

## SPORT ENTREPRENEURSHIP, EDUCATION AND SECONDARY CAREER

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### Abstract

*Since Olympians and professional sportspeople exhibit both the social and psychological capital needed for achieving entrepreneurial success, this study aims to determine whether there are needs for educating sportspeople in economic disciplines, such as management, finances or marketing, so they can be better entrepreneurs when the time for engaging in a secondary career comes. The empirical research carried out consisted of an in-depth interview with an expert sample of 6 professional sportspeople, 5 of them former Olympians who were all awarded Olympic medals based on their extraordinary achievements. Each person also operated and currently is involved within the domain of sports management in his/her secondary career. Professional sportspeople and Olympians are unique because they retire at a relatively young age, with years of productivity still due. Furthermore, they represent a quite specific population subgroup, equipped with a unique set of skills and competencies, able to provide much to the society at large, once their official careers as sports competitors have ended.*

**Keywords:** sportspeople, management, sport organisation.

### Introduction

When the global economy suffers a recession, sport consumption decreases, for most people choose to give the priority of their diminishing discretionary income to the other, more essential products/services (Futterman, 2008). Somewhat paradoxically, an economic downturn serves to vitalize propulsive entrepreneurship businesses, with the overall entrepreneurial activity generally increased in times of crisis (Peredo & Chrisman, 2006). Through the rapid evolutionary process, both entrepreneurship and sport management disciplines inherently share, a sport is, in essence, a fully-fledged entrepreneurial process, with regard to the innovation and change being the key components of sport. In short terms, sports entrepreneurship is the means for achieving sports organization growth (Ratten, 2011). Part of the process of entrepreneurship involves linking suggestive patterns in trends together to recognize a new business opportunity (Baron, 2007). An entrepreneur is essentially the main decision maker, bearing the responsibility for forming the organization's vision, mission and strategic decisions (Analoui & Karami, 2003). Entrepreneurship avenue remains as a feasible alternative for the businesses' seeking to remain competitive and increase their overall performance levels (Wolcott, 2007). With the overall global increase in competition, gaining a better competitive advantage seems to be the only recourse for sports organizations. One of the sure-fire ways of reaching such a coveted position is through innovation (Ratten, 2011). Entrepreneurship is quite frequent in the knowledge intensive industries, new ventures and technology-based sectors (Burgel & Murray, 2000), with the entrepreneurship definitions encompassing the three distinct functions entrepreneurs perform, namely: discovering and fulfilling needs, taking the

risk and giving rise to the assembling networks capable of influencing wide change (Schneider, Butryn, Furst, and Masucci, 2007). An entrepreneur is also a person engaged in creating and innovating on a consistent basis (Bolton, 2000). Sport gives rise to numerous distinct types of entrepreneurial activities, including the community-based entrepreneurship, corporate entrepreneurship, ethnic entrepreneurship, immigrant entrepreneurship, institutional entrepreneurship, international entrepreneurship, social entrepreneurship, technology entrepreneurship and women's entrepreneurship (Peredo & Chrisman, 2006). Entrepreneurship is the integral component of business success, leading to a sustaining prosperity for both the people and organizations involved in it (Henry & Leitch, 2005). The research found that sport is inherently entrepreneurial (Spilling, 1996) and therefore it is crucial to the entire sports sector (Ball, 2005).

Risk-taking behavior in sports is not limited to just the participants, encompassing organizers, officials, coaches and sports administrators, with the risks ranging wildly, from emotional, physical, innovative, to economic and social risks (Olivier, 2006). The sports stars have attained the status of valuable commodities in the global market, due to their entrepreneurial ability to generate ticket sales and encourage sponsorship deals (Summers & Morgan, 2008). The most successful sportspeople have turned themselves into successful brands (Carlson & Donovan, 2013). Athletes use innovation as a way to market themselves and differentiate themselves in a global sporting arena while developing effective human capital potential because their professional sports' careers have led them to be persistent and determined, all of which present crucial attributes of entrepreneurship.

Athletes often develop behavioral patterns that are useful in other life situations (Luthans & Jensen, 2002), enhancing optimistic outlook and positive thinking (Avey, Reichard, Luthans & Mhatre, 2011), embedding these characteristics into their overall performance, often developing responses beneficial in other diverse environments (Lu & Hsu, 2013). Based on their experience in sports, athletes develop opportunity recognition ability, a key entrepreneurial trait (Luthans, Avey, Avolio, Norman & Combs, 2006). When the professional sports person nears the end of his or her professional active sporting career, the identification of business opportunities can lead to a successful subsequent career. The knowledge, expertise, and experience the athletes possess enable them to be productive business leaders, with a capacity for imaginativeness, which is a crucial characteristic in innovation occurring (Summers & Morgan, 2008).

Two distinct forms of capital the sportspeople possess, which can be utilized in entrepreneurial activities, is the social and psychological capital. Relationships are often created by social interactions characterized by solidarity. As the degree of information shared is increased, the athlete will increase their success in the sports field. For numerous athletes, sponsorship opportunities arise from their personal contacts, in other words – their social capital (Seibert, Kraimer & Liden, 2001). The drive for winning is a part of the athletes' psychological make-up. The psychological capital was proposed by Luthans and Youssef in 2004, as an essential element of an individual's positive psychological abilities to deal with hardships (Luthans & Youssef, 2004).

Although some scholars are holding that entrepreneurs are born, education has been identified as one of the key characteristics of entrepreneurship (Suddaby, Bruton & Si, 2015). Since Olympians and professional sportspeople exhibit both the social and psychological capital needed for achieving entrepreneurial success, this paper aims to determine whether there are needs for educating sportsmen in economic disciplines of management, finances, marketing, so they can be better entrepreneurs when the time for their secondary career is upon them. Professional sportspeople and Olympians are unique because they retire at a relatively young age, with years of productivity still due.

The paper deals with the need of a secondary career for the people who have left their all on the court, as well as the manner in which their unique perspective and skills can benefit both the economy and society as a whole. Furthermore, the Olympians and professional sportspeople possess insight into the sports industry few non-sportspeople can ever hope to match, as well as possess specific information which only their demanding lifestyles and dealings may provide. Seeing how conventional entrepreneurs take advantage of information asymmetry in order to

identify market opportunities (Shane & Venkataraman, 2000), professional sportspeople and Olympians should be a population segment of high entrepreneurial potential and ability. However, at present, additional interdisciplinary research efforts are still needed in order to understand sports-based entrepreneurship better (Ratten, 2011).

## Materials and methods

The empirical research carried out consisted of an in-depth interview with an expert sample of 6 professional sportspeople, 5 of them former Olympians who were all awarded Olympic medals based on their extraordinary achievements.

Each person also operated and currently is involved within the domain of sports management in his / her subsequent career. The interviews, ranging from the shortest to the longest, were as follows (in minutes): 19:18 to 41:39. Five interviewed were male, a single person female, ranging in age between 41 and 64 years, with a mean value of 53 years, participating in the following team sports: basketball, water polo, handball, and rowing.

A funnelling technique was used, so additional, more complex questions were gradually presented as the interview progressed. The subjects have been encouraged to freely express the attitudes and thoughts based on a wide arrange of subjects, mostly dealing with sport, sports management, education, and entrepreneurship.

All of the interviews were carried out by an interviewer and recorded on a smartphone, with another researcher going over the information obtained several times, ultimately extracting the data. These two research roles were quite purposefully separated, in order to eliminate bias as much as possible, since the person obtaining data never communicated nor met with the subjects interviewed. The checklist, utilized by the interviewer, is as follows, laid out in a numerical, sequential order:

- 1) With regard to the competencies/experiences you obtained as a successful sports person, in which way has it influenced your managerial skills of sport organisations? Are there any positive/negative repercussions? Can you be more precise and provide a practical example?
- 2) During your secondary career in sport management, have you encountered issues you weren't able to adequately address? Can you be more precise and provide a practical example? In your own opinion, are there sport organisation discipline concepts you wished you were educated on in the past (such as strategies and planning, organisational structuring, finances, marketing, human resources management)?
- 3) What does "sport entrepreneurship" signify for you personally?

4) In your opinion, does sport need entrepreneurial sport managers (innovative, proactive, and willing to take on risk)?

5) At this time, what is the degree of entrepreneurship integration with the sport in Croatia? Does it need to be involved in greater or lesser extent? Can you be more precise and provide a practical example?

6) Do you think that your colleagues, successful Olympians, could manage sport entities better than other sportspeople? How about people with no experience in sports? On what ground do you base this assertion?

7) In your opinion, what should be the development perspective for Croatia's sports? What are the key issues that should be addressed?

8) Is there an opportunity for innovation and a more proactive approach to the Croatia's sports?

Can you be more precise and provide a practical example? How about by utilising the following: training techniques, communication with the fans, dealing with issues of violence within sports, involving well-known sportspeople in promotional activities?

9) In your opinion, do you think the risk you took on as a sportsperson can be utilized in other sport management ventures? Can you be more precise and provide an example? Can sport be used in new, emerging markets?

## Results and discussion

Table 1 The respondents' feedback with regard to the interview issues.

Respondent	Respondent A	Respondent B	Respondent C	Respondent D	Respondent E	Respondent F
<b>Gender</b>	Male	Male	Male	Female	Male	Male
<b>Age</b>	55+	55+	50-55	45-50	45-50	35-45
<b>The key competencies/experiences the examinee obtained as a successful sportsperson</b>	Name recognition within a certain sport and society	Acquaintances and contacts	Communication skills, acquaintances and contacts	Order, working habits and discipline	Communication skills, recognition and status within the world of sports	Communication skills, acceptance of differences, openness to new trends
<b>The issues the examinee wasn't able to adequately address</b>	Sport financing, regulatory framework	Regulatory framework, marketing	Regulatory framework, product quality, customer interest	Sport financing, regulatory framework	Sport financing, regulatory framework	Sport financing, regulatory framework, marketing
<b>For the examinee, personally, "sport entrepreneurship" signifies the following...</b>	Additional organisational and financial support, although state financing is fundamental	A negative influence on sport	All the opportunities for the sports' organisation to generate additional income	Additional sources of sport financing	Successful, professional sport clubs and various fitness/sport centres	Innovative projects contributing to the income growth and sport development
<b>Entrepreneurial sport managers should be innovative, proactive and willing to take on risk?</b>	No	Yes, especially with regard to marketing and the presentation of sport event	Yes, especially with regard to marketing	Yes, especially with regard to training techniques /technologies	Yes, in all the business domains	Yes, especially with regard to marketing and seeking out new financing sources
<b>The successful Olympians, with the following characteristics, could manage sport entities better than other sportspeople</b>	Name recognition within a certain sport and society	Acquaintances and connections, familiarity with top sport	Acquaintances and connections, familiarity with top sport, orientation toward success	Familiarity with top sport, orientation toward success and work	Acquaintances and connections, familiarity with top sport, name recognition within a certain sport and society	Acquaintances and connections, familiarity with top sport, readiness for change and risk decision
<b>The key developmental issues of Croatia's sports</b>	State system of sport organisation and financing	State system of sport organisation and financing	Strengthening local government support in sport financing	State system of sport organisation and financing	Investing in infrastructure construction and local sport development	Creating the stimulating legislative framework and market orientation of sports organisations
<b>The opportunity for innovation within the Croatia's sports</b>	Innovation is not a necessity, it is necessary to use methods by successful entities	Innovation with regard to technology and media presentation of sports	Innovation when creating new services and locating new markets	Innovation with regard to training techniques/technology	Innovation with regard to training techniques/technology	Marketing and customer relationship management innovation
<b>The opportunity for a more proactive approach within the Croatia's sports</b>	No answer	Proactiveness with regard to anticipating future media and customer demands	Proactiveness with regard to developing new services and sport markets	Proactiveness with regard to connecting to similar sport organizations	Proactiveness with regard to expanding to the sports tourism market, by constructing sport centres and attracting foreign athletes	Proactiveness with regard to finding new ways of cooperating with partner organisations and finding new financing sources

The interview results were extremely similar for all the subjects interviewed, with a low variability concerning the research issue, as is evident in the Table 1: The respondents' feedback with regard to the interview issues. The interviewed subjects generally thought they lacked the necessary managerial, marketing and financial skills and knowledge when entering their subsequent career, wishing these were a part of their overall education. Those that failed to obtain the necessary skills or knowledge in a timely time frame were forced to seek outside help, for a fee, of course, making their business endeavours increasingly difficult. This, coupled with oppressive external environment stifled their intrinsic entrepreneurial motivation. All the interviewed people expressed great concern for the future Olympians and professional sportspeople. Almost every person is puzzled concerning the economic and regulatory framework set in place, governing the dealings of sports clubs. Also, an overreliance on outside actors and the need for governmental support is present, with most respondents thinking that the Croatian sports' professional scene will, in general terms, irrevocably degrade to an amateurish state.

Admittedly, it is quite problematic to reach conclusions based on an expert sample of only 6 accomplished sportspeople, 5 of them Olympians, awarded Olympic medals for their extraordinary achievements. Furthermore, the mean age of the participants is 53, so perhaps a very strong generational bias exists, with most arguing that there should be a comprehensive national sports strategy, coupled with the extensive financing of sport, with sports clubs entrepreneurial endeavours serving only to provide additional, non-essential income. The authors are in agreement that another, much more comprehensive research utilizing an in-depth interview, coupled with a Likert scale survey, on a fairly greater sample, ultimately utilizing the power of inferential statistics to determine whether generational bias is a statistically significant factor in obtaining the responses, are needed. Furthermore, the respondents hold that, through their expert knowledge of the inner workings of the sport clubs, coupled with the importance of brand value, market positioning, and the years of being engaged in sport business, they now possess a unique set of skills and capabilities, further enhanced by a particularly impressive perspective as former Olympians / professional sportspeople. They generally think that former sportspeople would be better at sports management, but only after, they were provided with adequate education, as opposed to the educated "sports layman."

The previously conducted research suggests that this may be indeed true. Additionally, most of the subjects recognize the synergy between sport and entrepreneurship, especially the opportunity presented by the greatly expanding area of sports tourism. Also, the sampled respondents have recognized the technological advances, with regard to engineering and emerging materials, which have all lead to increased sports achievements. Furthermore, there is a distinct need for sports organizations to develop more entrepreneurial thinking in sports-related ventures. Overall, more research is needed to this particular interdisciplinary area, both from a scholarly and a professional standpoint and while the results seem to be significant, it, sadly, cannot be corroborated by inferential statistics.

### Conclusions

Characteristics of entrepreneurs are as follows: access to and utilization of opportunities, access to resources, creativity, insight, intellectual independence, hard work, optimism, innovation, taking risk and leadership (Saffari, Tojari, Khodayari, Mohammadi & Khalifa, 2013). The respondents hold that the key competencies, gained during their professional sports careers are communication skills, name recognition, acquaintances, and contacts. At present, most of the Croatian interviewed Olympians and successful sportspeople are concerned with the lack of education provided in the areas of management, marketing, finances, and law, ultimately hindering them during their secondary careers. This, coupled with the oppressive external environment, in their opinion, stifles their intrinsic entrepreneurial motivation and the overall sports development. Furthermore, the respondents hold that they possess a unique set of skills and insight for managing sports entities and entrepreneurial projects. Additionally, they recognize the synergy between sport and entrepreneurship, particularly in the area of sports tourism. However, they hold that most crucial funds have to be provided by the state, which needs to formulate a comprehensive and cohesive sports strategy, with entrepreneurial endeavours serving to provide additional, non-essential income. The respondents also hold that there are ample opportunities for innovation and progress within the boundaries of Croatia's sports, especially concerning training techniques and technologies, marketing and sports tourism. Lastly, managerial and practical implications of sports entrepreneurship are to develop a more entrepreneurial mindset in sports-related ventures.

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## SPORTSKO PODUZETNIŠTVO, OBRAZOVANJE I SEKUNDARNA KARIJERA

### Sažetak

*Budući da olimpijci i profesionalni sportaši iskazuju posjedovanje socijalnog i psihološkog kapitala potrebnog za postizanje poduzetničkog uspjeha, ova studija ima za cilj odrediti postoje li potrebe za obrazovanjem sportaša u ekonomskim disciplinama, poput menadžmenta, financija ili marketinga, kako bi mogli biti bolji poduzetnici kada dođe vrijeme za njihove sekundarne karijere. Empirijska istraživanja provedena su koristeći dubinski intervju na ekspertnom uzorku od 6 profesionalnih sportaša, od kojih su petoro olimpijci, osvajači olimpijskih medalja, na temelju njihovih izvanrednih postignuća. Svaki ispitanik trenutačno posluje u domeni sportskog menadžmenta, kao vlastiti odabir sekundarne karijere. Profesionalni sportaši i olimpijci su jedinstveni jer okončavaju svoju sportsku karijeru u relativno mlađoj dobi, s dugim nizom produktivnih godina ispred njih. Nadalje, oni predstavljaju sasvim specifičnu podskupinu stanovništva, opremljenu jedinstvenim skupom vještina i kompetencija, te mogu pružiti mnogo društvu u cjelini, nakon što njihova karijera kao sportskih natjecatelja završi.*

**Gljučne riječi:** sportaši, menadžment, sportska organizacija.

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