

1<sup>st</sup> World Congress of Administrative & Political Sciences (ADPOL-2012)

## Sports Organization Management: Between Constraints and Objectives

Moisescu Petronel <sup>a\*</sup>, Moisescu Florentina <sup>b</sup>

<sup>a</sup> Faculty of Physical Education and Sports, Dunarea de Jos University of Galati, Romania

<sup>b</sup> Faculty of Economics and Business Administration, Dunarea de Jos University of Galati, str. Democratiei, nr 60, Galati, Postcode 800102, Romania

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### Abstract

The economic and social life of an economic agent (organization) is dominated by the specific organization manner and the rapports between the various categories of physical or legal persons who are directly or indirectly involved in its activity and management. Thus, on one hand the managers, on the other the shareholders (present and potential investors) are interested in the economic performance of the company and the ability to influence the distribution of fortune. In this framework the manager holds the main role, being the protagonist of value creation, possessing the managing power and guaranteeing that the other physical and legal persons will get their fair share of the fortune.

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Selection and peer review under the responsibility of Prof. Dr. Andreea Iluzia Iacob.

*Keywords:* Management, Sport, Efficiency, Organization;

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### 1. Introduction

The sporting organization in Romania initiated its manifestations in mid-19th century, as early as the reign of Al. I. Cuza, when the sporting association called "*The Marking Society*" was set up. In the first few years of the 20th century, sports such as boxing, cycling and later the team sports flourished. The first football match was played in Timisoara in 1902, and in 1910 the first rugby club was founded in Bucharest. Two years later the Federation of the Sport Societies of Romania was founded in the capital, followed by the creation of the Romanian Olympic Committee in 1914.

Romania disposes of a remarkable human potential (both athletes and referees) with exceptional motor skills proved in various national and international sporting competitions, with notable results. The evolution of the Romanian sport from centralized economy to free, democratic enterprise was long and meandering, marked by numerous ups and downs.

At the moment, the sporting and consequently the development of sports clubs in Romania is affected by a series of impediments, such as:

- the decrease in the numbers of people interested in practicing sport in general and high performance sport in particular;

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\* Corresponding author: Moisescu Petronel: +040-0740915960  
E-mail address: [pmoisescu@yahoo.com](mailto:pmoisescu@yahoo.com)

- the lack of financial support leads to the specialists' and technicians' leaving the system;
- the difficult and entangled Romanian legislation on granting citizenship to foreign athletes desirous to settle in Romania and represent our country in international competitions;
- lack of funding for sports activity. This context is even more important as the world financial crisis leaves its mark upon these difficulties confronting Romanian sport.

The funding sources allotted to the sports movement in Romania are among the weakest in Europe. Thus, in 2012 by the Law of the State Budget, the sports movement receives a little more than 10 million Euros, which means 0.22 cents for each inhabitant. England benefits from more than 700 million Euros per year, Poland about 450 million Euros. The states that possess the largest sport budgets are by far Denmark, Norway, Sweden, Finland, Switzerland, and especially the USA, Russia and China.

Under these circumstances, the managerial team of the sport club will have to face the economic, social, political constraints, and organize its entire activity according to principles of profitability, like any commercial society.

## **2. Management by objectives**

Sport clubs around the world operate in a continuously changing competition environment. That is why the action plan of any managerial team should find answers to various questions like: What is to be done? When and where should it be done? How and by whom should it be done? And last but not least, What resources should be used to do it? Solving these problems requires sport organizations to anticipate changes and adaptations to the economic, political, and technological and competition conditions in constant change, so that to make sure that the organizational objectives are attained.

One of the systems of planning and control that are largely used in sport organizations is the management by objectives. It consists of setting goals (e.g. a medal in the World Championships), planning to reach these goals (training programs, nutrition schemes, etc.), a self-control process (performance graphs) and a periodical revision system followed by performance assessment. As the athletes are actively involved in setting the objectives and thus ensure a feed-back system, performance increases noticeably.

Planning the activities on all the organizational levels presupposes covering the following stages:

Setting goals and objectives. Peter Drucker identifies the following areas where an organization should set objectives: market positioning, innovation, productivity, physical and financial resources, profitability, managerial performance and development, the athletes' performance and attitude and public (social) responsibility.

Defining the present situation. In this analysis it is important to identify the strong and weak points of the organization and the resources that may be used to reach these goals.

Setting premises about the future circumstances. At this stage the managers evaluate the internal and external environment in order to identify the factors that might pose problems in attaining the objectives. Then the managers foresee future trends by taking these factors into account, as the anticipation of problems and opportunities, although difficult, is an essential part of the planning process. Each alternative should be carefully assessed from the point of view of the hypotheses taken into account for that alternative to be efficient.

Creating alternatives and setting the direction. At this stage managers develop alternatives and choose the most appropriate version. The assessment also includes a critical view of the premises of the alternative in question, eliminating the alternatives founded on unrealistic grounds. Decisions are taken regarding future actions.

Implementing plans and assessing results. Planning is the first of the elementary functions of management, the basis of all the other functions. This stage of the planning process underlines the relation between planning and control: action plans represent the basis of the control process.

## **3. Ways of reaching objectives ü**

A theoretician of modern management, Luther Gulick, attempting to determine what a manager should do in order to reach the organization's objectives, drew the following list of management functions:

Planning. It determines what should be done and how to do it in order to attain the organizational objectives;

Organization. Identifying the necessary activities and deciding on the formal structure of the working units and the authority through which these objectives will be reached;

Hiring. The process of selecting, training and maintaining the personnel necessary to keep the organization operational;

Leading. Setting the objectives, taking decisions, disseminating the decisions and instructions to the employees;

Coordination. Ensuring the interaction between the various parts of the organization, so that work is carried out in a consistent manner;

Reporting. A process allowing managers to find out what is going on in the organization through the information in recordings, reports, research or inspections;

Budgeting. The systematic planning of financial resources use and control.

Managers currently have a very complex profession, requiring efficiency in a wide range of activities. It may be clearly seen in making the inventory of all the managerial skills at the basis of managerial improvement used in the Managerial competence centre of IESE Barcelona, the initiator of the Healthy Management Program. The experts in this prestigious school of business administration groups managerial skills as follows:

- strategic skills – facilitates the generation of economic value for the firm by superior adaptation to the environment: vision upon the business, customer orientation, decision taking, and resource management;
- organizational skills – facilitates the development of employee ability and cooperation: communication, team work, team management, coaching, negotiation, organization, socialization;
- personal efficiency skills – facilitates the management of the manager's own person in an effective manner: self-knowledge, initiative, motivation, learning, self-control, self-criticism, time management, optimism, creativity, integrity, stress management, emotional management (emotional intelligence).

#### **4. Management or leadership?**

Management is the art of leading an enterprise by combining the resources it possesses (human, physical, financial, informational) in order to attain the objectives in conditions of maximum output.

The management system ensures the exercise of the management functions and relations within the organization, being defined as the totality of the decisional, organizational, informational, motivational elements in the organization, by means of which the totality of the management processes and relations are exercised, in view of obtaining the highest efficiency possible.

The management system comprises several components (subsystems), as follows: the organizational, informational, decisional subsystems, the subsystem of management methods and techniques, and other management elements.

Unlike management, leadership is management performed at group level, and the leader is seen as the head of this group. In sports organizations the emphasis passes management to leadership, from development and optimization to transformation and change, from fulfilling functions to performing roles, from leading people to inspiring and mobilizing people.

Although the two terms - manager and leader – are considered synonymous and may be used interchangeably, leadership and management represent in fact distinct dimensions of the persons in charge: leadership means the ability to determine people to act. On the other hand, the manager is the individual who makes sure that the organizational objectives are attained through planning, organization, and orienting work towards a final result. Thus, an individual may be an efficient manager without having the abilities of a leader. In the past ten years, more and more attention has been given to orienting managers towards obtaining better results in leadership.

Leadership is a characteristic that all organizations wish to find in their managers. Leaders:

- are able to direct people, creating a vision that they communicate to others;
- inspire trust and show self-confidence;
- have enough experience to see mistakes as a distraction on the path to success;
- make people feel more empowered around them. People feel more competent and self-confident, thus considering their work as more interesting and challenging.

#### **5. Communication – the path to efficient management**

In order to be effective, the management of a sport organization should take into account the internal and external context of its environment.

The internal context presupposes a number of conditions and behaviors specific to the sport organization, such as: material, human, financial, informational resources, physical conditions, etc. that the manager/ managerial team should organize and coordinate through their departments as an integrated system.

The external context is granted by the external environment of the sport organization, being composed of: competing sport organizations, the changes occurring in the game technologies and schemes, the specifics of the economic environment (interest rate, inflation rate, acquisition financing, design and implementation of certain marketing strategies, etc.), social values, political events, natural events which may influence the decision.

An essential element of managerial performance is communication.

Communication, as a form of oral, written, corporal form of expression, is a process stemming from the need to convey messages. Sport organizations are extremely careful with the communication system they select. They have to set a coherent information flow, able to circulate in two directions: internally, inside the organization (departments and administrative units, employees, athletes, associated clubs and organizations), and externally, towards the environment outside the organization (television, radio, press, governmental agencies, companies interested in sponsoring sport events, and the population at large).

One of the most suitable paths available to the manager in order to increase his/her efficiency is to find the impact of his words and actions upon the people around. The key to acknowledging the message impact upon the others consists in triggering a reaction on their part, viz. feed-back, which involves a certain risk. In interpersonal relations, it may be said that the more trust people gain in each other, the more open they become towards the others. In an organizational context, things are different, as the manager is the figure of authority, and the information may become distorted when going through the informal communication channels. There are methods of developing effective communicational strategies which makes it easier for managers to be certain of the accurate reception of their messages, as methods of obtaining the necessary feed-back.

Communication leads to fulfilling the intentions of an individual by interaction with the others. In general, it is considered that a manager is a successful communicator if:

- people feel they have received sufficient information from him/her. It usually means that employees are aware of what is going on in the organization and their team/ unit, especially in point of their jobs;
- people feel that the messages and information they receive are clear and precise;
- people feel that the manager listens to them and understands what they mean.

Communication may follow a series of directions— top-bottom, bottom-up, laterally. The top-bottom communication is used to convey the management's message, displaying a variety of forms, such as *memos*, the policy workbooks of the organization, bulletins, direct orders, and mission statements. This type of communication is essential in the smooth running of an organization, but it may become damaging to its survival if it is the only acceptable manner of conveying information. This type of unilateral communication may limit innovation and determine the increase of employee dissatisfaction within the organization.

It is necessary to find a balance between top-bottom communication and bottom-up communication. The employees are familiar with the various aspects of the organizational environment and need a communication channel to convey their knowledge to their superiors. Recent practice has proven that the managers who receive feed-back from their employees are more efficient in performing their tasks. Other types of communication used in a sport organization are horizontal communication and diagonal/ oblique communication, as means of reinforcing the coordination between the various departments.

## 6. Managerial strategies

Ever since the dawn of human existence, superiors (parents, priests, kings, managers) have used various methods of influencing the inner motivation of the employees. The following methods have been used along the centuries, as they are seen as the most efficient:

Fear. Superiors assume that fear determines a change in performance. If people feel enough fear, they will change their manner of behaving. The superiors who use this approach tend to get involved in certain actions able to inspire fear, such as threats to the physical integrity, status loss, face loss in the eyes of the others, or certain external consequences. If people are fearful enough, or resent a state of discomfort, it is estimated that they will act in accordance with the superiors' predictions, to eliminate the sensation of fear.

Punishment. Closely linked to the use of fear is the infliction of punishment. People are afraid of many things that are not actual punishments (e.g. ghosts, the unknown, heights, etc).

Reward. Granting or promising rewards are one of the commonest practices in the attempt to motivate people to improve their performance. Increasing one's work effort in view of getting a good grade, obtaining a top result in a competition, getting a promotion or raise are just a few cases in point.

Guilt. Another ancient strategy used to elicit motivation is inducing guilt. If athletes are explained that their performance is lower than their promises or in comparison to what is being done for, or expected of, them, the lack of balance is reflected in the feeling of guilt. Increasing the performance is a means to reduce guilt.

Like the other traditional strategies, triggering guilt does not necessarily result in increasing performance, as rejecting the demands of those trying to induce guilt may result in reducing the inner unbalance just as easily as increasing performance. The athlete's reply may be that pay is not fair, therefore he/she has no reason to feel guilty.

Crisis. This strategy is founded on the premise that if a crisis requires higher levels of performance, the athletes will respond by making more effort in the crisis situation; for instance, a manager may ask his/her team to make extra effort to honor a supplementary order. The starting point is the idea that a state of unbalance is created in the athletes, which motivates them to make more effort.

## 7. Conclusions

At present, practicing sport and taking part in sports competitions means meeting certain requirements: material support (opportunities and infrastructure), organizational support (planning and programming) and professional administration (information within the organization and a well structured managerial process).

Organization, administration and management are the driving forces of sport organizations in any country. These three elements should act concurrently in an association, club, league, event planner or regional sport organization, in order to reach the highest efficiency level and solve all the potential problems.

Management creates and maintains a consistent system of decisional procedures, motivating people to identify themselves with the objectives and to contribute to reaching the strategic plan of the organization. It requires an accurate informational flow, objective setting, selection of the activities necessary to pursue these objectives, motivating the members, employees, and volunteers to cooperate in order to achieve the objectives. The organization should be led by competent managers from the initial stages of activity until the peak of development. By means of the public relations activities, the organization should project positive attitudes and a top image attractive to the public. This image should be the image of an organization working to the benefit of the community, being interested mainly in the youth's physical, mental, and moral development. Such an image should be consistent with the basic national values in general, and the specific community values in particular.

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