PART I

Managing the performance of sport organizations

Edited by Leigh Robinson
1

CONTEMPORARY ISSUES IN THE PERFORMANCE OF SPORT ORGANIZATIONS

Leigh Robinson

The current economic environment throws a sharper focus on sport management and the performance of sport organizations than ever before. In a context of severe cuts in public funding, significant reductions in the discretionary expenditure of many customers and the daily battle for survival faced by many organizations, sport organizations have to perform with increasing efficiency and effectiveness, with the second of these gaining in importance. In addition, there is growing public intolerance of unethical and unprincipled behavior by those responsible for managing the major organizations that deliver sport. These two environmental factors are responsible for the key themes that underpin and drive contemporary practice and research in the performance of sport organizations. The first is a need for accountability, transparency and ethical behavior in sport organizations, while the second theme is a need for greater organizational competitiveness across the industry as a whole.

Accountability, transparency and ethical behavior

FIFA – football’s governing body – has recently been rocked by scandal. Details that emerged following the award of the 2022 World Cup to Qatar have revealed activities that can only be described as improper or unethical and a number of key people within the organizations have been investigated and/or censured, including Sepp Blatter, FIFA’s president. The suspension of presidential candidate Mohamed Bin Hammam is arguably a direct result of the need for sport organizations to be seen to be accountable to those stakeholders that have an interest in the organization. In addition, the fact that these activities have become known is also a direct result of the desire for transparency amongst the public that has to be part of the management of sport organizations. This shows that it is no longer possible for sport organizations to be run as a “closed book.” There is a need for openness and transparency in the management of sport organizations, who also need to “behave” in a way that is acceptable to the public at large. As a consequence, the principles of accountability, transparency and ethical behavior have become fundamental aspects of the performance of sport organizations and are driving research in this field.

Accountability has become an increasingly complex issue as the stakeholders of many sport organizations are growing. For example, it is possible to argue that even though they are membership organizations, National Governing Bodies (NGBs) of sport should not be
Robinson

primarily accountable to their membership given the funding resource that comes from outside of the membership base. For example, in many countries the vast majority of funding that is available to an NGB comes from government or some government agency. In this instance, why should the needs of the members outweigh the needs of the funding agency? In addition, different stakeholders may result in conflicting objectives such as those often faced in the public sector, where managers have to balance the provision of low-cost “sport for all” with the need to generate revenue to support activities. This too brings challenges to accountability.

The delivery of accountability, transparency and ethical behavior underpins the management activities set out in this section. First, the good governance of sport organizations, discussed in Chapters 2 and 3, is based on accountability and transparency as these principles are considered to be the main pillars of governance. In Chapter 2, Jean-Loup Chappelet sets out and discusses a framework of governance (Pérez, 2009) that he illustrates using the example of the International Olympic Committee (IOC). From his discussion it becomes clear that governance is a complex and often structure-led process, particularly in an organization as multifaceted as the IOC. More importantly, his discussion establishes how governance processes are necessary in order to overcome the potential for unethical behavior within sport organizations. The Contingent and Standards model of governance proposed by Denis Mowbray in Chapter 3 has emerged from his research with sport organizations. This has led to the development of the CaS template that can be used to shape the governance of sport organizations. This practical application of the theory of governance is an example of how research into the performance of sport organizations results in tools that can then be used to guide organizational performance.

The second set of techniques that allow managers to deliver expectations of accountability, transparency and behavior are those associated with performance management and these are addressed in the subsequent four chapters. In Chapter 4, Brian Minikin argues strongly for the planned development of sport organizations. This chapter is not simply about strategic planning as his argument is that organizations should understand what they are capable of, and what they need to be capable of, and their planning should focus on closing this gap. This makes the organization more accountable for its resources and involves stakeholders in the process of developing the organization. He illustrates this argument by showing how the Readiness Assessment Tool (Minikin, 2009) has informed the planning of Fiji Swimming as the organization aims to improve its performance on the international stage.

The argument set out by Leigh Robinson in Chapter 5 focuses on the need to understand what stakeholders expect of organizations. This information can be used in the planning process and demonstrates to stakeholders that the organization understands the need to consult and to be accountable. She presents research carried out with the Amateur Swimming Association, which shows a need to inform members more widely of the work of the organization. In Chapter 6, Peter Taylor sets out the principles and techniques associated with performance management, demonstrating how they can be applied in the three main sectors that make up the sport industry. He considers the performance management process in its entirety, which highlights how this process can support the planned development argued for by Minikin in Chapter 4. In concluding his arguments, Taylor presents the National Benchmarking Service (NBS), which is a performance measurement framework developed from the research of Taylor, Bovaird, Gratton, Robinson and Kung (2000). The NBS provides managers of UK public facilities with information that makes them accountable, more transparent, and allows the planning process to be more effectively informed.
In Chapter 7, Simon Shibli, Veerle De Bosscher and Maarten van Bottenburg discuss the ultimate assessment of the performance of elite sport systems – that of Olympic medals won. They set out a technique that has been developed to forecast the performance of nations at Olympic Games and in this chapter they focus on the performance of China at the Beijing Olympics. The value of this technique in informing performance and thus accountability is discussed, showing how the information from forecasting can inform planning and set realistic expectations of performance. It can also be used to justify investment in particular activities. This chapter also discusses the SPLISS project, research that has determined the dimensions of an elite sport system perceived to be necessary in order to manage high-level performance (De Bosscher, De Knop, van Bottenburg, Bingham and Shibli, 2008).

Finally, and in line with public desire for ethical behavior, comes the concept of corporate social responsibility (CSR), which is an attempt by sport organizations to “give back,” through community-focused activities, to society some of the value (profit) they have created. In Chapter 8, Stephen Morrow sets out the concept of CSR and its application to sport organizations. This chapter is a “taking stock” of the concept as CSR is a relatively new activity within sport management, and has only recently emerged as being of research interest. Morrow’s review of corporate social responsibility concludes with a discussion of the CSR activities by the Scottish Premier League football clubs and highlights how CSR engagement was primarily motivated by financial objectives, immediate and/or longer-term, which is arguably contradictory to the concept of CSR.

Greater organizational competitiveness

The drive for efficiency and effectiveness that has been part of the sport management environment for the past two decades has gained further momentum during the current period of financial constraint. Organizations across all three sectors are expected to deliver more, with fewer resources and in an environment where competition is growing for three main reasons. First, not only do sport organizations compete with other industries for discretionary income, but there are more and more alternatives for people seeking a sport experience. Non-competitive, recreational activities in particular appear to be becoming more popular, particularly amongst younger people, as they do not require a commitment or effort from participants. Responding to this intra-industry competition is a growing challenge for sport management.

Second, the cost of either watching an event or taking part in sport is becoming a significant factor in the management of sport organizations. Traditionally sport has been a cheap or even free form of activity. However, as business principles evolve and there is an increase in pressure to package sport in a more entertaining way, so the cost of participating in, and spectating at, sport events also increases. This puts sport in a position where the consumer market, the spectators and participants may be attracted to the idea of spending their money elsewhere, bringing pressure to bear on sport organizations to provide value for money. The principles of planning and performance management set out in Chapters 4, 6 and 7 are integral to organizations becoming more competitive as the planning process should ensure that objectives are appropriate and the performance management process should ensure efficiency and effectiveness. The managerial tools developed by the research set out in the chapters by Minikin and Taylor provide examples of how academic activity in the field of sport management informs and improves the performance of organizations.

In addition, customer expectations of sport organizations continue to increase. This is being driven by improvements in service quality within all aspects of society, an increasing
culture of seeking and providing feedback to organizations and a strong belief in the concept of value for money. The ultimate dilemma facing sport management is to understand what level of service to provide, what this costs and what the customer base is willing to pay for it in order for the organization to remain competitive. Robinson (2004) argued that public sector providers needed to manage expectations of sport services to make sure that they were attainable for the organization. This argument is made again in Chapter 5, but the focus in 2011 is on all sport organizations as expectations of services are now at a point where it is becoming extremely difficult for managers to meet them. Robinson’s argument is that expectations of customers should be known by the organization as not only does this help to demonstrate accountability (see above) but also it will allow managers to work with stakeholders to prevent an unrealistic rise in expectations from occurring. In Chapter 5 she sets out a framework that can facilitate this process and she argues that the key to expectations management is information exchange between the organization and its stakeholders so that the organization understands what is required and can set out what is possible within its current resources.

Finally, a changing operating environment is one of the constant factors that affects the management of sport organizations. The factors set out above require “things to be different,” leading to a focus on the management practices, procedures and services that need to change in order for organizations to continue to perform competitively. The management of change is one of the omni-present and ongoing activities associated with the performance of sport organizations and the final chapter in this section sets out the principles and techniques associated with this management activity. In Chapter 9, McGraw and Taylor consider approaches to change that explain why change is necessary and how it can be implemented. Of key importance to the process is the need to overcome resistance and they discuss why resistance arises and how it can be overcome. The chapter ends with a case study by Dan Lock setting out the complete restructuring of the Australian Soccer Association into the Football Federation of Australia (FFA) in response to stakeholder discontent.

References


