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ABSTRACT
The aim of this study is to contribute to a better understanding of the stakeholder-strategy relationship in non-profit sport clubs and to answer the following questions; (1) how hierarchies of organisational aims and actual strategic decisions change due to involvement of certain interest groups in the strategic processes of the observed organisations; (2) how clubs on different quality levels differentiate regarding stakeholders’ hierarchies, hierarchies of aims, and regarding actual strategic decisions. The data were collected from 73 basketball clubs from four South-East European countries. Findings show that private sponsors are the most influential stakeholders in top quality clubs that pursue top sport and financial results more than local community inclusion and other non-profit objectives. Higher-quality level clubs pursue cost reductions, top sport results, and fast results, while clubs where volunteers, local communities, the state and municipal authorities had stronger impact give more emphasis to growth, local community aims, and lowering risk.

1 Introduction

Sport clubs in Europe are traditionally closer to the non-profit sector than their U.S. counterparts. This is in line with EU Commission’s statement that sport clubs should offer sport opportunities at a local level and thus promote the ‘sport for all’ idea (Petry, Steinbach & Tokarski 2004). Moreover, in the former centrally planned states as well as in some Nordic countries even highly professional top sport clubs preserved non-profit legal forms (Ibsen, 2006, Škorić, Bartoluci & Ćustonja, 2012). Non-profitability implies the obligation of using the surplus of income over costs for organisational purpose, but in practice, poorly developed legislation regulators often fail to prevent profit sharing among organisational members in good times of financial surplus. Correspondingly, in bad times, the non-profit status enables hiding the organisational stakeholders’ structure and allows the distribution of risk of financial
loss. Obviously, the non-profit sport clubs face with the problem of the lack of transparency, foremost regarding the identification of what is known as ‘key players’ and their interests. In line with that, we can say that nowadays in some transition countries sport fans often cannot distinguish, which interest groups influence sport clubs’ strategic decisions (Ivašković, Čater, & Cater, 2017) and how involvement of certain interest groups in the strategic processes actually affects organisational hierarchy of aims and consequentially actual strategic orientation (Ivašković, 2015). The purpose of this study is thus to shed new light on the described problem. It offers an empirical insight into the stakeholder-strategy relationship and provides answers on following questions:

1. What are the actual stakeholders’ structures in non-profit sport clubs?
2. What are the planned hierarchies of organisational objectives in those clubs?
3. How do those clubs resolve key strategic issues?
4. How do hierarchies of aims and actual strategic decisions correlate to strength of strategic involvement of certain interest groups?

The study therefore deals with the problem addressed with the questions ‘who really counts’ and ‘what do the key stakeholders want’ (Frooman, 1999; Kearns & Scarpino, 1996; Mitchell, Agle, & Wood, 1997). Theoretically, the study enables better understanding of the relationships among stakeholders, planned hierarchy of organisational objectives, and implemented strategies that will contribute to the discussion of the justifiability of sport clubs to operate in the context of non-profit legal forms. From the practical point of view, the results should be useful to managers in sport organisations to anticipate the pressures from various interest groups, and to improve their ability to successfully manage the potentially conflicting interests of stakeholders.

2. Literature review and hypotheses

The fact that no organisation is self-sufficient and that each one needs support from its inner and external organisational environment has been acknowledged a long time ago (Pfeffer & Salancik, 1978). Subjects on whom the particular organisation depends were identified as stakeholders or interest groups. Freeman and Reed (1983) distinguished the narrow and wide definition of stakeholders. The first includes only those groups or individuals that are vital for the organisation and the second includes any group or individual who can affect or is affected by the corporation. All these individuals or groups have the power to influence organisation by withholding resources or/and support, limit the organisation’s access to new markets or boycott its products (Seeger, 1997, p. 9). According to Mintzberg (1983, pp. 26–30), internal stakeholders represent ‘key decision makers’ and are formally responsible for the determination of organisational strategic focus (Pučko, 1999, p. 365). On the other hand, external stakeholders are not supposed to affect plans directly, but they rather use sources of their power to influence internal stakeholder groups and consequently modify actual organisational strategic behaviour (Mintzberg, 1983). Those subjects often require certain organisational activities, which might lead to a dependent
relationship where external factors form a system of indirect supervision and guidance of organisational management and indirectly influence organisational strategy (Frooman, 1999). Apparently, the non-profit organisations frequently have more stakeholder groups and individuals engaged in their activities, and are therefore often described as multiple organisations due to the fact of multiple relations between stakeholders (Drucker, 1992). Non-profit sport clubs are no exception and are exposed to pressures of various interest groups as well. As their interests are often not complementary, the organisational strategic plan and actual behaviour depend on the resolution of stakeholders’ conflict. Before identification of potential conflicting points, it is necessary to identify the stakeholders for particular organisation. There are numerous potential groups or individuals who may benefit or suffer loss due to operations of certain organisation, therefore, although some classifications of stakeholders are applicable to all non-profit organisations (e.g., funders vs. clients; LeRoux, 2009), the analysis of the association between stakeholders and strategy in one industry demands the definition of stakeholders’ list for the particular case.

Sport clubs from South East Europe are typical examples of organisations, where public institutions have traditionally had great influence that started to collide with interests of private sponsors in the transition period. In order to adapt to the circumstances, sport clubs have to resolve those stakeholder conflicts, which usually means prevailing of certain groups over others and consequently positioning their goals at the top of clubs’ priorities. Obviously, higher-quality clubs attract more money and are thus forced to seek sponsors among profit-oriented enterprises (Ivašković et al., 2017). As could be seen from the hypothesis 1, the particular study challenges the thesis of some authors (Ben-Ner & Van Hoomissen, 1991) that non-profit organisations are mostly controlled by those stakeholders who wish to provide benefit to the vulnerable segments of population or that non-profits do not have stakeholders who stand to profit from the organisation’s activities (e.g., LeRoux, 2009).

**Hypothesis 1: Private sponsors have relatively stronger strategic influence in higher-quality non-profit sport clubs.**

The purpose of strategy process is to formulate and to realise organisational goals (Gurkov, 2009, Gurkov, 2010). Stakeholders’ influence to shape the strategic processes depends on several parameters. Mendelow (1991) emphasised power (i.e., ability to affect key organisational decisions) and the degree of stakeholder’s interest (i.e., the desire to influence particular organisation) (Mendelow, 1991; Polonský, 1995). Stakeholders with great power and simultaneously a high level of interest are known as ‘key players’ due to the highest potential to benefit or harm the organisation (Mendelow, 1991). In practice, key stakeholders are usually those subjects that finance a non-profit organisation (LeRoux, 2009). On the other hand, Mitchell et al. (1997) pointed out three stakeholders’ dimensions, namely power, legitimacy, and urgency, and defined seven stakeholder segments. Overall, no matter which theory we take into account, the fact is that the stakeholder’s structure affects the non-profit organisation’s plans and its actual strategic decisions (Barringer & Bluedorn, 1999; Berman, Wicks, Kotha, & Jones, 1999; Selvin & Covin, 1997).

Obviously, the amount of problems increases with the number of stakeholders interested in the organisational activities. In fact, according to Drucker (1992), the
problems of non-profits arise not only from the fact that these organisations include a larger number of stakeholders, but foremost because those individuals and groups have different visions of organisation, especially in cases when private and public stakeholders interfere in the strategic decision-making process. Of course, problems tend to arise when two or more stakeholders are confronted within an organisation, and they simultaneously have a similar amount of influence and contradicting aims. The fact is that in these organisations numerous stakeholders see their interests may result in ambiguity of organisational primary objectives, which may result in an unproductive process with the loss of organisational focus, which implicates the necessity of specific strategic planning in those organisations (Mulhare, 1999). If we acknowledge previous claim that the management of non-profit sport clubs adapts to the circumstances and stakeholders’ impact (Ivašković et al., 2017), we can make an assumption that higher-quality clubs will place the key stakeholders’ aims on the top of their organisational goals hierarchy. Private enterprises, which finance sport organisations in the studied area (if we exclude the third sector’s organisations, which rarely take the role of sponsors and donors), are mostly profit-oriented (Škorić et al., 2012). Their main ambition is therefore to generate profits and their activities have to comply with that purpose. Sponsorship indeed is one of the most powerful marketing tools (Cornwell, Weeks, & Roy, 2005), where the sponsor has commercial objectives (Meenaghan, 1983) and tries to create positive attitude towards its products and consequentially greater purchase intentions for them (Demirel & Erdogamus, 2014). On the other hand, the sponsored club will try to adapt to that desire, not necessarily in a way to attach its goals directly to generating profit ambition, but rather to give more attention to its commercial activities. By doing that, the commercial goals should also be placed higher on the organisational priority list. This leads us to an assumption that the sponsor’s hierarchy of aims will be reflected in the sponsored club’s hierarchy of goals. Thus, in line with the hypothesis 1, we suggest the second hypothesis as it follows.

**Hypothesis 2:** The stakeholder hierarchy is directly reflected in the non-profit sport clubs’ hierarchies of aims, which means that higher-quality clubs place profit-oriented goals higher in their aim hierarchies than their counterparts from the second and third divisions.

The highest potential for the escalation of conflicts among stakeholders exists in the process known as ‘budgeting’. This process reflects the actual organisational strategic priorities that are not always in line with a formal hierarchy of aims. At this stage, the club’s management is forced to deal with the highest amount of stakeholders’ interference and to resolve key strategic dilemmas (Baroncelli & Lago, 2006; Kern, Schwarzmann & Wiedenegger, 2012). In this respect, Keller (2008) divided sports clubs into those that pursue a more sustainable strategy and those with a strategy of achieving top sports results. The first group invests their financial surplus in the development of local sport infrastructure, young athletes and the local community, while the other group invests in the acquisition of new athletes with better physical and tactical skills. The line between both groups of clubs is more or less clear in the U.S.A., where members of professional leagues follow the aim of top sport results, while amateur organisations are more inclined to a sustainable strategy. However,
determining the strategic orientation of a South East European non-profit sport club is much more complex due to a wider spectrum of potential purposes (Cuskelly, 2004). Therefore, we decided to follow the Paauwe and Boselie’s (2008) advice, who claimed that strategic alternatives cannot always be placed into the context of differentiation, low cost or niche focus, and it is sometimes necessary to modify the classification due to the specific circumstances. In the context of this study, we used the three dimensional scale proposed by Ivašković (2015) that includes three key decisions in sport clubs representing simplified reflection of actual pursued strategy.

Cost efficiency vs. pursuing fast growth. The ambition to be cost-efficient is usually in conflict with the traditional understanding of fast growth that refers to enlargement of the club’s membership or increasing the scope of organisational activities. In this context, sport managers encounter the dilemma of enlarging membership and consequently increasing activities on the one side, and a conservative financial policy on the other. Organisational growth brings the potential to increase organisational revenues, but it also implies investments in the club’s infrastructure, marketing activities for attracting young people, coaching and administrative staff, etc., which are all in conflict with the cost-reduction ambition. In our case, it is reasonable to presume that higher-quality sport clubs with higher degree of professionalisation and stable organisational structure (Ivašković, 2015) do not have desire for additional growth, but rather to use their resources more efficiently. On the other hand, clubs at the lower divisions of national competitions consist of higher percentage of relatively new organisations, which are still growing and have unstable organisational structures (Ivašković et al., 2017). Moreover, some previous studies (e.g., Berg, Lin, & Tsaplin, 2005) found that decision-makers in private enterprises in Eastern Europe are indirectly forced to accept more aggressive strategies that allow higher yields; therefore, they emphasise cost-efficient behaviour. This means that sport clubs under stronger influence of private stakeholders, which is hypothesised in the first hypothesis, might also adopt similar behaviour. In line with the above arguments, we suggest the following hypothesis.

Hypothesis 3: Higher-quality clubs are more inclined to pursuing cost-efficient behaviour instead of fast-growth ambitions, while the lower division clubs emphasise organisational growth more than cost efficiency.

Pursuing top sport results vs. developing the local community. For most sport management scholars this is the crucial dilemma of all sports clubs (Breitbarth & Harris, 2008; Ivašković, 2015; Kern et al., 2012). It is a consequence of combining the concept of ‘sport’ that implies competition and sport result as a value in itself (Ibsen, 1999), and the concept of ‘club’ which represents an organisation integrated into the local community. It may seem that those ambitions are not in contradiction, but eventually a club’s management has to decide whether the club is going to emphasise the involvement of the local population or will strive to obtain the best skills and knowledge on the international athlete markets (Taylor, Doherty, & McGraw, 2008, p. 28). Higher-quality sport clubs are supposed to be under stronger influence of private enterprises, which see the sponsoring funds as the investment for increasing their commercial opportunities (Cornwell, Weeks & Roy, 2005; Demirel & Erdogamus, 2014). As top sport result is for sport fans the most attractive product and has therefore also the strongest marketing leverage effect from the sponsors’ point of view, it
is reasonable to presume that community needs are subordinate to top sport achievements for the managements of those clubs. On the other hand, lower-quality clubs are under stronger influence of public institutions (Ivašković et al., 2017) and are therefore supposed to invest more energy into meeting local community needs. Thus, we suggest the fourth hypothesis.

**Hypothesis 4:** Higher-quality clubs emphasise achieving top sport results more than meeting the local community needs, while the lower division clubs emphasise meeting the needs of the local community more than top sport results.

**Achieving fast results vs. lowering the risk.** A shorter period of expected return and higher profitability are usually beneficial for the investors. However, this often implies a higher degree of risk. In this context, clubs that strive for top sport results have to acquire athletes with better capabilities. The only quick way to do this is to obtain them on international markets, which usually requires higher financial investments and is therefore more risky. If we presume that higher-quality clubs emphasise achieving top sport results and are under stronger influence of private sponsors, we may also derive the consequential assumption that their managements feel more time-pressured than managers in their lower leagues counterparts. In line with that, some studies suggested that managers of private enterprises are generally more proactive and innovative, and are usually willing to take greater risks than public organisations’ management (Cuervo & Villalonga, 2000; Megginson, Nash, & van Randenborgh, 1994; Zahra, Neubaum, & Huse, 2000). On the other hand, organisations where the role of public institutions is bigger usually perform activities more according to established routines and follow less aggressive strategies (Brouthers, Gelderman, & Arens, 2007). Their managerial staffs do not experience strong pressure for achieving fast results (Lioukas, Bourantas, & Papadakis, 1993; Whitley & Czaban, 1998). Previous studies have also shown that higher risks and larger potential gains increase private companies’ motivation for being efficient and innovative (Brouthers et al., 2007; De Castro, Meyer, Strong, & Uhlenbruck, 1996; Luo & Tan, 1998; Parker, 1995). In addition, those organisations are usually more flexible, while organisations that follow public interest are more rigid and have slower reactions (Estrin, 1994; Megginson et al., 1994; Whitley & Czaban, 1998). Finally, several studies suggest that organisations under ‘public’ influence are less market-oriented, less cost-effective, less proactive, and thus use less aggressive strategies (Brouthers et al., 2007; Cuervo & Villalonga, 2000; De Castro et al., 1996; Lioukas et al., 1993; Whitley & Czaban, 1998; Zahra et al., 2000). All the above mentioned leads us to our fifth hypothesis.

**Hypothesis 5:** Higher-quality clubs emphasise achieving fast results more than risk-reduction, while the lower division clubs emphasise risk-reduction more than fast results.

In line with all the above arguments and derived hypotheses, we can make an assumption regarding the relation between the hierarchy of stakeholders and actual strategic orientation in those organisations. Thus, we pose the following hypothesis and its derivations.

**Hypothesis 6:** the strategic influence of private sponsors is reflected in strategic focus of non-profit sport clubs, such that:

**Hypothesis 6a:** Clubs with greater influence of the private sponsors’ emphasise fast results more than risk-reduction;
Hypothesis 6b: Clubs with greater influence of the private sponsors’ emphasise top sport results more than meeting the needs of the local community;

Hypothesis 6c: Clubs with greater influence of the private sponsors’ emphasise cost-efficiency more than organisational growth.

3. Methods

3.1. Sample and data collection

This research was performed among men’s basketball clubs in Bosnia and Herzegovina, Croatia, Serbia, and Slovenia. Although only one branch of the sport industry according to the size of the organisations and their financial budgets, basketball clubs can be considered representatives of other non-profit sport clubs from this part of Europe. Basketball has a long tradition and glorious history in ex-Yugoslav countries. National teams and clubs have won numerous trophies in top competitions both before and after the break-up of Yugoslavia. These achievements are even more admirable if we know that basketball clubs are relatively small organisations, usually with fewer than 50 club members (without members of youth basketball schools the average club in this research had 22.1 members) and an average budget of EUR 0.4 million. Despite the disintegration of Yugoslavia, cooperation among basketball clubs in the area covered in the present study remained strong. Clubs’ managers realised they shared the same problems, primarily too small markets and thus poor competition within the national basketball leagues; therefore, they formed the regional Adriatic Basketball League (ABL). Regardless of the somewhat different development of the legal environment in the studied countries, all basketball clubs have retained their non-profit status.

We used the clubs’ presidents (i.e., president of the management board or president of the board of directors) as our main source of information, because they usually have the best overview of their clubs’ objectives and actual strategic behaviour. We contacted 249 of them and invited them to participate in the research. Participation was completely voluntary. The data collection took place through the whole 2013/2014 season, never immediately after a competition in order to avoid competition-specific biases. Seventy-three presidents were willing to cooperate, resulting in the response rate of 29.3%. The sample consisted of 27 (out of 56; 48.2% response rate) first-division clubs (the highest national competition level), 31 (out of 73; 42.5% response rate) second-division clubs and 15 (out of 120; 12.5% response rate) clubs from the third levels of national competitions in the selected countries. Of the 27 first-division clubs, 9 (out of 11; 81.8% response rate) also participated in the international competitions (ABL, EuroChallenge cup, Eurocup, or Euroleague). Only among third division clubs the response rate was relatively low, therefore, we should be conservative when drawing conclusions about this segment of clubs, while other results may be considered as reliable. The participants had on average 4.87 (SD = 3.70) years of management experience in the current club and on average had held their presidential position for 2.53 (SD = 1.36) years.
3.2. Measures

Stakeholders’ strategic influence. Although some classifications of stakeholders are applicable on all non-profit organisations (e.g., funders vs. clients; LeRoux, 2009), the analysis of the association between stakeholders and strategy in one industry demands the definition of stakeholders’ list for this particular case. For the purpose of this research a group of 12 managers, each with at least five years of work experience in non-profit basketball clubs, was used. Every manager was asked to list the most influential stakeholders regarding their influence on clubs’ strategies. Similar answers were combined into the following eight groups of stakeholders:

- Volunteers. The stakeholder group includes all club members who are not employed in the club and do their work free of charge. Mostly, they are parents of children involved in club’s activities, and students who perform administrative work.
- Professionals. The group includes all club members who have an employment contract regardless of the fact whether this is a full-time or part-time relationship.
- Private sponsors. Private organisations that provide funds to the club in exchange for advertising, and at the same time they are not predominantly state or municipally owned.
- The state and municipal authorities. State or municipal institutions, authorities and representatives, and state- or municipally owned companies.
- Local community. This group consists of residents that live in the municipality where the club is registered or plays home games, and are not members of the club.
- Media. Media companies and their representatives.
- National sport federation and sport clubs in the same competitions. The organisations which provide a framework or significantly influence the competition in which the club participates.
- The general public.

Obviously, there are no clear lines between stakeholder groups, so an individual could be potential member of two or more groups. However, this is not anything unusual as an individual has always more interests, which are satisfied in different groups where he/she plays different social roles. We can also see the stakeholder list above is more related to the wide definition of stakeholders according to Freeman and Reed (1983). Interestingly, although not vital for the clubs’ survival, the groups like ‘the general public’ and ‘media’ were from the group of managers considered to have an impact on basketball clubs’ strategy. The latter, however, is rather indirect, mainly because clubs’ have to adapt their strategy in order to obtain better image in public, which is then used as leverage for collecting funds.

In order to assess stakeholders’ influence on strategy development process, presidents had to give their opinion on the actual influence of each among the five stakeholders on the club’s activities. Answers were given on a 7-point Likert scale, anchored at the extremes (1) ‘doesn’t influence club at all’ and (7) ‘influences the club more than any other stakeholder.’
**Intended strategic focus.** Strategic focus of an organisation is reflected through its hierarchy of objectives. For the purpose of this research, we obtained a list of sport clubs’ objectives from the same group of 12 managers. Every manager was asked to write down five most important organisational goals. In addition to the normative objectives, each manager was also asked to identify five more goals that are in their opinion actually pursued in basketball clubs. Thus, each of the 12 experts identified up to 10 organisational aims. Finally, after combining similar answers, we obtained the following 15 objectives: (1) promotion of the municipality; (2) development of infrastructure in the local environment; (3) private sponsor promotion; (4) attracting spectators to home matches; (5) development of athletes for national selections; (6) generation of profit (i.e., surplus of revenues over expenses); (7) development of top basketball players; (8) sport results of the first team; (9) budget growth; (10) increasing athletes’ market value; (11) reducing the costs; (12) increasing the number of club members; (13) involvement of the local population in the club’s activities; (14) encouraging the local population to do sports; and (15) sport results of junior teams. Respondents assessed the importance of each of these 15 organisational aims on the basis of clubs’ documents (e.g., as strategic plans, statutory documents etc.) on a 7-point Likert scale, anchored at the extremes (1) ‘not included in our strategic documents at all’ and (7) ‘according to our strategic documents the most important of all listed fields/objectives.’

**Actual resolving of key strategic issues.** The respondents had to define how their club resolves three key strategic dilemmas in everyday practice. In other words, they had to answer how the club actually operates as regards the selection of its strategic aim in relation to another aim: (1) top sport results or development of the local community; (2) fast results or lower risk; and (3) cost reduction or organisational growth. Answers were given on a 7-point Likert scale, where (1) means that the club actually gives all its attention to the first aim and completely neglects the second one, (4) means that the club attributes equal importance to both strategic aims, and (7) means that the club gives all its attention to the second aim and completely neglects the first one.

### 3.3. Data analysis

The data processing started with the classical statistical analysis and an analysis of the differences among groups of clubs from different quality levels. Then the measure of intended strategic focus was obtained by employing explorative factor analysis (EFA). Finally, we assessed associations between variables with correlation analysis.

### 4. Results

In the first step we analysed the means of stakeholders’ strategic influence among all clubs and then compared the results on the basis of competition level. The Table 1 indicates the general conclusion that volunteers are the most influential stakeholder in observed clubs, followed by the state and municipal authorities, while the general public showed the weakest influence among all observed interest groups. This is in
line with previously mentioned assumption that the general public has only indirect influence on clubs’ strategies.

A comparison of the clubs from different quality divisions disclosed that private sponsors were the most influential stakeholders in first division clubs, followed by the professionals. At the bottom of the hierarchy were the general public and media. In the sub-segment of top quality clubs (i.e., clubs that participate in international competitions), the impact of private sponsors was even larger. On the other hand, the most influential stakeholders in clubs from second and third divisions were volunteers, followed by the state and municipal authorities. Analysis of variance (ANOVA) confirmed statistically significant differences in the influence of six stakeholders. Additional post hoc tests (i.e., LSD and Tamhane) enabled comparisons among groups and the results of statistically significant differences are presented in the last column of Table 1. Clearly, private sponsors were perceived to have a stronger influence in first division clubs, whereas the state and municipal authorities as well as volunteers were less influential among those clubs than in the other two segments, which is in line with our hypothesis 1. Results also show that local community was perceived to have a higher position in the stakeholder hierarchy among the clubs on the lowest level, while professionals had a significantly greater relative impact in the first national league clubs compared to the second division clubs. Additional t-test confirmed that private sponsors (MD = 2.13, t = 7.70, p = .000) were perceived to have the largest influence in top clubs, while volunteers (MD = -4.52, t = -8.60, p = .000), the state and municipal authorities (MD = -2.14, t = -4.32, p = .000) and local community (MD = -1.44, t = -3.63, p = .002) were perceived as less influential in this sub-segment.

In the following step the organisational aims’ hierarchies were analysed with the same methods as stakeholders’ strategic influence. The results shown in the Table 2 provide empirical evidence that the most important aim for the observed sample of
clubs was ‘increasing the number of club members,’ followed by ‘encouraging local people to do sports’ and ‘the involvement of local population in the club’s activities.’ On the other hand, the least important objective was ‘generation of surplus revenues,’ followed by ‘increasing the athletes’ market value’ and ‘reducing the costs.’ Overall values reflect the structure of the sample, which mostly consisted of amateur clubs with relatively small budgets and non-profit purposes.

An analysis of differences between clubs from different levels revealed a slightly different picture. The hierarchy of objectives in third division clubs was similar to overall results. In the second division group, the objective of ‘the local population involvement in the club’s activities’ was squeezed out of top three by the goal of ‘attracting spectators.’ This could be a sign of desire to involve local population passively rather than actively, which could be the consequence of professionalisation processes in organisations. On the other hand, first division clubs were focused on ‘attracting spectators,’ followed by ‘the top athletes’ development’ and ‘private sponsor promotion’ in third place. The hierarchy of objectives in the top sub-segment was slightly different. ‘Sport results of first team’ were the most important, followed by ‘private sponsor promotion’ and ‘generation of profit.’ Interestingly, the ANOVA

| Table 2. Hierarchy of aims. | Level of competition | Statistically significant differences among groups |
|----------------------------|----------------------|--------------------------------------------------|
|                            | M        | SD    | 1. (ABL) | 2.     | 3.     |                                    |
| Promotion of state/ municipality | 4.42    | 1.50  | 4.07 (2.44) | 4.52  | 4.87  | no significant differences |
| Development of infrastructure in local environment | 4.63    | 1.60  | 4.19 (2.44) | 4.90  | 4.87  | no significant differences |
| Private sponsor promotion | 4.07    | 1.95  | 5.22 (6.44) | 3.94  | 2.27  | all differences are significant |
| Attracting spectators to the matches | 5.16    | 1.43  | 5.63 (5.33) | 5.63  | 3.33  | 1. and 3.; 2. and 3. |
| Development of athletes for national selections | 4.36    | 1.74  | 4.48 (4.00) | 5.13  | 2.53  | 1. and 3.; 2. and 3. |
| Generation of the surplus of revenues over expenses | 3.60    | 2.01  | 4.19 (5.78) | 4.10  | 1.53  | 1. and 3.; 2. and 3. |
| Development of top basketball players | 4.71    | 1.75  | 5.26 (5.44) | 5.29  | 2.53  | 1. and 3.; 2. and 3. |
| Sport results of first team | 4.34    | 1.91  | 5.00 (6.78) | 4.74  | 2.33  | 1. and 3.; 2. and 3. |
| Budget growth | 4.21    | 1.86  | 4.85 (5.67) | 4.94  | 1.53  | 1. and 3.; 2. and 3. |
| Increasing athletes’ market value | 3.75    | 2.04  | 4.70 (6.00) | 3.77  | 2.00  | 1. and 3.; 2. and 3. |
| Reducing the costs | 4.03    | 1.89  | 4.70 (5.33) | 4.35  | 2.13  | 1. and 3.; 2. and 3. |
| Increasing the number of club members | 5.41    | 1.38  | 4.89 (2.78) | 6.06  | 5.00  | 1. and 2.; 2. and 3. |
| Involvement of local population in club’s activities | 5.18    | 1.60  | 4.30 (2.56) | 5.52  | 6.07  | 1. and 2.; 1. and 3. |
| Encouraging local population to do sports | 5.37    | 1.61  | 4.70 (2.78) | 5.90  | 5.47  | 1. and 2. |
| Sport results of junior teams | 4.85    | 1.27  | 4.85 (4.44) | 5.23  | 4.07  | 2. and 3. |

Note: M – mean; SD – standard deviation; ABL - Adriatic Basketball League.
results indicated no statistically significant differences regarding the importance of the ‘state/municipality promotion’ and ‘the development of sports infrastructure in local environment.’ At the same time the importance of ‘promoting private sponsors’ increased with the level of competition. The clubs from first and second divisions in contrast to the clubs in third division gave higher priority to ‘attracting spectators,’ ‘development of athletes for national selections,’ ‘development of top basketball players,’ ‘sport results of first team,’ ‘growth of athletes’ market value,’ ‘generation of profit,’ ‘reducing the costs’ and ‘budget growth.’ The largest difference, however, was noticed regarding the importance of ‘budget growth.’ In addition to that, the clubs from the second divisions showed the highest interest in ‘increasing the number of club members,’ while the top clubs seemed to be relatively less interested in ‘local population involvement in the club’s activities.’ T-test results indicate that top clubs emphasised ‘promotion of private sponsors,’ ‘development of top basketball players,’ ‘sport results of first team,’ ‘growth of athletes’ market value,’ ‘generation of profit,’ ‘reducing the costs’ and ‘budget growth.’ Less attention was paid to ‘promotion of state/municipality,’ ‘the development of sports infrastructure in local environment,’ ‘increasing the number of club members,’ ‘encouragement of locals to do sports’ and ‘the involvement of local population in the club’s activities.’

In the third step, the explorative factor analysis for the hierarchy of organisational aims was conducted. Interestingly, it resulted in indicating two relatively clean factors already in the first iteration (Bartlett test: $\chi^2 (105) = 861.875, p = .000, KMO = .861$; all variables had sufficient measure of sampling adequacy (MSA) > .5; the factors explained 68.67% of variance). The first factor included mostly financial and top sport results objectives, whereas the second factor was more related to non-profit aims with focus on providing benefits to local community. At the same time the results for stakeholders’ strategic influence were not factorable (see Table 3).

Based on the results of factor analysis, we conducted another ANOVA in order to test the differences between clubs regarding their focus on the first or second factor of strategic aims. Not surprisingly, first division clubs ($F = 24.789, p = .000, ES = .415$) were more focused on the first factor, while clubs from second and third

Table 3. Results of factor analysis for importance of organisational aims.

| Component                                      | Factor 1 | Factor 2 |
|------------------------------------------------|----------|----------|
| Promotion of state/municipality                | -.524    | .568     |
| Involvement of local population in the club’s activities | -.700    | .568     |
| Encouraging local population to do sports      | -.548    | .688     |
| Increasing the number of club members          |          | .823     |
| Development of infrastructure in local environment |        | .740     |
| Sport results of junior teams                  | .504     | .522     |
| Attracting spectators to the matches           | .596     | .561     |
| Development of athletes for national selections | .616     | .524     |
| Private sponsor promotion                      | .750     |          |
| Surplus of revenues over expenses              | .864     |          |
| Development of top basketball players          | .818     |          |
| Sport results of first team                    | .842     |          |
| Budget growth                                  | .806     |          |
| Increasing athletes’ market value              | .869     |          |
| Reducing the costs                             | .707     |          |
divisions (F = 8.836, p = .000, ES = .202) gave higher priority to the second factor of organisational objectives. Further, t-test confirmed that international clubs preferred first factor (t = 11.178, p = .000, ES = .232) and other clubs the second factor objectives (t = -5.723, p = .000, ES = .316). Additional correlation analysis between two factors of intended strategic focus and influence of stakeholder groups showed that private sponsors’ influence was positively related to top sport and financial results orientation of the club (see Table 4), which is in line with our hypothesis 2. Conversely, clubs that were more influenced by volunteers, the state and municipal authorities, and local community were more inclined towards non-profit and local community aims. Moreover, the strength of those three groups was associated with lower importance of the first factor objectives.

In the following step of this study we analysed actual strategic behaviour of observed clubs in terms of resolving three key strategic issues. The results show that the highest level clubs emphasise cost reductions more than growth objectives, top sport results more than local community aims, and fast results more than lower risk. On the other hand, clubs from second and lower divisions were more focused on growth, development of the local community and the long-term aims with lower risk (see Table 5), which confirms our hypotheses 3, 4, and 5. ANOVA confirmed that the differences were significant in all three strategic aspects with moderate real difference (strategic dimension 1 → F = 6.127; p = .004; ES = .149; strategic dimension 2 → F = 10.920, p = .000; ES = .238; strategic dimension 3 → F = 7.432; p = .001; ES = .175). T-test also confirmed statistically significant differences between sub-segment of top clubs which participate in international competitions and other clubs (strategic dimension 1 → t = -5.792; p = .000; ES = .321; strategic dimension 2 → t = -8.579; p = .000; ES = .509; strategic dimension 3 → t = -12.785, p = .000; ES = .374). However, these differences were not confirmed between the second and lower division clubs.

The final step of data analysis consisted of correlation analysis between relative influence of stakeholders and the clubs’ actual strategic behaviour (see Table 6). The results indicate that the influence of volunteers strongly correlated with all three actual strategic decisions. In clubs where volunteers had stronger impact more emphasis was given to growth, local community aims and lowering risk. Similar result was found in the case of the state and municipal authorities’ and local communities’
influence, yet the influence of local communities did not correlate with the ‘growth vs. costs’ dilemma. Opposite correlations were found in the case of private sponsors’ strategic impact. Clubs with relatively stronger private sponsors’ influence emphasised more cost reduction, top sport achievements and fast results. Therefore, we may partially confirm our hypothesis 6.

5. Discussion

This study aimed to provide answers to some questions that have been raised in the context of stakeholders’ influence on organisational strategies in non-profit sport clubs. Our results show the most important stakeholders in non-profit basketball clubs are volunteers, followed by the state and municipal authorities. Interestingly, the professional employees were in the fifth position (out of eight), with respect to the perception of their influence on the strategic organisational processes. To some extent, this undermines the thesis on the superiority of internal stakeholders over external interest groups, which could be explained with the fact that the observed non-profit sport clubs are financed mostly from external sponsors. Stakeholders’ hierarchy comparisons suggest significant statistical differences among clubs from different divisions. Our findings indicate that private sponsors were perceived as the most influential stakeholder group among first division clubs, followed by professional employees. On the other hand, local community, media and the general public showed relatively weaker impact. Among top clubs, the influence of private sponsors was even greater. The most influential interest group in second and third division clubs were volunteers, followed by the state and municipal authorities and national sport federations and sport clubs. Surprisingly, professionals in second division clubs were less influential than in first and third division clubs. However, this could be explained with the specifics of organisational structures in observed organisations. In top clubs, professional athletes and their salaries usually account for the largest part of the club’s budget. These athletes have greater bargaining power and consequently also larger impact on all organisational processes. On the other hand, in second division clubs only some athletes are professionals, while others are either students or amateurs who play basketball only for recreation or as a part-time job. However, clubs in this segment have clearly defined organisational structures with less-influential sport section (i.e., athletes and coaches), and stronger administrative department in terms of its decision-making power. The clubs at the lowest-quality level have flat

Table 5. Actual strategic focus differences.

| Level of competition | Costs reductions vs. organisational growth | Top sport results vs. development of local community | Fast results vs. lower risk |
|----------------------|-------------------------------------------|-----------------------------------------------|----------------------------|
| ABL                  | 1.78                                      | 1.56                                         | 3.22                       |
| 1.                   | 3.26                                      | 3.78                                         | 4.85                       |
| 2.                   | 4.45                                      | 5.35                                         | 5.90                       |
| 3.                   | 4.40                                      | 5.80                                         | 6.40                       |
| All                  | 4.00                                      | 4.86                                         | 5.62                       |

Note: Lower value implies a greater emphasis on first organisational aim (e.g., cost reductions, top sport result and fast results), while higher value means that clubs give higher importance to second aim (e.g., organisational growth, local community objectives and lower risk).
and undefined organisational structure with only a few professional functions that are taken by individuals who combine the roles of active sportsmen and administrators, and have larger influence than others.

The study confirmed a whole spectrum of different organisational goals within non-profit organisations, even within so narrow group as are non-profit basketball clubs. The fact that in these organisations numerous stakeholders see their interests, results with ambiguity of organisational primary objectives. Examined non-profit sports clubs differ significantly regarding their planned priorities and the way they resolve crucial strategic issues. Clubs at the highest level place financial and sport results higher on their priority lists, while lower level clubs focus more on non-financial and local community goals. On the contrary, higher-level clubs pursue cost reductions more than growth objectives, top sport results more than local community aims, and fast results more than lower-risk aims. The explanation for these trends could be found in managerial presumptions that top sport results enable promotion of their club into a higher level of competition, which increases the market value of the club’s athletes. This, however, reduces club’s interest in local community aims. As private sponsors put more pressure on clubs’ management to achieve fast results, decision-makers are indirectly forced to accept more aggressive strategies that allow higher yields, so they emphasise cost-efficient behaviour. Indeed, this is in line with the thesis mentioned in the literature review that organisations, where the role of public institutions is bigger, usually perform activities more according to the established routines and follow less aggressive strategies. Their managerial staff does not experience strong pressure for achieving fast results. This could be an explanation why sport clubs where the state and municipal authorities have strong influence emphasise risk-reduction more than fast results. In line with our hypothesis, the findings show that clubs under strong influence of private sponsors give more importance to sports results than to the development of the local community. At the same time, sport clubs with a strong public influence tend to be more oriented to contributing to the social welfare at the expense of maximising pure financial gains. This also includes engaging more people into the clubs’ activities, which explains why these
clubs pay less attention to pursuing cost-effectiveness than to the aim of organisational growth.

The results clearly show that the strength of private sponsors correlates with the importance of financial aims in observed organisations. Indeed, the clubs from second and third divisions were more focused on growth, development of the local community and the long-term aims with lower risk. Conversely, clubs in which volunteers showed relatively stronger strategic impact pursued growth, local community aims and lower-risk objectives. Similar findings were made in cases of stronger relative strategic influence of the state and municipal authorities as well as in the case of local community influence. Some of those findings could be explained with the specific historical context of centrally planned systems in observed countries. Before the collapse of communist regime the state and municipal authorities were transmitting the non-profit strategic guidelines from government. It seems as if these institutions have preserved the same 'modus operandi' into the present. However, we were somewhat surprised by the fact that the influence of professionals showed only weak negative correlation with top sport and profit-oriented strategic plans and did not show significant correlation with any of actual key decisions. This could be the consequence of the fact that observed clubs were non-profit organisations with mixed personnel structures, in which it is often difficult to distinguish among the influences of professionals and volunteers.

6. Conclusion

This study confirmed that organisations are not self-sufficient and need support from organisational environment. In return, subjects from the environment require certain organisational activities, and this leads to the dependence relationship where external factors form a system of indirect supervision and guidance of organisational management and indirectly influence organisational strategy. This study confirmed the essence of those claims and contributes to a better understanding of the stakeholders’ influence in non-profit organisations, especially in the South-East European context. Main contributions of this study are the identification of most influential stakeholders in the non-profit sport clubs, their planned aim hierarchies, the actual resolution of the key strategic issues, and the relationship between those variables. Overall our findings are consistent with the thesis that organisations under ‘public’ influence are less market-oriented, less cost-effective, less proactive, and use less aggressive strategies. At the same time, the results counter the claim that non-profit organisations are mostly controlled by those stakeholders who wish to provide benefit to the vulnerable segments of the population or that non-profits do not have stakeholders who stand to profit from the organisation’s activities. This study represents one of the first attempts to investigate and confirm that stakeholder structure affects non-profit organisation’s plans and its actual strategic decisions, and is to author’s knowledge the first empirical proof that in certain types of organisations external stakeholders have stronger influence than professional employees.

Several practical implications arise from this study. The results may help policy makers in those transition East European countries, where sport clubs still operate as
non-profit organisations, to reconsider the current situation in the field of competitive team sports. By analysing the differences between the clubs at different quality levels, this study can be beneficial when deciding where and how to draw the line between non-profit and for-profit sport clubs. The results clearly indicate that the management of top sport clubs which compete in international competitions are under greater strategic impact of private sponsors and have different strategic focus than other non-profit clubs. As the strategic planning is often undertaken to placate one stakeholder group, such as a major funding body, at the expense of others, the identification of the most important stakeholders, key strategic dilemmas and their correlations can help the leaders of sport clubs to anticipate the behaviour of various interest groups and thus to improve the management of potential conflicting interests. From this aspect, the finding could also be perceived as a new tool for managers of sport clubs in the studied area. The strategic decision-making process in those non-profit organisations should always start with the identification of key stakeholders and their main goals. The second step in this process should be identifying the hierarchy of stakeholders and consequently the hierarchy of club’s aims. Formulation of mission and vision statement as well as operating on daily basis should always be in line with that hierarchy, which should be useful to help executives avoid becoming entangled in a vicious cycle of conflicting strategic decisions.

Finally, it is necessary to mention the limitation of the particular study in order to help all future researchers who will deal with stakeholder – strategy relationship. The present study used subjective survey-based data, and the latter were collected only from basketball clubs in four countries with similar historical background, which may affect the generalisation of the results. Further, among third division clubs, the response rate was relatively low; therefore, the results from this segment of clubs are less reliable. Therefore, our findings demand additional empirical verification on sport clubs from different environments and from other sport branches. Nevertheless, our context-specific findings should be valuable for scholars who are searching for ways and means to establish more effective sport systems in transition countries. In this respect, the present study can be seen as a starting point for further context-specific research attempts in this understudied area.

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No potential conflict of interest was reported by the author.

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