2.1 INTRODUCTION

Sport, which has always preoccupied the mind of man (Watt, 1998), pervades many aspects in society (Lumpkin, 1998; Mahomed, 1980; Snyder 1990). From the times of the ancient Greeks and Romans, physical prowess in relevant sporting fields was seen as important and a mark of someone’s characteristics and worth (Watt, 1998). This perceived status has placed sport in the public eye and has made it a subject of scrutiny, comment and criticism. Sport is no longer a male-dominated pastime that is just indulged in for pleasure. The participation of females has increased dramatically over the past few years (Watt, 1998) with the arrival of new events such as the Women’s Soccer World Cup and the Women's Rugby Union World Cup. In addition, in South Africa, it is also no longer dominated by one racial group, as it was during the apartheid era.

Sport and recreation, which at one time was regarded as more of a leisure activity in South Africa, has shifted its focus and now has a significant impact on the economy of the country (Goslin, 1983; Gouws, 1999). It has overcome political bans as well as economic constraints and grown into a competitive industry in South Africa, enticing multi-million rand sponsorships from corporations like Nike, MTN and Vodacom, to name a few. According to Lumpkin (1998) this phenomenal increase in the popularity of sport has occurred because of increased leisure time; increased affluence and the use of sport for entertainment, fitness and fun.

In the past, people had limited time for leisure activities but present circumstances allow people more time for recreation and leisure. The increase in time available for recreation and leisure activities has necessitated the increased
provision of facilities and services (Goslin, 1983). South Africa is now in the midst of an unsurpassed demographic shift where urbanization is the modern trend (Gouws, 1999). Edington et al. (Goslin, 1996b) state that most of the existing leisure and sport delivery systems are built on assumptions of the traditional paradigm, which governed the thinking of the sport and leisure industry for half a century. Goslin (1996b) adds that in the emerging paradigm, human resources within the total African and specific South African leisure industry must be prepared to both respond to and initiate change.

Over the past two decades, South African sport has undergone a metamorphosis. Unlike the period prior to 1980, there is more freedom and fewer restrictions with regard to participation in South African sport today. With restrictions being lifted, there is a backlog in respect of facilities and services being provided. Sport organizations are providers of services such as coaching, fitness and health-oriented services. In order to provide services efficiently, there is a need for sport organizations to start concentrating on the management of their human resources (HR).

2.2 THE SPORT INDUSTRY

For the past decades the sport industry has developed exponentially, resulting in the emergence of clothing components, equipment manufacturers, players, sports teams, professional leagues and sports clubs (Zanger & Groves, 1998). Businesses outside the sport industry involve themselves with sport through sponsorship, holding of luxury boxes at stadiums, endorsement of popular players, sales of sport-related products and exclusive television for sporting events (Zanger & Groves, 1998).

According to Parks, Zanger and Quarterman (Hollander, 2000), the sport industry can be divided into three broad segments, namely, the sport participation and achievement segment, the sport production segment and the sport promotion
The sport participation and achievement segment presupposes that the consumer uses sport in a direct or indirect manner: either as a professional or as an amateur consumer. These consumers may include coaches, referees, officials, athletes and volunteer workers and the media.

The sport production segment is related to the products that are needed to create or influence opportunities to participate in sport. Hollander (2000) posits that five sectors form part of the sport production segment of the sport industry. They are: the sports goods sector; the education and training sector; the recreation and tourism sector; the event and facilities sector and the fitness and health sector. The sport promotion segment is seen as the medium through which the sport
product can be marketed (refer to figure 2.1, page 21). The structural composition of the sport industry (discussed above) describes the magnitude of this industry.

According to Zanger & Groves (1998), the growth of businesses within the sport industry results directly from the popularity of many sports. Sport has evolved worldwide into a major component of the economic marketplace, both on its own and as it relates to business within other industries. For instance, in South Africa the sport industry would relate to either the clothing industry or the footwear industry. This relationship would come about when, for example, a sport organization like the Bluebulls might seek sponsorship from an outside sport ‘organization’ like Adidas. Both the afore-mentioned industries would, in turn, form a relationship with the sport industry, resulting in a broadening of the sport industry.

Today the sport industry in the United States of America (US) encompasses millions of people who directly participate in sport activities. The interest in sport activities is at an all time high and growing, and the impact that the sport industry has on the total economy is staggering (Bridges & Roquemore, 1996). The Sport and Recreation industry currently ranks 11th in the US (Shank, 2002). The expansion of the sports industry has resulted in the following outcomes: more sport-related jobs are being created and more individuals are interested in careers in the sport industry (Shank, 2002). This trend appears to be occurring in South Africa as well. Priority six of the White Paper on Sport and Recreation states that the sport and leisure industry must encourage creativity and self-reliance on the part of national federations as well as structural changes to ensure effective delivery of sport (Goslin, 1996b). One of the results of this resolution is perhaps the growing number of many sports organizations. These organizations are still dependent on a large voluntary support base but indicate a significant existence of sporting interest which is not allied either to local authorities or national governing bodies (Watt, 1998). The creation of these
organizations implies that there are also a growing number of positions in the sport industry. Since sport organizations provide human services, it stands to reason that many positions are available for, amongst others, coaches, trainers and instructors. This is reflected in an increase in demand for programmes in sport administration, sport coaching and sport marketing (Shank, 2002).

A sport organization (Koski, 1995) differs significantly from other organizations. Koski (1995) sees it as an open system, which exploits the possibilities and resources of its environment and produces its services for environmental consumption, unlike other organizations whose main aim might be, for instance, the generation of profit.

Sport, which was previously amateur-focused, has progressed to a professionally focused activity. Sport organizations have, similarly, evolved from organizations that were non-profit organizations, which were primarily responsible for the creation of leisure opportunities, to profit-making enterprises. Sport organizations are now responsible for the provision of various sport products like sporting events, sporting goods, sport training and sport information (Shank, 2002). Poolman (Gouws, 1999) describes the enterprise as an independent economic subject, which is unique to the free market system, which has as its objective the effective and efficient application of available and scarce production factors such as entrepreneurial spirit, capital, labour and natural resources. Reynders (Gouws, 1999), however, approaches the definition of an enterprise from a socio-economic as well as a private-economic perspective. He regards the enterprise as an organ of the community that serves the interests of the community. The enterprise should constitute a labour community and must satisfy the community’s needs for goods and services. He summarises by remarking that the enterprise renders a service in order to make a profit or makes a profit by rendering such a service. Service and profit are thus inextricably linked. Sport organizations’ main business is the provision of services, therefore Reynders’ definition seems more appropriate for sport organizations.
There are increasing commercial pressures in many sport organizations and money is no doubt the major consideration (Watt, 1998). It is argued by many researchers that the age of successful sport, based purely on volunteerism, has passed (Watt, 1998). If the performers are to be paid for their performance, it therefore stands to reason that all the people who support and enable participation should also be paid. As a result, sport organizations have to find ways and means to generate the funds to pay their human resources. The professional coach is one of these.

There are many factors that influence the sport industry and are directly involved with coaches or coaching-related needs. There has been an increase in the number of new activities in South Africa. In addition to the traditional popular codes of soccer, rugby and cricket, indoor - and women’s soccer, baseball, basketball and indoor hockey have become very popular (Gouws, 1999). The proliferation of numerous commercial sport enterprises, for example, golf, action cricket and tenpin bowling has also influenced the sport industry, resulting in the need for coaches.

Many existing sport codes have undergone expansion resulting in an increase in the number of players. For example, six years ago basketball was almost unknown in South Africa, but today it is played in most areas, even on the streets (Gouws, 1999).

There has also been an overall increase in participation by women. There has been a continuing change towards female participation in keep-fit activities and aerobics – a rise of 33% in three years despite the fact that women are constrained by a lack of discretionary time and money in comparison to men. Sport still seems, in many situations, to be dominated by men and not yet seen as a significant part of women’s role in our society (Watt, 1998). The fastest growing groups participating are middle-aged and older people (Watt, 1998). In
contrast, there has been a decline in youth participation in sport since the youth find their recreation in, amongst others, television and computer games. Many of the youth that do participate have a professional approach to sport and do not participate for fun only. As a result the need has arisen for professional sports coaches.

A fitness boom has been experienced in South Africa. This resulted in new facilities becoming available and greater involvement in sport-related activities (Gouws, 1999). Sport participation and fitness have also become individual-based in sporting codes such as cycling, mountaineering and road running.

There has been an increase in the number of professional-level sport activities. In South Africa, boxing and cricket were probably the first amateur sporting codes to become professional at national level. Rugby and soccer followed suit and many other codes soon joined them. This has resulted in increased opportunities for coaching.

A major consideration regarding professionalism is whether coaches should be regarded as professionals and whether they should be paid. Watt (1998) argues that if the performers are to be highly paid then the people who support and enable their participation, should also be paid. According to Weingarten (1980), if sport coaching is a paid-for trade, it should be done professionally, mentally and ethically and like other professions, be acquired through a process of learning and preparation supervised by a responsible agency. He argues that there is no reason why an electrician, for example, should be certified for his/her trade and a coach who contributes towards the development of an individual, should not be paid.

Access to sport for different populations has increased. As populations gain equal rights, sport policies and legislation have encouraged increased
opportunities in sport. There are now opportunities for disabled people, women and the lesbian and gay population, to participate (Gouws, 1999).

As a result of increased awareness in sport, people are anxious to learn more about playing, officiating or coaching. This has resulted in an increase in clinics, seminars and other coach education programmes to educate coaches and officials (Gouws, 1999).

The sport industry is growing globally (Shank, 2002). The Olympic games, for example, are seen in every country of the world and the USA staged the World Cup Soccer tournament, notwithstanding the fact that soccer is not as popular as basketball in this country. Furthermore, the fact that almost every country is bidding to stage the World Cup of some code of sport emphasizes the extent to which sport has grown globally.

The importance of sport in South Africa is not hard to discern. This is evident by the euphoria generated among all sections of the population during the 1995 Rugby World Cup (Boshoff, 1997; Watt, 1998) and the rush for tickets for the 2003 Rugby Currie Cup finals and the 2003 World Cup Cricket tournament. Sport may be regarded as one of the most important ways in which to bring about balance in an unbalanced lifestyle (Gouws, 1999). Sport encourages acceptable behaviour, contributes to education and promotes and encourages a meaningful way of spending leisure time. In South Africa, sport has become a large industry to which not only money, but also human resources and facilities are allocated. The management of human resources in the sport industry should therefore have gained prominence.

2.3 HUMAN RESOURCES MANAGEMENT

The most precious asset in any organization today is not its activities, the production line, its retail outlets or the inventory in the warehouse, but its human
resources - the people who make up the organization (Lipiec, 2001; Marken, 2000; Morton, 1996; Slack, 1997). It is an asset that is difficult to find, to retain and to manage. Today, people problems are being solved in organizations by a total, professional approach to human resources management (Ivancevich, 1998).

Human resources management (HRM) refers to the totality of people management practices found in organizations (Gibb, 2000b). It is an integral part of management, thus changes in this area are closely interrelated (Lipiec, 2001). It can be seen as a process that involves the acquisition of employees, introducing them into jobs, training them for their current job and developing them for subsequent ones, controlling and evaluating their performance, compensating them and managing their voluntary or involuntary departure from the organization (Morton, 1996). It is the function performed in many organizations that facilitates the most effective use of people to achieve organizational and individual goals (Ivancevich, 1998).

Hilgert & Ling (1996) define human resources management as the process of getting results with and through the efforts of people. It consists of those management functions and activities related to the acquisition, development and maintenance of human resources in a working organization. Furthermore, successful human resource management implies that the goals of individuals in the organization are attained to the highest degree compatible with the work situation. These functions and activities utilize the efforts of people with other resources of an organization. This implies that people do the work and create ideas that allow the organization to survive (Ivancevich, 1998). Regardless of the working environment or the technicalities involved, most human resources managers spend a major part of their time working with others and getting results through the efforts of others (Hilgert & Ling, 1996). Subsequently, any organization will be more effective in pursuing its goals and objectives if the efforts of the people within the enterprise are properly directed and coordinated.
Effective HRM strategy systematically co-ordinates and implements all individual HRM activities. This has a direct influence on the employee's attitude and behaviour and consequently helps the organization to achieve its competitive edge (Huang, 2001).

The meaning and nature of HRM has provoked much debate (Kelliher & Perrett, 2001). Sisson (Kelliher & Perrett, 2001) has attempted clarification by identifying four characteristic features which distinguish HRM, namely: the integration of personnel policies with business planning, a shift of responsibility from specialists to line managers, individualism in the management of employee relations and an emphasis on securing employee commitment and initiative. Hendry & Pettigrew (Kelliher & Perrett, 2001) and Slack (1997), on the other hand, suggest that strategic HRM is characterized by the use of planning, a coherent approach to the design and management of personnel systems underpinned by some philosophy, matching HRM activities and policy to business strategy and seeing the people of the organization as strategic resources in the achievement of competitive strategy.

Gibb (2000a) states that HRM has become an increasingly important factor in organizational success. This is as a result of changes in the economic climate, increase in international competition, an increase in collective bargaining, greater levels of automation and the demand for more specialist personnel (Gibb, 2000b; Slack, 1997). Human resources managers now are called upon to continually assess situations and events that reflect the dynamic nature of their operations as they are interrelated with those of an increasingly complex global business environment (Hilgert & Ling, 1996). In a sport organization the human resources function may range from the simple maintenance of employee records, to designing complex personnel training and development systems, negotiating, compensation and filing of grievances (Slack, 1997).
It is evident from the literature that human resources management in sport organizations will face numerous opportunities and challenges in the future. The human resources manager therefore has a pivotal role in helping his/her organization to remain competitive in the marketplace. It would be difficult to imagine sport organizations in current times, achieving and sustaining effectiveness without efficient human resources management programmes, since human resources management plays a vital role in ensuring that a sport organization will survive and prosper (Ivancevich, 1998).

Whilst there is a need to place importance on the material resources, it is equally, if not more important for sport organizations to devote attention to the human resources in the organization as these resources are responsible for putting the material to use and converting them to products (Chelladurai, 1999).

Sport and recreation organizations are involved in the production of services, one of the most popular is offering instruction or coaching. This distinction identifies the clients and customers of sport organizations as human resources (Chelladurai, 1999). Furthermore, the paid employees as well as the volunteers are also the human resources of a sport organization.

Sport organizations are also engaged in the provision of human services. They work for people by changing them in specific ways. One of the ways in which people are changed is through coaching. Professional sports coaches, amongst the other human resources in a sport organization, implement the policies and procedures of the organization to achieve the objectives of the organization. Therefore the human resources management of professional sports coaches is as critical as any other management function.
2.4 HISTORY OF HUMAN RESOURCES MANAGEMENT

Human resources management has, since the 1970’s, become an increasingly important factor in the success of organizations (Mills, 1975). Advancement in information technology, changes in legal issues, and globalization demands that HRM be considered seriously in the future (Ferris, 1999).

Traditional HR departments are under increased pressure to rethink, redefine and re-evaluate their roles. Some call for the demise of the HR function as it is known; some see it being outsourced; others see it becoming part of management; and yet others suggest it continue on much the same path as it is presently (Ulrich, Losey & Lake, 1997). In the midst of increased pressure for business results through HR issues and re-examination of the traditional HR departments, HR professionals are also facing increased expectations. HR professionals are being asked to do more with less, to do different work, and to work better (Ulrich et al., 1997).

There are a number of approaches to HRM such as strategic, international and political approaches. Which one applies to a particular organization is dependent on a number of factors that include, amongst others: the organization’s history, the diversity of the workforce, culture and management style (Cushway, 1999). Regardless of the approach adopted, organizations are comprised of people and people have to be managed. HRM should therefore be part of the process which determines what people are required, how to utilize them, how to recruit them and how to manage them. It should be fully integrated with all the other management processes (Cushway, 1999).

Recent studies describe HRM as action-oriented. It focuses on action rather than on record-keeping, written procedure, or rules. HRM does use rules, records, and policies but it stresses action. It emphasizes the solution of employment
problems to help achieve organizational objectives and facilitate employees’ development and satisfaction.

HRM focuses on the individual, offering services and programs to meet their needs. Furthermore, HRM is future-oriented. Effective HRM is concerned with helping an organization achieve its objectives in the future by providing for competent, well-motivated employees. Thus, human resources need to be incorporated into an organization’s long term strategic plans (Ivancevich, 1998).

Sisson (1990) suggested that it was the pursuit of competitive advantage in the 1980’s that brought about the emergence of HRM. The starting point was to acknowledge that people are simply not the factors of production, along with machinery, but are the major source of competitive advantage. He emphasizes that how the organizations recruit, train, reward, motivate and discipline their employees is of central importance to the success of the organization. Legge (1995) agrees that human resources are valuable and a source of competitive advantage. Furthermore, human resources may be tapped most effectively by mutual and consistent policies which promote commitment and foster a willingness by employees to act flexibly and in the interests of the organization. Jackson, Schuler and Rivero (1989) recognised a link between business strategy and human resources factors. Other factors, such as the industry sector, organization size and structure, union presence and technology employed, were also important. They also found significant differences in the way in which different groups of employees within an organization were treated. This posed a problem for a strict contingency approach which saw the management of HR linked to the organization’s product market strategy (Miller, 1989) and hence it was expected that the underpinning philosophy would apply across the organization.

Over the past decades, the role of human resources managers has evolved significantly (Lipiec, 2001). The previous functional approach has been
substituted for a strategic one. Both Legge (1995) and Storey & Sisson (1993) agree that HR policies are integrated with strategic business planning. Strategic integration refers to the ability of the organization to integrate HRM issues into its strategic plans. This ensures that the various aspects of HRM cohere and make provision for line managers to incorporate an HRM perspective into their decision-making. HR policies will be used to reinforce appropriate organizational culture.

The strategic importance of HRM (Ivancevich, 1998) means that a number of key concepts must be applied. Some of the concepts include analyzing and solving problems from a profit-oriented, not just a service-oriented, point of view. Assessing and interpreting cost and benefits of such HRM issues as productivity, salaries and benefits, recruitment, training, absenteeism, relocation, layoffs, meetings and attitude surveys is another concept, using planning models that include realistic, challenging, specific and meaningful goals. It also entails preparing reports on HRM solutions to problems encountered by the organization and training the human resources staff by emphasizing the strategic importance of HRM and the importance of contributing to the organization’s objectives.

Schuler & Jackson (1987) identified the main areas of choice in HRM practice as planning, staffing, appraising, compensating, training and development and labour-management relations and suggest that the internal consistency within these areas, along with management values and assumptions regarding the management of people, represent the HRM philosophy of the organization. They identified three major philosophies for managing people: ‘accumulation’, ‘utilization’ and ‘facilitation’.

‘Accumulation’ refers to a longer-term approach to managing people, based on careful selection of the ‘right type of person’, investment in them in terms of training and building long-term relationships. ‘Utilization’, on the other hand, operates on a much shorter time horizon. Staff is recruited on the basis of skill
and very little training is given. Remuneration is individual and often incentive-based. ‘Facilitation’ is an approach where employee development and enhancement are valued, but will be facilitated, rather than provided by the organization, since it is seen as the responsibility of the individual.

It appears thus that the “accumulative” philosophy is non-existent in sport organizations in South Africa, given the high turnover of professional coaches at South African sport organizations. For instance, the area in sport organizations that is most volatile as far as change is concerned is involved with people. Amongst the different people in an organization, most changes have occurred with the coaches. For example, South Africa has had its eighth national rugby coach in 10 years (and supporters are already calling for his resignation), its seventh national soccer coach in 10 years and the current cricket coach (2003) has merely been in his post for the last 6 months. The reason for the alarming turnover rate among coaches can be attributed to the external pressures for change from the media and sport fans. Inevitably the scapegoat for the bad performances of teams ends up being the coach who, in some instances is not responsible for the selection of the team.

The “utilization” syndrome in sport seems to be prevalent in sport organizations in South Africa since, with a few exceptions, the employment lifespan of the professional coach at sport organizations is very short. A stimulating and rewarding environment is consequently seen as the way of retaining ‘accumulation’ with a quality enhancement strategy and facilitation with an innovative strategy.

Sport organizations are in a constant state of change (Slack, 1997) as a result of the rapid growth in emerging markets and new standards of global competition (Aghazadeh, 1999). New people enter the organization, the physical layout of the organization is reorganized and new programmes are developed. The pressures for change may be generated externally in the sport organization’s environment.
or they may originate from within the organization itself. There are many different areas within a sport organization where change can occur, for example: its technology, its products and services, its structures and systems, and its people. All these areas are interconnected and interrelated. Therefore in order to thrive, human resources managers in sport organizations will have to cooperate closely with market paradigms. This would lead to greater efficiency and added value to goods and services.

2.5 EVOLUTION OF HUMAN RESOURCES MANAGEMENT

Many researchers believe that the first formal HRM function and department was initiated during the 1920's (Ferris, 1999). This implies that the field is more than 80 years old. During this period considerable changes have taken place.

![Figure 2.2 Evolution of human resources management](image)
The HRM function, which was once responsible for record-keeping and maintenance, has evolved into a strategic partner in many organizations, sharing comparable boardroom status (refer to figure 2.2, page 34) with disciplines such as accounting, marketing, public relations and finance (Ferris, 1999).

Huselid, Jackson and Schuler (1997) have noted that there is a positive relationship between the development of HRM as a strategic ally and organization performance. The more efficient the human resources management structures are, the more the overall performance of the human resources in an organization will be improved. This implies that in a sport organization, the more competent the sport coach, the better the performance of the athletes will be, thereby contributing to organizational goals.

For many years the HRM function was merely a “tagalong” unit with people-oriented plans and was usually couched in fuzzy terms and abstractions. It did not constitute a major part of planning or strategic thinking. However, recently, as a result of the crucial importance of people in most organizations, HRM has become a major player in developing strategic plans and is inextricably linked with organizational plans (Ivancevich, 1998).

The study of HRM (Ferris, 1999) has adopted a cross-functional approach that has expanded its breadth of analysis beyond the functional tasks of selection, training, compensation and performance appraisal. It is now influenced by other departments as, for example, the finance department, the public relations department and the marketing department (refer to figure 2.2, page 34). The strategic human resources management perspective (SHRM) attempts to align HRM functions and activities with the overarching strategic goals of the organization. Chadwick and Chappelli (Ferris, 1999) argue that all current approaches to SHRM are strategic in the sense that they focus on the relationship between sets or systems of HRM practices and policies, and organizational outcomes.
Strategic, international and political perspectives of HRM represent three of the most significant areas of practical and theoretical concern on which theory and research in HRM has focused in the past decade and a half. As a result, comprehensive reviews of HRM literature have focused a great deal of attention on surveying the existing body of literature, as well as prescribing mechanisms for extending research in the strategic, international and political areas (Ferris, 1999).

Wright & McMahan (1992) argue that the human resources of an organization are potentially the sole source of sustainable competitive advantage. Few of the more traditional sources of sustainable competitive advantage, for example technology and access to financial resources, create value that is rare and cannot be imitated or substituted. The subtle differences of the human resource value creation process, however, are extremely difficult if not impossible to imitate, as they are path dependent and causally ambiguous. In sport organizations, for example, each sport coach has his/her own individual, different approach to the sport. Whilst one or two of these approaches may be copied by other coaches, it is impossible to completely imitate another individual. It can therefore be argued that it is the uniqueness of each coach that has an impact on how the team performs.

Wright & McMahan (1992) comment further that although numerous studies have provided substantial empirical and theoretical contributions to the field of HRM, this area of investigation is still relatively new and has not had the benefit of a richly developed theoretical base to build upon. This trend, however, appears to be changing as researchers have arduously developed conceptual models of HRM that have moved research away from its atheoretical origins.

Since the 1980’s HRM strategy has become an increasingly important topic of research (Huang, 2001). HRM strategy has achieved its prominence as it
provides a means by which organizations can enhance their competitiveness and promote managerial efficiency (Wright, McMahan, McCormick & Sherman, 1998). By effectively managing their human resources, organizations can nurture the type of employee behaviour that is essential to the success of their competitive strategy. HRM strategy facili-tates the development of a workforce that meets the requirements of business competitive strategy, so that organizational goals and missions will be achieved (Huang, 2001). The success of sport organizations is normally measured by the win/loss record (Van Zijl, 1984) of the teams that belong to that organization. The win/loss record is dependent on the human resources of the organization, of which the coach plays an important role. For example in the English Premier League, Leeds United coach, O'Leary, was dismissed in 2002 as the team failed to win any silverware the previous season. In South Africa soccer coaches faced a similar situation. With the 2002 Premier Soccer League barely three months old, four soccer coaches had been dismissed (Mark, 2002). It is therefore imperative for a sport organization to manage its human resources effectively and efficiently to achieve success.

According to Ferris (1999), there is evidence that very few organizations operate in static, stable environments. Instead, organizations are faced with multiple competitive pressures to which they must respond, and these pressures change rapidly, requiring continual adaptation if an organization is to remain viable. Embedded systems and structures are difficult to change under any circumstances, and the greater the intermeshing of fit of such systems, the more entrenched they become, and the more difficult they are to modify. Sport organizations are neither static nor stable in terms of athletes and coaches. There is a constant movement of coaches and athletes from organization to organization. The upper management structures may be in place for a long period but it is difficult to imagine a coach or athlete spending his/her sporting career at one sport organization. This is what makes the management of human resources at sport organizations different from non-sport organizations. Sport
managers must therefore constantly be on the alert to internal changes within the organization.

Changes in the business environment demand a faster-paced approach to human resources management (Schuler & Walker, 1990). Since the 1980’s far more rapid and dramatic changes than any other recent period has been witnessed and many of these changes, for example, demographic shifts, heightened competitiveness, changing work patterns and employee needs and more complex technologies have had significant implications for human resources management (Schuler & Walker, 1990).

The era of accountability for HRM has resulted from concerns about productivity, from widespread downsizing and redesigning of organizations, from the need to effectively manage an increasingly diverse workforce and from the need to effectively use all the resources of an organization to compete in an increasingly complex and competitive world. Many HRM functions (Ferris, 1999) can be defined as accountability mechanisms, including selection, performance evaluations and compensation.

An issue that is yet to be addressed, is the extent to which the various practices in HRM systems have differential impacts on organizational effectiveness, including not only financial performance, but also success in implementing organizational strategy, and achievement of strategic goals (Ferris, 1999).

2.6 OBJECTIVES OF HUMAN RESOURCES MANAGEMENT

An essential part of human resources management in sport organizations is to proactively determine the opportunities that are available, as well as the scarcity of specific kinds of labour (Gouws, 1999).
The precise objectives of HRM (Cushway, 1999) will vary from organization to organization. The objectives of HRM, therefore, are many and varied. At different times it may include advising management on all the HR policies required to ensure that the organization has a highly motivated and high performing workforce. It has to ensure it has people equipped to cope with change and meet its legal employment obligations. It has to implement and maintain all necessary HR policies and procedures to enable the organization to achieve its objectives. In sport organizations this may, for example, be to produce high calibre athletes, and to assist in the development of the organization’s overall direction and strategy, particularly with regard to the human resource implications. It may also include providing the support and conditions that will help line managers achieve their objectives. The handling of crises and difficult human relations situations have to be dealt with to ensure that they do not get in the way of the organization achieving its objectives. A communications link has to be established between the workforce and the organization’s management. It has to act as a custodian of organizational standards and values in the management of human resources.

The contributions that HRM makes to organizational effectiveness include helping the organization reach its goals, employing the skills and abilities of the workforce effectively (to make people’s strengths productive, and to benefit customers, stockholders and employees) and communicating HRM policies to all employees. Furthermore, it helps to maintain ethical policies and socially responsible behaviour and manages change to the mutual advantage of individuals, groups, the organization and the public (Ivancevich, 1998).

Chelladurai (1999) views the purpose of HRM in sport organizations from two perspectives – the organization and its members. When HRM is viewed from an organizational perspective, it needs to ensure that the technical and control aspects are efficiently managed. The technical aspects involve the hiring of people with the right skills to perform the job. In the case of consumer services, this function is simple and straightforward. For example, a caretaker in a sport
organization can easily be replaced. However, when it comes to human services, it is more complicated. The employees here, for example, sport coaches, need to be well educated and trained in their specialist fields to process the information flow and to make optimal decisions.

From a member perspective Chelladurai (1999) posits that HRM should be designed in such a way that employee wellbeing and service are fostered within the organization. The creation of a climate for the well being of employees would involve redesigning jobs to create more challenge and autonomy, ensuring the safety and security of employees and reducing their stress by having superiors treat them warmly and considerately.

In South Africa, sport coaches who are unable to produce winning results are under constant threat from fans who demand their removal. There have been instances when sport coaches have been attacked by fans (Sepotekele, 2001). This indicates that there are instances where the wellbeing of the coach has not been treated with the importance that it deserves. HRM should also promote creativity and quality in service as well as enriched jobs.

### 2.7 SERVICES, PRODUCERS AND CONSUMERS

One of the most important contributions to competitive advantage in recent years derives from an organization’s service quality strategy (Redman & Mathews, 1998). This is driven by both consumer requirements and increasing intensity of competition.

The sport participation and achievement segment of the sport industry (refer to figure 2.1, page 21) consists of the sport consumer sector which focuses mainly on the consumer of sport and sport-related products (Hollander, 2000). The various sport consumers consist of primary, secondary and tertiary consumers.
The primary consumer is the one who actively participates in sports such as tennis, soccer, netball or cricket. The secondary consumers of sport include managers, coaches, referees, and trainers who are involved in the consumption of sport through the planning, organization and control of it on the micro, meso and macro levels (Hollander, 2000). The tertiary consumers of sport include media officers, commentators and broadcasters who not only make a contribution to the marketing of sport through reporting and sport-coverage, but also play an important role in the globalization of sport.

Each of the above-mentioned groups of consumers presupposes that the consumer is involved in some way or another in sport in such a way that the athlete participates, the coach coaches and the media reports, resulting in sport being used while it is being produced.

Sport organizations engage in business that is primarily based on the provision of services, one of them being coaching. The services that sport organizations provide are in many respects parallel to other organizations (Kim & Kim, 1995).

Delivery of high quality service (Kim & Kim, 1995) is a strategy often employed by sport organizations in an attempt to increase their competitiveness. Kotler (1991) describes a service as any act or performance one party can offer to another that is essentially intangible and does not result in the ownership of anything. The term “service” can cover a wide variety of performances or acts. These range from the intimate context of the highly personal services to those offered by large multinationals. The main concern is not one of size but rather the degree to which customers interact with service providers (Redman & Mathews, 1998).

Many authors have explored the features that characterize a service (Chelladurai. 1999; Redman & Mathews, 1998; Sasser, Olsen & Wyckoff, 1978). The common thread that runs through is that they are inseparable. Services
cannot be separated from the service provider. The client must consume the service in person; thus getting close to the customer is an unavoidable feature of service encounters. Services are intangible; that is, they cannot be seen or touched before they are purchased. A consumer cannot really evaluate a service until it has been consumed. Therefore it is important for sport organizations to introduce mechanisms that can reduce this element of uncertainty and provide the client with the necessary product information for effective service production and delivery. It can also assist in determining the extent to which the client derives personal and psychological benefits like, comfort, status and a sense of wellbeing.

Services are heterogeneous and variable (the services are different each time that they are performed). This is mainly because each party to the service encounter – the service provider and the customer (for example, in a sport organization a sport coach and an athlete) – is liable to introduce variation to the service, either by providing a service that deviates from the norm, or by failing to articulate needs. A professional coach or athlete may not maintain absolute consistency throughout the day even with well-defined service standards, nor is it always desirable to do so. Customer perceptions may also vary from one occasion to another. They depend on a number of factors, for example: the skills, training, personality, mind set and energy of the coach, the needs, attitudes, prior experience, skills and personality of the athlete and fluctuations in demand which determine the athlete’s needs.

Services are perishable (if a service is not consumed it disappears). Perishability is a concern to all service providers but the method of managing this process will vary considerably, and sometimes to the detriment of quality (Chelladurai, 1999; Kim & Kim, 1995; Redman & Mathews, 1998; Sasser et al., 1978). Unlike a football that is produced at one point in time and sold to a customer at some other point in time, a service is simultaneously produced and consumed. In this
instance the coach is not only the producer of the service but is also partly the consumer.

Sport organizations are striving to increase the quality of the services that they offer by using a wide variety of people management techniques (Redman & Mathews, 1998). HRM plays a more significant role in sport organizations because the products are intangible rather than tangible. In sport organizations, consumer (spectator) involvement is necessary for the production of services and the consumption of services occurs simultaneously with the production (Chelladurai, 1999). This casts the front-line workers (in sport organizations the front-line workers are the coaches, instructors and trainers) in a different, but more significant role compared to workers in mainstream business organizations. The frequent contact of service providers with both consumers and the organization makes them both part of the organization and a part of the consumers’ world. The service employees are thus seen as boundary spanners providing the vital link between the external customer and environment and the internal customer as well as operations of the organization (Chelladurai, 1999; Zeithmal & Bitner, 1996). They serve a critical function in understanding, filtering, and interpreting information and resources to and from its external constituencies (Zeithmal & Bitner, 1996). This makes frontline employees very prone to high levels of role conflict and emotional burnout (Singh, Goolsby & Rhodes, 1994).

With respect to service organizations in particular, literature suggests that boundary-spanning employees serve two main functions (Chung & Schneider, 2000). Firstly, they work together with customers in the creation of services, placing customers in a co-producer role. Secondly, customers rely, at least partially, on the behaviour of the boundary-spanning employees in forming their global evaluation of the quality of services within the organization. To most customers, the employees they encounter are the organization. Given the important boundary roles that frontline workers play as service providers, information gatherers and as external representatives of the organization, how
these employees are managed will have serious consequences for the sport organization (Boshoff & Allen, 2000).

Figure 2.3 Service providers as boundary spanners (Source: Chelladurai, 1999: 264)

The organizational form of a service organization can be viewed as an inverted pyramid (Chelladurai, 1999; Redman & Mathews, 1998), illustrated in figure 2.3, with a large number of individuals (the majority in most service organizations) coming into direct contact with the customer. The frontline workers are at the top and all other units, including management are viewed as support units. For instance, an athletics coach in an athletics club is the person who delivers the service directly to the club’s clients. The athletics coach therefore, gains a
prominent place in the organizational structure of the club. Other units, for example, equipment maintenance, reception and accounting provide the support to facilitate the core service that the club provides. Management is responsible for the co-ordination of the activities of all the units and creates the environment to enhance the quality of the service provided. As sport organizations are involved in the provision of human services and are labour intensive, the role of boundary spanners is more pronounced. In contrast, a mainstream goods producer typically has only a small handful of people – often only the sales force – who routinely engage in customer contact. Thus for many organizations in the service sector, there is no simple means by which the consumer can be separated from the person providing the service.

Consumers (the athletes) of a service (coaching) use five dimensions to evaluate that service (Berry & Parasuraman, 1991). The consumers expect the service to be reliable (that is the ability to perform the promised service dependably and accurately), responsive (that is the willingness to help customers and provide prompt service), assured (that is the knowledge and courtesy of the coaches and the ability to convey trust and confidence), tangible (that is the appearance of physical facilities, equipment, personnel and communication materials) and empathetic (that is the provision of caring, individualized attention to the customers) (Chelladurai, 1999).

Good customer service depends on having people who feel good about the organization and care about customers. The people, culture and abilities of an organization can create competitive advantage. If the workforce in an organization has a high commitment to the organization, they will work harder, smarter and save on administrative overheads that might be present when alienation exists between labour and management (Aghazadeh, 1999).

The criterion that is used to describe professional services is the extent to which knowledge and expertise has been applied to meet the needs of the consumers
(the athletes). According to Sasser *et al.* (1978) professional services (for example, coaching) are tailor-made for each consumer (for example, the athlete). It is described as individualized for each customer and delivered by a relatively high-skilled workforce.

Sasser *et al.* (1978) made a distinction between professional services and consumer services. According to Sasser *et al.* (1978) consumer services is a limited range of service delivery by a relatively low-skilled workforce to a large aggregate market. For example, the basic service provided by a sport and recreation department that operates a facility for the use of the citizens of a city, is the use of the facility and the scheduling of the various activities in that facility. Chelladurai (1999) states that sport organizations that hire expert coaches to coach their athletes are offering professional services to their clients. The services of these organizations are based on the coach’s knowledge and skills and are non-standard in the sense that the needs of each customer determine them. As a result of this, the managers in sport organizations need to recognize that traditional bureaucratic control mechanisms are neither relevant nor adequate and that professional coaches should be given the freedom to use their discretion in performing their jobs.

Mills and Margulies (Chelladurai, 1999) elaborated on the distinction between professional and consumer services and identified seven differences between professional and consumer services. Firstly, the extent and type of information processed in delivering a professional and consumer service differs. For example, a professional basketball coach processes many bits of information for training and instructing players, but a reservation clerk needs only to know when a client wants to use the basketball court and whether the client qualifies to hire it. Secondly, there are differences in decision-making with regard to professional and consumer services. Services can be distinguished on the basis of the complexity of decisions. For example, a reservation clerk’s decisions are simple compared to those of the professional coach. A reservation clerk may merely
require the date and deposit in order to make a reservation. The professional coach however, has to consider factors like the ability of the athlete, the strength of the opposition, the venue, the funds available and the rewards associated with an event, before eventually arriving at a decision. Furthermore, professional services involve more time as a result of the increased information processing and the complexity of decisions. For instance, the basketball coach spends more time with the players than the reservation clerk spends with clients. Thirdly, there is a difference in a client’s awareness of and solution to problems concerning professional and consumer services. For instance, in reserving the basketball court the client knows exactly what he or she wants and informs the reservation clerk accordingly. In the case of basketball practice sessions, however, the coach knows more about the weaknesses of the client and the remedies than the client. As a result both the client and the coach may arrive at different solutions to a problem. Fourthly, consumer services involve simple and routine decisions, therefore training a newcomer or replacing the current employee is relatively easy. On the other hand, it is more difficult and disruptive to replace current professional service providers such as coaches. Fifthly, professional coaches are deemed to have power over their athletes by virtue of the fact that they are presumed to have more knowledge and expertise than the clients themselves. The client is dependent on the professional coach to solve problems. By the same token, organizations that specialize in knowledge-based services are dependent on its professional employees. For instance, a technikon’s athletics department is dependent on its professional coach to recruit outstanding athletes. In this instance the coaches have some power over the department. Sixthly, it is more likely for the coach to be more attached to his/her athlete than the organization because of the close and frequent interaction between the athlete and coach. The consumer service employee on the other hand, is more likely to be attached to the organization. Finally, the interface between the professional coach and the athlete is critical to sport organizations. What transpires in the professional coach-athlete interface actually defines the nature of the service (Chelladurai, 1999).
In sport organizations the role of the professional sport coach has become much more critical since to a large extent the coach is the service, given the absence of any tangible artefact. According to Goslin (1996b), as a global shift to the information age occurs, the traditional paradigm of leisure services is challenged. The emphasis, in the emerging paradigm, is on products and services that meet social and economic needs rather than being generated from a set list of activities. Thus the job of the professional coach involves acting as a facilitator, community organizer, catalyst and product initiator. Professional coaches carry the responsibility of projecting the image of the organization and it is in their hands that the ultimate satisfaction of the consumer rests (Kelliher & Perrett, 2001). Lashley and Taylor (Kelliher & Perrett, 2001) suggest that as the intangibility of a service increases, so the reliance upon the ‘fickle’ human dimension in delivering the service, increases.

Most sport organizations function through the provision of human services which are unique. As the inputs are variable in terms of age, gender, and fitness, the processes cannot be standardized. The professional expert ultimately decides on the service to be provided although client expectations also play a role. In many instances in South African sport, coaches are burdened with responsibilities that go beyond just coaching a team or individual. This impacts on the type of athlete as well as the type of results achieved. Therefore, if the objectives of the sport organization were clear and precise, the human resources manager would be able to strategise and be able to help the organization reach its objectives by identifying the appropriate resources needed as well as creating conducive climates for employee well being and service.

2.8 CONCLUSION

A broad description of human resources management with emphasis on the sport industry, the history of human resources management, the definition of
human resources management, the evolution of human resources management and the objectives of human resources management (refer to figure 2.4) was provided in this chapter. Furthermore, services and how they are linked with human resources was discussed. In chapter three human resources management with particular reference to sport organizations will be discussed.