

# Organizational hybridity and the evolution of the Kontinental Hockey League

Sergey Altukhov, Daniel Mason & Nikita Osokin

To cite this article: Sergey Altukhov, Daniel Mason & Nikita Osokin (2019): Organizational hybridity and the evolution of the Kontinental Hockey League, *Sport in Society*, DOI: [10.1080/17430437.2020.1696533](https://doi.org/10.1080/17430437.2020.1696533)

To link to this article: <https://doi.org/10.1080/17430437.2020.1696533>



Published online: 06 Dec 2019.



Submit your article to this journal [↗](#)



Article views: 2



View related articles [↗](#)



View Crossmark data [↗](#)



# Organizational hybridity and the evolution of the Kontinental Hockey League

Sergey Altukhov<sup>a</sup>, Daniel Mason<sup>b</sup> and Nikita Osokin<sup>c</sup>

<sup>a</sup>Sport Management Centre of Lomonosov, Moscow State University, Moscow, Russia; <sup>b</sup>Faculty of Physical Education and Recreation, University of Alberta, Edmonton, Canada; <sup>c</sup>Center of Sectoral Research and Consulting, Financial University under the Government of the Russian Federation, Moscow, Russia

## ABSTRACT

This paper employs an institutional logics approach to review the first ten years of operations of the Kontinental Hockey League (KHL). In doing so, we reveal how the KHL has integrated different practices from its rival, the National Hockey League, while also being influenced by traditional organizational practices and logics in the established Russian hockey system. Results reveal how the KHL has functioned as a hybrid under pressures from multiple logics, which has implications for the League as it continues to evolve and develop. The paper makes several important contributions to the literature. First, using Russian sources, it provides a comprehensive overview of KHL operations. Second, it shows how institutional logics across cultures can influence organizational operations, by examining an organization that has integrated both Western and Eastern European logics. Third, it furthers research examining the unique nature of sport organizations which may possess its own unique logics.

## KEYWORDS

Institutional logics; organizational hybridity; ice hockey; Kontinental hockey league; National hockey league; Russian sport

## Introduction

Over the past few decades, scholars have used institutions and institutional logics to understand the operations of organizations across different fields. As explained by Thornton and Ocasio (2008), this work has changed in focus from examining how and why organizations change to become more similar to how organizations and their actors help to shape fields and organizations based on various logics. Thornton and Ocasio (1999) defined institutional logics as ‘the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality’ (804), and argued that industries provide a relevant boundary for examination.

However, each industry has its own dominant set of norms, values and logics (Thornton, Ocasio, and Lounsbury 2012). For example, Gillett and Tennent (2018) found that professional sporting clubs have their own unique institutional logic that is rooted in the manner through which teams seek both profits and how they represent their respective communities

and address the needs and interests of other stakeholders (including fans). In addition, scholars now acknowledge that fields and the organizations within them do not necessarily converge toward a dominant logic; rather, they can be sites of contestation where more than one logic exists (Raynard 2016). According to Schildt and Perkmann (2017):

We argue that when organizations are exposed to newly salient institutional logics—by choice, coercion, or incremental adaptation—they must reach a new organizational settlement. This process entails a transition from an existing organizational settlement to a new one—a process we call hybridization. (140)

An ideal case to examine conflicting logics and the process of hybridization is in the operations of the Kontinental Hockey League (Russian: *Kontinentalnaya hokkeynaya liga* – KHL). Ice hockey has a long and storied history in Russia, dating back to the time of the Soviet ‘Red Machine’. During the times of the USSR ice hockey, along with all other sports, retained amateur status which allowed for elite athletes to compete in international competitions such as the Olympic Games. In the Soviet system, clubs had to have direct affiliations with state agencies, armed forces units, and/or government corporations; as a result, professional teams and leagues, at least in Western terms, did not exist. However, after the collapse of the Soviet Union local ice hockey began to adapt and adopt practices more consistent with a professional, North American model.

Today the highest caliber of hockey in Russia is played in the KHL. Initially, the league was described as the European competitor of the North American-based National Hockey League (NHL) (Canadian Press 2008). As will be discussed below, the founders of the KHL even opted to introduce a predominantly North American model of league governance. However, over the years some of the operational practices borrowed from the NHL proved to be impractical in the Russian/European context – in other words, they conflicted with existing logics and practices from the Russian hockey system – and were replaced by more traditional managerial practices. The purpose of this paper is to review the first ten years of operations of the KHL, and examine specific elements of its operations from an institutional logics approach. In doing so, we reveal how the KHL has integrated different practices from the National Hockey League, while also being heavily influenced by traditional organizational practices and logics in the established Russian hockey system. Results reveal how the KHL has functioned as a hybrid under pressures from multiple logics, which will have implications for the League to continue to evolve and develop.

The paper makes several important contributions to the literature. First, using Russian sources, we provide a comprehensive overview of KHL operations. Second, we examine how institutional logics across cultures can influence organizational operations, by examining an organization that has integrated both Western and Eastern European logics. Third, we further develop research examining the unique nature of sport organizations which, according to Gillett and Tennent (2018), has its own unique logic. The paper is organized as follows. We discuss recent developments in research on institutional logics and organizational hybridity. We then provide a chronological-thematic narrative of the KHL, concluding with a specific discussion of those practices that have involved the (re)negotiation of different logics in this context. We conclude with a discussion of the implications of our findings for both the literature on organizational hybridity and also the long-term prospects of the operations of the League.

### ***Institutional logics and organizational hybridity***

The concept of institutional logics was first suggested by Alford and Friedland (1985): ‘They describe capitalism, state bureaucracy, and political democracy as three contending institutional orders which have different practices and beliefs that shape how individuals engage political struggles’ (Thornton and Ocasio 2008, 101). An underlying aim of researchers using an institutional logics perspective has been to understand both individual and organizational behavior by locating it in a social and institutional context that simultaneously reinforces certain behaviors while also providing opportunities for change. As argued by Thornton and Ocasio (2008) ‘Perhaps the core assumption of the institutional logics approach is that the interests, identities, values, and assumptions of individuals and organizations are embedded within prevailing institutional logics’ (103). In addition, the examination of logics is not limited to Western organizations and/or fields, as evidenced by other work examining international contexts (Luo 2007).

However, the existence of prevailing logics does not mean that individuals and organizations cannot engage in behaviors that contradict these logics or contribute to the adoption of new ones. These would be considered institutional entrepreneurs who create and modify existing institutions using the resources they have at their disposal (DiMaggio 1988): ‘institutional entrepreneurs creatively manipulate social relationships by importing and exporting cultural symbols and practices from one institutional order to another’ (Thornton and Ocasio 2008, 115). Thus, entrepreneurs engage in a constant process of negotiation and renegotiation of, at times, conflicting logics in a given setting.

Logics are manifest at different levels. At a broader, societal level, Thornton, Ocasio, and Lounsbury (2012) identified seven logics, which include community, corporation, family, market, profession, religion, and state. These multiple logics may create different expectations and influence how organizations act and address issues, and make these same organizations face institutional complexity as they draw from multiple logics (Raynard 2016). ‘Institutional logics, therefore, are supra-organizational and abstract, but become observable in the concrete social relations of actors who utilize, manipulate, and reinterpret them’ (Skelcher and Smith 2015, 437). In other words, one can see how different logics influence organizations by how the organizations act in a given environment; the concept of hybridity has emerged to understand and explain how organizations are shaped by multiple logics (Skelcher and Smith 2015).

According to Smith (2010), ‘The basic argument is that hybridization represents the impact of changing role of the state and the adaptive response of nonprofit organizations to an increasingly uncertain funding and political environment’ (Smith 2010, 220). This definition aligns with the operations of the Kontinental Hockey League which, despite its professional status, is based in a hockey delivery system with strong ties to the Russian state. In work examining institutional logics and European football, Gillett and Tennent (2018) found the concept of hybridity to be intuitive:

We identified the hybridity view of institutional logics ... as the best fit for our data, as we felt we were looking at a case with a cosmetic similarity to that described in the public-private partnership literature ., but with the complication that football clubs themselves are not profit maximizing, possessing a unique institutional logic which we unpack below, and that this case study seemed to involve private assets potentially becoming public, rather than the opposite, which is conventionally assumed (Gillett and Tennent 2018, 233).

Although examining a league – the KHL – in the current case (rather than individual clubs), the complexities of for-profit clubs in a largely state-driven industry, with owners that are not pure profit maximizers,<sup>1</sup> makes hybridity an ideal lens to examine the operations of the KHL.

Early research on hybridity focused on how competing logics were managed in specific organizations and industries. Schildt and Perkmann (2017) suggested *organizational settlement* as a process whereby organizations accommodate multiple logics and that, due to the presence of multiple logics, most organizations could be considered hybrids. In addition, they proposed that the term *organizational hybridization* be employed to explain the ‘dynamic change process through which organizations, in response to newly salient logics in their environment, episodically reshape the settlements of internal elements pertaining to multiple logics’ (Schildt and Perkmann 2017, 140). See in this manner, the adoption of new, North American-based governance mechanisms for the operations of the KHL provided an opportunity to introduce newly salient logics into an established industry – the elite hockey system in Russia. Further, Schildt and Perkmann (2017) suggest that organizations will create ‘their own idiosyncratic organizational settlements’ (140) based on the unique logics and demands placed upon them, and that the concept of settlement is most appropriately applied at organizational (rather than societal, or individual) level.

Seen in this way, the creation of the KHL and the adoption of governance mechanisms previously not employed in the Russian context provides an ideal case to examine conflicting institutional logics and the processes of hybridization and organizational settlement in a novel setting. Following a brief discussion of method, we then provide an overview of the evolution of the Russian hockey system, the operations of the League, discuss relationships with key stakeholders, and the adoption of these new governance mechanisms. We then assess the success of the KHL and discuss this in terms of institutional logics and the process of hybridization.

## Method

This article relies on archival records to outline the operations of the KHL. Russian is the native language of two of the authors, who have been able to obtain information on the operations of the league from various sources. Previous studies examining institutions and logics have also employed archival records to examine organizations (Haveman and Rao 1997). Thus, the following paper is organized as a retrospective overview of the development of professional ice hockey in Russia – and the KHL in particular – through the lens of institutional logics.

### *The emergence of professional hockey in Russia*

Russia, as a successor of the USSR, began the process of professionalizing ice hockey in 1992. The first attempt to do so was based on the notion that all former Soviet states would participate in a new competition, to be called the International Hockey League (IHL). That league would use a regular season and play-off system. Despite the presence of some strong players, the commercial and on-ice potential of the competition turned out to be low as many local hockey players had already moved to play abroad and were enjoying greater

freedom with reduced restrictions on player mobility (Rogovskaya 2018). Despite this, some notable players were at some point in their careers part of the IHL, including former NHL all-stars Evgeny Nabokov, Sergey Samsonov and Andrey Nikolishin, as well as prominent Russian national team players Darius Kasparaitis, Andrey Kovalenko, Alex Morozov and Alex Selivanov. However, the league struggled to remain solvent as teams from Ukraine, Kazakhstan, Latvia, and Belarus began to lag behind competitively and significant travel costs caused financial issues for teams; as a result, the league disbanded in 1996.

The first post-Soviet competition to include only Russian-based teams was the Russian Hockey League (RHL), which was officially formed in April, 1996. The league included 26 teams within two divisions. Meanwhile, other former USSR states also began to develop their own domestic competitions. However, this move had a largely negative effect on the development of ice hockey in the entire region as these circuits did not come close to the competitive level that was present during Soviet times (Rozhkov 2018), and saw one or two teams dominating competition. In 1997 the RHL staged a two-tiered, promotion-relegation system similar to the inter-connected divisions found in association football in Europe.

In 1999 Aleksandr Steblin, President of the Russian Ice hockey Federation (RIHF), initiated the dissolution of the RHL. The move was motivated by a change in Russian sport legislation that allowed only accredited sport event organizers to receive state subsidies. According to the new Federal sport law, only one sport organization could become the official governing body of a single accredited sport by the Russian ministry of sports, RMS. This organization was given the right to annually host a national championship of that particular sport, with the government providing administrative and financial support to the organizers of national tournaments (Bratanovsky and Lukin 2014). Thus, Steblin, given the new legislative regulation, was interested in acquiring these funds by forming a new competition – to be called the Professional Hockey League, PHL (Kommersant 1999).

The PHL was officially founded on June 30th, 1999 as a non-profit organization comprised of 45 professional clubs, the RIHF, and the Russian state sports agency (the national governing body for Russian sport at the time). The next shift in power occurred in 2006 when renowned Soviet-era goalie, Vladislav Tretyak, was elected as the new RIHF President. With his appointment, the organizational landscape of professional ice hockey in Russia changed again. The RIHF revoked the PHL's rights to host the Russian National Ice Hockey Championships. After this decision, the PHL was divided into two separate organizations: a non-profit partnership (NP) and a for-profit closed joint-stock firm (CJS). While having different legal forms and owners, both organizations retained the same name – PHL. These organizations staged their own competitions, though none had official status as a national competition (RIA News 2008). The absence of national competition status meant that participating teams would not be able to gain access to state funding as they were considered to be taking part in 'unofficial' competitions. At that time, no privately-owned clubs existed and government funding was the only means of survival for Russian teams. Therefore, the PHL lost its appeal, and Russian clubs became keen to be a part of a new competition.

March 11th 2008 marked the first official presentation of a new professional ice hockey league in Russia – the Kontinental Hockey League (KHL). The league had strong backing from Russian oil and gas giant Gazprom, with the CEO of its subsidiary at the time, Gazpromexport – Aleksandr Medvedev – named the first KHL president. Gazprom, being a state-owned company as well as one of the country's largest tax payers, has strong ties to the Russian government (Tkachev 2017). Therefore, the KHL could be considered a

quasi-government entity. In addition to Gazprom, represented by Gazpromexport, the current shareholders of the league also included other large companies with ties to the state, such as PJSC MMK, which owns HC Metallurg Magnitogorsk. In addition, PJSC Tatneft is the main financial supporter of HC Ak Bars Kazan and PJSC Transneft, which does not have a direct stake in any KHL club and has been actively seeking to sell its shares in the past years. These corporations have an equal 11.76% share.<sup>2</sup> Smaller shares are dispersed among some of the KHL clubs.

The KHL's first season included 21 teams from Russia and three non-Russian clubs: Barys Astana from Kazakhstan, Dinamo Minsk from Belarus and Dinamo Riga from Latvia. The league also managed to secure the rights to host the Russian national championship from the RIHF. According to various sources, the estimated cost of acquiring the rights to host the national championships in 2008 ranged from 90 to 150 mil RUB (\$3.2 mil–\$5.35 mil). As of 2018 the price of these rights has risen to 340 mil RUB (KHL 2018). Along with acquiring full rights to hosting the Russian National Ice Hockey Championships, the KHL also gained control of the tournament's commercial and media properties. Therefore, the KHL would be obligated to cover all operating costs for hosting the competition, while also benefiting from all revenue streams. The RIHF's incentive for agreeing to the deal was pretty straightforward – the federation received a guaranteed profit, while also being able to apply its financial and managerial resources elsewhere. Additionally, this would ensure that clubs could be backed by regional governments.

The KHL can be seen as Russia's first attempt to compete with North American hockey not only at the national team level but at club level as well. At the beginning of the first season of the KHL RIHF president, Vladislav Tretyak made the following statement:

This year has seen a number of our players come back [from the NHL]. This demonstrates the increase in the competitive level of local professional hockey. And salaries have become more lucrative as well... It is still difficult to compete with the NHL, which is more than a hundred years old, but we can definitely say that our league is second best in the world [...] (Sports.ru 2008)

Figure 1 provides a summary of key milestones in the development of professional ice hockey leagues in Russia through the creation of the KHL.

### **The Kontinental Hockey League and key stakeholders**

Among the main KHL stakeholders we can highlight the RIHF, the International Ice Hockey Federation (IIHF), the International Olympic Committee (IOC) and other foreign hockey league and federations. We discuss the KHL's relationship with each below.

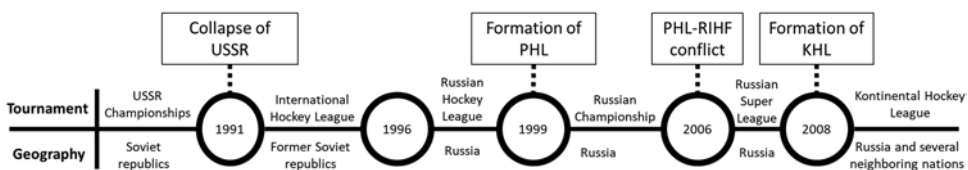


Figure 1. Retrospective of professional ice hockey development in Russia.

### ***Russian ice hockey federation***

The RIHF is a key KHL stakeholder as it is the primary rights holders of the Russian national championships, as discussed previously. Recent events have seen the KHL and RIHF becoming even more closely interconnected. On August 21, 2015 the RIHF introduced a new governance structure within the RIHF. The federation would now be governed by a management board that would include key stakeholders. Arkady Rotenberg, one of Russia's wealthiest businessmen with close ties to the Russian government, headed the Board of the RIHF. The board also includes Rashid Nurgaliyev, deputy secretary of the Security council of Russia, Gennady Timchenko, chairman of the Board of Trustees of the RIHF, chairman of the KHL board of directors, Roman Rotenberg, son of Arkady Rotenberg and vice president of the RIHF, Dmitry Chernyshenko, president of the KHL, Alexander Medvedev, former KHL President and current member of the board of directors of the HC SKA St. Petersburg, and others (KHL 2019). As we can see the KHL is now in a strong position to influence the RIHF and Russian hockey as a whole.

### ***International Olympic Committee***

Unlike the NHL, the KHL does not possess the same level of autonomy vis-à-vis the IOC. In November 2017, the KHL announced that it would not stop regular season matches and delegate its players to the 2018 Winter Olympics if the IOC elected to ban the Russian team from the tournament. The KHL's stance was formulated during the pinnacle moment of the Russian anti-doping scandal (Altukhov and Nauright 2018). At that time the IOC was looking to fully ban all Russian athletes from competing at the 2018 Winter Olympics. In the end the IOC went with a softer option of banning athletes from competing under the Russian flag and conducting rigorous checks. The IIHF responded aggressively to the KHL's threats. The RIHF was to be fined 500,000 CHF as it was the national governing body directly affiliated with the league (Eurosport 2017). In the end, the KHL did not follow through with its threats and the league's players successfully competed at the Olympic tournament. However, this case vividly showed that the KHL is far from being independent from higher sport authorities, unlike the NHL, who chose not to allow its players to compete in the 2018 Olympic Games.

### ***Foreign leagues and federations***

Open sport systems exclude the possibility of competition between leagues at a national level. This is largely explained by the regulation of international sport organizations. For example, there is virtually no possibility of a new league being formed in England to contest for clubs and spectators of the English Premier League, as any clubs joining such a league would fall under sanctions from national and international governing bodies. For the same reason a breakaway European super league in football could not be established purely by the willingness of the clubs, as this will lead to a ban from participation any competitions under UEFA and FIFA (Pijetlovic 2015).

Breakaway leagues are more likely to happen in closed leagues, such as those found in North America. Noll (2002) stated that new leagues tend to form when consumer demand



starts to exceed the supply of teams and matches. Since closed leagues operate by the principle of geographic monopoly, this occurs where there are geographic markets that could host a team but do not have one. Thus, the supply of matches for a region can be limited and create a potential niche for a new league to arise. In theory if a number of suitable markets were denied entry into the KHL they could unite to form their own league. History has already seen such sort of precedents elsewhere in hockey. In 1971 the World Hockey Association (WHA) was formed in North America. This league is considered by most to be the most successful attempt to compete with the NHL (Longley 2003). The WHA was able to attract 67 NHL players to switch to the WHA in its inaugural season, by offering more lucrative contracts, and was more attractive for young athletes as it did not have age restrictions. At that time, the NHL did not allow players below the age of 20 to enter the draft. As a result, many great players, including Wayne Gretzky, started their professional careers in the WHA. However, the WHA only lasted for seven years, merging with the NHL in 1979. In the last 38 years, North American ice hockey has not seen a credible attempt to compete with the NHL (Willes 2011).

The case of the KHL is slightly different. Since the KHL continues to hold the rights to host the Russian ice hockey championship, no serious competitor could realistically be created in Russia. As the KHL continues to develop commercially, it might find itself developing even more complex entry barriers and therefore reducing the risk of any new competing leagues.

However, the KHL also has teams from Finland, Latvia, Belarus, Kazakhstan and China. These nations all have their own national ice hockey competitions, although they could hardly be considered sites for a KHL competitor to emerge. Apart from Russia, every other nation only has one team in the league. Therefore, the other national competitions can only compete for attracting individual KHL clubs, but not necessarily a new league.

An interesting case occurred in Sweden, where local club AIK from Stockholm expressed its desire to join the KHL. This initiative was later blocked by the Swedish ice hockey federation. Swedish sport regulations do not allow Swedish clubs to participate in international tournaments that are not organized by an officially recognized international sport body (Backman 2017). Therefore, we can say that the KHL is a hybrid system that does not compete with other leagues in its core market, Russia, but is actively interested in attracting teams from other geographic zones.

### ***Players' associations***

The KHL has its own player union (KHLPA), which was formed in 2009 (KHLPA 2019). However, the KHLPA does not have a significant influence on league operations, especially compared to its North American counterpart, the NHLPA. A big step in the right direction was made in 2010, when the first ever collective bargaining agreement in Russian professional ice hockey was negotiated. Granted, the document was mostly a forced measure aimed at stabilizing the financial health of the league during the 2010–2013 period. This was a collective effort by the KHL and KHLPA to ensure that all clubs remained solvent and were able to honor their contractual obligations. The deal proposed a gradual decrease in player salaries to minimize overinflated operating expenses, established a minimum wage for athletes, introduced budget caps along with other aspects. However, most conditions concerned with the regulation of labor are still managed through the KHL's internal

regulations. Current league regulations require all KHL players to be KHLPA members. The KHLPA also plays a role in dealing with and licensing player agents. More specifically, agents are now obligated to pay an annual fee to the KHLPA and the RIHF in order to officially represent athletes in the KHL (Galkevich 2018). Although player unions are continuing to establish themselves as valid institutions in Russian sports, it is still too early to compare them to the athletic trade unions in North America.

### League characteristics

Having discussed the KHL's key stakeholders, we now provide an overview of the KHL during its first ten years of operations.

### Competitive balance

Closed leagues pay a great deal of attention to competitive balance, since they do not have the ability to substitute underperforming teams with new participants. The concept of competitive balance was introduced in seminal papers by Rottenberg (1956) and Neale (1964). Competitive balance is considered one of the preconditions for maximizing spectator interest (Késenne 2015). One of the more common measures of competitive balance is the relative standard deviation (RSD) (Fort and Maxcy 2003). The lower the RSD value, the closer the competition within a league is. Figure 2 displays the RSD competitive balance values from the 2007/08 season (the last season of the RHL) and the first nine seasons of the KHL.

As we can see, starting from the 2008/09 season right up until 2012 the league was steadily improving its competitive structure. Before the 2012/13 season the KHL welcomed three new clubs simultaneously, something which had not occurred previously. After this we see a significant increase in RSD values, meaning that the KHL's competitive balance changed for the worse. Kunlun Red Star, China's first professional ice hockey club in the KHL, which entered the league in the 2016/17 season, was able to make it to the play-off stage in its first season. However, the competitive balance within the league still managed to decrease. This could be an indicator that the league was dominated by a few top clubs and the gap between the upper and bottom halves of the KHL competitive landscape only increased.

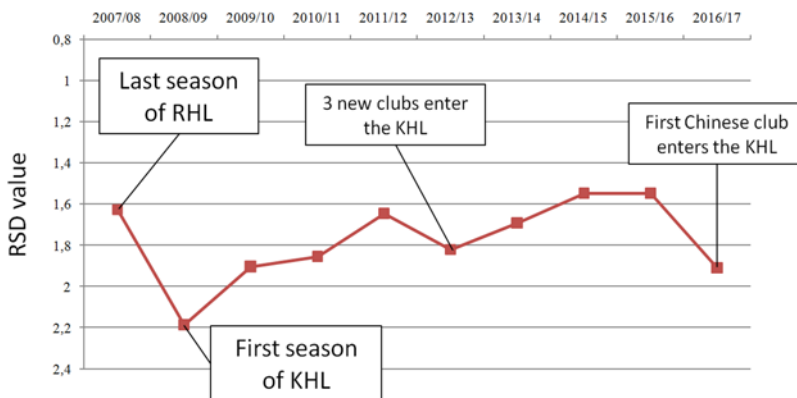


Figure 2. Competitive balance in the KHL.

## **Revenue distribution**

All major North American leagues follow the principle of revenue sharing/distribution. This mechanism attempts to even the commercial ‘playing field’ for those clubs that are located in less commercially appealing markets. Revenue distribution leads to less financial disparity between league clubs. This ideally allows franchises to have a more equal chance to acquire athletes from the talent pool as well to develop their own infrastructure. Peeters (2015) noted that the NHL has one of the more complex revenue distribution systems among North American professional leagues. Financial support is provided only to those teams that show revenues below a predetermined value, and teams hit specific revenue targets.

The 2014/15 season was the first where revenue distribution was announced for KHL clubs. However, the total amount of distributed revenue equaled roughly 2 mil. USD. Although not a substantial amount, the KHL has been able to develop its revenue distribution pool over the years. After the 2017/18 season the league’s board of directors reported that roughly 6 mil. USD would be distributed among the clubs (KHL 2018). The distribution is performance-based, meaning that some clubs receive a larger share of league revenue. This approach is opposite to the revenue sharing practice of US major leagues where the larger market clubs are forced to share their income with teams from less commercially developed markets. Another distinctive feature of the KHL revenue distribution system is that the revenue can only be used to finance specific projects that are approved by the KHL. This means that the league has complete oversight over the way the distributed amounts are spent to make sure that they are invested in worthwhile projects, such as stadium expansion or upgrades, and/or further developing the club’s youth academy.

Even though the league seems to be showing signs of growth, concerns of financial sustainability still arise. In the 2017/18 season 52% of club expenses were covered by either direct state funding allocations or charity payments from government companies. Only 14% percent of club generated revenue is derived from direct consumer sales of tickets or merchandise (KHL 2018). A reliance on state funding may allow some clubs to operate beyond their financial means. As a result, the long-term survival of some teams is the dependent purely on the mood and personal interests of officials that can rescind funding at any time. In a number of studies this approach has been labeled as the ‘sugar daddy’ model to club ownership (Andreff 2015). One reason why the KHL has explored reducing the number of Russian teams in the league is due to this overreliance on state funding.

## **Broadcasting revenue**

The Russian sports broadcasting market is underdeveloped compared to other countries. For the purpose of developing its media presence, the KHL announced its own subscription-based channel, KHL TV, where the league was fully responsible for content production. Apart from that, several KHL matches per week were also aired via public/broadcast television, which received the broadcasting rights to these matches at no cost. This approach was designed to provide the league with wider exposure, and increase its popularity as media content. After the 2018/19 season, the league was able to distribute roughly \$8 mil. in broadcasting revenue. The largest share (\$1,2 mil.) went to reigning champions, CSKA Moscow, while the lowest ranked KHL club received nine times less in distributed TV revenue (Kabanov 2019).

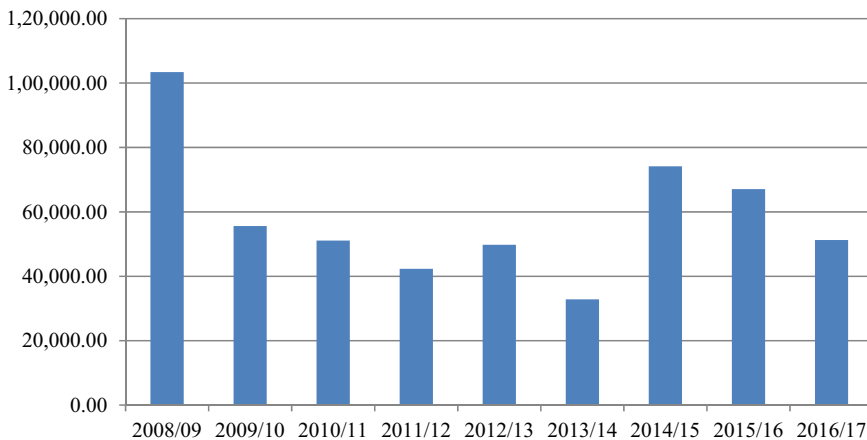
In 2015, the Russian sport broadcasting market was drastically redesigned with the creation of a new public sports channel, Match TV, the KHL also announced a new development strategy, with a focus on promoting the KHL product to foreign markets. The following year saw KHL broadcasting rights being sold to 29 countries. In 2017, play-off matches were broadcasted on CCTV5+ in China. The KHL is also rapidly developing its online presence and pay-per-view broadcasts. However, the KHL's broadcasting ratings have been fairly volatile over the years (Figure 3). In the league's inaugural season, an average audience of 103,000 viewers watched games; however, in the 2016/17 season the audience was only half that amount<sup>3</sup>.

### **Gate receipts**

Similar to the NHL, the KHL does not publish any official records on club gate receipt revenue. The only analysis in this case can be conducted through the lens of home match attendance. Over the KHL's first ten years its average match attendance has risen from 5,302 to 6,313 spectators per game (see Table 1). However, the league still struggles with the uneven distribution of club attendance across clubs. A serious drop in capacity utilizations can be noted in the 2016/17 season.

### **A discussion of the adoption of North American governance mechanisms**

The discussion above has reviewed the operations of the KHL and its relationships with key stakeholders. The following reviews specific practices that borrowed heavily from North American professional leagues, particularly the NHL. We then discuss these practices in terms of institutional logics to better understand how they function in the KHL context. In 2008, inspired by the commercial success of the NHL, several North American sports league governance mechanisms were introduced in the KHL, including a closed competition format (with no promotion or relegation of teams), salary caps, and a player draft system. These aspects will be discussed in more detail below.



**Figure 3.** KHL average TV audience (Ernst & Young 2018).

**Table 1.** KHL match attendance (Ernst & Young 2018).

Season	Average regular season attendance	St. dev.	Average capacity utilization, %	Number of games
<b>2008/09</b>	5 302	1 946	77,51	733
<b>2009/10</b>	5 654	1 886	79,96	743
<b>2010/11</b>	6 067	2 185	77,81	707
<b>2011/12</b>	6 112	2 215	79,49	702
<b>2012/13</b>	6 270	2 323	77,75	754
<b>2013/14</b>	6 122	2 144	77,29	874
<b>2014/15</b>	6 569	2 186	79,74	920
<b>2015/16</b>	6 445	2 068	77,74	920
<b>2016/17</b>	6 313	2 486	73,23	944

The KHL made the first attempt on Russian soil to employ a closed league format that has been well-established in North America (Andreff 2011), where ice hockey enjoys a wider commercial success compared to Europe. From a tournament standpoint, a closed league format requires that the competition's participants do not change leagues or tiers of competition irrespective of their sporting results in a given season (Noll 2003). However, a closed league does not necessarily stipulate the absence of lower-level divisions within the competitive structure. The North American model has a player development system that allows teams to stockpile talent while preparing them to perform at higher levels of competition. Usually one NHL team would have one or more 'farm' clubs, to which they can delegate a player at any given moment during the season.

Important for the current study is the notion of rules, as it was the adoption of rules and governance mechanisms borrowed from North America – the National Hockey League in particular – that provided the impetus to examine the KHL, hybridity, and settlement. As explained by Hwang and Powell (2005):

'[a] process of institutional change involves rule-making, or the creation of formal laws that define the playing field, enabling certain groups and retarding the efforts of others. In some cases, rule-making is highly instrumental and driven by specific agendas. In other circumstances, institutional entrepreneurship may occur as a result of unintended consequences, particularly when groups seize upon unexpected opportunities created by legislative change' (204–205).

For the KHL, there were three distinct changes to governance that were drawn from North American leagues and provided the possible context for challenges in the KHL.

### **Closed competition**

The first related to closed competition; the KHL opted not to follow the standard European division model and instead adopted the North American major league system, presumably because the KHL expected to be a commercially viable product and the NHL was used as an organizational benchmark. The KHL initially attempted to form a classical major league hierarchy with feeder leagues and youth tournaments. The Higher Hockey League (VHL)<sup>4</sup> was intended to be the KHL farm-league and was founded in 2009 the VHL had A and B divisions, so, Russian ice hockey now had three professional leagues. A separate tournament was formed to facilitate the development of young players – the Youth Hockey League (MHL),

which also had A and B divisions. Although several MHL teams were also directly affiliated with KHL clubs and, thus, also served as de facto farm clubs. This competitive hierarchy remained intact until 2016, when the RIHF once again intervened with organizational reform.

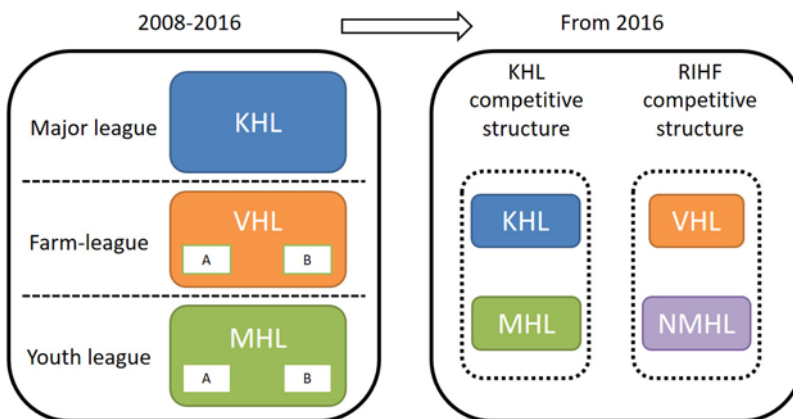
The VHL was removed from the KHL competitive structure in 2016 and ceased to be a developmental league. The RIHF then initiated the creation of another youth competition among the U-20 squads of non-KHL teams – the National Youth Hockey League (NMHL). The MHL still operates within the KHL structure and allows player from 17 to 20 years of age to participate. [Figure 4](#) shows the hierarchy of professional ice hockey tournaments in Russia.

When the KHL was initially founded Russian federal sports regulations allowed only non-profit organizations to be rights holders of national sport competitions. This factor had a significant impact on how the KHL was legally structured. The league decided to create an umbrella holding company, KHL LLC, which would include the autonomous non-profit organization (ANO) KHL – the rights holder to the Russian ice hockey championships – and KHL-Marketing LLC, which would be in charge of the league's commercial activities (KHL 2017). However, in July 2018 it was announced that KHL-Marketing LLC will be reformed as KHL-Media LLC, where KHL LLC will only have 25% share. The other shares were allocated to Match TV, Russia's only public sport-specific television channel. The MHL and Women's hockey league (WHL) were also formed as separate non-profit legal entities within the KHL LLC structure ([Figure 5](#)).

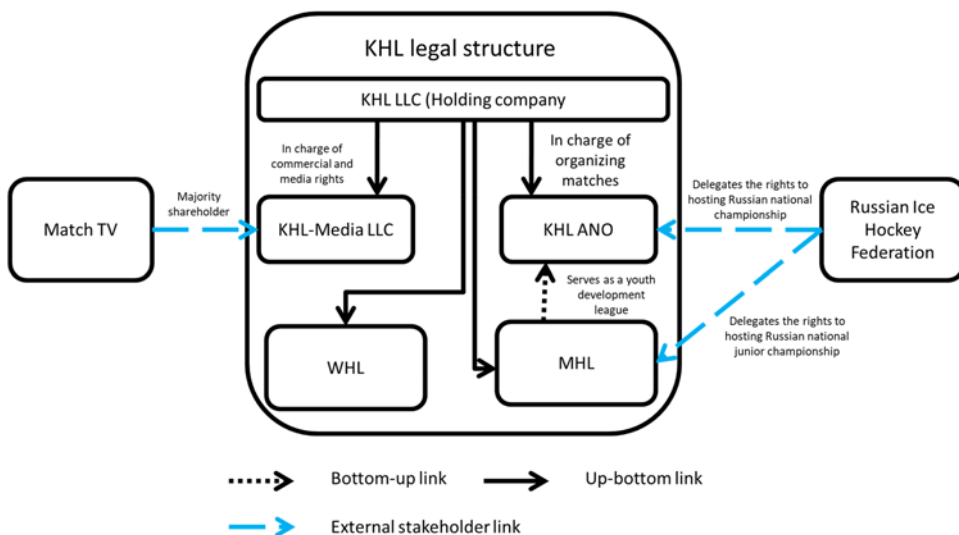
While there have been changes to the structure of the elite hockey hierarchy in Russia, it does not appear that the changes have been driven by competing logics in this instance. The unique legal structure of the KHL was a function of fitting the new league into existing Russian law, and did not reflect a struggle for settlement between conflicting logics. Thus, while a new practice in the Russian context, it does not appear that operating as a closed league has put the KHL in a position where there appears to be any pressure to use an open/relegation system more common in other sports.

### Salary caps

Strict regulations regarding player wages and bonuses are also one of the more distinctive features of the North American closed league model, where most leagues introduce salary



**Figure 4.** Competitive structure of club ice hockey competitions in Russia.



**Figure 5.** KHL legal structure and relation with RIHF (KHL 2019a).

caps. Wage restrictions can be applicable to both individual contracts and team roster wage bills. Salary cap values are usually linked to league revenues. This approach helps clubs follow a more sustainable financial model where spending is defined by earnings. Apart from a salary cap there is also a salary floor, which helps ensure that teams do not differ substantially in terms playing talent (assuming player talent and salaries are directly related). For example, the accepted team salary within the NHL for the 2017/18 season ranged from a floor of \$54 to a maximum of \$75 mil (USA Today 2017).

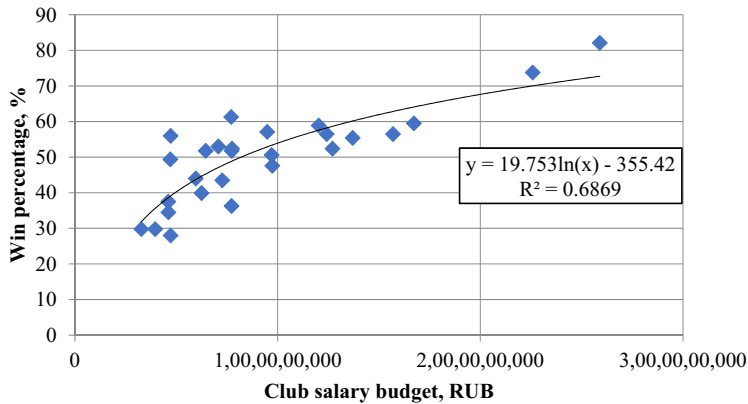
The KHL also has its own salary cap. For the 2017/18 season clubs could not exceed a collective wage bill of \$15.63 mil. However, the KHL also introduced clauses that allowed clubs to not include star player contracts in their capped wage bill, since it benefited the league to have these players on KHL rosters and not playing in the NHL. Contracts of Russian players like Ilya Kovalchuk with SKA St. Petersburg and Alexander Radulov with CSKA Moscow were among the several that fell under the exclusion clause (Solntsev and Osokin 2016). In the 2017/18 season the team wage bill of HC SKA from St. Petersburg exceeded the league cap by nearly three times (Table 2). Figure 6 compares the season spending of KHL clubs on player salaries and bonuses and win percentages of clubs in the 2017/18 season. The graph shows that the club salaries in the KHL are linked to team competitiveness. This means that (a) the league has difficulties in ensuring financial equality among its clubs and (b) competitive balance in the league is highly sensitive to a team's financial abilities.

In examining the adoption of a salary caps and the changes that have occurred throughout the operations of the KHL, one specific issue has arisen. The first is that, like franchises in North America, the KHL is very aware that the long-term success of the KHL is dependent upon the continuing success – or at least survival – of all league franchises. As a result, there is concern that in the absence of restrictions on player salaries, certain teams will remain dominant at the expense of the league overall, which has implications for competitive balance and the ability of weaker teams to remain competitive (and who cannot be relegated to a weaker tier of competition). However, the KHL is in a difficult situation in that it sees

**Table 2.** Descriptive statistics of NHL and KHL team salaries in the 2017/18 season, USD.

Descriptive statistic	NHL	KHL*
<b>Max.</b>	79,227,460	44,963,841
<b>Min.</b>	56,655,618	5,679,095
<b>Mean</b>	72,053,149	16,407,359
<b>St. dev.</b>	3,445,130	7,295,809
<b>Relative standard deviation</b>	0.048	0.445

\*Exchange rate is used as of 06.04.2018: 1USD = 57.596RUB.

**Figure 6.** Link between clubs' salaries (RUB) and sport performance (win percentage) and KHL clubs in 2017/18 season (Ernst & Young 2018).

itself as directly competing with the NHL for players, especially strong Russian players; this means that the cap on salaries that would be necessary to make most KHL teams financially viable would not allow teams to pay the salaries that would be high enough to attract and/or retain strong players who have the option of playing in the NHL.

Besharov and Smith (2014) found that an organization's strategy can drive variations in field characteristics and also situate it such that it is exposed to multiple logics. The decision to adopt practices from North American leagues thus placed the KHL in a position where the likelihood of exposure to multiple logics would be greater:

'[when] organizations are exposed to newly salient institutional logics—by choice, coercion, or incremental adaptation—they must reach a new organizational settlement. This process entails a transition from an existing organizational settlement to a new one—a process we call hybridization.' (Schildt and Perkmann 2017, 140)

In the case of the KHL, it must attempt to find a settlement related to the best combination of a salary cap – which allows clubs to be financially viable – and clauses that allow for specific players to be paid sums that make clubs go over the cap, in order to help the KHL retain or draw players who otherwise would play in the NHL.

### **Player development and drafting**

One of the most debated decisions made early on by the KHL was to introduce a draft system similar to the one in the North American leagues (Solntsev and Osokin 2016). A



number of clubs were openly against this decision as it risked undermining the whole player development system, which was still largely based on the Soviet sport school system. The draft system was used by the KHL during its first seven seasons. However, the specific technicalities of the draft were significantly different from the procedures in any of the major North American leagues. From 2008 until 2015 if a player was selected by a club, it did not automatically mean that the team acquired the rights to this athlete. If the chosen player was developed through a youth system of an existing KHL club than this club had the opportunity to veto the player draft and offer a professional contract to its homegrown player. For every draft each club had five opportunities to veto a selection of such a player. In a case of a veto, the club that was making a selection did not lose its draft pick and had the right to choose another player (Solntsev and Osokin 2016). These rules significantly undermined the whole point of the draft system. The league was unable to ensure equal talent dispersion among clubs, nor did it manage to keep down salary costs. This was not surprising, given that European countries follow a player development model with club-linked academies and excellence centers. However, in the United States and Canada player development is mostly performed via junior clubs and schools that are independent from NHL franchises. In 2015 the KHL attempted to reform the draft by allowing all clubs to sign their homegrown players before the draft. All non-signed players were then allocated to the draft. This way all of the young and promising players were already signed and the draft turned into a formality. A year later the KHL decided to abandon the player draft altogether.

The abandonment of the draft represents a significant issue for the KHL and its ability to maintain competitive balance and ensure the ongoing success of teams in specific markets. The National Hockey League introduced a version of its draft in 1963, with its modern version in 1969. Prior to the expansion of the NHL from six to twelve teams in 1967, NHL teams had territorial rights to players. For example, French-Canadian players were the property of the Montreal Canadiens club. As a result, teams directly supported junior clubs financially and often stockpiled players in their 'farm' clubs. However, expansion of the NHL in 1967 added franchises in markets where high-level players were not being developed, such as Los Angeles (Gruneau and Whitson 1993). This meant that a mechanism needed to be created to allocate playing talent more fairly and efficiently, and ideally ensure more competitive balance amongst clubs. This same issue is likely to arise in the KHL now that the league has expanded to non-traditional markets, such as China, where the talent pool of young players is not as deep as in other KHL markets.

Logics are manifest at different levels. At a broader, societal level, Thornton, Ocasio, and Lounsbury (2012) identified seven logics, which include community, corporation, family, market, profession, religion, and state. From examining the operations of the KHL, it would appear that the most influential logics have been related to the market, profession, and state. While the KHL has attempted to integrate practices from the NHL and North American professional sport, embedded logics related to how sports leagues should be operated and how involved the Russian government – which has had a critical and longstanding role in elite hockey in Russia – could and should be are still in the process of negotiation, or settlement. For this reason, we acknowledge that as the KHL continues to grow and operate, it will still be engaging in a process of hybridization that is unique to this context.

In their study of European football clubs, Gillet and Tennent (2018) explained that the relationship between the local club and government authorities is complex, and that little

is known about the relationship between the parties. They argued that this can be seen where the club is in insolvency and the local authority steps forward to provide financial assistance. They described the conditions that influence this relationship as influenced by a 'professional sport logic' that bridges professional and non-profit logics and describes the unique nature of the relationship between clubs and their communities. Although very different in the Russian context, and although we are examining the operations of a league rather than a specific club, we also see the strong influence and relationship between the Russian government and the KHL in our case, and the presence of a similar, professional sport logic.

## Conclusions and possible future developments in the KHL

In reviewing the operations of the KHL from an institutional-logic-perspective, we can see that the KHL will continue to evolve in the coming years in response to competing logics, the settlement process, and hybridization. In late 2017, the KHL presented a new development strategy (the second one in three years) that would envision the league's future through 2024. The document mostly focused on improving internal efficiency and creating a sustainable business model. The KHL President, Dmitry Chernyshenko, could only give a vague idea of what the upcoming KHL changes would look like.

We have discussed a number of scenarios, which have shaped our understanding of the next seven years for the KHL. The league is determined to introduce a hard salary cap with teams only having the ability to exclude one or two 'star' players from the capped salary budget. A bigger focus will be drawn to distributing player bonuses to athletes that actually determine the sporting outcome and don't spend most of their contracts on the bench. We predict that this can decrease salary expenditures by 43%. At the moment the average KHL salary is 2.6 times higher than in a standard European league. The league is interested in increasing the efficiency of player spending, whilst also retaining key athletes within the KHL (KHL 2017).

The KHL remains convinced that 24 clubs will be the optimal business structure at the moment. Therefore, the first possible scenario is pretty straightforward – that the league will realize its ongoing strategy and take additional steps towards reducing the number of Russian teams and increasing the number of foreign clubs. The question of geographic reach is a focal point in the expansion strategies of North American leagues (Macdonald and Pulleyblank 2014). The exact location of a team is usually linked to the region's economic potential. By establishing clubs in the most commercially developed markets leagues minimize the possibility of new competitors (Troilo et al. 2016).

Although the KHL has been labeled an international league, most of its participating clubs still hail from Russia. Over the league's 10 years history it has embraced new entrants from Slovakia, Czech Republic, Finland, Croatia, Ukraine and China. However, some clubs have already been forced to exit the KHL due to financial difficulties. This can be seen as one of the differences between the KHL and the NHL. In the case of the NHL the league is interested in ensuring the sustainability of its franchises, as it did in the case of the Phoenix Coyotes (Kotler and Hoffman 2010). While some former KHL franchises have left the league without the prospects of a comeback. Table 3 shows a summary of clubs that have entered and exited the KHL over the league's first 10 seasons. By 2023 the league expects to have

**Table 3.** Entrant and exit clubs of the KHL.

Season	Exited before the season	Entered before the season	Number of teams in the league
<b>2008/09</b>	0	0	24
<b>2009/10</b>	Khimik (Moscow region)	Avtomobilist (Yekaterinburg)	24
<b>2010/11</b>	HC MVD (Moscow), Lada (Tolyatti)	Yugra (Khanty-Mansiysk)	23
<b>2011/12</b>	Lokomitv (Yaroslavl)	Lev (Prague, Czaech republic)	23
<b>2012/13</b>	0	Lokomitv (Yaroslavl), Slovan (Bratislava, Slovakia), Donbass (Donetsk, Ukraine)	26
<b>2013/14</b>	0	Admiral (Vladivostok), Medvescak (Zagreb, Croatia)	28
<b>2014/15</b>	Donbass (Donetsk, Ukraine), Lev (Prague, Czaech republic), Spartak (Moscow)	Jokerit (Helsinki, Finland), HC Sochi, Lada (Tolyatti)	28
<b>2015/16</b>	Atlant (Moscow region)	Spartak (Moscow)	28
<b>2016/17</b>	0	Kunlun (Beijing, China)	29
<b>2017/18</b>	Metallurg (Novokuznetsk), Medvescak (Zagreb, Croatia)	0	27
<b>2018/19</b>	Yugra (Khanty-Mansiysk) Lada (Tolyatti)	0	25
<b>2019/2020</b>	Slovan (Bratislava, Slovakia)	0	24

24 clubs in its ranks with an emphasis on reducing the number of Russian clubs. Season 2019/20 saw the KHL having 24 participating clubs, 5 of which were located outside of Russia. Overall, 5 clubs have exited or have been excluded from the league since 2017. Despite the league's efforts, non-Russian teams have also been exiting tournament with Slovan Bratislava from Slovakia being the latest club to do so.

However, as this paper has shown, in order for KHL franchises in new markets to be successful in the long run, they will need more equitable access to playing talent; this will mean that the issue of improving player distribution mechanisms will need to be explored. Another issue involves ensuring optimal revenue sharing within the league to facilitate, rather than hamper, competitive balance. Revenue has been growing steadily in the league for the last five seasons, however the KHL's approaches to revenue distribution have not benefited clubs in less commercially successful markets, since the main distribution principle remains performance based. The league's dedication to ensuring a hard salary cap is admirable and will require strong economic justification. Limiting the maximum pay for players will prove to be an uneasy task due to the league's substantial imbalance in club budget volume. However, a gradual cap reduction can yield positive results in terms of stabilizing talent distribution and, thus, the competitive balance in the league. By employing institutional logics as a framework to understand the KHL, we can see that this will prove to be a highly contested process of negotiation, settlement, and hybridization for the KHL in the years to come.

## Notes

1. Research has shown that North American leagues have a greater focus on profit maximization, while European clubs focus more on winning (Sandy, Sloane, and Rosentraub 2004).
2. Relevant on 22.09.2018 and collected via financial reporting database, Spark.
3. Viewership data are based on figures from matches broadcasted on Russian public channels.
4. The official abbreviations were based on their direct transliteration from Russian.

## References

- Alford, R. R., and R. Friedland. 1985. *Powers of theory: Capitalism, the state, and democracy*. Cambridge University Press.
- Altukhov, S., and J. Nauright. 2018. "The New Sporting Cold War: Implications of the Russian Doping Allegations for International Relations and Sport." *Sport in Society* 21 (8): 1120–1117. doi:10.1080/17430437.2018.1442194.
- Andreff, W. 2011. "Some Comparative Economics of the Organization of Sports: Competition and Regulation in North American vs. European Professional Team Sports Leagues." *European Journal of Comparative Economics* 8 (1): 3–27.
- Andreff, W. 2015. "Governance of Professional Team Sports Clubs: Agency Problems and Soft Budget Constraints." In *Disequilibrium Sports Economics*, edited by W. Andreff, 175–228. London: Elgar.
- Backman, J. 2017. "Elite Ice Hockey—a Pleasure Only in Major Cities? A Comparison of Swedish and Finnish Elite Ice Hockey Clubs Geographical Location 2015/2016." In *Global Issues and New Ideas in Sport Management, 2nd International Conference of World Association for Sport Management*, Kaunas, Lithuania, 20–23 June 2017.
- Besharov, M. L., and W. K. Smith. 2014. "Multiple Institutional Logics in Organizations: Explaining Their Varied Nature and Implications." *Academy of Management Review* 39 (3): 364–381. doi:10.5465/amr.2011.0431.
- Bratanovsky, S. N., and M. V. Lukin. 2014. *The Legislative Organization of Sport in the Russian Federation*. Moscow: Directmedia [in Russian].
- Canadian Press. 2008. "Russian Professional Hockey League Mounts Challenge to NHL." *The Hockey News*. Retrieved from: <https://thehockeynews.com/news/article/russian-professional-hockey-league-mounts-challenge-to-nhl>.
- DiMaggio, P. 1988. "Interest and Agency in Institutional Theory." In *Institutional Patterns and Organizations Culture and Environment*, edited by L. G. Zucker, 3–21. Pensacola, USA: Ballinger Pub.
- Ernst & Young. 2018. "Annual Report on the KHL in the 2017/2018 Season." Retrieved from [https://www.ey.com/Publication/vwLUAssets/ey-khl-report-2018/\\$File/ey-khl-report-2018.pdf](https://www.ey.com/Publication/vwLUAssets/ey-khl-report-2018/$File/ey-khl-report-2018.pdf)
- Eurosport. 2017. "RIHF Faces IIHF Fine for Olympic Boycott." Retrieved from [https://www.eurosport.ru/ice-hockey/khl/2017-2018/story\\_sto6416825.shtml](https://www.eurosport.ru/ice-hockey/khl/2017-2018/story_sto6416825.shtml).
- Galkevich, I. 2018. RIHF to Charge Agents a 500,000 RUB Fee Annually Starting From the 2018/19 Season. Retrieved from <https://rsport.ria.ru/hockey/20180511/1136732672.html>
- Gillett, A. G., and K. D. Tennent. 2018. "Shadow Hybridity and the Institutional Logic of Professional Sport: Perpetuating a Sporting Business in Times of Rapid Social and Economic Change." *Journal of Management History* 24 (2): 228–259. doi:10.1108/JMH-11-2017-0060.
- Gruneau, R., and D. Whitson. 1993. *Hockey Night in Canada: Sport, Identities and Cultural Politics*. Calgary: Garamond Press.
- Fort, R., and J. Maxcy. 2003. "Competitive Balance in Sports Leagues: An Introduction." *Journal of Sports Economics* 4 (2): 154–160. doi:10.1177/1527002503004002005.
- Haveman, H. A., and H. Rao. 1997. "Structuring a Theory of Moral Sentiments: Institutional and Organizational Coevolution in the Early Thrift Industry." *American Journal of Sociology* 102 (6): 1606–1651. doi:10.1086/231128.
- Hwang, H., and W. W. Powell. 2005. "Institutions and Entrepreneurship." In *Handbook of Entrepreneurship Research*, edited by Z. J. Acs and D. B. Audretsch, 201–232. Boston, MA: Springer.
- Kabanov, A. 2019. "Money in the KHL." Retrieved from <https://www.kommersant.ru/doc/4086468>
- Késenne, S. 2015. "The Optimal Competitive Balance in a Sports League?" In *The Economics of Competitive Sport*, edited by P. Rodriguez, S. Késenne and R. Koning, 85–92. Cheltenham: Edward Elgar.
- KHL. 2017. "Dmintry Chernyshenko: 24 is the Optimal Number of Clubs for the KHL." Retrieved from <https://www.khl.ru/news/2017/05/16/347240.html>
- KHL. 2018. "Dmitry Chernyshenko: Income is Over 3 Billion Rubles - The League is in Excellent Form". (2018, September 7). Retrieved from <https://www.khl.ru/news/2018/09/07/406682.html>

- KHL. 2019. "League Structure." Retrieved from <https://www.khl.ru/official/organization/>
- KHLPA. 2019. "About the Player's Association." Retrieved from <http://khlptu.ru/#about-proff>
- Kommersant. 1999. "Vedomosti #91." Retrieved from <https://www.kommersant.ru/doc/219180>.
- Kotler, L. J., and M. E. Hoffman. 2010. "Rangers' Coyotes' Asset-Purchase Agreements: Trumping Bankruptcy's Fundamental Goals?" *American Bankruptcy Institute Journal* 29 (7): 26.
- Longley, N. 2003. "The Effects of Inter-League Competition on Labor Market Discrimination: Assessing the Impacts of the World Hockey Association." *The Social Science Journal* 40 (4): 651–656. doi:10.1016/S0362-3319(03)00076-4.
- Luo, X. 2007. "Continuous Learning: The Influence of National Institutional Logics on Training Attitudes." *Organization Science* 18 (2): 280–296. doi:10.1287/orsc.1060.0230.
- Macdonald, B., and W. Pulleyblank. 2014. "Realignment in the NHL, MLB, NFL, and NBA." *Journal of Quantitative Analysis in Sports* 10 (2): 225–240. doi:10.1515/jqas-2013-0070.
- Neale, W. C. 1964. "The Peculiar Economics of Professional Sports." *The Quarterly Journal of Economics* 78 (1): 1–14. doi:10.2307/1880543.
- Noll, R. G. 2002. "The Economics of Promotion and Relegation in Sports Leagues: The Case of English Football." *Journal of Sports Economics* 3 (2): 169–203. doi:10.1177/152700250200300205.
- Noll, R. G. 2003. "The Organization of Sports Leagues." *Oxford Review of Economic Policy* 19 (4): 530–551. doi:10.1093/oxrep/19.4.530.
- Peeters, T. 2015. "Profit-Maximizing Gate Revenue Sharing in Sports Leagues." *Economic Inquiry* 53 (2): 1275–1291. doi:10.1111/ecin.12184.
- Pijetlovic, K. 2015. *EU Sports Law and Breakaway Leagues in Football*. Den Haag, The Netherlands: Asser Press.
- Raynard, M. 2016. "Deconstructing Complexity: Configurations of Institutional Complexity and Structural Hybridity." *Strategic Organization* 14 (4): 310–335. doi:10.1177/1476127016634639.
- RIA News. 2008. "Nikolay Umarov Named New PHL President." Retrieved from <https://ria.ru/20061006/54574727.html>.
- Rogovskaya, M. 2018. "History of Our Hockey. Part 47. 1992-1993." Retrieved from <https://www.championat.com/hockey/article-3106539-nasha-istorija-chast-47-1992-1993.html>
- Rottenberg, S. 1956. "The Baseball Players' Labor Market." *Journal of Political Economy* 64 (3): 242–258. doi:10.1086/257790.
- Rozhkov, A. 2018. "History of Our Hockey. Part 51. 1996-1997." Retrieved from <https://www.championat.com/hockey/article-3106855-nasha-istorija-chast-51-1996-1997.html>
- Sandy, R., P. J. Sloane, and M. S. Rosentraub. 2004. *The Economics of Sport: An International Perspective*. New York: Palgrave MacMillan.
- Schildt, H., and M. Perkmann. 2017. "Organizational Settlements: Theorizing How Organizations Respond to Institutional Complexity." *Journal of Management Inquiry* 26 (2): 139–145. doi:10.1177/1056492616670756.
- Skelcher, C., and S. R. Smith. 2015. "Theorizing Hybridity: Institutional Logics, Complex Organizations, and Actor Identities: The Case of Nonprofits." *Public Administration* 93 (2): 433–448. doi:10.1111/padm.12105.
- Smith, S. R. 2010. "Hybridization and Nonprofit Organizations: The Governance Challenge." *Policy and Society* 29 (3): 219–229. doi:10.1016/j.polsoc.2010.06.003.
- Solntsev, S., and N. Osokin. 2016. "Applying North-American Approaches in Sports League Governance: The Case of the Continental Hockey League." *Vestnik Tomskogo Gosudarstvennogo Universiteta* 412: 172–182. [in Russian]. doi:10.17223/15617793/412/29.
- Sports.ru. 2008. "Vladislav Tretyak: It's Still Difficult to Compete with the NHL." Retrieved from <https://www.sports.ru/hockey/5715238.html>
- Thornton, P. H., and W. Ocasio. 1999. "Institutional Logics and the Historical Contingency of Power in Organizations: Executive Succession in the Higher Education Publishing Industry, 1958–1990." *American Journal of Sociology* 105 (3): 801–843. doi:10.1086/210361.
- Thornton, P. H., and W. Ocasio. 2008. "Institutional Logics." *In the Sage Handbook of Organizational Institutionalism* 840: 99–128.
- Thornton, P. H., W. Ocasio, and M. Lounsbury. 2012. *The Institutional Logics Perspective: A New Approach to Culture, Structure, and Process*. Oxford: Oxford University Press.

- Tkachev, I. 2017. "Russia's Biggest Taxpayers." Retrieved from <https://www.rbc.ru/economics/15/08/2017/597724fd9a794714c9ac187c>
- Troilo, M., A. Bouchet, T. L. Urban, and W. A. Sutton. 2016. "Perception, Reality, and the Adoption of Business Analytics: Evidence from North American Professional Sport Organizations." *Omega* 59: 72–83. doi:10.1016/j.omega.2015.05.011.
- USA Today. 2017. "NHL Salary Cap Set at \$75 Million for 2017-18 Season." Retrieved from <https://www.usatoday.com/story/sports/nhl/2017/06/18/nhl-salary-cap-set-at-75-million-for-2017-18-season/102993812/>.
- Willes, E. 2011. *The Rebel League: The Short and Unruly Life of the World Hockey Association*. Toronto: McClelland & Stewart.