

## Interaction of Management and Economics in Improving the Efficiency of the Development of the Sports Industry

 Lianna Samvel Abrahamyan<sup>A-E\*</sup>

Armenian State Institute of Physical Culture and Sport, Yerevan, Armenia

### ABSTRACT

Summing up, the conducted research outlines the major role of interdisciplinary approach towards enduring efficient development in sports sector. Such an approach is rooted in modern challenges of fast-changing environment in both exogenic and endogenic aspects of sport industry. Consequently, such a situation needs an adequate toolkit in the form of interdisciplinary organizational model aimed at supporting value-focused development.

**Keywords:** sport; factors interdisciplinary approach; sports entrepreneurship; sport development model; sports industry; micro and macro level

### Corresponding author:

\*Lianna Samvel Abrahamyan, Armenian State Institute of Physical Culture and Sport, Yerevan, Armenia; E-mail: [lianna.abrahamyan@sportedu.am](mailto:lianna.abrahamyan@sportedu.am)

### Article History:

Received: February 2, 2023  
Accepted after revision: March 7, 2023  
First Published Online: April 30, 2023

### 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.

### Cite this article:

Abrahamyan, L.S. (2023). Interaction of Management and Economics in Improving the Efficiency of the Development of the Sports Industry. *Indonesian Journal of Sport Management*, 3(1), 101-107.  
<https://doi.org/10.31949/ijism.v3i1.4535>

## INTRODUCTION

Challenges of the current exogenic environment condition for more efficient approaches in developing sectors and industries, including sports sector. Industry-specific barriers and need to incorporate vast groups of stakeholders requires for a interdisciplinary approach based both on management and economics aspects. The article studies essence and peculiarities of interdisciplinary approach in sport sector, in particular a need for multi-discipline approach in tackling modern challenges in sport organizations. Benefits of interdisciplinary approach are analyzed in terms of forming an adequate solution to the purpose of stimulating efficient growth in sports sector taking into consideration the barriers and development goals of both micro and macro level. The toolkit supporting sport industry development in terms of interdisciplinary approach is analyzed. Sport entrepreneurship is outlined as a key organizational model for this purpose. Sport entrepreneurship is studied as an enabler for higher efficiency in managing and developing sport industry on micro-level due to its specifics. Article stresses the benefits of Sport-entrepreneurship allowing the incorporation behavioral drivers and socio-economic goals, specific to



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sports sector. In this light, article outlines the need of a comprehensive organizational model for value-centered development in sports sector. As a result, specific stakeholder value-focused approach towards managing sports industry is proposed, encompassing a complex of national priorities (i.e. Socio-economic goals for sports sector), drivers of micro-level (i.e. Sport entrepreneurship), drivers of macro-level (i.e. Sport development Model), which are of interdisciplinary nature specific to sports industry. This article may be used by professionals and researchers in the field of organizational structures aimed at efficient growth in sports sector, professional associations, public authorities, international sport institutions. Further research lies in the direction of developing approaches for stimulating stakeholders to adopt the proposed organizational model in sport industry.

The key factors influencing the sports development are the state sport-related policies, the existence and activities of sports clubs, sports federations and sport management. There are some scientific studies related to the article, analyzing the institutional entrepreneurship as an organizational structure and economic leverage for development at micro and macro levels (Smets & Reihlen, 2012; Tracey et al. 2011). Moreover, from the problem solving perspective, the study of the issues of interection between management and the economy, also the contribution results in the context of sports development are also crucial. The latter highlights the relevance and the necessity of this research. Indentify the essence of the interdisciplinary approach in the field of sports, analyze the tools supporting the development of the sports industry.

## **LITERATURE REVIEW**

Issues of management and economics interaction in enhancing sports sector efficiency is studied in a vast body of research. Article research advanced organizational and governance models aimed at stimulating which is rooted both in management and economics leverages. In particular, Altman et al. (2019) research ecosystem paradigm in accelerating the development of industries and sectors. In turn, Skelcher and Smith (2015), analyze hybrid institutional logics in developing nonprofit organizations, including sports sector.

A body of research is dedicated to institutional entrepreneurship as an innovative paradigm based both on management and economics aspects, which purpose is to support accelerated socio-economic growth in traditional sectors and industries. In this context, Smets and Reihlen (2012) and Tracey et al. (2011), analyzed institutional entrepreneurship as an organizational structure and economic leverage for development at micro and macro level, study institutional entrepreneurship approach towards supporting socio-economic growth. Additionally, Woratschek et al. (2017) research issue of value creation in sport industry through usage of behavioral and economic leverages. The authors of this collection of works are used in the conducted research to analyze organizational models of modern entrepreneurship aimed at increasing the efficiency of the sports industry in various aspects, in particular Sport entrepreneurship.

Strategies of micro-level based on both management and economics drivers are researched in a number of articles. In particular, Funk et al. (2016) study strategies at intersection of management and economics oriented at micro-level (namely, sport consumer behavior). Article Ratten (2011) the researches peculiarities of using

consumer-centered technology in developing business models for sports organizations. The following article are employed in the conducted research for studying ways of accelerating sport industry's development at micro-level through usade of management and business toolkits.

Strategies of macro-level in the form of sport-for-development model are researched on the intersection of management and economics drivers in a sizeable body of research. Wright et al. (2018; Ratten, 2011) analyze socio-economic benefits of sport-for-development model based both on management and economics leverages (based on example of coach education programme in Belize. In turn, Whitley et al. (2018) study issues of stimulating socio-economic development of disadvantaged communities through sport. Additionally, Svensson and Loat (2019) research role of sports sector in social transformation and its place in the peace process. This body of articles is used in the conducted research in analyzing macro-level models aimed at supporting higher efficiency in sports sector, i.e. Sport-for-Development model.

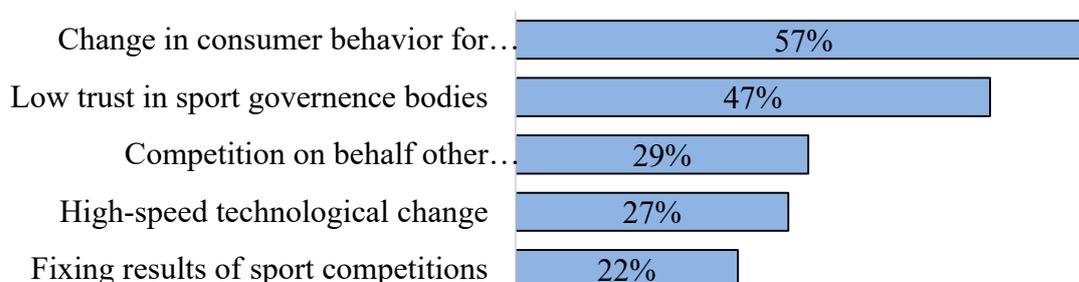
However, issues of interdisciplinary solutions in the form of organizational models for efficient development of sports sector not studied sufficiently.

## METHODOLOGY

Challenges of the modern environment are formed under significant volatility of both exogenous and endogenous nature. The specifics of this particular situation is an influence of multiple drivers, various economic agents and vast groups of stakeholders. Thus, industries and sectors nowadays are developing under influence of drivers formed in a interdisciplinary paradigm. Sport industry, in turn, is not an exception to this trend. Under modern environment sports sector is evolving under causes of both economic and management origin. For this reason, the outlined issues induce need for researching an aspect of interaction of economics and management within the framework of efficient development of sports sector under modern challenging environment.

## RESEARCH RESULTS AND ANALYSIS

Current challenges of sport industry condition a need for innovative and technological change. PwC (Svensson & Loat; 2019) outlined TOP-5 sport industry threats, which require significant transformative capabilities both from individuals and organizations (figure 1).



**Figure 1.** TOP-5 sport industry threats (compiled based on data 10)

In the context of the key outlined threats for sport industry there is an alarming number of sport organizations (39% of respondents as of 2021) who are prepared on an average or below average level to respond to those threats (Svensson & Loat, 2019). Hence, there is a significant risk of inadequate response on behalf of large portion of sport industry to future challenges – resulting in lower efficiency, stakeholder value destruction, need for excessive financing, wasteful usage of available resources.

Such a change is enabled by collaborative interdisciplinary solutions lying at intersection of economics and management fields. In particular, both innovations and structural change require collaborative effort on behalf of researchers and professionals in multiple fields, namely, sport management science, economic science, medical science and psychology, engineering science, materials science, etc. [1-8].

In general, such a model is defined by OECD as interdisciplinary approach. In more detail, OECD (Tracey et al., 2011) outlines a prerequisite for a need for interdisciplinary approach. Since there is a growing level of complexity in sectors and industries (both in operational and strategic aspects), a need for greater specialization is rising to combine theoretical and practical knowledge in order to achieve efficient results at short-term and long-term. As a result, organizations have to combine body of knowledge from different discipline – first of all, management and economics – to find efficient solutions and support operational and strategic activities in the field (Tracey et al., 2011).

In particular, research (Tjonndal, 2016) outlines a number of benefits of interdisciplinary approach in sports sector: 1) Higher validity of the proposed recommendations; 2) Simplified process for research and data analysis; 3) Enhanced results of data analysis – through usage of advanced techniques and cross-references; 4) Increased credibility of the obtained research results.

We could expand this list of benefits of interdisciplinary approach in sports sector on the part of planning and implementing advanced solutions on both operational and strategic levels. Such complex tasks are enabled only by a comprehensive solution of interdisciplinary nature encompassing vast groups of stakeholders on both micro- and macro-level.

Additionally, the major research topics for modern sport management are the following:

1. Outcomes of strategy and innovations in sports sector;
2. Strategic and innovation process in sport management;
3. Entrepreneurship in sports sector;
4. Organizational structures for sport industry;
5. Stimulating socio-economic development through sports sector, especially in disadvantaged areas.

From organizational point, efficient development of sport industry requires innovative organizational approaches of interdisciplinary nature, namely Sport-Entrepreneurship, which encompasses both management and economics analysis fields. Sport entrepreneurship enables higher efficiency in managing and developing sport industry on micro-level due to its specifics. Such an organizational model allows the incorporation of behavioral drivers and socio-economic goals, specific to sports sector.

Sport entrepreneurship model deals with a vast variety of tasks of business, managerial, economic nature (figure 2). Hence, that reflects a complex interdisciplinary nature of organizational model used for supporting long-term growth and enhanced efficiency in sports sector.

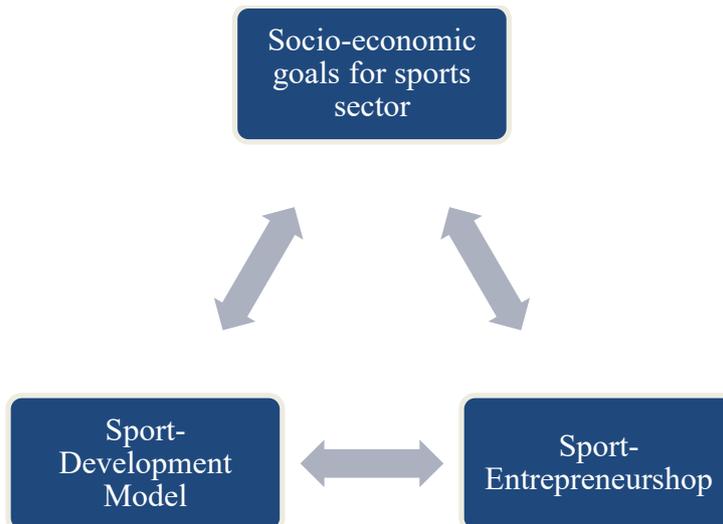


**Figure 2.** Exposure of Sport entrepreneurship (compiled based on data 14).

In this respect, interdisciplinary concept of sport entrepreneurship allows the management of multiple complex industry-specific drivers at both micro and macro level. In more detail, such an organizational model enables both efficient management of the sport entity in various aspects, namely: 1) Business management (product management, project management, business administration (marketing, finance, HR), etc.); 2) Operational (performance management) and strategic (crisis management, strategy planning and implementation) management; 3) Public relations management (promoting campaigns); 4) Innovation management (technological, social); 5) Social issues management (youth engagement, physical inactivity tackling); 6) Socio-economic development (disadvantaged areas' accelerated development).

As a result, sport entrepreneurship model has to be incorporated into stakeholder value-focused approach in terms of sport industry development (Figure 3). Under such an approach aspects on national priorities (i.e. Socio-economic goals for sports sector), micro level (sport entrepreneurship) and macro level (Sport Development Model) enablers and organizational models are incorporated.

Hence, modern sport industry develops in a interdisciplinary environment, i.e. intersection of management and economic fields. Aspects of both micro and macro level have to be incorporated in order to ensure long-term and efficient development of sports sector with a special focus on specific barriers and national priorities.



**Figure 3.** Stakeholder value focused approach towards managing sports industry

## CONCLUSION

Summing up, the conducted research outlines the major role of interdisciplinary approach towards enduring efficient development in sports sector. Such an approach is rooted in modern challenges of fast-changing environment in both exogenic and endogenic aspects of sport industry. Consequently, such a situation needs an adequate toolkit in the form of interdisciplinary organizational model aimed at supporting value-focused development.

For this purpose stakeholders require a toolkit encompassing both management and economics aspects aimed at tackling various issues on both micro and macro level. The key focus of such a toolkit has to be on overcoming the key barriers through value-added solution with a consideration for achieving higher efficiency of sports sector. In these terms a specific stakeholder value-focused approach towards managing sports industry is proposed. This approach encompasses a complex of: 1. National priorities (i.e. Socio-economic goals for sports sector), 2. Drivers of micro level (i.e. sport entrepreneurship); 3. Drivers of macro level (i.e. sport development model), which, in turn, are cross-disciplinary enablers for efficient long-term development in sport industry.

Further research lies in the direction of stimulating external and internal stakeholders in sports sector to adopt the proposed change in terms of new organizational models which are designed on a interdisciplinary basis.

## CONFLICT OF INTEREST

Author declares that this manuscript has no conflict of interest with any party.

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