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## Presenting a Model of the role of Corporate Governance and Ownership Structure on Innovation in Iranian Professional Sports Clubs

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| Article Info                                    | Abstract                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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| <b>Article type:</b><br><b>Research Article</b> | <p>The present study aimed to propose a model of corporate governance and ownership structure affecting innovation in Iranian professional sports clubs. This research employed a qualitative approach using the grounded theory method (Glaserian approach). Data were collected through 21 in-depth interviews with experts, including chief executive officers, board members, university professors, and consultants, and were analyzed through open, selective, and theoretical coding. From a total of 150 initial codes, 26 main categories were extracted and organized within Glaser's 6C's family, including causes, conditions, contexts, Contingencies (interventions), Covariances (strategies), and consequences. The core category was identified as "structure-dependent innovation," indicating that innovation is strongly influenced by governance and ownership structures. The main causes included board dependence, individual-oriented innovation, and characteristics of ownership structure. Major barriers were identified as administrative bureaucracy, weak planning, and organizational fear. Positive interventions included the impact of private ownership, the reformative role of independent directors, and the role of specialized consultants. Strategies had the lowest frequency, reflecting the lack of systematic strategies in clubs. The ultimate consequence was identified as "the perpetuation of the structure-dependent innovation cycle," indicating the episodic, individual-oriented, and unstable nature of innovation in Iranian clubs. Accordingly, the findings suggest that strengthening governance structures, enhancing board independence, reducing administrative bureaucracy, establishing innovation-oriented reward mechanisms, fostering an organizational culture supportive of risk-taking, and developing long-term strategies may create more favorable conditions for sustainable innovation in Iranian professional sports clubs.</p> |
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## Introduction

In recent decades, professional sports have evolved from a mere recreational and competitive activity into one of the most important and lucrative industries in the world. This remarkable transformation has turned sports clubs from simple, informal entities into complex organizations with advanced management structures, multi-billion-dollar financial turnovers, and extensive influence on the economy and society (Conti et al., 2025). Today, professional sports clubs function as economic and productive enterprises within the sports industry, whose success is measured not only by athletic results but also by their ability to compete in complex and dynamic domestic and international markets (Flanagan., 2025). With substantial revenues generated from the sale of television broadcasting rights, marketing, player transfers, sponsorships, and brand commercialization, these institutions have become the driving force of the sports economy. Consequently, the need for professional management and a coherent organizational structure to govern them is increasingly felt (Cerrato., 2025).

In such a competitive and challenging environment, innovation for clubs is not a choice but a necessity for survival and progress (Zhang., 2025). Innovation in professional sports extends beyond mere technical outcomes and encompasses all dimensions of a club, including marketing and fan engagement, business and revenue generation models, the use of modern technologies in training and competitions, talent and academy management, and even methods of interaction with stakeholders (Hoff., 2022). Clubs capable of creating and implementing innovation not only perform more successfully in attracting and retaining fans and sponsors but can also create long-term competitive advantage through sustainable value creation (English., 2025). Indeed, innovation is regarded as a strategic necessity for the growth and sustainable development of professional clubs in the present era, and its absence can signify backwardness and ultimately elimination from the competitive arena (Gabrisova et al., 2025).

Nevertheless, achieving innovation in professional sports clubs is not simply possible and is influenced by numerous and complex factors. One of the most significant and fundamental of these factors is the manner of management and governance of these organizations, namely the corporate governance system (Hu & Shu., 2024). Corporate governance, which refers to the set of relationships among company management, the board of directors, shareholders, and other stakeholder groups, provides a framework for determining organizational objectives, the means to achieve those objectives, and performance monitoring (Myung., 2024). Indeed, good corporate governance can, by fostering transparency, accountability, managerial discipline, and a balance among diverse interests, create a suitable platform for intelligent risk-taking and investment in innovative areas (Boillat & Tallec Marston., 2015). Mechanisms such as board independence, the presence of non-executive directors, performance-based reward systems, information transparency, and effective monitoring of managerial performance are among the key components of corporate governance that can steer a club's strategic orientation towards innovation, or conversely, by creating rigid and inflexible bureaucracy, hinder the emergence of creativity and innovation (Dowling, Harris & Garcia., 2025).

Alongside corporate governance, the ownership structure of clubs is also considered another determining factor in their propensity for innovation (Michie & Oughton., 2005). The fundamental question is who or what entity owns the club and how this ownership impacts strategic decisions, particularly in the area of innovation (Von Schomberg et al., 2025). In Iran, professional sports clubs exhibit considerable ownership diversity. Some are state-owned and administered by the Ministry of Sports and Youth or non-governmental public institutions, others are privately owned by companies or private investors, and a group operates with mixed or institutional ownership structures (Salimi et al., 2024). This ownership diversity creates different motivations, goals, and approaches for managers and decision-makers. For instance, in state-owned clubs, political and social objectives may take priority over economic and innovative goals, whereas in private clubs, profit maximization and return on investment can be the primary drivers of innovation (Salimi & Khodaparast., 2019). Furthermore, the concentration or dispersion of ownership, the extent of owners' involvement in executive affairs, and their long-term or short-term perspective are all factors that influence the innovation climate within the club (Nunez-Barriopedro et al., 2020).

In line with the subject of the present study, numerous international research works have examined various dimensions of this field, and a review of their most important findings is necessary. Baumeister et al. (2025), in a study of 54 German football clubs, concluded that governance structures are highly heterogeneous, but their underlying institutional logic is homogeneous. Governance analysis must go beyond legal form and examine the complex relationships between associations and affiliated companies. Myung

(2024) investigated ESG management values in South Korean professional clubs from consumers' perspective and identified three types of values including "trust-centeredness," "community-centeredness," and "safety and respect culture" as the main components of club sustainability. Manzari (2024), in a study on Italian Serie A clubs, showed that corporate governance variables such as board composition, supervisory bodies, and transparency have a direct and significant impact on profitability and reduction of bankruptcy risk in clubs. Yu and Jeong (2024) identified practical ESG strategies for professional clubs in three areas: waste management and sustainable operations (environmental), youth development and social services (social), and transparency and anti-corruption measures (governance). Solanellas et al. (2024), in a study on Catalan sports federations, demonstrated that lack of stakeholder participation in decision-making, absence of managerial supervision, and low transparency are the main governance challenges of these organizations. Furthermore, the size of federations has a significant relationship with their governance characteristics. Agostino and Thomasson (2024), comparing two clubs, Malmo (non-profit) and Bologna (private), showed that both clubs focus equally on financial and non-financial performance and, in practice, employ a combination of governance models to manage the tension between these two types of performance. Evans, Walters, and Hamil (2024), in a study on English clubs, demonstrated that foreign owners in the Premier League create greater financial stability compared to domestic owners and have less tendency toward financial gambling to achieve sporting success. Morales and Schubert (2022), in their research, critiqued the governance structure of North American professional leagues and concluded that power concentration in the commissioner's office, lack of separation of powers, and disregard for stakeholders are the most important challenges facing these leagues on the path to good governance. Kozma and Teker (2022), examining digital innovations in English Premier League clubs, concluded that fans are the main stakeholders of these innovations, and this increases clubs' bargaining power against players. Nazari, Fathi, and Shafiei (2024), in a study titled "investigating the impact of corporate governance on innovation," demonstrated that ownership concentration, state ownership, and institutional ownership reduce innovation, while the proportion of non-executive directors and board compensation increase it. Akbari Birgani, Malmir, and Abbasi (2023), in a study titled "analysis of the effects of privatization on organizational performance," showed that privatization has a positive impact on organizational goals, corporate governance characteristics, organizational structure, and firm performance. Mohammadi Raeoof et al. (2021), in a study titled "identifying factors affecting the realization of good governance in Iran's sports industry," identified eight main factors including development-oriented governance, efficient administrative structure, and rule of law. These studies, while confirming the environmental and structural complexities facing Iranian clubs, highlight the necessity of paying attention to the governance system and ownership structure as the main infrastructures of professional development.

Despite the increasing importance of innovation for the survival and success of professional sports clubs in Iran, and despite the recognized role of corporate governance and ownership structure in shaping organizational outcomes, there remains a significant gap in understanding how these structural dimensions interact to influence innovation processes within clubs. Existing domestic studies have largely examined privatization, commercialization, or financial performance in isolation, without developing an integrated and process-oriented explanation of how governance mechanisms and ownership configurations shape innovation capacity. Consequently, there is a lack of a comprehensive theoretical model that explains the structural drivers, contextual conditions, and strategic responses affecting innovation in Iranian professional sports clubs.

In light of the aforementioned points and with a deep understanding of the existing research gap regarding the relationship among corporate governance, ownership structure, and innovation in Iranian professional sports clubs, the present study seeks to address this important issue by employing the grounded theory method. Aiming to present a model based on objective data and the lived experiences of activists and experts in this field, this research endeavors to provide a clear and in-depth picture of how corporate governance mechanisms and various ownership structures influence the innovation process in clubs. The findings of this study, while enriching the theoretical literature in the field of sports management and corporate governance, can offer practical and applicable guidelines for policymakers, senior sports officials in the country, club boards of directors, investors, and other stakeholders. Relying on these guidelines, they can provide the necessary foundations for creating and strengthening innovation in these influential social and economic institutions. Accordingly, this research aims to develop a grounded theoretical model explaining the

relationship between corporate governance, ownership structure, and innovation in Iranian professional sports clubs, thereby contributing to both the theoretical advancement of sports governance research and the practical improvement of policy and managerial decision-making in this field.

### Research Methods

The present study is applied in terms of purpose and exploratory in terms of nature, as it seeks to discover and explain a phenomenon that has not yet been systematically investigated in the context of Iranian professional sports clubs. The approach of this research is qualitative, and the strategy employed for its implementation is grounded theory with an emphasis on the Glaserian approach. This approach emphasizes the emergence of theory from data and requires the researcher to enter the research field without predetermined theoretical assumptions and allow the theory to gradually and inductively emerge from the data (Vahdani & Labbaf, 2026). The reason for selecting this approach for the present study was that the main objective was to discover and present a model based on objective data and the lived experiences of activists and experts in Iranian professional sports clubs, rather than testing pre-existing theories. In the Glaserian approach, the process of constant comparison of data and continuous coding forms the core of the method, and the researcher simultaneously collects and analyzes data (Khodaparast, 2023). In this research, this process was fully observed, and data analysis was conducted concurrently with data collection.

The statistical population of this study included all experts and authorities possessing sufficient knowledge and experience in the field of Iranian professional sports clubs. These individuals comprised CEOs of professional sports clubs, members of the boards of directors of these clubs, university professors specialized in sports management—particularly in the management of professional clubs—senior experts from sports federations associated with professional leagues, as well as legal and financial consultants active in the sports industry. The main criterion for selecting these individuals was their deep familiarity with managerial mechanisms, ownership structures, and issues related to innovation in Iranian professional sports clubs. Accordingly, individuals who had at least five years of direct professional experience in one of the aforementioned fields and who had been continuously engaged with the contemporary managerial challenges of professional clubs were considered eligible to participate in the study.

Sampling in this study was conducted purposively using the theoretical sampling method, which is a distinctive feature of grounded theory research. In theoretical sampling, the researcher initially selects participants who are able to provide rich and relevant information about the phenomenon under investigation. As the research progresses and initial concepts and categories begin to emerge from the data, the sampling process continues purposefully in order to refine, develop, and saturate those categories.

In the present study, the sampling process began with the purposive selection of three experienced managers from Iran's Football Premier League clubs. Following the extraction of initial codes and concepts from the early interviews, theoretical sampling continued in order to obtain richer and more diverse insights into the emerging categories. The criterion for determining the final sample size was theoretical saturation. Theoretical saturation refers to the stage at which newly collected data no longer provide additional information for generating new concepts or categories and the main categories have been sufficiently developed and enriched. In the present study, theoretical saturation was achieved after conducting 21 in-depth interviews with experts. From the nineteenth interview onward, the data collected were largely repetitions of previously identified information and no new categories or concepts emerged; nevertheless, two additional interviews were conducted to ensure that full theoretical saturation had been reached.

The main data collection tool in this study was semi-structured and in-depth interviews. Semi-structured interviews allowed the researcher, while adhering to the main axes of the research, to have the necessary flexibility to follow up on emerging ideas and concepts in dialogue with the interviewees. The interview questions were designed around the main axes of the research, namely corporate governance, ownership structure, and innovation in professional sports clubs; however, the interview process proceeded in a completely open manner so that the interviewees could fully express their experiences, views, and perceptions. Examples of interview questions included: "How is corporate governance exercised in your club, and what impact has it had on innovation?", "What are the characteristics of your club's ownership structure, and what role has this structure played in innovative decision-making?", "What forms has innovation taken in your club, and what factors have been effective in strengthening or weakening it?", "What is your experience of the interaction between the board of directors and the CEO regarding innovative

projects?", and "What obstacles and facilitators exist for innovation in Iranian sports clubs?". The interviews were recorded with the permission of the interviewees and were then transcribed accurately and verbatim to serve as the basis for analysis. In addition to interviews, other data sources such as documents and records available in clubs (e.g., articles of association, annual reports, and minutes of meetings), official websites of clubs and federations, related media news and reports, as well as the researcher's field notes, were also used to enrich the data.

The data analysis method in this study was based on the coding stages in grounded theory with the Glaserian approach. In this approach, the analysis process begins with open coding. At this stage, the raw data obtained from interviews and other sources were examined line by line and phrase by phrase, and initial concepts were extracted from them. After extracting the initial codes, selective coding, that is, the process of constant comparison, began during which each new code was compared with previous codes to identify similarities and differences. Through this continuous comparison, similar codes were categorized into concepts and then into more abstract categories. In the final stage, namely theoretical coding, the researcher sought to discover the relationships among the main categories and identify the core or central category that encompasses other categories and gives meaning to them. At this stage, among Glaser's coding families, the 6C's family, including Causes, Consequences, Conditions, Contexts, Contingencies (Interventions), and Covariances (Strategies), was used to organize the categories and discover the relationships among them. Finally, the final research model was developed and presented based on the identified categories and relationships.

To assess the trustworthiness or credibility of the findings, which corresponds to internal validity in quantitative research, member checking and external audit methods were employed. In the member checking method, a summary of the findings and the coding performed was provided to five of the interviewees, and their opinions were sought regarding the alignment of these findings with their perceptions and experiences. After reviewing the material, these participants, while generally confirming the findings, also provided additional points that were incorporated into the final analysis. In the external audit method, the research process and the coding performed were reviewed and confirmed by two professors familiar with qualitative methods and grounded theory. To ensure transferability or generalizability of the findings, which corresponds to external validity in quantitative research, the method of thick and detailed description of the research context was used. Accordingly, a precise and comprehensive description of the participants' characteristics, the research contexts, and the data collection and analysis process has been provided so that readers can judge the extent to which these findings are transferable to similar contexts.

## Findings

Table 1 shows the demographic information of the statistical sample of the study.

**Table 1- Demographic Information of the Statistical Sample of the Study**

| Characteristic                  |  | Category                                              | Frequency | Percentage |
|---------------------------------|--|-------------------------------------------------------|-----------|------------|
| <b>Gender</b>                   |  | Male                                                  | 17        | 81         |
|                                 |  | Female                                                | 4         | 19         |
| <b>Age Range</b>                |  | 35-40 years                                           | 2         | 9.5        |
|                                 |  | 41-45 years                                           | 6         | 28.5       |
|                                 |  | 46-50 years                                           | 5         | 24         |
|                                 |  | 51-55 years                                           | 5         | 24         |
|                                 |  | 56 years and above                                    | 3         | 14         |
| <b>Education Level</b>          |  | Bachelor's Degree                                     | 2         | 9.5        |
|                                 |  | Master's Degree                                       | 9         | 42.8       |
|                                 |  | Doctoral Degree (PhD)                                 | 10        | 47.5       |
| <b>Occupational Groups</b>      |  | Chief Executive Officers (Current and Former)         | 4         | 19         |
|                                 |  | Board Members (Current and Former)                    | 5         | 24         |
|                                 |  | Specialized Consultants (Legal, Financial, Marketing) | 7         | 33.5       |
|                                 |  | University Professors                                 | 3         | 14         |
|                                 |  | Senior Experts of Sports Federations                  | 2         | 9.5        |
| <b>Relevant Work Experience</b> |  | 5-10 years                                            | 4         | 19         |
|                                 |  | 11-15 years                                           | 8         | 38         |
|                                 |  | 16-20 years                                           | 6         | 28.5       |
|                                 |  | More than 20 years                                    | 3         | 14.5       |
| <b>Total</b>                    |  |                                                       | <b>21</b> | <b>100</b> |

Open coding is the first stage of data analysis in the Glaserian approach, during which the raw data obtained from interviews are examined line by line and phrase by phrase, and initial concepts are extracted from them. In the present study, from a total of 21 in-depth interviews conducted with experts and authorities in the field of Iranian professional sports clubs, 150 initial codes were extracted. Table 2 shows examples of the interview texts and the extracted initial codes.

**Table 2- Examples of Interview Texts and Open Coding (Extraction of Initial Codes from Interviews)**

| Row | Excerpt from Interview Texts                                                                                                                                                                   | Initial Code                                                    |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| 1   | Unfortunately, in our club, most board members are either affiliated with a government institution or are appointed by that institution, and they practically have no independence of opinion. | Dependence of board members on the government                   |
| 2   | Innovation in our club happened mostly due to the CEO's personal connections with sponsor companies, not because of a systematic process.                                                      | The role of personal connections in attracting sponsors         |
| 3   | Whenever we wanted to do something new, for example, establishing an academy or using new training software, the board stopped us due to fear of failure and accountability.                   | Board's fear of failure in innovative projects                  |
| 4   | The private ownership of the club made the CEO more motivated to generate income and be creative, because the profit directly benefited him.                                                   | The motivation of private ownership for innovation              |
| 5   | Over the years, every manager who came brought some new ideas, but with his departure, everything stopped, because the system was not innovative; the individual was innovative.               | Innovation being individual-oriented, not system-oriented       |
| 6   | Our club's articles of association date back to 2006 and practically have no mechanism for entering new areas such as digital marketing or fan engagement.                                     | Non-conformity of articles of association with innovative needs |
| 7   | The compensation of the board and the CEO is not related to innovative performance; everything is determined based on seniority and relationships.                                             | Lack of connection between compensation and innovation          |
| 8   | The Ministry of Sports, as the main shareholder, annually communicates a set of general goals that are usually result-oriented, not process-oriented, so innovation has no place.              | Communication of result-oriented goals by the state owner       |
| 9   | To establish the advanced analysis department, we sought board approval for six months and had almost given up.                                                                                | Administrative bureaucracy hindering innovation                 |
| 10  | In board meetings, no one talks about research and development or innovation; everyone is only involved in daily routine issues and debts.                                                     | Lack of discussion about innovation in meetings                 |
| 11  | Once, a younger board member with university education proposed a plan to attract fans through an application, but because the other members did not understand it, it was not voted for.      | Resistance to new ideas by older members                        |
| 12  | In state-owned clubs, every decision must pass through several administrative layers, and by the time it comes through, the opportunity is lost.                                               | Slowness of the decision-making process in state-owned clubs    |
| 13  | Our biggest innovation in the last three years was establishing the club museum, which was also due to the owner's personal interest, not a written plan.                                      | The role of the owner's personal taste in innovation            |
| 14  | Two years ago, we formed a young and creative team for digital marketing, but we dissolved it after six months because the board wanted immediate results.                                     | Expectation of immediate results from innovation                |
| 15  | Sponsors ask us why your club does not have a clear brand and is not active in cyberspace; this is a managerial weakness.                                                                      | Weakness in digital branding                                    |
| 16  | Board meetings are completely ceremonial; everything is predetermined in the government's think tank, and we just stamp our approval.                                                          | Ceremonial nature of board meetings                             |
| 17  | In our club, we have a research and development unit that exists only on paper; it has neither budget nor authority.                                                                           | Symbolic existence of a research and development unit           |
| 18  | When the club was private, we had more courage to take risks, but ever since it became state-owned, we are all afraid of being held accountable.                                               | Decreased risk-taking with the club becoming state-owned        |
| 19  | Our CEO is simultaneously the chairman of the board, and practically there is no supervision over him; he does whatever he wants.                                                              | Concentration of power due to duality of roles                  |
| 20  | We had many good ideas in the club, but there was no money for them, because the club's budget is spent on current debts, and nothing remains for innovation.                                  | Lack of financial resources for innovation                      |
| 21  | Once we proposed using virtual reality for training goalkeepers; the board said this is extravagance and has no benefit.                                                                       | Managers' lack of understanding of new technologies             |

| Row | Excerpt from Interview Texts                                                                                                                                   | Initial Code                                                                       |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| 22  | Some board members did not attend even a single meeting throughout the year, but they receive salaries.                                                        | Absence of board members from meetings                                             |
| 23  | In all these years, there was a woman on the board only once, who presented creative ideas about interacting with female fans, which was very successful.      | Positive role of women's presence in presenting innovative ideas                   |
| 24  | The Ministry of Sports says we must become self-sufficient and generate revenue, but on the other hand, we must get permission for every advertising contract. | Contradiction in the policies of the state owner                                   |
| 25  | Innovation in our clubs is a luxury; when our main problem is money and debt, who thinks about innovation?                                                     | Innovation being a luxury in conditions of financial crisis                        |
| 26  | In selecting board members, sports or management expertise is not the criterion; relationships and dependencies are the criterion.                             | Lack of expertise in the composition of the board                                  |
| 27  | For every new project we propose, they say bring it and let's see where it has been implemented before and worked; we cannot experiment ourselves.             | Lack of self-confidence to test new ideas                                          |
| 28  | Our managers are constantly changing; before a manager can start something, they replace him.                                                                  | Managerial instability due to frequent changes                                     |
| 29  | We proposed amending the articles of association several times to have more authority for innovation, but it was never followed up.                            | Lack of follow-up to amend obstructive laws                                        |
| 30  | In our club, all senior managers are over 60 years old and do not communicate with the new world.                                                              | Advanced age of managers and lack of familiarity with new technologies             |
| 31  | A private investor came to the club and said I want innovation and I will also pay for it; this was the biggest motivator.                                     | The motivating role of the private investor in innovation                          |
| 32  | The biggest obstacle to innovation in our sports is the cumbersome laws and bureaucracy of the Ministry of Sports.                                             | Government bureaucracy as the main obstacle to innovation                          |
| 33  | We had an innovative plan for online ticket sales, but the League Organization opposed it because it had a monopoly on ticket sales.                           | Monopolism of upstream institutions hindering innovation                           |
| 34  | Our board only signs; none of them study to see what clubs around the world are doing.                                                                         | Lack of study and updating of managers' knowledge                                  |
| 35  | In a meeting where we talked about innovation, a board member said football is just 90 minutes; what are these words?                                          | Traditional view of sports and lack of understanding of innovation                 |
| 36  | When we linked board compensation to team performance and revenue generation, they only then remembered that they need to think of something new.              | The effect of performance-based compensation in creating motivation for innovation |
| 37  | The Ministry of Sports only thinks about the national team and has no innovative program for clubs at all.                                                     | Policymaker's focus on the national team instead of clubs                          |
| 38  | In our club, a young, educated CEO came and created a digital transformation, but after he left, everything returned to its original state.                    | Dependence of innovation on the presence of educated managers                      |
| 39  | Foreign sponsors tell us you have no data, no accurate statistics, so how do you want to innovate?                                                             | Lack of data infrastructure for innovation                                         |
| 40  | Our board is full of people who are members of several other companies as well and do not have the opportunity to think about the club.                        | Members being overcommitted and lacking sufficient focus on the club               |
| 41  | Once we proposed an innovative plan to use solar energy at the stadium; they said this is not your job, go and win football matches.                           | Being limited to traditional duties                                                |
| 42  | In all these years, no festival or conference has been held for new ideas in sports to encourage managers.                                                     | Lack of promotional events for innovation                                          |
| 43  | Our managers do not invite academics and experts to come and give ideas; they think they know everything.                                                      | Lack of interaction with scientific and academic centers                           |
| 44  | We set up a think tank with the presence of university professors, which generated several good ideas, but the board did not approve the budget.               | Lack of budget allocation for academic ideas                                       |
| 45  | In private clubs, decision-making for innovation is much faster; in state-owned ones, you have to wait for months.                                             | Speed of decision-making in private clubs                                          |
| 46  | Our biggest innovation was in the academy, which a motivated manager started, but now he has left, and the academy is closed.                                  | Lack of continuity of innovation after a manager change                            |
| 47  | Monitoring managers' performance is only based on financial reports; no one asks what idea you have for the club's future.                                     | Lack of monitoring of managers' innovative performance                             |
| 48  | The major shareholders (the government) only think about getting a result in the derby, not about the development of the club.                                 | Owner's focus on short-term results (the derby)                                    |
| 49  | In our club's articles of association, no place is foreseen for investment in                                                                                  | Lack of legal requirement for                                                      |

| Row | Excerpt from Interview Texts                                                                                                                                                          | Initial Code                                                                   |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
|     | research and development.                                                                                                                                                             | investment in research and development                                         |
| 50  | We have many young talents who give good ideas, but our managers do not trust them and say who are you?                                                                               | Lack of trust in young forces for implementing ideas                           |
| 51  | In board meetings, everyone complains about financial problems, but no one says how we can create new income.                                                                         | Lack of creative revenue generation thinking                                   |
| 52  | The Ministry of Sports, as the owner, allocates the club's budget based on last season's result, not based on the development and innovation plan.                                    | Budget allocation based on results, not planning                               |
| 53  | A few years ago, we started an international department to transfer players abroad, because the CEO knew how; now that he has left, no one knows how to continue.                     | Individual-orientation in innovative activities                                |
| 54  | Most of our board members are businessmen and have an economic view of the club; this view led us to discover several new sources of income.                                          | The role of managers' economic perspective in discovering new opportunities    |
| 55  | We do not have facilities in the provincial city, but with these limited facilities, our CEO, through personal initiative, held a virtual tournament that received a lot of feedback. | The role of individual initiative in innovation with limited resources         |
| 56  | Whenever the topic of innovation comes up, they say we have no budget, but there is money for buying a player for billions.                                                           | Incorrect allocation of financial resources                                    |
| 57  | Our reward system is such that managers do not take risks, because if they make a mistake, they are gone; if they do something new and are not successful, they are gone.             | Innovative managers being punished in case of failure                          |
| 58  | In our club, two of the board members have PhDs in sports management; they always give new ideas and encourage others as well.                                                        | The role of specialized education in promoting innovation                      |
| 59  | We experienced that when the club was transferred to the private sector, it got a new breath of life and many new ideas were implemented.                                             | The positive effect of privatization on innovation                             |
| 60  | In the public sector, managers are afraid of innovation because if they make a mistake, their file will have problems in the Court of Audit.                                          | Fear of financial accountability in the public sector                          |
| 61  | When there is private ownership and competition among several investors, you are forced to innovate to attract customers (fans).                                                      | Private ownership competition as a driver of innovation                        |
| 62  | On our board, we have a young legal consultant who has brought many new ideas for sponsorship contracts.                                                                              | The role of young consultants in idea generation                               |
| 63  | Unfortunately, our managers think innovation means expensiveness, while many innovations are low-cost.                                                                                | Incorrect understanding of the concept of innovation                           |
| 64  | Upstream institutions like IRIB (Iran's broadcasting organization), which do not pay television broadcast rights, are the biggest obstacle to financial innovation in clubs.          | Institutional and structural barriers at the macro level (IRIB)                |
| 65  | If the board does not support the CEO, no idea will be implemented; we had a CEO full of ideas, but they left him alone.                                                              | The role of board support in implementing ideas                                |
| 66  | In our club, we started a suggestion system for employees and players; several very good ideas came for reducing costs.                                                               | Suggestion system as a tool for participatory innovation                       |
| 67  | Every time we want to buy new software, they say we must hold a tender and get approvals; by the time it comes through, the software is outdated.                                     | Cumbersome procurement processes hindering technological innovation            |
| 68  | Our owner lives abroad and only wants profit; he does not understand at all what we need for progress.                                                                                | Owner's lack of understanding of the club's needs due to geographical distance |
| 69  | In a board meeting, a new member talked about the experience of Qatari clubs and suggested using those models.                                                                        | Transfer of international experiences by new members                           |
| 70  | For the first time in Iran, we made ticket sales completely online, because the board dared and took a risk.                                                                          | The role of board risk-taking in innovation                                    |
| 71  | Our compensation as CEO is tied to profitability; I am forced to think of a new idea for income every year.                                                                           | The impact of incentive contracts on innovation                                |
| 72  | In state-owned clubs, managers change, but the structure remains the same, so innovation does not happen.                                                                             | Persistence of non-innovative structure despite manager changes                |
| 73  | We never ask for the fans' opinions; maybe they themselves have many good ideas.                                                                                                      | Lack of fan participation in idea generation                                   |
| 74  | The Ministry of Sports says we must use new technologies, but it does not provide the internet infrastructure for stadiums itself.                                                    | Contradiction between the policymaker's words and actions                      |
| 75  | If ownership concentration is in the hands of one person (family), they decide faster for new things.                                                                                 | Speed of decision-making in concentrated private ownership                     |
| 76  | In our company (club), several board members are women; their                                                                                                                         | The creativity of women's                                                      |

| Row | Excerpt from Interview Texts                                                                                                                                        | Initial Code                                                                 |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
|     | perspective on fan and family issues is very creative.                                                                                                              | perspective on the club's social issues                                      |
| 77  | We have an annual award for the best innovative idea of employees; this has made people think.                                                                      | Internal incentive system for innovation                                     |
| 78  | State ownership means everything is in the hands of politics, not the economy; innovation also becomes a victim of politics.                                        | The primacy of politics over economics in state-owned clubs                  |
| 79  | We contracted with a university to implement student theses in the club; many ideas became operational.                                                             | Collaboration with the university as a source of innovation                  |
| 80  | Our innovation is limited to the field of play, for example, a new tactic, but we have no innovation in management and marketing.                                   | Limited view of innovation (only the technical part)                         |
| 81  | Our entire board is from one family; whatever decision they make, it is implemented quickly, but we have no intellectual diversity.                                 | Lack of intellectual diversity in family ownership                           |
| 82  | We once contracted with a startup to build the club's application; it was great, but cumbersome administrative contracts caused the collaboration to be terminated. | Inability to cooperate with startups due to bureaucracy                      |
| 83  | A CEO who is also a shareholder works hard for the club and looks for new ideas.                                                                                    | Double motivation of shareholder managers for innovation                     |
| 84  | According to the articles of association, the board can only supervise; they cannot make executive proposals; this takes away their opportunity for creativity.     | Legal limitation on the executive role of board members                      |
| 85  | No training course is held for board members on innovative management.                                                                                              | Lack of specialized training for managers                                    |
| 86  | Our biggest problem is labor laws that do not allow us to easily attract creative human resources.                                                                  | Legal obstacles to attracting specialized human resources                    |
| 87  | We have a 5-year development plan that we must present every year; this forces us to take a new step every year.                                                    | The role of long-term planning in creating innovation                        |
| 88  | When the owner is one person, he applies his own taste; if he is a creative person, the club progresses, and if not, it doesn't.                                    | The role of the owner's personal taste and creativity                        |
| 89  | In our board meetings, we invite an information technology consultant; he shows us many of the bottlenecks.                                                         | Using specialized consultants in meetings                                    |
| 90  | For the first time, we staffed the legal department with a young, idea-filled lawyer; he made many creative sponsorship contracts.                                  | The role of a creative legal team in financial innovation                    |
| 91  | We have no succession planning system; every manager comes and starts everything from zero, so we have no continuous innovation.                                    | Lack of succession planning and knowledge-orientation                        |
| 92  | In our ownership structure, several institutions (Social Security, Municipality, etc.) are partners; decision-making for new work is very difficult.                | Slowness of decision-making in dispersed institutional ownership             |
| 93  | Our CEO has to answer to several institutions for every idea; he gets tired and steps aside.                                                                        | Manager's fatigue from multiple accountabilities                             |
| 94  | For innovation in product sales, we used the experience of Turkish clubs; the board also supported it because it was low-risk.                                      | Using successful foreign models (low-risk)                                   |
| 95  | In selecting board members, age and executive experience are the criteria, not creativity and idea generation.                                                      | Prioritizing experience over creativity in selecting managers                |
| 96  | Our young marketers are full of ideas, but senior managers do not have a listening ear.                                                                             | Generational gap in accepting ideas                                          |
| 97  | When the club is a public joint-stock company, the board must answer to thousands of shareholders; it is natural that innovation becomes faint.                     | Conservatism due to extensive accountability in public joint-stock companies |
| 98  | The only place where we see innovation is in the youth teams and the academy, because the managers there are younger and more motivated.                            | Existence of innovation at middle levels with young managers                 |
| 99  | Our board compensation is monthly and fixed; it has no relation to how much the club has progressed.                                                                | Fixed monthly compensation without connection to performance                 |
| 100 | The Ministry of Sports does not give the clubs' research and development budget; it says you provide it yourselves.                                                 | Lack of research and development budget allocation by the state owner        |
| 101 | We are forced to get permission again from the board for any purchase outside the approved budget; this causes us to miss opportunities.                            | Budgetary inflexibility hindering exploitation of opportunities              |
| 102 | Monitoring our performance is only financial; if we do innovative work but it doesn't yield profit, they immediately ask why did you do it?                         | Purely financial and result-oriented monitoring                              |
| 103 | In our clubs, everyone is afraid of each other: the shareholder of the board, the board of the CEO, the CEO of the ministry; this atmosphere is                     | Atmosphere of fear and lack of organizational trust                          |

| Row | Excerpt from Interview Texts                                                                                                                                        | Initial Code                                                                             |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
|     | deadly.                                                                                                                                                             |                                                                                          |
| 104 | We have a strategic council with the presence of veterans and elites that reviews new ideas.                                                                        | Institutionalizing consultation for innovation (strategic council)                       |
| 105 | In the annual general meeting, the major shareholders only look at the financial statements and leave; no one asks about the future plan.                           | Lack of shareholder inquiry about innovation                                             |
| 106 | When the owner is the government, managers are not motivated to take risks, because their position is not secure if they fail.                                      | Managers' job insecurity hindering risk-taking                                           |
| 107 | We were hit by COVID-19, but a private club very quickly adapted itself with webinars and virtual competitions; we are still marking time.                          | Greater flexibility of private clubs in crisis                                           |
| 108 | In selecting a CEO, we always look for a person with deep roots and experience, not someone who has new ideas.                                                      | Prioritizing background and established history over innovation                          |
| 109 | Innovation in our club means bringing a third-rate foreign footballer; we even call this innovation!                                                                | Superficial understanding of the concept of innovation (bringing a foreign player)       |
| 110 | In our articles of association, it is stipulated that one board member must definitely be from the academic community; thank God, this opens so much way for ideas. | The role of legal requirement for the presence of academics on the board                 |
| 111 | As a private shareholder, we ask the club to build a brand for us; this compulsion has caused the club to think of new ideas.                                       | Private shareholder's demand for branding as a driver of innovation                      |
| 112 | The biggest service to innovation is to let managers make mistakes and support them, not to fire them.                                                              | Need for a culture of supporting failure for innovation                                  |
| 113 | In our club, non-executive managers who come from outside, because they are not dependent, more easily say this work is wrong, do that work new.                    | The role of non-executive managers in criticizing the status quo and proposing new ideas |
| 114 | We have no data on the fans; we don't know how many they are, what they want, so how do we want to plan new programs for them?                                      | Lack of a fan relationship management system                                             |
| 115 | Our board sometimes gets so involved in marginal and political issues that it has no opportunity to think about the future at all.                                  | Board's involvement in marginal issues                                                   |
| 116 | If ownership is in the hands of someone who was a footballer himself or loves football, he spends more on innovation.                                               | The role of the owner's interest and attachment to sports                                |
| 117 | One of our problems is that board members are in several places simultaneously and do not take club meetings seriously.                                             | Members' multiplicity of responsibilities and decreased focus                            |
| 118 | Innovation in our administrative departments is zero; we have the same method from 20 years ago; no one dares to change.                                            | Lack of innovation in administrative processes                                           |
| 119 | We made a contract with a knowledge-based company to analyze games; this became the best innovation of the year.                                                    | The role of knowledge-based companies in club innovation                                 |
| 120 | In our meetings, no one dares to voice an opposing opinion; everyone is afraid, so no new idea comes either.                                                        | Closed atmosphere of meetings hindering creativity                                       |
| 121 | If the board is independent, it can say no to the CEO and stop mistakes, but if it is dependent, it only says yes.                                                  | The role of independence in correcting course and preventing mistakes                    |
| 122 | We have meetings every month, but the output of our meetings is zero; we just give reports and leave.                                                               | Meetings being fruitless due to lack of ideas                                            |
| 123 | Our tax system is such that the club does not dare to create new transparent income, because they take its tax, so it doesn't think about innovation.               | Tax obstacles to the emergence of innovative revenues                                    |
| 124 | Institutional ownership (like banks) has brought stability but has killed creativity because their view is completely economic and risk-free.                       | Stability without creativity in institutional ownership                                  |
| 125 | On our board, we have a professional marketer who gives many ideas for selling tickets and products.                                                                | The role of diverse specializations in idea generation                                   |
| 126 | When we say innovation, everyone thinks it means spending money, while it means thinking correctly.                                                                 | Misunderstanding about the nature of innovation                                          |
| 127 | The club's general assembly meets only once a year, and much work is pending until then; opportunities are lost.                                                    | Lack of regular holding of assemblies for quick decision-making                          |
| 128 | Our board members are all from one specific institution and have similar opinions; there is no intellectual diversity.                                              | Lack of intellectual diversity in the board composition                                  |
| 129 | We proposed many times that we should use new technologies, but the board did not approve the budget for it.                                                        | Lack of budget approval for new technologies                                             |
| 130 | In our club, no one is responsible for following up on new ideas; everyone                                                                                          | Lack of a specific responsible                                                           |

| Row | Excerpt from Interview Texts                                                                                                                           | Initial Code                                                                   |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
|     | does their own work.                                                                                                                                   | person for innovation                                                          |
| 131 | If a manager takes a risk and does new work, if he is not successful, no one will give him a job anywhere else.                                        | Fear for the future career after failure                                       |
| 132 | We had a good idea for attracting fans, but the board said these tasks are not within our defined scope of duties.                                     | Limitation in the defined scope of duties                                      |
| 133 | In selecting board members, we always look for people who have high executive experience, not necessarily creative ones.                               | Prioritizing executive experience over creativity                              |
| 134 | The Ministry of Sports, as the main shareholder, only thinks about its own political interests, not the development of the club.                       | Pursuit of political interests by the state owner                              |
| 135 | We had several innovative plans to increase income, but due to the lack of financial transparency, they were not implemented.                          | Lack of financial transparency hindering innovation                            |
| 136 | In board meetings, always a few specific people give their opinions and the rest remain silent; no creativity takes shape.                             | Domination of a few specific members in meetings                               |
| 137 | Our club has been managed with the same old methods for years; no one dares to change.                                                                 | Persistence of traditional management methods                                  |
| 138 | We had a successful experience of cooperating with a startup, but the board did not allow the contract to be renewed.                                  | Lack of continuity of successful collaborations with startups                  |
| 139 | In our club, managers' compensation is based on years of service, not on creativity and innovation.                                                    | Compensation based on seniority, not performance                               |
| 140 | The private owner of the club always says I am looking for profit; if a project is profitable, you can do any innovation you want.                     | Purely economic view of the private owner                                      |
| 141 | We had a good plan for digital marketing, but the board said other companies should do this work.                                                      | Outsourcing innovation outside the club                                        |
| 142 | In our ownership structure, various institutions are partners and each has different opinions; decision-making is very difficult.                      | Multiple owners and differences of opinion in decision-making                  |
| 143 | Our board members are all of advanced age and are not familiar with the digital world; digital innovation has no meaning in our club.                  | Lack of familiarity of older managers with the digital world                   |
| 144 | We proposed many times that we should use the capacity of universities, but the board does not believe in this work.                                   | Board's disbelief in collaboration with the university                         |
| 145 | In our club, if someone gives a new idea, others laugh at him and say what kind of childish thought is this?                                           | Mockery of new ideas by colleagues                                             |
| 146 | We had an innovative plan for selling products, but due to legal restrictions, we could not implement it.                                              | Legal restrictions hindering the implementation of innovation                  |
| 147 | Our CEO has many good ideas, but the board gives him no support.                                                                                       | Lack of board support for the creative CEO                                     |
| 148 | In our articles of association, the board only has a supervisory role and cannot enter executive matters; this hinders creativity.                     | Supervisory limitation of the board hindering creativity                       |
| 149 | We have a creative person in the club who gives many ideas, but our administrative system is so slow that ideas become obsolete before implementation. | Slowness of the administrative system hindering timely implementation of ideas |
| 150 | If the club's ownership is in the hands of a person interested in sports, it is much better than when it is in the hands of government institutions.   | Preference for individual ownership over state ownership for innovation        |

Selective coding is the second stage of data analysis in the Glaserian approach, during which the researcher focuses on the main categories and integrates similar and related codes into more abstract concepts. The purpose of this stage is to categorize the initial codes and identify the main categories, which will ultimately lead to the identification of the core category. In the present study, from a total of 150 initial codes, after continuous analysis and comparison and the integration of similar codes, 26 main categories were extracted. Table 3 shows the selective coding process and the resulting main categories.

**Table 3- Selective Coding (Integration of Initial Codes and Formation of Main Categories)**

| Row | Main Category                                | Related Initial Codes                                                                                                                                                                                                                                                                                                                              | Number of Related Initial Codes |
|-----|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| 1   | Political/structural dependence of the board | 1. Dependence of board members on the government (Code 1, P3)<br>2. Ceremonial nature of board meetings (Code 16, P8)<br>3. Lack of independence of members' opinions (Code 121, P5)<br>4. Appointment of members by upstream institutions (Code 1, P11)<br>5. Members being overcommitted and lacking sufficient focus on the club (Code 40, P14) | 7                               |

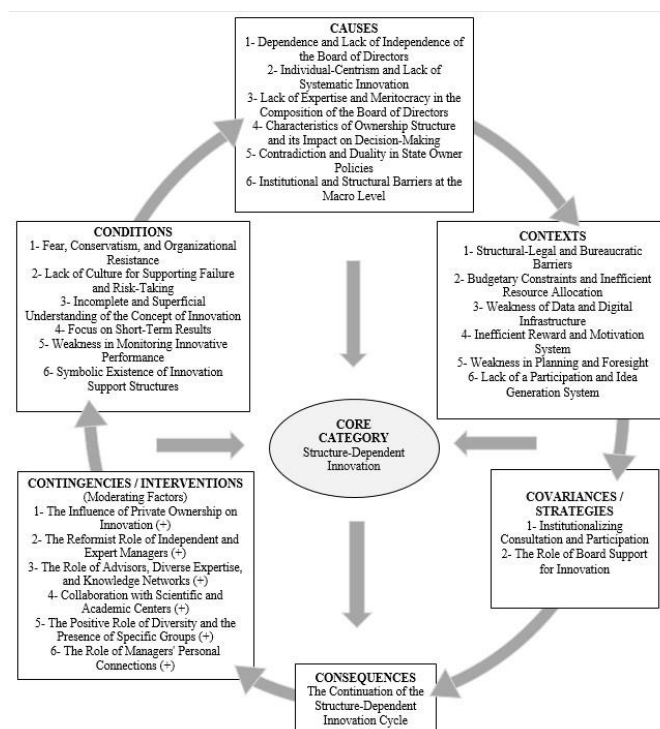
| Row | Main Category                                            | Related Initial Codes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Number of Related Initial Codes |
|-----|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| 2   | Individual-Orientation and Lack of Systematic Innovation | 6. Members' multiplicity of responsibilities and decreased focus (Code 117, P6)<br>7. Absence of board members from meetings (Code 22, P9)<br>1. Innovation being individual-oriented, not system-oriented (Code 5, P4)<br>2. Dependence of innovation on the presence of educated managers (Code 38, P12)<br>3. Lack of continuity of innovation after a manager change (Code 46, P7)<br>4. Dependence of innovation on motivated managers (Code 5, P2)<br>5. Individual-orientation in innovative activities (Code 53, P15)<br>6. Disappearance of innovation with the departure of a creative manager (Code 5, P10)<br>7. Dependence of innovation on individually motivated managers (Code 55, P18)<br>8. The role of individual initiative in innovation (Code 55, P1)<br>9. Lack of continuity of innovation after a manager change (Code 46, P13)                                                                                                                                                                                                                     | 9                               |
| 3   | Behavioral resistance in the organization                | 1. Board's fear of failure in innovative projects (Code 3, P6)<br>2. Fear of financial accountability in the public sector (Code 60, P17)<br>3. Atmosphere of fear and lack of organizational trust (Code 103, P8)<br>4. Managers' job insecurity hindering risk-taking (Code 106, P9)<br>5. Excessive conservatism in decision-making (Code 97, P20)<br>6. Lack of self-confidence to test new ideas (Code 27, P5)<br>7. Fear of being held accountable in case of failure (Code 3, P14)<br>8. Resistance to new ideas by older members (Code 11, P2)<br>9. Lack of trust in young forces for implementing ideas (Code 50, P16)<br>10. Generational gap in accepting ideas (Code 96, P7)<br>11. Resistance to changing traditional methods (Code 118, P19)<br>12. Closed atmosphere of meetings hindering creativity (Code 120, P3)                                                                                                                                                                                                                                         | 12                              |
| 4   | The Influence of Private Ownership on Innovation         | 1. The motivation of private ownership for innovation (Code 4, P11)<br>2. The motivating role of the private investor in innovation (Code 31, P4)<br>3. The positive effect of privatization on innovation (Code 59, P15)<br>4. Private ownership competition as a driver of innovation (Code 61, P6)<br>5. Profitability as the main goal in private clubs (Code 4, P18)<br>6. Greater flexibility of private clubs in crisis (Code 107, P1)<br>7. The role of the owner's personal taste in innovation (Code 13, P9)<br>8. Private shareholder's demand for branding as a driver of innovation (Code 111, P12)<br>9. The role of the owner's interest and attachment to sports (Code 116, P21)<br>10. The role of the owner's personal taste and creativity (Code 88, P10)                                                                                                                                                                                                                                                                                                 | 10                              |
| 5   | Structural-Legal and Bureaucratic Barriers               | 1. Non-conformity of articles of association with innovative needs (Code 6, P4)<br>2. Lack of legal requirement for investment in research and development (Code 49, P12)<br>3. Legal limitation on the executive role of board members (Code 84, P7)<br>4. Lack of follow-up to amend obstructive laws (Code 29, P9)<br>5. Cumbersome administrative laws (Code 32, P3)<br>6. Legal obstacles to attracting specialized personnel (Code 86, P18)<br>7. Administrative bureaucracy hindering innovation (Code 9, P6)<br>8. Slowness of the decision-making process in state-owned clubs (Code 12, P15)<br>9. Cumbersome procurement processes hindering technological innovation (Code 67, P2)<br>10. Administrative red tape for approving new projects (Code 9, P11)<br>11. Multiplicity of administrative stages for approving ideas (Code 12, P5)<br>12. Legal obstacles to attracting specialized human resources (Code 86, P14)<br>13. Tax obstacles to the emergence of innovative revenues (Code 123, P20)<br>14. Taxation of new transparent incomes (Code 123, P8) | 14                              |
| 6   | Inefficient Reward and Motivation System                 | 1. Lack of connection between compensation and innovation (Code 7, P13)<br>2. Fixed monthly compensation without connection to performance (Code 99, P6)<br>3. Lack of connection between compensation and performance/progress (Code 99, P1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 5                               |

| Row | Main Category                                                            | Related Initial Codes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Number of Related Initial Codes |
|-----|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| 7   | Strategic planning deficiency                                            | 4. The effect of performance-based compensation in creating motivation for innovation (Code 36, P17)<br>5. Lack of a reward system based on creativity (Code 7, P10)<br>1. Lack of discussion about innovation in meetings (Code 10, P3)<br>2. Meetings being fruitless due to lack of ideas (Code 122, P11)<br>3. Board's involvement in marginal issues (Code 115, P14)<br>4. Lack of regular holding of assemblies for quick decision-making (Code 127, P8)<br>5. Lack of long-term planning for innovation (Code 87, P19)<br>6. Lack of succession planning and knowledge-orientation (Code 91, P4)<br>7. Managerial instability due to frequent changes (Code 28, P6)<br>8. Continuous change of managers and lack of continuity of plans (Code 28, P12)<br>9. Persistence of non-innovative structure despite manager changes (Code 72, P16) | 9                               |
| 8   | Focus on Short-Term Results                                              | 1. Communication of result-oriented goals by the state owner (Code 8, P9)<br>2. Owner's focus on short-term results (the derby) (Code 48, P2)<br>3. Budget allocation based on results, not planning (Code 52, P15)<br>4. Expectation of immediate results from innovation (Code 14, P7)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 4                               |
| 9   | The Reformative Role of Independent and Specialized Managers             | 1. The role of non-executive managers in criticizing the status quo and proposing new ideas (Code 113, P4)<br>2. Independence of opinion of non-executive managers (Code 113, P12)<br>3. Lack of dependence of non-executive managers on specific institutions (Code 113, P1)<br>4. Impartial view of non-executive managers towards club issues (Code 113, P17)<br>5. The role of independence in correcting course and preventing mistakes (Code 121, P5)<br>6. The role of specialized education in promoting innovation (Code 58, P8)<br>7. Presence of board members with relevant education (Code 58, P19)<br>8. Encouraging others to innovate by educated members (Code 58, P14)<br>9. The role of legal requirement for the presence of academics (Code 110, P6)                                                                          | 9                               |
| 10  | Technological/data infrastructure                                        | 1. Lack of data infrastructure for innovation (Code 39, P13)<br>2. Lack of a fan relationship management system (Code 114, P16)<br>3. Lack of data collection from fans (Code 114, P2)<br>4. Weakness in digital branding (Code 15, P9)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 4                               |
| 11  | Professional competence of board members                                 | 1. Lack of expertise in the composition of the board (Code 26, P3)<br>2. Prioritizing experience over creativity in selecting managers (Code 95, P18)<br>3. Prioritizing background and established history over innovation (Code 108, P11)<br>4. Selection of members based on relationships, not expertise (Code 26, P7)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 4                               |
| 12  | Characteristics of Ownership Structure and Its Impact on Decision-Making | 1. Slowness of decision-making in dispersed institutional ownership (Code 92, P6)<br>2. Speed of decision-making in concentrated private ownership (Code 45, P14)<br>3. Slowness of decision-making due to multiplicity of owners (Code 92, P2)<br>4. Missed opportunities due to lack of timely decision-making (Code 12, P10)<br>5. Manager's fatigue from multiple accountabilities (Code 93, P5)<br>6. Lack of intellectual diversity in family ownership (Code 81, P19)<br>7. Stability without creativity in institutional ownership (Code 124, P8)<br>8. Conservatism due to extensive accountability in public joint-stock companies (Code 97, P12)                                                                                                                                                                                        | 8                               |
| 13  | Institutional absence of failure-tolerant culture                        | 1. Innovative managers being punished in case of failure (Code 57, P4)<br>2. Need for a culture of supporting failure for innovation (Code 112, P15)<br>3. Intolerance of error in the organization (Code 57, P9)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 3                               |
| 14  | Institutional and Structural Barriers at the Macro Level                 | 1. Government bureaucracy as the main obstacle to innovation (Code 32, P7)<br>2. Monopolism of upstream institutions hindering innovation (Code 33, P18)<br>3. Institutional and structural barriers at the macro level (IRIB) (Code 64, P3)<br>4. Lack of support from upstream institutions for innovation (Code 64, P11)<br>5. Policymaker's focus on the national team instead of clubs (Code 37, P6)                                                                                                                                                                                                                                                                                                                                                                                                                                          | 5                               |

| Row   | Main Category                                                         | Related Initial Codes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Number of Related Initial Codes |
|-------|-----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| 15    | The Positive Role of Diversity and Presence of Specific Groups        | 1. Positive role of women's presence in presenting innovative ideas (Code 23, P14)<br>2. The creativity of women's perspective on the club's social issues (Code 76, P8)<br>3. Gender diversity as a source of new ideas (Code 76, P17)<br>4. Existence of innovation at middle levels with young managers (Code 98, P1)<br>5. Initiative of young managers in conditions of limited resources (Code 55, P12)                                                                                                                                                                | 5                               |
| 16    | External professional knowledge                                       | 1. The role of young consultants in idea generation (Code 62, P9)<br>2. Using specialized consultants in meetings (Code 89, P5)<br>3. The role of diverse specializations in idea generation (Code 125, P16)<br>4. Presence of foreign consultants as a source of new ideas (Code 69, P20)<br>5. The role of new members in transferring experiences (Code 69, P4)<br>6. The role of knowledge-based companies in club innovation (Code 119, P13)<br>7. Cooperation with startups (Code 82, P7)<br>8. Inability to cooperate with startups due to bureaucracy (Code 82, P11) | 8                               |
| 17    | Academic knowledge link                                               | 1. Lack of interaction with scientific and academic centers (Code 43, P6)<br>2. Lack of budget allocation for academic ideas (Code 44, P15)<br>3. Collaboration with the university as a source of innovation (Code 79, P3)<br>4. Using student theses to solve club problems (Code 79, P18)                                                                                                                                                                                                                                                                                 | 4                               |
| 18    | Incomplete and Superficial Understanding of the Concept of Innovation | 1. Incorrect understanding of the concept of innovation (Code 63, P10)<br>2. Superficial understanding of the concept of innovation (bringing a foreign player) (Code 109, P1)<br>3. Limited view of innovation (only the technical part) (Code 80, P12)<br>4. Misunderstanding about the nature of innovation (Code 126, P7)<br>5. Equating innovation with being expensive (Code 63, P16)                                                                                                                                                                                  | 5                               |
| 19    | Participatory innovation mechanisms                                   | 1. Suggestion system as a tool for participatory innovation (Code 66, P4)<br>2. Lack of fan participation in idea generation (Code 73, P19)<br>3. Internal incentive system for innovation (Code 77, P9)                                                                                                                                                                                                                                                                                                                                                                     | 3                               |
| 20    | Budgetary Limitations and Inefficient Resource Allocation             | 1. Lack of financial resources for innovation (Code 20, P13)<br>2. Incorrect allocation of financial resources (Code 56, P2)<br>3. Budgetary inflexibility hindering exploitation of opportunities (Code 101, P8)<br>4. Lack of independent budget allocation for research and development (Code 49, P17)<br>5. Innovation being a luxury in conditions of financial crisis (Code 25, P6)                                                                                                                                                                                    | 5                               |
| 21    | The Role of Managers' Personal Connections                            | 1. The role of personal connections in attracting sponsors (Code 2, P11)<br>2. The importance of the CEO's personal network in innovation (Code 2, P5)                                                                                                                                                                                                                                                                                                                                                                                                                       | 2                               |
| 22    | Contradiction and Duality in State Owner Policies                     | 1. Contradiction in the policies of the state owner (Code 24, P14)<br>2. Contradiction between the policymaker's words and actions (Code 74, P3)<br>3. Lack of research and development budget allocation by the state owner (Code 100, P9)<br>4. The primacy of politics over economics in state-owned clubs (Code 78, P20)                                                                                                                                                                                                                                                 | 4                               |
| 23    | Performance monitoring deficiency                                     | 1. Lack of monitoring of managers' innovative performance (Code 47, P6)<br>2. Purely financial and result-oriented monitoring (Code 102, P15)<br>3. Lack of shareholder inquiry about innovation (Code 105, P1)                                                                                                                                                                                                                                                                                                                                                              | 3                               |
| 24    | Behavioral support of the board for innovation                        | 1. The role of board support in implementing ideas (Code 65, P7)<br>2. Lack of board support for the CEO (Code 65, P13)<br>3. Lack of support for ideas (Code 65, P18)                                                                                                                                                                                                                                                                                                                                                                                                       | 3                               |
| 25    | Institutionalizing Consultation and Participation                     | 1. Institutionalizing consultation for innovation (strategic council) (Code 104, P4)<br>2. Formation of a think tank with the presence of elites (Code 44, P12)                                                                                                                                                                                                                                                                                                                                                                                                              | 2                               |
| 26    | Symbolic Existence of Innovation Support Structures                   | 1. Symbolic existence of a research and development unit (Code 17, P9)<br>2. Lack of promotional events for innovation (festivals, conferences) (Code 42, P16)<br>3. Lack of innovation in administrative processes (Code 118, P2)                                                                                                                                                                                                                                                                                                                                           | 3                               |
| Total |                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 150                             |

Although some categories may appear conceptually close, they represent analytically distinct dimensions of the phenomenon. For instance, board dependence refers to the structural and political lack of autonomy of board members, whereas lack of expertise in board composition relates to professional competence, and board support for innovation reflects the behavioral orientation of board members toward innovative initiatives. Similar distinctions were applied across other categories to maintain analytical clarity within the 6C framework.

Theoretical coding is the final stage of analysis in the Glaserian approach, during which the researcher seeks to discover the relationships among the main categories and identify the core or central category that encompasses other categories and gives meaning to them. At this stage, among Glaser's coding families, the 6C's family (including Causes, Consequences, Conditions, Contexts, Contingencies, and Covariances) was used to organize the categories and discover the relationships among them. Based on the analysis conducted, the core category of this research was identified as "structure-dependent innovation," which indicates that innovation in Iranian professional sports clubs is strongly influenced by governance and ownership structures and, in the absence of institutionalized systems, depends on individual and ad hoc factors. The final research model is shown in Figure 1.



**Figure 1. Model of Corporate Governance and Ownership Structure on Innovation in Iranian Professional Sports Clubs Based on Glaser's 6C's Family**

The final conceptual model (Figure 1), developed based on Glaser's 6C's family, illustrates a dynamic and cyclical process of innovation within Iranian professional sports clubs. The Core Category, "Structure-Dependent Innovation," is positioned at the heart of this process, being shaped by and simultaneously influencing all other components.

The model suggests that Causes such as "board dependence" and "state-owner policy dualities" create a foundational pressure that necessitates a specific type of innovation. These causes operate within specific Contexts (e.g., bureaucratic barriers and budgetary constraints) and are further influenced by Conditions like "organizational resistance" and a "short-term result focus," which act as barriers to systematic progress.

To navigate this environment, certain Strategies (e.g., institutionalizing consultation) are employed, though their effectiveness is often moderated by Contingencies/Interventions such as "private ownership influence" or "the role of expert managers." The interaction of these elements leads to specific Consequences, primarily the "continuation of the structure-dependent innovation cycle," which reinforces the original structural dependencies. This cyclical relationship demonstrates that innovation in these clubs is

not a discrete event but a systemic outcome of the interplay between governance structures, ownership patterns, and organizational behaviors.

In order to better understand the distribution of the categories identified in the research, the frequency of initial codes related to each of the components of Glaser's 6C's family was examined. The findings of this descriptive analysis are presented in Table 4.

**Table 4- Frequency Distribution of Initial Codes Based on the Components of Glaser's 6C's Family**

| Rank  | Component     | Number of Categories | Number of Related Initial Codes | Average Codes per Category | Percentage |
|-------|---------------|----------------------|---------------------------------|----------------------------|------------|
| 1     | Contexts      | 6                    | 40                              | 6.67                       | 26.7%      |
| 2     | Interventions | 6                    | 38                              | 6.33                       | 25.3%      |
| 3     | Causes        | 6                    | 37                              | 6.17                       | 24.7%      |
| 4     | Conditions    | 6                    | 30                              | 5                          | 20%        |
| 5     | Strategies    | 2                    | 5                               | 2.50                       | 3.3%       |
| 6     | Consequences  | *—                   | —                               | —                          | —          |
| Total |               | 26                   | 150                             | 5.77                       | 100%       |

\*The Consequences component had no independent codes, and the category "Perpetuation of the structure-dependent innovation cycle" was extracted from the combination of other categories and the relationships among them.

Based on the findings of the above table, the "Contexts" component, with 40 codes and 26.7% of the total, had the highest frequency, indicating the prominent role of structural, legal, and managerial contexts in the formation of the studied phenomenon. The "Interventions" and "Causes" components, with 38 and 37 codes respectively, were ranked next, demonstrating the importance of positive moderating factors on the one hand and the root causes of the problem on the other. The "Conditions" component, with 30 codes, indicates the influence of the psychological and cultural atmosphere governing the organizations. A noteworthy point is the very low frequency of the "Strategies" component, with only 5 codes, which reflects the weakness of systematic and codified strategies in Iranian sports clubs for facing the barriers to innovation.

## Discussion

The present study, utilizing the grounded theory approach and Glaser's 6C's family, analyzed the factors influencing innovation in Iranian professional sports clubs. The findings indicate that the core category of the research can be identified as "structure-dependent innovation," meaning that innovation in the country's sports clubs is primarily influenced by governance structures and the type of ownership, and due to the lack of institutionalized systems, it is mainly dependent on individual and ad hoc factors. In the following discussion, the various dimensions of the paradigmatic model based on the 6C's, including causal conditions, intervening conditions, contexts, interventions, strategies, and consequences of this phenomenon, are examined separately.

An examination of the causes of the formation of the structure-dependent innovation phenomenon shows that the roots of this problem mainly lie in the nature of the ownership structure and the composition of the clubs' boards of directors. Dependence and lack of board independence, identified through seven initial codes as one of the main causes, indicate that board members, instead of playing an independent supervisory and steering role, are often dependent on upstream institutions, and their meetings have increasingly become ceremonial. Specifically, the finding that board dependence and institutional interference contribute to stagnant innovation in clubs highlights how governance structures can constrain innovative capacity. In such conditions, the board may function less as an independent strategic body and more as an administrative intermediary aligned with upstream institutions, which limits its ability to promote innovation-oriented decision-making. Factors such as the absence of members, multiplicity of responsibilities, and insufficient focus on club affairs further weaken the board's capacity to support innovation initiatives. These findings are consistent with studies emphasizing the importance of board independence in promoting innovation. In particular, the results are consistent with the research findings of [Nazari, Fathi, and Shafiei \(2024\)](#), which showed that increasing the proportion of non-executive directors—who possess greater independence—enhances innovation. The findings are also aligned with [Baumeister et al. \(2025\)](#), who emphasize the necessity of analyzing governance structures beyond their formal legal arrangements and paying attention to complex institutional relationships.

Furthermore, individual-orientation and lack of systematic innovation, with 9 initial codes, which has the highest frequency among the causes, indicates that innovation in Iranian sports clubs is not based on organizational processes and systems, but rather depends on the presence of educated, motivated, and creative managers. This important finding indicates that with the departure of a creative manager, innovation also leaves the club and does not continue. This finding is consistent with the research results of [Von Schomberg et al. \(2025\)](#), which showed that innovation in sports organizations is influenced by formal structures and informal networks, and the lack of systematic structures leads to individual-orientation. It is also consistent with the results of [Nazari, Fathi, and Shafiei \(2024\)](#) regarding the impact of ownership and structure on innovation.

The characteristics of the ownership structure and its impact on decision-making, with 8 initial codes, as another main cause, show that the type of ownership (state-owned, private, institutional, or family) has a direct impact on the speed and quality of innovative decisions. Slowness of decision-making in dispersed institutional ownership and, on the other hand, missed opportunities due to lack of timely decision-making, are among the obstacles identified in this category. This finding is consistent with the research results of [Agostino and Thomasson \(2024\)](#), which showed that clubs with different ownership types (non-profit and private) both focus on financial and non-financial performance but use a combination of governance models. It is also consistent with the results of [Evans, Walters, and Hamil \(2024\)](#) regarding the impact of ownership type on financial stability and managerial approaches.

In addition to these, lack of expertise and meritocracy in the composition of the board of directors with 4 codes, contradiction and duality in the policies of the state owner with 4 codes, and institutional and structural barriers at the macro level with 5 codes, constitute other causes affecting the formation of the structure-dependent innovation phenomenon. The results related to institutional and structural barriers are consistent with the findings of [Mohammadi Raeoof et al. \(2021\)](#), who identified development-oriented governance and efficient administrative structure as main factors for realizing good governance in Iran's sports industry. The total of these causes, which account for 37 codes out of the total 150 codes, indicates that the roots of the problem are mainly in the structural and managerial layers of the clubs, and to create a fundamental transformation in innovation, these roots must be seriously considered.

The conditions governing the structure-dependent innovation phenomenon, which act as the context and environment conducive to the continuation of this situation, were identified with 30 initial codes. Among these, fear, conservatism, and organizational resistance, with 12 initial codes, as the most prominent conditions, represent the psychological and cultural atmosphere governing the clubs. The board's fear of failure in innovative projects, fear of financial accountability in the public sector, managers' job insecurity, and excessive conservatism in decision-making are all factors that reduce risk-taking and hinder the testing of new ideas. This finding is consistent with behavioral theories in organizations and shows that as long as an atmosphere of fear and insecurity prevails in the organization, innovation cannot be expected. These results are consistent with the findings of [Solanelas et al. \(2024\)](#) regarding the lack of managerial supervision and lack of stakeholder participation as main governance challenges.

An incomplete and superficial understanding of the concept of innovation, with 5 initial codes, indicates that in many clubs, innovation is merely considered to mean bringing in a foreign player or is limited to the technical department, and its broad dimensions in management, marketing, and technology are neglected. Also, equating innovation with being expensive is a misunderstanding that prevents investment in this area. This finding is consistent with the research of [Gabrisova et al. \(2025\)](#), which addressed the application of modern sports technologies from professional environments to everyday life, and shows that an incomplete understanding of innovation leads to a failure to utilize these capacities.

Focus on short-term results, with 4 initial codes, especially in state-owned clubs where result-oriented goals are communicated by the owner, has created conditions where managers seek immediate and early results instead of long-term planning for innovation. Weakness in monitoring innovative performance, with 3 initial codes, and the symbolic existence of innovation support structures, with 3 initial codes, are other conditions that contribute to the continuation of the status quo. The lack of a culture supporting failure and risk-taking, with 3 initial codes, although less frequent, is of great importance because in organizations where error and failure are not tolerated and innovative managers are punished in case of failure, innovation can never be expected. These findings are consistent with the research results of [Manzari \(2024\)](#), which

emphasizes the impact of transparency and supervision on profitability and reduction of bankruptcy risk, and shows that the type of supervision (purely financial and result-oriented) can hinder innovation.

The contexts, which indicate the specific situation and broader setting in which the phenomenon occurs, with 40 initial codes, had the highest frequency among the 6C's categories. This finding is very significant because it shows that the most important part of the innovation problem in Iranian sports clubs relates to the macro contexts and settings. Structural-legal and bureaucratic barriers, with 14 initial codes, which have the highest frequency among all categories, indicate that cumbersome laws and regulations, administrative bureaucracy, non-conformity of articles of association with innovative needs, and legal obstacles to attracting specialized personnel are the most important barriers facing innovation. Slowness of the decision-making process, administrative red tape for approving new projects, and the multiplicity of administrative stages for approving ideas are all factors that stifle innovation in its infancy. These findings are consistent with the research results of [Akbari Birgani, Malmir, and Abbasi \(2023\)](#), which showed the positive impact of privatization on corporate governance characteristics and organizational structure, and confirm that bureaucratic government structures hinder innovation. They are also in line with the findings of [Mohammadi Raeoof et al. \(2021\)](#) regarding the importance of efficient administrative structure and the rule of law.

Weakness in planning and foresight, with 9 initial codes, as the second most frequent category in contexts, indicates that in board meetings, there is no discussion about innovation, and meetings are often fruitless and involved in marginal issues. Managerial instability due to frequent changes of managers, lack of long-term planning for innovation, and lack of a succession planning system are among the examples of this weakness. Budgetary limitations and inefficient resource allocation, with 5 initial codes, an inefficient reward and motivation system, with 5 initial codes, weakness of data and digital infrastructure, with 4 initial codes, and lack of a participation and idea generation system, with 3 initial codes, are other contexts that have provided an unfavorable setting for innovation in Iranian sports clubs. Lack of financial resources for innovation, lack of independent budget allocation for research and development, lack of connection between compensation and innovation, lack of data infrastructure, and lack of fan participation in idea generation are among the major obstacles identified in these contexts. These findings are consistent with the research results of [Kozma and Teker \(2022\)](#), which pointed to the role of fans as the main stakeholders of digital innovations, and show that the lack of fan participation in Iran is a serious gap.

Interventions, which act as moderating and influencing factors on the process of the phenomenon, with 38 initial codes, have the second highest frequency after contexts. This point is very promising because it shows that despite the existence of numerous obstacles, there are also factors that can positively influence innovation and change the existing process. The influence of private ownership on innovation, with 10 initial codes, as the most prominent intervention, indicates that clubs with private ownership have more motivation and flexibility for innovation. The private owner's motivation for profitability and branding, the stimulating role of the investor, and greater flexibility in crisis are all factors that introduce privatization as an effective intervention in promoting innovation. This finding is consistent with the extensive literature in the field of corporate governance and shows that changing the ownership structure from state-owned to private can be a powerful driver of innovation. These results are completely consistent with the findings of [Nazari, Fathi, and Shafiei \(2024\)](#) regarding the negative impact of state and institutional ownership on innovation, as well as with the results of [Akbari Birgani, Malmir, and Abbasi \(2023\)](#) on the positive effects of privatization on organizational performance. They are also in line with the findings of [Agostino and Thomasson \(2024\)](#), who pointed to the combination of governance models in private and non-profit clubs.

The reformative role of independent and specialized managers, with 9 initial codes, as the second most important intervention, indicates that the presence of non-executive, independent directors with specialized education on the board can have a significant impact on criticizing the status quo, presenting new ideas, and correcting the course. The independence of opinion of these managers and their impartial view of club issues have made them an important factor in encouraging others to innovate. This finding is consistent with the research results of [Nazari, Fathi, and Shafiei \(2024\)](#), which showed that the proportion of non-executive directors increases innovation. It is also in line with the findings of [Myung \(2024\)](#) regarding ESG management values, including trust-centeredness and a culture of respect, which require an independent and impartial perspective.

The role of consultants, diverse specializations, and knowledge networks, with 8 initial codes, is another positive intervention indicating that using young and specialized consultants, the presence of foreign

consultants, cooperation with knowledge-based companies and startups, and benefiting from diverse specializations can provide rich resources for idea generation and innovation. This finding is consistent with the research of [Von Schomberg et al. \(2025\)](#), which emphasized the role of informal networks alongside formal structures in innovation. It is also in line with the results of [Yu and Jeong \(2024\)](#), who identified practical ESG strategies in various areas.

The positive role of diversity and the presence of specific groups, with 5 initial codes, especially the presence of women on the board and young managers, has been identified as a source of innovative ideas. Collaboration with scientific and academic centers, with 4 initial codes, although less frequent, indicates the high capacity of these collaborations to solve club problems through theses and academic research. Finally, the role of managers' personal connections, with 2 initial codes, has been identified as an effective intervention in attracting sponsors and creating useful networks.

Strategies, which are defined as deliberate and planned actions by actors to manage the situation, with only 5 initial codes, have the lowest frequency among the 6C's categories. This finding is very important and thought-provoking because it shows that Iranian managers and sports clubs do not have many systematic and codified strategies to face the barriers to innovation and improve the existing situation, and they act mostly reactively and on an ad hoc basis. Institutionalizing consultation and participation, with 2 initial codes, including the formation of a strategic council and a think tank with the presence of elites, is one of the limited strategies identified. The role of board support for innovation, with 3 initial codes, is another strategy indicating that the board's support for the CEO and ideas can play an important role in implementing innovation. However, the very low frequency of strategies (only 3.3% of all codes) indicates that Iranian sports clubs face a serious weakness at the strategic level and need to develop and implement systematic and long-term strategies to improve innovation. This weakness can be due to managerial instability, lack of foresight, or lack of necessary knowledge and expertise in the field of strategic planning. This finding is consistent with the research results of [Morales and Schubert \(2022\)](#), who pointed to the concentration of power and lack of separation of powers as governance challenges, and shows that the lack of codified strategies in Iranian clubs also stems from these structural deficiencies.

## Conclusion

The primary theoretical contribution of this study lies in the conceptualization of the 'Structure-Dependent Innovation Cycle'. While previous studies have separately addressed privatization or managerial performance, this model provides an integrated process-oriented framework based on Glaser's 6C's. It advances existing knowledge by demonstrating that innovation in emerging sports markets is not merely a lack of resources, but a systemic byproduct of 'path dependency' in ownership. The model moves beyond the descriptive 'what' of governance failures to the explanatory 'how' of innovation stagnation.

In sum, the findings of this research indicate that innovation in Iranian professional sports clubs is a multifaceted phenomenon influenced by numerous factors, which can be explained within the framework of a paradigmatic model based on the 6C's. Structural and managerial causes, along with cultural and psychological conditions, within a context of bureaucratic and legal settings, have created a situation in which innovation, instead of being a systematic process, is dependent on individual and ad hoc factors. Although positive interventions such as the presence of private ownership, independent managers, and specialized consultants can moderate this situation, the weakness of systematic strategies has led to the perpetuation of the vicious cycle of structure-dependent innovation. Accordingly, to break out of this cycle and move towards sustainable and systematic innovation, we need fundamental reforms at various levels, including revising laws and regulations, reducing administrative bureaucracy, enhancing board independence and expertise, encouraging private ownership, creating an organizational culture supportive of risk-taking, and developing long-term and systematic strategies for innovation. By presenting the paradigmatic model of structure-dependent innovation, this research not only provides a clear picture of the existing situation but can also serve as a basis for policy-making and decision-making at the macro level of the country's sports industry, as well as a guide for club managers in promoting innovation. Based on this, recommendations are presented as follows:

Improving the professional independence of club boards can strengthen strategic decision-making. Introducing a minimum quota of independent directors with expertise in fields such as sports marketing,

technology, or innovation management could help diversify perspectives and reduce excessive dependence on governmental directives.

Reducing bureaucratic rigidity is essential for enabling experimentation and faster decision-making. One practical approach is to establish regulatory innovation sandboxes, where selected clubs are allowed to test new ideas—such as digital fan-engagement platforms, data-driven marketing tools, or new commercial partnerships—within a temporary and more flexible regulatory environment. This allows clubs to experiment with innovative initiatives while facing fewer administrative barriers.

Aligning financial incentives with innovation outcomes may encourage clubs to move beyond routine administrative practices. For example, part of governmental or institutional funding could be allocated through innovation-linked budgeting mechanisms, in which a defined portion of the annual subsidy is contingent upon measurable innovation activities such as new revenue models, digital engagement initiatives, or technological adoption in club operations.

Creating an organizational culture supportive of risk-taking and innovation, through holding training workshops, establishing annual innovation awards, and appreciating creative managers and employees, can gradually reduce the atmosphere of fear and conservatism. Senior managers should, through their behavior, provide a practical model of accepting calculated risks and supporting new ideas, and suggestion systems with guaranteed review and rewards for top ideas should be established.

Investing in data and digital infrastructure, including the creation of a fan relationship management system and systematic data collection, can provide a valuable source for identifying needs and creating new ideas. Collaborating with information technology companies and startups to design innovative applications and digital services, and strengthening digital branding through active presence on social media, are among other effective measures in this area.

Creating and strengthening knowledge networks through concluding memoranda of understanding with universities and research centers, defining real club problems as topics for graduate theses, and forming advisory councils with the presence of elites, young consultants, and experts from various fields, can provide fresh ideas and innovative solutions for clubs.

Designing competency development programs for managers and employees with an emphasis on topics such as design thinking, innovation management, organizational entrepreneurship, and sports marketing, through internal training courses and dispatch to international workshops, helps enhance the knowledge and skills of the human workforce. In the manager selection process, specialized competencies and creativity should take priority over background and established history.

Establishing a succession planning system and organizational knowledge management is essential to prevent the loss of innovation with the departure of creative managers. Identifying talented and creative individuals at various levels of the organization, preparing them for higher responsibilities, and creating an organizational knowledge bank to record and document experiences and ideas can ensure the continuity of innovation.

Attention to diversity and the presence of specific groups such as women and young managers in the composition of the board of directors and the management team, considering their positive role in presenting innovative ideas, is recommended. Creating quotas for the presence of these groups in state-owned clubs and encouraging private clubs to utilize their capacities can contribute to intellectual diversity and increase creativity in decision-making.

Developing a five-year strategic innovation plan with the determination of specific goals in technical, managerial, marketing, and technological areas, and allocating an independent budget for research and development, are essential for moving towards systematic innovation. Club assemblies should include the necessary credits for innovation in the annual budget approval and continuously monitor the proper implementation of approved plans so that innovation is not set aside as a luxury measure in times of financial crisis.

### **Research Limitations and Suggestions for Future Research**

Beyond the geographical focus, a significant limitation is the ‘social desirability bias’ inherent in interviewing high-level officials within a state-dependent system. Despite anonymity, the political sensitivity of ownership reforms may have led some participants to under-report internal governance conflicts. Additionally, while Grounded Theory allowed for deep exploration, the lack of longitudinal data means the

model captures a ‘snapshot’ of a shifting legal landscape. Future studies should employ ethnographic observations of board meetings to capture real-time decision-making dynamics.

Based on the findings of this study, several avenues for future research are suggested. Conducting comparative studies between Iranian professional sports clubs and clubs in other countries, particularly in the Middle East region, can provide valuable insights into the influence of contextual factors on the relationship between governance, ownership, and innovation. Future research could focus on specific types of innovation (technological, marketing, social) separately. Given the important role of fans, research focusing on their participation in innovation processes is recommended. Furthermore, studies examining the role of digital transformation and emerging technologies in innovation within sports clubs are suggested. Research focusing on the perspectives of other stakeholders such as players, sponsors, and media can provide a more comprehensive understanding of innovation dynamics. Conducting comparative studies across clubs with different ownership types (state-owned, private, institutional, family-owned) using quantitative methods is recommended to test the impact of ownership structures on innovation outcomes. Finally, action research or case study approaches are suggested for examining the implementation of specific governance reforms and innovation strategies in clubs.

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### Conflicts of Interest

There is no conflict of interest.

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### Statement on the Use of AI

No AI has been used in this article.

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