

Outsourcing the Services of Sports Facilities: A Marketing Approach

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Abstract

Outsourcing of sports facilities is one of the most essential tasks that the Ministry of Sports and Youth of Iran has done to increase organizational productivity. Therefore, this study seeks to outline how outsourcing improves the performance of sports facilities. The present study was conducted with an exploratory research approach to development of outsourcing model. In total, 14 managers of sports facilities participated in in-depth semi-structured interviews. The results showed that by identifying the development factors, facilitators, and barriers to outsourcing sports facilities, important features of outsourcing sports facilities can be achieved. Outsourcing sports services and sports facilities was not done correctly and did not cause the better performance of sports facilities, and there are many obstacles in its implementation due to which sports facilities managers do not benefit from outsourcing. The proper implementation of outsourcing of sports facilities leads to greater customer satisfaction.

Keywords: sports marketing, outsourcing, sports facilities, management.

Introduction

Nowadays, sport as an economic sector (whether productions or entertainment), plays a crucial role in the production and consumption of sporting goods and services and the economic development of different societies. Furthermore, it is now one of the most influential factors in national economic growth and one of the most profitable industries in the 21st century (Milano & Chelladurai, 2011). As the sports industry has grown significantly in recent years, sports organizations need to outsource some of their activities to other organizations. Outsourcing is a form of public-private partnership that is a new way to fundamentally change the attitudes of governments and organizations about the nature of services and their relationship with the private sector and to formulate laws to facilitate these relationships (Kamuriwo & Baden-Fuller, 2016). Kumar and Eickhoff (2005) define outsourcing as assigning non-core activities of the organization to external contractors.

One of the most important activities that should be outsourced through sports organizations is marketing. Small organizations with a shortage of manpower and specialized knowledge are more likely to outsource (Lee & Walsh, 2011). The sports industry is a special case that actively uses outsourcing strategies. In sports, for example, many organizations hire other

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companies to do business, patent sales, sales, and customer service (Lee, 2010). Similarly, Iran's club management industry has experienced significant growth and change with the start of private clubs. This explosive growth has affected existing customer service programs. Burden and Li (2005) point out that when deciding to outsource sports marketing, factors such as the goals, philosophy and mission of the institution, the quality of national sports programs, asset management, and relationships with local businesses should be considered. Outsourcing some marketing activities such as ticket sales and sportswear sales is very common in sports organizations, especially large sports organizations or professional league teams due to the high responsibilities of their internal staff (Meier et al. 2019).

There are different areas of studies in the sport that are nowadays specialized, one of which is sports marketing. Sports marketing encompasses all activities designed to satisfy the needs and desires of sports consumers. Moreover, if it is designed effectively in sports and its related industries, it will surely provide the owners of the sports markets with many gains (Pitts & Stotlar, 2002). The sports markets are experiencing a great deal of growth and development in the current era by focusing on the behavior of sports consumers. Marketing science is trying to influence consumer behavior patterns. Consumers are not just trying to buy a good; they are also looking for the satisfaction of their needs or the solution of their problems. As one of the marketing management methods that improve the performance, development, and improvement of the organization's productivity in the form of downsizing, outsourcing has received much attention in recent years from the managers and executives of organizations (Bolat & Yılmaz, 2009).

Outsourcing is not a new concept in the modern business environment. Many activities are outsourced every day, with some of them being essential and others being less important. However, all of them contribute to the proper performance of the company (Vaxevanou & Konstantopoulos, 2015). The benefits that come from making the right outsourcing decisions effectively strengthen the company's internal resources. This outsourcing management strategy has created similar benefits for small and medium-sized companies (Nordin, 2008). However, outsourcing provides access to a more considerable talent and a sustainable source of skills by organizations, in particular in science and engineering (Manning et al., 2008). Outsourcing failures have been thought to be due to a lack of methodology. This stance suggests that outsourcing failures are not due to an underlying problem with outsourcing, but rather a result of the lack of guidance for managers (Lonsdale, 1999).

Today, due to the low per capita sporting rate in Iran, the question is why sports facilities are outsourced? In addition, why does the Ministry of Sports and Youth earn a small income through outsourcing of sports facilities? Are the places and infrastructure in the organization insufficient or do they have problems with customer service? Why can't this organization, like other service outsourcing organizations, generate revenue and customer satisfaction? Therefore, the importance and necessity of this research was to identify the strengths and weaknesses of outsourcing to achieve the goals that the organization intends to achieve. Understanding outsourcing and examining its terms and features is a practical step towards achieving strategic marketing goals.

Literature Review

Today, there is a wide variety of research on outsourcing, particularly on outsourcing in sports. Scur and Koloski (2019) concluded that long-term partnerships are beneficial to companies and customers. Lee et al. (2017) pointed out that the most critical benchmarks for performance are the business process, learning, and growth. The findings also showed that the most basic factor for outsourcing is the motivation to do so. However, outsourcing has costs

that management must consider before applying it (Ketterer et al., 2019). Espino-Rodríguez and Ramírez-Fierro (2017) found a significant relationship among internal outsourcing supervision, cost savings, and professional competence decisions. Nevertheless, there are no significant relationships between deciding on outsourcing internal supervision and external resource management factors. A different approach to an understanding of sport labor migration suggests that current sport labor migration can be explained as a form of global outsourcing. The three most common reasons for outsourcing include cost minimization, quality improvement, and access to resources (Lee, 2010). Liu (2011) concluded that among outsourcing decisions, the market share was the most influential factor. It would indicate that the decision maker believes outsourcing can introduce an alternative to the institution because of the specialized expertise of the agency. By outsourcing the marketing operations, the athletic department can focus on their core businesses, e.g., academic services or dedicated programs. Kenyon et al. (2016) showed that outsourcing activities and some complex processes have been able to increase the efficiency of the organization. Vachajitpan and Kettapan (2016) showed that outsourcing of hotel activities improved productivity and customer satisfaction. Hotels that outsource their repetitive activities (such as cleaning) have also attracted more customers. Lee (2016) argues that a combination of both economic and strategic management views is an effective way to understand outsourcing strategies in an amateur sport setting. Chauhan et al. (2015) showed that the main barriers to outsourcing include communication language, beliefs, and attitudes, where beliefs and attitudes act as powerful stimuli. Enright et al. (2020) concluded that knowledge, expertise, effectiveness, and financial resources are the most important elements of outsourcing in sports and health. Dietl et al. (2017) showed that outsourcing improves our understanding of financial support in sport, improves financial efficiency and effectiveness, and paves the way for the experiential future of sports organizations. Çalişkan et al. (2020) concluded that while sports clubs can increase the quality of their teams through foreign player transfers throughout the world, they can also reduce the player costs. Sports clubs should be able to manage foreign player transfers correctly not only in terms of sporting success but also in terms of their economic sustainability. The results of this study may reveal that the transfer of foreign players as outsourcing is seen as a successful activity of sports clubs. Lee (2016) realized that the two main motivations for outsourcing in sports marketing are cost reduction and performance effectiveness. Tjader et al. (2014) points to factors such as access to goods and services, customer database, cost savings, focus on core business, quality, and knowledge management as the most important outsourcing factors.

Outsourcing in sports is a common activity internationally. Many sports organizations outsource in arenas such as facility management, media, human resources, and online activities. In Iran, too, the discussion of outsourcing has long been made seriously. A study of recent development plans, especially the Fourth Development Plan, shows that government officials are also aware of the need to pay more attention to this strategy and have included this concept in the development plans in order to downsize the organizations and reduce ownership. Therefore, in this study, we seek to examine the outsourcing of sports services from a marketing perspective. The present study can identify the challenges of outsourcing sports services and create appropriate awareness and knowledge about outsourcing sports services. Therefore, this study aimed to answer the following research questions (RQ):

RQ1- Does outsourcing sports facilities increase the revenue of sports organizations?

RQ2- What is the role of outsourcing sports facilities services in reducing costs?

RQ3- What is the impact of outsourcing sports facilities services on the growth and effectiveness of sports institutions?

RQ4- What is the role of outsourcing of sports facilities services in the access to sports facilities and services?

RQ5- Does outsourcing sports facilities services modify the complex bureaucracy in delivering sports services to customers?

Method

Data Collection Procedure

To better understand the consequences of outsourcing sports facilities, the authors employed semi-structured interviews with open-ended questions. Understanding multiple perspectives related to outsourcing sports facilities was regarded as of critical importance for the solicitude of the data. The authors were looking for participants with a long history of outsourcing sports services. Therefore, in the initial screening, the eligibility of each participant for the present study was determined.

Sample

Participants included 14 sport management professionals, who brought practical knowledge of sports facilities and the consumer's satisfaction into the present study. Each of them was a specialist with at least 15 years of experience in managing sports facilities. Moreover, they were familiar with all the strengths and weaknesses of outsourcing sports facilities services.

Interview

Data was collected between May and July 2019. Each interview lasted approximately 20 to 30 minutes and was audio and text recorded. At the beginning of each interview, the author asked a few simple questions to communicate with the participants, and gradually asked questions with a high degree of mental involvement. It should be noted that the triangulation approach was used to open up a new area of research and possibly limit the data. Triangulation refers to the process of using multiple methods or data sources in qualitative research to develop a comprehensive understanding of phenomena (Edwards & Skinner, 2010). Due to the triangulation method (multiple sources) in this study, various sources were used to collect data.

Table 1. Demographic Information

Row	Job	Field of study	Education	Activity area
1	Deputy director of sports	Sport management	PhD	Executive
2	Deputy of development	Sport management	Master's degree	Executive
3	Expert in the field of outsourcing	Civil engineering	Bachelor	Executive
4	Chief of staff	Sport management	Bachelor	Executive
5	Legal affairs	Law field	PhD	Executive
6	Expert in the field of outsourcing	Sport management	PhD	Executive
7	Expert in the field of outsourcing	Sport management	Bachelor	Executive
8	Expert in the field of outsourcing	Sport management	Bachelor	Executive
9	Head of the sports unit	Sport management	Master's degree	Executive
10	Head of the sports unit	Sport management	Bachelor	Executive
11	Head of the sports unit	Sport management	Master's degree	Executive
12	Expert in the field of outsourcing	Sport management	PhD	Executive
13	Head of the sports unit	Sport management	PhD	Executive
14	Expert in the field of outsourcing	Sport management	Master's degree	Executive

Data Analysis

After the audio and text files of the interviews were completely and accurately transcribed by the authors, each transcript was coded independently by the authors. The initial stage in data analysis involved open coding, in which data is divided into sections, closely examined, compared for similarities and differences. In phase 1, each critical point was considered an event (open coding). Then, these events were turned to a higher level, i.e., concepts. Some concepts were derived from several events, and some derived from a single event or a key point (phase 2). Finally, a category was selected for any given set of related concepts (phase 3). Finally, systematic analysis was performed using MAXQDA statistical software (version 12) for data analysis and classification.

Results

After analyzing the interviews, four main themes emerged: Outsourcing features, outsourcing facilitation factors, outsourcing developing factors, and outsourcing barriers. Each main theme was divided into sub-domains based on participants' perspectives (e.g., reduction in costs, offering expert price, and lack of supervision) (Table 2).

Table 2. Theoretical Coding

Thematic topics	Themes	Marker
Outsourcing features	Reduction in costs	P5, P8, P7, P1, P2, P6, P9, P14, P2
	Use of private sector capacity	P1, P11, P6
	Income generation	P1, P2, P6, P8, P13, P14
	Quality improvement	P1, P3, P5, P8
	Increased income and economic development	P4, P7, P11
	Downsizing	P8, P7, P8, P9, P10, P12
	Decreasing tenure and increasing government interest	P5, P6, P11
	Developing and maximizing utilization of the capacities of sports facilities	P13, P5
	Agility and development of sports organizations	P7, P14, P10
Outsourcing facilitation factors	Reviewing and providing practical instructions	P1, P7, P10, P11, P6, P14, P9
	Media awareness through mass media	P1, P11, P14, P7, P9, P3
	Assigning to qualified institutions and individuals in the field of sports	P9, P14, P13, P12, P10, P9, P5
	Offering expert prices	P4, P8
	Using economic incentives	P1, P5, P7, P13, P2
Outsourcing developing factors	Teaching sport managers and institutions	P6, P7, P10, P13
	Offering and taking in account the instructions	P3, P7
	Ministry of Youth and Sports has a positive view to the sport	P14, P7, P13, P9, P7, P8, P11
Outsourcing barriers	Effective and efficient monitoring	P7, P13, P11, P8, P5
	Long term allocation of sports facilities to tenants	P5, P14
	Users' financial constraints	P1, P9, P6
	Low sport participation	P14, P7, P9
	Failure to correctly implement outsourcing law in Iran	P1, P12, P13, P7
	Imposing additional costs on the organization	P2, P4, P5, P8, P14, P2, P5
	Lack of notification	P2, P11, P5
	No expert work in pricing	P2, P7
	Lack of structure and guidelines for outsourcing	P5, P10, P7
	Lack of supervision	P5, P7, P8, P10, P11
	Influence of abusive managers	P5, P6, P8, P10, P11, P6, P7, P13
	Not targeted sports facilities built	P7, P12
	Inefficiency and resistance of sports institutions to outsourcing	P6, P13, P8, P10
	These places are not delivered to qualified people	P7, P9
	Lack of transparency	P11, P8
	Failure to submit plans by tenants	P11, P13
	Lack of credit for maintenance and reconstruction	P7, P11
Management weakness	P13, P12, P9	
Improper functioning of tenants	P7, P9, P13	
Lack of risk-taking and a safe space for investment	P11, P10	
Lack of optimal and sufficient sports facilities	P8, P9	

Discussion

Outsourcing Features of Sports Facilities Services

Based on the data analysis, the most important outsourcing features of sports facilities services are income generation, income growth, and economic development by renting a large part of the sports places to outside the sports organization. Several outsourcing motivations have been identified in previous sport management outsourcing research: generation of revenues, improvement of quality, reduction of costs, and employment of specialists (Burden and Li, 2009; Lee and Walsh, 2011). By renting these facilities out to tenants, the organization generates revenues. In the outsourcing relationship between the organization and the tenant, in addition to generating revenue, we will also look for cost reductions. Therefore, this framework explains that when an organization incurs costs, it attempts to minimize transaction costs and transfer costs to an external third party (Williamson, 1985). This means decreasing tenure and increasing organization's benefits. The downsizing, agility, and development of sports organizations are also positive effects of outsourcing. Given the motivation of outsourcing, various incentives, including cost reduction, concentration on core activities, access to resources/skills, performance improvement, innovation, and development of employees have been identified (Lacity et al., 2011). Other features of outsourcing sports facilities are that private sector capabilities can be used to improve the quality and service level. Because by competing and making maximum use of the capacity of sports facilities, the quality of service to sports customers will also increase.

Facilitative Factors Related to Outsourcing Sports Facilities

According to the findings of this study, facilitating the outsourcing of sports services is a factor that provides favorable conditions for outsourcing. It is essential to educate sports executives and board members before performing any outsourcing, because having enough information and knowledge of outsourcing prevents complexities and problems. At present, the outsourcing of sports venues in Iran has many problems that must be regulated by enacting regulations and applicable laws. Specialized pricing for each sports venue based on geographical location, nature of venue, equipment, spectator community, and level of public revenue are other important factors facilitating outsourcing. After outsourcing, it is very important to note who will manage it. Outsourcing to organizations and individuals with athletic conditions is a critical point to consider. Furthermore, the role of mass media in informing and advertising to increase the actual audience and attract customers of sports services is another essential factor.

Factors Related to Developing Sports Facilities Services Outsourcing

Another factor that emerged in this study was the process of outsourcing the sports services, which play a key role in the development of this issue. This factor is the most critical part that outsourced sports services require. The positive attitude and function of the Ministry of Sports and Youth in the field of sport, providing guidance on outsourcing, and familiarizing tenants with its laws and regulations essentially removes many of the uncertainties and complexities of outsourcing. Long-term assignments to tenants (those who rent sports facilities from the organization) make tenants more confident in providing customer service, because a long-term opportunity allows tenants with a strategic plan to both maintain sports facilities and meet customer needs. Nevertheless, the most essential part of this can be considered effective

and efficient monitoring of the organization, because supervision and control consistently improve quality and performance.

Barriers to Outsourcing Sports Facilities Services

The most critical factors that hinder outsourcing progress and development are called outsourcing barriers, which, if not eliminated, will lead to increased maintenance costs, further depreciation, and destruction of sports venues. We see the opposite of this matter. According to the findings of the study, failure to provide these facilities to qualified people has reduced the quality of daily services, while it has increased customer dissatisfaction and has aggravated depreciation. Sports facilities are not adequately managed and cause customer dissatisfaction. When outsourcing is auctioned, there is a problem that many people are the winners of the auction even before it starts because of lack of transparency in the laws and regulations.

Managerial weaknesses within the organization and within sports complexes are the most critical factors in reducing quality and performance. According to the findings of this study, managerial weaknesses in and outside of sports facilities are also quite evident and palpable. Lack of a proper strategic plan by tenants and managers has led to day-to-day sports facilities being depleted and wasted. Excessive use of sports facilities is witnessing the degradation of outsourced sports facilities and infrastructure. Since there is no plan or policy in place to rebuild and fix these problems, these places have become ruined and have lost their functionality, and they also cost a lot for the organization. Thus, it is imperative to allocate a portion of the funds to rebuild and maintain these places. Soleimani-Damaneh et al. (2012) found that the budget allocated by the Iranian Ministry of Sports to provinces was inefficient. Many tenants do not provide the services that are specific to that sporting facility. In other words, if it is a place to practice hub strings, it will be used as a place for martial arts exercises. This is evident in Iranian sports organizations, especially in the Kurdistan province. Moreover, outsourcing can lead to distrust of the service provider and reduce employee commitment (Bhagwati et al., 2004).

Based on the findings and information obtained from the interview, it was found that the inefficiency and resistance of some of the sub-organizations and institutions of sports to outsourcing have even influenced organizational outsourcing sports services in different ways. Moreover, according to the weaknesses in the outsourcing of sports facilities services, even the organization itself may sometimes not be able to deal with them because of hidden issues. The use of inside managerial power and the pressure exerted from the outside of the sport organization have led the organizations' managers to delegate the sporting places to the individuals and entities that are not qualified.

One of the most critical problems of organizations and the customers is the lack of supervision and control over the operation and management of sports facilities that have been outsourced. In addition, other types of risks associated with various managerial risks include poor contract details, poor communication, and poor oversight (Kremic et al., 2006). The final research model was obtained by identifying the main dimensions of outsourcing and the impact of each of these outsourcing factors on sports venues.



Figure 1. Final Outsourcing Model

Conclusion

In the following lines, we will answer the research questions according to the model extracted from the interviews with the participants.

RQ1- Does outsourcing sports facilities increase the revenue of sports organizations?

According to interviews with experts, outsourcing included cost reduction, revenue generation, private sector capacity utilization, quality improvement, revenue reduction, economic development downsizing, agility, development of sports organizations, declining ownership, and increased profits. The government has a direct role in this process. In general, it can be said that these features are considered as outsourcing characteristics, meaning that the outsourcing of sports facilities can have such an attribute. The findings, which are based on the opinions of the experts as well as the available evidences, suggest that most sports facilities are income generating. Based on the predetermined goals for outsourcing sports facilities, it is clearly understood that outsourcing always has a positive impact on the income of organizations, which is one of the most critical driving engines of any organization. Another critical issue is expert pricing according to the location of sports facilities in each geographical area of the city. The exact price for all gyms or sport places creates the problem that low-income people cannot use these facilities. Outsourcing is the business process of transferring employees and assets from one company to another or implementing public service control for profitable companies (Hira & Hira, 2005). Outsourcing can offer greater budget flexibility and control and allows organizations to pay for only the services they need when they need them. Outsourcing is the act of transferring work, responsibilities, and decision-making to others because others can do it cheaper, faster, and better (Power, 2006).

One of the risks of outsourcing services is that the buyer firms will have to work at a low scientific and theoretical level. Mass media is one of the most critical tools in creating awareness and informing people. This capacity can be used to enhance the culture of outsourcing sports facilities services (Jensen, 2012).

RQ2- What is the role of outsourcing sports facilities services in reducing costs?

The factors that increase costs of the organization are as follows: management weaknesses, lack of transparency, inadequate tenant performance, lack of tenants' plans, lack of credit for maintenance and rebuilding, inefficiencies and resistance of sports organizations against outsourcing, and failure to delegate these properties to qualified personnel. Another critical issue in the development of outsourcing is the long-term delivery of sports facilities to tenants instead of one-year delivery. According to the results, one- or three-year outsourcing of sports venues has led to the most misuse of sports venues to maximize financial gain. Excessive use of outsourced sports facilities can lead to depreciation, exhaustion, poor quality equipment and services, and finally to the loss of facilities and equipment. Extending the lease term and giving more assurance to tenants in sports facilities, in addition to helping with income generation and customer satisfaction, prevents equipment depreciation.

One of the most critical outsourcing roles is to reduce costs through better performance, changing fixed costs to variable costs (Liao & Reátegui, 2002). The benefits that come from making the right outsourcing decisions effectively strengthen the company's internal resources (Nordin, 2008). However, outsourcing sports services can reduce the constant and ongoing costs of the organization by increasing income generation, teaching managers and tenants, efficient and effective supervision, reviewing the guidelines for outsourcing, and quality improvement. Outsourcing many services allows the organization to focus more on main activities (Power, 2006). Outsourcing facilities make the organization smaller and more flexible. The findings of this study indicated that the hidden costs, including maintenance costs, increase the cost of outsourced sports facilities. The presence of hidden costs in the organization incurs extra costs onto the organization (Tavana et al., 2016).

Research on service value suggests that superior value can be a determining factor in increasing customer loyalty, replicating exchange, and changing customer behavior (Othman et al., 2021). The tenants strive to improve the quality and upgrade the equipment, so that they can retain their customers next year. In addition, it is crucial to provide and comply with established outsourcing guidelines. Unclear instructions on how to maintain and repair the equipment of outsourced sports venues and the need to repair sports facilities after the end of the outsourcing period will increase the costs of the organization. Lack of a proper solution to solve this problem adds to the number of deserted and dilapidated sports facilities in Kurdistan province. It can be prevented by outsourcing the repairing and maintenance tasks to the outside of the organization and adopting a long-term contract of sports facilities services to the tenants.

RQ3- What is the impact of outsourcing sports facilities services on the growth and effectiveness of sports institutions?

There are significant reasons for finding service providers with the specific knowledge and expertise to perform organizational processes. Undoubtedly, if outsourcing is considered to be the right strategy for organizations, it will not only help the short-term plans but also provide strategic and competitive advantages for the organization (Ali & Khan, 2016). According to research, training the sports managers and institutions, effective and efficient supervision,

instructions, and transfer of sports facilities to specialists have direct impacts on the growth and effectiveness of sports institutions. However, the findings of this study showed that outsourcing of sports facilities to outside the organization has not a positive impact on the growth and development of sports institutions in Kurdistan province. Inefficiencies and resistance of sports institutions to outsourcing, low sports participation, lack of information, lack of supervision, lack of transparency, and misuse of profiteers are the most critical obstacles to the growth and effectiveness of sports institutions. The delivery of sports facilities to institutions whose sports activities are incompatible with the sports venue has caused these venues to lose their function in sports. Excessive use of sports facilities by most sports institutions has led to poor quality and depreciation of sports facilities, so after a while, athletes will face the problem of the lack of equipment, and due to the lack of facilities, we will see the recession and poor performance of that institution.

RQ4- What is the role of outsourcing the sports facilities services in access to sports facilities and services?

According to this study, one of the most important factors preventing outsourcing of sports facilities services is the lack of sports spaces. When the spaces and the number of sports facilities are limited, no positive result can be gained from outsourcing. Therefore, it increases the per capita sports share of people, the general public has access to sports venues, and excess sports venues can also be outsourced to suitable conditions and prices. Based on this, we can expect satisfaction, income, and cost reduction. However, outsourcing limited sports facilities have the opposite effect. By investing in long-term targeting and increasing sports per capita, building stadiums, sports and leisure places, and sports hotels, we can achieve targeted marketing with applicable income, satisfaction, cost savings, and effectiveness. The study results showed that the low-income and vulnerable people of the society are not able to use outsourced sports facilities. Besides, locating, creating, and constructing sports venues in out-of-town locations have made it challenging to access these sites.

RQ5- Does outsourcing sports facilities services modify the complex bureaucracy in delivering sports services to customers?

The results of this study showed that even if outsourcing factors such as facilitation and development are implemented, as long as there are barriers to outsourcing sports sites, the result would be quite the opposite of what we expect. The study results indicate the impact of outsourcing of sports services in downsizing of the organization, which is in line with the study of Kenyon et al (2016). Nevertheless, it has not moderated the complex bureaucracy and waste of time, and time-consuming outsourcing activities are problems that both the outsourcing organization and the outsourcing receiver still face. According to the results of this study, the nature of outsourcing is similar to the nature of revenue generation, quality improvement, cost reduction, reduction of government tenure, organization downsizing, and complex bureaucracy, but the most critical issue and challenge in this area is the inaccurate and unprofitable implementation. When we compared the increase in revenue for the organization on the one hand and the increase in costs and depreciation on the other hand, we came to the conclusion that the maintenance and repair costs after the outsourcing were higher than its revenue. However, the loss of sports facilities with this method of operation is far more costly and higher than the revenue generated.

Theoretical and Managerial Implications

Outsourcing is not a new concept in the modern business environment. Many essential activities are currently being outsourced; while others are less important. However, they all contribute to the appropriate performance of the business (Vaxevanou & Konstantopoulos, 2015). Sport facility outsourcing is a management approach that allows outsourcing of some of the processes or services of an organization to an external contractor, and the organization focuses on its primary activities. For this reason, outsourcing is a type of contracting an activity that was previously implemented in the organization and is now outsourced to others. Outsourcing improves the performance of companies and organizations by shrinking and making agile the organization, and if used correctly and with deep management insights, it has many benefits. Outsourcing services form one of the management methods the use of which requires consideration of various factors that must be used with sufficient foresight and knowledge. Therefore, it is essential to pay attention to how an organization decides what to outsource, what to do, and what variables should be considered in the decision-making process for efficient outsourcing. Managers should strive to understand the issues and consequences of outsourcing to use outsourcing effectively and efficiently.

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