanding of and provide a reliable investigation for the research question. The literature review method was used for collecting data from relevant journal articles, textbooks, reports, and other academic works. The data that were collected represent all the areas of human resource management in sports and were collected using the purposive random sampling method, which used key themes, such as human resource management (HRM), strategic human resource management (SHRM), HRM planning, and current issues in HRM in sports, for collecting the data for this study. The data were critically analyzed according to the selected themes. Therefore, the academic works that were studied are related to HRM in sports and general HRM. These included works by Wicker and Breuer (2013a), Unlua et al. (2012a), Taylor et al. (2010), Doherty (1998), Armstrong and Taylor (2014a), and Aisbett and Hoye (2015). Thanks to the richness of secondary data available, the study was able to come to a conclusion.

## **Definition of HRM and its importance**

While HRM has a specific definition and meaning, any approach can be used, in general terms, as people management (Beardwell, 2007). However, that definition does not provide a deeper understanding of exactly what HRM is. Researchers in the field of HRM provide a comprehensive definition for HRM. HRM has integrated strategies and a coherent approach to employment management and seeks to achieve a competitive advantage through a highly committed and capable workforce, using an array of human resource planning, policies, and practices which carry out the management of people or HRM, including recruitment, screening, training, rewarding and appraising, etc. (Beardwell, 2007; Dessler, 2008; Armstrong, & Taylor, 2014; Bloisi, 2007a; Aisbett, & Hoye, 2015; Khasawneh, 2011; Doherty, 1998; Akingbola, 2013). According to the above definition, the most valuable asset of the organization is human resources (HR), i.e., the people working for the organization who individually and collectively contribute to the achievement of its objectives (Armstrong, 2006). Moreover, organizations use employment management to achieve a competitive advantage. This is accomplished through a distinctive set of integrated policies, programs, and practices (Dessler, 2008). Doherty (1998) reveals that various HRM strategies can have an effect on behavioral outcome and organization effectiveness. In light of many different points of view, HR is a strategic approach that concentrates on what the aims of HRM are and how they can be achieved. To complete the explanation of HRM, it should be mentioned that it is a process of creating values (Chelladurai, 2006a) and includes different steps, such as planning, recruitment, selection, retention and replacement, orientation, training and development, and appraisal and rewards (Hoye et al., 2009).

The work of Armstrong (2006) emphasizes that HR is the most important factor in an organization. Armstrong's opinion was recognized by Chelladurai (2006), Hoye et al. (2009), Khasawneh (2011), and many other academics in the field of HRM. In addition, many other resource managers consider HR to be a significant factor that can have an influence on and transmute other resources (financial, facilities, and material) into valuable resources (Chelladurai, & Madella, 2006). Thus, an organization can invest in the

education and training of employees to increase their knowledge, expertise, and skills, and through this, the organization can ultimately maximize its productivity and output (Khasawneh, 2011). HR is critically important for organization effectiveness (Chelladurai, & Madella, 2006) because HR consists of different skills, attitudes, and talents regarding an organization's tasks and relationships, and therefore must be managed differently than other resources in the organization (Chelladurai, & Madella, 2006). While it is important to analyze these different viewpoints on the importance of HR in order to ensure the effective utilization of HR through the development of strategic activities for issues pertaining to HRM, employers should also develop strategies for increasing the commitment of their employees (Bloisi, 2007; Unlua et al., 2012). Consequently, the next section is dedicated to discussing the values of SHRM which can improve the effectiveness and efficiency of organization operations, HR planning, and other issues that impact sports on an operational level.

### **Values of strategic human resource management for effective and efficient organization operation**

Employees are one of the most important assets or resources of an organization because they contribute to its growth and success (Selemani et al., 2014). While an organization needs human empowerment in order to obtain its objectives, this will not allow it to achieve success in the long run (Tohidi, & Jabbari, 2012). Employees are not aware of the big picture of the organization to which they belong. Therefore, HR managers guide or supervise employees for effective and efficient performance in order to achieve the organization's goals and objectives. Nowadays, sports organizations use a strategic approach to HR as a critical method for managing their HR for the purpose of effective and efficient operation. It is becoming increasingly important to do this (Taylor et al., 2010). Organization effectiveness may be defined by the organization's set of goals, its acquisition of resources, and the efficiency and effectiveness of its processes (Doherty, 1998).

Scholars in the field of HRM who provide a definition of SHRM will be discussed for further understanding of the importance of SHRM. As Armstrong and Taylor (2014b, p. 16) pointed out, "strategic human resource management is an approach to the development and implementation of HR strategies that are integrated with business strategies and support their achievement". Furthermore, SHRM is the establishment of principles and shaping of practices that allow the HR of an organization, seen as a corporate whole, to carry out work tasks and enable the organization to continue successfully in the long run (Leopold, & Harris, 2009). An analysis of different views of SHRM is important for understanding it and identifying a key position that can contribute to the organization's competitive advantages in a different manner. It also helps to create various HR designs to facilitate filling these positions with skilled employees and encouraging their continued commitment to the organization (Collings, & Mellahi, 2009). In addition, today's organizations work in a dynamic environment; therefore, organizations need to manage their resources strategically in order to be in a constant state of competition (Harel, & Tzafrir, 1999). To support this idea, Akingbola (2013) pointed out that SHRM is critically important for adapting to a changing environment and accomplishing the organization's objectives; also, SHRM mainly focuses on the pattern of planned organization in HR deployment and the activities that allow it to achieve its goals. Employees' satisfaction, motivation, commitment, and performance directly affect organization effectiveness; thus, the various HR strategies impact behavioral outcome and organizational effectiveness (Doherty, 1998). Moreover, Dessler (2008) pointed out that SHRM is important for hiring suitable people at the right time and for the right position, and helps avoid organization inefficiency. On the other hand, SHRM is planned HR deployment; its activities help the organization achieve its objectives (Lepak et al., 2006). Therefore, human resource planning is essential for an organization to overcome an uncertain environment and the related challenges.

### **Human resource planning and pertaining issues that impact organizational operation in sports**

Today, governments have funded private sports and recreational organizations that competitively provide their service to the general public. Other privately-operated sports and leisure businesses are

increasing in number and scope. Globally-oriented organizations have emerged from locally-initiated enterprises. Volunteer administrators have been replaced by salaried professionals, and many sports organization have transferred their core business from amateur to professional sports. Therefore, sports and leisure organizations must recognize and plan for both volunteer and paid staff when managing their HR (McMahon-Beattie, & Yeoman, 2004). HR planning is mainly focused on the future recruitment of HR, which can be incorporated with both the qualitative element of HR and the quantitative element of manpower planning (Beardwell, & Claydon, 2007). HR planning is largely the process of facing changes and uncertainty, considering and planning for factors such as recruitment, selection, training and development, orientation and rewards, etc., to survive with a competitive advantage. Before planning for these scenarios, HR managers must also consider the financial, external, and internal environment (Reilly, 1996).

However, HR practice in a complex business organization does not easily transfer to sports organizations because HRM is the most critical and problematic phenomenon for an organization's operation (Chelladurai, & Madella, 2006; Taylor, & McGraw, 2006a). The development of formal HR planning is difficult to practice due to a lack of perspective on issues such as legislation, recruitment, selection, training, reward management, and induction. In addition, sports organizations face tension between formality and informality, although the use of these formal approaches can provide strong senses of teamwork, enhance social connections, and increase employee and volunteer motivation (Taylor, & McGraw, 2006a). These issues are critically important for effective and efficient organization operations. Two of them will be discussed in detail below.

## **Recruitment**

The recruitment process involves identifying, attracting, and choosing suitable people that meet the organization's HR requirements (Beardwell et al., 2007; Selemani, 2014). Thus, as Chelladurai (2006) pointed out, the recruitment process is the process of finding numerous suitable candidates for the job and encouraging them to apply for it. The eligible candidate might be recruited from internal or external sources. External resources include advertisements such as newspapers, the Internet, and journals. The advantage of this method is that many people can be reached easily. The recruitment of employees from universities is a method with many benefits, as universities are the best source for finding young professionals. Furthermore, if the organization has a strong recruitment process, this is an advantage for effective socialization practices and enhances individual commitment (Aisbett et al., 2015). The recruiting practices of sports industries pose an increasing challenge for many sports clubs around the world in retaining volunteers (Taylor et al., 2015). Breuer and Wicker (2009) claim that recruitment and retention is a significant problem for sports clubs in many countries. The data related to sports clubs in Scotland show that 68% of sports clubs failed to attract new junior members, 55% failed to attract senior members, 41% failed to attract women members, and 25% failed to attract other family members (Allison, 2001). Thus, more than half of the sports clubs in Scotland reported that 54% of their existing members chose to remain with their clubs. The situation is similar in Switzerland, where about 34% of sports clubs reported serious problems regarding the recruitment of new members (Allison, 2001; Wicker, & Breuer, 2013). Furthermore, Aisbett and Hoye (2015) observed that in community sporting events, operations depend on a large number of paid and volunteer staff. In 2005, the Australian Bureau of Statistics estimated that 1.5 million volunteers operated in the sports sector and contributed over 165 million hours per year to running sports and recreation clubs (Taylor, & McGraw, 2006). However, this evidence proves that recruitment and retention remain significant challenges in the sports sector. These challenges directly influence the operation of sports organizations because they cannot run any events or day-to-day operations due to lack of staff (Akingbola, 2013).

## Training and induction

Training is the stage of an organization's HR process that essentially entails teaching new employees the basic skills that they need to perform their jobs. Training and induction programs interlink components of the organization's HR process, beginning with the orientation. Orientation is a procedure that provides new employees with basic background information about the organization and includes other necessary information related to their jobs, such as health and safety, terms and conditions, the history of the organization and its product or service, as well as ethics and values (Dessler, 2008). Employees move to these stages after the process of recruitment and selection. Training can be divided into two parts: general training and specific training. General training (literacy) means that the skills are transferable from one organization to another and are useful in all organizations. Specific training is skills and knowledge that are useful when working for a single employer or in a single industry (Khasawneh, 2011). However, training can enhance the self-confidence of employees and their productivity, as self-confidence and productivity develop through learning new skills and gaining knowledge (Unlua et al., 2012; Khasawneh, 2011). In support of this idea, there is evidence given by the research of Aisbett and Hoye (2015) that an employee's belief that he or she is well-trained and developed within an organization strongly affects his or her performance and commitment in a positive way. However, managers often believe that the induction process is time-consuming and expensive, although a well-designed induction process that is implemented in a timely manner has been shown to reduce anxiety in personnel and increase productivity and dependability. In other words, the induction process is important and beneficial, and leads to organizational effectiveness (Doherty, 1998). However, Hanlon and Cuskelly (2002) reported that sports organizations continuously fail to provide satisfactory induction opportunities for their personnel. One organization that did not fail to do so is the Victoria Racing Club, which organizes the Melbourne Cup. The club made an induction program for a specific event for their employees; the program resulted in a significant increase of satisfaction among the event managers and other employees and elevated the success of the event. This proves that well-planned induction programs lead to effective and efficient organization operation. Furthermore, Carla et al. (2006) make it clear that volunteers are economically and operationally viable for conducting sporting events. For example, thousands of volunteers helped in organizing and running the Olympic Games in Athens in 2004 (45,000 volunteers), in Sydney in 2000 (41,000 volunteers), in London in 2012 (70,000 volunteers), and in Beijing in 2008 (70,000 volunteers). In other words, the satisfaction of employees is directly related to their performance, which in turn is influenced by their training. Therefore, the training experience of employees should be conducted in a responsible manner; otherwise, employees' dissatisfaction with their training may lead to their desertion or a lack of volunteers. Taylor et al. (2006) show that in Australia, volunteer coaches and event volunteers refrain from volunteering in sports organizations due to the problem of training and orientation of HR. This volunteer loss is a significant problem in the sports sector, especially in event operation, which is a fundamental part of effective organization operation.

## Conclusion

By investigating the aspects of HRM, we can learn ways to improve the effectiveness and efficiency of the operations of an organization, and at the same time influence certain factors such as recruitment, selection, training, induction, reward management, etc. Over the past few decades, increasing competition, globalization, and continuous changes in the market and in technology have emphasized the need for rethinking the management of the organization and HR in order to overcome significant challenges (Taylor et al., 2006). Therefore, managers should use SHRM to overcome significant issues and to form well-planned strategies so that the organization can succeed. Thus, the formal application of SHRM and well-planned practices can lead to effective and efficient operations. However, the poor application of this practice can also lead to the decreased performance of the organization.

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