

## **Strategic Human Resource Management in Non-Profit Sport Organizations: A Comprehensive Analysis of Selection, Evaluation, and Communication Practices**

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**Abstract:** As sports clubs transition from volunteer-led associations to professionalized entities, the implementation of Strategic Human Resource Management (SHRM) becomes a critical determinant of organizational success. This review examines the mechanisms of employee selection and performance appraisal within the context of Greek sports clubs, drawing on empirical data from a doctoral study conducted at the University of Peloponnese. Using a quantitative methodology and Exploratory Factor Analysis (EFA), three primary dimensions were identified: (a) Communication and Participation, (b) Incentives and Fair Rewards, and (c) Personnel Selection and Teamwork. The findings suggest that while technical expertise is essential, organizational commitment is primarily driven by transparent communication and perceived fairness in evaluation. This article synthesizes these findings with international literature to provide a framework for professionalizing human capital in the sports sector.

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### **1. Introduction**

The professionalization of sports organizations is a transformative phenomenon that has fundamentally redefined the landscape of athletic governance over the last two decades. Historically, sports clubs were primarily characterized as informal social associations, operating within a framework heavily reliant on the altruism and dedication of volunteers. However, the contemporary global sports environment has evolved into a highly competitive industry that demands high-quality service delivery, financial sustainability, and rigorous administrative efficiency. As these organizations transition from volunteer-led associations to professionalized entities, the implementation of Strategic Human Resource Management (SHRM) has emerged as a critical determinant of organizational success and long-term viability. At the heart of this organizational shift lies the management of the human factor. Managing human resources within a sports context presents unique challenges, as it requires a delicate balance between the "passion" of stakeholders and the "process" of professional management. According to Chelladurai (2006), the "product" generated by a sports organization is inherently intangible and experiential. Whether the task involves coaching a youth team or overseeing the operations of a complex sports facility, the quality of delivery depends entirely on the specific competencies and behaviors of the human resources involved. Consequently, SHRM posits that human capital should not be viewed as an operational expense, but rather as a primary source of sustainable competitive advantage. Achieving this advantage requires a strategic alignment where individual employee goals are synchronized with the club's broader strategic vision. A key gateway to this alignment is the selection process, which serves as the primary protector of organizational culture. While traditional sports clubs often favored "hero-based" recruitment—hiring staff based purely on athletic reputation—modern management theory emphasizes "Selective Hiring" and "Person-Organization (P-O) Fit". Furthermore, once an individual is integrated into the organization, the focus must shift toward performance appraisal systems that serve a developmental purpose rather than a punitive one. Effective evaluation, when coupled with transparent communication, fosters a sense of psychological ownership and encourages employees to reciprocate positive management treatment with increased effort. Despite the theoretical importance of these practices, empirical research on their application within specific national contexts, such as Greece, remains limited. This article addresses this gap by examining the mechanisms of employee selection and performance appraisal within Greek sports clubs, drawing on comprehensive data from a doctoral study conducted at the University of Peloponnese. Utilizing a quantitative methodology and Exploratory Factor Analysis (EFA), this study identifies three primary dimensions of the management climate: (a) Communication and Participation, (b) Incentives and Fair Rewards, and (c) Personnel Selection and Teamwork. By synthesizing these empirical findings with international literature, this paper provides a robust framework for professionalizing human capital and enhancing organizational performance in the non-profit sports sector.

## 2. Detailed Literature Review

### 2.1. The Strategic Imperative of Human Capital in Sports

In the contemporary sporting landscape, understanding the unique nature of the "sport product" is fundamental to effective management. As Chelladurai (2006) posits, the output of a sports organization is inherently intangible and experiential. Whether the core activity involves coaching a youth development squad or overseeing the operations of a complex athletic facility, the quality of service delivery depends entirely on the specific competencies, behaviors, and commitment of the human resources involved. Strategic Human Resource Management (SHRM) introduces a fundamental paradigm shift for sports clubs, advocating that human capital should not be treated as a mere operational expense but as the primary source of sustainable competitive advantage. This perspective necessitates a transition from traditional, administrative personnel management toward a model where people are positioned at the center of strategic development. Within the specific context of non-profit and professionalizing sports clubs, the success of this strategic imperative hinges on achieving a critical "fit": the precise alignment of individual employee goals with the organization's broader strategic vision. When the personal ambitions and technical skills of coaches, administrators, and support staff are synchronized with the club's mission, a synergy is created that significantly enhances organizational effectiveness and the overall quality of the sporting experience.

### 2.2. Selective Hiring and Person-Organization Fit

The selection process serves as the primary and most critical gatekeeper of an organization's culture and long-term stability. Historically, recruitment within sports clubs was predominantly characterized by a "hero-based" style, where staff were hired based almost exclusively on their past athletic reputation or personal fame. However, contemporary Human Resource Management (HRM) theory advocates for a transition toward "Selective Hiring" and the concept of "Person-Organization (P-O) Fit". According to Dessler (2020), this approach ensures that new hires are not only technically proficient but also share the values and goals of the institution. To achieve this fit, sports organizations must adopt structured selection methodologies, such as multi-stage interviews and psychometric assessments. These tools allow management to verify that candidates possess the necessary technical qualifications, such as specific coaching licenses, alongside the behavioral traits required to thrive in team-oriented and high-pressure environments. Furthermore, the foundation of an effective hiring strategy lies in a rigorous job analysis. By performing a thorough analysis before the recruitment phase, organizations can develop accurate job descriptions that clearly define expectations, thereby reducing role ambiguity and minimizing future employee turnover (Dessler, 2020).

- **Structured Selection:** Utilizing multi-stage interviews and psychometric assessments ensures that candidates possess not only the technical skills (e.g., coaching licenses) but also the behavioral traits required to work in a team-oriented, high-pressure environment.
- **The Role of Job Analysis:** Before hiring, organizations must perform a thorough job analysis to create accurate job descriptions, reducing role ambiguity and future turnover.

### 2.3. Performance Appraisal: From Control to Development

Performance appraisal (PA) within the sports sector is frequently misconstrued as a tool primarily intended for contract negotiation or disciplinary action. However, contemporary management literature, notably highlighted by Fletcher (2001), suggests that PA should instead serve a fundamentally developmental purpose, focusing on skill enhancement and professional evolution. Within a sports environment, where "results" are often highly visible on the scoreboard, a significant challenge arises in distinguishing individual effort from systemic or team-based outcomes. To address these complexities, modern sports organizations are increasingly implementing 360-degree feedback systems. By involving multi-source assessments from peers, athletes, and management, these organizations can provide a more holistic, fair, and equitable view of an employee's total contribution to the club. Crucially, for evaluation systems to be truly effective, they must be integrated with continuous training and professional development programs. Empirical evidence suggests that when employees perceive that their performance is being monitored fairly and that they are provided with clear opportunities for growth, they exhibit significantly higher levels of organizational commitment.

- **360-Degree Feedback:** Modern clubs are increasingly adopting multi-source feedback systems, involving peers, athletes, and management, to provide a holistic view of an employee's contribution.
- **The Link to Training:** Effective evaluation systems must be coupled with continuous training. Employees who perceive that their performance is monitored fairly and that they are provided with growth opportunities exhibit higher levels of organizational commitment.

#### **2.4. Communication and Social Exchange Theory**

Internal communication serves as the fundamental "glue" that maintains organizational cohesion and functional integrity within a sports club. Grounded in Social Exchange Theory, as pioneered by Blau (1964), the relationship between management and employees is viewed as a dynamic series of reciprocal interactions. According to this framework, when employees perceive that they are receiving positive treatment, professional respect, and tangible support from their management, they are psychologically predisposed to reciprocate this treatment through increased work effort and heightened organizational commitment. Furthermore, the transparency of these communication channels is a vital factor in fostering a sense of "psychological ownership" among the staff. In the specific context of non-profit sports organizations, where financial and strategic stability may often be a concern, the open sharing of information regarding the club's financial health and long-term strategic changes reduces uncertainty and builds trust. By institutionalizing transparent communication, sports clubs can ensure that all stakeholders—from administrative personnel to coaching staff—feel personally invested in the collective success and sustainability of the organization.

### **3. Methodology**

#### **3.1. Research Design and Instruments**

This research adopted a quantitative approach, utilizing a structured questionnaire based on validated HRM scales (Guest, 1997). The instrument measured 27 variables related to HRM practices, including security of employment, selective hiring, teamwork, and information sharing.

#### **3.2. Sample and Statistical Procedures**

The sample included employees and board members of Greek sports clubs. Statistical analysis was performed using SPSS, incorporating:

- 1. Exploratory Factor Analysis (EFA):** To identify the underlying dimensions of HRM practices.
- 2. Reliability Analysis:** Ensuring internal consistency via Cronbach's Alpha.
- 3. Comparative Analysis:** Utilizing T-tests and ANOVA to explore demographic differences.

### **4. Results**

#### **4.1 Factor Identification**

The empirical data collected from the Greek sports clubs were subjected to Exploratory Factor Analysis (EFA) to determine the underlying structure of the Human Resource Management (HRM) practices implemented within these organizations. The statistical analysis successfully reduced the 27 measured variables into three robust and distinct dimensions that effectively explain the management climate and strategic orientation of the surveyed clubs.

The three identified dimensions are as follows:

**Communication and Participation:** This factor focuses on the systematic sharing of information and the degree to which staff members are actively involved in the organization's decision-making processes. The prominence of this factor underscores the importance of transparent internal communication as a fundamental requirement for organizational cohesion in the sports sector.

**Incentives, Evaluation, and Fair Rewards:** This dimension addresses the mechanisms used to monitor, evaluate, and recognize employee contributions. It highlights the necessity of establishing a clear and objective correlation between an individual's work performance and the resulting recognition or rewards. The findings suggest that the perceived fairness of these evaluation systems is a primary driver of employee satisfaction and organizational commitment.

**Personnel Selection and Teamwork:** The third factor emphasizes the requirement for rigor and structure in the recruitment phase, advocating for "Selective Hiring" to ensure a strong fit between the individual and the organization. Additionally, it highlights the promotion of collaborative problem-solving and the cultivation of a team-oriented work environment as essential practices for modern sports management.

By identifying these three pillars, the study provides a comprehensive analytical framework for understanding how professionalized HRM practices can be institutionalized to enhance the overall effectiveness and service quality of sports organizations.

#### **4.2 Demographic Analysis and Key Findings**

The empirical data revealed significant insights regarding gender and perception of management practices. As shown in **Table D**, there are distinct differences in how genders perceive the "Selection" factor.

Table D: Mean Scores (M) and Standard Deviations (SD) by Gender

Gender	Communication (M, SD)	Incentives (M, SD)	Selection (M, SD)
Male	4.45 (0.58)	4.01 (1.05)	4.41 (1.15)
Female	4.45 (0.42)	4.10 (1.14)	<b>5.00 (0.53)</b>

**Analysis:** While communication scores were identical across genders, female employees rated the "Selection and Development" factor significantly higher. This suggests that women in the sports sector place a higher premium on structured recruitment and professional growth opportunities.

### 4.3 Age-Related Trends

The analysis of demographic data, as captured in Table E, reveals significant variations in the perceptions of management practices across different age cohorts. The findings indicate that younger employees, specifically those in the 18–30 age group, tend to adopt a more critical stance toward existing performance evaluation systems. This demographic expresses a strong requirement for more frequent and structured feedback, while simultaneously seeking transparent and well-defined career advancement pathways within the organization. In contrast, older and more experienced staff members prioritize organizational stability and the quality of internal communication as their primary professional concerns. These distinct generational trends suggest that for sports clubs to maintain a cohesive and motivated workforce, they must implement flexible Human Resource Management (HRM) strategies that address the varying expectations of different age groups. Tailoring feedback mechanisms and stability-focused communication can assist in bridging these generational gaps, ultimately enhancing staff retention and long-term organizational success.

## 5. Discussion

### 5.1 Bridging the Gap between Passion and Professionalism

A core finding of this study is the "Passion Paradox." While the emotional connection to sport drives employees, it cannot replace professional HRM systems. The high scores in the "Communication" factor (Factor 1) indicate that sports clubs are inherently communicative environments; however, this communication is often informal. To reach professional standards, clubs must institutionalize these flows—moving from "informal chats" to "documented strategy sessions." The results regarding Factor 2 (Incentives and Evaluation) highlight a critical area for improvement. In many clubs, rewards are not clearly linked to objective performance metrics. By adopting more transparent KPIs, clubs can reduce feelings of favoritism and increase the perceived fairness of the organization, which is directly linked to staff retention. The high rating of the "Selection" factor by female staff suggests that professionalizing the entry point into the organization is vital for a diverse and skilled workforce. Selective hiring ensures that the "Person-Organization Fit" is maintained, leading to a more cohesive culture and reduced conflict between technical and administrative departments. The following is the expanded Discussion section (5.1) in English, formatted as a continuous scientific text with extensive bibliographic citations for journal submission. The findings of this study underscore a critical transition within the athletic sector, often referred to in literature as the "professionalization" of non-profit sports organizations (Dowling, Edwards, & Washington, 2014). A central theme emerging from the data is the "Passion Paradox": while the intrinsic motivation and emotional attachment of employees and volunteers are the lifeblood of sports clubs, these elements are no longer sufficient to ensure organizational survival in an increasingly competitive and commercialized landscape. As argued by Chelladurai (2006), the intangible and experiential nature of the "sport product" requires a shift from informal, "kitchen-table" administration to Strategic Human Resource Management (SHRM) frameworks that treat human capital as a primary source of sustainable competitive advantage (Guest, 1997; Boselie, Dietz, & Boon, 2005). The high scores observed in the Communication and Participation factor (Factor 1) confirm that sports clubs are inherently communicative environments. However, the transition to professionalization necessitates that this communication moves beyond informal social interactions to become a structured strategic tool. Grounded in Social Exchange Theory (Blau, 1964), the results suggest that when management institutionalizes transparent communication and involves staff in decision-making, it fosters a reciprocal relationship. This reciprocity is manifested through increased organizational commitment and a stronger "Person-Organization Fit," as employees perceive their role not merely as a job, but as a contribution to a shared mission (Dessler, 2020; Armstrong, 2014). Furthermore, the analysis of Incentives, Evaluation, and Fair Rewards (Factor 2) highlights a significant area for organizational development. In many Greek sports clubs, there appears to be a disconnect between effort and objective recognition. As Fletcher (2001) emphasizes, performance appraisal must transition from a punitive control mechanism to a developmental

dialogue. When evaluation systems are perceived as fair and are linked to continuous professional development, they mitigate the risks of favoritism often found in small, informal associations. By implementing Key Performance Indicators (KPIs) that align with the club's strategic goals, organizations can effectively bridge the gap between individual "passion" and professional accountability. Finally, the emphasis on Personnel Selection and Teamwork (Factor 3) reinforces the necessity of "Selective Hiring" as a gatekeeper for organizational culture. The shift from "hero-based" recruitment—hiring based on past athletic fame—to competency-based selection ensures that staff possess the technical licenses and behavioral traits necessary for collaborative problem-solving. This strategic alignment, where individual competencies are synchronized with the club's overarching vision, is what ultimately transforms a traditional sports club into a high-performing professional entity (Dessler, 2020).

## 6. Conclusion and Recommendations

This study has demonstrated that as sports clubs transition from informal, volunteer-led associations into professionalized entities, the strategic management of human capital becomes the definitive determinant of organizational success. The empirical analysis through Exploratory Factor Analysis (EFA) successfully identified a three-pillar framework for Greek sports clubs: (a) Communication and Participation, (b) Incentives and Fair Rewards, and (c) Personnel Selection and Teamwork. While the "Passion Paradox" remains a defining characteristic—where emotional attachment to the sport drives initial engagement—the findings confirm that passion alone cannot substitute for structured Human Resource Management (HRM) systems. Ultimately, the human resource must be recognized not as an operational expenditure, but as the most valuable asset for achieving long-term sustainability and service quality.

### 6.1 Recommendations for Practice

Based on the results of this research, several strategic recommendations are proposed for administrators and board members of sports organizations:

- **Standardization of Multi-Dimensional Evaluation:** Organizations must move beyond the "scoreboard-only" approach to performance. It is recommended to develop clear, multi-dimensional Key Performance Indicators (KPIs) that reflect both athletic outcomes and administrative efficiency. These systems should adopt a developmental focus, utilizing multi-source feedback—such as 360-degree systems involving peers and athletes—to ensure a holistic and fair assessment of an employee's contribution.
- **Formalization of Internal Communication:** To enhance organizational cohesion and psychological ownership, clubs must institutionalize their communication flows. This involves moving from "informal chats" to documented, structured strategy sessions. By fostering transparent communication regarding the club's financial health and strategic changes, management can trigger positive reciprocal behaviors from staff as predicted by Social Exchange Theory.
- **Strategic Selection and Continuous Development:** The selection process should be treated as the entry point of a long-term investment. Implementing structured recruitment—including multi-stage interviews and job analysis—is essential to ensuring a strong "Person-Organization (P-O) Fit". Furthermore, since female staff members and younger employees place a higher premium on structured recruitment and professional growth, formalizing these pathways is critical for attracting and retaining a diverse, skilled workforce.

### 6.2 Limitations and Future Research

While this study provides a foundational understanding of HRM within the Greek sports context, it is not without limitations. The current research focuses primarily on the perceptions of employees and board members. Future research should expand this scope by examining the direct impact of professional HRM practices on the satisfaction and retention of the club's primary stakeholders: the members and athletes.

Additionally, longitudinal studies are needed to track how the institutionalization of KPIs and formal communication channels affects the financial sustainability of clubs over time. Investigating the "Passion Paradox" through qualitative methodologies could also yield deeper insights into how managers can balance emotional engagement with rigorous professional accountability in different cultural and national contexts. Closing the loop between internal management practices and external service quality remains the next frontier for sport management research.

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