GOVERNANCE STRUCTURE OF NONPROFIT SPORTS ORGANIZATIONS

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Abstract: Governance structure of nonprofit sports organizations involves three elements: the board, the governing board, and one or more subcommittees. The administrative board is made up of individuals or organizations registered as members, which have the right to vote on their membership status. Members of a nonprofit sports organization may include individual players or athletes, coaches, officials, administrators or other individuals. The governing board is responsible for making decisions during a mandate on behalf of the council and non-profit sports organizations. The governing board acts as the main forum of government where most organizational decisions are taken. In order to complete the objectives of governing, most non-profit sports organizations operate a system of subcommittees. The debt of the subcommittee is to focus on specific issues such as technical rules of committees, developing the training, financial management, human resources management or commercial business. Governance structures of nonprofit sports organizations were designed and analyzed extensively from three different perspectives: organizational theory, models of governance and inter-organizational relations. Each of these perspectives provide useful ways to consider the significant and recurring problems in the governance structure of nonprofit sports organizations. The organizational theory confirms that bigger organizations have become more formal, with several roles and departments of specialists and several levels of management in comparison with smaller organizations.

1. INTRODUCTION

Governance structure of nonprofit sports organizations usually involves three elements: the board, the governing board, and one or more subcommittees (Hoye, R., Cuskelly, G., 2007). The administrative board is made up of individuals or organizations registered as members, which have the right to vote on their membership status. Members of a nonprofit sports organization may include individual players or athletes, coaches, officials, administrators or other individuals. In other cases there are organizations such as

clubs competing in a league run by a regional sports association, a state or provincial organization affiliated to a national government body. Thus, these individuals or members of an organization form that what is most often called a council. Board members are usually responsible for the selection and appointment of the board director. The governing board, in turn, is responsible for making decisions during a mandate on behalf of the council and non-profit sports organizations.

Individuals who are part of the board of directors represent often the interests of different categories of members, geographic regions or sub-sports. Increasingly more directors of nonprofit sports organizations are independent and do not represent any specific category of members, geographic regions or sub-sports. The governing board acts as the main forum of government where most organizational decisions are taken. In order to complete the objectives of government, most non-profit sports organizations operate a system of subcommittees. The debt of the subcommittee is to focus on specific issues such as technical rules of committees, developing the training, financial management, human resources management or commercial business.

2. LITERATURE REVIEW

A study of the government reforms in Australian horse sports industry, developed by Hoye (2006), found that while the various government bodies at of state level were subject to a similar industry and to some government pressure for reform, there were 6 distinct forms of organization among the 8 organizations. This apparent lack of obvious isomorphism in nonprofit sports organizations is also evident in the great nonprofit sector.

Leiter discovered a greater degree than he would have expected of heterogeneous in the structures of the Australian nonprofit organizations, concluding that the best practices were not widespread and that "the newest organizational methods, effective and productive, have not been yet discovered , widespread and institutionalized".

In a study of four Canadian sport governing bodies, Amis et al. (1995) have found that structural problems were a major contributory factor to conflict. They argued that nonprofit sports organizations are subject to pressure due to increased efficiency and specialization. These led to differentiations and to the interdependence of the organizational subunits, which "adds considerably potential for conflict". Nonprofit sport organizations operate under a combination of voluntary leadership and professional expertise, with each group having different values and expectations. These organizations also have a lower level of formalization and resources similar to commercial organizations, which contribute to worsening the potential conflicts in sports organizations.

In 2003, Watts noted that the study of Amis, Slack and Berrett highlighted the fact that while the conflict is often manifested as disputes between individuals, it also appears because of their adherence to the organization's entities in conflict, which suggests that the conflict is often structural.

The organizational theory says that with their growth, organizations have become more formal, with several roles and departments of specialists and several levels of management in comparison with smaller organizations. Therefore, while organizations increase, decision making should become more decentralized.

Amis and Slack (1996) have explored this premise in the bodies of sport governing in Canada, and have found that while these organizations grew in size, the control over decision-making remained central to the volunteer board. Their study concluded that a

"central decision-making role as a means of control and the desire for volunteers to maintain this control" meant that also the board of directors of these organizations was against the abandonment of control in favor of a professional staff. The authors of the study attributed this (in part) to the "levels of distrust and antagonism that often exists between professional workers and superiors of some volunteers".

The last application of the organizational theory to the study of the structural problems within the nonprofit sports organizations referred to the study of change. Kikulis and his collaborators (1995) explored the patterns of organizational change influenced by the requirements of the federal government in 36 sports governing bodies from Canada between 1984 and 1988. They used the concept of centralization to explain: the structural changes occurring in organizations throughout this period; the role of values in shaping how organizations have changed; and what impact had the human agents and their choices in determining the nature of the structural change. Key findings of the research was that as the organization went to the archetype executive said earlier, volunteers had become less involved in decision making processes and paid staff to become more involved. This underlines the importance of informal decision-making structures that exist in nonprofit sports organizations. Kikulis and et al. noted that "it will take long before the professional leadership in making the decision replaces the values for the voluntary management in making decisions, so deeply embedded in the history of these organizations".

DiMaggio and Powell (1983) have designated this expected similarity as a structural isomorphism and argued that this may result from coercive influences (constraint based on power differences), mimetic (imitation of successful organizations), or regulatory (influenced by professionals or experts). As we have previously presented, sports organizations, especially those of state or provincial and at national levels of government, are largely dependent on government bodies and are often encouraged to adopt guiding lines for the governance developed by the government. These coercive forces tend to push these organizations to adopt similar solutions to the problems of governance, including similar structural arrangements. Nonprofit sport organizations are often notified about the innovative governance practices and about the sporting successes of other organizations by governments and organizations from the sports industry and hence are subject to mimetic forces. These organizations also become more professional, employing more paid staff in key positions, and are thus subject to regulatory pressures that lead to structural isomorphism.

3. FINDINGS AND DISCUSSIONS

Organizations large enough and having sufficient necessary working funds pay the staff for their work of leading the daily business. It is common the practice through which the board employs a Chief Executive Officer (CEO) member or a position with a similar title that relate directly to the board of directors. Other paid staff reports the CEO and may be employed in positions as financial managers, marketing staff, program, development and maintenance staff.

Organizational theory perspective examines governance issues through the process of formalization, centralization, specialization, and departmentalization through the structural isomorphism. Starting from the models of governance, the problems of perspective in the government of non-profit sports organizations are analyzed by policies, idealized governance systems and processes. Governance structures were also designed and analyzed

in terms of the inter-organizational relations. Key concepts and research results published in connection with each of these perspectives are presented in the sections below.

Applying organizational theory to examining governance structures of nonprofit sports organizations focused on the impacts and on the professionalization process occurring in non-profit sports organizations, by classifying the organizations and exploring the relationship between structure and changing the size, conflict and organizational. A number of studies have been conducted in the provinces of Canada, Australia and the United Kingdom. The impacts of introducing paid staff in nonprofit sports organizations were first explored Slack and since then this has represented a constant focus of the research in sport management.

Introducing paid staff in nonprofit sports organizations was determined, in large measure, in response to the increased government funding to sport. The governance policy in sport has resulted in increasingly more nonprofit sports organizations achieving outstanding performance and elite programs, as investing in a range of sports development activities, which led sports organizations to engage paid staff to deal with these programs and related resources. The impact of professionalism on the structure of provincial Canadian sport organizations has been explored by Thibault, Slack and Hinings who have found that specialization and formalization increased after the introduction of professional staff (1991). They also found that centralization, after an initial increase, actually decreased over time. This was possible because the volunteer board members initially sought to maintain control over decisions, and then allowed professionals to make decisions as the relationship between board members has stabilized. The inherent resistance to change coming from the volunteers in governance structures was also observed by Kikulis, Slack and Hinings (1995). With this work, the nature of the relationship between paid staff and volunteers in governance roles has been studied extensively.

One of the first studies was conducted by Frisby (1986) who explored the relationship between a variety of structural variables and the organizational performance of Canadian government bodies. Her discovery suggests that "bureaucracy is an effective method of management control" in nonprofit sports organizations.

Kikulis, Slack, Hinings and Zimmermann (1989) developed the taxonomy of eight structural archetypes designed for the Canadian provincial sports governing bodies using the structural dimensions of specialization, standardization and centralization of the structure. They found that "significant relationships between the variables of the constitutive structure indeed exist and greatly affect the feasibility in the establishment of consistent plans". Their work established that the governance structure adopted by non-profit sports organizations is dependent on the level of professionalization (employing paid staff) and the degree of bureaucratization (using formalized and standardized processes). They argued that the impacts of these processes were also felt different by organizations that had different structural design archetypes.

Based on the organizational values and on the organizational structure variables, Kikulis, Slack and Hinings shared design archetypes of NGB in three categories of distinct models - "the kitchen table", "the meeting room" and "the executive office". Organizational values include extending orientation towards private and public interests, leading the scope of work between community and elite sport, the degree of involvement in decision making being held by a professional staff, and the criterion used by the organization to assess its effectiveness.

The organizations of the archetype "kitchen table" focused on raising financial resources through traditional fund raising and contributions from members, delivering high

performance sports opportunities in mass, had little personal in decision-making roles, and judged the organizational performance by the extent to who it fulfilled the expectations of members. The organizations in these categories used less regulation and had a reduced planning. The decisions were dominated by a few volunteers and the roles adopted by them were based on their personal interests. At the other extreme, the executive office type organizations focused on providing of the government or corporate sponsorships, accentuated by high-performance sports; they were dominated by professional staff, and their performances were judged by the level of success in international competitions. The model of executive office archetype had more specialized stuff, which used roles, rules, and formal programs, and the decisions were decentralized, being the responsibility of the paid staff. Theodoraki and Henry adopted a similar approach in their attempt to develop a typology of national governing bodies in Britain. They identified 6 groups of government bodies to which they have made headlines based on Mintzberg's organizational structures, starting from the machinery of bureaucracy and continuing to a lean structure. Most organizations have discovered that into their studies existed variations of Mintzberg's simple structure, highlighting the high level of involvement of volunteers in the governing roles of these organizations. The organizational theory suggests that the organizational forms and structures adopted by nonprofit sports organizations tend to become similar to the fact of being subject to similar external and internal forces.

Despite these coercive, mimetic and normative pressures, Henry and Theodoraki (2000) argued that nonprofit sports organizations have not adopted "a single line of organizational structures or strategies, even within a given national context". An important element on the agenda of governance of nonprofit sport organizations is the brand of the sport organization. The managers that provide a long-term orientation toward offering fan base satisfaction are also more inclined to use the brand as a strategic asset (Crăciun and Barbu, 2014). Florea et al. (2018) argue that sport organizations should emphasize the importance of their brands in relationships with their fan base. One of the first advantages of branding is that the loyalty of the fan base is enhanced. We speak both of the behavioral and emotional loyalty. When branding is in place, the fan base are more likely to remain loyal to their brand, even when the performances of the sport organizations are reduced (Barbu et al., 2010).

4. CONCLUSIONS

Governance structures of nonprofit sports organizations were designed and analyzed extensively from three different perspectives: organizational theory, models of governance and inter-organizational relations. Each of these perspectives provide useful ways to consider the significant and recurring problems in the governance structure of nonprofit sports organizations. The nature of nonprofit sports organizations often means that paid staff works closely with a network of volunteers who deliver the bulk of services offered by the organization in areas such as coaching, player and official development, marketing, sports development. Volunteers come from a variety of members, of affiliated organizations or members such as clubs and associations. In our opinion, the application of organizational theory in analyzing the structure of nonprofit sports organizations focused on the categorization of organizations and on the exploration of the relationships between structure, size, conflict and change.

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