11
HUMAN RESOURCE MANAGEMENT IN SPORT
A service-based approach

Solha Husin

Introduction

All organizations including sport firms depend on human resources to run their businesses and achieve their organizational goals. For example, the state-of-the-art Yankee Stadium in New York will not be profitable to the Yankee Club if the majority of the 52,000 seats are not filled up by baseball fans every time there is a tournament being held there. The attendance of fans depends so much on the work contributed by the Yankee staff, which includes not only the Yankee baseball players, but other employees such as the stadium manager, marketers, public relation officers, promoters and so forth. Even the staff who sell tickets at the ticket counter, janitors who clean the premises, security guards who look after the safety of the crowd and stadium are also responsible for the spectators’ turning out as their work performance will influence the intention of these clients to repeat their visits to the stadium as well as spread good word of mouth to other potential spectators. In short, an organization may have very sophisticated and high-technology facilities. However, these resources will not be able to generate any income for the organization should there be no human resources with the right knowledge, skills and attitudes to make use of them for the organization’s advantage. This has been clearly summarized by Chelladurai (1999: 1) in the following statement.

While sufficient importance needs to be placed on the material resources, it is equally, if not more, important that the organization gives attention to the human resources because the human resources put the material resources into use and convert them into wealth.

Apart from being able to transform inanimate resources from being useless into something worthwhile and valuable to the organization, human resources are the only asset that cannot be copied by competitors. Barney (1991: 110) posits that “physical technology, whether it takes the form of machine tools or robotics in factories or complex information management systems, is by itself typically imitable.” Hence, should these imitable resources be the reason for the firms’ successes, it will not be too long before other competing firms outsmart them with the same and even better duplicates. Human resources, on the other hand, are unique creatures. Because of issues related to scarcity, specialization, and tacit knowledge, the work
qualities of human beings are impossible to be cloned (Lippman and Rumelt, 1982; Teece, 1982). Coff (1997: 374) has simply concluded that human resources are “difficult to understand and observe.”

Being the organization’s most valuable assets (as compared to other duplicable resources such as machinery and physical facilities), human resources are even more critical in sport. Athletes or sport players, for example, have their own unique skills which cannot be duplicated by other sport individuals. David Beckham, for instance, has his own reputation for his phenomenal skills as a football player. Instead of trying to do the impossible, which is to create a “second copy of David Beckham”, LA Galaxy was willing to pay Real Madrid 25 million Euros in order to “buy” this player. Such an expensive decision as that made by LA Galaxy indicates the precious worth of human resources in sport. Take a look at the list of top 10 Premier League transfer payments which demonstrate the monetary value placed on human resources (<http://soccerlens.com/top-10-most-expensive-transfers-in-football/5244>, accessed September 7, 2011) as illustrated below,

<table>
<thead>
<tr>
<th>Position</th>
<th>Player</th>
<th>Moved From</th>
<th>Moved To</th>
<th>Transfer Fee</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Fernando Torres</td>
<td>Liverpool</td>
<td>Chelsea</td>
<td>£50m (2011)</td>
</tr>
<tr>
<td>2.</td>
<td>Sergio Aguero</td>
<td>Atletico Madrid</td>
<td>Manchester City</td>
<td>£35m (2011)</td>
</tr>
<tr>
<td>3.</td>
<td>Andy Carroll</td>
<td>Newcastle United</td>
<td>Liverpool</td>
<td>£35m (2011)</td>
</tr>
<tr>
<td>4.</td>
<td>Robinho</td>
<td>Real Madrid</td>
<td>Manchester City</td>
<td>£32.5m (2008)</td>
</tr>
<tr>
<td>5.</td>
<td>Andriy Shevchenko</td>
<td>AC Milan</td>
<td>Chelsea</td>
<td>£30.8m (2006)</td>
</tr>
<tr>
<td>6.</td>
<td>Dimitar Berbatov</td>
<td>Tottenham</td>
<td>Manchester United</td>
<td>£30.75m (2008)</td>
</tr>
<tr>
<td>8.</td>
<td>Juan Sebastian Veron</td>
<td>Lazio</td>
<td>Manchester United</td>
<td>£28.1m (2001)</td>
</tr>
<tr>
<td>9.</td>
<td>Edin Dzeko</td>
<td>Wolfsburg</td>
<td>Manchester City</td>
<td>£27m (2011)</td>
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</table>

Within the study of human resource management (HRM), it is insisted that the way human resources are managed must be tailored to the demands of the organization’s business strategy (Khatri, 2000; Lawler, 1992). For instance, if a firm is pursuing innovation as its strategy, its HRM must be oriented towards making its people work differently; if the strategy is to reduce costs, the employees have to work harder; and for an organization targeting achieving excellent quality, the aim of its HRM is at developing a smarter workforce (Schuler and Jackson, 1987). This idea originates from the theory of contingency and is further supported by the theory of role behavior.

The proponents of contingency theory state that “a structure which is consciously adapted to the task, to expectations of personnel, to the size and complexity of the operation, and to pressures for change from the environment will promote higher effectiveness” (Child, 1974: 175). The alignment between an HRM policy and the organization’s ultimate goals also becomes the premise of a role behavior perspective (Katz and Kahn, 1978) which specifically focuses on the behaviors of individuals within the system’s behavioral requirements. It is believed that the effectiveness of an organization will be heightened if employees are performing behaviors that are in accordance with the needs of the organization’s requirements, such as the organization’s business strategy and the nature of industry (Jackson and Schuler, 1992).

In a nutshell, the more congruent the approach of HRM is with the goals of organizations, the more likely productivity is increased. Using this as the formula for success, this chapter
will discuss the HRM approach that a sport organization needs to adopt in order to ensure it is aligned with the demands of its business.

**Service-based human resource management in sport**

In service firms, customer perceived service quality is the pillar of the business (Strong and Harris, 2004). It is suggested that service companies strive towards providing quality services that meet customers’ expectations and satisfactions (Dean and Bowen, 1994; Noble, Rajiv, and Kumar, 2002). Evidence from empirical research has verified the significant relationship between the customer orientation of a firm and its financial and market performance (e.g., Ambler, 1999; Day, 2000; Doyle and Wong, 1998).

Schneider, who is pioneering work on the climate for service research (e.g., Parkington and Schneider, 1979; Schneider, 1980; Schneider, Wheeler, and Cox, 1992; Schneider, White, and Paul, 1998), has a special interest in looking at service-oriented HRM as a critical determinant of service quality. He believes that “a business is not in the business of service quality if its HRM practices are not suffused with a focus on service quality” (Schneider, 2004: 148). What he means is that, if the objective of the firm is to provide quality service to customers, the corresponding values and cultures must be reinforced and communicated to the deliverers of the service. Otherwise stated, in any service-based organizations, the HRM practices must be service-oriented or service-based.

Ground-breaking research on the climate for service or customer satisfaction was first conducted by Parkington and Schneider (1979) in bank branches. In that particular research, it was discovered that customers base their perceptions of service quality not only on their interactions with the customer-contact staff but on the whole process of service experiences, ranging from the appearances of physical facilities to the rules and procedures of the organizations. This points to the fact that, besides those whose jobs are attending to customers at the counter, the contributions of non-customer-contact employees, such as the technicians, clerical staff and janitors, are also crucial in the overall service quality impressions of customers. Although there are no direct employee–customer interface activities, the resulting work of the non-customer-contact employees in making the customers’ service experiences satisfactory, such as providing a clean and safe environment or ensuring all the electrical equipment and machinery is functioning well, is critical in this context. As mentioned earlier, these favorable outcomes of work performances will have great impacts on customers’ evaluations of service quality.

Another important finding from the study (Parkington and Schneider, 1979) is about the spill-over effect of employee behaviors on the customers. The conclusion that is made based on this finding is that employee and customer perceptions of service quality are highly correlated. In the subsequent series of research and conceptual papers, Schneider and his colleagues started accumulating a conclusive body of knowledge on the relationship between employee and customer experiences of service climate and service quality (e.g., Schneider, 1980; Schneider and Bowen, 1993; Schneider, Parkington, and Buxton, 1980; Schneider et al., 1992, 1998).

In line with Schneider’s idea of the climate for service, other service scholars begin to recognize the need to change the traditional managerial functions of service employee management (e.g., Bowen and Schneider, 1985; Grönroos, 1983). Some of the given recommendations include getting the employees involved in the planning and organizing of service activities; acknowledging the influence of employee work environments on customer experiences of service quality; and recognizing that the way employees are managed can predict
customer perceived service quality (Chebat, Babin, and Kollias, 2002; Hartline and Ferrell, 1996). The tenet of these recommendations is that in service companies, the role of HRM must also be service-focused.

In a nutshell, service-based HRM is materialized when the design of HRM practices is geared towards achieving the service-related goals. This objective can be accomplished by focusing on satisfying the needs and wants of employees, through the implementation of HRM practices. The underlying premise for this strategy is that a positive treatment given by the management to the employees will be reflected or mirrored in the quality of performances exhibited by the employees (Grönroos, 1983; Zerbe, Dobni and Harel, 1998). Based on the author's literature review, a number of HRM practices have been found to be empirically influential in fostering service-related behaviors among employees (Table 11.1). All these practices are conceptually integrated and classified into their respective groups. Five groups have emerged and they are considered as the practices that are crucial in the development of employees with service-based behaviors. These particular HRM practices will be used as the bases for the following discussions for HRM managers in sport organizations. These practices are believed to be facilitative in inculcating service-based values in the attitudes and behaviors of sport employees.

**Support at work**

Regarded as fundamental in the effort to foster service climate for the organizations, support at work is an HRM practice that refers to the physical aspects of the organization and workplace environment that potentially hinder or aid employees’ efforts in accomplishing the given tasks. It is deduced from the integration of scales discovered in previous studies (e.g., Johnson, 1996; Little and Dean, 2006; Lux, Jex, and Hansen, 1996; Rogg, Schmidt, Shull, and Schmitt, 2001; Schneider and Bowen, 1985; Wiley, 1991). In the case of sport organizations, support at work may include organizational rules, policies and procedures, job descriptions, workload distributions, work demands, safety measures, work design, scheduling system, and others.

The idea that the dimension of support at work can affect productivity is inferred from the principle of scientific management introduced by an industrial engineer, Frederick Taylor (1911). The premise of Taylor’s theory is that employee performances can be increased by providing them opportunities to earn more financial returns. Although this philosophy can be considered narrow by contemporary standards (Schneider, 1994), the fact that employee motivation and productivity go hand in hand has made organizations begin to find ways to motivate their workforce.

Soon after the initiation of Taylor’s theory, the idea of work design, time-and-motion technique and many other industrial engineering devices began to be applied to each facet of a job. It is believed that once employees are fully equipped with the appropriate work equipment and environment, they will be prompted to produce more (Griffin and Ebert, 2006). Extending this concept to the sport context, employees can be expected to be committed in doing their jobs if, for example, all necessary equipment works efficiently, the workplace is secured with adequate safety measures, the rules and procedures are easy to understand and follow, and there are always enough people to ask for assistance.

Empirical evidence has also shown that support at work is found to be generally positive in the promotion of high service-related outputs. For example, in Schneider and Bowen’s (1985) seminal study, the correlation is revealed between work facilitation and customer perceptions of service quality. Adopting and modifying Schneider and Bowen’s scale, a similar result has been depicted in the study carried out by Little and Dean (2006).
<table>
<thead>
<tr>
<th>Table 11.1 Sources of service-based HRM practices</th>
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<tr>
<td><strong>Support at work</strong></td>
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<tr>
<td>Browning (2007)</td>
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<tr>
<td>Elmadag et al. (2008)</td>
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<td>Johnson (1996)</td>
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<td>Little and Dean (2006)</td>
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<td>Lux et al. (1996)</td>
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<td>Lytle et al. (1998)</td>
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<td>Rogg et al. (2001)</td>
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<td>Schneider and Bowen (1985)</td>
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<td>Schneider et al. (1998)</td>
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<td>Strong and Harris (2004)</td>
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<td>Yoon et al. (2001)</td>
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<td>Zerbe et al. (1998)</td>
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Tornow and Wiley (1990) also provide substantiation when they find that work rules and policies, health conditions and safety are highly associated with customer satisfaction. In a somewhat similar study, Wiley (1991) reveals that employee perceptions of the support at work, characterized by problems related to the physical work context and safety level at the workplace, and work obstacles, demonstrated by priority issues such as deadlines, keeping costs down and providing quality services, have been found to be significantly correlated with various dimensions of customer satisfaction.

Training

Training serves to furnish employees with certain sets of knowledge, skills and behaviors related to the goals espoused by the organizations (Swanson and Holton, 2001). Another purpose of training is to hint to employees that organizations are committed to take care of their well-being (Elmadağ, Ellinger, and Franke, 2008) and value them as their priceless assets (Moreland and Levine, 2001). There are two types of training; formal (off-the-job) and informal (on-the-job) (Liu and Batt, 2007). Formal training typically requires employees to be relieved from work routines and the training program is conducted systematically based on a standardized curriculum. Meanwhile, informal training occurs in the context of daily work and expects employees to learn independently by observing how their co-workers or supervisors do their jobs. Both formal and informal training have been found to be related to organizational productivity (e.g., Bartel, 1994; Liu and Batt, 2007).

Human resource professionals have long acknowledged the importance of employee training in boosting the efficiency of service processes and outcomes (Yoo and Park, 2007), the organization’s competitive ability (Frabotta, 2000), and overall performance (Colbert, 2004). It has also been argued that training allows service firms to “provide a better class of quality of service, or to develop a competitive niche market” (Davies, Taylor, and Savery, 2001: 367), which ultimately promotes repeat purchases from customers. In fitness clubs, for instance, examples of training may range from acquiring basic skills in performing their jobs to making decisions in solving customer-related problems or complaints as well as learning about the clubs’ new service-related policies and procedures. Lytle, Hom, and Mokwa (1998) observe that leading service providers are investing substantial resources in implementing their service training programs which include advanced quality-based team training, problem-solving training, inter-personal skills training, and other advanced training purported to empower employees with excellent work performance skills.

Training is exceptionally critical to organizations whose main orientation is to delight customers (Johnson, 1996; Schneider and Bowen, 1985). Hence, for service quality purposes, training is claimed to be an essential facet of HRM practices (Ueno, 2008). Based on Heskett, Jones, Loveman, Sasser Jr., and Schlesinger’s (1994) model of the service-profit-chain, it can be implied that the achievement of customer loyalty and customer satisfaction is heavily dependent on an efficient service provision, which certainly includes the capability, knowledge and motivation of service employees. Wexley and Latham (1991) also add that employee behavior can be influenced through the behavior modeling process of thorough training programs.

Where employees are sufficiently trained and committed to providing a good quality of service, there is evidence to suggest that customer perceptions of service quality are increased significantly (Armistead and Kiely, 2003). Studies related to service quality, for example, have shown that training is a significant contributor in the employees’ own perceptions of customer orientation (Strong and Harris, 2004), employee role-prescribed (prosocial) behaviors
Human resource management in sport (Chebat et al., 2002) and extra-role (prosocial) behaviors (Chebat et al., 2002), job satisfaction (Elmadağ et al., 2008), commitment to firm (Elmadağ et al., 2008), two aspects of service quality measures, namely, responsiveness and assurance (Tsaur and Lin, 2004), and employee perceived service quality (Yoo and Park, 2007). Training has also been shown to be highly correlated with four service climate variables (Rogg et al., 2001), service behavior (Browning, 2006), organizational commitment (Lux et al., 1996), customer service climate (Lux et al., 1996), customer satisfaction (Wiley, 1991) and service culture (Zerbe et al., 1998).

**Reward system**

People do not work for free. Even volunteers expect rewards, except that their rewards are typically more intangible, intended to satisfy their intrinsic needs. In the context of human resource management, the reward system constitutes an economic exchange, thereby representing a key element of the employment relationship. In this exchange, employees “undertake a certain amount of physical and mental effort and accept the instructions of others” (Bratton and Gold, 2003: 277). For these reasons, it is natural for employees to expect their organizations to reciprocate what they have given and done for the management with some form of rewards.

A reward system in this chapter refers to all monetary and non-monetary compensations and incentives provided by the organizations to employees as a kind of appreciation for the contributions which have been expended by the employees to the organization. According to Bau and Dowling (2007), there are five categories of rewards or incentives. The first one is the incentives provided by the work itself, such as autonomy and growth through career development and the recognition of individual performance. The second type of reward is called social incentives and this is characterized by information distribution and communication with employees. The third category is the incentives related to the internal organizational environment, such as the size of the company, organizational structure and leadership style. The next two reward categories are monetary oriented, classified as direct and indirect financial groups. Direct incentives are pay-for-performance while indirect incentives include things such as free access to phone and internet at the office, recreational facilities such as cafeterias or pantries, and payment of hospital bills (with certain limitations).

The importance of rewards in eliciting desired performances from employees can be justified by using the reinforcement theory (Skinner, 1953). Its basic assertion is that “employee behavior is a function of its contingent consequences” (Luthans and Stajkovic, 1999: 50). When this premise is applied to the workplace, it yields a concept of you get what you reinforce. Building on the same foundation, a reward system can be seen as an approach to promote employees’ commitment towards helping the organizations in achieving their business goals (Bowen and Johnston, 1999). That is because, when it is strategically designed with certain purposes, a reward system is able to motivate the behaviors and actions of employees accordingly (Elmadağ et al., 2008) The employees’ high motivations to engage in service-related behaviors are assumed to result from fair (Dubinsky and Levy, 1989; McFarlin and Sweeney, 1992), conspicuous and specific compensation practices and programs (Hartline and Ferrell, 1996; O’Connor and Shewchuck, 1995). Establishing rewards contingencies and recognizing employees’ superior service deliveries as well as rewarding them in a timely manner are also found to be significant indicators of employee commitment to service quality (Schneider and Bowen, 1993).

In general, the reward system has been found to be highly instrumental in stimulating the causal chain from employee behaviors to service quality (Elmadağ et al., 2008; Schneider and
Specifically, there is an existence of a high correlation value in the relationship between rewards and a climate for service (Schneider et al., 1992), organizational commitment (Lux et al., 1996), service culture (Zerbe et al., 1998), customer satisfaction (Johnson, 1996), service behavior (Browning, 2006), and extra-role behavior (Tsaur and Lin, 2004).

**Supervisory assistance**

Supervisors are leaders or persons whom employees are answerable to. With their leadership, supervisors are potentially influential in shaping positive service orientation within an organization (Lytle et al., 1998). Supervisors’ roles are often associated with providing assistance in terms of physical and emotional supports necessary in the successful accomplishment of the given tasks (Goleman, 2000). In short, it is believed that supervisory assistance can be considered as a critical component in the dissemination of organizational strategies to employees and a productive approach for affecting changes in their attitudes (Den Hartog and Verburg, 2002).

A similar concept of supervisory assistance is seen in Schneider and Bowen’s (1985) study. In this study, the dimension is labeled as supervisory behaviors and they are described by the supervisors’ or managers’ acts of providing feedback, establishing rewards contingencies, and sharing information. In some other studies, this dimension is known as managerial practices (Schneider et al., 1998; Tornow and Wiley, 1990), supervisory practices (Wiley, 1991), management service orientation (Johnson, 1996), leadership (Schneider et al., 1998; Zerbe et al., 1998), supportive management (Yoon, Beatty, and Suh, 2001) and coaching (Elmadag˘ et al., 2008).

Effective supervisors are able to influence the attitudes and actions of their subordinates for the betterment of the organization (Bovee, Thill, Wood, and Dovel, 1993). Employees believe supervisors to be supportive when the supervisors allow them “to fail without fear of reprisal” (Yoon et al., 2001: 504). If positively perceived by employees, supervisor supportive assistance can be a catalyst for employees to develop the right attitudes and behaviors towards quality service. In golf clubs for example, employees who are unwell will feel cared for when their supervisors give them a day off or let them go out to see a doctor. In addition, if the supervisors recognize them for their involvements in successful golf competitions and make this known to everybody else in the clubs, the esteem needs of the employees will likely be heightened and this consequently will enhance their motivations to give greater performances in the future. Being supportive and appreciative of the workers’ work efforts has been shown to be strongly related to employees’ willingness to provide good services (Schneider and Bowen, 1993). Singh (2000) also finds that with supervisory assistance, service employees perceive their roles to be less stressful and their burnout tendencies to be less likely, and thus their performances and perceived commitment level are prone to be elevated.

Most of the studies demonstrate that supervisory assistance is facilitative in the organizational achievement of high service quality. Examples can be extracted from Schneider and Bowen’s (1985) study, where supervision is found to be strongly related to customer perceptions of service quality. Similarly, significant correlations are found in Johnson’s (1996) study (between managerial service orientation and overall service climate), in Tornow and Wiley’s (1990) (between managerial practices and customer satisfaction), in Zerbe et al.’s (1998) (between leadership and culture and service behavior), in Elmadag˘ et al’s (2008) (between coaching and employee service quality commitment) and in Yoon et al.’s (2001) (between supportive management and job satisfaction and work effort).
Performance appraisals

Performance appraisals or evaluations of employees’ current performances are another crucial component in the management of human resources as this procedure is considered very facilitative in the administration of various human resource activities such as staffing, training, compensation and so forth (Boswell and Boudreau, 2002). This particular HRM practice refers to an “observation and assessment of employee performance against pre-determined job-related standards, for purpose(s) delineated by the organization” (Cheung and Law, 1998: 404). In line with this definition, Bratton and Gold (2003) add that the objectives of performance appraisals are to judge and develop the qualities of employees’ performances. According to Dixon (2002), performance appraisals work on two levels. First, they facilitate employee efficiency by making employees understand that they are responsible for their own performances. Second, if properly conducted, performance appraisals can help direct employees on how to improve their current performances.

The need to evaluate the performances of employees is a conclusion that can be drawn from the famous Hawthorne Study. In 1925, a group of researchers conducted a study at the Hawthorne Works of Western Electric outside Chicago. These researchers discovered that the productivities of the workers involved in the study increased and this outcome is attributed to the attention that was given to the workers throughout the experiment process (Griffin and Ebert, 2006). This study shows that human beings appreciate attentions because, through those attentions, they are motivated to demonstrate their maximum capabilities to the observers. This sequence of events is used to explain the high productivity that was revealed in the study.

In the case of sport settings, performance appraisals are believed to work in much the same way. Performance appraisals can be used as an avenue for employees to know the standard of their work performances, particularly in terms of serving and satisfying their customers. A formal, structured and periodical evaluation system communicates a message to employees that the club management makes a serious effort to pay considerable attention to them. Based on the Hawthorne Study, such a message will encourage employees to upgrade their current work performance levels.

Research in general has proven that performance appraisals are linked to firms’ performances (e.g., Delery and Doty, 1996). Work in the area of performance management has confirmed that appraisals from multiple sources or upward feedback from subordinates are contributive to individual high performance (e.g., Sanwong, 2008; Walker and Smither, 1999). In their meta-analysis study, Kluger and DeNisi (1996) found that groups that receive feedback give higher performances than those that do not. While a significant link has been produced by many studies in the literature, some organizations are still unhappy with their evaluation schemes due to complaints from employees regarding the process of performance appraisals, which some of them perceived as unfair (Fletcher, 1997). It is therefore suggested that in order for performance appraisal to be supportive of employee behaviors, employees must first be satisfied with the way performance appraisals are implemented (Kuvaas, 2007).

Jawahar (2007: 736) has noted that

in practice, perceived fairness of evaluation, the procedures used to evaluate performance, and the manner in which performance-related information is communicated likely play an integral role in shaping ratees’ reactions to critical elements of the appraisal process.
The same author has also provided empirical evidence that shows satisfaction with appraisal feedback is related to job satisfaction and organizational commitment. In short, performance appraisal can be a powerful HRM tool to influence the attitudinal behaviors of the sport employees, as long as they accept or are satisfied with the management of that performance appraisal process (Pettijohn, Pettijohn, and D’Amico, 2001).

According to the social exchange theory, employee behavior at the workplace is actually a form of reciprocation of the treatment he or she receives from the organization (Rousseau and Parks, 1993). Inferentially, this theory implies that there is a relationship between organizational practices such as HRM and employee behavior. This also means that the kind of behaviors that organizations hope their employees will possess depend on the kind of treatment that organizations are willing to extend to their employees. Thus, using the social exchange theory as the theoretical foundation, it can be logical to assume that HRM practices which place a strong emphasis on employee well-being are bound to produce employees with the desired behaviors. In other words, customer-focused or service-based HRM practices will correspondingly unearth service-focused behaviors from the employees.

In short, in service-based businesses, the practices of HRM must also be service-based. According to Schneider (2004: 147), “generic HRM will not suffice in an increasingly competitive marketplace; organizations must, to use a phrase from marketing, focus or falter.” What he means by that is that having good HRM practices such as a high-performance work system is not enough. These seemingly profitable sets of practices evidently help to produce a talented and inimitable workforce (e.g., Becker and Huselid, 1998; Delery and Shaw, 2001; Huselid, 1995). However, a much greater competitive advantage can be achieved if those HRM practices are designed with a focus on superior service and service quality delivery, especially in a context of high intangibility where the performance of employees becomes an indicator of quality service. Furthermore, the socio-political, national culture and economic situation in the country within which the service organization is operating should be taken into consideration when determining the relevancy of specific HRM practices that are geared towards fostering service climate (Browning, 2006).

Hence, for a purpose of achieving high service quality, sport managers are advised to instill customer-focused values in the attitudes and behaviors of employees. Otherwise stated, the match between the goals of the service organizations and the design of their HRM practices is very fundamental in securing high levels of service-related outcomes (e.g., perceived service quality) (Furunes, 2005; Grönroos, 2000; Zeithaml and Bittner, 2003).

**Conclusion**

Employees are the responsible factors that determine the worth of all other non-human resources to the organization. The cutting-edge quality of any resources that the organization may possess will be of little value if the available employees do not perform their respective jobs well. The indispensable role of human resources is further amplified when their inimitable nature is considered. Unlike inanimate resources (e.g., money, machines, materials, information), humans are complex creatures and their capabilities and experiences cannot be duplicated and, as such, can be used as an asset to help an organization achieve competitive advantage.

In service-based businesses, human resources serve as the link to profit. That is because their work performance determines the quality of service as evaluated by customers. If their mindsets are oriented towards satisfying the customers, the outcomes of their performance are more likely to be perceived as favorable by the customers. Hence, producing employees
with customer or service focused behaviors is the key to success in service-based organizations.

Accustoming human resources to behave according to the needs of service organizations is also the fundamental principle of contingency and role behavior theory. These two theories strongly suggest that a close alignment between the internal business operations (e.g., human resource management) and the goals of their organizations will always produce good productivity results. This belief provides an additional support to the call for a service-based approach in the management of human resources in any service-based organizations, including sport. As proposed by these theories and verified by a number of empirical studies, the more service-based the HRM practices of the organization, the more service-focused the employees will be, and the tendency for organization to achieve high customer perception of service quality will also be higher. As service quality-driven businesses, sport companies must have human resources whose work mentalities are service-oriented.

Based on the integration of service-based HRM practices from previous empirical findings, human resources with service behaviors can be developed through such HRM practices as support at work, training, rewards system, supervisory assistance and performance appraisals.

In conclusion, in service-based businesses such as sport, the human resources will be more effective if they are service-oriented; that is, customer satisfaction is the goal of their every given task. Human resources with such orientation are those which are satisfied with the way they are managed by the organization. The underlying theme of this chapter is that when employees’ commitments to perform well are made easier by the management’s positive employment-related treatment, “both employees and consumers are likely to react positively – that is, employees should have feelings of satisfaction, not frustration, and so on; customers should feel good about the quality of the service they receive” (Schneider, 1980: 54).

References


