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Analysis of The Relationship Between Managerial Aspects, Administrative Qualities, Financial Capital and Performance of National Sports Institutions

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Abstrak

Penelitian ini bertujuan untuk menjelaskan dan menganalisis apakah penerapan manajemen dalam bidang olahraga memberikan hasil yang lebih baik. Teknik pengumpulan data yang digunakan meliputi membaca, wawancara, analisis dokumen, dan observasi. Peneliti menggunakan statistik univariat. Peneliti mengamati bahwa organisasi dengan manajemen profesional di bidangnya biasanya mencapai keseimbangan ekonomi yang lebih baik. Klub olahraga dengan manajemen profesional juga cenderung mencapai hasil yang lebih baik dalam mengelola sumber daya dan biaya. Hasil penelitian menunjukkan bahwa kesehatan finansial dan operasional dapat menghasilkan manfaat yang signifikan. Selain itu, manajemen yang baik juga dapat membantu dalam hal pengelolaan biaya operasional yang lebih efisien, serta meningkatkan produktivitas secara menyeluruh.

Kata Kunci: *Manajemen, Organisasi, Administrasi, Keuangan*

Abstract

This research aims to explain and analyze whether the application of management in the field of sports provides better results. Data collection techniques used include reading, interviews, document analysis, and observation. Researchers use univariate statistics. Researchers observe that organizations with professional management in their field usually achieve a better economic balance. Sports clubs with professional management also tend to achieve better results in managing resources and costs. The research results show that financial and operational health can produce significant benefits. Apart from that, good management can also help in managing operational costs more efficiently, as well as increasing overall productivity.

Keyword: *Management, Organization, Administration, Financial*

INTRODUCTION

The process of privatization involves the transfer of ownership or control of public entities or services from the government to the private sector. For example, in the context of sports institutions such as stadiums or sports teams, privatization can mean selling ownership or operational rights to private parties (Afifah et al., 2018). This can result in more efficient management, cost savings, and increased competitiveness in an increasingly competitive sports industry. The first step towards unity, where different entities in the sports industry combine into one larger, better organized entity, could be the privatization of sports. This unity can bring benefits in terms of more coordinated management, cost savings, and increased operational efficiency (Zulqarnain et al., 2023).

Management is always present, and in the context of a sports club, a president acting as sole owner is the sole manager. If this president also makes policies based on his own decisions, then his role in club management is very significant. Without implementing good management principles, problems within a club or other organization can grow bigger. This applies not only to sports clubs but also to organizations in the public, social, and private spheres (Sari et al., 2022). An entity's management style will dictate the type of manager it employs. A manager can be authoritarian in a social entity but can also implement a participative approach in a private company, depending on the organizational culture and the means considered most effective to achieve goals. The problem of management in public and private contexts is not about having different determinants but rather about dependence on the mode or way of doing things as well as the applied organizational culture. Therefore, while public and private management present unique managerial challenges and needs, the fundamental principles of good management are applicable to a wide range of organizational types (Tannady & Sitorus, 2017).

Sports entities have a very important role in supporting the physical and mental health of society, especially for families, children, teenagers, and adults. However, the economic and financial problems faced by many sports clubs can be a serious obstacle to carrying out their mission. One of the key steps in overcoming this problem is to improve club administration (Rahayu et al., 2018). This involves better financial management, including careful monitoring of income and expenses as well as careful budget planning. In addition, it is also important to increase the involvement and responsibility of club leaders, which can help in making better and more sustainable decisions. In addition, sports clubs can also seek additional sources of income, such as sponsorships, merchandise sales, or organizing special events. We hope that these measures will enable sports clubs to effectively navigate their economic and financial challenges, while also ensuring the provision of high-quality sports and recreation services to their communities (Djunaedi et al., 2023).

The economic and social emergencies that countries face often compound the financial losses experienced by sports clubs. However, external conditions are not always the sole cause. Many clubs experience severe financial pressures related to the practice of professional football. Professional football clubs often engage in activities involving creditors and other risky financial practices. This could lead to bankruptcy for some clubs, indicating the extreme situation in which they operate (Arliani et al., 2019). However, it's crucial to remember that bankruptcy doesn't spell doom for all clubs, as they can take steps to restore their finances and sustainability. In situations like this, it is important for sports clubs to carry out a thorough evaluation of their financial activities and practices. They need to prioritize financial transparency and sustainability, as well as strengthen their financial management to avoid excessive financial stress. We hope these steps will help sports clubs improve their financial condition and operate more stably in the future (Awa, 2024).

The risk of bankruptcy due to unprofessional management can have a significant social impact. Therefore, we can socially justify actions aimed at avoiding this possibility. Football has undergone significant transformations, demonstrating that professional management and transparent governance can bring about positive change. Television income has also increased, and clubs are beginning to manage with greater transparency and direction. Club organization and operations, founded on sound business principles and rules, have achieved this change, with professional management treating football clubs as companies within a globally developing industry (Tannady et al., 2023).

Sports clubs have complex and varied needs regarding economic, financial, and management aspects. Changes in forms of participation and new competitors in the sports

industry require clubs to innovate and adapt quickly (Rahayu et al., 2018). They must also be able to compete with the ever-evolving commercial offerings on the market. To remain relevant and sustainable, clubs need to develop a comprehensive strategy. This includes wise financial management, effective marketing to attract new sponsors and fans, careful risk management, and the development of adequate infrastructure (Djunaedi et al., 2023). Apart from that, clubs also need to focus on improving services to fans and the community, as well as increasing transparency and accountability in their administrative management. By taking these steps, sports clubs can better face the challenges and opportunities that exist in the sports industry and can ensure their survival and future success.

RESEARCH METHOD

This investigation has a particularly relevant focus in the context of sports management. By using various data collection techniques such as reading, interviews, document analysis, and direct observation, one can gain a comprehensive understanding of the implementation of management in sports clubs. The use of univariate statistics to analyze club financial statements is a good approach. This makes it possible to measure various financial ratios that can provide a more accurate picture of a club's financial health and the impact of management on club results. Thus, this investigation will provide valuable insight into how management influences the performance of sports clubs and whether good management practices can enhance their success. Hopefully, the results of this investigation will make a meaningful contribution to the field of sports management.

RESULT AND DISCUSSION

Research has examined the relationship between club income and management, revealing significant differences between clubs that implement management and those that do not. Clubs that implement management see the biggest difference in revenue from player sales. This shows that good management can increase club income from player sales. In addition, clubs that implement management show a 1.5-to-1 ratio in income from social quotas, indicating significant differences. This shows that good management can also influence club income from various other sources, such as social quotas. In the areas of advertising, education, etc., differences are also visible, with a ratio of 2 to 1 for clubs that implement management. This shows that good management can increase club income from various sources other than player sales and social quotas. Overall, these results suggest that good management can have a significant impact on club revenues from a variety of

sources, and that clubs that implement leadership have the potential to generate higher revenues than clubs that do not.

The supervisory body or authority that regulates the sport often determines television rights. In many cases, clubs that implement professional and effective management tend to earn greater revenues from television rights than clubs that do not implement the same management practices. Various factors, such as the club's ability to attract fans and television audiences, its sporting achievements that enhance the appeal of television broadcasts, and the quality of management in negotiating broadcast rights contracts with television parties, can contribute to this. Effective management in this case can increase the value of the club's broadcast rights and ensure that the club obtains optimal income from television broadcasts. As such, it is important for sports clubs to implement good management in all aspects of their operations, including television rights negotiations, to ensure the club's financial sustainability and overall success.

The analysis's results demonstrate the research on the relationship between club expenditure and management, revealing significant differences in spending between clubs with professional management and those without. Spending in amateur and administrative football showed the largest differences, with ratios of 1.7 to 1 and 1.6 to 1 for clubs with and without management, respectively. In detail, financing expenditures such as loans and player transfers are lower in clubs with professional management. This shows that clubs that implement good management are more efficient in managing resources and expenses related to the acquisition and transfer of players. In contrast, clubs without professional management tend to have greater expenditure on player loans. This results in greater costs for the club structure. On the other hand, clubs that implement professional management tend to be more selective when recruiting players. On average, they only recruit two players on loan, and the rest come from the lower divisions. This approach, in the long term, can generate revenue from the sale of a club's own players to other clubs, which can increase the club's overall revenue. Thus, good management of club expenditure can play an important role in the efficiency of expenditure and the club's potential income from player transfers.

The largest expenditures in amateur football by clubs with professional management are due to the policy of developing players from the lower divisions. Clubs that employ professional management tend to invest more resources in producing players from their seedbed or development base. This can include costs for youth academies, training, facilities, and other player development programs. Clubs with professional management

tend to incur higher administrative costs. The complexity of the organizational structure and the professionalization of all areas contribute to this. These clubs usually have managers who have specific responsibilities and report to the board of directors. The cost of higher salaries for managers and administrative staff is part of an investment to improve the club's overall efficiency and performance. Therefore, while professional management clubs in amateur football primarily invest in developing players from lower divisions, they also incorporate higher administrative costs into their management strategy to enhance the clubs' quality and competitiveness over time.

Several factors can cause a difference in player salaries between clubs with professional management and those without it. While professionally managed salaries may be the same or slightly higher than non-professionally managed ones, the main difference lies in the number of players a club has. Clubs without professional management tend to have more players in their squad compared to clubs that implement professional management. On average, clubs without management have 60 players in their squad, while clubs with professional management have an average of 40 players in their squad. This difference can affect the club's total salary expenditure. Although salaries per player may be relatively the same, the total amount of wages that clubs without management must pay is likely to be higher because they have more players in their squad. This shows that efficient and effective management of the number of players in the squad can have a significant impact on club expenses.

We have examined the relationship between each asset, liability, and net worth of clubs with and without management to determine differences in results. The financial situation also plays an important role in this matter. Clubs that are successful and have good management tend to have strong financial support to face various problems or difficulties that may arise. They also tend to have higher liquidity, with higher liquidity ratios compared to clubs without management. In addition, clubs with good management also tend to have better intangible asset values, especially player values. They also tend to have lower liabilities, which indicates more efficient debt management. The net worth of well-managed clubs also tends to be higher, with a net worth ratio reaching 2.6 to 1 compared to clubs that are not well-managed. This shows that good management can have a positive impact on a club's financial situation, including the club's assets, liabilities, and net worth.

Researchers have also studied the relationship between average economic and financial ratios. The average relationship between these ratios reveals that well-managed clubs exhibit superior financial solvency, indicating that their assets exceed their liabilities.

They also tend to maintain a debt balance between obligations to third parties and their own obligations, unlike poorly managed clubs that have a lot of debt to third parties. Additionally, in terms of liquidity, clubs with good management also tend to maintain higher liquidity ratios. This shows that well-managed clubs have a better ability to meet their financial obligations quickly and efficiently. Thus, good management within a sports club can contribute significantly to the club's financial solvency and liquidity, which is an important indicator of the club's overall financial health.

Professional management significantly improves all relationships, as evidenced by the results produced by contracted players. Well-managed clubs tend to have more productive and high-performing players, which can have a positive impact on a club's competitive results and potential revenue from player sales. With professional management, clubs can carry out more effective and efficient contract strategies, producing a strong and competitive team. This can also increase the club's attractiveness to high-quality players, who can strengthen the team and improve results. Thus, professional management in sports clubs can be a key factor in achieving sustainable competitive and financial success.

CONCLUSION

Clubs with professional management in their field tend to achieve a better patrimonial, economic, and financial balance in terms of solvency, liquidity, and debt compared to clubs without visible management. Clubs with professional management also tend to achieve better results in managing resources and costs, as well as maintaining higher productivity in each area. The analysis reveals that a club's financial and operational health can significantly benefit from good management. With efficient and effective management, clubs can achieve an optimal balance between assets and liabilities and maintain sufficient liquidity to meet their financial obligations. Apart from that, good management can also help clubs manage their operational costs more efficiently, as well as increase productivity in various areas. This can help clubs achieve their overall goals and improve their performance in competitions, as well as the club's financial sustainability.

Parties involved in the sports industry can utilize opportunities for improvement based on the deficiencies detected in this research. However, obtaining approval from political leaders in charge of sports institutions, such as the president, vice president, or board of directors, often hampered the implementation of change. The services offered in this area should focus on the specific task of advising, implementing, and supervising

sports policies, selected on the basis of a pre-approved strategy by those responsible for the club. Human resource training is also required in areas related to administration, organization, planning, supervision, and evaluation of activities. We need institutional reorganization, which involves establishing an organizational structure and management model for the entire club. It is considered that club management must strive to achieve a balance between sporting achievements, financial stability, and economic profitability.

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