

THE CONNECTION BETWEEN GOVERNANCE AND MANAGEMENT OF THE SPORT SYSTEMS IN THE MODERN ERA

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ABSTRACT

Governance is an extremely important process for the current state of the sports system. Since the 1970s, when the commercialization of professional sports took place and the revenues generated by the sports system exploded, there has been an exponential increase in the number of amateur athletes and investments in amateur sports, both on behalf of the public system and from private entities. The purpose of this article is to emphasize the importance of the dangers that the modern era brings to sports governance and management. Every year, the capacity of national and international actors to actively contribute to the financing of sport increases. However, every year, due to digitalization, new means of leisure appear, and the number of users of sports as a product decreases exponentially, despite the fact that the governance process is improving, benefiting from increasing resources, and sports organizations are giving up their autonomy.

KEYWORDS: *governance, sports development, sports management*

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1. INTRODUCTION

Derived from the Greek verb "*kubernân*" ("to steer a ship"), "governance" is now a term whose universally accepted definition emphasizes that "governance describes the decision-making structures and process that enable an organization or group of people to run businesses."

Beyond rules and regulations, good governance is about the ethical culture in an organization. In this sense, good governance in the context of sport can be understood as: the framework and culture in which a sporting body sets its governing policy, delivers its strategic objectives, engages in partnerships with stakeholders, monitors performance; assesses and manages risks and reports to its constituents (and especially management) on its activities and progress, including on the delivery of effective, sustainable and proportionate sport policies and regulations (Thompson et al, 2022).

Of course, in essence, governance in sport has a double meaning. On the one hand, it includes the concept of corporate governance, encompassing the norms and values accepted for the fair purposes of organizing the processes carried out in the management of the organization (in relation to the allocation of resources, profits, etc.). On the other hand, it includes the concept of political governance, which in turn is composed of processes through which the state public actors involved or those in the management of sports, aim to direct the sports system to achieve the goal pursued through moral pressure, using incentives financial or other, or through regulatory, licensing and control means (Lam, 2014).

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Therefore, the governance process in sports can be better defined under the umbrella of systemic governance, more precisely governance that concerns the entire system and all categories of actors involved in sports, sports organizations or not, under private or public law.

2. LITERATURE REVIEW

Scholars identify different principles at the heart of good governance in sport. Some authors suggest that these would be those of (Geeraert, A. & van Eekeren, 2022):

- transparency (clarity of the procedures and the decision-making process, especially regarding the allocation of resources, which implies the greatest possible openness to public control of the organization's internal arrangements);
- liability (to financial investors and other investors, including "emotional" ones, such as supporters);
- democracy (access to representation in the decision-making process for those who are affiliated members);
- responsibility (for the sustainable development of the organization and sport, as well as the management of resources and not least from those who are involved in sport);
- equity and equality (in the treatment of constituents, especially in terms of gender equality);
- effectiveness (establishing and monitoring effectiveness measures through the ability to achieve objectives);
- efficiency (the achievement of these objectives through the effective use of possible resources).

It is not possible to define a single governance model in European sport. Sport is characterized by a variety of structures that enjoy different types of legal status and different levels of autonomy in member states. Furthermore, there are differences between disciplines.

Many European sports are organized in a hierarchy following a pyramid model, whereby sports clubs are affiliated to national federations, which are themselves members of European and international federations. While these organizations all bear some responsibility for the regulation of their sport in their area, they are nevertheless subordinate to the confederations of which they are a part. (as can be seen in the following figure, on the football governance model).

Governance answers the question: "what exactly needs to be done?" - the strategic planning and management of an organization which is carried out by the appointed board. It is about planning and the overall strategy and direction of the organization and ensuring that this is regularly reviewed. Management is supported by the board to deliver on these strategic plans.

Management answers the question: "how should it be done?" – the implementation of the strategic plan and the effective coordination of the work at the level of the organization. An organization's management oversees its day-to-day operations. Management also plays a crucial role in leading the organization by supporting staff and/or volunteers to understand and implement the strategic vision. This is a relatively different leadership role from that of the board of directors.

3. METHODOLOGY

The current research has some main objectives:

- a) To investigate the current state of the governance and sports management models;
- b) To explore concepts such as: the importance of sports management and governance in sports, process convergence and the role of the manager in the sports system;
- c) To explore the problems of the current system and what the future holds;

Thus, the main research question of the current article is:

"What is the current state of the connection between governance and management in the sports system, and how does it impact the overall functioning and development of sports organizations? Furthermore, what challenges and opportunities does the sports system face in terms of governance and management, and how can these issues be addressed to ensure a sustainable and effective sports ecosystem in the future?"

Qualitative Research Hypothesis:

1. The current state of the connection between governance and management in the sports system is characterized by varying degrees of integration and collaboration between decision-making structures and operational implementation.
2. The level of connection between governance and management significantly influences the overall functioning and development of sports organizations, impacting areas such as resource allocation, policy implementation, and stakeholder engagement.
3. Sports organizations face challenges related to transparency, accountability, and decision-making inefficiencies, which can be attributed to the existing connection between governance and management.
4. Opportunities for improvement in the sports system's governance and management lie in the adoption of technological advancements, increased focus on sustainability and social impact, and enhancing stakeholder representation and involvement.
5. Addressing the identified challenges and leveraging the identified opportunities can contribute to building a more sustainable and effective sports ecosystem in the future, promoting the long-term growth and success of sports organizations.

In order to answer these questions will be used two main research methods used in strategic management: SWOT Analysis and input-output analysis.

4. THE IMPORTANCE OF SPORTS MANAGEMENT AND GOVERNANCE IN SPORTS. PROCESS CONVERGENCE. THE ROLE OF THE MANAGER IN THE SPORTS SYSTEM

The sports system therefore represents a distinct environment in which the importance of managing current activities comes together with the implementation of long-term objectives. Previously, I talked about the importance of interested actors (en. "stakeholders"), respectively the importance of all categories of actors involved in the management of the sports system. Therefore, the management of the long-term plans of sports organizations, but also of the current activities is most often a convergent process (Ferkins & Shilbury, 2015).

That is precisely why some arguments must be made regarding the convergence of the two terms in terms of the sports system. First of all, the idea of the "board" we were talking about in the previous definitions does not exist as long as there is a decision-making unit of "managers" and "governors". Of course, each of the four categories of actors involved in sports can have a "board of directors" superior to management, namely: a federation can have an executive management committee; a football club may have a shareholders' committee; whatever the structure in the public system that manages the sports activity certainly has a central governing board; and even a private company that decides to invest in a sport may have a board of directors. However, at least with regard to the first three examples presented previously, there is a convergence of vision regarding the direction of action of the organization, respectively it must be emphasized that the board of directors will never have a direction of action different from that of managers (Cafferata, 2004).

Secondly, the identification and management of strategic risks to which the sports organization is subject or involved in sports is a process under the responsibility of organizational managers. Third, mission determination, policy and strategy establishment, development and delivery are convergent processes most often the responsibility of sport organization managers. Fourthly, the president (manager) of the sports organization often has the concrete ability to influence the decisions of the governing board.

However, the previously presented arguments do not dispute the existence of the management board of the major actors involved in sports, as it is important to note that they exist. But, due to the specifics of sports activity, it is the management of organizations that has greater importance, even in terms of managing the governance process to which this paper refers.

The process of systemic governance in sport is certainly the responsibility of managers of sport organizations and those involved in sport. All the more as time has left its mark on the evolution of sports organizations in the sense that the complexity of the actions carried out and the increase in the number of interested actors proposed at least operational changes, if not structural changes at the level of the organizations. *"The organisation is first and foremost responsible for the management of their sport and its activities within its governing area"* (O'Boyle, 2012).

Therefore, the process of sports governance that we will refer to is that of systemic governance, and from the perspective of distinguishing the multitude of actors involved in the sports phenomenon, of the multitude of types of actors itself, the process of systemic governance assumes a network of connections, of interactions between what the specialized literature calls "interested parties" (en. stakeholders). The ever-increasing multitude of stakeholders has meant in recent years that international federations have had to abandon the traditional, hierarchical model of sports governance and pursue the active involvement of stakeholders by offering them (more or less) and some power to influence the decision-making process (Tsotsou, 2011).

An eloquent example in the evolution of the sports governance process can be given by that of European football. If traditionally the organizational governance in football assumes a vertical process at the base of which are the clubs (private sports organizations) and the players, the year 2000 would definitively change this vision (Figure 1).



Figure 1. The governance model for the football system

Source: self-processing

If traditionally the organizational governance process in football was a hierarchical one, in which all decisions were taken by the most important forum in the pyramid structure, clubs and athletes

always having to comply with these decisions, in the year 2000 it was established as the so-called G14 (later to become G18), a pressure group made up of the strongest European clubs at the time. The purpose of this pressure group was so strong that they threatened not to participate in the competitions organized by UEFA and to establish their own competitions if their demands were not heeded at central level.

In 2008 the G14 (G18) movement was replaced by the European Club Association, which represents over 100 clubs in the negotiations with UEFA and FIFA regarding the organization of sports competitions. A similar influential role is played by the FIFPro footballers' union, which represents the interests of more than 65,000 professional footballers in the development by the central sports organizations of the rules regarding the rights of athletes and the transfer process.

Another example can be given by the importance that the sponsors and the companies broadcasting the matches play in the decision-making process. If the latter can issue a series of claims regarding the broadcast of the matches and certain preferential regime contracts regarding the television rights with certain clubs, regarding the importance of the sponsors this has come to influence the sporting life of the central organizations. For example, at the end of the 90s, the technical sponsor of the Brazilian national team, the NIKE company, influenced the schedule of friendly matches of this team, the federation being forced to organize friendly matches with national teams having the same technical sponsor. In addition, it was also rumored that the same company even influenced the selection for the national team, with the vast majority of selected players being those who had sponsorship contracts with the same technical sponsor. Regarding the latest report, the NIKE company issued a statement vehemently denying the allegations.

A similar case of the evolution of governance towards a systemic one can also be found regarding the International Olympic Committee. If initially the national Olympic Committees were only representatives of the IOC in the territory, with the development of the influence of the TV companies broadcasting sports competitions, the influence of technical sponsors and other interested persons and organizations, the Olympic governance system became a complex, systemic one that includes a series of actors and has a special dynamic.

5. THE PROBLEMS OF THE CURRENT SYSTEM AND WHAT THE FUTURE HOLDS

The connection between the governance process and management of the sports system is crucial for the successful functioning of sports organizations and institutions. The governance process refers to the decision-making structures, policies, and procedures that guide the overall direction and management of sports entities, while management involves the day-to-day operations and implementation of those decisions.

Current Connection between Governance and Management of the Sports System consists in:

- **Decision-Making:** Effective governance ensures that sports organizations establish clear decision-making processes, define roles and responsibilities, and set strategic objectives. Management then executes these decisions to achieve the established goals.
- **Transparency and Accountability:** Governance frameworks promote transparency and accountability within sports organizations. Transparent decision-making allows stakeholders to understand the rationale behind actions, and accountability ensures that management is responsible for their performance.
- **Resource Allocation:** Governance influences how financial and human resources are allocated within the sports system. Decisions regarding budgeting and personnel management affect the overall functioning and development of sports.
- **Policy Implementation:** Sports governance sets policies and regulations, while management enforces and implements these policies at the operational level. This includes aspects such as anti-doping measures, athlete contracts, and fair play guidelines.

- **Stakeholder Engagement:** Governance structures provide a platform for different stakeholders, such as athletes, coaches, sponsors, and fans, to have a voice in the decision-making process. Management then works to meet the diverse needs and expectations of these stakeholders.

Future Connection between Governance and Management of the Sports System includes:

- **Technological Integration:** In the future, technology is expected to play a more significant role in sports governance and management. This could involve data-driven decision-making, AI-based coaching and scouting, and blockchain-based solutions for transparent transactions.
- **Sustainability and Social Impact:** Sports organizations are likely to focus more on sustainability and social impact initiatives. Governance will have to incorporate these aspects into their decision-making processes, and management will be responsible for executing sustainable practices.
- **Globalization:** As the sports industry continues to globalize, governance structures will need to adapt to international complexities. Management will have to navigate diverse cultural, legal, and economic landscapes.
- **Esports Integration:** With the rise of esports, sports governance and management will need to consider the integration of virtual sports into their systems, including new regulations and management approaches for competitive gaming.

Problems Facing the Sports System Regarding Governance and Management:

- **Lack of Transparency:** Some sports organizations may suffer from a lack of transparency, leading to questions about financial dealings, decision-making, and potential corruption.
- **Mismanagement of Finances:** Improper financial management can result in financial instability, leading to debt and a negative impact on the overall sports system.
- **Inequality and Discrimination:** Governance and management may not adequately address issues of inequality and discrimination, such as gender disparities in pay and opportunities or racial biases.
- **Doping and Cheating:** Sports organizations face challenges in effectively managing and governing issues related to doping and cheating among athletes.
- **Governance Structure Inefficiencies:** Complex and outdated governance structures can lead to slow decision-making processes and hinder the adaptability of sports organizations.
- **Player Welfare:** Ensuring the well-being and welfare of athletes can be challenging, especially when faced with pressure to achieve results and meet commercial objectives.
- **Globalization Challenges:** As sports expand globally, governance and management need to cope with varying regulations, cultural differences, and logistical issues.
- **Corruption and Scandals:** Cases of corruption and scandals within sports organizations can undermine public trust and harm the integrity of sports.

Addressing these problems requires a collective effort from stakeholders, including sports governing bodies, athletes, fans, and policymakers. An emphasis on transparency, ethical decision-making, and effective management practices can help build a more sustainable and equitable sports system for the future.

6. FINDINGS

The main strengths and weaknesses of sports management are presented in table 1.

Table 1. SWOT Analysis regarding the sports management and governance systems

Strengths	Weaknesses
<i>Efficient Resource Management:</i> Sports management systems excel in allocating resources effectively, including finances, personnel, and facilities, to optimize athlete performance and organizational success. <i>Event Organization:</i> The system efficiently plans and executes sports events, ensuring seamless logistics, scheduling, and fan engagement. <i>Talent Development:</i> Sports management focuses on identifying and nurturing talent, providing athletes with opportunities for growth and advancement. <i>Sponsorship and Revenue Generation:</i> Effective sports management secures sponsorships, broadcast deals, and other revenue streams to support sports organizations financially. <i>Establishment of Rules and Regulations:</i> Sports governance defines and enforces rules that promote fair play, safety, and integrity in sports competitions. <i>Stakeholder Representation:</i> A robust governance system ensures that various stakeholders, such as athletes, coaches, fans, and sponsors, have a voice in decision-making processes. <i>Anti-Doping Measures:</i> Sports governance implements anti-doping policies to maintain a level playing field and protect the health of athletes. <i>Long-Term Vision:</i> Good governance emphasizes long-term development and sustainability, focusing on the growth of sports over time.	<i>Lack of Transparency:</i> In some cases, the sports management system might suffer from a lack of transparency in financial transactions and decision-making processes. <i>Limited Athlete Support:</i> Athletes may face challenges in areas like mental health support, education, and career transition, which can impact their well-being and long-term prospects. <i>Bureaucratic Inefficiencies:</i> Complex bureaucratic processes and hierarchies may slow down decision-making and hinder adaptability. <i>Inadequate Technology Integration:</i> Failure to leverage emerging technologies might hinder data-driven decision-making and efficient management practices. <i>Lack of Accountability:</i> Some sports governance systems may lack transparency and accountability, leading to questionable decisions and potential corruption. <i>Inadequate Diversity and Inclusion:</i> Governance bodies may not adequately represent diverse populations, leading to disparities in opportunities and resources. <i>Slow Response to Emerging Issues:</i> Bureaucratic structures can hinder the timely response to emerging challenges and changes in the sports landscape.
Opportunities	Threats
<i>Technological Advancements:</i> Embracing technology like data analytics, wearable devices, and virtual reality can enhance training, performance analysis, and fan engagement. <i>Global Market Expansion:</i> The sports management system can capitalize on the growing global interest in sports by expanding into new markets and reaching a broader audience.	<i>Competitive Landscape:</i> The sports management system faces stiff competition from other sports organizations, leagues, and entertainment industries. <i>Economic Volatility:</i> Economic downturns or unforeseen events can lead to reduced funding, sponsorship, and fan spending on sports.

Diversification of Sports Offerings: Exploring new sports and formats can attract different demographics and broaden the appeal of sports. Collaborative Partnerships: Forming partnerships with other sports organizations, leagues, or businesses can create synergies and shared opportunities. Global Collaboration: Sports governance can foster international collaborations to address global issues like match-fixing, doping, and athlete rights. Embracing Technology: Leveraging technology can enhance governance processes, facilitate communication, and improve decision-making. Social and Environmental Impact: Sports governance can take a leadership role in addressing social and environmental issues, promoting sustainable practices and social initiatives.	Reputation Damage: Negative incidents, scandals, or controversies involving athletes or sports organizations can damage the reputation of the entire sports management system. External Regulatory Changes: Changes in governmental regulations or policies can impact the autonomy and decision-making authority of sports governance bodies. Integrity Challenges: Match-fixing, doping, and other integrity issues pose a constant threat to the reputation and credibility of sports governance. Loss of Public Trust: Scandals and controversies involving sports governance can erode public trust in the system and its ability to uphold fair play and ethical standards.
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The football system's advanced governance can be attributed to its historical legacy, global popularity, financial resources, and support from both private and public sectors (table 2). The sport's professionalism, comprehensive regulations, youth development initiatives, and emphasis on inclusivity and ethics have contributed to its status as having one of the best governance systems in the world of sports.

Table 2. Input-Output analysis regarding the reasons why football has the most advanced governance system

INPUT	OUTPUT
1. Historical Legacy: Football, or football, has a long history dating back to the 19th century. This rich legacy has allowed the sport to develop strong institutional frameworks and governance practices over time. 2. Global Popularity: Football is the world's most popular sport, with a massive global fan base and widespread participation. The sport's popularity has attracted significant investments, skilled professionals, and attention from governing bodies. 3. Financial Resources: The vast revenue generated by professional football, through broadcasting deals, sponsorships, merchandise sales, and ticketing, provides ample financial resources to invest in governance structures and initiatives. 4. Private and Public Support: Football enjoys support from both private and public sectors, with wealthy club owners,	1. Professionalism: The football system emphasizes professionalism at all levels, from club management to player contracts, which contributes to better governance practices. 2. Comprehensive Rules and Regulations: Football has well-established and comprehensive rules and regulations governing various aspects of the sport, including player transfers, match integrity, and financial fair play. 3. Youth Development: Football governance emphasizes youth development programs to nurture talent from a young age, contributing to a sustainable pipeline of skilled athletes. 4. Inclusivity and Diversity: Football's global reach has led to a strong emphasis on inclusivity and diversity in governance, ensuring fair representation and opportunities for all regardless of nationality, race, or gender.

corporate sponsors, and government institutions contributing to its development and governance. 5. International Governing Bodies: Prominent international governing bodies like FIFA (Fédération Internationale de Football Association) and UEFA (Union of European Football Associations) play essential roles in setting global standards and promoting good governance.	5. Ethical Standards: With a focus on fair play and sportsmanship, football's governance aims to uphold ethical standards, ensuring integrity in the sport. 6. Grassroots Development: Football governance promotes grassroots development programs, supporting the growth of the sport at the grassroots level, fostering a strong foundation for its future. 7. Global Events: Football hosts major international events like the FIFA World Cup and UEFA European Championship, which encourage collaboration and cooperation among nations, fostering better governance practices. 8. Investment in Technology: The sport actively embraces technology for various purposes, including video assistant referee (VAR) systems and data analytics, enhancing decision-making and transparency.
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7. CONCLUSIONS

Sports are viewed by billions of people around the world, and improving the health of the population can most easily be achieved through physical activity. Sport conveys important values such as team spirit, solidarity, respect for others and fair play and teaches young people the importance of following the rules.

According to a report carried out in 2011 by the Organization Transparency International, the poor management of governance processes compromises the positive influence of the effects that sport can have on society.

The specialized literature in the field has unanimously established that sport is a public good of major importance and that its management requires well-established principles of accountability, transparency, democracy, equity and equality, effectiveness and efficiency.

Historically, sports organizations have enjoyed considerable autonomy in the governance of sport. This autonomy, strongly defended by sports authorities as a means to protect sports values from external influence, is increasingly challenged and conditioned by respect for the principles of good governance, including those of democracy, transparency and accountability in decision-making.

While sports organizations have taken steps to improve their governance standards, independent reports suggest that much remains to be done. The European Union's action for good governance in sport, mainly taking the form of recommendations and financial support for specific initiatives, has provided some concrete results, including the development of a set of principles applicable to organizations across the sports movement.

In 2016, during the "European Week of Sport", an event organized by the European Commission, a number of 32 sports federations and organizations pledged to implement good governance in European sport. The European Parliament has also taken action in this direction, with the sports governance approach being one of the core pillars of the EU work plan for sport 2017-2020. In essence, EU-level action in the field of sport and sports governance aims at "an international partnership for sporting integrity".

In conclusion, the European model of sports governance, and most importantly the European football governance model represents the most advanced effort of public actors to support a social system in danger, with the risk of it losing its autonomy, as demonstrated through this article, using qualitative research means, such as the content analysis of official documents or the cause-effect analysis regarding the effects that the lack of involvement of public authorities would have on public policies in sports.

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