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Decision-Making for Sustainability: Managing Resource Scarcity in Professional Team Sports Organizations

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Abstract

The global sports industry is estimated to rise at a compound annual growth rate of 9.66%, amounting to US\$4.07 billion from 2022 to 2027, which has raised some concerns about the environmental sustainability of the sector. For instance, some major events such as the World Cup and Olympic Games are known for contributing to significant emissions thus emphasizing the pressing need for sustainable practices within the industry. This study investigates how Professional Team Sports Organizations (PTSOs) manage resource scarcity and make sustainability-related decisions.

A qualitative case study design was used to look into two different European football clubs that are at different stages in terms of integrating sustainability. The research also seeks to address some of the challenges and difficulties wherein PTSOs face when trying to balance their other objectives against meeting their aims on sustainability besides gathering views of key stakeholders like fans, sponsors, and regulatory organizations among others. Data were collected through interviews with key informants in these companies and other related stakeholders in relation to their understanding of what was being observed, which was then triangulated using data from secondary sources.

By answering important questions about allocation, setting priorities, and stakeholder involvement, this research adds to the discourse on environmental sustainability in sports. It delves into how various types of sporting organizations incorporate sustainability into their strategies and stresses that there is a need for action by all and collaboration as the only way to come up with sustainable practices. The thesis looks into under-studied areas like Central Eastern Europe thus providing a new understanding of how contextual factors influence sustainability initiatives in sports business.

Another important finding is that it is necessary to involve a wider range of stakeholders to extend sustainability activities further. This will include better policy formation towards broader environmental sustainability within professional sports. Therefore, findings aim at improving decision-making procedures as well as raising awareness of issues and methods related to sustainable development in sports industry.

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1. Introduction

The global sports sector has been steadily growing recently and its market revenue is projected to reach US\$4.07 billion by 2027, with a strong yearly growth rate and a compound annual growth rate (CAGR) of 9.66% between 2022 and 2027 (Statista, 2022). This significant expansion underscores the industry's importance but also raises concerns about the environmental consequences of its continued development. For instance, the environmental cost of Qatar's preparation for the World Cup 2022 was reported at 206 kilotons of emissions, but estimates by Carbon Market Watch (CMW, 2022) suggest a figure almost 8 times larger – 162 megatons (Raji, 2022). Similarly, a typical National Football League (NFL) game generates around 35 tons of waste,

and major events like the 2018 FIFA World Cup in Russia and the 2016 Olympics in Rio de Janeiro generated 216 million tons and 36 million tons of emissions, respectively (Dragovic, 2022). These alarming statistics highlight the urgent need for the sports industry to address its environmental impact, which has been received with increasing criticism (Canniford & Hill, 2022).

Global challenges to environmental activities in the sports industry revolve around four major domains: resource restrictions, competing priorities, structural barriers, and strategy deficiencies. Financial constraints, cost and time limitations, manpower shortages, and defects in environmental expertise and awareness exemplify resource limitations (Casper et al., 2012; Casper & Pfahl, 2015; Choi, 2016; Kellison & Hong, 2015; Mallen et al., 2010; Trendafilova et al., 2013, 2014). Structural integration challenges include organizational inertia, a lack of ingrained environmental culture, and insufficient incorporation of environmental initiatives internally and across various sports entities (Trendafilova et al., 2013; Mallen Stevens et al., 2010). Furthermore, strategic weaknesses often stem from senior management attitudes that misalign with environmental goals, impacting decision-making processes and prioritizing club welfare over environmental aspects (McCullough & Cunningham, 2010; Roux et al., 2015). Resource scarcity also leads to more risk-averse decision-making, favoring safer, well-known options (Liang et al., 2023).

Despite these obstacles, research on pro-environmental behavior and attitudes has primarily focused on the impact of sustainability initiatives on spectators and fans, neglecting other critical aspects of the sports ecosystem, including sponsors and umbrella organizations (Casper et al., 2014; Inoue & Kent, 2012; Jin et al., 2011; Kellison & Mondello, 2012; McCullough & Cunningham, 2011; Walker, 2013). Expanding the scope to include these perspectives would enhance existing research and close current gaps in understanding the impact of environmental discourses on decision-making within sports entities.

Some of the key theoretical approaches essential for the proposed research include open systems, resource dependence theory, scarcity, and mobilization, which all contribute to the landscape of decision-making under market uncertainty. For clarity, the terms Professional Team Sports Organizations (PTSOs), teams, and clubs will be used interchangeably, as will business-related terms like company or organization when referring to sports clubs from a business perspective.

A sports club is a unique type of business institution that operates under its own rules. Slack and Parent (2006) state that a sports organization is a "social entity involved in the sports industry; it is goal-oriented with a consciously structured activity system and relatively identifiable boundary." Much of the empirical research in sports business has focused on dyadic connections, which fail to capture the complex, multidirectional linkages in collaboration, competition, and value creation (Callon, 1998; Wasserman & Faust, 1994). Therefore, this research will use a triadic analysis framework, where a system of three actors interacts directly and reciprocally, providing a more comprehensive understanding of the network perspective in sports organizations (Simmel, 1950).

The need to expand the focus to cover the impact of environmental discourses on stakeholders such as clubs, sponsors, and associations is critical (Cury et al., 2022). As consumers increasingly demand sustainable actions, sports industries, and their adjacent businesses must consider this growing interest. For instance, 59% of millennials report anxiety about climate change (Deloitte, 2024a), and 90% of Gen X consumers are prepared to pay a premium for sustainable items (Petro, 2022). Given this growing demand, the responsibility for sustainable processes in the sports industry might extend beyond PTSOs to a network of interconnected actors. The master thesis aims to address the following research questions:

RQ1: How do PTSOs deal with dilemmas and tensions in decision-making in relation to sustainability goals and other priorities?

RQ2: How do these dilemmas and tensions affect perception among key ecosystem actors?

The study employs a qualitative case study approach, focusing on two European football clubs at different stages of sustainability integration, and examining the correlations between key ecosystem stakeholders. Data will be collected through interviews with key actors, on-site observations, and secondary data analysis. Coding and cross-case analysis will identify patterns and themes, while a triadic analysis framework will examine interactions between PTSOs and their stakeholders in the sports ecosystem. This approach ensures a comprehensive understanding of decision-making practices in the context of sustainability within the sports industry.

The thesis contributes to the field of environmental sustainability in sports by addressing several key research questions that illuminate the challenges and strategies vital in sustainable practices within PTSOs. First, this study investigates how PTSOs navigate dilemmas and tensions in decision-making related to resource allocation and priority setting (RQ1). Walzel et al. (2018) underscore the significance of sustainability in sports, noting a substantial increase in related research over the past decade. This highlights the relevance of exploring how organizations manage limited resources and competing priorities in the pursuit of sustainability.

By extending this research into diverse geographical areas previously underexplored, such as Central Eastern Europe (CEE) this thesis will enrich the current understanding of how contextual factors influence sustainability strategies in sports organizations, addressing gaps identified by prior studies (Bulkeley & Jordan, 2012; IPCC, 2014). This approach is being pinpointed with RQ2 by examining how these decision-making dilemmas and tensions impact the perceptions of key actors within the sports industry's ecosystem, potentially shaping the strategies and outcomes of sustainability efforts, also in different cultural contexts.

Second, this study will explore how different types of sports organizations integrate sustainability into their operations and strategy. This involves a detailed look at UEFA's Football Sustainability Strategy 2030, entitled "Strength Through Unity" (UEFA, 2023), and how initiatives like the Green Sports Alliance influence the adoption of sustainable practices (Cury et al., 2014). The aim is to provide new insights into how collective

actions and partnerships can advance environmental sustainability in the sports industry.

Third, the study will focus on previously under-researched entities, specifically targeting sports clubs and organizations in the CEE region. These organizations represent a range of engagement with sustainability initiatives and will allow for an examination of sustainability practices across different levels of implementation and cultural contexts. Furthermore, the study will be conducted in at least two languages, English and Polish, making it simpler for the interviewee to feel more comfortable with the unique scenario of such an interview.

Fourth, a new, advanced unit of study will be introduced. This includes both the triadic system in place, which allows for a greater grasp of the network perspective, as well as interrelations on a larger scale, which provides a more complete image of the phenomenon. The diversity of the triad system in this matter will help to better understand the correlation between the actors: PTSO, fans, and sponsors. This multifaceted relationship cannot be properly examined in the form of a dyadic relationship, which cannot fully capture the multi-faced interrelations between actors (Walzel et al., 2018), therefore, to get the bigger picture of this network perspective, the research will take into consideration the three forms of triadic relationships (being brokerage, mediation, and coalition) (Siltaloppi and Vargo, 2017). This will help to visualize the changing role of the actors depending on a specific case related to sustainable activity within the PTSO environment.

Finally, this study will engage with a wider array of stakeholders involved in the sports industry, including sponsors, who have been less studied but play a crucial role in defining and supporting sustainability standards within sports. This need has also been noticed by several scholars (Breiting and Wickenberg, 2010; Colvin et al., 2015; Head et al., 2005). By looking at the influence of sponsors, as well as the broader network of international federations, national and state sports organizations, and community sports providers, this research will provide a comprehensive view of the dynamics of environmental sustainability in sports. This comprehensive approach will enhance the level of understanding and lead to more informed decision-making and policy formulation in the sports industry.

The paper is structured as follows: the introduction highlights the importance of sustainability initiatives in the sports industry and the concept of decision-making under resource scarcity. Further on the research questions and core contributions are introduced. The theory section presents key theories essential for understanding the case study. The methodology details the research design, context, setting, and data collection methods. The results section discusses findings on how PTSOs manage decision-making under sustainability challenges and resource scarcity, examining stakeholder perceptions and collaborative efforts. The discussion interprets findings within theoretical and practical contexts, comparing them with existing literature and discussing new insights. The conclusions summarize key findings, discuss implications for policy and practice in sports management, and recommend future research areas, providing actionable insights for enhancing sustainability practices.

2. Theory

This section will present relevant theories that are used in this research. Firstly, the decision-making process under resource scarcity will be examined through the lenses of a sports ecosystem and especially a service ecosystem framework (Vargo & Lusch, 2016; Brozović & Tregua, 2021). Secondly, the roles of Resource Dependence Theory (Pfeffer and Salancik, 1978) and Resource Mobilization Theory (Corte, 2013) in the context of scarce resources and priorities alignment will be examined, also concerning the Stakeholder Theory and Stakeholder Dialogue concepts, as the backbone of value exchange processes between PTSO and its environment. Furthermore, the relevant literature on open systems, resource scarcity, and value co-creation within the sports industry will be discussed.

2.1. Sports ecosystem

The sports ecosystem is a very specific type of economic product. Neale (1964) referred to the peculiarity of cooperation between competitors on the market since it is impossible to produce any output without the “assistance” of the other teams in the league. Hence a peculiar nature of the product of a sports game appears, as the teams have an interest in the economic well-being of their competitors to gain and maintain interest within the game, thus resulting in increased revenue generated from the sales (e.g. tickets, TV rights, matchday (income generated by clubs as a result of staging matches at the club’s home stadium (Football Benchmark, 2015) and other revenue streams) (Goddard and Sloane, 2005). Thus, the relationship between organizational behavior and the external environment will contribute as the backbone for the proposed research. Scott (2003) introduces the phenomena of the open systems perspective, where organizations should be seen as open systems, whose existence and performance rely on interchanges between the organization and its environment (Scott, 2003; Cadena-Roa et al., 2012). Sloane (1976) in this matter distinguishes professional team sports from other business ventures, as the maintenance of some degree of competitive balance to achieve a collective revenue maximization lies within everyone’s interest. Moreover, occurring imbalances may be mitigated through various types of regulatory intervention (such as redistribution of broadcasting revenues) (Andreff and Szymanski, 2006).

2.2. Service ecosystem in sports

Service ecosystems are structures of social and economic actors, with actor-to-actor correlations, with the utmost goal of re-created value creation in the context shaped by institutions. They are relatively self-contained and self-adjusting of resource integration, connected by shared institutional arrangements and mutual value connection (Vargo & Lusch, 2016). The systems favor collaborative value co-creation via relationships and resource integration (Brozović & Tregua, 2021). Moreover, as the current state of research stands, such service ecosystems are mainly characterized as loosely coupled and self-adjusting bodies, where interconnected actors retain their agency, allowing them to be adaptable individually and collectively to changes (Lusch and Namvisan, 2015).

Such a service ecosystem contains both the PTSOs and their environment. For instance, sponsors no longer act as solely financial brokers, but actively engage in the content creation and fan engagement (Brozović & Tregua, 2021). Fans also actively participate in the ecosystem, going beyond mere financial support, shaping team policies and marketing strategies, making them the main point of the ecosystem's growth and adaptability (Kumar & Pansari, 2016). Communities impact the PTSOs' activity within the ecosystem, engaging clubs in activities benefiting local communities (Babiak & Wolfe, 2009). Media serve as content distributors, raising awareness of the PTSOs' activity and maintaining audience interest and engagement (Hutchins & Rowe, 2012).

2.3. Uncertainty of Outcome

Goddard and Sloane (2005) in their paper reach the conclusion of their analysis, that the sports league market is inherently unstable, given the everchanging probability of wins (uncertainty of outcome), and teams changing popularity among fans, resulting in varying revenue income streams.

Moreover, Buser et al., (2022) imply, that the value co-creation in the sports industry is guided by the nature of sport and competition as a product, where competitors collaborate to provide value used up by end customers, and the sole nature of competition in this sense stands as an important component in the end product, on the contrary to the network approaches derived from the "traditional" perception of a sports product (Buser et al., 2022; Neale, 1964). With regard to it, the concept of a sports ecosystem is developed, which exhibits openness, non-equilibrium, and non-linear interrelations between actors, requiring constant exchange of resources, energy, and knowledge to maintain order from disorder (Kecui, 2010). The lenses of triadic relations and sports ecosystems will be the themes of analysis in the paper.

Uncertainty, as a fundamental part of sports industry, has been thoroughly analyzed by several scholars, leading to the Uncertainty of Outcome Hypothesis (Alavy et al., 2010; Szymański, 2006, Borland & MacDonald, 2003). According to it, the greater the uncertainty of the outcome of a sports game, the greater the demand (Alavy et al., 2010). This, however, is a double-edged sword, where the competition may lead to increased revenues (Neale, 1964), or can deeply negatively influence the club's revenue. Furthermore, Késenne in a group work of Andreff and Szymanski (2006) proceeds with further analyzing the effect of the outcome uncertainty on the club's success. Taking aside factors such as the size of the city, where the club was founded, and focusing solely on the uncertainty of outcome it is also a two-way street. It is commonly known that most supporters prefer to watch a winning team. However, if a winning probability becomes too high, the spectators' interest begins to fade (Andreff and Szymanski, 2006). This sets aside the sports industry from other entertainment industries.

2.4. Resource Scarcity and Resource-Based View

For PTSOs, access to resources is oftentimes restricted. This interferes with their innovation abilities (Woschke and Haase, 2015). Inequal distribution and thus, access

to strategic resources may affect their ability to outperform other players (Rangone, 1999; Barney, 1991). Such focus on the key internal resources was first introduced by Edith Penrose (1959) and is known as the Resource-Based View (RBV). Penrose further emphasizes, that the unique bundle of heterogeneous resources, not easily transferable between the companies contributes to the competitive advantage, resulting in a firm's performance on the market. However, in the context of nowadays industries, due to increased competition, access to resources is limited, leading to their scarcity (Mishina et al., 2004).

The concept of resource scarcity in a PTSO scenario can be observed in an ever-present problem of financial solvency (e.g., Gumulka et al. 2005; Lasby and Sperling 2007; Sharpe 2006; Taylor et al. 2009). In the study by Allison (2001), 41% of Scottish clubs experienced some form of financial struggle and uncertainty, followed by a study of Swiss clubs by Lamprecht et al. (2011), where 11% of researched entities experienced serious financial solvency problems.

For PTSO to be effective in sports settings, the clubs need to focus both on achieving the goals set but also on the acquisition of scarce resources, crucial for the club's operations (Frisby, 1986). Moreover, the impact of environmental pressures and industrial networks determines the effectiveness of such activities (Thibault et al., 1999). The impact of the network ecosystem will be another area of analysis in this paper.

2.5. Resource Dependence Theory (RDT) and Resource Mobilization Theory (RMT)

The Resource Dependence Theory (RDT), published by Pfeffer and Salancik (1978) outlines the phenomena present in various organizations, also in the sports industry. Companies, and thus, PTSOs, depend on resources, ultimately deriving from their environment. These resources are vital for PTSOs further existence, resulting from the principle of their relevance and scarcity. The resource mobilization theory (RMT) is a structural perspective on how social actors create or gain access to key resources to pursue their agenda (Corte, 2013). Edwards and MacCarthy (2004) have formulated five general types of resources: human, material, moral, social, organizational, and cultural. This view is coherent and inherently rooted within the open systems perspective, where the interplay for scarce resources between the actors within the sports environment leads to imbalance and power relations among the clubs, thus resulting in power accumulation within the entity, which has direct access to the resources demanded (Andreff and Szymanski, 2006). The interplay of RDT and RMT exemplifies the forces driving the competition in the sports industry.

2.6. Decision-making process

Stefan Késenne in a group work done by Andreff and Szymanski (2006) delves deeper into the empirical studies on the decision-making process of a sports club. In the theoretical model of a club goal-setting process, a PTSO can either decide on profit or win maximization. If a club wants to rip the most benefits from the business, it will hire players to the point of marginal cost, whereas a win-maximizing team will hire talents until total cost will reach total revenue. Rascher (1997) suggests another

variant to it, meaning, the clubs maximize a linear combination of profits and wins, and thus, the weights of each variable will deeply differ from one club to another. The decision on what to put more weight on will have a deeper influence on the salary level, talent distribution, total revenue cap in the league, ticket prizes, etc. Moreover, the number of teams that maximize profit to the ones maximizing wins will also have a profound impact on revenue sharing in the industry, as the sports teams highly rely on the competitiveness of the league (Andreff and Szymanski, 2006).

2.7. Stakeholder Theory

According to the Cambridge Dictionary (2024a), a stakeholder is a person, be it a customer, employee, or society member, who is involved with an organization and yields profits from its potential success. In the book *Strategic Management: A Stakeholder Approach*, R.E. Freeman (1984) defines the stakeholder model more broadly as "any group or individual who can affect or is affected by the achievement of the organization's objectives." Clarkson (1994, 1995) adds to the equation the risk placed by stakeholders in relation to a particular firm, which can be voluntary or involuntary, thus introducing the concept of primary and secondary stakeholders. Primary stakeholders are those whose participation is vital to the company's survival, such as stockholders, investors, employees, customers, and suppliers. Secondary stakeholders, on the other hand, are those affected by the company's activities but who do not engage in any transactions with the company and are not essential to the company's survival. An important aspect of this definition is the role of the media and their ability to influence public opinion in favor of or against the company policy (Clarkson, 1995). However, this influence should be differentiated from the actual stakeholders of the company, as suggested by Donaldson and Preston (1995). In the context of Professional Team Sports Organizations (PTSOs), influencers like media may play a significant role, and their value should not be underestimated (Senaux, 2008).

The stakeholder perspective differs from the shareholder perspective, which focuses on individuals owning shares in a company, therefore exercising their rights to benefit from the company's profits and having a right to vote on how the company is controlled (Cambridge Dictionary, 2024b). Shareholders are at the core of interest in corporate governance (Senaux, 2008).

Benoît Senaux (2008) emphasizes the complex environment in which football clubs operate, arguing that the stakeholder approach is more suitable for analyzing the governance of these clubs. Unlike the shareholder model, which prioritizes financial performance, the stakeholder model recognizes the diverse goals and interests of various stakeholders, including fans, sponsors, and the local community, which are integral to the club's success and sustainability.

By adopting the stakeholder model, PTSOs can address the needs and expectations of a broader range of stakeholders, ensuring not only their financial stability but also their social and environmental responsibilities. This approach fosters a more holistic and sustainable development strategy, aligning the club's operations with the long-term interests of all its stakeholders.

Walters and Tacon (2010) argue, that stakeholder theory, with relation to shareholders perspective, needs to also be taken into account, as there are multiple stakeholders recognizing interest in a company's success. The concept of supporter's engagement as stakeholders with a high level of involvement and loyalty is also recognized by scholars as 'fan equity' (Hirschmann, 1970). This interchange between a PTSO and a fan community demands more from both parties: higher accountability beyond sole financial accountability from a PTSO, and loyalty and attendance on the matches, in result underpinning the need for sports clubs to engage with stakeholders (Walters and Tacon, 2013)

The aspect of stakeholder dialogue has gained increasing interest among scholars and practitioners in the field of Corporate Social Responsibility (CSR). According to van Huijstee and Glasbergen (2008), stakeholder dialogue is defined as interactive, two-way communication on a sustainability issue between a company and those who can affect or are affected by its activities.

Van Huijstee and Glasbergen (2008) identified two primary models of stakeholder dialogue: the strategic management model and the sustainability model.

- The Strategic Management Model views stakeholder dialogue as a tool for managing risks and gaining competitive advantages, focusing on building relationships, ensuring business continuity, and responding to stakeholder concerns to manage reputation and mitigate risks.
- The Sustainability Model emphasizes stakeholder dialogue for promoting environmental sustainability, encouraging proactive engagement to stimulate mutual learning, creativity, and innovation, aiming to limit negative environmental impacts and enhance corporate contributions to sustainability.

2.8. Integration and Synthesis

The concept of service ecosystems introduced by Vargo & Lusch (2016), further narrowed to the sports industry scenario by Brozovic & Tregua (2021) provides a foundation for a deeper understanding of resource scarcity and its impact on the PTSO's operational and strategic decisions. PTSOs are constantly mitigating resource constraints and balancing different stakeholders and their needs to get access to the resources vital for maintaining their competitive edge (Resource-Based View; Penrose, 1959). The interplay of several actors mentioned in the Stakeholder Theory (Walters and Tacon, 2013; Senaux, 2008), including fans, sponsors, and regulatory bodies impacts the decision-making process of a sports club. The PTSO's embeddedness within a network of social and economic actors fosters value co-creation, whilst maintaining their agendas (Lunsch and Namvisan, 2015). However, as a PTSO cannot fulfill its needs individually, due to several factors, one of them being Uncertainty of Outcome (Alavy et al., 2010; Szymański, 2006, Borland & MacDonald, 2003), it needs to remain integrated with its ecosystem network, building a bridge of relations with its stakeholders in a form of Stakeholder Dialogue (van Huijstee and Glasbergen, 2008). The decision-making process and priority setting are thus determined by how

effectively a PTSO communicates and fulfills the needs of multiple stakeholder groups. An example of such relationship management and value co-creation would be sustainability practices. To successfully incorporate pro-environmental and societal policies, the activities a PTSO undertakes need to stay in line with the stakeholders' interests which determine the level of access to crucial resources (Resource Dependence Theory; Pfeffer & Salancik, 1978). Furthermore, depending on how well these relations are built and how stakeholders' interests are aligned, the process of implementing such changes may differ in difficulty (Resource Mobilization Theory; Corte, 2013). Building on this theoretical background, this thesis aims to demonstrate how crucial an effective stakeholder engagement is for the successful integration of sustainability into the operational strategies of PTSOs.

3. Method

3.1. Research Design

The research design for this thesis is rooted in a qualitative case study approach, which allows for an in-depth exploration of Professional Team Sports Organizations (PTSOs) within their real-life context. This approach is particularly suited to explore the complex, dynamic interactions between sports organizations, sustainability practices, and external pressures, taking into perspective the interconnections and relations rooted within the specifics of a sports industry. As outlined by Yin (2009), the case study method enables a comprehensive investigation into a contemporary phenomenon within its real-world context, especially when the boundaries between phenomenon and context are not evident. This also helps with the multi-faced analysis of the decision-making process in the context of sustainability practices.

The design will specifically focus on multiple case studies to draw comparisons and build a broader understanding of sustainability practices across different cultural and organizational settings. This aligns with Yin's advocacy for multiple-case designs as they provide robust evidence and allow for cross-case analysis, enhancing the findings' reliability and validity through replication logic.

3.2. Research Context/Setting

The research was conducted within the context of European football, focusing on clubs that have integrated or are in the process of integrating sustainability practices into their operational and strategic frameworks. Two cases were selected: a Traditional Club with emerging sustainability initiatives and the Green Club known for its advanced environmental strategies. This selection provided a contrast between different stages of sustainability integration in sports organizations, which will be invaluable in understanding the spectrum of implementation and the contextual factors influencing the process.

Each case study involved collecting data through various sources to ensure a comprehensive overview of the phenomenon, enhancing the study's validity. Primary data was gathered through interviews with key stakeholders, including a Head of PR

and Sustainability Practices, a Board Representative for ESG and Brand's Image, clubs' Foundation's Board Members, Project Managers on social initiatives, Sponsorship Managers, and ESG Strategy Implementation Directors. Throughout 8 in-depth interviews conducted, each lasting around 30-40 minutes and a total of 69 pages of observations had been collected.

To further strengthen the spectrum of observation, several settings of observation were identified, including team management meetings, internal planning sessions on strategic policies, sustainability practices, match days, community engagement events (local community meetings within a PTSO), sponsorship offering processes meetings, and all-hands internal meetings.

Moreover, the perspective of an umbrella organization was provided, to further on embed the decision-making process and its nuances within a particular sports industry setting. Observations and document analysis, including third-party sustainability reports, annual reports, and public communications, complemented these interviews. This approach is consistent with Yin's (2009) Six Sources of Evidence methodology, with the emphasis on using multiple sources of evidence to provide deeper insights and more compelling substantiation of the theories developed through the research.

3.3. Data Collection

The thesis was based on the research question, focusing on gaining a thorough grasp of the tripartite relationship between the club, supporters, and sponsors, while also considering the problem of sustainability. The interrelations within the sports environment were analyzed, to further understand the implications of key stakeholders within the decision-making process on the microeconomic level. The research also considered the broader context of the PTSO environment, in which umbrella organizations determine a club's actions and can act in opposition to the traditional utility maximization principle that governs sports clubs (Sloane, 1971).

For the Research Method, the case study was chosen. Moreover, the emic approach was applied to capture the insider's view of the decision-making processes within the particular organization (Stake, 1995). The case study in this manner was also beneficial due to its potential practical implications, which are more in line with the common practices within the industry (Meyer et al., 2001, Philanto et al., 1994). With that in mind, the sustainability movement would benefit more from the practical implications rather than the solely theoretical analysis.

The study was conducted based on the case study of 2 study units, this being, the prominent Polish football club as an example of the traditional PTSO with conservative values, where sustainability activities are yet not popular or slowly rising in popularity, ecologically oriented Polish football club, which on the contrary exemplifies the idea of a sustainable PTSO. Football associations as regulatory bodies, taking care of the implementation and execution of sustainability practices among the European associations were a secondary unit of analysis, among other stakeholders. Each case study was focused on the decision-making process within each entity, taking into

account the resource scarcity principle with a special focus on sustainability-oriented choices.

The benefits of the versatility of the case study were exercised, as the data will be assembled through formal interviews, informal conversations, observations, and the usage of archival data and secondary data, such as internal documents, third-party reports, news, and articles (Creswell, 2007). This study was a snapshot, a parallel study, where the entities were analyzed only within a particular time period, all in parallel with each other (Rebolj, 2023).

The interviews took the form of a face-to-face in-depth interview, either at the physical premises of the club/organization or using online meeting software (e.g. Zoom). The questions revolved around the sustainable practices within the analyzed organization, the current management of resources, and the relationships between the club and third parties (e.g. fans, sponsors, regulators, and umbrella organizations) in order to better understand the holistic picture of the network. The results of the interviews were complemented by on-site observation of the Traditional Club's facilities and processes. This ethnographic approach helped unveil the tacit knowledge of decision-making participants, whilst the case study approach as an overarching theme ensured a detailed investigation of other data sources, creating a deeper level of understanding (Cohen et al., 2003). In addition to the observation process, the information gathered was compared with archival data and secondary data collection from available sources within and outside the organization under study to ensure harmonic data governance and analysis.

3.4. Data Analysis

Thematic analysis was used to analyze the data gathered during the in-depth interviews. As it is a commonly used method of identifying overarching themes, topics, and motives collected during the qualitative research (Braun and Clarke, 2012).

Firstly, numerous first-order codes and themes were collected from the data. This process is known as open coding (Strauss and Corbin, 1998). Secondly, these key themes were then further refined through axial coding to establish relations between them (Strauss and Corbin, 1998). This resulted in an additional set of themes, which were then collected and labeled under categories such as "Organizational Change", "Stakeholder Involvement and "Resource Management", with detailed sub-themes to each category (e.g. "Environment Engagement", "Governance & Management", "Environmental Initiatives" and "Strategy Development & Execution"). First-order themes were combined based on the level of relation observed, which resulted in a set of second-order themes. This provided the core of the analysis that followed, resulting in a reduction of large amounts of empirical data, making it more accessible for further analysis (Linneber and Korsgaard, 2019). The data was also based on the matrix of contrasting categories, combining several findings of the case studies into one 'picture' (Yin, 2017).

4. Findings

4.1. Strategic Sustainability Implementation

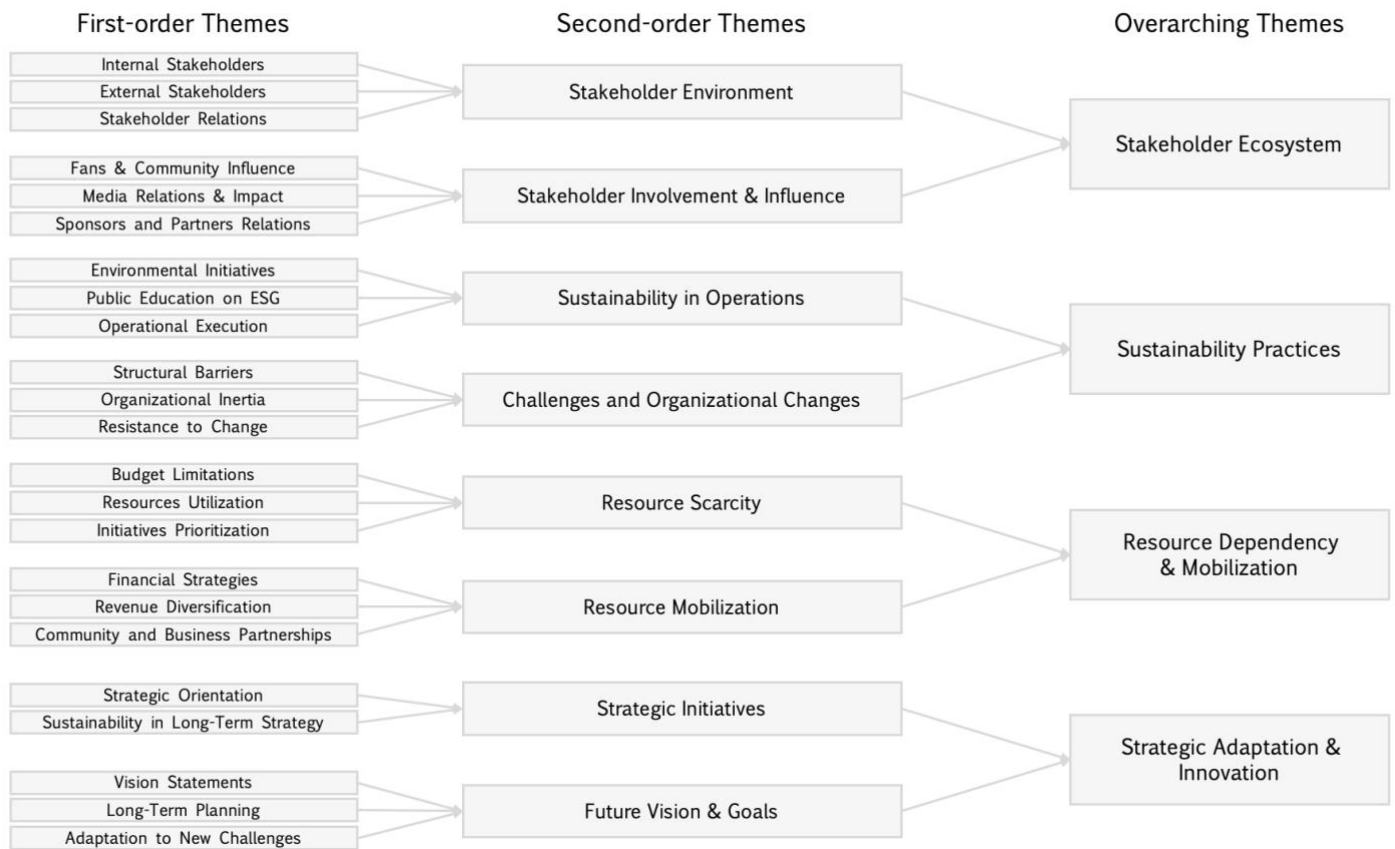


Figure 1: Thematic Analysis

Based on a thorough data analysis and coding, 8 second-order themes are manifested within 4 overarching themes (presented in Figure 1). An umbrella term for these overarching themes was named strategic sustainability implementation (SSI), hence the themes resemble four major aspects determining a process of pro-environmental initiatives integration within a PTSO's code of conduct. The following paragraphs focus on the 4 overarching themes, related to the empirical data collected on: 1) Stakeholder Ecosystem, 2) Sustainability Practices, 3) Resource Dependency & Mobilization, and 4) Strategic Adaptation & Innovation.

4.2. Stakeholder Ecosystem



Figure 2: Football Club's ecosystem of stakeholders, own elaboration based on an internal report

Football Club's ecosystem consists of its internal and external stakeholders. The ones within the organization are predominantly The Club's Owner, Board, Supervisory Board, and its employees (sports and administrative divisions). External stakeholders include fans, the local community, media, citizens, suppliers, sponsors, partner clubs and institutions, volunteers, and governing bodies (the regulatory body of The Polish League, The Polish Football Association, and local/regional government institutions).

"These all shape the processes and activities of a PTSO, having an impact on the club's strategy, values, even mission, and vision. Based on the level of influence, one group may even dictate and empower its narrative, for the club to do its activities accordingly" - on-premise observation at the Traditional Club's premises

4.2.1. The Traditional Club

The Traditional Club has its roots in the Polish army fighting in the 1st World War. Throughout its history the PTSO won the biggest amount of league and cup titles, pathing its way to the history books by not ever being relegated to second division, as the only club in the country.

“Among our supporters, the myth of us being invincible is still alive and present. This is good from the PR perspective when we are playing well, but when things go wrong, this influences our image and perception among our fans, expecting only the best” – The Traditional Club Foundation’s Executive Director

The Traditional Club is also known for its loyal fanbase of supporters, both being an incremental ingredient of the atmosphere at the stadium, but also due to its hooliganism and sometimes right-extremism, causing trouble and infamous image of the club on the domestic and European markets (Anonymous, 2024).

4.2.2. The Green Club

The Green Club is one of the clubs, which got relegated last season (2023/2024) from the highest tier in the Polish Football League System. Given the historical background to the sports outcomes of its activity, the club was mostly regarded as a 2nd and 3rd-tier regular (90minut.pl, n.d.). Moreover, the club found its path back into the highest tier just a few years ago, now facing more of a reality check of its historical performance.

“We have been trying to find a niche, where we would distinguish ourselves from other sports teams. We saw, that we clearly couldn’t compete for the highest places on a continuous basis, therefore we needed to find a way to gain a competitive advantage. That’s how ESG came into the picture” – Board Member at the Green Club

Taking this into consideration, the Green Club has been trying to find another solution to reach its commercial goals, bearing in mind the limited resources and fewer possibilities of achieving greater sports success.

“The goal was to become the first Polish club regarded as “Green”, taking care of social, environmental, and governmental aspects of its activity. Throughout the years 2018-2024, we introduced several development strategies, ranging from daily operations to the ESG strategy. By embedding the ESG priorities as a bedrock for its future commercial success, we adjusted our image and raised the interest of local partners and green companies in Poland.” – Head of ESG Implementation at The Green Club

This has led to significant progress in sponsorship agreements (rising over 10 times within a 6-year timeframe), reaching 1170% of community growth on its social media during that period (Anonymous, 2024, *ESG strategy of The Green Club*). Throughout the years club not only developed its ESG strategies but also built an entire strategy based on its principles, putting the local community in the center of action (switch from sport principles being the main focus in the previous years). The interplay of Sport, ESG (Ecology), and proper infrastructure are there to provide added value to the local community, where the Green Club seeks its competitive niche.

The two examples show two essentially different approaches towards their code of conduct. One relies on the sports results, collecting outstanding achievements throughout the years, the second has found its path recently, where it acknowledged its path towards becoming a niche club, rather than gaining profits and perceiving its strength solely in the sports performance.

4.2.3. Stakeholders

“Our stakeholder environment determines the room for maneuver we have when it comes to our projects and initiatives. On one side, our fanbase is attractive to the sponsors because of its loyalty, on the other side however this causes problems due to their conservative beliefs” – Sponsorship Manager at the Traditional Club

Figure 3 presents the relations between a PTSO and its environment. Each of the actors engages not only with the PTSO itself but also with other stakeholder groups. Fans due to their “loyalty” are a good target for larger companies, convincing sponsors to engage in advertising and financing the PTSO.

“We base our value offering on the impact we can generate for the local community and the environment. Our partners and local businesses therefore are the result of community-oriented initiatives that then integrate their brand with their main target group. We become a sort of cluster for local initiatives” – ESG Implementation Manager at the Green Club

The second Diagram presents the impact the Community has on the Local Businesses, investing in the activities of a PTSO. Based on the information exchange between the PTSO and the local Community, a PTSO creates also value for Local Businesses by including them in ESG activities. This secures the brokering position of a PTSO.

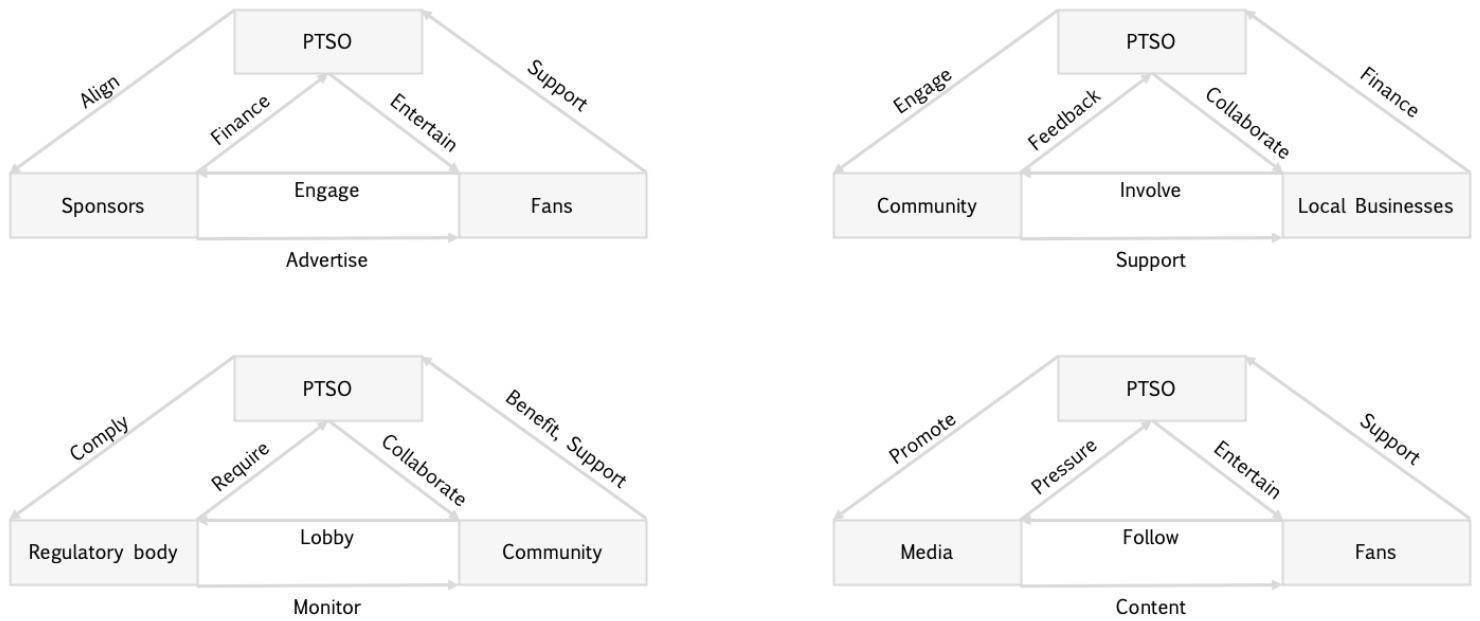


Figure 3: Triadic relations between PTSO and its stakeholders

“Our club’s stakeholder network is robust, involving numerous big businesses, community groups, and fans who are deeply engaged with the club, which has its positives and downsides. ” – The Traditional Club Foundation’s Project Manager

The Traditional Club’s example shows the impact the stakeholder environment may have on the PTSO’s activities. The influence of the conservative ultras (passionate fans) and community resistance towards societal changes, liberal policy, and anti-discrimination projects are examples of how important the power of one stakeholder group may be.

“I think to change something quickly, we need external help, either from UEFA or from external consultants, who can see this issue from a different angle” – The Traditional Club Foundation’s Executive Director

An attempt to successfully create and implement a CSR strategy may require external consultants and balancing diverse stakeholder interests, including fans, sponsors, media, and club management. Moreover, each stakeholder groups have its perception of the Club’s mission vision, and incremental values, which then creates tension among the stakeholders, leading to an impasse.

The Green Club’s stakeholders include local community members, environmental groups, and a smaller but dedicated fanbase, aligned with our sustainability practices.” – Head of PR of The Green Club

The Green Club has developed an ecosystem of stakeholders, who believe in the value presented by the Club's strategy, resulting in a coherence on the worldview from among the stakeholder groups, unifying the Club's growth in its strategy. By an effective selection of the club's principles, the Club has managed to gather like-minded individuals, a "dedicated fanbase", businesses, and groups under one umbrella, giving a place for a new beginning to The Green Club's strategic orientation.

"We constructed our strategy together, based on interviews with the club's staff, fans, local businesses and others. This ensured we are in line with our key stakeholders." – ESG Implementation Project Manager at the Green Club

This shows how important it is to create a mutual ground for all the parties involved, and cooperatively decide on the club's identification and values. The example of the Green Club, however on a smaller scale, has proved possible for such changes to occur. On the other side, however, the ongoing conflicts and tensions among stakeholders at the Traditional Club may be long-lasting hindrances to achieving a similar outcome at the other Club.

4.2.3.1. Community and Fan Engagement

"Fan engagement is central to our operations, with various programs aimed at increasing fan participation and loyalty. This can only be done when we stay within our fans' moral code. We feel we need to rebuild the rapport we lost somewhere in the process" – The Traditional Club Foundation's Director

Rebuilding the dialogue between The Traditional Club's supporters and the club's body remains one of the top priorities when it comes to the club's daily activity. The fans remain a key aspect of the club's revenue, but also culture and heritage. They cherish the traditions and bring life into the club's activity. On the flip side, however, fans are the main factor hampering the club's development towards new income streams and pro-societal and -environmental activities, as the activities promoted need to stay in line with their "moral code".

The ESG aspect in this context shows the bitter-sweet reality of the relations between fans and The Traditional Club.

"When we engage in activities such as helping children, war veterans, and the local community, we are fine. However, if we cross a thin line and engage in other, more "progressive" activities, we will be quickly

scrutinized, burning the bridge of rapport we tried to build throughout the years” – The Traditional Club Foundation’s Team Member

“In most aspects, the charity work of both bodies [the club and fans organizations] is quite separate, the fans handling their projects and the Foundation handling theirs, due to the ever-existing lack of trust and recognition. The fans fear their projects aided by the club may make their activity insignificant” – The Traditional Club Foundation’s Executive Director

The Traditional Club’s representatives take all the praise for the work, thus taking the responsibility into their own hands (e.g. blood donation project). The same happens with the projects organized by the club. In the Fans’ perception, this has to do with the Owner of the Traditional Club, which they don’t support and therefore boycott the events.

“I remember one time we were organizing the sailing charity event. The fans to the very last minute weren’t interested in participation, as they perceived [the event] was organized by the Club’s Owner, whom they don’t support” – The Traditional Club Foundation’s Project Manager

The need for a dialogue between the Club and its fans may become a foundation for a positive synergy of efforts and needs however intentional effort and will from both sides.

“The Club emphasizes community engagement, often involving local schools and environmental organizations in their initiatives. We are all part of the Green Family of the Green Club. We provide necessary coordination; the rest is done by our locals and the businesses” – Head of ESG at The Green Club

The Green Club pays a great amount of attention to the Green Family initiative, promoting the cooperation and unification of sustainability initiatives within the club’s stakeholder environment. With this in mind, the club plays an intermediary role between its stakeholders, combining and empowering non-formal movements to achieve synergy of actions.

“Continuous social media campaigns promote ecological education and activities, such as partnering with local schools and participation in local sports events, like marathons, to promote a healthy lifestyle and pro-environmental movement among our environment” – Head of PR at The Green Club

“The implementation of sustainability practices and events was easier due to our fanbase, which is not so conservative. They are open to new

initiatives, as they see what developments occur out of our actions to the local society” – ESG and External Communication Board Member at The Green Club

The switch of narrative, from traditional, sport-oriented PTSO to the Green Club has been a fairly easy task. This favorable environment of fans and community has been a major reason, why the initiative could be enforced in a relatively short time. As the club focuses on improving the standard of living for the local community, it builds bonds between its supporters, local institutions, and the fans themselves. This leads to additional value in new fan engagement and fan-related initiatives, such as the Green Marathon. The Traditional Club on the other hand may take a long time to switch the perspective of its fans towards some progressive movements, therefore needs to focus on the niche that is intact with the fans’ current worldview, and support initiatives, that are related to elderly, children and war veterans as a solution which is following the fans’ perceptions.

4.2.3.2. Sponsorship and Partnerships

“The Club has strong partnerships with major sponsors, which provide essential financial support and help enhance the club’s brand. If we play well and win, especially on the European level, more and more partners want to participate in our success” – The Traditional Club’s Sponsorship Manager

The Traditional Club builds its value proposition to sponsors and partnerships based on its sports achievements. The sports results go hand in hand with increased visibility, both on TV, but also in social media domestically and on the European level. The club’s recent presence in the European Competition has increased its advertising value to potential sponsors, which could benefit from its wide array of engaged fans, the city community supporting the club, and nationwide Polish sports enthusiasts. Moreover, with the club’s additional pilot projects such as The Park and other social initiatives, sponsors from all types of branches, sizes, and budgets may be attracted to the value provided by the Traditional Club.

“The Park project showed us the way we can proceed on, of how we can enhance the value for our partners without stretching out our relations with fans. We can base our target groups and events based on our brand, which, in turn, results in a bigger pool of partners” – The Traditional Club’s Sponsorship Manager

Due to the different target groups and scope of activity, the club is in the process of implementing price discrimination policies based on the different value propositions and levels of a company. This may serve as an additional

tool, increasing the club's income by covering niches in its target pool of sponsors.

"Sponsorships for the Club come primarily from local businesses, which align with the club's sustainability goals. Moreover, with upcoming ESG reporting regulations, more and more companies are looking for ways to engage in ESG initiatives. Our projects are an option to do so." – Head of ESG Implementation at The Green Club

By embedding the ESG goals in its strategy, the Green Club has switched its competitive advantage by creating a unique value proposition for sponsors in the Polish market. Not only do the businesses achieve the benefit of engaging in the club's ESG activities, which can then be used in their own CSR strategy, but also by partnering up with the PTSO the companies position themselves as environmentally conscious.

"Adjacent activities such as the Green Cluster for companies associated with the Green Club foster experience exchange and create a space for meaningful cooperations between local businesses to create additional value for local community and environment." – The Green Club's Board Member

A significant proof of how the club has secured its position based on this unique competitive edge on the Polish market can be seen in the current relegation process. Although the club didn't prolong its presence in the first tier of the Polish Football League, the sponsors network has been retained, highlighting the strong value of the club's ESG initiatives beyond mere sports performance

"The sponsors want to stay with us because they believe in our mission. They want to be a part of the Green Revolution, which we pioneer in" – Head of PR at The Green Club

The discrepancy between the two clubs shows also the two strategies in the Sports market. Traditional Club resembles the strategy of the Market Leader, where the biggest resources, and amount of attention from media, fans, and other stakeholders lead to the best results, both these are sports-oriented, but also business-related. On the other hand, The Green Clubs follows the Market Nicher strategy, where it uses its flexibility to adjust to the current trends in the market and seize the opportunity of becoming the first green football club in Poland and covering this niche entirely.

4.2.3.3. Media and Public Perception

“The media portrayal of our club often focuses on its rich history and large fanbase, contributing to a positive public perception, but sometimes, when the hooligans [ultras] come in, we are faced with consequences of their actions.” – CSR and External Communication Manager at The Traditional Club

“If we engage in helping people with disabilities, war veterans, and local poor, we are safe.” – The Traditional Club Foundation’s Project Manager

The CSR involvement of the Traditional Club and its Foundation are mostly correlated with the club’s conservative worldview set by the fans. The promotion of social responsibility through initiatives like maintaining war heroes’ graves and assisting families of fallen soldiers are the initiatives on which the Club’s PR stays in line with the narrative set by the stakeholders. CSR activities also relate to the inclusion and promotion of sports activities for people with disabilities. Amp-football or wheelchair fencing sections are examples of the club’s activity within the societal aspect, promoted by the media.

The children-oriented aids, such as group catch-up lessons for teenagers and school children remain the focus of the media’s attention. The four main values fans associate with the Traditional Club’s activities are pride, honor (patriotism), family, and responsibility, which are then reflected by the club’s charity initiatives. The Club also pays a great amount of attention to fostering social cohesion and improving the living conditions of the citizens of the city, opening up to new potential groups of supporters.

“The media tends to highlight the Club’s commitment to sustainability, painting a picture of a club that prioritizes environmental and social responsibility, which is also interesting for our potential sponsors” – Head of PR at The Green Club

The Green Club’s pivot towards ESG practices not only benefited the commercial side of the business. Its sustainable initiatives have garnered the attention not only of sponsors but also media, reaching beyond traditional sports media. Attracting interest from lifestyle and business publications, the Green Club has gained attention showcasing the club’s innovative approach to ESG activities.

“As our popularity was rising, we received more attention from international pro-environmental groups. We could learn from the best, leveraging the ESG policies on our domestic market” – Head of ESG Implementation at The Green Club

Its brand recognition as the first Green Polish football club has led to PTSO's inclusion in broader discussions and conferences on sustainability topics on national and international levels. The story of the Green Club has been also brought up as a case study, demonstrating a great level of leadership in the ESG field, despite being a smaller club compared to its major counterparts.

The two different strategies here also clash when it comes to media attention. The Market Leader, The Traditional Club, by its sports performance manages to stay at the headlines of sports fans' attention, whilst the Green Club focuses on the niche recipients. This may not be as broad as the target group of the Traditional Club, but it has better coverage when it comes to the target group sought by the sponsors.

4.2.3.4. Influence of Regulatory Bodies

“Regulatory bodies like UEFA influence our policies, especially in areas related to financial management and fair play. They could however become more present on the ESG practices within its associated organizations” – CSR and External Communication Manager at The Traditional Club

The Traditional Club's code of conduct and ESG initiatives are influenced by both internal policies (within the domestic market) and external regulatory pressures, with UEFA's Sustainability Strategy 2030 serving as a benchmark.

“In my opinion, the ESG regulations enforced by our national federation are just on paper, to show we do anything in this field, to look good in the face of UEFA.” – Sponsorship Manager at The Traditional Club

The UEFA's proactive stance in this matter greatly impacts the strategic focus of clubs in the League, on the other side however, the National Association's regulatory body remains more focused on priorities different from the environmental, social, and governmental aspects.

“We received an award for the refugee-aid social campaign at the beginning of the war in Ukraine, which gave it a significant potential for PR success, was however hampered by the growing negative attitude towards pro-Ukrainian initiatives among the conservatives, leading to a mild PR campaign around the award.” – the Traditional Club Foundation's Project Manager

Once UEFA engages in upfront regulations and policies on ESG implementation, this will have a positive impact and will empower us to implement more rigorous policies. This will serve as an excuse to comply

with, which may be better perceived by fans – the Traditional Club Foundation’s Project Manager

According to the interviewee, the club to change in the ESG policies needs regulations imposed, to not only force and foster sustainable actions, but also serve as an objection-handling tool in a conflict with its stakeholders, such as fans and ultras.

“The Green Club is significantly influenced by European regulatory standards, which shape their sustainability and operational strategies.” – Head of ESG Implementation at The Green Club

The Green Club exemplifies a strategy of adjusting to the European Standards set by an umbrella regulatory body. The PTSO aspires to become a leader in the Sustainability field among other clubs in Poland, with the UEFA’s Sustainability Strategy 2030 being a benchmark for the club’s own ESG efforts and committing to a broader movement towards ESG activities in Europe. The initiatives coherent with UEFA’s guidelines include child and youth protection, inclusion, health and well-being, football for all abilities, solidarity and rights, anti-racism policies, circular and climate advocacy, and event and infrastructure sustainability.

Quite on the contrary, the Green Club perceives the involvement of the Polish League regulatory body, which handles and enforces CSR restrictions on clubs statically. The policy doesn’t influence clubs’ internal policies, thus leading to the neglect of the topic among other PTSOs. As those rules are not well enforced, The Green Club uses that as an opportunity to stand out of the industry and create the competitive advantage.

4.3. Sustainability Practices

4.3.1. Sustainability in Operations

“Our club integrates sustainability into its operations by implementing recycling programs and energy-efficient practices in the stadium. We have however a long way to go when it comes to our governance and social initiatives. We need to first educate, then rip the benefits of the changes, which are slow, yet progressing.” – ESG Implementation and External Communication Manager at The Traditional Club

The approach observed within the Traditional Club exposes a significant switch towards sustainability and eco-friendly policies within the office. However, this is yet only the tip of the iceberg, as there is not much knowledge of sustainability practices and their influence on our environment. There is a lot of work at the grassroots when it comes to basic education on the importance

of recycling, living ecologically-consciously, and fully integrating green practices across all of the clubs' operations.

"Most of our current and previous sustainability practices were executed by the Foundation" – ESG Implementation and External Communication Manager at the Traditional Club

The Club itself plans on educational campaigns and direct environmental actions, such as tree planting and waste management during events, to fully embed those habits into the consciousness of its employees.

"Firstly, we have embedded sustainability in our core operations, focusing on waste reduction, energy conservation, and promoting green initiatives among fans." – The ESG Project Manager at The Green Club

The Green Club follows its strategic plans in operational execution. The PTSO prioritizes the initiatives providing added value to its ESG principles, such as active participation in local marathons, where biodegradable race numbers embedded with seeds are used to grow into plants when being disposed of.

"Through our actions, we not only foster sustainability practices within our environment but also embed long-term relations between the business and the community, which, we hope, will become a backbone for the development of a local eco-movement" – ESG Project Manager at the Green Club

Moreover, the company provides added value both to the environment and the sponsors, organizing educational events, such as planting trees in the neighborhood, where employees of a sponsor can participate in volunteering activities for the local community. A volunteering aspect plays a significant role in the entire code of conduct of the Green Club. As the PTSO serves as an intermediary, a hub for local integration and pro-environmental activities, local volunteers can join in on several eco-initiatives, such as garbage collection and segregation during sports and other events.

In this case, there is room for improvement for The Traditional Club, as the pro-ecological ecosystem in the case of The Green Club shows how adapting the ESG principles in the daily business of the club resulted in an inherited sustainably oriented worldview. This may be due to different stages of development of each of the ideas. The Green Club's idea of being a green club is a new initiative, where the club has decided to impose a radical change in its structure, business orientation, and priorities, setting itself apart from the competition. The Traditional Club however is constantly perceived as one of the biggest in the Polish market, which then correlates with an ongoing project

and existing, traditionally oriented worldview and code of conduct, which may take more time to adjust to the new trends in the market.

4.3.2. Challenges and Organizational Changes

"One major challenge for us is balancing sustainability initiatives with the need to maintain competitive performance on the football field." – The Traditional Club Foundation's Managing Director

Throughout the years 2015-2017, The Traditional Club has gone through a buy-out of two shareowners, to take over 100% shares of the club by one of the three (internal report). This has led to several changes, both in the management board, as well as within separate departments in the club. The typical functional structure, present in an old-fashioned hierarchical organizational management in sports clubs leads to limited communication among functional departments, so-called "silos", leading to internal tensions (Bento et al., 2020). The shift of power and changes in the workforce among employees has separated greatly each of the "silos", therefore making it hard to cooperate on projects.

"Although we are one team, we see that there is room for improvement in communication among the "silos". If we want to be present and set the standards for the industry, we need to be able to communicate effectively within our organization" – Sponsorship Manager at the Traditional Club

The club also has overtaken several new pilot projects, which then rely on seamless communication between the departments, but are oftentimes not efficient enough for such a big organization (around 200 people) and its constant development. As a result, the club's internal network of relations and conflicts makes the change management explicitly difficult. Fans, sponsors, media, and external governing bodies put pressure on the club's activity, influencing the operational execution of daily activities and strategic projects. The resource scarcity and harm minimization strategies e.g. accidents of hooligan behavior, lead to the vicious cycle of costs, taking over the strategic focus. The club lacks a unified strategic document, except for the financial statement, where the priorities, mission, and vision for the upcoming time are set in stone. This would simplify the decision-making process, helping with a dynamic development. However, this inability to create a written strategy may also be beneficial to the risk-averse and change-resistant employees and stakeholders.

"The Green Club faces the challenge of limited resources but continues to push forward with sustainability projects that require organizational

changes and community involvement. We strive for cross-department initiatives which facilitate the switch from “silos” to a more flexible structure.” – ESG Project Manager at the Green Club

Among internal challenges, the Green Club recognizes the departmental “silos” and static structure, as being a norm among football clubs. Although the club is in the process of adjusting its structure to new challenges with the help of cross-dimensional teams, working on specific projects, there is still room for improvement in this manner, as the need for structural changes is highlighted by the increasing need to manage and coordinate ESG activities effectively.

The two clubs investigated have voiced similar issues when it comes to the old-fashioned, functional structure, where the Green Club has made some steps to switch it into a more malleable structure, giving more elasticity for handling the ESG and the club’s new initiatives. On the other hand, due to its turbulent recent history, the Traditional Club still adjusts to the new situation, its presence on the market, and its internal code of conduct. The clubs’ structure however in both examples needs adjustments to better handle the new challenges a PTSO faces.

4.4. Resource Dependency & Mobilization

4.4.1. Resource Scarcity & Resource Mobilization

“We deal with resource scarcity by seeking diverse revenue streams and maximizing the efficiency of existing resources. We build our competitive advantage on our performance on the pitch.” – Sponsorship Manager at The Traditional Club

As the club with the biggest amount of titles won in Poland, the Traditional Club’s strategy revolves around sports performance. The Traditional Club manages its financials, human resources, and relations with stakeholders in a manner that prioritizes sports results.

“Executive decisions are being made at C-level, where both the budget and the goals for the upcoming season are set. This is then to be executed by separate departments organized in the functional hierarchy.” – Sponsorship Manager at The Traditional Club

Whilst some of the projects are seen as more favorable than others, this is also reflected in the budget projected per each activity.

“The cost-elasticity in some commercial projects, such as “The Park” and therefore the budget seems unlimited, with the hope of extending the club’s partnership portfolio, whilst in some others, such as The

Apartment Renovation Project in a suburb district of the city, did not receive substantial financing from the club's body.” – The Traditional Club Foundation's Executive Director

There is also more weight put into commercially oriented projects, rather than those that develop CSR and ESG activities in the club (such as the projects done by The Traditional Club's Foundation).

“Resource scarcity is a significant issue for us, which drives us to be innovative in their use of available resources and to seek partnerships that align with our sustainability goals.” – Head of PR at the Green Club

The Green Club's incremental part of the strategy is ESG, putting the local community in the center of attention, which significantly differs from the normative approach seen in other Polish clubs, where the sports aspect is put on the frontline. Bearing this in mind, the switch of principles leads to different prioritization of aspects related to CSR and the environment. The club embeds its main competitive edge in the brand positioning as a green club, thus leading to dominating a niche of ecologically conscious sports entity.

“We know that our strength lies within a long-term ESG practices implementation. We will be the club to go to when it comes to a pro-ecological PR and green brand recognition, which is more sustainable over time” – Head of ESG at The Green Club

The PTSO thus makes the path to a niche, yet uncovered group of strategic partners and target groups, not necessarily related or interested in sports events. This new segment of stakeholders, focusing on fostering change within the local community, and enhancing positive changes within the environment, social and governmental aspects of the club's activity may lead to yet unprecedented growth in numbers and resources at hand, thus expanding beyond the mere existence of a sports entity. With this in mind, the club prioritizes ESG activities over sports results, believing in a greater, sustainable return from this field.

This different approach to managing scarce resources also shows the different strategic orientations and priorities within the clubs' structure. The Traditional Club focuses on projects related to commercialization, which may then enhance its financial outcomes. On the other hand, when there are societal activities taken over by The Traditional Club's Foundation, they are rather underfinanced, which shows the strategic areas of focus. The Green Club on the other hand prioritizes the initiatives focusing on the ESG pillars, which may not be financially sufficient at first but may turn out as an additional pro-bono initiative that may in the end attract other sponsors. The role of diversification here

plays also a big role, as the club's initiatives, although revolving around the pro-environmental movement, may also be beneficial financially and diversified according to the target groups and their needs. In this example, the club serves as a mediator in the process of combining community service initiatives with additional value and funds provided by the sponsors. Such triadic correlation also exists for the Traditional Club, however, is not directly correlated with the ESG movement initiatives.

4.5. Strategic Adaptation & Innovation

4.5.1. Strategic Initiatives

“Our strategic initiatives include expanding beyond the sole sports performance our commercial reach to adjacent markets.” – The Traditional Club's ESG Implementation and External Communication Manager

The Traditional Club's focus lies within its benefits from sports performance. As with sports achievements, there is more attention received from its stakeholders, Traditional Club is constantly diversifying its activities within the Match Day experience, from which it hopes to gain higher revenues and thus increase the club's budget.

“Our approach towards sponsors switches from the traditional path of advertising on shirts and within the club's stadium, but it opens up towards strategic projects, which use the club's current resources and infrastructure, to provide additional value to the stakeholders. For instance, a so-called “The Park” Project has been introduced, where our fans can spend spare time before and after the game, meet with the club's players, legends and influencers, whilst also leaving the space for additional advertising opportunities. The Children's Day, Golf Cup, and Public Viewing Initiatives have led the path to a bigger variety of events connected with our club.” – Sponsorship Manager at the Traditional Club

With adjacent activities to the sport, the PTSO finds its path into incremental innovation, which stays in line with the coherent attitude of stakeholders, resulting in smaller, but important, improvements in the target groups and potential commercialization. By gaining several similar projects and events, the club's sponsorship department may benefit from adjusting the value proposition, to target new niches and securing a bigger part of the market.

“We want to be more present on the global market, which may help us explore yet unexplored market potential” – Sponsorship Manager at The Traditional Club

Traditional Club has recently been involved in a bigger project to introduce the brand to the broader European and Global markets, resulting in a global presence in the long run. The club has been involved with strategic partnerships with sports institutions from Asia, and North America, with its scouts being actively present in the South American markets.

"We want to first rip the benefits of its strong CEE presence, entering the adjacent markets with its PR presence, and exemplifying its image as an invincible club to the regional level." – Sponsorship Manager at The Traditional Club

"Our strategic initiatives focus on strengthening our community ties and enhancing our sustainability practices." – Head of ESG Implementation at the Green Club

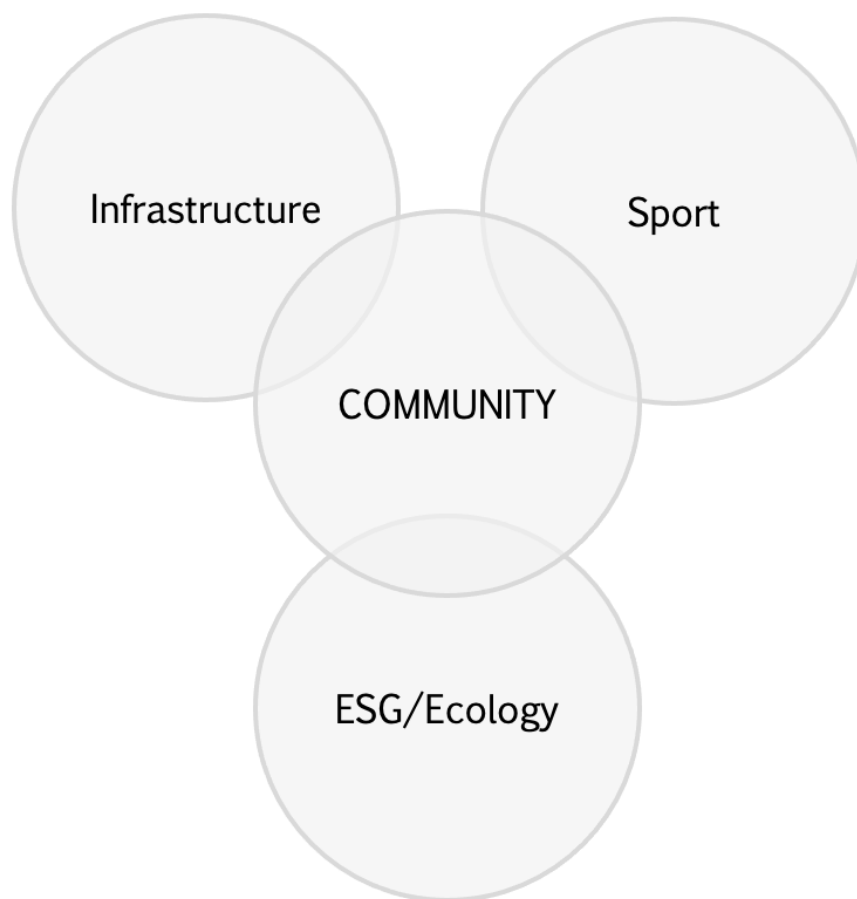


Diagram 2: Main pillars of The Green Club's strategy, own elaboration based on internal report

The strategy of The Green Club lies within 3 main sub-pillars: infrastructure, sport, and ESG/Ecology, which all boil down to the community aspect, laying

in the center of attention. Based on these principles, The Green Club manages its operations by developing widely spread long-term plans in strategic areas of its business.

“We designed and implemented the Corporate Social Responsibility (CSR) strategies for the years 2019-2022 and 2023-2027, which then later developed into a full Environmental, Social, and Governmental (ESG) approach” – ESG Implementation Manager at the Green Club

Those strategies included the element of inclusion, which was resembled in the form of social activities, engaging people with disabilities (e.g. creation of amp-football and blind-football teams) and senior citizens into sport and ecologically oriented projects (Anonymous, 2024, *ESG strategy of The Green Club*). The goal behind those activities was to raise awareness of different minorities' problems, acknowledging the need for social activism in environmental protection.

Under the umbrella term of ESG activities, 3 pillars of the acronym can be distinguished. According to the Owner of the club, its activities for the Environment pillar included the “ecological audit”, which showed the areas of improvement for the ESG strategy to come, to offset the CO2 footprint to the minimum, and minimize the negative impact of club's operations on the environment. As one of the first clubs in Poland, the club has introduced the ecology policy, which showed the code of conduct for all of the club's departments to fully align with its pro-environmental policy. The ambitious goal set in the strategy is to achieve a climate-neutral code of conduct within the club by 2030. Among the key actions to be taken, the strategy includes CO2 and carbon footprint reduction, decreasing energy usage, cautious utilization of resources, and sustainable development and entrepreneurship. Those actions will be then measured with the increase of Key Performance Indicators (KPIs) of climate neutrality, effectivity of energy usage, electromobility and infrastructure development, environmental inclusivity, and innovative solutions for environmental infrastructure within the PTSO, (Anonymous, 2024, *ESG strategy of The Green Club*). Moreover, according to the club's 2023-2027 ESG Strategy, the club has developed several projects, with the utmost goal of protecting the environment. Some of the key highlights include the plastic reduction project, eco-bus, planting 111 trees per one goal scored in the highest football division in Poland, eco-sponsors acquisition, district cleaning, and eco-assortment. The club has also improved in its development of sports facilities, built from CO2-neutral materials, solar panels, and water retention units, but also an intelligent energy management system, powered by green energy. Those activities mentioned are also backed up by the implementation of ISO systems, which would ensure the achievement of 100% electromobility

and renewable energy carrier, completing goals No. 3,4,7,8,9,11,12 and 13 of the SDGs (Anonymous., 2024, *ESG strategy of The Green Club*).



Diagram 3: Main foundations of The Green Club’s Societal strategy, own elaboration based on internal report

For the Social pillar, the 3-sub pillars of CSR, HR management, and club activities can be distinguished. The first sub-pillar has its implications in anti-discrimination policies, fighting social exclusion, management, and partnership, increasing diversity and inclusiveness. The HR sub-pillar focuses on work ethics, gender equity, and improving the mental health and security of the workforce. The last sub-pillar “club activities” focuses on Zielony Klaster’s (the Green Cluster) activities (the business club associated with the PTSO, promoting ecological activities and CSR solutions), Clubs Academy, Seniors and Fans Engagement (Anonymous., 2024, *ESG strategy of The Green Club*). The Green Cluster’s goal is to enable partner-up movements among key stakeholders of the club, promoting pro-ESG activities and experience exchange. This also helps the PTSO to achieve its goals related to the sponsorship movement. Other key actions mentioned in the sub-pillar include fulfillment of PTSO’s social, sport, business, and HR goals in the fair-play spirit. The PTSO also focuses on promoting an active lifestyle among its stakeholders, regardless of age and social background. The club acknowledges its role in the education of its stakeholders on the principles of a conscious and healthy life. The key measurements connected with those activities include the increase in employee engagement in volunteer movements based on the ESG principles, the decrease in the gender pay gap, and gender equity. Increase of partnership contracts based on the ESG principles, leading to the increase of stakeholder identification between the club, its partners, and fans. This in the end would lead to the increase of community engagement in the social and environmental activities of the PTSO. The club sets its ambitions to achieve goals 3,4,5,8,9,10 and 13 of the Agenda 2030 SDGs, resulting in 100% execution of employee workshops and training on the ESG principles and policies, and the 100% execution of contracts signed with partners based on the ESG (Anonymous, 2024, *ESG strategy of The Green Club*).

The last pillar of Governmental activities sets a goal of improving the operational and regulatory management within the PTSO, based on responsible and creative management at the workplace, gender equity and equal chances promotion, diversity and coherency in actions taken, fighting exclusion, developing communication and sustainable marketing, ending with goals cooperation according to the Goal 17 of the OECD Agenda(United Nations, n.d.), The key KPIs include the promotion in the ESG football clubs ranking in Europe, the increase of PTSO's financial stability and the increase of the club's organizational culture. The club's ambition is to achieve the goal no. 3,4,5,8,9,10,12 and 13 of the SDGs, which would help PTSO's ability to CSRD non-financial reporting.

As can be observed, the strategic focus of these two clubs differs significantly, highlighting the gap in the perspective on the sustainability aspect in building a new, market-oriented value proposition, adjusted to the ongoing trends. Deriving from the priorities of the two clubs, each is willing to then exploit the benefits of the market "niche" and its competitive advantages (The Green Club – ESG and local community; The Traditional Club – sports performance and European recognition).

4.5.2. Future Vision and Goals

"The Traditional Club aims to become a leading club in both performance and sustainability, setting ambitious goals for the future. To do so, however, we need to sort out our issues with the ultras. Once we gain mutual trust, further steps may be implemented, however, in my opinion, only in a conservative manner, as we won't get fans' permission on "progressive" matters." – The Traditional Club Foundation's Project Manager

The Traditional Club's main priority on the stakeholder's management front remains building a successful dialogue with its fan organizations. Such ongoing conflict has been one of the major hindrances of the club's development over the years. The growing conception of fans being the real "owners" of the club, and neglecting the role of the current Owner has been growing over the years. This ongoing argument has led to mutual mistrust and a lack of willingness, to try to change those relations for the better. Consequently, the position of fans within the Traditional Club's stakeholder sustains their power and influence on the strategic decisions made with the PTSO. The successful implementation of the Foundation's initiatives in CSR and ESG activities is hampered due to the conservative worldview of the hooligans, rejecting the concepts of LGBT, greenhouse effects, and even gender equity in society. Without ongoing

education and a slow, fundamental mind switch among the Traditional Club's supporters, improving the status quo may prove to be impossible.

"On a positive note, the social projects of The Foundations yield already, as the projects like the foreign language school program for children with pathologic social background. The project taught them the importance of learning a foreign language and using it practically and benefited the club in the form of former students returning to the club's facilities as volunteers." – The Traditional Club Foundation's Project Manager

Building a strong reputation beyond sports, and attracting new demographics interested in social and community engagement is to become Traditional Club's strategic area of focus, with the regulatory pressure aspect influencing the pace of such movements within the organization. The expected growth in ESG focus is said to also tackle the sports industry, leaving the clubs no option, other than to adjust to the rules.

"In conclusion, our approach to integrating sustainability within a competitive sports framework presents unique challenges and opportunities. Our strong stakeholder network and strategic initiatives provide a solid foundation for achieving our future goals, however, can be a more time-consuming process." – The Traditional Club Foundation's Project Manager

The ambitions remain high, reflecting the club's sports aspirations, of becoming a leader in sustainability within Polish and European football, but may in the future be contrasted with the pressure from outside of the club.

"We envision a future where we are recognized not only for their on-field performance but also as a role model for sustainable practices in the Polish sports industry. We know that ESG is a process of constant improvement, but we foresee a bright future ahead of us." – Head of ESG Implementation at the Green Club

The Green Club wants to carry on its path towards becoming a climate-neutral entity, whilst providing additional value to the community, stakeholders, and the environment. Ambitious plans to continue and expand sustainability projects include the construction of a new eco-friendly stadium designated to be a multifunctional community hub, hosting local community events, and business and pro-environmental activities.

"[The Green Club's] dedication to sustainability, despite resource constraints, highlights their innovative approaches and commitment to community engagement. Their strategic focus on environmental and social responsibility positions them as a leader in sustainable sports management." – The Green Club's ESG and PR Board Member

The emphasis on maintaining and enhancing the club's ESG initiatives regardless of sports outcomes, highlights the processing nature of ESG strategy development, this being a continuous improvement process. The goal of the Green Club is to maintain its brand recognition, thus aiming to become a role model for other clubs in Poland.

Both clubs want to carry on their path towards more sustainable solutions and activities, which may come in two different paces of development. As the Green Club is already well-established on its path towards becoming a climate-neutral, or even climate-positive entity, the Traditional Club has a lot to do when it comes to the work at the grassroots. Further development of regulatory policies in the field of ESG reporting and execution may speed up the process to fully embark on the journey toward a sustainable PTSO.

5. Discussion

5.1. Reflection on the study

This study contributes to a better understanding of the PTO's decision-making processes under resource scarcity. On the example of sustainability policies, an analysis of forces influencing the final policy of a PTSO, and the role stakeholders play in developing and diminishing their implementation was examined. The scholar identified 4 overarching topics influencing the SSI processes: 1) Stakeholder Ecosystem, 2) Sustainability Practices, 3) Strategic Adaptation & Innovation, and 4) Resource Dependency & Mobilization. For a PTSO to thrive, it needs to keep up with the changes within the industry and utilize new ways towards competitive advantages. This can be done by focusing on delivering superior customer value, which differs from the industry average (Woodruff et al., 1997). One such example is the sustainability aspect, which has a profound impact on the code of conduct of a PTSO and the incorporation of ESG principles demands incremental changes in the PTSO's decision-making and focus. This means adjusting the club's mission, vision, strategic decisions, and operational activities, all working according to the ESG principles. PTSOs depend on scarce resources, which inherently build their competitive advantage. The shift in focus from purely commercial effectivity towards a sustainability code of conduct results in internal tensions and

dilemmas, adding up to the risk of doing business. A PTSO can either conduct a radical change towards sustainability or make incremental steps towards ESG excellence. This highly depends on the internal stakeholder's alignment, PTSO's adaptive internal structure, and awareness of ESG principles. This answers the first research question of the study: *"How do PTSOs deal with dilemmas and tensions in decision-making in relation to sustainability goals and other priorities?"*.

The second aspect shaping PTSO's decision-making process is its relation with external stakeholder groups. These ecosystem actors have different agendas and benefit from PTO's existence in a different way. The level of influence and empowerment also differs, making the process of stakeholder dialogue an important, yet difficult aspect of the PTSO code of conduct. The interdependence of entities within the ecosystem has been shown in the triadic relations, which show how value flows between the actors, but also how one relation between two actors influences the co-relation between other entities. This co-dependence and reliance on resources obtained from the external environment makes stakeholder management a vital skill and element of PTSO's strategy. Therefore, the influence of external stakeholders plays an even bigger role than first anticipated. Cultivating and maintaining strong, healthy relationships with key stakeholder groups within the ecosystem may become a profound element of the PTSO orientation in the future. This solves the second research question: *"How do these dilemmas and tensions affect perception among key ecosystem actors?"*. Those, who manage to handle stakeholders' relations management and utilize it in a beneficial way, will gain significant access to more power relations and, may achieve the strategic goals more easily.

5.2. Theoretical contributions

The research on sustainability practices and stakeholder management in the sports industry has gained traction over the years. This research contributed to gaps in both streams by extending the knowledge of key factors impacting the decision-making process within a PTSO.

By applying the Open Systems Perspective (Scott, 2003), this study shows the critical role the external environment plays in shaping PTSO's strategies and operative code of conduct. Clubs do not operate in isolation and thus must be viewed in the broader context of interaction with different stakeholder groups. The entities studied stay in contrast to one another, as their environment shaped their strategies differently. This expands on the current knowledge of the influence of external stakeholders on a PTSO, previously mentioned by Cury et al. (2022). The importance of other key stakeholders in the sports industry, such as sponsors, clubs, and associations has been

highlighted and analyzed, which explores new dimensions of analysis and understanding of decision-making processes (Cury et al., 2022).

Service Ecosystem Perspective presented by Vargo and Lusch (2016) and its application within the sports industry deepens the understanding of the Open Systems Perspective. The actors, although independent, create a network of connections, which then contribute to the value co-creation of the external stakeholders. The triadic framework of analysis (Simmel, 1950) allowed a wider perspective on the relations between each stakeholder group, which then shaped value exchange with another entity (Walzel et al., 2018). This also allows for a deeper understanding of triadic relations, which was previously only studied in the dyadic concept (Walzel et al., 2018; Siltaloppi and Vargo, 2017). The combination of service ecosystems and triadic relations offers a new perspective on analyzing the multidirectional linkages and value co-creation processes within sports organizations, previously lacking in academic research (Walzel et al., 2018).

Another layer to analysis was added by the perception of resource scarcity in the sports industry scenario. Resource Dependence Theory (Pfeffer & Salancik, 1978) puts into perspective the aspect of managing scarce resources and PTSO's dependence on the external environment to provide necessary means for its operations. Resource Mobilization Theory (Corte, 2013) in this context deepens the understanding of *how* a PTSO may approach the aspect of effective resource mobilization by finding competitive niches and securing its competitive advantages, such as sustainability practices implementation (Walzel et al., 2018).

By further investigating the stakeholder status in shaping sustainability objectives within and beyond a PTSO, the study contributes to a better understanding of the forces impacting a PTSO's decision-making process, specific to the industry. The necessity of an effective Stakeholder Dialogue and its implications on the PTSO's code of conduct provides further understanding of the Stakeholder Theory in the PTSO's environment (Walters & Tacon, 2010; Freeman, 1984; Senaux, 2008). This all helps to understand, how each of the SSI components shapes PTSO's decision-making process in practice. Moreover, the study helps to understand, *what* role sponsors play in shaping environmental sustainability practices in sports, which gap has been previously mentioned by several scholars (Breiting and Wickenberg, 2010; Colvin et al., 2015; Head et al., 2005). Furthermore, this study expands on the current level of understanding, of how the umbrella organizations such as UEFA and National Federations shape the environment and PTSOs priorities (Cury et al., 2014).

Lastly, the research contributes to the current gap in the literature on sustainability strategies in sports organizations within the Central Eastern

European Region (CEE), previously lacking research in this field. The substantial increase of scholar interest in the topic of sustainability in the sports industry enables a more thorough understanding of implementation practices in the industry (Walzel et al., 2018). By understanding how contextual factors influence sustainability strategies in PTSOs within the given region, it enables further investigation of cross-regional differences in sustainability integration in the sports industry (Bulkeley & Jordan, 2012; IPCC, 2014).

5.3. Implications for practice

The research provides several practical implications for the activity of the PTSOs on the market. Firstly, the implementation of the ESG strategies may not only be another burden for financial reporting but may also be a key to enhancing brand reputation, attracting new, eco-conscious sponsors, and fostering community support within the local area. It also builds up additional value for the stakeholders (Wong et al., 2020), which may become a driving wheel for building a sustainable source of income, not related to the shortcomings in sports performance. The club exposes itself to a new target group, and niches not yet explored, and its substantial reach allows sponsors to better target its customers, and thus, enhance the value and commitment to all parties involved (Havila et al., 2004). As of the interviews conducted, the interviewees also expect higher legislation conducted on ESG practices and reporting in the sports industry shortly, therefore a switch in the perception of these aspects may prove essential for building and sustaining a significant market share in the industry. The implementation of sustainable policies may build up a positive affiliation with the brand, transmitting positive signals to the environment and stakeholders (Zhan, 2023). Managers should therefore seek this innovation if they want to increase their competitive levels and differentiate themselves from the sports market. This may result in “early adopters” access to the new business partnerships and commercial perspectives, by covering the yet not fully explored niche. It may also be beneficial in the long run, where at some point the PTSOs may be required to report on ESG practices, which would not require any additional workload on the reporting managers’ side. The ESG principles will already be embedded.

Among the practical recommendations for PTSOs, this research helps to show the importance of setting up a groundwork in the sustainability practices implementation within a PTSO. Marketing, ESG, and sales managers in PTSOs should involve all the key stakeholders to the table when deciding on such radical innovation, as sustainability practices implementation. There needs to be a thorough understanding of changes implemented to a wider audience, which is based on their specific needs and differing agendas. By ensuring stakeholders’ involvement in the initial stages of ESG strategy development, not only will be beneficial for future strategy adaptation but will also ensure

the consent of all parties involved. The strategy will be set in a, tailored PTSO scenario, allowing better adaptability. Without stakeholder involvement, this may lead to a disconnection between actors' priorities and common agendas, resulting in a decreased level of trust. It is thus vital for the managers to understand the external and internal stakeholder landscape of a PTSO. What are the main stakeholder groups? What are their agendas? How do they benefit from a PTSO? How does a PTSO benefit from this relationship? Only if a manager has the right answers to the questions, this process may be successful. Additional value from the study may be the stakeholder map and triadic relations provided in this study, to better grasp the concept of stakeholder environment of a PTSO. This however needs to be adjusted to a particular case of a PTSO. Furthermore, ESG managers in the field should focus on strategy co-creation, working closely with main stakeholders and harmonizing a common understanding of external and internal forces influencing a PTSO.

This may be further enhanced by developing comprehensive educational campaigns on sustainability practices among key stakeholders within the sports industry ecosystem, to further preach the idea of a climate-neutral industry, leading to new potential target groups and recipients. The commercial and PR communication teams may then benefit from such activities, providing additional value to the clients, building mutual understanding, and adjusting the value proposition based on new, updated offerings. In the end, such investment can yield significant returns in both PR and commercial aspects of the business (for example, a sustainability strategy, implemented in line with all stakeholders, maybe a possibility to attract new sponsors and partners, providing vital resources and financials to the PTSO).

By integrating ESG principles into the core business strategy, the managers may foster collaboration with stakeholders to innovate sustainability initiatives, which may result in a mutual benefit to all parties involved. The brokerage role of the PTSO in such systems ensures mutual trust, and proper management of the interaction and solidifies a mutual benefit for all (Sitaloppi and Vargo, 2017). This may help build a long-lasting bond with stakeholders, which may prove vital in the future steps of the club's development, not only in the sustainability field but in all aspects of PTSO's activity.

5.4. Limitations and future research

The study and the research method may pose some limitations to the outcomes of this study. As the study takes the insider's point of view, showing an in-depth perspective on the club's activities and policies, it is only limited to two clubs and may not be representative of the stance of the entire sports industry. The focus on one Polish market may not capture global variations,

including cultural differences and social customs. As the pilot study was conducted as an introduction to the topic of resource scarcity and sustainability and its implications in the business conduct of a PTSO, there may occur biases in interviews and observations, which may be subjective. Moreover, the data provided by the clubs may not fully capture sustainability practices, as the access to data in the two cases was different, thus leading to a higher level of analysis, without an in-depth focus on each of the aspects. Data provided may not entirely reflect the actual stance of sustainability aspects due to the no obligation from regulatory bodies on ESG reporting. Therefore, this study should serve as an introduction to the topic of sustainability practices and decision-making under resource scarcity in the sports industry, followed by an in-depth analysis of the current research stance of each of the aspects of this study.

Future research in the field of sustainability and decision-making under resource scarcity for the sports industry should expand the reach of the study on additional entities with different social and economic backgrounds, ranging from different league tiers and different geographical regions in the world. This would enhance a deeper understanding of the topic, showing potential practical implications and results based on a larger sample of entities researched. Moreover, a longitudinal study may come in hand when tracking the entities' progress over time, to ensure a comprehensive overview of the actions undertaken, creating a list of best practices based on each stakeholder's environment.

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