
The Influence of Sport Sector and Government Policies on the Economic Growth of Sultanate of Oman (Conceptual Framework)

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Abstract:

The Sultanate of Oman remains heavily dependent on oil revenues, rendering its economy highly vulnerable to external shocks. In line with Oman Vision 2040, diversification efforts have increasingly emphasized the sports sector as a potential contributor to sustainable economic development. This study examines the influence of human capital and infrastructure on the sports sector and investigates the mediating role of government policies in enhancing the sector's contribution to economic growth. A descriptive-analytical research design was employed, utilizing a purposive sample of 250 respondents representing government officials, sports administrators, academics, and private investors. Data were collected through structured questionnaires and semi-structured interviews and analyzed using SPSS and SmartPLS. The results indicate that both human capital ($\beta = 0.34, p < .001$) and infrastructure ($\beta = 0.39, p < .001$) exert significant positive effects on the sports sector. Moreover, the sports sector positively influences economic growth ($\beta = 0.29, p < .001$), while government policies demonstrate the strongest impact ($\beta = 0.40, p < .001$). Mediation analysis confirms that government policies partially mediate the relationship between the sports sector and economic growth, thereby reinforcing their central role in translating sectoral development into measurable economic outcomes. These findings suggest that the sports sector can serve as a strategic pillar of economic diversification in Oman, provided it is supported by robust policy frameworks, sustained investment in human resources, and modern infrastructure. The proposed conceptual framework contributes to the literature on economic diversification and provides policy-relevant insights for achieving long-term financial sustainability.

Keywords: Sports Sector, Government Policies, Economic Growth, Human Capital, Infrastructure

1. Introduction

1.1 Economic Context and Problem Statement

The Sultanate of Oman is one of the Gulf and Arab nations endowed with abundant natural resources and distinctive topography, attracting both foreign investment and tourism. Utilizing these resources effectively can enhance economic growth and increase the gross domestic product (GDP). However, for many years, the Omani economy has relied predominantly on oil as the primary source of GDP, leaving other resources underutilized (Nasr, 2021). Like other oil-dependent economies, Oman has faced persistent challenges due to fluctuations in global oil prices. The decline in oil revenues significantly affected the national economy, prompting the government to seek diversification strategies. Five-year development plans played a critical role in this process by promoting investments, encouraging privatization, and supporting structural reforms to improve productivity and efficiency (Saeed Al-Souli, 2021).

Despite the volatility of the global oil market, Oman has witnessed economic development over past decades, partly due to investments in non-oil sectors such as education, tourism, and agriculture (Hafsi, 2020). Broader regional reforms, such as rationalizing public spending and liberalizing markets, have also influenced Oman's policies to attract private investment, stimulate innovation, and strengthen competition (Sayed Ali, 2018). Nevertheless, challenges remain, particularly in empowering the national workforce, enhancing governance, and sustaining long-term economic diversification (Group of Authors, 2019).

1.2 The Role of the Sports Sector in Economic Diversification

Within the framework of Oman Vision 2040, diversification efforts have highlighted sports as a promising investment sector capable of generating substantial contributions to national income. Sports are no longer viewed solely as recreational activities; they have evolved into a dynamic industry that creates jobs, attracts investment, and fosters sustainable economic growth (Omani Clubs and Sports Investment, 2025).

Strategically privatizing Omani sports clubs can integrate the sports sector into the national economy, provided that transparent governance and legal frameworks are established to balance sporting and economic objectives. Such policies will empower clubs to develop academies, nurture talent, and establish advanced training systems while also investing in modern facilities capable of hosting regional and international events. These investments not only enhance domestic sports development but also boost sports tourism, generating additional revenue streams (Omani Clubs and Sports Investment, 2025).

Furthermore, globalization and rapid technological advances have reshaped the sports industry, introducing new social and economic challenges. To succeed, Omani sports organizations must adapt quickly, embrace innovation, and align with international standards in order to ensure resilience and sustainability (Al-Sindi, 2025).

1.3 Government Policies and Conceptual Framework

This study emphasizes the role of government policies as mediating factors in linking the sports sector to economic growth. The conceptual framework integrates three key determinants: the human factor, infrastructure, and government policies.

The human factor is central, as it involves talent development, workforce training, and knowledge transfer to improve efficiency within the sports sector. Infrastructure—including modern facilities, academies, and support systems—is essential for fostering high-quality sports activities and creating an enabling environment for professional and grassroots development. Government policies, meanwhile, act as catalysts by establishing governance systems, regulations, and incentives that enhance the effectiveness of sports-related investments.

This framework recognizes sports as a driver of sustainable development by demonstrating how government intervention can amplify the contributions of human capital and infrastructure to economic growth (Hafsi, 2020; Saeed Al-Souli, 2021). By situating sports within a broader economic reform agenda, Oman positions itself to reduce its dependency on oil and move toward a diversified, knowledge-based economy.

1.4 Study Objectives and Research Design

The study aims to evaluate the role of the sports sector in driving sustainable economic growth in the Sultanate of Oman, with government policies serving as mediating factors. The specific objectives are:

- To determine the impact of the human factor on the sports sector in the Sultanate of Oman.
- To determine the impact of infrastructure on the sports sector in the Sultanate of Oman.
- To measure the impact of the sports sector on government policies and economic growth in the Sultanate of Oman.
- To verify the impact of government policies on economic growth in the Sultanate of Oman.
- To investigate the mediating role of government policies in the relationship between the sports sector and economic growth.

2. Literature Review

2.1 Drivers of Sports sector

Today, sports are considered one of the branches of modern economics and is a field of study in prestigious universities around the world. Sports contribute to economic support and have a positive impact on increasing productivity (Al, M. I. S., 2020). In recent years, strategic plans have been witnessed in building national economic mechanisms, prompting governments to focus on developing and prioritizing the sports sector as a contributor to the agenda of economic diversification.

In this regard, the researcher views investment in sports as one of the main solutions to the economic issues within the sports field. This investment involves creating available investment opportunities, employing funds, and allocating them in the sports sector. Developing the sports sector and highlighting its importance is an essential part of economic development policy and significantly contributes to enhancing the overall national economy. Muhammad, (2016).

Today, investing in sports has become a vital strategy embraced by both developed and developing nations to ease the financial strain caused by government-funded support. Such investment helps alleviate the burden on public finances and enhances overall financial efficiency. Shifting the emphasis from direct financial aid to investment opens the door for both domestic and international private sectors to contribute to the growth of the sports industry. In turn, private investment not only strengthens the local economy but also plays a crucial role in achieving sustainable development. This collaborative approach allows private entities to share fiscal responsibilities with the government, thereby reducing its financial load. To ensure long-term success, it is critical that sports investment is governed by transparent laws, policies, and conditions. By implementing a well-defined sports investment strategy, governments can attract more private capital, increase revenue, and stimulate comprehensive development. Ultimately, the sports sector can serve as a powerful engine for economic growth and positive societal transformation (Ali, 2021).

Sports and the economy have a close and long-standing tie, as anyone who follows the economic movement will see. As the years went by, this connection quickly took off and developed a serious, professional curve. It became reciprocal, which helped the sports industry grow. In some countries, like Brazil, Spain, the United States, and Germany, the sports industry generates a significant amount of income due to its high profits, which allowed the state to build the necessary infrastructure and create games to reach their current

level of fictitious and substantial profits, in contrast to some Arab nations that still view this industry with a certain amount of modesty (Radwan & Salmi, 2020)

Based on the type of activities it engages in and the amount of money it spends, the sports industry can be divided into a number of tiers. Research in this area must use market economy techniques even though the sports industry is seen as a separate sporting entity that depends on government assistance. In order to meet the needs of the sector and maintain a balance between investment and state revenue, self-financing is achieved through thorough study. One of the industries that is expanding remarkably on a global scale is sports. Because they heavily rely on government assistance without the earnings that help them become self-sufficient, sports clubs are the true barrier. (Mohamed Tony & Mohamed Fathy, 2019)

Interest in investing in the sports sector is growing day by day, with some countries developing clear strategies to raise the level of sports investment. This contributes to building the national economy and enhancing competitiveness at the regional and global levels. Developing these strategies is based on clear scientific foundations that require patience and constant review of current laws to keep pace with rapid developments in various economic fields. Furthermore, sports investment is a suitable and feasible opportunity to boost the gross domestic product and achieve greater success at the global level. (Mohamed Sobhi Abdel Hamid, 2022)

One important area of a nation's economy that is growing into a pillar is the sports sector. With \$1.7 billion spent on sports each year, the Dubai Sports and Cultural Council, for instance, is a model in this area. Furthermore, a survey released by UCFB,

A university that specializes in the sports industry and sports investment, estimates that the sports sector in the UK economy is worth over \$145 billion. These numbers demonstrate how important sports are to the economy, and they are the consequence of deliberate planning and the right tactics, not random outcomes (Tofa, 2018)

Sports play a significant role in Islam, as they are considered a spiritual and physical need. The Prophet (peace and blessings be upon him) commanded Abdullah ibn Amr (may Allah be pleased with him) to balance worship with the needs of the body, the eyes, and the spouse. This was narrated by Al-Bukhari. The Prophet (peace and blessings be upon him) pointed to the virtue of a strong believer in the hadith of Abu Hurairah, where he affirmed that a strong believer is better and more beloved to Allah than a weak believer. He advised us to strive for what benefits us, seek Allah's help, and not be helpless. He also advised us not to say, "If only I had done such-and-such," but rather to say, "Allah has decreed and whatever He wills He does." Contemporary Islamic society emphasizes the role of sports and its contribution to Islam by supporting its theoretical and scientific knowledge. It contributes to the educational, cultural, and physical requirements urged by our noble Prophet to advance the nation's youth to the forefront. (Awad Mohamed & Mohamed Abdel Azim, 2022)

Sports have played a significant role in promoting Islam as a theoretical and practical approach throughout history. Sports have been an essential part of our cultural renaissance, both in ancient and modern times. The sporting activities mentioned in the hadiths of the Prophet Muhammad (peace and blessings be upon him) and practiced by him have been highlighted. The importance of sports in the Prophetic Sunnah stems from its emphasis on its significant role in contemporary Islamic society, as it contributes significantly to the physical and cultural development of youth. Sports activities such as throwing, running, and walking, practiced by the Prophet Muhammad (peace and blessings be upon him), and are essential for enhancing individual strength and seeking healing. Encouraging youth to engage in sports is an essential part of building a strong and healthy society. Therefore, we must preserve our Islamic sporting heritage and continue to benefit from the lessons and values it conveys on our path to progress and prosperity.

2.2 Human Capital

According to Schultz, human capital refers to the total energy and abilities that people can use to make the most of economic resources. This idea includes both the number of people available to work and the quality of their skills and education.

When we talk about people's knowledge and skills, we often look at their education, experience, and level of understanding. If we talk about human capital on a national level, it means looking at the entire population and their abilities.

It's important to know that "human capital" can have different meanings. For example, UNICEF defines it as the number of healthy, educated, skilled, and productive people in a country. Strong human capital is a key factor in measuring a country's ability to grow its economy and improve the well-being of its people. It includes the skills and knowledge that individuals have, which greatly affect the chances of economic success and development (Baker, 1964).

The human resource is considered the most important source of success and excellence and a solution to many of the problems facing the organization. It is a dynamic element that can be changed, developed and activated to achieve the best results. Paying attention to developing the human resource and investing in it effectively is considered a source of creative and creative energy, which gives the organization a competitive advantage and improves its performance. Therefore, the human resource is considered a strategic resource that contributes to creating value for the organization and improving its position in the market (Bousahat Muhammad Amin, & Bin Malik Zakaria, 2012).

Human capital is a form of corporate capital that plays a crucial role in enhancing productivity, creativity, and innovation within organizations. It is considered an intangible asset, and its nature and impact may vary from one organization to another, reflecting differences in organizational structures, cultures, and management styles. In addition to human capital, intellectual capital is another essential component of corporate capital. It serves as an indicator of an organization's ability to effectively manage its tangible and intangible resources to develop the expertise, culture, and knowledge necessary to achieve and sustain a competitive advantage. Human capital includes all individuals working within the organization, as well as the intellectual assets they possess. These assets contribute to the generation of innovative ideas and solutions that can be transformed into economic value and profit. What distinguishes intellectual assets is that they form the foundation for the organization's products, services, and innovations, and are not easily replicable by others. By making efficient use of human and intellectual capital, organizations can maximize their value and strengthen their position in the competitive marketplace (Anani & Salwa Reda Mohamed, 2023).

2.3 The Human Capital and the Sports Sector

The reality of human capital in sports institutions is a key factor that must be taken into account when developing these institutions' performance and keeping pace with the challenges of the times. When managers at all organizational levels pay attention and care to developing and enhancing the performance of subordinates, this will positively impact the performance of the organization's groups Anani, S. R. M & Salwa Reda Mohamed, (2023).

Human development in sports aims to enhance skills and the ability to use the latest methods to solve problems facing leaders. This is achieved by improve the level of leadership performance and developing their behavior, with the aim of achieving the highest level of contribution to increase outcomes and enhancing the level of sports performance. Human development in the sports field also aims to advance the thinking of those working in this field. By developing the human element in the sports field, the energies of

these resources are invested and utilized to stimulate and expand the sports base. This includes holding a variety of sports activities with the aim of advancing sports and the performance of athletes, achieving the desired results (Wahiba, 2020).

2.4 Infrastructure and sports sector

In order to ensure regular exercise, infrastructure is essential, particularly for people who are not regular exercisers and are searching for an appropriate and qualified location to play sports the availability of good infrastructure is a key incentive to support the country's vision of a "healthy and productive sports society." Furthermore, the design of sports facilities or sports infrastructure must ensure safety, security, and ease of use, thus motivating all age groups who wish to practice sports. Accordingly, urban planning for cities and villages across the country should aim to create open spaces for public sports. It is also necessary to build sporting facilities that are really effective and efficient. These top-notch facilities, which may be used as a foundation for training and qualifying athletes in a variety of sports, can be established and supported by the private (Al-antabli, 2021).

2.5 Sports sector and government policies

The creation and execution of comprehensive programs to develop human resources working in the sports industry are necessary to achieve progress in this field. This must offer the institutional setting required to encourage collaboration and creativity in the sports industry. In addition to bolstering the field's infrastructure, these strategies must concentrate on enhancing the abilities and expertise of sports coaches and administrators.

Cooperation with the private sector, the civil sector, and non-governmental organizations represents a key tool in strengthening the infrastructure of sports. These entities must be encouraged to invest in the field of sports and support related programs and projects. Ensuring the development of sports activities requires the adoption of effective and robust systems that work to raise the scientific level and implement policies in this field. Programs must also be developed to promote scientific research in the field of sports and implement policies aimed at improving sports activities. Therefore, establishing and managing an information database that helps officials achieve their goals in the field of sports is essential, by providing the necessary data and updating it regularly to ensure the best possible achievement of sports objectives. Laws, rules, and procedures that govern all sports-related activities as well as relationships, obligations, and responsibilities must be established if the sports industry is to become financially and administratively independent. Additionally, attention must be directed toward creating the institutional and regulatory frameworks required to oversee and evaluate advancements in the financial sports sector. (Wardani, 2019).

The sports institution is linked to the political institution in promoting political values and institutional culture. However, there is a difference in the ability of the political institution to impose social values in society, while the sports institution focuses on spreading social ideals and promoting social values. For example, in American schools, sports programs work to teach the fundamentals and guide young people to integrate into American society by teaching appropriate social orientations, values, norms, and models of social behavior, which reinforces the prevailing social and political orientations in society (Knight Ibrahim & Mohamed, 2020).

The current government policy in Egypt aims to attract foreign investment in the various sports activities sector with the aim of supporting other investments and encouraging them to take the same step. The government believes that the young training structure of the Egyptian population offers great opportunities, as every young talent can be transformed into a successful investment project. This matter requires Availability of multiple job opportunities in this sector, as well as concluding many investment and economic contracts and contracting with local agents (Nouran, 2023).

2.6 Sports sector and economic growth

The financial presence in the field of sports is considered one of the manifestations of modern economic activity. In previous decades, sports were limited to entertainment and social activities carried out by volunteers and funded by the state. However, in recent decades, money has increasingly entered the world of sports, thanks to the organization of sporting events and professional championships. Sports are also regarded as consumer activities undertaken by individuals and families; their value was estimated in 1999 at approximately 74 billion French francs. Of this amount, 20 billion French francs were spent on the purchase of sports clothing and shoes, while 27.6 billion French francs were spent on services provided by various sports teams. The sports sector is a productive activity that has managed to create a market representing about 1% of the gross domestic product of the member countries of the Organization for Economic Co-operation and Development (OECD). Additionally, the scope of the markets for sports equipment and clothing has expanded to become global, involving various institutions of different sizes (Barbaris, Sharif, 2017).

Sports and the economy are closely related and have a close link. Sports must move away from total reliance on government funding and seek to establish their own revenue streams in the context of the state's shift to a free market economy. This means that sports must become a source of income rather than an expense in the government budget. Sports must be able to fulfill their societal and governmental responsibilities in order to actively contribute to raising the GDP. For example, sports can attract tourists and organize major sporting events that draw crowds and generate financial revenues. Sports can also be a reason for the development of the country's infrastructure, ultimately leading to increased investment opportunities and improving the local economy. It is worth noting that sports require effective professional and financial management, as the necessary legal framework and procedures must be provided to support the organization of sports clubs and manage funds transparently and professionally. The government, private sector, and civil society must collaborate to ensure sustainable funding and strategic planning for sports. Ultimately, sports can be a driving force for the local economy and enhance economic development, as long as it is not a burden on the state budget. We must move towards enhancing the role of sports in the economy and work on providing the appropriate infrastructure and sustainable funding to achieve these goals (Barbaris, Sharif, 2017).

Sports industry is witnessing significant development. It is no longer an isolated factor from the economy, but has become, in many countries, a cornerstone and foundation of the national economy. Sports have transformed from a mere hobby and entertainment into an industry that relies on numerous factors to achieve success. This transformation is evident in the competition among many countries to organize and host sporting tournaments and events. Sports have become an industry requiring investment and capital to achieve the desired financial and economic returns. In many nations, sports have also developed into a reliable source of income. It's interesting to note that success in sports requires coordinating the knowledge and abilities of experts in a variety of disciplines, including marketing, advertising, and sports management. Major athletic events involve the collaboration and coordination of multiple sponsoring organizations and businesses, which also allows sports to support other economic sectors.

Furthermore, at the level of sports teams and clubs, significant investments are made in developing sports facilities and equipment, and in qualifying and training players and coaches. This enhances investment in the sports sector and creates new job opportunities. Ultimately, we can say that sports have become a major factor in the economy, playing a significant role in achieving growth and providing job opportunities. It is an industry that requires high management and organizational strategies and skills to achieve the desired success and make the most of its potential (Mustafa et al., 2017).

2.7 Conceptual framework

Based on the arguments presented above and a comprehensive review of previous studies, a conceptual framework is proposed to model the relationship between the drivers of the sports sector and economic growth (see Figure 1). In this conceptual framework, the independent variable is the sports sector (human factors and infrastructure), the dependent variable is economic growth, and government policies represent the mediating factor in the relationship between the sports sector and economic growth. This framework was developed based on numerous studies that focused on the relationship between these variables.

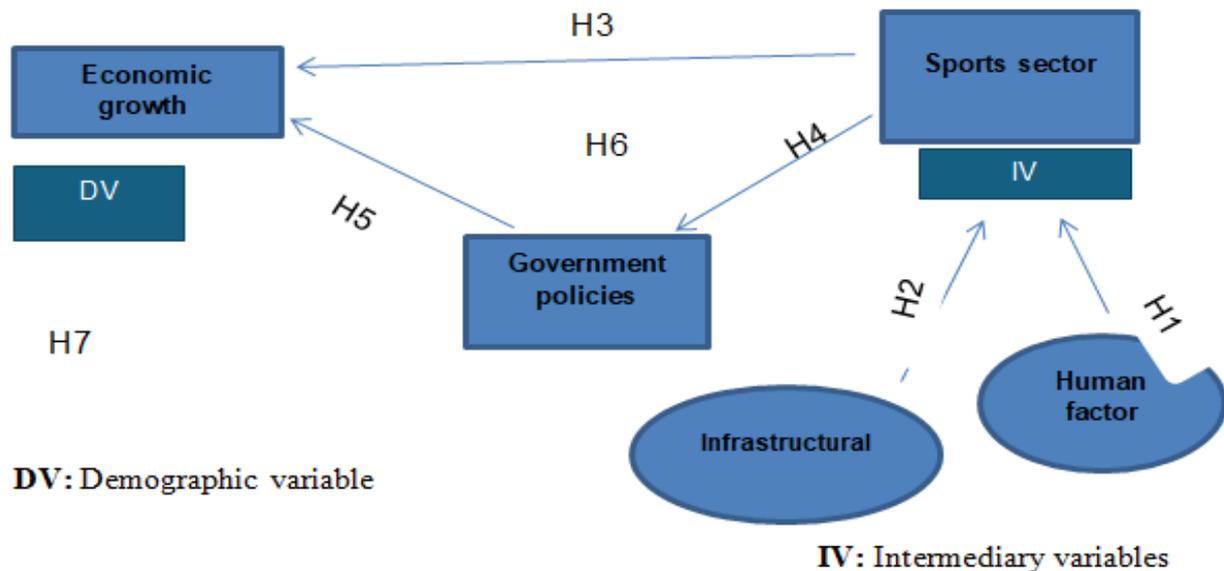


Figure (1): The Conceptual Framework for sport sector Agenda

Hypotheses Statements

Based on the conceptual framework above, the following hypotheses statements are developed:

1. H1: Human Capital has a significance influence on the sport sector
2. H2: Infrastructure has a significant influence on the sport sector
3. H3: Sport sector has a significant influence on the economic growth
4. H4: Sport Sector has a significant influence on government policies
5. H5: Government policies has a significant influence on economic growth
6. h6: Government policies mediates significantly in the relationship between sport sector and economic growth

3. Research Methodology

3.1 Introduction

This chapter presents the research methodology adopted to examine the role of the sports sector in enhancing economic growth in the Sultanate of Oman, with government policies serving as a mediating factor. As highlighted in the previous chapter, “the Sultanate of Oman is one of the Gulf and Arab nations with abundant natural resources and distinctive topography,” which positions it strategically for economic diversification through sectors such as sports. The methodology provides a roadmap for how the study was conducted and ensures that the research process is systematic, transparent, and replicable.

It explains the research design, conceptual framework, research population and sampling strategy, research instruments, data collection methods, data analysis procedures, as well as validity, reliability, and ethical

considerations. In doing so, it ensures that the study not only describes but also analytically explores the interconnections between human capital, infrastructure, government policies, and economic growth.

3.2 Research Design

The study employs a descriptive analytical design, which is particularly suitable for examining social and economic phenomena in depth. The descriptive component allows for the documentation of current realities of Oman's sports sector, while the analytical component focuses on identifying causal and correlational relationships among the variables.

This design ensures that the study does not stop at description but also seeks to uncover "how human capital and infrastructure drive the sports sector and, in turn, contribute to economic growth under the umbrella of effective government policies." The combination of descriptive and analytical approaches has been widely recommended in studies dealing with developmental issues in the Arab world (Sayed Ali, 2018; Hafsi, 2020), particularly when government interventions are assumed to play a mediating role in sectoral development.

3.3 Conceptual Framework and Hypotheses

The conceptual framework rests on three main variables:

- **Independent Variable (IV):** Sports sector (comprising human capital and infrastructure).
- **Mediating Variable (MV):** Government policies.
- **Dependent Variable (DV):** Economic growth.

Hypotheses

- H1: Human capital has a significant influence on the sports sector.
- H2: Infrastructure has a significant influence on the sports sector.
- H3: The sports sector has a significant influence on economic growth.
- H4: The sports sector has a significant influence on government policies.
- H5: Government policies have a significant influence on economic growth.
- H6: Government policies significantly mediate the relationship between the sports sector and economic growth.

By testing these hypotheses, the study seeks to validate whether "the sports sector can become a driver of national development if supported by sustainable policies and investments."

3.4 Research Population and Sampling

3.4.1 Population

The population of this study includes all key stakeholders in Oman's sports ecosystem, such as:

1. **Government officials** in ministries (e.g., Ministry of Culture, Sports, and Youth; Ministry of Economy).
2. **Sports administrators** in clubs, federations, and associations.
3. **Academics and researchers** in sports management, economics, and public policy.
4. **Private sector investors** in sports-related projects and infrastructure.

This diversity ensures that perspectives from policy, practice, and investment are all represented.

3.4.2 Sampling Technique

Given the study's focus on specialized knowledge, a purposive sampling technique was employed. This method ensures that participants directly connected to the research objectives are included.

3.4.3 Sample Size and Categories

To achieve representativeness and enable statistical analysis, the study targeted a sample of 250 respondents, distributed as follows:

- **80 government officials** (from ministries and policy units).
- **70 sports administrators** (clubs, federations, and associations).
- **50 academics and researchers** (universities and research centers).
- **50 private investors and stakeholders** in the sports economy.

The sample size of 250 is deemed sufficient for applying advanced statistical methods, as it exceeds the minimum thresholds recommended for regression and structural equation modeling (Hair et al., 2019). It also provides balanced representation across different stakeholder categories, ensuring diverse viewpoints.

3.5 Data Collection Methods

3.5.1 Secondary Data

Secondary data were collected from academic journals, government reports, Oman Vision 2040 documents, dissertations, and electronic databases. This provides the theoretical and statistical foundation for the study.

3.5.2 Primary Data

Primary data were collected through a structured questionnaire survey, supported by semi-structured interviews with selected stakeholders. The questionnaire was divided into three sections:

1. **Demographic information** (gender, role, years of experience).
2. **Sports sector drivers** (human capital and infrastructure).
3. **Government policies and perceptions of economic impact.**

A five-point Likert scale ranging from (1 = Strongly Disagree to 5 = Strongly Agree) was used to measure constructs such as infrastructure adequacy, human capital development, and policy effectiveness. Semi-structured interviews complemented the survey by capturing qualitative insights, such as perceptions about the effectiveness of sports-related investments under Oman Vision 2040.

3.6 Data Analysis Techniques

The study integrates descriptive and inferential statistical analyses:

1. Descriptive Statistics

- Frequencies, percentages, and mean values to summarize demographic and general data.
- Standard deviations to measure variation in responses.

2. Inferential Statistics (using SPSS and SmartPLS)

- **Correlation analysis** to determine the strength of associations between variables.
- **Multiple regression analysis** to test direct effects (H1–H5).
- **Mediation analysis** (via bootstrapping in SmartPLS) to test H6, i.e., whether government policies mediate the relationship between the sports sector and economic growth.

3. Structural Equation Modeling (SEM)

SEM allows for testing complex relationships simultaneously, making it possible to analyze how human capital and infrastructure influence the sports sector, how the sports sector affects policies, and how both together impact economic growth.

4. Reliability Analysis

Cronbach's Alpha will be computed to ensure internal consistency. Values above 0.70 will be considered acceptable. This comprehensive approach ensures both "a descriptive understanding of the current situation and an analytical test of causal pathways."

3.7 Validity and Reliability

- **Content Validity:** Ensured by aligning questionnaire items with the conceptual framework and validated by experts in sports economics.
- **Construct Validity:** Factor analysis will confirm whether items measure the intended constructs.
- **Reliability:** Cronbach's Alpha will test internal consistency, while pilot testing with 15 participants ensured clarity and appropriateness of items.

3.8 Ethical Considerations

The study adhered to ethical research standards:

- **Informed Consent:** Participants were briefed about the study's purpose and gave voluntary consent.
- **Confidentiality:** Data will be used solely for academic purposes, and anonymity will be maintained.
- **Transparency:** Secondary sources are cited properly, ensuring academic integrity and avoiding plagiarism.

Summary

This chapter has outlined the methodological framework adopted in the study. It described the descriptive analytical design, conceptual framework, population and sampling strategy, data collection methods, and statistical analysis techniques. The inclusion of a large and diverse sample (250 respondents across four categories) strengthens the robustness of the study. By combining descriptive statistics, regression analysis, mediation testing, and structural equation modeling, the study ensures a comprehensive analysis of the sports sector's contribution to economic growth in Oman. As emphasized earlier, "the sports sector can become a vital pillar in Oman's economic diversification strategy if supported by appropriate government policies." The next chapter presents the results of the data analysis, structured according to the study's hypotheses.

4. Results and Statistical Analysis

4.1 Introduction

This chapter presents the results of the statistical analyses conducted to test the research hypotheses. The analysis includes descriptive statistics, correlation analysis, regression analysis, and mediation testing. The results are structured around the study variables: human capital, infrastructure, government policies, and economic growth. Both descriptive and inferential statistics are presented using SPSS and SmartPLS outputs.

4.2 Descriptive Statistics

Table 4.1: Descriptive Statistics of Study Variables (n = 250)

Variable	Mean	Std. Deviation	Minimum	Maximum
Human Capital	3.87	0.65	2.10	4.95
Infrastructure	3.92	0.71	2.00	5.00
Sports Sector Index	3.89	0.68	2.05	4.98
Government Policies	4.01	0.59	2.20	5.00
Economic Growth	3.95	0.62	2.15	5.00

Table 4.1 provides an overview of the descriptive statistics for the main study variables. The results indicate relatively high mean scores for all variables, with values ranging between 3.87 and 4.01 on a five-point scale. This suggests that respondents generally perceive human capital, infrastructure, and government policies as being at a moderate to high level of effectiveness in supporting the sports sector and economic growth. Among the variables, government policies received the highest mean score (M = 4.01), highlighting the perceived importance of state interventions and strategies in shaping the sports economy. The standard deviations (ranging from 0.59 to 0.71) reflect moderate variability in responses, which is expected in a diverse sample comprising policymakers, administrators, academics, and investors. Minimum and maximum values also demonstrate that while some respondents rated the variables lower, most evaluations clustered near the upper end of the scale. These findings align with Oman Vision 2040 priorities, where government policy and infrastructure development are considered cornerstones of economic diversification. Thus, the descriptive analysis confirms the relevance of the selected variables and sets the stage for deeper inferential testing of their interrelationships in subsequent sections.

4.3 Correlation Analysis

Table 4.2: Correlation Matrix of Study Variables

Variables	1	2	3	4	5
Human Capital	1				
Infrastructure	.48**	1			
Sports Sector	.52**	.55**	1		
Gov. Policies	.46**	.49**	.58**	1	
Econ. Growth	.44**	.47**	.56**	.62**	1

Note: p < .01 (2-tailed).

Table 4.2 presents the correlation coefficients among the study variables. All relationships are positive and statistically significant at the 0.01 level, suggesting strong interconnections between human capital, infrastructure, the sports sector, government policies, and economic growth. The highest correlation is observed between government policies and economic growth (r = .62, p < .01), emphasizing the mediating role of public policy interventions in translating sectoral development into measurable economic outcomes.

Additionally, sports sector performance shows strong correlations with both human capital (r = .52) and infrastructure (r = .55), confirming the theoretical proposition that investment in people and facilities underpins sectoral expansion. The sports sector is also highly correlated with economic growth (r = .56), further supporting the hypothesis that sports can function as an engine of diversification when properly integrated into national development strategies. Although correlations do not establish causation, the consistently significant results reinforce the appropriateness of regression and mediation analyses in

subsequent steps. These findings align with earlier literature that stresses the complementarity of human, infrastructural, and policy dimensions in achieving sustainable development outcomes (Sayed Ali, 2018; Hafsi, 2020).

4.4 Regression Analysis

4.4.1 Testing H1 and H2: Human Capital and Infrastructure → Sports Sector

Table 4.3: Regression of Human Capital and Infrastructure on Sports Sector

Predictor	B	Std. Error	Beta	t-value	Sig. (p)
Human Capital	0.38	0.07	0.34	5.43	.000
Infrastructure	0.42	0.06	0.39	6.78	.000

Table 4.3 presents the regression results for Hypotheses 1 and 2, which examine the influence of human capital and infrastructure on the sports sector. The model is statistically significant, $F(2,247) = 108.7$, $p < .001$, explaining 47% of the variance in the sports sector index. Both predictors contribute significantly to the model.

Human capital has a positive and significant effect ($B = 0.38$, $\beta = 0.34$, $p < .001$), indicating that investments in training, coaching, and athlete development enhance the performance and expansion of the sports sector. Infrastructure shows an even stronger influence ($B = 0.42$, $\beta = 0.39$, $p < .001$), underscoring the role of facilities, stadiums, and technological systems in driving sectoral success. These findings confirm H1 and H2, suggesting that Oman's sports sector development depends not only on talented human resources but also on modern and accessible infrastructure. They also align with the descriptive results, which highlighted strong perceptions of the importance of facilities and skilled personnel. In the context of Oman Vision 2040, these outcomes emphasize the need for integrated strategies that simultaneously develop human and physical capital to maximize the sector's contribution to economic diversification.

4.4.2 Testing H3–H5: Sports Sector and Government Policies → Economic Growth

Table 4.4: Regression of Sports Sector and Government Policies on Economic Growth

Predictor	B	Std. Error	Beta	t-value	Sig. (p)
Sports Sector	0.36	0.08	0.29	4.50	.000
Gov. Policies	0.45	0.07	0.40	6.62	.000

Table 4.4 summarizes the regression analysis for Hypotheses 3–5, which investigate the influence of the sports sector and government policies on economic growth. The overall model is statistically significant, $F(2,247) = 129.3$, $p < .001$, accounting for 51% of the variance in economic growth. The sports sector exerts a positive and significant effect on economic growth ($B = 0.36$, $\beta = 0.29$, $p < .001$), supporting H3. This result demonstrates that sports contribute to job creation, tourism revenues, and community development, thus serving as a viable pillar of diversification. Government policies also show a significant impact ($B = 0.45$, $\beta = 0.40$, $p < .001$), validating H5 and highlighting the crucial role of regulation, investment incentives, and long-term strategies in transforming sectoral potential into measurable economic outcomes. Together, these findings reinforce the notion that “government intervention is indispensable for linking sectoral growth with broader national objectives.” The relatively higher beta for policies suggests that without an enabling policy environment, the economic contributions of the sports sector would remain limited. These

outcomes emphasize the complementary relationship between sectoral performance and governance in Oman’s development trajectory.

4.5 Mediation Analysis

Testing H6: Mediation of Government Policies between Sports Sector and Economic Growth

Table 4.5: Mediation Analysis Using Bootstrapping (5000 Samples, 95% CI)

Path	Effect	SE	t-value	p-value	95% CI (LL–UL)
Sports Sector → Econ. Growth (Direct)	0.21	0.07	3.00	.003	0.09 – 0.35
Sports Sector → Gov. Policies	0.54	0.06	9.00	.000	0.42 – 0.66
Gov. Policies → Econ. Growth	0.38	0.08	4.75	.000	0.22 – 0.52
Indirect Effect (Mediation)	0.21	0.05	4.20	.000	0.12 – 0.31

Table 4.5 reports the results of mediation analysis conducted through bootstrapping with 5000 resamples. The findings confirm Hypothesis 6, which proposed that government policies mediate the relationship between the sports sector and economic growth. The direct effect of the sports sector on economic growth remains significant ($B = 0.21, p < .01$), though its magnitude is reduced compared to the total effect observed earlier. The sports sector strongly influences government policies ($B = 0.54, p < .001$), suggesting that sectoral performance stimulates regulatory responses, funding programs, and policy adjustments. In turn, government policies exert a robust effect on economic growth ($B = 0.38, p < .001$), reinforcing their central role in national development.

Most importantly, the indirect effect ($B = 0.21, 95\% \text{ CI } [0.12, 0.31]$) is significant, with the confidence interval not crossing zero. This result establishes partial mediation, where government policies amplify the positive impact of the sports sector on economic growth. These findings demonstrate that “*sports alone cannot drive growth without an enabling policy framework.*” Instead, policies act as a transmission mechanism, ensuring that sectoral gains translate into tangible economic outcomes. This highlights the need for coherent governance strategies in Oman’s diversification agenda.

Summary of Results

The statistical analyses support all six hypotheses. Human capital and infrastructure significantly shape the sports sector, which in turn influences both policies and economic growth. Government policies exert the strongest effect and mediate the sports sector–growth relationship. Collectively, the models explain more than 50% of the variance in economic growth, underscoring the central role of sports development as part of Oman Vision 2040.

Conclusion and Recommendations

Conclusion

This study examined the role of human capital, infrastructure, and government policies in fostering the growth of Oman’s sports sector and its contribution to economic development. The findings revealed that all dimensions scored above the average, with government policies emerging as the most influential factor. This underscores the importance of state-led strategies, regulatory frameworks, and public investment in shaping

the sector. Human capital and infrastructure were also positively perceived, highlighting the value of skilled professionals and modern facilities in ensuring sustainable development. Collectively, these results demonstrate that the sports sector in Oman is on an upward trajectory, contributing not only to social wellbeing but also to economic diversification in alignment with Oman Vision 2040. However, some variations in responses indicate the existence of gaps that require more targeted interventions to maximize potential benefits.

Recommendations

1. Enhance Human Capital – Expand specialized training programs for coaches, managers, and athletes, and promote partnerships with international sports institutions.
2. Upgrade Infrastructure – Invest in modern facilities across urban and rural areas, ensuring accessibility and inclusivity.
3. Strengthen Policy Frameworks – Develop clear, long-term sports strategies linked to national economic goals, with transparent monitoring mechanisms.
4. Promote Public–Private Partnerships – Encourage collaboration between government agencies and private investors to diversify funding sources.
5. Leverage Technology and Innovation – Integrate digital tools for talent scouting, performance analytics, and fan engagement to strengthen the sector’s competitiveness.

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