

Professionalization forms in mixed sport industries: Is it time to rethink the stereotypes of non-profit and for-profit sport organizations?

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Abstract

Research question: Sport management scholars are used to differentiate between non-profit and for-profit sport organizations (NSOs and FSOs). However, NSOs and FSOs often co-exist in the same market (i.e., mixed sport industries) and may show similar professionalization forms (e.g., strategies, processes, staff). Therefore, the research questions of this study are which professionalization forms can be identified among sport organizations in mixed sport industries and how are NSOs and FSOs distributed among the identified professionalization forms.

Research methods: Exploratory factor and cluster analyses were conducted to identify professionalization forms among 71 Swiss ski schools (i.e., a mixed sport industry). Subsequently, the ski schools' profit orientation and performance were investigated to describe the identified clusters.

Results and findings: The results show two professionalization forms that conceptual sport management literature would expect of NSOs and FSOs. However, the analysis reveals three additional professionalization forms, each one applied by both NSOs and FSOs.

Implications: This study is the first to identify professionalization forms among NSOs and FSOs in the same sport market. The findings imply that professionalization forms are independent of the profit orientation, which complements existing professionalization literature. The identification of relevant professionalization forms facilitates the understanding of professionalization for sport managers and helps to determine their organization's position in the market.

Keywords: professionalization; sports clubs; profit orientation; mixed sport industries; cluster analysis

Introduction

Non-profit sports clubs are the main sport providers in many European countries. They offer sport activities to members on a voluntary basis (Hoekman, van der Werff, Nagel, & Breuer, 2015b; Vos et al., 2012). The consistent character of these sports clubs is their non-profit focus, therefore, they are defined as non-profit sport organizations (NSOs). Nowadays, NSOs experience difficulties in volunteer recruitment because members are not willing to commit for a long-term engagement in the club anymore (Schlesinger, Egli, & Nagel, 2013). They also face growing organizational requirements in terms of service quality from the internal (e.g., members) and external (e.g., sponsors, umbrella organization) environment. These requirements have been intensified by the emergence of for-profit sport organizations (FSOs), such as fitness centers (Thiel & Mayer, 2009; Wicker & Breuer, 2013). In line with these challenges, many sports clubs are required to professionalize their structures, processes, and staff (Arnott, 2008; O'Brien & Slack, 2003; Sharpe, Beaton, & Scott, 2018).

Professionalization means, in this regard, that the clubs are becoming more business-like or more similar to FSOs (Dowling, Edwards, & Washington, 2014).

Despite this development, recent studies analyzing the professionalization of sport organizations (e.g., Sharpe et al., 2018; Vos et al., 2012) still focus on the conceptual differences of NSOs and FSOs (see Auld & Cuskelly, 2012; Heinemann, 1995; Horch, 2018). NSOs follow a non-profit mission and are not allowed to distribute profits to directors or members (non-distribution constraint; Anheier, 2014). Due to the non-profit mission and non-distribution constraint, literature characterizes sports clubs as less formalized and specialized, more ambiguous in terms of governance structures, and less efficient than FSOs (Auld & Cuskelly, 2012; Horch, 2018). However, the non-distribution constraint does not mean that NSOs are not allowed to make profits. In fact, many NSOs started engaging in commercial activities over two decades ago (Enjolras, 2002a; Gratton & Taylor, 2000). Such NSOs may well aim to generate a financial surplus, but they have to reinvest the profit in the

organization. This behavior can undermine the organizations' non-profit mission to a certain extent, however, it corresponds with legal obligations. The Fédération Internationale de Football Association (FIFA) provides a prominent example of how an NSO may strive to earn financial revenue. Its current president, Gianni Infantino, determines the organization's actions to serve his primary goal of generating money for the organization, for example, through highly commercialized sport events such as the FIFA World Cup (Scott, 2018, May 28).

NSOs and FSOs often co-exist in the same market, be it because NSOs started engaging in commercial activities or FSOs started a business in a non-profit domain. They offer the same sport activities and compete for the same customers (e.g., in tennis, fitness, equestrian, or snow sports). Such markets are called *mixed industries* (Schiff & Weisbrod, 1991). NSOs engaging in commercial activities were shown to follow not only the logics of the non-profit sector but also those of the market (Gammelsæter, 2010). Furthermore, Stenling and Fahlén (2009) showed that the logics of the market and professionalization go hand in hand. Therefore, it seems not appropriate to assume that NSOs in mixed sport industries are less professionalized than FSOs per se, and to analyze the professionalization of NSOs separated from FSOs, as previous studies have done by focusing on pure non-profit sectors (e.g., Arnott, 2008; O'Brien & Slack, 2003; Sharpe et al., 2018; Shilbury & Ferkins, 2011). The aim of this study is to analyze professionalization forms (e.g., strategies, processes, staff) among sport organizations in a mixed sport industry to derive professionalization clusters regardless of the NSO and FSO stereotypes.

The main challenge of professionalization research is a missing benchmark. It is still unclear how much professionalization is appropriate or which professionalization forms are required for which kind of sport organization. Nevertheless, existing conceptualizations of professionalization (Nagel, Schlesinger, Bayle, & Giaque, 2015; Ruoranen et al., 2016) define which professionalization forms are relevant and therefore serve as conceptual basis.

Nagel et al. (2015) and Bayle and Robinson (2007) further assume a relationship between professionalization forms and organizational performance. Such performance measures (e.g., turnover, price-level) elucidate the consequences of specific professionalization forms. The latter is important to derive managerial implications. Therefore, investigations of professionalization forms should be combined with performance measures.

This study contributes to the literature about professionalization of sport organizations since it is the first quantitative analysis of professionalization forms among sport organizations in a mixed sport industry. Moreover, it helps sport managers to better understand professionalization and to determine their organization's position in the market. The ski school market in Switzerland served as research area since it represents a mixed sport industry with non-profit and for-profit ski schools. This case is predestined for the aim of this study because the proportion of NSOs and FSOs in this market is balanced enough for the analysis. Furthermore, the offered activities are highly comparable (i.e., snow sport lessons), and both NSOs and FSOs are members of the same umbrella federation, which is unique and increases comparability regarding external conditions.

Theoretical background

Non-profit sport sector

NSOs follow a non-profit mission and traditionally rely on voluntary work (Auld & Cuskelly, 2012). The non-distribution constraint resulting from the non-profit mission reduces the managers' incentive to make profit. However, they may nonetheless aim to have a financial surplus for the sake of reinvesting in the organization (Wicker, Weingaertner, Breuer, & Dietl, 2012). Local sport clubs, which this study focuses upon, rely mainly on membership fees, government subsidies, and sponsoring income. However, they have also the option to offer commercial activities for non-members to finance their mission-related purpose (Enjolras, 2002; Wicker & Breuer, 2013; Wicker, Feiler, & Breuer, 2013). Sport clubs traditionally have

a strong member-orientation, which means that they primarily serve their members who are also the participants in their sport activities. In return, members work voluntarily for the organization (Thiel & Mayer, 2009). However, the engagement in commercial activities can reduce the member-orientation and increase the market-orientation (Gammelsæter, 2010). Despite this market-orientation, mission-related activities of NSOs are tax-exempted (Hopkins, 2016).

For-profit sport sector

The for-profit sport sector comprises profit making private companies (FSOs) that produce and sell sport products and services (Auld & Cuskelly, 2012). In contrast to NSOs, FSOs are allowed to distribute profits to owners or investors, and they are liable to tax. Their primary goal is to make profits (Franck, 2010; Wicker et al., 2012). Since volunteers are usually not willing to invest their time and effort in FSOs, these organizations employ paid staff (Vos et al., 2012). Among the various business fields in the for-profit sport sector (e.g., event production, sporting goods manufacturing, sports marketing and advertising), this study focuses on sport service providers (see Laine & Vehmas, 2017).

Mixed sport industries

In mixed sport industries, NSOs and FSOs co-exist and offer the same sport activities. Accordingly, they address the same customers and compete with each other. The co-existence of NSOs and FSOs in mixed industries brings additional challenges to these organizations. NSOs are challenged to retain members and customers because FSOs have started competing with them in their former monopoly as sport providers (Vos et al., 2012). However, NSOs are able to provide their services at a lower price, because of tax exemptions and specific income sources (membership fees, sponsorships, funding; Wicker et al., 2012), which challenges FSOs. In the business field of sport service providers, mixed industries are highly emergent

Laine & Vehmas, 2017). However, while the constitutive characteristics of the non-profit and for-profit sport sectors are widely researched (e.g., Auld & Cuskelly, 2012), this is not the case for mixed sport industries. NSOs in mixed industries, for example, may tend to be more commercialized and more professionalized than NSOs in pure non-profit sectors (Stenling & Fahlén, 2009).

Conceptualizations of professionalization

Organizational professionalization considers the employment of paid staff and the changes caused by this process, such as the implementation of formal concepts and strategic developments (Dowling et al., 2014). Previous conceptualizations of organizational professionalization have focused on governance (Shilbury & Ferkins, 2011), organizational structure (e.g., Theodoraki & Henry, 1994), or policy-making processes (e.g., Whitson, 1989). Nagel et al. (2015) conducted an in-depth literature review and developed a conceptual framework to analyze causes, forms, and consequences of professionalization. According to the framework of Nagel et al. (2015), sport organizations develop different professionalization forms (e.g., paid staff, formalization) due to differences in causes of professionalization (e.g., financial resources, growth, individual key actors). The professionalization forms are related to the performance of the organization (i.e., consequences of professionalization). In contrast to economic models, this concept of professionalization is independent of the profit orientation (non-profit vs. for-profit orientation) and therefore permits analyzing a mixed industry containing both NSOs and FSOs.

Based on Nagel et al.'s (2015) framework, Ruoranen et al. (2016) conducted expert interviews in the field of Swiss sport to conceptualize professionalization forms more precisely. Building on the earlier works of Bayle and Robinson (2007) and Legay (2001), Ruoranen et al. (2016) differentiate between three dimensions of professionalization forms: strategies and activities, structures and processes, and people and positions. This multi-

dimensional conceptualization of Ruoranen et al. (2016) builds the conceptual basis to analyze professionalization forms in this study. Strategies and activities of sport organizations can differ in their strategic orientation (e.g., the availability of a strategic plan), efficiency orientation, market orientation, service orientation, quality orientation, knowledge orientation (application of external knowledge and counselling), and partnerships. The structures and processes dimension addresses the organizational structures, differentiation (e.g., functions, roles), human resources management, ways of communication and information, regulations in decision making processes, and finances. Furthermore, the availability of formal concepts (e.g., the human resources concept, the marketing concept), management tools (e.g., communication tools), and controlling instruments indicates the professionalization of an organization's structures and processes. The people and positions dimension focuses on the extent to which an organization employs paid staff and the relationship between paid and voluntary staff (Ruoranen et al., 2016). When analyzing not only the professionalization of people and positions but also strategies and activities as well as structures and processes, FSOs may also show differences regarding their professionalization, just as NSOs.

Performance measurement

Rojas (2000) suggested using non-profit models for analyzing both NSOs and FSOs, because many of them are applicable to FSOs while economic models are often not appropriate to measure the performance of NSOs. Winand, Vos, Claessens, Thibault, and Scheerder (2014) analyzed previous organizational performance approaches for NSOs (e.g., Bayle & Madella, 2002; Frisby, 1986; Koski, 1995) to synthesize them into a model of NSOs' performance. Winand et al.'s (2014) model builds the basis for performance measurement of sport organizations in this study. It differentiates among the evaluation of input, throughput, and output of an organization. In this study, performance measurement focuses on the output because input and throughput are part of the analysis of professionalization forms. Regarding

the output evaluation, Winand et al. (2014) suggested to analyze the achievement of mass sport participation (e.g., active participants), services of activities to society, and multipurpose services (e.g., for leisure participants), among other measures which are not appropriate for the focus on mixed sport industries (e.g., elite sport success, services to elite athletes). Furthermore, they recommended the analysis of internal satisfaction and external image.

Literature review

Professionalization forms

Some studies analyzing the professionalization of non-profit sports clubs showed that specific sports clubs are becoming more business-like (Arnott, 2008; O'Brien & Slack, 2003; Sharpe et al., 2018), while other studies identified barriers to professionalization that existed among sports clubs (e.g., non-profit values, lacking financial resources; Koski & Heikkala, 1998; Wicker & Breuer, 2013). A couple of studies analyzed sports clubs' organizational structure (i.e., specialization, standardization, and centralization) using Slack and Hinings' (1987) conceptual framework for the analysis of amateur sport organizations (e.g., Fahlén, 2006; Kikulis, Slack, Hinings, & Zimmermann, 1989; Papadimitrou, 2002). These studies revealed different forms of organizational structure among the investigated clubs. While Kikulis et al. (1989) found a trend toward more professionalized and bureaucratized organizational forms, the sports clubs in Papadimitrou's (2002) study tended to be more loosely structured and less bureaucratic. However, these existing studies analyzed sport organizations in pure non-profit sectors.

For NSOs in mixed industries, the pressure to professionalize is higher than for NSOs in pure non-profit sectors (Sharpe et al., 2018; Wicker & Breuer, 2011). Sponsors, for example, expect the same professionalized management they get from FSOs (e.g., a formalized strategy, a person in charge of sponsoring management). As such, commercialized sports clubs face institutional pluralism, which means that they follow not only the logics of the non-

profit sector but also those of the market (Gammelsæter, 2010; van der Roest, Vermeulen, & van Bottenburg, 2015). Empirical studies on mixed sport industries, however, are rare. Smith (2009) analyzed non-profit and private riding schools in Sweden and showed that their strategy was similar. While member-oriented NSOs heavily rely on volunteers, NSOs in mixed industries often have the necessity and financial capacity to employ paid staff (Enjolras, 2002b). Paid staff, in turn, promotes formalization and specialization (Thibault, Slack, & Hinings, 1991) and brings for-profit values into NSOs (O'Brien & Slack, 2003). Accordingly, NSOs in mixed industries might be more developed in terms of professionalization. However, empirical studies analyzing professionalization forms of sport organizations in mixed industries do not exist to date.

Professionalization and performance

Sport clubs with a higher proportion of paid staff are likely to be larger in size (i.e., number of members) and generate higher financial resources (Horch & Schütte, 2009; Seippel, 2002). Furthermore, objectives are expected to be achieved more effectively and efficiently by paid staff (Thiel & Mayer, 2009; Vos et al., 2012). However, the employment of paid staff in sports clubs can also result in conflicts between paid staff and volunteers, which can reduce the organization's performance (e.g., effectiveness, commitment, satisfaction; Cuskelly, Boag, & McIntyre, 1999; O'Brien & Slack, 2003; Shilbury & Moore, 2006). In addition, the co-existence of voluntary and paid staff can cause structural conflict situations (e.g., undemocratic use of power, inertia), which again impacts NSOs' organizational performance (Bayle & Robinson, 2007).

Also, formalization of structures and processes proved to be related to size in earlier studies (Nichols & James, 2008; Nichols, Wicker, Cuskelly, & Breuer, 2015). The size of commercial sport organizations is often defined by the turnover (Enderlin, 1995), which is also likely to be related to formalization (Frisby, 1986). However, size is not necessarily

related to performance, in particular when non-financial performance measures are applied (Nowy, Wicker, Feiler, & Breuer, 2015).

In contrast to the profit, which is influenced by the non-distribution constraint of NSOs, the turnover is an appropriate financial performance measure for the analysis of both NSOs and FSOs. Another financial measure, which is used in Nowy et al.'s (2015) performance analysis in a mixed sport industry, is the price level. NSOs that have voluntary rather than paid staff tend to provide services at lower prices (Nowy et al., 2015; Vos et al., 2012).

Research questions

The purpose of this study is to analyze professionalization forms among sport organizations in a mixed sport industry to derive professionalization clusters regardless of the NSO and FSO stereotypes. In accordance with this purpose, the theoretical background, and the review of existing literature, we formulated our research questions. Because the professionalization forms indicated by Ruoranen et al. (2016) are numerous, the first aim was to identify a reduced number of cluster variables for cluster analysis. The according first research question (RQ1) is: Which factors distinguish professionalization forms in mixed sport industries? The second research question (RQ2) refers to the cluster analysis: Which professionalization forms can be identified among sport organizations in mixed industries? Since this study analyzes a mixed sport industry, the analysis of professionalization forms is conducted without differing between NSOs and FSOs a priori. However, the distribution of NSOs and FSOs in the identified clusters is analyzed a posteriori to evaluate the relevance of the profit orientation for professionalization. The third research question (RQ3) is therefore: How are NSOs and FSOs distributed among the identified professionalization forms? To reveal the consequences of the different professionalization forms, the fourth research question (RQ4) is: How can the identified professionalization forms be characterized based on relevant performance measures (output)?

Method

Sample and data collection

In Switzerland, 151 ski schools are members of the umbrella federation known as the Swiss Snowsports Association (SSSA). In each destination, only one ski school is accepted as Swiss Ski School by SSSA. In addition to the 151 Swiss Ski Schools, other ski schools exist which are not allowed to name their school Swiss Ski School because this label is a registered trademark of the SSSA. Those other ski schools are often very small or even one-man businesses and not members of the SSSA. Therefore, they are not comparable with the official ones and not part of this study. The SSSA assisted this study by sending an invitation to all 151 Swiss Ski Schools to participate in the survey. An organization-specific data analysis was offered to all survey participants to maximize the response rate.

Before administering the online survey, a qualitative interview with the director of the SSSA was conducted to discuss Ruoranen et al.'s (2016) framework with regard to Swiss Ski Schools, because Ruoranen et al.'s conceptualization was established for the analysis of sport federations, which may differ in some instances from the surveyed sport organizations. This interview also served to determine relevant performance measures for the Swiss Ski Schools. Three Swiss Ski Schools of different size were asked to participate in a pre-study to test the online questionnaire with regard to comprehensibility and completeness of response options.

Online survey data was collected from March 2016 to April 2016. In total, 71 Swiss Ski Schools (47%) provided complete data. The sample comprised 26 NSOs (37%) and 45 FSOs (63%). The proportion of NSOs in the sample corresponded well with the population (41%). The Swiss Ski Schools are classified into six size categories measured by their annual turnover. Most turnover categories are well represented by the sample (maximum of 4% deviation). The smallest category is slightly under-represented (an 8% deviation from the population), and the largest is over-represented (a 12% deviation from the population). These

deviations might be due to a lack of human resources and interest in participating in the study among small ski schools and a higher level of resources and interest among larger ski schools.

Measurement

A set of items from previous studies on national sport federations and sports clubs in Switzerland and Germany (Breuer, 2013a, 2013b; Lang et al., 2018) served as basis to measure the professionalization of strategies and activities, structures and processes, and people and positions. The items used for this study were selected based on theoretical considerations from Ruoranen et al.'s (2016) conceptualization and extant studies that have operationalized specific dimensions of professionalization (Nichols & James, 2008; Nichols et al., 2015; Thibault, Slack, & Hinings, 1993). The executive directors of the Swiss Ski Schools were asked to complete the questionnaire. They had to evaluate their organization's strategies and activities in 11 items using a five-point Likert scale ranging from 1 (*very unimportant*) to 5 (*very important*). A sample item is "How important is it for your organization in the near future to increase demand?" (For all items, see Table 1). Regarding the structures and processes dimension, measurement focused on the availability of formal concepts, as in previous studies (e.g., Nichols & James, 2008), because other aspects of this dimension (e.g., differentiation, decision-making processes) are not measurable in a quantitative analysis due to a lack of standardization among the organizations. The executive directors were asked to indicate the extent to which instruments and documents exist in their organization in 10 items using a three-point scale: 1 (*does not exist*), 2 (*exists partly*), and 3 (*does exist*). A sample item is "Does a marketing concept exist in your organization?" To measure the professionalization of people and positions, the executive directors were asked to indicate the number of paid and voluntary staff involved in the school management (director and administration) and as snow sports instructors during season peaks. Furthermore, the profit orientation, the founding year, and several performance measures were examined.

Data analysis

In a first step, an exploratory factor analysis (EFA) was conducted to identify factors to distinguish professionalization forms in a mixed sport industry (RQ1). The items measuring strategies and activities and those measuring structures and processes were analyzed using principal components analysis (PCA) and varimax rotation. The Kaiser–Meyer–Olkin (KMO) measure of sampling adequacy indicated satisfactory values (Field, 2009) in the strategies and activities dimension (KMO = .82) and in the structures and processes dimension (KMO = .89). The required correlations between items for PCA were verified using Bartlett’s test of sphericity. The test indicated sufficiently large correlations in the strategies and activities dimension ($\chi^2 (55) = 299.03, p < .001$) and in the structures and processes dimension ($\chi^2 (45) = 268.96, p < .001$). Multivariate outliers were detected using the Mahalanobis distance. The values of two outliers regarding the strategies and activities dimension were winsorized because exclusion would not have been reasonable considering the small sample size and because the outlying values were limited to the strategies and activities dimension (Tabachnick & Fidell, 2013). The number of extracted factors was determined using Kaiser’s criterion (eigenvalues greater than 1) and the point of inflexion in the scree plot, which, in both cases, indicated a two-factor solution. The reliability analysis of the factors using Cronbach’s alpha yielded acceptable values above .70 (Hair, Black, Babin, & Anderson, 2010).

To analyze the people and positions dimension, two additional factors were generated based on theoretical considerations: the number of *paid management staff* (school director and administration) and the proportion of *voluntary staff* in relation to all staff members (management and snow sport instructors). In preparation for the cluster analysis, the correlation between these two factors as well as correlations with the factors of the other

dimensions were tested using Spearman's rank-order correlation for non-normally distributed data to verify the absence of strong correlations.

A hierarchical cluster analysis was performed using Ward's algorithm and squared Euclidean distances with the six cluster variables to identify professionalization forms in this mixed sport industry (RQ2). Ward's algorithm was expedient for the analysis of this small sample because of its tendency toward similar group sizes, which were required for further analyses. The scree test and dendrogram helped determine the optimal cluster solution. A non-hierarchical cluster analysis was performed using the k-means method to optimize the cluster solution by taking the number of clusters and initial seed points (cluster centers) from the results of the hierarchical procedure (Hair et al., 2010). The quality of the cluster solution was examined with regards to interpretability, homogeneity within clusters, and stability.

Once the clusters were identified, the organizations' profit orientation (RQ3) and additional performance measures (RQ4) were analyzed per cluster. Relevant performance measures were derived from theoretical considerations (Winand et al., 2014), existing literature (Nowy et al., 2015), and the qualitative interview with the SSSA director. Turnover categories and price of half-day lessons (see Nowy et al., 2015) are used by SSSA to classify Swiss Ski Schools. In addition, the instructors' qualifications were used as quality indicator of snow sport lessons (see Nowy et al., 2015). A change of structures indicates the flexibility and development of an organization, and a change of demand indicates an increase or decrease in active participation (see Winand et al., 2014). Satisfaction with goal attainment was chosen because it eliminates the problem of different goals per organization, and it corresponds with Winand et al.'s (2014) suggestion to measure the internal satisfaction. These items were measured using a five-point Likert scale. Differences between the clusters were examined using the non-parametric Kruskal-Wallis test because of the small sample sizes and some skewed distributions. The general effect size, r , was calculated by using the significance value to find an associated value of z (Field, 2009).

Results

Identification of factors to distinguish professionalization forms in a mixed sport industry

(RQ1)

Based on the EFA (Table 1) and theoretical considerations from the literature analysis, six factors were identified to distinguish professionalization forms in a mixed sport industry.

Regarding the strategies and activities dimension, the factors *organization orientation* and *market orientation* were identified. Organization orientation measures the intention to improve structures, processes, and strategic planning within the organization. By contrast, market orientation measures the intention to increase demand and earnings, and to take measures with the same indirect purpose. Regarding the structures and processes dimension, the factors *operational management* and *strategic management* were identified. Operational management measures the existence of instruments to formalize the operational management, and strategic management measures the existence of instruments for strategic planning. The factors of the people and positions dimension were selected based on theoretical considerations. The number of paid management staff is deemed to be crucial for the professionalization of the organization (Nagel et al., 2015), and the proportion of voluntary staff is a commonly used indicator of non-professionalized sport organizations (Horch & Schütte, 2009; Thibault et al., 1991).

[Table 1 near here]

Identification of professionalization forms in a mixed sport industry (RQ2)

Determining and evaluating the cluster solution

The cluster analysis revealed five professionalization forms. The inverse scree test did not indicate a particular cluster solution but the dendrogram clearly indicated a five-cluster

solution as the best choice. Regardless, the four- and six-cluster solutions were observed to confirm this indication. The subsequent non-hierarchical cluster analysis using the k-means method indicated an agreed assignment of 96% of the cases. Thus, three cases were assigned to another cluster to optimize the cluster solution. The cluster profiles corresponded well with those of the hierarchical cluster analysis. As a stability check of the cluster solution, a second non-hierarchical cluster analysis was performed using the k-means method, but this time the procedure was allowed to randomly select the initial seed points (see Hair et al., 2010). Furthermore, other hierarchical cluster analyses were conducted using different agglomerative methods (single linkage, complete linkage). The results show that the profiles of clusters 1, 3, and 5 are stable, while cluster 2 disappears and cluster 4 is split into two clusters when applying the k-means method without initial seed points as well as the complete linkage method. The single linkage method produces one very large cluster, which is typical for this method and thus is not decisive. However, the cluster solution produced by Ward's method and k-means optimization reveals the most reasonable and practicable solution.

The five identified professionalization clusters show relevant differences from each other, and the F -values measuring the homogeneity were acceptable. The F -values were satisfying in clusters 1, 2, 3, and 5, with only one value slightly above the critical level of 1 (Backhaus, Erichson, Plinke, & Weiber, 2006) in cluster 1 ($F = 1.14$). However, cluster 4 was heterogeneous mainly in terms of the market orientation ($F = 2.02$) and operational management ($F = 1.85$) variables but also for the strategic management ($F = 1.37$) and organization orientation ($F = 1.18$) variables. According to these F -values, cluster 4 was formed based on distinctive profiles of paid management staff and voluntary staff, which explains the results of stability analysis. This heterogeneity in cluster 4 must be considered when interpreting the cluster.

Labeling and describing the professionalization forms based on the cluster solution

Cluster 1: market-oriented professionalization ($n = 23$; 32%). Cluster 1 organizations exceed all other clusters in terms of market orientation and most of the other clusters in terms of operational management. Organization orientation, in contrast, is less important. A certain number of paid management staff members are employed in these organizations (see Figure 1).

Cluster 2: low professionalization ($n = 13$; 18%). Cluster 2 organizations show low professionalization values in all measured cluster variables. The values of organization orientation and strategic management are particularly lower than they are in other clusters. However, the organizations in cluster 2 indicate neither the lowest number of paid management staff nor the largest proportion of voluntary staff.

Cluster 3: organization-oriented professionalization ($n = 14$; 20%). Cluster 3 organizations show a particularly high organization orientation, market orientation instead is rather low. The strategic management is well-developed, while the operational management is less developed. With these characteristics, the profile is the opposite of cluster 1, apart from the people and positions dimension, which indicates a few paid but no voluntary staff in both clusters.

Cluster 4: moderate professionalization with voluntary staff ($n = 8$; 11%). Cluster 4 organizations are characterized by their high proportion of voluntary staff. Despite this high proportion of voluntary staff and the small number of paid management staff, organization orientation and strategic management are moderate compared with other professionalization clusters. However, the analysis of homogeneity indicated that the organizations in this cluster differ considerably in organization orientation, market orientation, strategic management, and operational management.

Cluster 5: high professionalization with paid management staff ($n = 13$; 18%). Cluster 5 organizations are mainly characterized by a high number of paid management staff. Furthermore, they show high professionalization values in all measured cluster variables.

However, organization orientation and market orientation are only slightly above average. Operational management is considerably more developed in cluster 5 than it is in the other clusters.

[Figure 1 near here]

Analysis of profit orientation (NSO or FSO) among the identified professionalization forms (RQ3)

Descriptive analyses of the turnover categories show only slight differences between NSOs ($Mdn = 3.00$; $Q_1 = 1.50$; $Q_3 = 4.00$) and FSOs ($Mdn = 3.00$; $Q_1 = 2.00$; $Q_3 = 5.00$). The average founding year is also similar for NSOs ($Mdn = 1958$; $Q_1 = 1935$; $Q_3 = 1970$) and FSOs ($Mdn = 1947$; $Q_1 = 1932$; $Q_3 = 1972$). Due to these marginal differences between NSOs and FSOs, the analysis is probably not influenced by turnover category or founding year of the organizations.

Conversions between NSOs and FSOs are relevant when analyzing the profit orientation of the organizations. Four sport organizations in the sample were converted from an FSO to an NSO, and nine from an NSO to an FSOs before the data collection. Except for three cases, the changes in profit orientation took place before 2005. The three exceptions are allocated to different clusters. Therefore, conversions are not expected to have an influence on the analysis.

There is a tendency towards FSOs in the clusters of market-oriented professionalization (cluster 1) and low professionalization (cluster 2). The cluster of moderate professionalization with voluntary staff (cluster 4) includes more NSOs. The distribution of NSOs and FSOs is balanced in the cluster of organization-oriented professionalization (cluster 3). The only relatively clear distribution in terms of profit orientation can be found in the high professionalization with paid management staff cluster (cluster 5), since 85% of these

organizations are FSOs (Table 2). However, there is no clear relationship between profit orientation and professionalization forms according to the results. By interpreting the results, it must be considered that there are more FSOs than NSOs in the sample.

[Table 2 near here]

Characterization of clusters based on relevant performance measures (RQ4)

A clear performance difference among the five clusters can be identified by analyzing the turnover categories (Table 3). The turnover is the highest in the high professionalization with paid management staff cluster and the lowest in the moderate professionalization with voluntary staff and low professionalization clusters. The change of structure in the last five years also differs significantly between the clusters. The organizations in the organization-oriented professionalization and the high professionalization with paid management staff clusters developed their structures more than the organizations in the other clusters. The other performance measures did not reveal significant differences. Although differences in terms of the price of half-day lessons are not significant, tendencies can be observed toward lower prices in less professionalized clusters (clusters 2 and 4) and higher prices in more highly professionalized clusters (cluster 5). The clusters do not differ in terms of change in demand over the last five years. Notably, the organizations in all clusters are relatively satisfied with their goal attainment. The qualifications of instructors were also assessed. However, the analysis showed that the various certificates in Switzerland and abroad are barely comparable. Therefore, these results are not reported in detail.

[Table 3 near here]

Discussion

The identification of five professionalization clusters implies that there are more differentiated professionalization forms than the two stereotypes of NSOs and FSOs in mixed sport industries. Nevertheless, some stereotypical results could be identified in two of the five clusters. The moderate professionalization with volunteers cluster (cluster 4) represents what existing conceptual literature (e.g., Auld & Cuskelly, 2012; Heinemann, 1995; Horch, 2018) generally expects of NSOs. Their voluntary basis and least market orientation fit with the low turnover and tendency towards lower prices. This also conforms with Nowy et al.'s (2015) results. However, not all organizations in this cluster are NSOs. Obviously, a few FSOs exist that also rely on volunteers and are less market-oriented. Those are likely very small companies (see turnover category). The high professionalization with paid management staff cluster (cluster 5) is the opposite of cluster 4. It represents the professionalization forms that are expected of FSOs in conceptual literature. These organizations' large number of paid management staff and overall high levels of professionalization fit with their highest turnover, which was also shown in previous studies (Horch & Schütte, 2009; Nichols & James, 2008; Nichols et al., 2015; Seippel, 2002). In line with the literature, most of these organizations are FSOs (85%). However, there are also two NSOs (15%) in this cluster.

The low professionalization cluster (cluster 2) shows similar or even lower professionalization values than cluster 4. However, 62% of the organizations in this cluster are FSOs, which is against the stereotypical characteristics described in conceptual literature (Auld & Cuskelly, 2012; Heinemann, 1995). This result is also explained by the small size of these organizations (see turnover category), just as in cluster 4.

Between the two clusters with the opposite professionalization forms (clusters 1 and 3), the market-oriented professionalization cluster (cluster 1) has the larger turnover than the organization-oriented professionalization cluster (cluster 3), which is plausible because market orientation can be understood as focus on commercial activities. Cluster 3 organizations changed their structures the most, which also conforms to their organization

orientation (internal focus) rather than market orientation (external focus). Interestingly, the price level is not higher among organizations in cluster 1 than in cluster 3, although they are considerably more market-oriented.

The price level appears more related to the professionalization level than to the profit orientation, which complements the results of Nowy et al. (2015). Although the five clusters do not differ significantly in terms of prices, the price differences are relatively clear when categorizing the clusters into low (cluster 2 and 4), medium (cluster 1 and 3), and high (cluster 5) levels of professionalization. Despite differences in turnover and price level, the clusters do not differ in terms of change of demand and satisfaction with goal attainment. This means that achieving an increase in demand is equally challenging to all organizations, and the satisfaction with goal attainment is independent of the professionalization level.

Contribution to literature

Among the multitude of professionalization forms considered in Ruoranen et al.'s (2016) conceptualization regarding the strategies and activities as well as the structures and processes dimension, this study identified four factors to distinguish professionalization forms of sport organizations in mixed industries: organization orientation, market orientation, operational management, and strategic management. The people and positions dimension left less scope for a quantitative analysis. The two utilized factors (number of paid management staff and proportion of voluntary staff) are based on theoretical considerations. However, the identified factors allowed to reduce Ruoranen et al.'s (2016) model for means of an empirical analysis.

The mix of NSOs and FSOs in nearly all clusters is truly against the assumptions of existing conceptual literature (e.g., Auld & Cuskelly, 2012; Heinemann, 1995; Horch, 2018). At least for NSOs and FSOs in mixed sport industries, the stereotypical characteristics described in conceptual literature must not necessarily coincide with their characteristics in practice. Instead, professionalization forms are more diverse for both NSOs and FSOs. While

it is explainable that small FSOs with a low turnover are less professionalized than certain NSOs, the result that certain NSOs are highly professionalized, similar to FSOs, complements existing conceptual literature. Furthermore, it supports the assumptions of Gammelsæter (2010) and van der Roest et al. (2015) that certain NSOs are increasingly dominated by a market logic. Accordingly, this result might be explained by differences in the NSOs' aim for financial gain, which is indicated by the market orientation factor. While some of them may aim for earning just enough money to cross-subsidize the non-profit activities, others aim for reinvesting the profit in the organization (Scott, 2018, May 28; Wicker et al., 2013). Particularly, the latter are approaching FSOs in terms of professionalization. Accordingly, the aim for financial gain highly determines the professionalization forms, which is supported by the large differences in turnover between the clusters.

The differences in turnover do not necessarily mean that the professionalization forms associated with high turnover should be preferred. Instead, the appropriate forms are dependent on the organization's goals. For member-oriented NSOs focusing on delivering services to the society on a low price level, the professionalization forms of cluster 4 (moderate professionalization with voluntary staff) can be appropriate. In contrast, high professionalization seems necessary for maximizing the turnover (see cluster 5). As indicated by the measurement of satisfaction with goal attainment, organizations in cluster 4, despite lower professionalization, can be as satisfied with their goal attainment as organizations in cluster 5.

As some of the analyzed NSOs showed professionalization forms that would be considered "more professional" or more "business-like" than those of certain FSOs, the question arises whether professionalization is still appropriately defined in the literature as the process of NSOs becoming more business-like (see Dowling et al., 2014; Shilbury & Ferkins, 2011). Therefore, sport management scholars should work toward a more differentiated and contemporary definition of professionalization. This means a differentiation between

member-oriented and service-oriented NSOs, as well as between organizations in pure non-profit sectors and mixed industries.

Managerial implications

The identification of a reduced number of factors to distinguish professionalization forms in mixed industries facilitates the understanding of professionalization for sport managers.

Instead of considering a multitude of aspects, they can clearly differentiate professionalization forms by considering organization and market orientation (strategies and activities), as well as strategic and operational management (structures and processes). With regard to the people and positions dimension, sport managers must consider the number of paid and voluntary staff, but they should also evaluate the quality of employees (qualifications, competences, and motivation; see limitations and future research section).

This study further supports sport managers in mixed sport industries to determine their organization's position in the market. The results provide a simplified overview of professionalization forms in a mixed sport industry for this purpose. The results also show that professionalization is possible regardless of the organization's profit orientation. Therefore, sports club managers in mixed industries can compete with FSOs and must not hide behind their non-profit status to legitimize low professionalization. FSOs, in contrast, should be aware that sports clubs can be serious competitors, and to some extent, they may even have advantages in terms of financial resources (e.g., tax advantages, funding) and greater trustworthiness due to their non-profit mission.

Limitations and future research

Although the questionnaire items were based on conceptual literature (Nagel et al., 2015; Ruoranen et al., 2016), the questionnaire needs further tests to prove reliability. Also, the reliability of cluster analysis was limited by the sample size. Therefore, future research should

seize upon this study, and continue the analysis of professionalization forms in other mixed sport industries. In addition, qualitative research could enhance the measurement of professionalization forms (e.g., the quality of employees or decision-making processes). Future research could also determine the number of customers as an indicator for the organizations' size, and investigate employee satisfaction (internal satisfaction) as well as customer and stakeholder satisfaction (external image; see Winand et al., 2014) for performance measurement.

The identified professionalization clusters are not necessarily transferable to member-oriented sports clubs in pure non-profit sectors because they may have different financial preconditions and aims than service-oriented sports clubs in mixed industries. However, the main result that professionalization forms are not necessarily dependent on the organizations' profit orientation is transferable to other mixed sport industries in Switzerland and other European countries that have a similar sport system (e.g., Germany, Finland, Netherlands; Hoekman, van der Werff, Nagel, & Breuer, 2015a). Nevertheless, specific sport organizations in certain European countries are restricted regarding institutional choice, for example, Norwegian football clubs (Gammelsæter & Jakobsen, 2008) and Swedish ice hockey clubs (Fahlén, 2006). This means that these systems are not directly comparable. Insofar, future research could contribute to assess the transferability of the identified professionalization forms by investigating mixed sport industries in other European countries.

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Table 1. Results of exploratory factor analysis

Professionalization of strategies and activities		Rotated factor loadings		
Item	F1: Organization orientation	F2: Market orientation	h^2	
How important is it for your organization in the near future to... ^a				
...optimize the organization's structures?	.84	.11	.72	
...optimize the organization's processes?	.78	.02	.61	
...improve strategic planning?	.71	.20	.54	
...bring in external knowledge?	.61	.22	.42	
...follow a strategic concept?	.56	.48	.54	
...increase demand?	-.13	.81	.68	
...achieve more earnings?	.14	.80	.66	
...professionalize the organization's services?	.41	.64	.58	
...make the existing sport program (for clients) more attractive?	.38	.58	.47	
...adapt the organization's sport program (for clients) to demand?	.47	.54	.51	
...improve the quality of the sport program?	.46	.46	.42	
Eigenvalues	4.69	1.46		
% of variance	42.65	13.24		
α	.80	.80		
Professionalization of structures and processes		Rotated factor loadings		
Item	F3: Operational management	F4: Strategic management	h^2	
Do the following instruments/documents exist in your organization? ^b				
- External communication tools	.83	-.08	.70	
- Controlling instrument	.76	.31	.68	
- Communication concept	.70	.29	.58	
- Human resource concept	.65	.43	.61	
- Marketing concept	.61	.50	.62	
- In-house communication tools	.59	.38	.49	
- Mission statement	-.01	.83	.69	
- Strategy	.33	.78	.71	
- Multi-annual planning	.42	.60	.53	
- Organigram	.24	.52	.32	
Eigenvalues	4.77	1.15		
% of variance	47.70	11.45		
α	.85	.73		

Note. Factor loadings $>.50$ are in boldface.

^aScale: 1 (very unimportant) to 5 (very important).

^bScale: 1 (no), 2 (partly), 3 (yes).

Table 2. Profit orientation of organizations in the clusters

Profit-orientation	Cluster 1 (n = 23)	Cluster 2 (n = 13)	Cluster 3 (n = 14)	Cluster 4 (n = 8)	Cluster 5 (n = 13)
NSO					
n	7	5	7	5	2
%	30	38	50	63	15
FSO					
n	16	8	7	3	11
%	70	62	50	37	85

Note. Cluster 1 = market-oriented professionalization; Cluster 2 = low professionalization; Cluster 3 = organization-oriented professionalization; Cluster 4 = moderate professionalization with voluntary staff; Cluster 5 = high professionalization with paid management staff.

Table 3. Performance analysis of organizations in the clusters

Performance measure	Cluster 1 (n = 23)	Cluster 2 (n = 13)	Cluster 3 (n = 14)	Cluster 4 (n = 8)	Cluster 5 (n = 13)	Kruskal-Wallis test
Turnover (categorization by the SSSA) ^a						
<i>Mdn</i>	4.00	2.00	3.00	2.00	5.00	$H(4) = 34.07,$ $p < .001, r = .57$
<i>Q</i> ₁	2.00	1.00	2.75	0.25	5.00	
<i>Q</i> ₃	4.00	2.50	4.00	2.75	5.00	
Price of a half-day lesson (in CHF) ^b						
<i>Mdn</i>	44.00	40.00	43.50	37.50	50.00	$H(4) = 4.20,$ $p = .38$
<i>Q</i> ₁	36.00	34.50	28.75	35.00	37.50	
<i>Q</i> ₃	50.00	45.00	55.75	45.00	63.50	
Change of structure in the last five years ^c						
<i>Mdn</i>	3.00	3.00	4.00	3.00	4.00	$H(4) = 10.21,$ $p = .04, r = .21$
<i>Q</i> ₁	3.00	2.25	3.00	2.00	3.00	
<i>Q</i> ₃	4.00	4.00	5.00	3.75	4.00	
Change of demand in the last five years ^d						
<i>Mdn</i>	3.00	3.00	3.00	3.00	3.00	$H(4) = 3.51,$ $p = .48$
<i>Q</i> ₁	2.00	2.00	3.00	2.00	2.00	
<i>Q</i> ₃	4.00	3.50	4.00	3.00	3.50	
Satisfaction with goal attainment in the last business year ^e						
<i>Mdn</i>	4.00	4.00	4.00	4.00	4.00	$H(4) = 2.45,$ $p = .65$
<i>Q</i> ₁	3.00	3.00	3.00	3.00	3.50	
<i>Q</i> ₃	5.00	4.00	4.25	4.00	4.00	

Note. *Q*₁ = first quartile, *Q*₃ = third quartile. Cluster 1 = market-oriented professionalization; Cluster 2 = low professionalization; Cluster 3 = organization-oriented professionalization; Cluster 4 = moderate professionalization with voluntary staff; Cluster 5 = high professionalization with paid management staff.

^a0 = 0–40,000 CHF; 1 = 40,001–80,000 CHF; 2 = 80,001–200,000 CHF; 3 = 200,001–500,000 CHF; 4 = 500,001–1,000,000 CHF; 5 = >1,000,000 CHF.

^b1 CHF = 0.99 U.S. dollar (correct as of November 1, 2018).

^cScale: 1 (*very few changes*) to 5 (*very heavy changes*).

^dScale: 1 (*strongly decreasing*) to 5 (*strongly increasing*).

^eScale: 1 (*very dissatisfied*) to 5 (*very satisfied*).

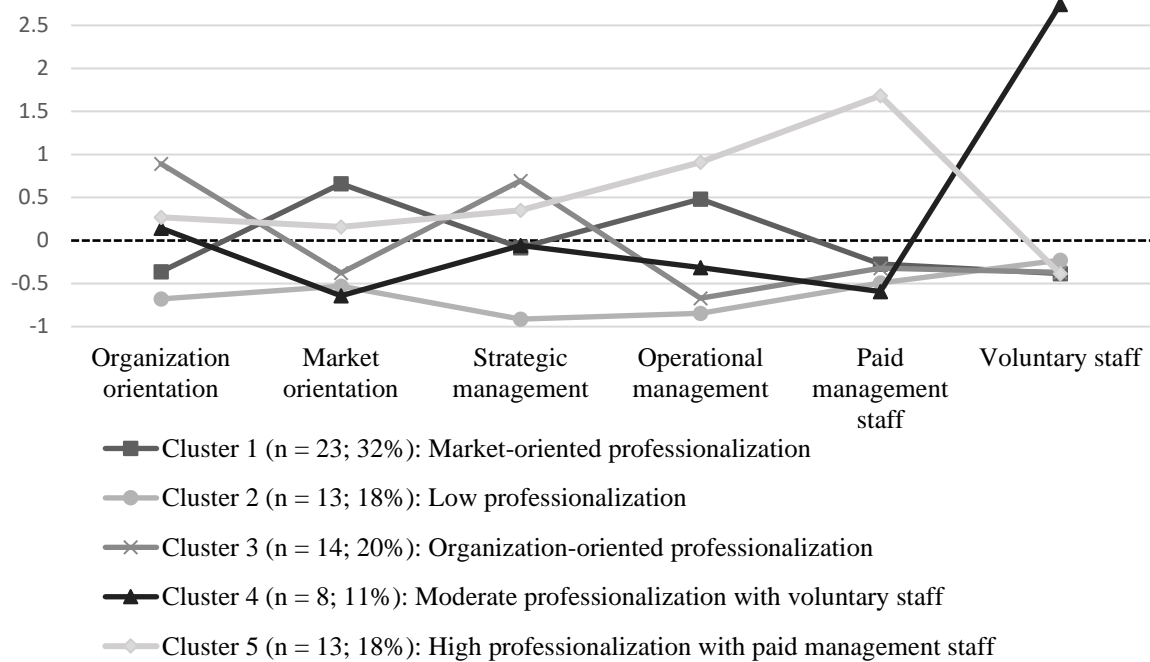


Figure 1. Cluster means of the five professionalization forms (z-scores)