



Impact of human capital on the competitive advantage of Ethiopian premier football club' performance

Wondimagegn Abebe¹, Sisay Mengistu², Tefera Tadesse³

^{*1, 2}(PhD), Department of Sport Science, Hawassa University, Ethiopia

³(PhD), EDQC, University of Global HealthEquity, Kigali, Rwanda

Received in July. 2025. Revised

from Sep-Dec. 2025, Accepted:

Dec, 2025. Ethiopian Journal of Sport Science (EJSS), Volume VI, and Issue I, Published by Ethiopian Sport Academy 2025

Abstract

Keywords: Human capital; competitive advantage; organization; performance; premier league

Human resources are crucial components and the foundation of any organization, playing a vital role in ensuring an organization's smooth operation. The organization needs staff members who can deliver optimal job performance to help them reach their goals. Modern work environments are characterized by the constantly evolving interplay between external factors and workforce trends. This study examines the influence of human capital practices on the performance of an Ethiopian male football club at the premier level. This research is directed by a positivist research philosophy and uses a correlation research design. The study encompassed club directors, administration workers, coaches, and players participating in the tournament of the Ethiopian Premier League. 118 participants who completed the self-administered questionnaires were selected using a stratified random sampling technique. The descriptive statistics of frequency distribution, mean, and standard deviation were used to analyze the collected data. Moreover, Pearson's correlation, analysis of variance, and multiple regressions were used to predict the impact of HR practices on performance, inferential data analysis methods of. As results of correlation show, "human capital variable" has a significant and strong correlation with either club revenue $r(118) = .633^{**}$, $p < 0.05$, or club performance on satisfaction $r(118) = .712^{**}$, $p < 0.05$. The linear regression result shows ($b = .633$, $t = 8.799$, $p < 0.05$), human capital management was significant in predicting club revenue. This research demonstrates that human capital significantly impact performance of organization, specifically concerning club revenue and stakeholder satisfaction. The findings indicate that human capital management accounts for 40.0% of the variance in club revenue ($R^2 = .400$). Furthermore, it explains 50.7% of the variance in club performance pertaining to stakeholder satisfaction ($R^2 = .507$). In conclusion, this study establishes a positive and significant correlation among human capital management practices with both club revenue performance and stakeholder satisfaction.



Introduction

Employees are necessary assets and the fundamental part of commitment, and they ascertain that an organization can work flawlessly. Organizations require employees who can provide prime operational effectiveness to enable them to attain their aim. Contemporary workplace environments are defined by the ever-shifting interactions between external influences and workforce dynamics. Concerning environmental influences, we observe alterations in the operational structure of organizations; the system of work processes; traditional norms; and the economic, political, and societal contexts in which organizations operate. Moreover, the human resource landscape is in constant flux: new employees join the workforce daily, bringing fresh creativity, innovative ideas, and diverse experiences, while existing staff members continually evolve their perspectives (Mahapatro, 2010).

As Teodora et al. (2017) explained, in sports organizations, the management of human resources encompasses recruiting, integrating, inspiring, and keeping staff members. This process is essential for achieving the desired outcomes and necessitates specialized instruction and efficient administration to tackle the obstacles presented by evolving technology and employee expectations. Qing-Xuan and Liu (2017) stated that in sports organizations, strategic human resource management aims to gain and sustain a competitive edge through the efficient

utilization of human capital and boosting effectiveness of organization. This research examines the theoretical underpinnings and perspectives concerning this connection, emphasizing current research obstacles and proposing ways to address them. Schneider (2017) explained in their research that HRM in sports organizations focuses on maximizing employee productivity through equitable input-output exchanges, aligning employee interests with organizational missions, and maintaining transparent communication to foster engagement and satisfaction, ultimately supporting the organization's purposes and aspiration.

According to Rasool et al. (2014) in their review depicted the value of human capital on advancement and performance of organizational. Human capital influences performance at the national and international levels. Rasool et al. continued, "Knowledge and skills are the key elements of human capital development. Organizations must focus on human capital to achieve competitive advantage. Furthermore, Ionomescu et al. (2014) stated that human employees are crucial to sports clubs and performance management. Specialized training is necessary for effective sports management. Abdolmaleki et al. (2019) noted in their research article that knowledge assets, fundamental to effectiveness in the management of high-performance sports organizations, indicates that economic growth relates to intangible assets in a knowledge-based economy. Intellectual capital is crucial



for the success of sports organizations. Management fosters trust and accountability among organizational members.

Empirical research consistently demonstrates a link between human capital characteristics, such as knowledge, skills, and capabilities, and enhanced organizational performance (Al Khajeh, 2018; Chen et al., 2020; Gupta et al., 2020). As Kurdi & Alshurideh (2020) that there are studies that consistently demonstrated a significant association between human capital dimensions and organizational performance across various sectors. Specifically, research has also identified a strong link between human skills and the performance of organizations in the financial sector, additionally human knowledge and organizational performance within the SME industry, and human capacity and organizational performance in the technology sector (García-Sánchez et al., 2018). However, these human capitals attribute—capacity, knowledge, and skills—have not been examined collectively.

Organizational performance is conceptualized as an organization's capacity to efficiently and effectively utilize its resources to attain its predetermined goals (Kareem et al., 2019). This can also be understood as the aggregate output generated by an organization (Agbura et al., 2017). To put it another way, organizational performance involves the strategic pursuit of specific organizational objectives through the enhancement of efficiency, quality, productivity, and financial success, evaluated from both customer and internal organizational

standpoints. In contemporary sports management research, there exists a significant imperative to establish the components of performance metrics for evaluating organizational efficiency in sports. This subject has been investigated by numerous researchers from diverse perspectives. Indra et al. (2020) posit that the indicator of organizational performance encompasses stakeholder satisfaction, financial performance, internal operations, education, and development.

The interaction between human capital management (HCM) and financial outcomes in sports organizations is complex and often marked by variability. Although investing human capital training and development programs, are consistently correlated along improved financial outcome, their efficacy largely depends on governance frameworks and strategic coherence. Research indicates that professional soccer clubs with strong governance mechanisms—including CEO duality and family representation on boards—experience greater financial returns from player investments compared to those lacking such structures (Scafarto & Dimitropoulos, 2018). Moreover, the adoption of effective human resource management (HRM) practices, including talent management and performance assessment systems, is crucial in aligning HRM with broader organizational objectives, thus boosting financial performance (Rosyafah & Pudjowati, 2024). However, a recurring challenge is the difficulty in measuring the direct financial impact of these investments, as organizations often struggle to demonstrate the



concrete economic value of human capital (Dibernardino, 2014; Lee et al., 2018). As a result, while human capital remains a crucial asset in sports organizations, its financial implications are highly dependent on context, requiring a sophisticated approach to evaluating HCM.

The association among human capital and customer satisfaction in sports organizations presents a multifaceted dynamic, often yielding contradictory outcome. Effective human capital practices, such as emotional intelligence and knowledge sharing, have been identified as key drivers of customer satisfaction, both directly and indirectly (Franky et al., 2024). However, the management of customer expectations plays an equally crucial role, as unmet expectations can lead to dissatisfaction despite strong human capital strategies (Robinson, 2011). Additionally, customer relationship management (CRM) strategies are instrumental in fostering customer loyalty and satisfaction, particularly by mitigating complaints and enhancing service quality (Pashaie et al., 2022). Conversely, inadequate investment in human capital development may result in poor organizational performance, with some institutions attributing failures to external factors rather than internal deficiencies (Tesone et al., 2004). Thus, achieving optimal customer satisfaction in sports organizations requires a comprehensive approach that integrates human capital development, customer expectation management, and CRM strategies (Mawson & Fieldhouse, 1993).

Ethiopia played a pivotal role in establishing the African soccer Federation as one of its founding members in 1957. This early involvement suggests that Ethiopia initiated its efforts to develop soccer earlier than many other African nations. Throughout its history, Ethiopia has claimed the African Cup title only once, during the third tournament. The sport enjoys considerable popularity among Ethiopians, who are ardent supporters of the game (Hailu, 2020). However, these passionate fans and supporters expressed dissatisfaction with the performance of their clubs and the country's soccer status on CAF and FIFA measurement. Multiple factors contribute to this situation. One of the most significant factors is the organizational foundation in clubs, specifically the human resource management and structural issues.

Modern-day sports organizations are currently investigating optimal resource allocation strategies in human resources (HR) and identifying HR initiatives that will provide long-term strategic advantages. Sports franchises must navigate the complex HR issues of player transfers and acquisitions, salary constraints, and team contract negotiations. Numerous sport-focused entities also face the decision of whether to prioritize technical expertise or sport-specific knowledge when recruiting staff (Tracy et al., 2015). These challenges and human resource considerations constitute the current agenda that must be addressed in the context of Ethiopian Premier League club management. There is an abundance of studies conducted on human



recourse development; with the practical implication on performance of organization is widely obvious. The majority of these investigations have been conducted in industrialized nations. However, there is a dearth of research on sports organizations in developing countries, and in Ethiopia, this area remains largely unexplored. Moreover, no comprehensive examination of human capital management from a governance perspective has been undertaken to address the literature gap on this subject. Therefore, this study examines the influence of human capital management practices on both soccer club revenue and customer satisfaction. This study targets to address the following questions:

1. What impact has human capital management practices on club revenue?
2. What impact has human capital practices on the customer satisfaction of clubs stakeholders?

Materials and Methods

Research Paradigm

This study employed a positivist paradigm, emphasizing objective and measurable realities (Evans et al., 2021). The study employed a deductive approach, utilizing psychometric assessments to systematically investigate the relationship between human capital and key organizational outcomes, specifically revenue and customer satisfaction, within soccer clubs operating in the Ethiopian Premier League. A correlational research design was implemented to evaluate the nature, magnitude, and direction

of these associations. Prior to data collection, ethical approval was secured from the Hawassa University College of Natural and Computational Sciences Research Ethics Review Committee, ensuring the study's adherence to ethical guidelines, including compliance with the Declaration of Helsinki. Furthermore, informed consent was obtained from all participants. To enhance validity and reliability, the study maintained methodological coherence, aligning epistemological and ontological perspectives with the research design and analytical techniques (Morse, 2020).

Participant

The study population consisted of all team members and supportive staff actively participating in the 2024 Ethiopian male Premier League club. Of 16 male premier league clubs, 13 clubs which participated in competition for two continuous years were part of the study. 207 people were the total subjects of the study. From the total subjects, representative participants from administrative personnel, coaches, and players were selected using the stratified random sampling technique. However, club directors were chosen with a non-random convenience sampling approach due to accessibility considerations. Ultimately, 118 individuals were sampled for data collection, ensuring a methodologically sound and representative selection process.

Respondent Position in the club

The participant sample for this study was drawn from various roles within Ethiopian football clubs and consisted of directors (n = 8, 6.8%),



trainers (n = 38, 32.2%), sport therapists (n = 9, 7.6%), players (n = 35, 29.7%), and administrative staff (n = 28, 23.7%). The largest demographic was comprised of individuals aged 26 to 30 years, accounting for 31.4% (n = 37), followed by those aged 36 to 40 (26.3% or n = 31), then 31 to 35 years (18.6% or n = 22), and the smallest group was 21 to 25 years old (16.9% or n = 20). Fewer members were over 40 years old (n = 7, 5.9%). Concerning academic background, biggest part of respondents have a diploma (n = 47, 39.8%), next they are secondary education (n = 40, 33.9%). 21.2% of the sample consisted of participants with a bachelor's degree (n = 25), whereas the smallest percentage of participants had a master's degree (n = 6, 5.1%).

Instrument

The study utilized a questionnaire to gather data from directors, administrative staff, coaching staff, and football players involved in the Ethiopian Male Football Premier League competition. The questionnaire consisted of four distinct sections. The initial section gathered respondents' demography and elicited specific information about the study questions. The respondents independently completed the questionnaires, indicating their responses on a five-point Likert scale. This scale ranged from 1 to 5, with 1 denoting "Strongly Disagree," 2 denoting "Disagree," 3 denoting "Neutral," 4 denoting "Agree," and 5 denoting "Strongly Agree."

Procedure

The investigator collected information about the chosen participants' next step in obtaining consent from Hawassa University College of Natural and Computational Science, the Ethiopian Football Federation, then relevant clubs. During this visit, the researcher briefed officials on the research objectives and arranged data collection. Questionnaires were sent to the directors, administrative staff, coaches, and players of every Ethiopian Premier League team. The data were collected from the respondents following a familiarization process using the ensuing tool.

Instrument Development and Reliability

To establish the content validity of the instrument, input was gathered from a panel of five expert groups: football instructors, statisticians, measurement and evaluation specialists, and sports management professionals. These experts played a crucial role in refining the survey items, thereby ensuring their theoretical soundness, contextual relevance, and clear articulation for the target audience. Subsequent to the expert review, a pilot study was conducted with a sample of 64 participants to assess the internal reliability of the instrument's subscales. The instrument itself is composed of three distinct subscales: Human Capital Management, Club Stakeholder Satisfaction, and Club Revenue Performance. The results of the reliability assessment indicated robust coherence among three subscales. Specifically, the Human Capital Management subscale, composed of seven items, had a Cronbach's alpha coefficient of .933. The Club Stakeholders' Satisfaction



subscale, also with 11 items, yielded an alpha of .932. The Club Revenue Performance subscale, which includes nine items, produced an alpha coefficient of .953. All reliability coefficients exceeded the commonly accepted threshold of .90, indicating strong internal consistency, suggesting that the instrument is highly reliable for data collection purposes. These findings confirmed the suitability of the developed scales for further empirical research and statistical analysis in the context of sports management.

Statistics

The reliability and normality of the data distributions were assessed using Cronbach's alpha and Kolmogorov-Smirnov tests, respectively. The findings indicated high reliability ($\alpha > .932$) and confirmed a normal distribution (K-S $p > 0.05$), thus permitting subsequent statistical analyses. Frequency, percentage, correlation, and regression analyses were then performed. The magnitudes of associations were interpreted according to established criteria: values ranging from 0.1 to 0.3 indicated a small association; those greater than 0.3 to 0.5, moderate; greater than 0.5 to 0.7, large; greater than 0.7 to 0.9, extremely large; and greater than 0.9 to 1.0, perfect (Hopkins, Marshall, Batterham, & Hanin, 2009). All statistical analyses were conducted using IBM SPSS version 27, with the significance level set at $p < 0.05$.



Result

Human capital management with Organizational Performance

This part shows the evaluation outcome as human capital management's influence on Ethiopia's male football premier league organizational performance considered by revenue and customer satisfaction.

Table 1. Descriptive Statistics of the human capital management

Items	N	Mean	Std. Deviation
The club board members and senior management/club manager staff have the knowledge and skills for their roles	118	3.97	.886
The club boards and club manager staff experience their roles	118	4.02	.837
The club effectively implements a formal performance review system for its professional staff	118	3.76	.949
The club effectively employs a reward and recognition system for its players, coaching staff, and volunteers.	118	3.63	1.182
The club promotes and supports professional development opportunities for its staff.	118	3.56	1.159
Your soccer club promotes and stimulates a learning climate among employees/club staff.	118	3.75	.969
Your soccer club promote the development of essential ideas and knowledge in the club	118	3.85	1.018
Valid N	118		

Source: Field survey 2024

The research analyzed the statistical characteristic elements of human capital. Table 1 effectively illustrates several key aspects of human capital management within football clubs, presenting the average insights and their variability across various statements. The data indicates a strong agreement that "their football club board members and senior club manager have knowledge and skills for their assigned responsibility," with an average score of 3.97 ($SD = .886$). A similar positive perception exists regarding the experience of these individuals, as "their football club board members and club manager staff have the experience for their roles" yielded a mean of 4.02 ($SD = .837$). Regarding performance management issue "their football

club effectively utilizes a formal performance review for professional staff" received a mean score of 3.76 ($SD = .946$). The perceived adequacy reward and recognition system for player, coaching staff, and volunteer...achievement," in clubs registered a mean of 3.63 ($SD = 1.182$). Furthermore, the average agreement that "their football club encourages and supports further training for professional staff" was 3.56 ($SD = 1.159$). The club's efforts to promotes and stimulates a learning climate among employees/club staff," showed a mean of 3.75 ($SD = .969$). Finally, the statement concerning "the football club promote the development of the essential idea and knowledge internally" recorded a mean of 3.85

(SD = 1.018).

Table 2. Descriptive Statistics result of the Organizational Revenue practice

	N	Mean	Std. Dev
The club maintains financial viability presently and for the long term.	118	3.68	1.053
The club secures income to fulfill its tactical and long-range objectives.	118	3.38	1.233
The club will optimize its income from sponsor.	118	3.57	1.173
The club will optimize its income generated during competitive events.	118	3.65	1.057
The club will optimize its income generated from sale of branded goods.	118	3.47	1.217
The club optimizes its income by organizing various social functions.	118	3.34	1.126
The club will optimize its income generated through charitable initiatives.	118	3.38	1.212
The club will optimize income generated through member subscriptions.	118	3.45	1.144
The club will optimize its income generated through funding awards.	118	3.36	1.259
Total	118		

Source: Field survey 2024

Table 2 further details the perceived elements of organizational performance related to revenue generation, presenting the mean and standard deviation for each aspect. The data reveals that respondents generally agree that "The club maintains financial viability presently and for the long term," with a mean score of 3.68 (SD = 1.053). However, there is slightly less agreement regarding the club's ability to "secure income to fulfill its tactical and long-range objectives," which registered a mean of 3.38 (SD = 1.233). Several items focused on optimizing various income streams. The club's potential to "optimize its income from sponsorship" had a mean of 3.57

(SD = 1.173). Similarly, "optimizing income generated during competitive events" showed a mean of 3.65 (SD = 1.057). Other income optimization strategies included "income generated from sale of branded goods" (M = 3.47, SD = 1.217), "organizing various social functions" (M = 3.34, SD = 1.126), and "income generated through charitable initiatives" (M = 3.38, SD = 1.212). Lastly, the table also highlights the perceived optimization of income from "member subscriptions" (M = 3.45, SD = 1.144) and "funding awards" (M = 3.36, SD = 1.256). Across these revenue-generating aspects, the standard deviations indicate a moderate to high level of variability in responses.

Table3: Descriptive Statistics result for stakeholder Satisfaction

	N	Mean	Std. Dev
Executing the clubs long term objective	118	3.66	1.006
Implementing club objectives	118	3.81	.942
Club board decision-making quality	118	3.81	1.021
The expertise and qualification of board and management	118	3.87	.902
Club heritage and tradition	118	3.97	.852
Financial payment for work performed	118	3.88	1.103
Receptiveness to feedback and proposal of modification	118	3.74	.973
Level of cooperation between athletes	118	4.06	.766
The extent of support provided to new athlete integrate	118	3.98	.816

Prospective team success	118	4.02	.978
Team performance	118	4.03	.779
Total	118		

Source: Field survey 2024

Table 3 presents the analysis of organizational performance elements related to stakeholder satisfaction, detailing the average perceptions and their spread. The data indicates that "Executing the club's long-term objective" garnered a mean score of 3.66 (SD = 1.006), while "The implementation of club objective" registered a slightly higher mean of 3.81 (SD = 0.942). Similarly, "Club board decision making quality" was perceived positively, with an average of 3.81 (SD = 1.021). The "expertise and qualification of board and management" also showed strong agreement, reaching a mean of 3.87 (SD = 0.902). "Club heritage and tradition" was highly valued, exhibiting a mean of 3.97 (SD = 0.852). Regarding internal dynamics, "The

financial remuneration for the work carried out" recorded a mean of 3.88 (SD = 1.103), and "Receptiveness to feedback and proposal of modification" stood at 3.74 (SD = 0.973). Athlete-centric aspects demonstrated particularly high agreement. "The level of the athlete's cooperation with each other's" showed a mean of 4.06 (SD = 0.766), and "The extent of support provided to new athlete integrate" had a mean of 3.98 (SD = 0.816). Furthermore, both "Prospective team success" (M = 4.02, SD = 0.978) and "Team performance" (M = 4.03, SD = 0.779) received high average ratings, indicating strong stakeholder satisfaction in these areas. The standard deviations suggest a moderate level of consistency in responses across most items.

Correlation between Human Capital and Organizational Performance

Table4. Correlation between Human Capital and Organizational Performance

		HC	CPR	CPS
HC	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	118		
CPR	Pearson Correlation	.633**	1	
	Sig. (2-tailed)	.000		
	N	118	118	
CSS	Pearson Correlation	.712**	.700**	1
	Sig. (2-tailed)	.000	.000	
	N	118	118	118

Note: HU, human capital; CPR, club performance revenue; CSS, club stakeholder satisfaction
 This study assessed the correlation between comprehensive strategic decision-making on performance of organization by three variable constructs. The results of Pearson correlation presented that "human capital variable" was significantly correlated with either club performance of revenue $r (118) = .633^{**}$, $p < 0.05$, club stakeholder satisfaction $r (118) = .712^{**}$, $p < 0.05$ and club performance for competition result $r (118)$

= .282**, p < 0.05. These results are presented in Table4.

Regression Analysis and Hypothesis Testing Results

The study tried to ascertain the influence of human capital as dependent variable, namely, club revenue, and stakeholder satisfaction.

Impact of human capital on club revenue

Multiple regressions were employed for ascertain if human capital significantly predicted club revenue. The outcomes have been depicted in three tables, the Model Summary (Table 5), ANOVA (Table 6), and Coefficients (Table7).

Table5. Model Summary

Model	R	R ²	Adj R ²	Std. Error of the Estimate	Durbin-Watson
1	.633 ^a	.400	.395	.748	1.586
a. Independent Variable: HC					
b. Dependent Variable: CPR					

Note: HU, human capital; CPR, club performance revenue

The outcome of data in Table5 indicate that 40.0% variation ($R^2 = .497$, $F = 77.424$, $p < .05$) in club performance on revenue is being predicted by organizational human capital.

Table6. ANOVA

Model		Sum of the Squares	df	Mean Square	F	Sig.
1	Regression	43.370	1	43.370	77.424	.000 ^b
	Residual	64.978	116	.560		
	Total	108.348	117			
a. predicted Variable: CPR						
b. Independent Variable: HC						

Note: HU, human capital; CPR, club performance revenue

Table6 reveals that human capital statistically and significantly predicted revenue, $F (1, 116) = 77.424$, $p < .05$.

Table7. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error				Lower Bound	Upper Bound
1	(Constant)	.747	.318		2.352	.020	.118	1.377
	HC	.720	.082	.633	8.799	.000	.558	.882
a. Dependent Variable: CPR								

Note: HU- human capital

The coefficient of the linear regression results ($b = .633$, $t = 8.799$, $p < 0.05$) depicted the model without the moderator, human capital was significant in forecasting club revenue. There for the human capital has a positive significant effect on club revenue. According to the coefficient result, if one unit in human capital quality increases, the performance of club revenue will increase by 0.720 units. This result is shown in Table7.

Effect of human capital on club stakeholders' satisfaction

Cited as: Wondimagegn Abebe (2025) Impact of human capital on the competitive advantage of Ethiopian premier football club' performance *Ethiopian Journal of Sport Science (EJSS) V.6 page 412-428*

A multiple regression analysis was conducted to determine the significant effect of human capital on stakeholder satisfaction. The results of this analysis are presented across three tables: Model Summary (Table 8), ANOVA (Table 9), and Coefficients (Table 10)

Table8. Model Summary

Model	R	R ²	Ad R ²	Std. Error of the Estimate	Durbin-Watson
1	.712 ^a	.507	.503	.512	1.892

a. Independent variable: (Constant), HC

b. Dependent Variable: CPS

Note: HU, human capital; CPS, club stakeholder satisfaction

The multiple regression analysis, as summarized in Table 8 (Model Summary), indicated that human capital significantly accounts for 50.7% of the variance in club stakeholder satisfaction ($R^2 = .507$, $F(1, 116) = 119.407$, $p < .001$).

Table9. ANOVA

Model		Sum of the Squares	df	Mean Square	F	Sig.
1	Regression	31.314	1	31.314	119.407	.000 ^b
	Residual	30.421	116	.262		
	Total	61.735	117			

a. Predicted Variable: CSS

b. Independent variable: HC

Note: HU, human capital; CSS, club stakeholder satisfaction

Table 10 shows that human capital statistically significantly predicted the club stakeholder satisfaction, $F(1, 116) = 119.407$, $p < .05$.

Table10. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	1.575	.217		7.246	.000	1.145	2.006
	HC	.612	.056	.712	10.927	.000	.501	.723

a. Dependent Variable: CSS

Note: HU, human capital; CSS, club stakeholder satisfaction

The multiple linear regression outcome depict, for the model without the moderator, human capital management was significantly predict the stakeholder satisfaction, $b = 0.712$, $t(118) = 10.927$, $p < .05$. As the result show that the human capital management practices quality increase in one unit the clubs stakeholder satisfaction should be increase in 0.612. This result is shown in Table 10.

DISCUSSION

This research presents crucial empirical findings that substantially contribute to elucidating the connection among human capital management and organization effectiveness. The research outcome shows training and development

initiatives within human capital management significantly affect an organization's revenue. Furthermore, human capital practices have a considerable impact on customer satisfaction. These outcomes align with previous research,



which has indicated that training and development improve workers skills and competencies, subsequently helped to improve efficiency and effectiveness of organization.

Numerous studies indicate a significant positive association between human capital management practice and performance of organization across diverse sectors, including sports. The expertise, competence, and capability of employees, collectively known as human capital, play a vital role in addressing performance challenges and securing a competitive edge (Tesone et al., 2004). Effective management of human capital can help overcome organizational shortcomings and address issues such as limited resources or inadequate leadership (Tesone et al., 2004). Research indicates that developing human capital positively affects organizational performance by improving employee competencies, knowledge base, and ability to adapt to technological advancements (Cross, 2019). Moreover, human capital impacts social capital, with managers' expertise and cognitive capabilities influencing interpersonal relationships and organizational outcomes (Felício et al., 2014). Organizations can enhance their overall performance by implementing HR analytics to monitor human capital management (Vijay et al., 2022). These outcomes shows the significance of investing human capital development in using HR analytics for improve organizational results across various industries, including sports management.

The connection between effective human capital

management and revenue generation in sports organizations is substantial, as sound human resource practices directly affect organizational performance and financial results. The human capital theory suggests that individuals' competencies, expertise, and capabilities contribute to the overall success of sports entities, influencing revenue through improved performance and operational efficiency (Barros & Alves, 2003). For example, the capacity to recruit, nurture and retain skilled personnel is vital, as it ensures the delivery of high-quality services and a competitive edge in the market (Pakhuridze, 2023; Gogoladze, 2021). Moreover, the assessment of individual athletes' impact on team revenue highlights the significance of human capital in driving financial prosperity, with performance indicators directly linked to earnings (Harris et al., 2013). Consequently, strategic human capital management is critical for optimize revenue in increasingly intricate sports industry (Gogoladze, 2021).

Studies examining human capital and organizational revenue in sports organizations have shown the important influence of human capital management on financial outcomes. Human capital investment is crucial for addressing organizational challenges and sustaining a competitive edge (Tesone et al., 2004). Barros and Barros (2005) asserted that the remuneration of sports administrators is influenced by both human and social capital, underscoring the critical role of specialized skills



and professional networks within the sports sector. While sports organizations integrate conventional human resource functions, the management of athletes as human capital necessitates a distinct approach, with smaller entities frequently lacking dedicated human resource personnel (Dajnoki et al., 2018).

However, an excessive emphasis on acquiring new talent may not always result in enhanced performance. In professional soccer, team success is more closely linked to roster quality and experienced managers than to aggressive player recruitment strategies (John et al., 2018). These findings highlight the intricate association among human capital management and outcomes in sports organization, stressing the need for balanced approaches to talent acquisition and development.

Various studies in another dimension reveal the complex nature of the connection among human capital and stakeholder satisfaction in sports entity, underscoring the importance of effective human resource strategies. Research demonstrates that human capital, which comprises the skills and knowledge possessed by employees, exerts a substantial influence on job satisfaction and the overall performance of an organization (Buyukakgul & Argan, 2017). Furthermore, the way an organization and its supervisors are perceived to offer support is vital for improving volunteer contentment, suggesting that effective human capital management directly

influences the experiences of stakeholders (Aisbett & Hoye, 2015). Furthermore, Topuz and Çağlayan (2019) have demonstrated that employee satisfaction levels are contingent upon various demographic factors and the perceived efficacy of human resource management practices. Ultimately, a strategic emphasis on human capital development can concentrate on performance challenges and promote greater stakeholder satisfaction, highlighting the interrelated nature of these essentials within sport organizations (Schlemmer et al., 2021).

Conclusion

This study was designed to evaluate the influence of human capital management on the revenue and customer satisfaction of Ethiopia's premier league football clubs. To achieve this, multiple regression analysis was utilized to ascertain whether human capital management practices significantly predicted the organizational performance, specifically revenue and customer satisfaction, of these Ethiopian premier league male football clubs. The ultimate findings of the study demonstrated that human capital management practices exhibit a positive and strong correlation with organizational revenue; moreover, it significantly forecasts changes in the organization's revenue. Additionally, the research indicated that human capital management practices correlate positively and strongly with organizational customer satisfaction. In essence, the results significantly suggest that improvements in customer



satisfaction within the organization are attributable to these practices.

Acknowledgment

The authors give great recognition to the entire participant in the research.

Reference

Abdolmaleki, H., Heidari, F., Zakizadeh, S. B., & De Bosscher, V. (2019). Intellectual capital, the key to success in the management of high-performance sports organizations: the case of Iran's Ministry of Sport and Youth. *International Sports Studies*, 41(2), 55–68. [doi:10.30819/iss.41-1.05b](https://doi.org/10.30819/iss.41-1.05b)

Agburu, J. I., Anza, N. C. and Iyortsuun, A. S. (2017). Effect of outsourcing strategies on the performance of small- and medium-scale enterprises (SMEs). *Journal of Global Entrepreneurship Research*, 7(1), 1–34. <https://doi.org/10.1186/s40497-017-0084-0>

Aisbett, L. and Hoye, R. (2015). Human resource management practices to support sports event volunteers. *Asia Pacific Journal of Human Resources*, 53(3), 351–369. [doi: 10.1111/1744-7941.12062](https://doi.org/10.1111/1744-7941.12062)

Al Khajeh, E. H. (2018). Impact of Leadership Styles on Organizational Performance. *Journal of Human Resources Management Research*, 2018. [doi:10.5171/2018.687849](https://doi.org/10.5171/2018.687849)

Barros, C. P. and Barros, C. D. (2005). The Role of Human and Social Capital in the Earnings of Sports Administrators: A Case Study of Madeira Island. *European Sport Management Quarterly*, 5, 47–62. <https://doi.org/10.1080/16184740500089656>

Barros, C. and Alves, F. M. P. (2003). Human capital theory and social capital theory on sports management. *International Advances in Economic Research*, 9(3), 218–226. [doi:10.1007/BF02295445](https://doi.org/10.1007/BF02295445)

Buyukakgul, U. C. and Argan, M. (2017). The relationship between organizational learning capability, intellectual capital and job satisfaction in sports organizations. *Pressacademia*, 3(1), 790–795. [doi:10.17261/pressacademia.2017.659](https://doi.org/10.17261/pressacademia.2017.659)

Chen, M. Y.-C., Lam, L. W., & Zhu, J. N. Y. (2021). Should companies invest in human resource development practices? The role of intellectual capital and organizational performance improvements. *Personnel Review*, 50(2), 460–477. [doi: 10.1108/pr-04-2019-0179](https://doi.org/10.1108/pr-04-2019-0179)

Cross, O. D. (2019). The Effects of Human Capital Development on Organizational Performance. *International Journal of Scientific Research and Management*, 89. <https://doi.org/10.18535/ijjsrm/v7i1.em03Dr>

Dajnoki, K., Szabados, G., Bába, B. and É. (2018). A Case Study on the Human Resource Management Practice of a Sport Organization. *International Journal of Engineering and Management Sciences*. <https://doi.org/10.21791/IJEMS.2018.4.34>

Dibernardino, F. (2014). Measuring and Managing the Financial Performance of Human Capital Investments. Why Human Capital Is Important for Organizations, 109–124. https://doi.org/10.1057/9781137410801_8

Felício, J. A., Couto, E. B., & Caiado, J. (2014). Human capital, social capital, and organizational performance. *Management Decision*, 52, 350–364. [doi: 10.1108/MD-04-2013-0260](https://doi.org/10.1108/MD-04-2013-0260)

Franky, F., Marwan, J., Watriningsih, W., & Damayanti, N. (2024). Managing Human Capital to Improve the Impact of Emotional Intelligence and Customer Satisfaction. *Salud.Ciencia Y Tecnología - Serie De Conferencias*, 3. [doi:10.56294/sctconf2024.1222](https://doi.org/10.56294/sctconf2024.1222)

García-Sánchez, E., García-Morales, V. J., & Martín-Rojas, R. (2018). Influence of technological assets on organizational performance through absorptive capacity. *Organizational Innovation and Internal Labor Flexibil*, 10(3), 770. [doi:10.3390/su10030770](https://doi.org/10.3390/su10030770)

Gogoladze, N. (2021). The Impact of Human Resource Management on the Modern Sports Industry. *Egyptian Computer Science Journal*, 104, 137–144. [doi:10.36962/104/6-9/202169137](https://doi.org/10.36962/104/6-9/202169137)

Gupta, S., Drave, V. A., Dwivedi, Y. K., Baabdullah, A. M., & Ismagilova, E. (2020). Achieving superior organizational performance via big data predictive analytics: A dynamic capability view. *Industrial Marketing Management*, 90, 581–592. <https://doi.org/10.1016/j.indmarman.2019.11.009>

Hailu,&Teshafun. (2020). The current status of the organizational structure and management of the Ethiopian soccer



federation.

Harris, C. M., & Brown, L. W. (2021). Everyone must help: performance implications of the CEO and top management team human capital and corporate political activity. *Journal of Organizational Effectiveness: People and Performance*, 8(2), 190–207. [doi:10.1108/joep-07-2020-0131](https://doi.org/10.1108/joep-07-2020-0131)

Harris, J., Abraham, R. and Auerbach, J. (2013). Human Capital Valuation in Professional Sport. *International Journal of Business*, 3(3), 12–21. https://www.ijbhtnet.com/journals/Vol_3_No_3_March_2013/2.

Iconomescu, T., Mihaela, M., Veronica, & B., & Dana.(2014). Importance of human resources in sports clubs and in sports performance management. *Scientific Journal of Education, Sports, and Health*, 2.

IndraSetiawan, & Purba, H. H. (2020). A Systematic Literature Review of Key Performance Indicators (KPIs) Implementation. *Journal of Industrial Engineering & Management Research*, 1(3), 200-208. [doi:10.7777/jiemar.v1i3.79](https://doi.org/10.7777/jiemar.v1i3.79)

Irawan, D., Bastian, E., & Hanifah, I. A. (2019). Knowledge Sharing, Organizational Culture, Intellectual Capital, and Organizational Performance. *Journal of Accounting and Investment*, 20(3), 267–282. [doi:10.18196/jai.2003128](https://doi.org/10.18196/jai.2003128)

John, M., Kevin, , Badgett, B. S., Angela, R., Lisa, N. and Brett, L. (2018). Organizational leadership through management: Superintendent perceptions. *Educational Management Administration & Leadership*, 46(6), 997–1013. doi: 10.1177/1741143217714255

Karem, M. A., Mahmood, Y. N., Jameel, A. S., & Ahmad, A. R. (2019). Effect of job satisfaction and organizational commitment on nurses' performance. *Journal of Humanities and Social Sciences Reviews*. Eissn, 2395–6518.

Kurdi, B., & Alshurideh, M. (2020). Employee retention and organizational performance: Evidence from banking industry. *Management Science Letters*, 10(16), 3981–3990. [doi:10.5267/j.msl.2020.7.011](https://doi.org/10.5267/j.msl.2020.7.011)

Lee, E., Daugherty, J., Eskierka, K. and Hamelin, T. (2018). The impact of human capital management. *Nursing Management*, 49(3), 42–48. <https://doi.org/10.1097/01.NUMA.0000530424.79077.A9>

Mahapatro, B.B. (2010). Human Resources Management. New Age International (P) Limited, Publishers, New Delhi.

Mawson, L. M. (1993). Total Quality Management: Perspectives for Sport Managers. *Journal of Sport Management*, 7(2), 101–106. [doi: 10.1123/jsm.7.2.101](https://doi.org/10.1123/jsm.7.2.101)

Mubarik, M. S., Devadason, E. S., & Govindaraju, C. (2020). Human capital and export performance of small and medium enterprises in Pakistan. *International Journal of Social Economics*, 47(5), 643–662. [doi:10.1108/ijse-03-2019-0198](https://doi.org/10.1108/ijse-03-2019-0198)

Pakhuridze, M. (2023). Human resource management systems in sports organizations. *Ekonomika*, 105(1-2), 138–144. [doi:10.36962/ecs105/1-2/2023-138](https://doi.org/10.36962/ecs105/1-2/2023-138)

Pashaie, S., Abdavi, F., Dickson, G., & Habibpour, R. (2022). Sports customer relationship management, competitive advantage, satisfaction, loyalty, and complaint management. *Kinesiologia Slovenica*, 28(1), 122–140. [doi:10.52165/kinsi.28.1.122-140](https://doi.org/10.52165/kinsi.28.1.122-140)

Qing-Xuan, Z., Liu., & Hu, . (2017). A Study on Strategic Human Resource Management and Sports Organization Performance. *Destech Transactions on Economics, Business and Management*. [doi:10.12783/DTEM/ICEM2017/13170](https://doi.org/10.12783/DTEM/ICEM2017/13170)

Rasool, N. S. H., Mohammad, E., Hashem, K., & Mojtaba, A. (2014). Review of the Concept of Human Capital in Sports with an Emphasis on Capability Approach. *Marathon, Department of Physical Education and Sport Academy of Economic Studies*, 6(2), 222–234. <https://marathon.ase.ro/pdf/vol6/vol2/15%20HossiniMohammadol>

Robinson, L. (2011). Managing Customer Expectations of Sport Organizations. *Routledge Handbook of Sport Management*, 77–88. <https://doi.org/10.4324/9780203807224.ch5>

Rosyafah, S., & Pudjowati, J. (2024). What are the Key Determinants of Human Resource Management Effectiveness in Enhancing Organizational Financial Performance?. *Atestasi : Jurnal Ilmiah Akuntansi*, 7(1),

Cited as: Wondimagegn Abebe (2025) Impact of human capital on the competitive advantage of Ethiopian premier football club' performance *Ethiopian Journal of Sport Science (EJSS) V.6 page 412-428*

525–560. [doi:10.57178/atestasi.v7i1.815](https://doi.org/10.57178/atestasi.v7i1.815)

Scafarto, V. and Dimitropoulos, P. (2018). Human capital and financial performance in professional football: the role of governance mechanisms. *Corporate Governance*, 18(2), 289–316. [doi: 10.1108/CG-05-2017-0096](https://doi.org/10.1108/CG-05-2017-0096)

Schlemmer, P., Stickdorn, M., Kristiansen, E., & Schnitzer, M. (2021). A mixed methods stakeholder satisfaction study of sports events based on the case of the 2016 international children's games. *Journal of Convention & Event Tourism*, 1–18. <https://doi.org/10.1080/15470148.2021.1908921>

Schneider, R. C. (2017). An Equity-Centered Management Approach to Exploiting Sport Employee Productivity (Vol. 7). [doi:10.25307/jssr.364020](https://doi.org/10.25307/jssr.364020)

Singh, S. K., Gupta, S., Busso, D., & Kamboj, S. (2021). Top management knowledge value, knowledge sharing practices, open innovation and organizational performance. *Journal of Business Research*, 128, 788. [doi:10.1016/j.jbusres.2019.04.040](https://doi.org/10.1016/j.jbusres.2019.04.040)

Teodora, M., Veronica, I., Dana, M. and B. (2017). Importance of human resources in sports clubs and in sports performance management. *Gymnasium*.

Tesone, D. V., Platt, A., & Alexakis, G. (2004). The Human Capital Factor: Strategies for Dealing with Performance Challenges in Business and Sport Management. *The Journal of Applied Management and Entrepreneurship*, 9(3), 22. <https://www.questia.com/library/journal/1P3-1178660731/the-human-capital-factor-strategies-for-dealing-with>

Topuz, R., & Çağlayan, H. S. (2019). Investigation of the Relationship Between the Satisfaction Level and Perceived Organizational Support of Human Resources Management Practices in Sport Organizations. *Journal of Education and Training Studies*, 7(10), 131–142. [doi:10.11114/JETS.V7I10.4466](https://doi.org/10.11114/JETS.V7I10.4466)

Tracy, T., Doherty, A., & McGraw, P. (2015). Managing People in Sport Organizations. A Strategic Human Resource Management Perspective. Pub. Location London Imprintroutledge. <https://doi.org/10.4324/9781315881881>

Turulja, L. and Bajgoric, N. (2018). Information technology, knowledge management and human resource management: Investigating mutual interactions toward better organizational performance. *VINE Journal of Information and Knowledge Management Systems*, 48(2), 255–276. <https://doi.org/10.1108/VJIKMS-06-2017-0035>

Vijay, S., Vasantha, K., Rajesh, S., Raju, K., & Rani, K. (2022). Impact of Human Capital Management on Organizational Performance With the Mediation Effect of Human Resource Analytics. *International Journal of Professional Business Review*. <https://doi.org/10.26668/businessreview/2022.v7i3.0667>

West, G. P. and Noel, T. W. (2009). The Impact of Knowledge Resources on New Venture Performance. *Journal of Small Business Management*, 47(1), 1–22. doi: 10.1111/j.1540-627x.