

Organising an Olympic Sport Organisation



Photo courtesy of Jan Kossen

Objectives

After reading this chapter, you should be able to do the following:

- Understand how the environmental context affects your organisation.
- Evaluate the way your organisation is structured and the roles that people have within it.
- Evaluate the governance of your organisation, in particular the role of the Board.
- Use information technology to assist with the operation of your organisation.
- Manage organisational change in an effective manner.



The effective management of Olympic Sport Organisations (OSOs) requires the OSO to be organised in such a way that it is in a position to operate effectively. The purpose of this chapter is to identify the key operational principles on which an OSO should be built.

This chapter is broken into five sections. The first section considers the external context within which an OSO operates, whilst the second section discusses the factors that make up an OSO. The third section then considers the governance of OSOs and issues that affect governance. The fourth section addresses information management and the methods of information technology that are available for communication both inside and outside of the organisation. Finally, the chapter discusses the management of change, which is a key feature of the OSO environment. These issues are then illustrated by a case study of the Olympic Council of Malaysia.

SECTION 1.1

OPERATING ENVIRONMENT OF OLYMPIC SPORT ORGANISATIONS

To understand how OSOs can be managed effectively, it is necessary to understand the operating environment that affects the OSO. Gaining such awareness is the purpose of this section, which will begin by briefly outlining the modern Olympic Movement. This is followed by a discussion of other factors in the operating environment that need to be taken into account when managing an OSO. The section will conclude with an illustration of the operating context of the Trinidad and Tobago Olympic Committee.



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The Olympic rings as presented at the opening ceremony of the XX Olympic Winter Games, Torino 2006.

Olympic Movement

The modern Olympic Movement dates from the founding of the International Olympic Committee (IOC) on 23 June 1894. Based on the writings of Pierre de Coubertin, Olympism is an ideology, a pattern of ideas about the purposes of collective life, about social goals, distribution of resources and relationships between society and the individual. Olympism contends that sport promotes optimal human development. This ideology is clearly communicated in the Olympic Charter, which underpins the Olympic Movement. The most well-known symbol of the Olympic Movement is the Olympic rings, which symbolise the union of the five Olympic continents and the meeting of athletes from all over the world. The colours of the rings, which include blue, yellow, black, green and red, were chosen as at least one of the colours is found in the flag of every nation in the world.

In addition to the IOC, the Olympic family includes, among others, the International Federations (IFs), National Olympic Committees (NOCs), National Federations (NFs) and clubs and individual members such as athletes, officials and coaches. Figure 1.1 shows the relationships of these various institutions. The IOC may also recognise other organisations involved in sport that subscribe to the Olympic ideals, such as the International Olympic Academy (IOA). For more information on the roles and operating structures of these organisations, visit the IOC website, www.olympic.org.

Your Organisation's Operating Environment

Although all OSOs are part of the Olympic family, each organisation operates in a unique environment. A number of factors within the operating environment offer opportunities and pose challenges for OSOs. Therefore, in order to be most effective in delivering services to stakeholders, you need to be aware that the following areas of the operating context may influence your management.

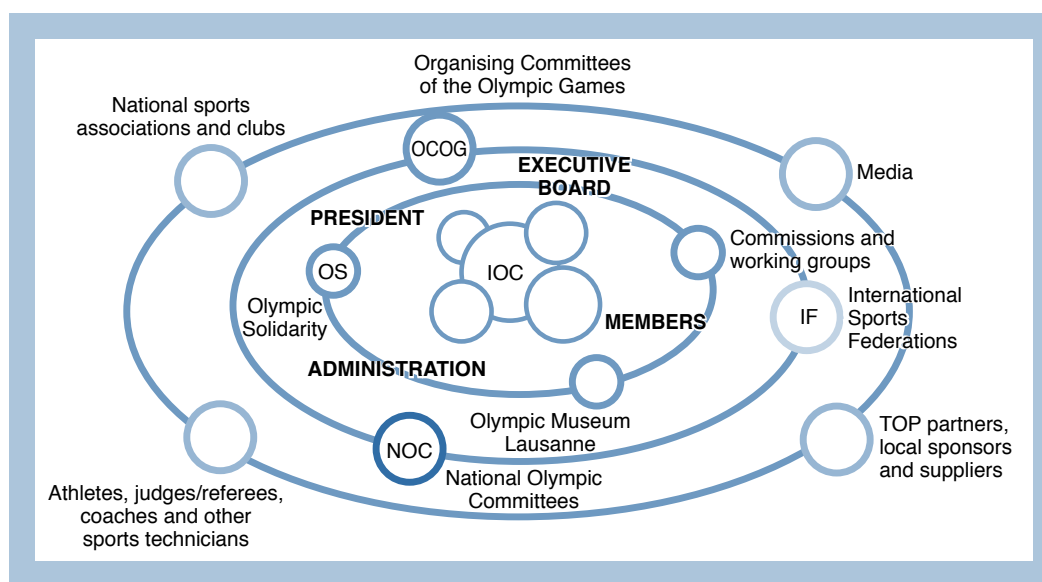


Figure 1.1 The Olympic Movement.

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Political Factors

Political factors include legislation and policies, such as those issued by the IOC or World Anti-Doping Agency (WADA), as well as political values expressed by government. The introduction of quotas for women in management is a political factor, as is a commitment to Sport for All.

Government policy significantly affects the operation of OSOs. The attitude of politicians towards sport, the prominence of sport in policy and as a policy tool, and the relationships amongst the organisations responsible for sport in your country will all have a big impact on your organisation. For example, if government policy values sport as a means of increasing health or decreasing crime, it is likely to be easier to access funds for services. If the relationship between the NOC, NFs and government departments is poor, you may find it more difficult to promote sport within the country. Perhaps most crucially, the value that government policies place on physical education for children will dictate whether the country values sport or not.

Other political factors are also important. The stability of governments and key politicians will affect the ability to plan and fund activities. Tax policies may also have an effect since taxes may provide an organisation with more, or less, income. For example, in Ecuador, a tax on fixed and mobile phone calls has been used to fund elite sport. Finally, government's attitudes and legislation in relation to the advertising of alcohol, tobacco and fast food may require some OSOs to seek new sponsors.

Sociocultural Factors

Sociocultural factors are a result of the way that a society is structured and behaves. Social factors include demographic features such as an aging population, changing lifestyles, a trend towards watching sport rather than taking part and a trend towards team sport rather than individual sport.

Factors such as the gender and age makeup of the population, family structure, income distribution, levels of education and social mobility will affect who is attracted to your organisation. More importantly, however, cultural factors such as attitudes towards sport participation, including parental attitudes towards children's participation and attitudes towards work and leisure, will affect the role that OSOs play in society.

Economic Factors

Economic factors are features such as the strength of the economy, unemployment levels, how much people are prepared to pay for services and whether people can afford to be volunteers. Because there is no requirement for people to use OSOs, such organisations must compete for income that is left over after people have met their basic needs for shelter, food and clothing. Factors such as the inflation rate, unemployment rate, level of disposable income and cost of living all determine how much money people have to spend on OSO services. Indeed, in a number of countries the economic factors are such that it is not possible for organisations to charge for their services, which affects the type and extent of services offered.

A significant economic factor is the level of competition an organisation faces, and OSOs operate in a highly competitive industry. As mentioned, OSOs compete for the money left over after basic needs are met, but so do many other organisations. Although competition can be for money, for most OSOs it is likely to be for people. If football is the most popular sport in a country, it is often difficult for other sports to attract large numbers of participants. If religious or cultural events are an essential part of society, people will spend more of their leisure time taking part in these events rather than sport.

Perhaps most importantly, the value that government places on sport will have a significant economic impact because many OSOs are directly funded by government. The value that government places on sport dictates whether the economic context is good, poor or even changing, and you will need to know this value in order to take account of opportunities and to deal with threats. In addition, you need to know how the government funds that value. For example, funding could go directly to every OSO, or it could be given only to large OSOs, such as the NOC, to be distributed to member organisations. This information will influence the process for accessing funding, the people you will be accountable to and how your organisation will be evaluated.

Legal Factors

There are no sports without rules. Sports are regulated by rules and standards of conduct established within the organisation to ensure the survival of the sport's basic principles and the permanence of the sport organisations. These rules fulfil the following functions:

- Establish standards of play (technical rules) for the specific sport or athletic discipline.
- Establish standards for competition.
- Establish standards of conduct that participants in the sport must follow.
- Establish the way that the relationships (membership or participation) of the bodies and people comprising the athletics movement operate.

In addition, all OSOs have some form of statutes or constitution that guides and regulates the way that the organisation can operate, which often requires formal approval by external stakeholders, such as relevant local authorities. These form the legal framework, which is the basis for all other considerations facing the OSO.

No OSO operates in a vacuum separate from the rest of society, and in its interaction with its stakeholders, it will be affected by the legal rules of that wider environment. As result, you should have some awareness of the following areas of law.

- *Delict or tort*: This is the failure to perform a duty of care to the required standard. A particular type of delictual or tort action relates to negligence, perhaps the most likely cause of legal liability for a sport organisation. What is considered to be negligence may differ amongst countries, and therefore you need to understand how your country's legal system defines negligence.

- *Employment law*: Each country is likely to have laws that affect the employment and treatment of staff. For example, the Bosman ruling requires free movement of workers amongst countries of the European Union (EU) and thus affects many European OSOs.
- *Drugs and doping*: Laws regarding the use of banned substances must be understood.
- *Intellectual property*: These laws ensure protection of the OSO brand, which will be discussed in chapter 5.
- *Health and safety*: These laws are important for risk management, which will be discussed later in this chapter.
- *Defamation, slander and libel*: These laws involve protection of a person's reputation.

There may be a perception within some countries that such legal concerns are more applicable to a jurisdiction with a sophisticated and litigious legal environment. However, it is still important that you fully understand the legal framework within which your OSO operates, and in particular it is important for the Board and its members to be aware of the potential liability they face.

Impact of the Operating Context

From the previous discussion it is clear that you need to know your OSO's operating context well. Each country, each region and each town or village is likely to have different factors that influence the management of the organisation. In addition, it is unlikely that the factors in the operating environment will remain constant. For this reason, you may need to change the way you manage and the direction of your organisation. You should frequently ask yourself the following questions to ensure that your OSO is being managed as effectively as possible.

- What importance does the government place on sport? How is this evident in policy?
- Are senior politicians committed to sport?
- What is the relationship between your organisation and government organisations?
- Do politicians value the work of your organisation?
- How do the objectives of your organisation contribute to government objectives for sport? How does your OSO respond to changing government objectives, or changing governments?
- How important is your organisation to sport in your country?
- How does the way that sport is structured in your country affect the delivery of sport? What would improve this?
- Is the policy regarding physical education in schools supportive of participation?
- Do people value sport in your country?
- In particular, do parents value the participation of children in sport?

- How is sport funded in your country?
- What do you have to do to get funds?
- Can you increase your funds or have them taken away?
- What do you have to do to prove that your organisation is effective?
- What activities draw people away from your organisation? Can you do anything about this?
- What sports are your major competitors? What can you do about these?
- Can you charge for your services?
- What are the legal responsibilities of the organisation?
- What are the legal responsibilities of the Board?
- What risks are associated with your sport? How do you manage these?
- What is considered to be negligent activity in your country's legal system?
- Are there health and safety concerns that affect your organisation?
- How can you protect your brand?

KEY RECOMMENDATIONS

- ▶ Identify where your OSO fits into the Olympic family.
- ▶ Be clear about your organisation's role in the delivery of sport policy.
- ▶ Review your operating context on an annual basis.
- ▶ If necessary, adjust the operations of the organisation in response to the review.

The following illustration presents a review that the Trinidad and Tobago Olympic Committee did of its external context. The OSO considered a number of the questions listed previously in order to develop a picture of the environment within which it operates.

Illustration 1.1

Operating Environment: Trinidad and Tobago Olympic Committee

The Trinidad and Tobago Olympic Committee (TTOC), formerly called the Trinidad and Tobago Olympic Association, was affiliated to the IOC at the IOC Session held in London in 1948 on the occasion of the celebration of the XV Olympic Games. It operates within a small population, which has only recently climbed to 1.3 million. An analysis of the operating context revealed the following factors that affect the way the TTOC can contribute to sport in the country.

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Illustration 1.1 (continued)

Political Factors

The government of Trinidad and Tobago values sport. It has developed a national sport policy that is intended to offer a formal, holistic and systematic framework for the development of sport in Trinidad and Tobago. This framework is based on the recognition of the important role that sport plays in the life of the individual, the community and the nation. The purpose of the policy is to guide decision making with regard to the development of sport. The government has developed a 2020 vision for the country (to be reached by the year 2020) that includes sport, and the vision is for the country to be recognised as a successful Western Hemisphere nation in the field of sport.

In order to further the implementation of the national sport policy, the government approved the establishment of a limited liability company with terms of reference geared towards the management, administration and programming of sport in Trinidad and Tobago. This company, wholly owned by the government and referred to as the Sport Company of Trinidad and Tobago, was approved pending the establishment of the Sport Commission of Trinidad and Tobago (SCOTT). The TTOC has been a central figure in the development of the sport policy, in the formation of the Sport Company and in discussions with regard to the SCOTT. The TTOC will have representation on the SCOTT, although it remains independent of government, its status and relationship established by an act of Parliament.

Sport is structured on a mainly voluntary basis, and recognised sport bodies come under the Ministry of Sport. In addition, Olympic sports are affiliated to the TTOC. In terms of improving the structure of sport in Trinidad and Tobago, an audit carried out by the TTOC showed that serious consideration needs to be given to the training of sport administrators. Sport in the country is at a point where it can no longer be run out of the car trunk or on the kitchen table. In this regard, the government and TTOC need to find a way of providing sport organisations with administrative support.

The relationship between the TTOC and the Trinidad and Tobago government is excellent. The objectives of the TTOC and the ideals of the Olympic Movement and the tenets of Olympism are in sync with the government's stated vision for the society and nation based on tolerance, equity and discipline. The TTOC is highly respected by the government, corporations, media, general public and sport bodies. It is sought in a consultative role by the government on a number of issues related to sport. Politicians value the work of the TTOC; however, as in most countries, at times it appears that sport plays second fiddle to health, education and national security. In addition, also as in many countries, physical education has only been reinstated in schools in the last 3 years and is therefore not at a point where it supports participation in sport.

Sociocultural Factors

Trinidad and Tobago is a sport-loving nation, but only from a recreational and social point of view. As in many countries, sport is not considered to be as important as education. Parents' attitudes reflect a preference for academic work, and participation in sport is encouraged only as long as it does not interfere with studies. However, these attitudes are starting to change. Trinidad and Tobago's qualification and success at the 2006 Fédération Internationale de Football Association (FIFA) World Cup in Germany may very well be the catalyst for raising the importance of sport since people experienced firsthand the pride and joy that sport can bring.

Economic Factors

Sport is primarily funded through the Ministry of Sport, the newly established Sport Company and corporations. In order to obtain funds, sport bodies have to submit a subvention request to the Ministry of Sport. This system works fairly; however, there are issues with the funding delivered by the Sport Company. Ten sports have been selected to receive development funding, and bodies not selected have expressed concerns over a perceived lack of transparency with regard to the selection criteria and process. In terms of funds from the corporate sector, sport bodies need to go directly to organisations with proposals.

Funds can be increased or withdrawn on the basis of the organisation's subvention request, interviews with the Ministry of Sport and Sport Company officials, and reports. Sport organisations have to prove that they are effective by showing that funds have been properly expended and audited. In addition, rightly or wrongly, the performance of the team is used as a measure of success.

Several activities can be considered as competitors to sport. Because most involvement in sport is voluntary, other activities and demands from family and career can get in the way of participation. In addition, some volunteers leave sport because of too much politics and poor administration, which highlights the need for increased training in all aspects of sport management and governance. This lack of well-trained administrators is a major challenge facing sport in Trinidad and Tobago, and many sport bodies are in danger of missing out on opportunities due to the administration issues mentioned earlier.

In the search for sponsorship, the TTOC sometimes finds itself competing in the same funding pool as the sport organisations that come under its umbrella. Although at times this is unavoidable, the TTOC liaises closely with its affiliates to ensure that they do not approach the same potential sponsors for projects and games under the auspices of the TTOC. The TTOC does not charge for many of its services, but it does charge nominal fees for courses.

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Illustration 1.1 (continued)

Legal Factors

Like all NOCs, the TTOC has constitutional and legal obligations in its relationship with the IOC, corporate sponsors, member bodies and government. The TTOC is constituted and managed under an act of Parliament, and therefore the Board is obliged to properly account for funds received. To do this, the TTOC ensures that it has proper accounting systems in place and that its accounts are audited by a recognised external auditor.

In terms of direct risks to participants, all sports expose participants to injury and public liability. In order to deal with this, the TTOC emphasises proper coaching and playing within the rules. In addition, where applicable, insurance is the preferred risk management tool. However, a culture of paying close attention to safety is not fully developed, and only recently has a health and safety act been framed to bring to the Parliament. This act is not expected to change anything in the field of sport; however, sport bodies could have new obligations regarding employer and employee relationships. These legal implications have not been clarified and the TTOC will look into this aspect.

Impact of the Operating Context

A review of the operating context allows the TTOC to determine its future actions. It is apparent that it has a clear remit for sport in Trinidad and Tobago, and its relationship with the government is excellent. It has been involved in the development of new structures for sport and is consulted on a wide range of issues. This relationship is essential, and the TTOC needs to ensure that it carefully manages its relationship with the government, and to some extent, with corporations to ensure continued sponsorship.

The low level of managerial knowledge is also an area for further work. Without improvements in governance and management, some sport organisations may not take advantage of the interest in sport generated by the 2006 FIFA World Cup and may not develop the standards required to achieve funding from the Sport Company. To this end, the TTOC meets with its affiliates to assess their training needs and continues to offer training courses in aspects of sport management.



The TTOC strategic plan, which is based on an environmental audit, emphasises the principles of Olympism. The organisation adopts best practice in its operations, which are reviewed on an ongoing basis. There are always challenges, such as adverse doping test results or contentious selection issues that cannot be fully anticipated. However, the TTOC has a solid, key role in the provision of sport within Trinidad and Tobago. By being aware of its operating environment, the NOC is more likely to be able to take advantage of this role and deal with unexpected challenges.

SECTION 1.2

NATURE OF OLYMPIC SPORT ORGANISATIONS

Most of you will have had experience of effective organisations and of organisations that are less effective, and it is obviously important to understand what makes an organisation work well. However, first it is necessary to identify what an organisation is, what its key components are and how it is constructed, which is the purpose of this section. These issues will be illustrated by a discussion of structural change in the British Olympic Association.

What Is an Organisation?

In its most basic form, an organisation is a group of people working together to achieve an end goal. An OSO is therefore a group of people working together to achieve goals related to Olympic sport. (See the introduction to this text for a complete definition of an OSO.) Old (2004) suggests that there are three core elements by which an organisation can be characterised.

- *People*: Who are the members of the organisation? What roles do they play? What is the relationship amongst members, other internal constituents or stakeholders, and external stakeholders?
- *Rules*: These define formal and informal tasks, roles and responsibilities; principles of good corporate governance; patterns of communication; authority relationships; and the nature of power in organisations.
- *Ends, goals and purposes*: In the context of OSOs, this element primarily includes the nature of goals in an organisation and the differences in goals amongst various constituents or internal stakeholders.

To this list you could also add “resources.” Without these, it would be impossible for an organisation to function. The resources that are available come in many forms:

- *Revenue*: These resources include membership fees; sponsorship; grants from the IOC and government; and for some fortunate sports, income from TV rights.
- *People*: Volunteers, paid staff, team staff and athletes are all resources.
- *Services*: Access to legal advice, assistance with drug testing and staging of events are all resources.
- *Time*: This is perhaps the greatest resource of all, because without the time given by volunteers, many OSO activities would not be possible. For example, the Olympic Games could not be staged without volunteer time because it would be too costly to pay all of the people needed for the Games to be held.

When you consider how your organisation might function more effectively, you need to address these elements. However, it is also necessary to remember that the external context outlined in the previous section will have a significant impact on the way you can shape and manage your organisation. Being part of the Olympic family will significantly influence the goals you can pursue. It also has a large influence on the rules by which you operate; even the most commercial OSOs are likely to have an elected Board made up of volunteers. Finally, the context allows your organisation to access people who are prepared to give up their time without pay because of their belief in the value of sport. Very few other operating contexts provide such access to volunteers.

People

How people are identified within an organisation depends on the context, but identification falls principally into one or more of three categories:

- Individual identity, or who they are
- Role and formal position, or their principal duties in the organisation
- Type of stakeholder, or type of interest or group they represent

Individual Identities

The first level might seem to be so obvious that it is hardly worth mentioning, but it is crucial to the smooth operation of the organisation. People are individuals and need to be recognised as such. Conventions will vary from one culture to another, but knowing people's names, acknowledging them by greeting them appropriately, knowing something about them as individuals, knowing what their strengths and weaknesses and likes and dislikes are, and praising and giving public recognition for good performance certainly can be crucial in motivating them to do their best for the organisation. This concept is dealt with in greater detail in chapter 3.

Roles and Formal Positions: Effects on Structure

The notion of roles within an organisation has two principal dimensions. The first dimension is the place of the individual within the organisational hierarchy—the level of responsibility a person is required to undertake. For example, Board members carry the greatest responsibility within an OSO. The key functions of the Board include the following:

- Reviewing, guiding and approving strategy, risk management, budgets, business plans and performance objectives
- Selecting and compensating key executives and planning for succession
- Monitoring conflicts of interest
- Ensuring the integrity of the accounting system
- Monitoring the effectiveness of operating practices

The extent to which responsibility and authority are concentrated at the top of an organisation is referred to as the level of centralisation within an organisation. If an organisation is centralised, decisions are made primarily by senior management, such as the Executive Board or team staff. This type of decision making is useful if there is a need to respond to a crisis, such as the withdrawal of a sponsor or a major incident involving an athlete. In this case, the people who will be held responsible for the outcome of the decision make the decision and have the authority to implement it. However, a high level of centralisation can make others who are involved with the organisation feel as though they are not valued, which can be demotivating and can lead them to take less responsibility for their work.

In a decentralised organisation, all people who work for the organisation make decisions about their work, and those with the most relevant expertise make decisions about particular skill areas. This can lead to faster decision making and less bureaucracy, but it does require a number of controls. You will need to ensure that those who are making decisions that affect the organisation have appropriate guidelines and training.

The second dimension of role is the area of competence to which that role is ascribed, such as general administration, the sport department, the finance department or volunteer management. This dimension is referred to as the level of specialisation with the organisation. Centralisation and specialisation affect the structure of the organisation, and the levels of each vary from one organisation to the next.

Structure is the way an organisation is shaped. Organisations can adopt a structure that is tall and narrow, broad and flat, or a mix of both. Structure type depends heavily on the organisation's levels of centralisation and specialisation. Small OSOs have mixed structures. There is likely to be little decentralisation of decision making and relatively little specialisation of tasks, leading to a flat and narrow structure. Such organisations, which are too small to have a marketing department or specialist financial management staff, may have a few volunteers and perhaps a few paid staff who take on a diverse set of responsibilities.

Larger, more complex organisations are likely to adopt a tall and narrow hierarchical structure. This type of structure is useful for complex and varied tasks, which require differing types of skills and a level of supervision or middle management. Most NOCs, IFs or even NFs need this type of structure in order to meet their objectives, even if the organisation is made up of volunteers. Figure 1.2 shows a proposed structure for the National Olympic Committee of Iraq.

Alongside the principles of centralisation and specialisation, OSOs can be structured along the following dimensions.

- *Organisational size:* Although not always the case, the general rule of thumb is that the larger the organisation, the more structured it needs to be.

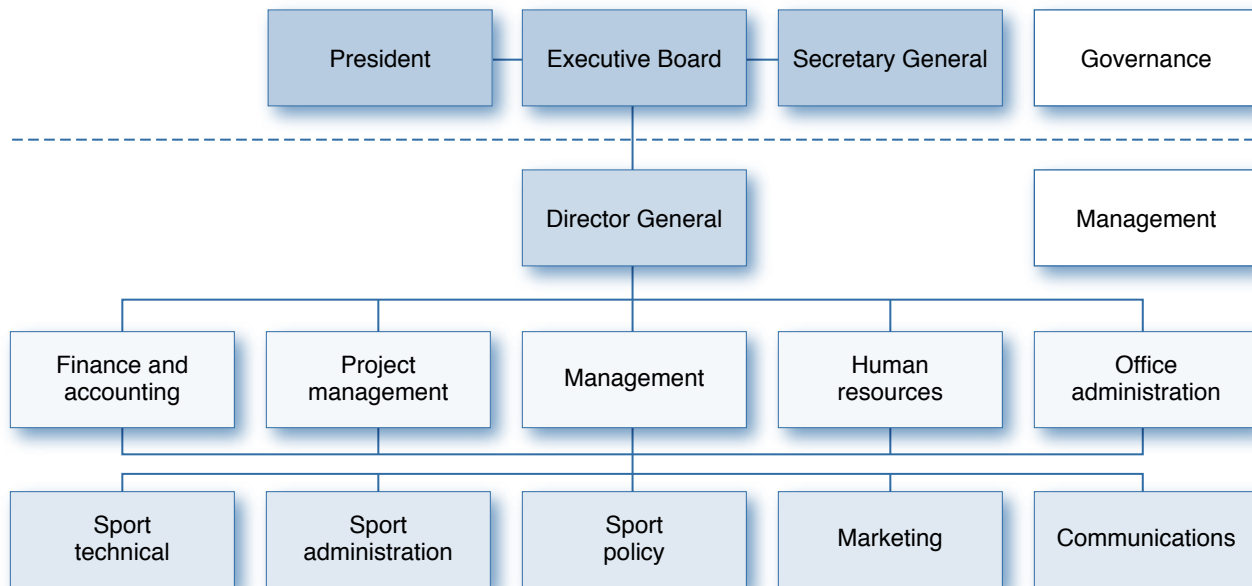


Figure 1.2 The proposed operating structure of the National Olympic Committee of Iraq (NOCI).

Courtesy of Mark J.M. Clark.

- *Complexity of task:* Complex tasks usually require specialisation and hierarchical management. For example, the staging of a major event is complex, requiring various specialised divisions to deal with aspects such as promotion, accreditation, security and accommodation. These divisions require managers, who in turn require management. See chapter 6 for a greater discussion of the structure required for staging an event.
- *Formalisation:* This is the extent to which roles are explicitly stated, usually in written form, such as job descriptions.
- *Standardisation of tasks:* This dimension refers to the number of tasks that are carried out according to certain procedures. For example, organisations that carry out drug testing exhibit high standardisation of tasks because procedures must be carried out in a standard way to ensure that drug testing is reliable and valid.
- *Professionalisation:* An organisation with a high level of professionalisation has paid staff and has become more sophisticated in its approach to its environment.

These internal features are related to features of the external environment. Simple organisations are likely to be best suited to simple and stable external environments. A community athletics club that trains twice per week, uses community facilities and organises one event a year might be characterised as operating in a simple environment. Its goals are relatively clear and uncomplicated: to train athletes, to stage a small event and to meet financial obligations. The environment is generally stable, meaning it is likely next year to be operating in a similar context to that in which it operated last year. The structure of such an organisation is therefore likely to be simple, having no need for a human resources division or marketing division. However, for the International Association of Athletics Federation (IAAF)—the IF for athletics—the environment and the organisational structures are likely to be very different.

Although OSOs may differ in size, complexity and shape, a number of features are common to all of them. They are all ultimately responsible to a voting membership, who has the power to determine the way the organisation is run. This membership usually establishes an elected Board, which is charged with carrying out the wishes of the membership and is legally liable for the conduct of the organisation. This Board sits at the top of the organisational hierarchy, as outlined in figure 1.2. OSOs are usually funded significantly by governments or other agencies such as Olympic Solidarity and thus have to consider the objectives of these stakeholders. Finally, OSOs rarely operate independently from the country's sport system, and this will affect how they are structured and managed.

Types of Stakeholders

A stakeholder is anyone who has a stake or interest in the organisation. That interest may not be material or financial; it could, for example, be emotional or symbolic, such as the interest that the general public has in the performance of the nation's athletes at the Olympic Games. Thus the stakeholder community includes everyone who is affected by an organisation. This will be discussed in greater detail in chapter 2.

Rules, Tasks, Roles and Responsibilities

Organisations invariably work by certain rules. These may be formally stated or they may be agreed upon informally. Similarly, the roles and responsibilities of a particular post can be formally stated in a job description (see chapter 3), informally agreed upon or even simply implicit in the title of a job, such as team manager. Even where roles are undertaken voluntarily, if the task is substantial it is worthwhile to set out a job description of the tasks that the person should undertake (the role) and of the resources and results the person will be responsible for (the responsibilities). If these are clearly articulated, then both the post holder and others in the organisation should be able to identify whether the job has been carried out successfully. As mentioned, formalisation of rules and roles is one of the key dimensions along which one can differentiate amongst types of organisations.

In addition to specifying roles and responsibilities, there may be an operating manual or some kind of set description of how to undertake specific tasks. This point will be discussed in greater detail in chapter 3. Such standardisation of tasks is mostly for activities that can be repeated in the same way by following a procedure, such as booking travel for delegations or paying expenses. In many contexts, however, standardisation of tasks may be entirely inappropriate, such as when coaches rely on their experience to make changes to training regimens in order to bring about better performance.

OSOs operate under a number of rules that are common to all organisations that are part of the Olympic family. These rules provide the guidelines for all activities that go on in the organisation and should be formalised in a governing document. For example, NOCs need to establish their statutes based on the following:

- *Mission:* Statement of the purpose of the NOC. "The mission of the NOCs is to develop, promote and protect the Olympic Movement in their respective countries, in accordance with the Olympic Charter" (Rule 28.1).

- *Role*: Statement of what the NOC will do. For example, they “promote the fundamental principles and values of Olympism in their countries, in particular, in the fields of sport and education, by promoting Olympic educational programmes in all levels of schools, sports and physical education institutions and universities, as well as by encouraging the creation of institutions dedicated to Olympic education, such as National Olympic Academies, Olympic Museums and other programmes, including cultural, related to the Olympic Movement” (Rule 28.2.1).
- *Obligations, responsibilities and competencies*: Statement of what the NOC can and is required to do. For example, “Each NOC is obliged to participate in the Games of the Olympiad by sending athletes” (Rule 28.3).
- *Autonomy*: Statement highlighting how the NOC is an autonomous organisation. For example, “NOCs must preserve their autonomy and resist all pressures of any kind, including but not limited to political, legal, religious or economic pressures which may prevent them from complying with the Olympic Charter” (Rule 28.6).
- *Membership*: Statement of who makes up the membership of the NOC. For example, “NOCs must include all IOC members in their country, if any. Such members have the right to vote in the general assemblies of the NOC. In addition, the IOC members in the country referred to in Rule 16.1.1.1 are ex officio members of the NOC executive body, within which they have the right to vote” (Rule 29.1.1).
- *General Assemblies*: Statement outlining details of the timing and purpose of the assembly of members. For example, “Each NOC shall hold a General Assembly of its members at least once a year, in accordance with the NOC’s statutes” (paragraph 1.4 of the Bye-law to Rules 28 and 29). “NOCs shall, in particular, include on the agenda of their General Assemblies the presentation of annual reports and audited financial statements and, as the case may be, the election of officers and members of the executive body” (paragraph 1.4 of the Bye-law to Rules 28 and 29).
- *Voting*: Statement outlining details of who can vote and how decisions are determined. For example, “The voting majority of an NOC and of its executive body shall consist of the votes cast by the Olympic sports federations or their representatives” (Rule 29.3).
- *Flag, emblem and anthem*: These symbols of the NOC “shall be subject to the approval of the IOC Executive Board” (Rule 32).
- *Court of Arbitration for Sport (CAS) in Lausanne*: NOC statutes should make reference to the competence of the CAS in Lausanne for disputes that cannot be resolved at the national level.

The approval of the statutes of an NOC by the IOC Executive Board is a condition for recognition. The same condition applies to any subsequent change or amendment to the statutes of an NOC. In addition, the statutes should contain a date of approval by the NOC. This date, which should appear in the text, is the date of the General or Extraordinary Assembly at which the text was approved. Finally, the statutes must be certified as a true copy by the President and the Secretary General of the NOC. This document should be the ultimate source of information on rules and procedures in the organisation.



The flag and emblem of the Canadian Olympic Committee. The flag and emblem of an NOC are subject to the approval of the IOC Executive Board.

Logo courtesy of the Canadian Olympic Committee.

Goals and Purposes

Every organisation can be characterised by its goals and purposes. For an OSO, the larger purpose of the organisation is to promote Olympism. The goals used to achieve this purpose could vary from providing recreational opportunities at the grassroots level to sending athletes to the Olympic Games. The process of developing goals for the organisation is discussed in chapter 2. However, at this point it is important to realise that different groups of stakeholders may have slightly different goals, which may be complementary, competing or unrelated. An understanding of stakeholders' goals is likely to be crucial to how an organisation is perceived by stakeholders and how its effectiveness is evaluated. For example, an NF will have a range of stakeholders, including athletes from elite competitors to recreational participants; international, national and local coaches; and national and local club administrators. You will need to identify what the objectives are of these various groups and then try to find a way to meet these objectives.

KEY RECOMMENDATIONS

- ▶ In conjunction with your Board, identify the most appropriate structure for the size, complexity and tasks of the organisation.
- ▶ Ensure decision making related to the management of the OSO is devolved to those responsible for implementing the strategies as defined by the Board. The strategic direction of the OSO must remain the responsibility of the elected Board.
- ▶ Ensure that your statutes are comprehensive and make clear the rules of the organisation. For more information on how to develop statutes, please contact your NOC, or if possible, look at the NOC Extranet.

The following illustration highlights the relationship between organisational context and some of the structural features identified earlier in the chapter.

Illustration 1.2

Structural Change in an NOC: The Case of the British Olympic Association

This illustration deals with the transformation of the British Olympic Association (BOA) from a relatively small-scale organisation with a modest budget and modest goals to an organisation that has a turnover of several million pounds and is involved in a wide range of athlete-support and sporting services. The rapid change was triggered by an injection of funding provided principally from more effective marketing after the Los Angeles Olympics of 1984. The BOA's financial position in 1976 after the Montreal Olympics and in 1980 after the Moscow Games was positive, though available funds were small (£2 million in 1976, £1.5 million in 1980). However, after the Los Angeles Games, funds available to the BOA grew to an unprecedented £8 million. The organisation was thus faced with the unusual decision of how to deploy this extra cash.

As part of the dialogue regarding the future direction of the BOA, a weekend conference of key stakeholders was held to review the organisation's role, changes that might be made, and the strengths and weaknesses of each potential change. As a result, a commission was established to consider the following possibilities:

- To maintain current roles and responsibilities and to take comfort in being a cash-rich organisation
- To redistribute the excesses to NFs
- To provide a wide range of support services (rather than extra cash) to NFs

Structure, Roles and Responsibilities

The BOA opted for the third alternative. This decision was accepted by the NFs as the course of action best suited to meet their needs and to provide the expert services required at the elite level of modern sport. Having made this decision, the BOA moved rapidly from an organisation with a simple structure and the single focus of organising and funding the mission to the Olympic Games (figure 1.3) to one that set itself the task of interfacing with the NFs of Olympic sport at every level in the development of high-performance sport. This necessitated the appointment of staff with specialised skills and thus led to an expansion of the professional staff (figure 1.4).

What, then, were the implications of this change in terms of the nature and structure of the organisation and in terms of power and control? The most evident change from the organigrams (organisational structures) in the two figures is the development of a divisionalised form. Having taken on a range of additional and complex tasks, the organisation opted to delegate responsibility for each of these areas to departments directed by personnel with specific areas of expertise. Thus the organisation completely changed its way of working, now having an active programme throughout the 4-year Olympic cycle.

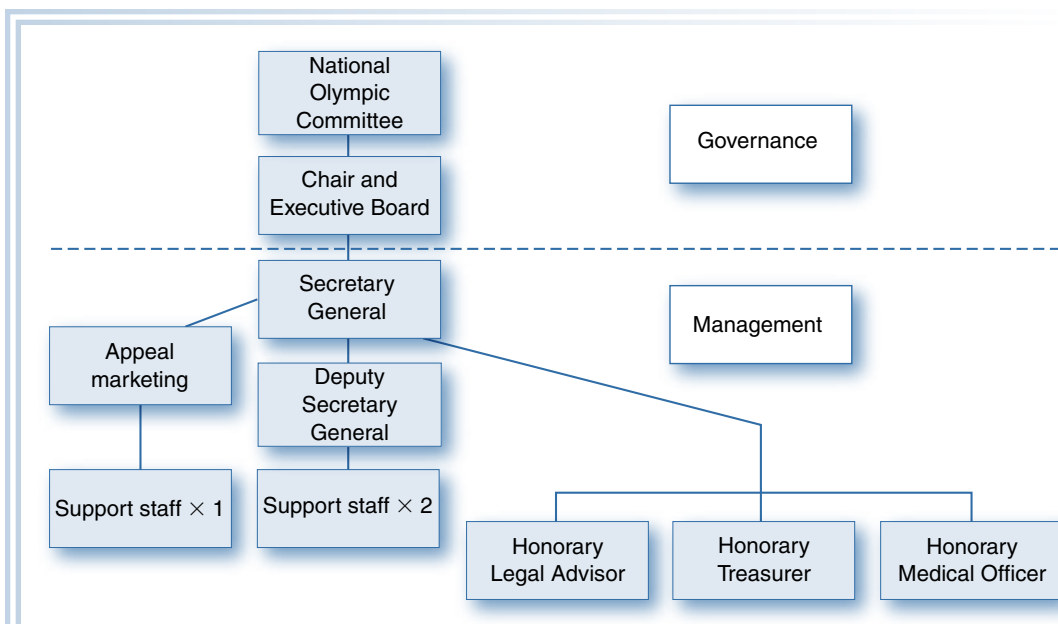


Figure 1.3 Divisionalised structure of the BOA before changes were made.

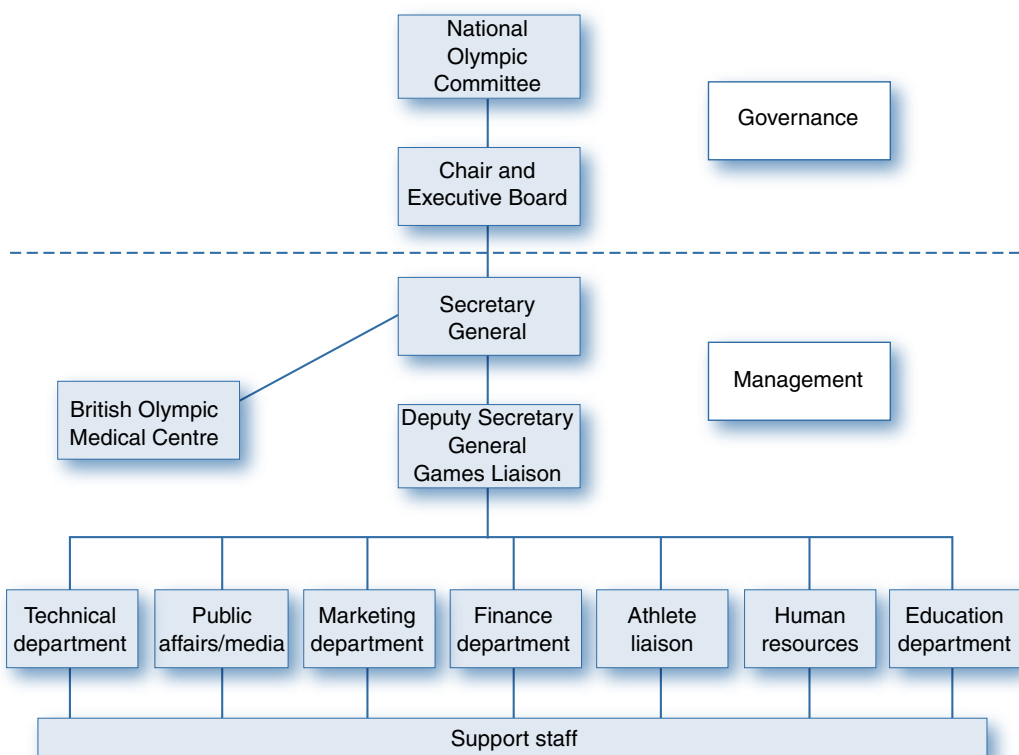


Figure 1.4 Divisionalised structure of the BOA following changes.

(continued)

Illustration 1.2 (continued)

Goals and Purposes

The mission that the BOA had embarked upon was to make the organisation more relevant to the general sport culture in the UK and in particular to relate with the NFs of Olympic sport at every possible level in order to assist them in becoming more effective as they delivered sporting excellence. Thus the activities of the BOA sought to interface with the NFs at the following levels:

- Athletes, coaches and team managers
- Medical officers and physiotherapists
- General administration
- Sport scientists
- Media
- Marketing
- Legal concerns
- Education and legacy

People: Roles and Formal Positions

The changes that the BOA underwent had several implications both for the governance and management of the organisation. The critical relationship between the elected President and the salaried Secretary General became more crucial, particularly as the pace of activity increased. With the increased activity of the professional staff, led by the Secretary General, the balance of power shifted in his direction. This required a sensitive touch to prevent tensions from developing. The role and function of the Executive Board changed from having oversight of finances and general activities to taking a strategic view of the direction, pace, risk and performance of the organisation and its finances.

The responsibilities of the individual members of the Executive Board increased and required a greater understanding of finance, budgeting, strategic management, performance review and risk management. Members were required to deal with administering larger budgets and a greater financial turnover, monitoring cash flows, anticipating shortfalls, and in particular, satisfying themselves of the prudence and probity of the organisation's financial management.

In addition, the changes required an entirely different management style by the Secretary General, whose function now was that of a Chief Executive Officer (CEO). Instead of personally processing much of the organisational details, the role changed to that of strategically managing a team of specialists. Thus a new skill set was required, which comprised the following:

- Internal communication with staff was necessary to clarify the general direction of the organisation and ensure that each department's activities contributed to that direction.
- External communication was important to ensure that the BOA commanded respect from stakeholders and others. Ensuring that the staff developed effective communication with the relevant stakeholders was a critical aspect of the working relationships with NFs and their athletes and support staff, as well as with the external agencies.

- Team building was necessary to ensure that the staff worked as a team, each person contributing to the overall strategic direction and interfacing effectively with each other.
- Recruitment skills were important to ensure that appointments were appropriate for the skills required.
- Monitoring the effectiveness of both individual staff members and of the organisation as a whole was required.
- Analysing the costs and benefits of the organisation's activities and modifying direction accordingly were necessary.
- Strategic management was important because the new setup required the development and implementation of a strong strategy to which the stakeholders were committed.
- Political judgement was important because of the involvement of a wide range of stakeholders influenced by the BOA's activities. It was necessary to exercise political judgements in relation to the nature and pace of developments and with acute sensitivity as to the impact of the developments. Thus, good communication and information gathering were vital to ensure the relevance and effectiveness of the programme.

People: Purpose and Power

The consequences of taking on the additional tasks were not simply structural but implied a very different set of working relationships (see table 1.1). The level of centralisation in the organisation had been extremely high (see figure 1.3). There was essentially one person through whom most decisions were taken or implemented (leaving to one side the role of elected members for the purposes of this illustration). The implication was that the Secretary General had to have sufficient expertise in all of the organisation's tasks to be able to steer it efficiently. In the new structure, power and authority are decentralised to specialists recruited as experts in a particular field, and the Secretary General now has the task of initiating and overseeing the strategic direction of the organisation and working with the governance mechanism and outside agencies.

Table 1.1 Characteristics of BOA Structure Before and After 1984

Characteristic	BOA structure before 1984	BOA structure after 1984
Organisational environment	Relatively simple and stable, but changing from late 1960s	Increasingly complex and dynamic as a result of the politicisation and professionalisation of sport
Task size and complexity	Simple and restricted	Large number of complex tasks
Organisational size	Small	Large
Centralisation	Power and authority highly centralised	Decentralisation to Department Directors
Specialisation	Low	High
Formalisation	Low	High

(continued)

Illustration 1.2 *(continued)*

Thus, unusually for a larger, more complex organisation, the particular organisational structure chosen by the Secretary General was a flat one rather than a hierarchical one. This allows for a greater sensitivity to the impact of the BOA's activities with its stakeholders. There are, of course, other formats and possibilities. Whatever the structure, it is important that it fits the purpose and personalities in that particular environment.



This illustration shows how a change in the environment may require a change in the structure and mode of operation of an organisation. In this case, the happy circumstance of receiving considerable additional funds that permitted the organisation to expand its activities was an important contributory factor. This expansion led to changes in the people, roles and responsibilities of the BOA and, in particular, saw a change in role for the Secretary General, who moved from operational to strategic responsibility for the organisation.

SECTION 1.3

GOVERNANCE OF ORGANISATIONS

The previous discussion of organisations focused primarily on the roles and responsibilities of individuals within the organisation, rather than on the organisation's responsibilities as a whole. In recent years there has been a considerable focus on this collective aspect of management, which generally falls under the heading of corporate or organisational governance. Corporate governance refers to the systems and processes for ensuring proper accountability, probity and openness in the conduct of an organisation. This might include the processes by which committees are selected, monitored and replaced; the capacity of committees to effectively formulate and implement sound policies; and the respect of members for the structures and the procedures that govern economic and social interactions amongst them.

This section looks at the concepts associated with the governance of OSOs. It considers the impact of organisational culture, power and politics on the way the organisation can be governed and then considers the principles that can be used to help with the governance of organisations. This is followed by a discussion of the principles and practices of risk management, a concern that is likely to directly affect those involved in running an OSO. The section finishes with an application of the concepts to the Estonian Olympic Committee.

Corporate Governance

Governance can be difficult to define but is perhaps easier to recognise in practice. It involves the use of power to direct, control and regulate activities within an organisation. It deals with the high-level issues of strategy and policy direction, transparency, and accountability and is not concerned with daily operations, which are the responsibility of management. The Australian Sports Commission (2002), having carried out much research in this area, regards governance as concerning three key issues:

- Ensuring that an organisation develops strategic goals and direction
- Ensuring that the Board monitors the performance of the organisation to ensure that it achieves these strategic goals
- Ensuring that the Board acts in the best interests of the members

The Australian Sports Commission (2003) also commented that poor governance has a variety of causes, including director inexperience, conflicts of interest, failure to manage risk, inadequate or inappropriate financial controls, and poor internal business systems and reporting. Ineffective governance not only affects the particular OSO but also may undermine confidence in the sport industry as a whole.

The IOC President, Jacques Rogge, in his speech to open the First European Conference on the Governance of Sport held in 2001, emphasised the principle of good governance and suggested that common features that should underlie all sport bodies include responsibility, democracy, transparency and solidarity. His argument was that if sport organisations complied with these principles, their position would be strengthened and they would provide considerable benefits to the stakeholders of sport, especially the clubs and athletes. In a subsequent address at the 2006 First Seminar on the Autonomy of the Olympic and Sport Movement, Jacques Rogge again emphasised the importance of good governance, in particular the need to be transparent, and stated that it is the responsibility of the Olympic Movement to work in total transparency.

However, although the principles of governance discussed below are applicable to all OSOs, it is important that they are introduced and used in a way that is appropriate for your OSO and the context in which it operates. The following discussion of governance is to be considered as a guide to improving practice, rather than as a set of rules that the organisation must operate by. The OSO's effectiveness will be best improved by applying the principles of governance in a way that is acceptable to the culture, politics and power systems within the organisation.

Organisational Culture

Organisational culture refers to members' assumptions and beliefs about an organisation and the way these assumptions and beliefs affect members' behaviour. The ways that the members of an organisation value volunteers, address Board members and believe in Olympism are all examples of organisational culture.

Organisational culture shapes the organisation's goals and objectives because it leads members to make assumptions about what the organisation values. For example, objectives regarding drug testing are based on the assumption that the organisation values drug-free sport. Organisational culture also affects the relationships that exist within the organisation because it dictates who and what is important. For example, the secretary of a Board may be perceived as being more important than the president because the secretary controls information in the organisation. In addition, organisational culture outlines the accepted ways of working, behaving and even dressing. It is the way things are done in an organisation, and therefore it has a significant impact on management.

Although it can be difficult to understand organisational culture because it is often hard to see, it is possible to create a picture of what it might be by considering the following:

- Stories about the behaviour of members at General Assemblies or about the value of decisions made by elected members
- Choice of spokespeople for the organisation
- Use of logos on all posters, pamphlets and advertising, which suggests professionalism and a corporate image
- Use of first names or last names when addressing seniors
- Use of acronyms such as IOC and WADA, which indicates that some issues are so well known that they can be referred to in shorthand
- Staff celebrations, social events for volunteers and the announcement of teams for major events
- Office layout, decoration and age of the building
- Uniforms, trophies and mascots

These factors make it possible to identify the unwritten rules of the organisation and what it considers to be important.

Culture affects the OSO by affecting how resources are allocated. It provides an explanation for why certain decisions are made, why some groups appear to be more important to the organisation than others and why some staff members are promoted and others are not. A successful chief coach may be able to behave towards the Board in a manner that would not be acceptable from the chief executive. Funding may be diverted from development programmes to elite teams if the Board considers elite sport to be the *raison d'être* for the organisation. Therefore culture determines who is powerful and what is important to the people in the organisation. Understanding culture and using this understanding as a framework for your management activities will make you more effective within the organisation.

Power

OSOs will be affected by the exercise of power because the influence of individuals and groups upon decision making depends on the relative power that they are perceived to have in the organisation. Elected members can insist that paid staff implement decisions made by the Board since elected members are ultimately responsible for decision making in most OSOs. However, if those decisions are contrary to the wishes of funding bodies, the funding body can veto the decision.

Power comes from six main sources.

- *Physical size:* This power comes from physical characteristics such as size. For example, members may vote on block to force a policy change even if it is against the advice of the elected Board.
- *Position in the organisation:* The chief executive is more powerful than administrative staff, and the elected Board is expected to be more powerful than the executive staff. Some less obvious positions can also be considered powerful, such as the personal assistant to the chief executive, who controls access to the chief executive.
- *Personality of individuals:* Some people are powerful in organisations simply because of who they are.
- *Control of resources:* Some power arises from control of resources such as money, volunteers, equipment and facilities.
- *Expert skills:* This power comes from knowledge or abilities that are limited within an organisation. For example, the person who knows how to set up a new piece of equipment has expert power; however, this power only exists for as long as there is a need for the expertise.
- *Ability to prevent things from happening:* An organisation relies on the goodwill of volunteers and staff to follow decisions and guidelines. The volunteers and staff can exert power by refusing to do what is asked.

Power affects the OSOs in a number of ways. First, those people or groups with the greatest power can determine the strategic direction of the organisation by influencing the planning process. For example, the General Assembly can effectively block the introduction of a policy into the organisation by voting against proposed changes. As outlined previously, those with power can determine who and what gets resources and thus what activities and programmes can be followed. Power affects who is involved in decision making even to the extent of influencing who is elected to the Board. Finally, people with power determine what behaviours are considered acceptable to the organisation. If the chief coach does not communicate well with the Board, it signals to others that such behaviour is acceptable. Therefore it is helpful to understand who has power within the organisation and why they have that power.

Although power cannot be seen, it is usually obvious within organisations. To be influential, you should utilise the power relationships that are present in the OSO. In many organisations, this requires an awareness of organisational politics, which is the third factor affecting the governance of OSOs.

Politics

All organisations have an internal political system, which is difficult to describe because it is often hard to see. Organisational politics can be thought of as the manifestation of power, and it occurs whenever an individual or group seeks to influence the thoughts, attitudes or behaviours of another individual or group. The most obvious example of politics at work is meetings where attendees know that the major decisions have already been taken outside of the meeting and that the meeting is a mere formality. This is because politics determines who makes the decisions (usually the most powerful groups or individuals) and even what will be discussed. Although this is often detrimental to open discussion, it would be naive to think that this type of organisational behaviour does not occur.

Organisational politics has both benefits and weaknesses for OSOs. The politics of an organisation assists with team building, ensures communication and coordination, and helps provide a framework for decision making. Conversely, politics may lead to misuse of resources, create conflict and distract attention from the objectives of the organisation. Despite these serious weaknesses, all organisations have an internal political system that will influence decision making and determine who controls the resources. Thus, in order to be effective within the organisation, you should be aware of its politics and then find a way of working with the system.

Governance in OSOs

Governance is a concept that can lead to the efficient, effective and ethical management of sport. It will not solve all of the problems faced by your OSO, but it may create the conditions necessary for success by enabling you to make the most effective use of your resources and allowing you to consider fully the interests of your stakeholders. To better understand the nature of governance in your organisation, consider the following:

- *Clear delineation of governance roles:* A clear organisational structure with no overlap of powers of any two individuals or bodies will help to allocate responsibilities within the OSO. This may include separation between the Board (strategic direction) and the executive (management) supported by a documented delineation of the roles of each.
- *Governance processes:* Clear, documented policies and processes that reflect best practice will help with governance because they will provide clarity and consistency to operations. These policies and processes may relate to meeting processes, decision making, agenda and minute taking, committee and commission purposes, authority and scope, and executive delegation authority.

- *Governance controls:* In order to guide and focus the activities of the OSO, it is helpful if there is agreement about organisational values, vision, mission, goals, strategic plan, operational objectives and key performance measures, risk management, legal compliance, accounting and auditing, reporting and evaluation systems, and performance-review processes.
- *Governance improvement:* If appropriate, regular development training for all Board members and staff may be beneficial to the operation of the OSO. This is clearly an issue to be approached tactfully as some people may feel that they already have the skills required for their roles and responsibilities.
- *Member responsiveness:* Good member-stakeholder relationships are important to the effectiveness of the OSO and will develop from transparency and accountability, good internal and external communication, feedback and prompt responsiveness to concerns, and preparation of a public annual report covering aspects of governance, finance and sport performance.

Role of the Board in Governance

As outlined previously, governance is enhanced by a clear separation between the Board, which is usually the highest decision-making body, and the operating staff of the organisation. Ideally, the day-to-day management of the organisation should not be a Board function, and the authority for this is usually delegated to the volunteers or paid staff who are responsible for delivering the Board's decisions. It is helpful if OSOs have a CEO or equivalent, as well as specialist administrative support, such as financial or legal support, to provide assistance both to the Board and the CEO. This will clearly depend on the resources available to the OSO.

It is in the interests of Board members to have a clear understanding of their legal duties, responsibilities and liabilities, and a good working knowledge of the many ways in which governance of their organisation can be improved in order to manage and reduce risk in their daily operations and decision making. Therefore, those who make up the Board benefit from having the necessary skills and abilities to make strategic decisions about the organisation. Providing the same induction and training to new Board members as all new members of staff may help inexperienced new Board members who may have little understanding of their legal duties, the potential liability their position places upon them or the governance mechanisms operating within the organisation.

Having clear rules determining who can be admitted or removed from the register of members fosters democracy. These rules usually include democratic elections; the process by which members of the Board are elected, set in writing, and communicated to all those who are entitled to vote; and a fair and transparent process for nominating candidates. The organisation should normally make reasonable attempts to promote elections and voting levels. The results of elections are usually widely communicated to all members. It is good practice to appoint Board members for a specified period of time, and reappointment should not be automatic, unless allowed by the OSO statutes.

Size of the Board

The size of the Board presents its own set of advantages and disadvantages. Whilst a large Board (15 or more people) has the advantage of enriched decision making from a group able to embrace diverse viewpoints and expertise, it may suffer from its size because of decision-making processes that take longer and become increasingly unwieldy and unsatisfying. Above a certain size, there is room for certain members to be crowded out of discussion, or to be able to hide and not contribute.

In practice, the experience with many large Boards is that an inner circle emerges naturally and takes the lead in all decisions. This smaller group may be officially mandated as an executive committee for particular emergency purposes, but may also over time develop beyond any restricted mandate to exercise effective control over all decisions.



Photo courtesy of the Comité Olímpico Colombiano.

Small Boards tend to be efficient and allow for free communication. Shown here are some members of the Executive Board of the Comité Olímpico Colombiano (Colombian Olympic Committee).

At times free communication may be difficult with a large Board. The need for formal meeting procedures tends to reduce the possibility of a free exchange of ideas and healthy dialogue and to increase the possibility of combative debate or distracting points of order. However, your OSO may be required to have a larger Board in order to meet the requirements of representation, where the Board is required to represent the views of various minority groups or regions. In this instance, you and the Board should try to ensure that all members have an opportunity to discuss policy and issues.

Stakeholder Involvement

Stakeholder engagement fosters effective governance. One of the activities of the Board is to remain proactively engaged with all the organisation's stakeholders, and to invest time and effort in developing and strengthening those relationships. A Board represents all of its stakeholders, not simply those preferences of the Board members.

Stakeholder involvement is maintained by regular communication with members on policy decisions, elections and other matters. This provides channels for two-way communication through which stakeholders have an opportunity to ensure that their interests are being recognised. Stakeholders may be included on the Board or committees, through open meetings and Annual General Meetings or General Assemblies or through actively seeking feedback on relevant issues.

Governance is about leadership, accountability and good systems of control, and OSOs that attempt to operate following the principles of organizational governance increase their chances of meeting the needs of their key stakeholders in an efficient and effective manner.

Risk Management

The management of risk is integral to the governance of an OSO. Everyone involved with the organisation has a responsibility to take well-judged, sensible risks to develop the organisation. However, to make sure that risks are well judged and sensible, risk management benefits from being part of the general procedures that operate within the OSO.

Risk management is a fairly straightforward process; however, including it in the functions of the Board helps to ensure it is carried out properly. In some countries, taking responsibility for risk management may make the Board legally liable for accidents to spectators, financial failures and bad publicity for sponsors. If the Board considers risk management an essential function, a possible process is as follows:

1. Assessment of the risks facing the organisation and identification of key risks
2. Creation of a programme to deal with risks
3. Periodic review of the programme

Assessment of the Risks Facing the Organisation

Although each OSO is unique, there are certain risks that are common to most sport organisations. Key areas for consideration in the assessment of risk are as follows.

- *Effectiveness of the Board:* Because the Board provides strategic direction for the organisation and is the final arbitrator on what the OSO can do, it is important for the Board to operate effectively. You might ask yourself the following questions: Does the Board have the right type and level of skill needed to ensure the OSO works effectively? Are members fully aware of their responsibilities and liabilities? Is there a process of succession planning that ensures that not all members come up for election at the same time?
- *Financial climate:* The importance of finances to OSOs is well understood and is discussed in detail in chapter 4. In order to evaluate the risks associated with your financial environment, you could consider the following: Does the organisation rely on one source of funding? How easy would it be to replace that source of funding? What would happen if the major funder withdrew its support?
- *Policy and strategy:* Risk arises in this area from both inside and outside the organisation. The organisation itself may have a policy that leads to risk, such as poor communication with stakeholders. Alternatively, government policy towards physical education in schools or the role of sport in society may bring about risks. When evaluating risk in this area, you could determine whether the organisation has an appropriate strategy for the resources it controls and the services it needs to provide.
- *External factors:* As outlined in section 1.1, the external context can have a major impact on OSOs. You should use the questions suggested in that section to evaluate the risks of the external environment.
- *Operating effectiveness and efficacy:* The way the OSO operates may lead to risks, such as a loss of sponsorship, loss of membership, poor use of resources, or recruitment of inappropriate staff and volunteers. The two main questions that will allow an assessment of risk in this area are as follows: Does the organisation have a clear and appropriate strategy for achieving its objectives? Is this strategy backed up by appropriate operating principles?
- *Financial prudence and probity:* The use of finances in an efficient manner for the purpose they were intended is an ethical responsibility for an OSO and will be discussed in chapter 4. When assessing risk in this area, you might ask the following questions: Does the OSO follow the procedures outlined in chapter 4? Does the organisation have financial controls in place? Can these controls be circumvented by those in authority? Can the organisation account for all of its revenue and its expenditure? Does the OSO offer audited accounts to its stakeholders?

- *Legal risks:* The manner in which the OSO is constituted will greatly determine the extent of legal liability it can bear as an independent legal entity, as well as the corresponding extent to which individual members, or Board members, may bear personal liability. In addition, it is helpful if all contracts binding the OSO are reviewed by a legal expert to ensure that legal risks are properly identified. Contracts even of low value may carry a large potential legal risk exposure, so often it is not sufficient to adopt crude thresholds for contract review; instead, a proper assessment of the risk should be made. The OSO must also, of course, ensure it complies with all applicable legislation, such as employment law, data protection law, and health and safety law. You might ask yourself: Is your OSO an unincorporated association in which the individual members have personal liability, or is it a partnership or perhaps a corporation with liability limited by guarantee? Are Board members aware of the extent of their personal legal liability? Are contracts reviewed for legal risk? Are the OSO's assets properly protected by law (this is especially important in relation to intellectual property protection for your brand and merchandising or sponsorship rights)?
- *Any other identifiable risks:* These may be risks to do with the sport itself—for example, judo is likely to have more inherent risks than badminton. There may be risks to do with the activities of the OSO, such as attending major events. Finally, there may be systems, such as computer systems, that the organisation is dependent upon and whose failure could cause major difficulties: Is there appropriate data backup and disaster recovery? What are the IT maintenance and support service levels?

In order to identify potential risks, you may find it useful to review the past history of the organisation. This will highlight areas where things have gone wrong or might have gone wrong if they had not been identified as problem areas. The experiences of other OSOs may also highlight potential areas of risk for your organisation. If you are aware that funding has been cut to OSOs that have not achieved Olympic success, then you can be fairly certain that your OSO is at risk if your athletes' performance is not considered to be successful. Finally, brainstorming sessions with the Board and management and seeking the views of external consultants and auditors will also allow you to establish a detailed picture of potential risks.

Managing Risk

Quantifying risk involves multiplying the likelihood (or frequency) of the risk event occurring by the extent of the impact it will have if it does indeed occur:

$$\text{Risk} = \text{Likelihood} \times \text{Impact}$$

Once a review of risk in the areas discussed previously has been carried out, each risk needs to be quantified. Managing the risk then involves selecting tools from the risk management armoury to prevent or minimise the risk by reducing the likelihood or the impact. Insurance is one tool to reduce the impact of a risk. Of course, another option is to accept the risk, but this decision should only be taken after careful assessment of the risk and possible consequences of accepting it.

Although it is desirable that risk management is the responsibility of the Board, OSOs may also find it helpful to appoint a risk officer to take the lead in risk management. The risk officer should be responsible for preparing and updating a risk register, as outlined in table 1.2. This will form the basis of the risk management strategy.

A number of methods mitigate the risks that affect an organisation. First, the risk management process itself makes it possible to avoid some risks and to properly manage others. Changes in the way the organisation is governed may also mitigate potential risks. If the organisation is governed in a transparent and accountable way, many risks associated with public image, funding and stakeholder satisfaction can be avoided. It may also be possible, if not necessary, to change the strategic direction of the organisation. For example, if government policy is turning towards elite sport rather than grassroots sport, an OSO that supports grassroots sport may wish to reconsider its objectives. At the very least, it should consider how to manage the risk associated with the change in policy.

Table 1.2 Sample Risk Register

Risk	Likelihood of risk	Potential impact	Control procedure	Monitoring process	Ownership	Further action	Date of review
Athlete testing positive for banned substances	Low	High	Regular testing of athletes in and out of competition	Schedule of testing developed and reviewed by head coach	Head coach	Report on success of procedures to the Board in 12 months	12 months from start of procedure
Withdrawal of sponsorship	Medium	High	Meetings with sponsors quarterly and after every major event to ensure their expectations are being met	Board to monitor reports of meetings	Marketing	Respond to issues raised in meetings	12 months from start of procedure (review sponsor satisfaction)
Loss of volunteers with specific expertise	High	Low	Regular communication with such volunteers to reinforce their commitment Succession planning to ensure skills are not lost	Senior management to monitor process	Volunteers manager	Review plans for succession in 6 months	12 months from start of procedure

OSOs can reduce or expand services and change their way of operating to reduce risk. For example, introducing the evaluation and control procedures outlined in chapter 2 will assist greatly with the management of risk. Finally, if the sport is inherently risky, or if there are significant risks facing the organisation, it may be possible to take out insurance to cover the risk. For example, in many countries officials are insured against liability for injuries that occur to athletes under their control. In addition, most OSOs that stage events insure themselves against injury to spectators. This will be discussed in more detail in chapter 4.

As with all aspects of governance, the process of risk management should be transparent and communicated throughout the organisation. The annual report should include an acknowledgement of the Board's responsibilities, the process followed and a confirmation of the systems in place to control areas of major risk. This allows all stakeholders to be comfortable with the risk management of the organisation.

Governance Checklist

You might consider the following questions when examining the governance procedures of your OSO.

Delineation of Governance Roles

- Is there a clear organisational structure, with no overlap of powers of any two individuals or bodies, and with alignment with stakeholder services?
- Is there clear delegation of power from the members to the Board? Do Board members understand their roles and responsibilities and their collective and individual personal liability?
- Is there a clearly defined separation between the Board (strategic direction) and the executive (management) and a documented outline of the roles of each?
- Are the roles and extent of authority of committees and commissions properly documented?

Governance Processes

- Are general meetings, Board meetings, and any committee or commission meetings properly conducted and documented, and are decision-making processes clearly documented, democratic and transparent?
- Are election, appointment and recruitment processes transparent, fair and nondiscriminatory? Is there efficient succession planning to replace personnel who leave?
- Are decisions and policies quickly and effectively communicated?

Governance Controls

- Have values and a vision been agreed upon and communicated? Have a mission and strategic plan been agreed upon and communicated? Are these periodically reviewed?

- Depending on the size and nature of your OSO, have operational plans, a financial business plan, financial accounts, an annual report and audit, a communications plan, a development plan and a risk management plan (with risk register) been documented, communicated and regularly updated?
- Do all individuals in the organisation, including Board members and the CEO, have a job description, clear personal objectives and regular personal appraisals?
- Is organisational performance regularly reviewed against the strategic plan? Is individual performance reviewed against personal objectives and is a corresponding rewards system in place?

Governance Improvement

- Are there regular individual and collective training sessions for Board members, management and staff to ensure individual and organisational development?
- Is there a knowledge management plan to ensure institutional knowledge is recorded and developed? In particular, are volunteers and staff properly debriefed before leaving the organisation?

Member Responsiveness

- Is the relationship between the General Assembly and Board good? Are there regular general meetings? Is the annual report and other information periodically distributed to members?
- Has a detailed stakeholder analysis been carried out and regularly updated?
- Is the organisation regarded by its General Assembly, staff and stakeholders as transparent, accountable and responsive?

Governance is an issue that is likely to be of importance in an industry that provides role models for children, offers worldwide entertainment and utilises public monies. The principles discussed above may help your OSO to be more effective and provide you with the opportunity to shape the direction of your organisation.

KEY RECOMMENDATIONS

- ▶ Understand what your OSO values and how this affects culture.
- ▶ Be aware of who is powerful in the organisation and how this affects internal politics.
- ▶ Use the previous checklist to determine whether your organisation is operating as well as it can under the principles of governance: responsibility, democracy, transparency and solidarity.
- ▶ Identify whether your Board has the necessary knowledge and skills to govern in a manner that allows the OSO to be most effective.
- ▶ Ensure that there is a transparent and accountable voting system.
- ▶ Regularly ask yourself fundamental questions about the governance structures of your OSO.
- ▶ Carry out risk assessments of all activities of the OSO.
- ▶ Maintain an up-to-date risk register.

The following illustration applies the governance checklist to the Estonian Olympic Committee.

Illustration 1.3

Governance of the Estonian Olympic Committee

In 2001, the Estonian Olympic Committee (EOC) became the umbrella organisation for sport in Estonia when it merged with the Estonian Central Sports Union. This means that in addition to the ordinary tasks of an NOC, the EOC has responsibility for general sport development. This is reflected in the NOC membership, which is made up of 64 sport federations in Olympic and non-Olympic sports, 19 regional sport unions and 13 sport associations representing university sport, school sport, Sport for All activities, sports medicine and other areas of the sport movement.

Clear Delineation of Governance Roles

The EOC has a clear and simple structure. All members (96 legal persons and 23 natural persons) form the Session, which meets every spring. According to the statutes of the NOC, the Session elects the General Assembly. This is made up of 59 representatives, more than half of them representing Olympic NFs, who are in the Assembly for a period of 4 years. The Session also elects the 17 members of the Board, including the President, two Vice-Presidents and Secretary General, who hold these positions for a period of 4 years.

The office of the EOC Secretariat consists of 10 paid managers, including the President and Secretary General. Staff members are responsible for a broad range of different activities in the sport movement. They achieve these responsibilities with the help of committees and in cooperation with member organisations, governmental structures and local authorities. The roles of the Secretariat are clearly expressed in job descriptions and internal documents.

In 2001, it was agreed that the tasks of the Board are to discuss and accept the strategic and major working directions of the EOC. Because the President and Secretary General are Board members as well as executives, they bear responsibility for the effective operation of the EOC. It is the responsibility of the Board and the Secretariat to make decisions and to organise the programmes. It is, however, the responsibility of the Board to present strategic plans to the Session.

There are effective relationships amongst the President, Board members and senior executives. Estonia is a relatively small country, so personal relations and trust are important. An analysis of the past 5 years suggests that relations have been effective, results oriented and team building.

Governance Processes

The Session has the opportunity to consider and evaluate the work of the EOC through the annual performance report. The constituents of the General Assembly represent the appropriate sport organisations. All bodies of the NOC are aware of the programmes available and are also aware of procedural regulations.

(continued)

Illustration 1.3 (continued)

Governance Controls

The EOC, as the supreme organisation in Estonian sport, has set certain values: to be a strong, needs-oriented and trustworthy sport organisation. It has clear priorities: youth sport, Sport for All, coach qualifications, sport medical services, anti-doping education, elite sport and postcareer planning, and respective support to athletes.

The EOC has short-term and middle-term strategic plans for 1 year and 4 years. It has an annual operating plan that is presented in December of each year. It has a 4-year development plan and an annual and 4-year business plan. The EOC does not have a risk management plan. However, financial risks are monitored by the representatives of the Estonian business elite who sit on the Board, and the Secretariat regularly reports strategic risks to the Board.

The Board has not considered its own effectiveness; however, the performance of the Board is evaluated twice a year by the Session and the General Assembly of the NOC. This evaluation, carried out against the formal plans of the EOC, has always been positive.

Member Responsiveness

Each year for the past 15 years the EOC has presented a complete financial and activities report to the Session, which then has adopted the report. This report indicates fulfilment of all plans and is the basic criteria used to improve the future plans by which the governance of the OSO is held accountable. Evaluations made amongst member organisations, several SWOT analyses (see chapter 2 for more on SWOT analyses), and the good opinion of the Session and the General Assembly have shown that the Board has been successful.



The application of the checklist (presented earlier in this chapter) to the EOC indicates that the organisation is operating effectively. The responsibilities of the Board are clearly outlined and understood and the Board is held accountable by the stakeholders. The EOC has the appropriate strategic and operational documents.

It could be argued that the Board has too many members (17); however, its size does not appear to have significantly influenced its effectiveness. The EOC has no risk management strategy, which may lead to problems for the organisation. The organisation attempts to take account of and manage financial and strategic risk, but it is likely to benefit from the development of a risk register. Overall, the procedures in place in the EOC are likely to lead to a democratic, transparent and accountable organisation.

SECTION 1.4

INFORMATION MANAGEMENT AND INFORMATION TECHNOLOGY

This section considers the role of information in OSOs and the potential uses of information and communication technology (ICT). It begins by outlining the importance of information and discussing the characteristics of good information. The remainder of the section deals with ICT, outlining what types of technology are available and how they can be used within OSOs. The discussion will be limited to the most common ICT tools and will not cover specific technology requiring esoteric computer skills. The section ends with an example of how ICT has facilitated information provision and communication within the Oceania National Olympic Committees (ONOC).

Use of Information in OSOs

The flow of information is increasing on a daily basis, brought about by advances in ICT. As computers and digital devices have become more pervasive, information and ICT have had a significant influence on several aspects of organisations, such as organisational structure, communication and tasks. Many OSOs have established sections or jobs in media and ICT management. Others have become increasingly decentralised because, by using a range of technology, it is possible for volunteers and paid staff to work away from the main site. For most, e-mail is the prevalent method of communication within an organisation.

Information is vital for the good governance of an organisation. It allows you to manage your resources effectively and to communicate with key stakeholders. It is particularly important that you share information with those who deliver services, namely the paid staff and volunteers at all levels of the organisation. Up-to-date, relevant information is essential for you to be able to do your job, and this information is increasingly coming from electronic sources. The mass media and ICT provide a continuous source of information. Indeed, the danger is that you receive too much information, some of which may be of dubious quality.

Once you have *acquired* information, you must *interpret* it to decide what it means for decision making and organisational operations. For example, information about changes in international drug-testing procedures may or may not require a change in your organisation's procedures. You should also be sceptical of some information, particularly if you do not know or do not trust the source. There is often a danger that once you have received information, you fail to be critical of it and instead interpret it at face value. Finally, you need to *use* the information in order for it to be of any value.

Clearly, information is necessary for the effective management of an OSO. It could even be argued that the survival of the organisation depends on sharing information because this facilitates planning and decision making. Therefore you need the most accurate and relevant information at the right time in order to make effective decisions.

Managing Good Information

Good decision making relies on having good information, which has the following characteristics.

- *Completeness*: You are able to make better decisions the more informed you are about the choices and the consequences of your decisions. The more complete information is, the better, and you should collect information from a variety of sources when making decisions.
- *Relevance*: Information must be relevant to the problem or decision under consideration; otherwise it may divert attention away from the problem or lead to incorrect decisions. For example, when you select teams for competition, you should do so on the basis of their most recent performances. This is because information about performances in the previous season may no longer be relevant and may lead to mistakes in selection.
- *Timeliness*: Information can only be useful if it is available at the right time. You should be aware that information can be produced too frequently, as well as too infrequently.
- *Accuracy*: This is the most important characteristic of good information. Information needs to be as accurate as possible for its intended purpose. However, as long as the information is reliable, complete accuracy may not be a goal. For example, when making decisions about staging an event, organisations often use an estimated figure to establish whether it is worth proceeding. Establishing the exact cost of the event is not necessary for initial decision making.
- *Understandability*: Information that is easy to understand is useful because you often do not have the time to try to interpret it. Thus, information that assumes prior knowledge that users may not have or that contains jargon is not helpful in decision making.

The speed with which information can be obtained, and its associated obsolescence, makes the appropriate use of information difficult. Thus the four Ds rule is essential: do, delegate, drop and destroy. If the information is not relevant, you should delegate it to the right colleague, drop it into data storage or the archives or destroy it. Search engines such as Google and online storage of press clippings allow for easy retrieval of information, so it may not be necessary to retain hard copies of such information. Each OSO should find the right balance between hard information (paper) and soft information (electronic), and that balance should be determined by the organisation's culture and the expectations of stakeholders. For example, you may communicate with junior members via text (SMS) or e-mail, but write letters to the Board.

The effective management of information is above all a human matter, and effective information use should be part of the internal managerial culture. You must be able to identify and capture information that is crucial to success, translate it into something of value for the organisation and ensure easy access to it. ICT will allow you to do this.

Applying Electronic Management in OSOs

With the management of sport organisations becoming more complex and requiring more specialised knowledge, the demand for information technology management tools is increasing. The appropriate use of ICT can save time and money because it frees human resources from routine duties, such as correspondence, in order to make people available for more relevant functions.

ICT has several forms:

- Telephones: fixed, mobile, via Internet
- Computers: mainframes, servers, PCs
- Personal digital assistants: PDAs (often merged with mobile phones)
- Cameras: digital, phone, webcam
- Video: tape, numeric, Internet streaming video
- Internet: satellite, cable, wireless, dial-up (via telephone lines)
- Television: cable, satellite, Internet
- Storage: disks, CDs, DVDs, USB keys
- Networks: optical fibre cable, wireless, Bluetooth

OSOs are likely to have a diverse range of information needs from a diverse range of sources, and the integrated use of several forms of ICT allows these different purposes to be met in an efficient and cost-effective manner. Known as "e-management", these technologies can be used to deliver information and services to members and other stakeholders, as well as to the public.

E-management has a number of uses in OSOs, which need to move away from using computers simply for data storage. For many organisations, the first step towards e-management is getting staff to move away from having files saved in their own computer drives to a shared network where files are saved on a role or functional basis. Through having a shared network, anyone in the organisation may have access to the organisational files. OSOs may also consider having Web-based filing and database systems so that staff may access files while away from the office. The development of an organisation website, which is used to communicate information about the organisation to those inside and outside of the organisation, is another step in e-management, and you can also use ICT to develop various services for your members, such as e-newsletters, virtual shops for merchandise or competition entries. For example, since the 1990s, the Canadian Olympic Committee has collected athletes' personal data through an ICT network, eliminating the need for a paper-based process. You can service Board and staff meetings by making agendas, minutes and discussions available electronically, and you can communicate internally and externally via e-mail.



Photo courtesy of the U.S. Olympic Committee. Tom Kimmell, photographer.

The tools used for information and communication technology are diverse and ever changing, as experienced by this MEMOS X class.

Because the Internet has become a worldwide interface, it offers the potential to upload membership records and information archives to the Web and thus make them available to stakeholders, anytime and anywhere. One step further is to use these technologies to meet, even anticipate, the needs of stakeholders. For example, this may mean general editing of your Web-based events calendar, press releases and stories, as well as the creation of a specific media section with all the material necessary to cover your organisation, including logos and athletes' and leaders' biographies and success stories.

The Internet also helps with the governance of an organisation because it improves the transparency of management. For instance, posting your annual report on your website is a strong indicator of good governance. Making an e-newsletter available to anyone surfing the Web is not only good for communication, but may help you to enlarge your membership and consolidate awareness of your organisation. Internal communication will also benefit from ICT. An intranet is a form of electronic communication that is available only to those who work within the organisation. Developing an intranet will speed up knowledge transfer and the efficiency of communication. For example, by posting policy documents and operating procedures on the intranet, people who work with the organisation will have access to these at all times.

An extranet, which only authorised members may access with a personal password, is a valuable tool. Like an intranet, it allows you to address your members, clubs, major stakeholders and even suppliers. Furthermore, it is possible to customise access for each target group, even for individuals. Making minutes, technical requirements, athletes' progress and coaching instructions available via the extranet stimulates knowledge transfer amongst grassroots stakeholders. For instance, the feeling of being part of the Olympic family by NOC staff may be reinforced by having access to the NOC Extranet.

For an OSO, the sharing, collecting and organising of information within the country's Olympic family represents a significant challenge that can be expensive and time consuming. An online database or an extranet could address this problem, particularly for Games preparation. Databases are also an excellent means of capturing and storing electronic information on athletes, coaches and volunteers, which reduces the need for paper-based systems.

However, e-management is not just simply about the public dissemination of information. ICT also has the potential for educational, societal, commercial and operational application. For example, it allows distance working and nomad management, which is of particular value for OSOs. Volunteers who are working in various locations around a country can access information about organisational objectives and programmes. Coaches can monitor their travelling athletes, who complete online training diaries accessible to coaches from all over the world. In addition, e-learning has enhanced the anti-doping education of local experts in a cost- and time-effective way, allowing these individuals to be trained using material available online or on CD-ROM.

ICT will certainly enhance your organisation's development. There are, however, a number of key factors that an organisation must consider before investing a great deal in these technologies. Factors such as organisational culture, attitude and expertise all have an impact on the effectiveness of ICT implementation and use. There are many examples of ICT implementation failing, not because of poor design or functionality, but because people within the organisation did not adopt it. In addition, disseminating knowledge of new ICT requires training, and specific skills must be provided. There are also external factors to consider, such as accessibility to the Internet and the broadband availability in a country. It would be pointless to develop a system that no one can access or that is too slow to operate effectively. However, despite these factors, e-management and accessibility to ICT should be a priority for OSOs.

If you are not sure whether you are utilising e-management to its full capacity, consider the following:

- Can your staff and volunteers, including those who are off-site, easily access policy and procedure manuals? If not, consider developing an intranet on which these manuals can be posted.
- Can the public easily find information about your organisation? If not, you may want to develop a website.

- Can your staff and volunteers meet on a regular basis to share information? If not, you may wish to consider the use of e-mail and Web forums.
- Do athletes have to provide the same information for a number of competitions? If so, you may wish to move to online entry that is linked to a database of personal details.

Implementing Electronic Management

The implementation of e-management should focus on stakeholders rather than the administrative structure of the OSO, which should be redesigned accordingly. E-management needs to be integrated into broader policy and service-delivery goals, management processes and information activity. Strong leadership that is committed to e-management leads to success, and where there is little or no commitment on the part of the Board, the implementation could fail.

For reasons of complexity, cost and lack of technical know-how, some OSOs may hesitate to develop an integrated e-management policy. There are, however, ways of overcoming these problems. It may be possible to identify students who are willing to participate in an IT traineeship in the organisation and who could then develop websites or even set up intranets or extranets. Depending on the needs or size of the organisation, you could recruit in-house ICT experts, although a sensible alternative may be to outsource the technical development of your e-management integration. This pay-per-service solution could be cost effective and ensure state-of-the-art service.

Developing integrated ICT solutions requires a significant level of expertise. Considerable planning, research and time are essential, along with a global commitment by those involved with the organisation. However, the focus on technology sometimes overshadows the importance of human concerns. Technology may prove a useful tool, but to ensure that investment in technology yields the desired knowledge, it is important to build an organisational environment that supports this outcome. Stress and health problems related to more computerised jobs need to be addressed carefully. A programme for training end users should be implemented. Even the best-designed systems are doomed to failure if end users are not appropriately trained and do not adopt the new way of doing business.

Finally, e-management needs to be carefully evaluated once it is in place. You need to check that the systems are providing the benefits you expected and that everyone who is working for the organisation is using the systems to their full potential. Evaluation will allow you to identify whether any changes need to be made to the system or whether additional training is required in order to make e-management work effectively.

E-management will enable you to make your organisation more effective. If OSOs ignore the expansion of the digital environment and its associated technologies, they will miss out on commercial opportunities, access to enhanced knowledge and more effective management of sport.

KEY RECOMMENDATIONS

- ▶ Identify sources of trustworthy information and use these to manage your organisation.
- ▶ Investigate how your organisation can make better use of ICT.
- ▶ With the commitment and support of the Board, encourage and support the use of ICT within the organisation.
- ▶ Seek partnerships to expand your e-management.

The following illustration shows how ICT has been used by Oceania National Olympic Committees to improve information management and communication within its region.

Illustration 1.4

Information Management in the Oceania National Olympic Committees Continental Association

The ONOC continental association has a unique and healthy level of communication amongst its members and has been taking a leading role in utilising information and communication technology to facilitate communication amongst its member NOCs. In order to do this, ONOC had to find a means of embracing the developing technologies at an affordable price. To demonstrate its commitment to this process, ONOC included the following goal in its strategic plan (2005-08): To build on the efficient and effective communications network for sport throughout the ONOC region.

ONOC developed an agreement with SportingPulse, a Melbourne-based company, to collaborate on the development of their products with a view to establishing a multisport games management system. In return, ONOC was offered the use of the SportingPulse system for a discounted rate. This relationship has been particularly productive because ONOC has provided assistance to SportingPulse in the development of the company's product range and in return has had affordable access to an increasingly powerful set of sport administration and games management tools. Financial support for the implementation of this project was provided through the Australia-South Pacific 2006 Sports Programme and Olympic Solidarity. From this relationship, Oceania Sport was developed, a Web-based, interactive information system that links the organisations within ONOC.

With Oceania Sport, ONOC has an established Web presence for every NOC and member NF in the Pacific islands. In turn, these organisations all have access to the games management and sports database software (Sportzware) and an online games entry and registration system that was used exclusively for the 2005 South Pacific Mini Games in Palau.

(continued)

Illustration 1.4 (continued)

This Web portal links all NOCs and their member sport federations in the Oceania region and provides databases that can upload details and results of competitions to sport federation websites. In addition, it can upload all details of registered members of the respective sport federations to an online database. The members themselves can operate all aspects of the system at the grassroots of their sport. The system includes four main functions:

1. A website for each NOC that is self-editing and accessed through the Oceania portal for sport (www.oceaniasport.com). These websites can integrate with an online database for members.
2. A website for all NFs affiliated to their NOC. These are also self-editing websites that are simple and easy to use and meet the general communication needs of any sport association. It is through these websites that the day-to-day operations of the associations are carried out, in particular the dissemination and logging of competition information and results.
3. Competition management program (CMP) that enables sport associations to generate draws and fixtures as well as print results and statistics. It also allows the administration of tribunals. This software permits the organisation to keep a record of members and officials, handle finances, and display all this information in hard copy or on the Web.
4. A member database. In addition to the database available in the CMP, which can work offline, all NOCs and their members have access to an online member database that can be used both locally and regionally. It was through this database that accreditation and entries were handled at the 2003 South Pacific Games. The strength of this database is that it can be used repeatedly for the administration of local or regional and single or multisport events, handling accreditation, event entries and finances.

The first part of the implementation process were a regional workshop held in Suva in February 2003. This workshop was for NOC administrators and was aimed at familiarising participants with the development of their own membership databases and with the use of competition management software. Participants were also able to commence work on their own self-editing websites during the workshop. Following the completion of the regional workshop, ONOC and SportingPulse personnel, along with national coordinators who attended the regional workshop, conducted a series of national workshops. The system and the process of implementation were evaluated at General Assemblies and administration workshops, and a full evaluation has been carried out now that the implementation process is complete.

The development and implementation of the system were well planned. The requirements of the system were based on members' needs as identified in surveys and were in line with needs identified in the strategic planning consultation process. This planning, alongside a programme of constant consultation and experience in the field, allowed the specifications of the system to be developed.

This illustration shows how e-management can facilitate the management of OSOs. Notice these features:

- The system (Oceania Sport) was developed in response to a goal set forth in ONOC's strategic plan.

- ONOC sought a partnership to make the cost of the system affordable.
- The developers surveyed ONOC members to fully understand their needs.
- The e-system was developed in constant consultation with those who would be using the system.
- Once the system was developed, ONOC invested in training and evaluation.

SECTION 1.5

MANAGEMENT OF CHANGE

One of the few constant factors in the management of OSOs is the need to continually respond to changes that occur inside and outside of the organisation. You have to seek out management practices, organisational procedures and services that need to change in order for the organisation to continue to operate effectively. In doing so, you are managing change. To be effective, you need to recognise when change is desirable or inevitable and respond accordingly. For example, in the past 20 years, managers of OSOs are likely to have

- responded to at least 10 new directives from stakeholder organisations such as the IOC or the IFs,
- continually introduced new working practices or refined existing practices to take account of innovations in sport science,
- continually updated procedures in response to WADA,
- developed objective criteria for selecting athletes and recruiting volunteers,
- developed strategies for athlete retirement,
- had at least one change of major funding provider,
- handled the fallout from an athlete scandal, and
- seen the sport move away from amateurism.

Some of these changes may have been introduced willingly, whilst others may have been forced on the organisation, and in many instances there was likely no choice about whether to change the way the organisation operated. You will have to deal with athlete scandals, changing requirements of WADA and changes of major funders. If you ignore such changes, the organisation may face criticism and censure. The main point is that the organisation cannot continue to operate as it always has without becoming much less effective in its work.

Such changes usually have to be introduced alongside the day-to-day running of the organisation. In order to be effective, you must identify the need for change and plan and manage the introduction of change in addition to carrying out other duties. This section will discuss how change can be managed effectively within OSOs. It will begin by outlining how to prepare for the possibility of change and the reasons why people resist change in organisations. It will also discuss the factors that ensure the successful introduction of change. Finally, the section ends with an illustration of these points by discussing the implementation of change within the South African sport system.

Preparing for the Introduction of Change

Change in OSOs is continual, so those who work with the organisation need to be able to work in a constantly changing environment. However, in order to help volunteers and staff to be effective in such an environment, you need to encourage a state of readiness for change within the organisation. There are two factors that help accomplish this. First, you need to be aware of what is occurring inside and outside of the organisation and then communicate this information to volunteers and paid staff. This will let you identify any potential changes before they become unavoidable and will allow appropriate time for planning what change should be implemented and when. Second, you need to encourage an organisational culture that is willing to accept change, which will reduce resistance to changes that are to be implemented.

Environmental Auditing

In order to identify potential changes, you have to be aware of what is occurring in both the external and internal operating environments of the OSO. This can be done by a process of environmental auditing, or scanning of the operating environments in order to generate information about the environments and to identify trends that may suggest a need for change.

Two main factors affect the success of environmental auditing. First, the accuracy of the audit will only be as good as the information upon which the audit is based. It is therefore important to have access to current and relevant information on trends and changes that may affect the organisation. Second, the success of environmental analysis relies on a structured approach to the review. This ensures that all key aspects of the environment are addressed in a comprehensive manner. The danger is that without a structured approach, important changes in the environments may be missed. This is particularly vital when auditing the external environment, given its size and the number of features to consider.

The questions posed in section 1.1 will help greatly with auditing the external environment. These questions will allow managers to identify changes that may affect the way OSOs operate. The analysis of the internal environment provides information on the OSO's mission, values, internal culture and permanent objectives, corporate and business strategies, organisational and human resources, facilities, finances, and sport results. The questions posed in section 1.3 can help with evaluation of the decision-making structures. Internal auditing should also be carried out by a review of the following:

- *Physical resources:* These include the actual items at the disposal of the OSO, such as equipment or facilities, the age and condition of these items, and the potential to use these items to enhance or gain competitive advantage.
- *Human resources:* These include the OSO's paid and unpaid staff in terms of the roles required, the skills and experience available, and the ability of staff to adapt to potential changes.
- *Financial resources:* These include how the organisation is financed and funded, the management of income and expenditure, and the relationship with key financial stakeholders such as sponsors, other commercial partners or banks.

- *Operational resources:* These include how the OSO operates, where it operates, the resources required by different services and how the services are perceived.

Within these areas you should examine and evaluate past performance in order to try to explain the organisation's past successes and failures. It is not enough to just be aware of the success or failure of strategies; you must be able to account for these in order to learn from the past. Next, the current practices of the organisation must be evaluated. This evaluation should focus on what is actually happening, not on what policies or strategic documents say should happen. This will ensure that the audit actually reflects the internal environment.

Once you have collected the relevant information, you must identify factors that may require changes in operations or services. These areas then should be prioritised in order to meet service objectives. Finally, the effect of these changes on the operation of the organisation needs to be evaluated. Some changes may require an immediate response, whilst other changes may be required in the future and can be planned and implemented over time. For example, suppose that in auditing the environment, you found that government policy was about to change from funding elite sport to promoting grassroots participation. If your OSO worked with elite athletes, you would have to identify other sources of revenue or change your operations so that you worked with grassroots participants as well as elite athletes.

The purpose of environmental auditing is to help you be proactive in delivering services. By being aware of the threats and opportunities in the external environment and the strengths and weakness of your internal environment, you will be in a better position to anticipate and plan changes required of the organisation. This means that you need to identify reliable sources of information about both environments. Information about the internal environment can be gathered by talking to colleagues and staff and by being aware of what is occurring in the organisation. Information on the external environment is more difficult to obtain, but it is often provided by organisations such as the NOC or IF and by networking with others who work in the industry.

Developing a Culture That Supports Change

As stated earlier, the working environment changes constantly, and therefore you need to develop an organisational culture that facilitates change. This can be done in a number of ways. Those involved with the organisation must feel that they are fully involved in or fully informed of the decision-making process so that the introduction of change does not come as a surprise.

You also need to be clear about what can and cannot be changed without great resistance. For example, the colour and style of team uniforms may have historical or local significance, and attempts to change these will meet with strong resistance. Conversely, if you know what can be changed, you can use these aspects to begin to introduce change to other aspects of the service. For example, if objective selection criteria for national teams are valued by those within the organisation, you can use this desire for objectivity to introduce objective-led systems of performance measurement.



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As change is introduced, it is important to keep the lines of communication open.

Resistance to Change

Most change will lead to resistance amongst some or all of those who work with the organisation. The need to change suggests that the current way of working is no longer adequate, and often those carrying out the work will take this personally. It is also possible to argue that resistance to change is a logical reaction because people and organisations function best in circumstances of stability. Nonetheless, resistance to change needs to be identified and overcome if change is to be fully integrated into the organisation.

People resist change because of the following:

- *Differences:* There are likely to be concerns about what will be different in the working environment. Volunteers and paid staff may be unclear about or dislike what the change means for their position, their workload or their working practices.
- *Competence:* Unsurprisingly, people may have concerns about being able to carry out the new tasks required of them or being able to use new equipment or technology. Therefore they will resist the introduction of change that makes them feel incompetent.
- *Ripples:* Resistance to change may not come solely from those directly affected by the change. The introduction of change in an organisation usually has a ripple effect in that if change is introduced into one department, changes are usually required in other areas. For example, if the finance department implements a new system for claiming back expenses, the change will not only affect those employed by the organisation but also volunteers. This may create confusion until the new system is understood.

- *Workload:* Most changes require more work. New procedures or ways of delivering services will have to be learned, and this inevitably requires more work. Volunteers and paid staff often have to attend training courses if new technology or new objectives are introduced. At the same time, people are expected to complete their usual workload. This increase in workload will lead to resistance to the change.
- *Resentment:* The introduction of change may provide the opportunity to express resentment about what has happened to volunteers or paid staff in the past. For example, if certain members think that they have missed out on an elected position, they may take the opportunity to express their resentment by undermining the need for change amongst other members.
- *Real threats:* In some instances change represents a real threat to those who work with the organisation. For example, a change in regional structure may mean that some volunteers will lose their positions on a committee or have their influence significantly reduced. In this instance, resistance to change is understandable and is likely to be significant.

Resistance to change is inevitable, and therefore a strategy for dealing with it is needed. It is vital to communicate the reasons for change in the organisation. This may allow those affected to become convinced of the need for change before resistance is established. Information about why change is necessary, the process to be followed and the consequences of both changing and not changing allows volunteers and paid staff to see the logic of what is being proposed. This is a useful strategy for overcoming concerns about competence and differences in the working environment.

The most effective strategy in overcoming all types of resistance, however, is to encourage those affected to participate in designing the required change. Involving volunteers in designing and introducing the new regional structure will build commitment to restructuring because it is difficult for people to resist changes that they have helped develop. Involvement can occur at any stage, but the more people are involved at the initial stages, the more committed they will be. This involvement must, however, be meaningful; otherwise resistance will become even greater when those affected become aware that they have been given a token role in determining their future.

Not all resistance is bad. Opposition to change may bring forward issues that had not been considered and that would have eventually had a negative impact on the proposed change. For example, raising the qualification standard for a national event may result in no event being held if the standard is set too high. In most cases, resistance should be viewed as a means of identifying problems, which you then need to find ways to resolve. If resistance can be dealt with effectively, commitment to change is likely to be stronger than if resistance did not occur.

Implementing Change Successfully

A number of features increase the likelihood of change being implemented successfully. Although many of these seem obvious, once a potential solution has been identified it is easy to become overly concerned with what is to change, rather than how to go about making the change. The following features do not guarantee the successful implementation of change, but they do make it more likely.

Change as a Good Idea

Although it seems obvious, change must be perceived as being a good idea; otherwise it is unlikely that it will be accepted. Not all potential changes will be appropriate, even if they appear to be a suitable response to changes in the operating context. For example, although the certification of volunteers may be a sensible way to address increases in litigation, it may be unacceptable to the volunteers, leading many to stop volunteering. You must therefore involve others, in this case the volunteers, in deciding what changes should be introduced, and you must seek feedback on any proposed change. This will allow issues to be raised that had not been considered.

Knowledge of Factors That Will Promote and Prevent Change

You need to identify what will work for and against the proposed change, such as people, resources, time, external factors and culture. This will allow you to identify factors that can be used to promote the change, such as the support of the president, or factors that will prevent the change, such as lack of funding. It is important to generate a list of these factors through discussion with people who have a vested interest in the change. If you carry out this process on your own, you are likely to miss concerns that may not be of importance to you but are of key importance to others.

Effective Change Team

Having a team of people responsible for implementing a change can be important. If you are implementing a large change, such as organisational restructuring, or a series of smaller changes that need coordination, such as the introduction of new technology, you will need a team of people who are responsible for promoting the change.

An effective change team has a variety of members:

- It is necessary that the organisation's leaders either are part of the change team or support the team. For example, it will be impossible to introduce changes that are not supported by the Executive Board.
- The Board, aided by the financial director or the treasurer, must be part of the team since they control resources. Without the commitment of those who control money, facility or staff, changes will be hard to bring about.
- It may be necessary to include people who represent the organisation's main stakeholder groups, such as funding bodies, sponsors and members.
- The team should include a spokesperson from the parts of the organisation that will primarily be affected by the proposed change. This may include volunteers, paid staff or athletes.

Introducing Change at the Appropriate Level in the Organisation

There are three levels at which change can be introduced. It can be introduced at the individual level, where a volunteer or member of staff may require new training. Change can also be introduced at the group level and may affect a particular team, region or department. For example, a change in drug-testing procedures will only affect those who are involved with drug testing. Finally, change can be introduced at the organisational level, which may occur with a change in organisational priorities, the introduction of new technologies or the introduction of operating procedures that affect the organisation as a whole.

It is necessary to identify exactly what and who needs to change. You should do this to ensure that the proposed change will bring about the desired outcome. For example, if certain staff members are performing poorly, they need to change their behaviour rather than asking colleagues to help with their work. If a particular part of a team is performing poorly, it is important to introduce changes into the team, such as a change of coaching staff, rather than changing the team as a whole.

Sufficient Resources

The introduction of change requires money, staff training and time. Although money is important, allowing adequate time to develop and implement the change is even more so. One of the major factors that leads to the failure of change is competition from alternative activities. As suggested in the beginning of this section, you usually have to continue with your day-to-day duties in addition to the activities that are required for the proposed change. In most situations, you will naturally continue to give your daily tasks priority because you know how to do these and the work has to be done so that the organisation can continue to function. This often leads to a low prioritisation of the activities associated with change.

In order to overcome this, you should consider delegating some of your everyday work or ensure that other people are also involved in developing and implementing the change. You then need to make sure that these people have adequate time to devote to both their own work and the extra activities you have asked them to do. Deadlines may need to be extended or work flow reduced during the change process.

Implementation Strategy

The final feature that leads to the successful introduction of change is a well-developed implementation strategy. This is particularly important when introducing large-scale change. All of the activities required to bring about the change need to be identified and put into an appropriate order. Necessary tasks must be allocated to individuals who will be responsible for these, and the whole process needs to be communicated to everyone who will be affected by the change. The implementation strategy should also include a period of evaluation in order to ensure that the change has been implemented successfully and is achieving its intended outcome.

The key to the successful management of change is preparation. If you are consistent and thorough in your environmental auditing, you can be proactive in anticipating how and when your practices will have to change. An understanding of people is also key to this process. You need to know your volunteers and paid staff well so that you can anticipate where and why resistance may arise and how to deal with it. Most importantly, knowledge of the people involved in the change will highlight who has to be involved in the process, what can be changed in the organisation and the most successful way to go about it.

KEY RECOMMENDATIONS

- ▶ Work with the Board to ensure a culture of readiness for change within the OSO.
- ▶ Identify sources of information to help with environmental auditing.
- ▶ Make sure you know why people may resist an intended change.
- ▶ Involve others in planning and implementing the change.
- ▶ Make sure that the change is planned thoroughly.

The following illustration shows how it is possible to implement large-scale change in the sport industry. Although you may never be involved in change of this scale, when reading this illustration, note how the principles of effective change were followed and consider any similarities to situations you have faced within your organisation. The illustration provides a brief description of the situation and then describes the process of change. It ends with an analysis of the process in terms of the principles outlined in this section.

Illustration 1.5

Changing the Governance of South African Sport

When South Africa emerged from apartheid government rule in 1994, it was clear that this period had left sport with a complex and fragmented governance framework. At the end of the apartheid era, seven different bodies were responsible for sport delivery in the country. In addition, the NFs had responsibility for their own sports, which resulted in more than 80 organisations having a vested interest in the governance of sport in South Africa.

The lack of a single organisation with responsibility for sport had created several problems. First, sport development in the country was fragmented, with no clear lines of responsibility or clear leadership. This situation created confusion amongst athletes and other stakeholders, such as sponsors. Second, there was no systematic planning of the preparation and delivery of sport. This led to a lack of coherence in the work of the bodies responsible for sport. In addition, much work was duplicated because of breakdowns in communication and the replication of objectives and responsibilities, which led to a waste of resources. These problems were felt to be hindering the development of sport in South Africa and had led to a general climate of dissatisfaction and disaffection with the delivery of sport.

As a consequence, a taskforce was established under the guidance of the National Olympic Committee of South Africa (NOCSA) and with the support of the Ministry of Sport and Recreation. This taskforce was made up of representatives from the seven organisations that were responsible for sport, the national governing bodies and the ministry. The taskforce's recommendation was the development of a single entity to govern sport in South Africa, catering for the delivery of Team South Africa to major multisport events.

The entity was to be known as the South African Sports Confederation and Olympic Committee (SASCOC) and would be a single sport system with a governmental and a nongovernmental structure working in tandem to develop sport in South Africa. This entity was to have two benefits. First, it would be a single self-governing macrobody with a mandate to lead and represent all sport in South Africa. Second, it would allow the rationalisation of roles and responsibilities, thus providing an integrated athlete-support programme.

The main task arising from this proposal was to combine the various structures of sport in South Africa into one governmental and one nongovernmental structure. A major strategic change arose as a result of this proposal in that the seven bodies that had been responsible for sport had to agree to the proposal. The proposal to create the single entity had implications for the power and influence of the sport bodies and in some cases challenged their survival. In addition, there was potential for changes in the responsibilities of those employed within the bodies, and perhaps even job losses.

In order to establish the strategic decision-making structure of the new entity, members of the taskforce carried out a period of discussion and consultation with representatives of the sport bodies that were to be affected by the change. Although concerns were expressed about a loss of territory and the resulting power of the new structure, it was agreed to accept the proposal put forward by the taskforce, and a cooperation agreement was established amongst the key stakeholders to progress the development of a macro sport body. This led to the formal constitution of the SASCOC, for which an Executive Board was elected, made up of representatives from the NOCSA and from the sports of baseball, boxing, cycling, tennis and wrestling. The CEO was then appointed, and two months later the SASCOC became responsible for governing sport in South Africa.

In terms of implementing change, the process outlined here reflects many of the features required for successful change.

Change as a Good Idea

The proposal to restructure the governance of sport in South Africa was a good idea for several reasons. It addressed the concerns expressed by sponsors and athletes about the fragmented nature of the governance of sport in the country. It cut down on the duplication of work that had been occurring. In addition, it provided clear leadership and representation for sport in policy making; it became the voice of sport.

(continued)

Illustration 1.5 (continued)

Knowledge of Factors That Will Promote and Prevent Change

A desire for clear leadership and responsibility for sport within South Africa, a wish to avoid duplication of work and a need to overcome the fragmented nature of the industry were all factors promoting the change. The fact that the NOCSA was prominent in the process was a major driver for change amongst the organisations affected. Factors with the potential to prevent the change were concerns about loss of jobs, status and power, which were overcome by ensuring that all bodies had representation in the new structure.

Effective Change Team

The specific proposal was developed by the taskforce, which comprised representatives of the affected organisations. As a result, the main stakeholders were part of the change team, actively promoting the need for change. The involvement of these groups was essential with change of this magnitude, and without their involvement, it is unlikely that the development of the SASCOC would have proceeded at the pace it did, if indeed at all.

Introducing Change at the Appropriate Level

It is unusual for industry-wide change to be proposed; however, in this instance it was certainly appropriate. Although it may have been possible to make changes to the responsibilities of individual organisations and thus remove duplication, this would not have addressed the fragmented nature of the industry. In order to develop a coherent system of planning and development for sport in South Africa, the significant restructuring was appropriate.

Implementation Strategy

The change process had a clear implementation strategy with allocated responsibilities and time frames. A taskforce was formed, charged with the development of a proposal for change that would be acceptable to the organisations involved. The proposed restructuring required the approval of key stakeholders, which was given after consultation and discussion. This was followed by the establishment of an elected strategic decision-making body and the appointment of a chief executive. This was a well-planned process that occurred on a realistic time frame.



The restructuring of the governance of sport in South Africa is an example of how a large change can be implemented effectively by following the principles of good change. These principles are equally important in small changes, although their scale will obviously be different.

The following case study applies many of the points covered in this chapter to the Olympic Council of Malaysia. The purpose of this case study, and others in subsequent chapters, is to demonstrate how the material covered in the chapter is applicable to OSOs. Although your organisation may not be the same type of OSO, the case study will highlight how the concepts covered in this chapter can be put into practice.

CASE STUDY 1

The Nature of the Olympic Council of Malaysia

The Olympic Council of Malaysia (OCM) was established and registered in 1953 as a nongovernmental and nonprofit multisport national organisation under the Societies Act 1966 (revised 1987). With the establishment of the Sports Development Act 1997, the Council is now registered with the Commissioner of Sports office in the Ministry of Youth and Sports Malaysia. It is recognised by the IOC.

► Organisational Context

Since 1954, the OCM has been the sole sport organisation in Malaysia with the rights to enter athletes to participate in the Olympic Games. The OCM is affiliated to the following international sport organisations:

- Association of National Olympic Committees (ANOC)
- Olympic Council of Asia (OCA)
- Southeast Asian Games Federation (SEAGF)
- Commonwealth Games Federation (CGF)
- International Assembly of National Organisations of Sport (IANOS)

Within the country itself, the OCM and the Sport Ministry are responsible for sport. The ministry works with the National Sports Council, and the National Sports Council assists the National Sport Associations (NSAs, otherwise known as NFs) and works with sport partners who provide support to the NSAs. The OCM works with all of the organisations responsible for sport in Malaysia. Figure 1.5 shows how the OCM fits into the Olympic family.

► Nature of the Organisation

In this chapter it was suggested that there are three core elements by which an organisation can be characterised: people; rules, tasks, roles and responsibilities; and ends, goals and purposes. We also discussed the concept of organisational structure. A review of the OCM under these headings reveals the following.

People

The people associated with the OCM are a mix of members, associates and paid staff. The strategic decision-making body primarily comprises representatives of the NSAs, and these individuals identify strongly with their sport, bringing a particular agenda to the General Assembly.

In terms of paid staff, these people have clear roles within the organisation. Many are the only person responsible for a management function, which means that their identification with this role is strong. In addition, a large amount of the operational work is done by the elected office bearers, which demonstrates a significant commitment to the OCM.

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CASE STUDY 1 (continued)

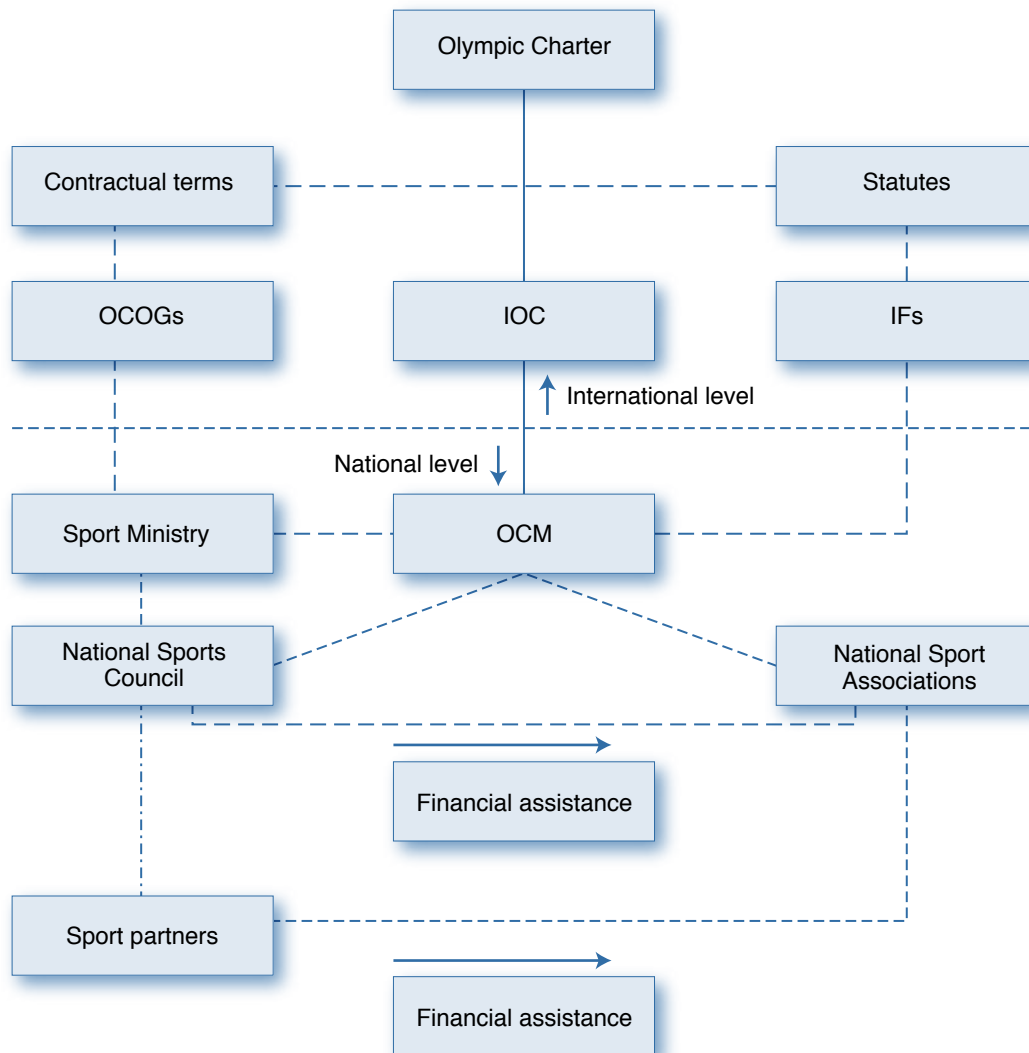


Figure 1.5 The operating environment of the OCM.

The main stakeholders of the OCM are the NSAs, which are members of the OCM. There are a total of 47 members, out of which 33 NSAs are Ordinary Members with voting rights and 14 are Associate Members without voting rights.

Other important stakeholders are the IOC, OCA, CGF, SEAGF and other international sport organisations, which contribute funds, programmes and assistance to the OCM. Sponsors and partners are also important stakeholders; many of them have joint sport development programmes with the OCM and as such have a say in the implementation of the joint programmes. Other stakeholders are the tenants of the OCM buildings, the main one being the Hotel Grand Olympic, which holds a 20-year lease to part of the building.

Athletes, coaches and technical officials could be considered as stakeholders of the OCM. However, because athletes, coaches and technical officials are all members of their respective NSAs, the OCM has no direct access to them. This means that it is difficult for the OCM to take account of their needs and expectations, unless these are filtered through the NSAs.

Rules, Tasks, Roles and Responsibilities

Affiliation to the international sport organisations makes the OCM the sole sport organisation in Malaysia with the rights to enter athletes to participate in the Asian Games, the SEA Games and the Commonwealth Games. The members of the OCM are the NSAs of Malaysia, which are recognised by their respective IFs as the sole governing bodies of their sport in Malaysia.

Other roles of the Olympic Council of Malaysia are to

- promote the fundamental principles of the Olympic Movement through educational programmes;
- collaborate with the NSAs, government agencies and IOC for the development and training of athletes, coaches, technical officials and sport administrators for competitive sports, as well as Sport for All;
- collaborate with the NSAs in the preparation of athletes and officials to participate in the Olympic, Asian, SEA and Commonwealth Games; and
- raise funds in order to fulfil its objectives and role.

Goals and Purposes

The objectives of the OCM are to

- develop and protect the Olympic Movement and to promote the fundamental principles of Olympism through sport activity and education;
- be completely independent and to resist all pressures of any kind, including those of a political, religious or economic nature;
- act as the coordinating body for all sport organisations in Malaysia;
- promote the development of high-performance sport and Sport for All;
- facilitate exchanges between the OCM and its members with other NOCs and IFs;
- select and enter athletes for the Olympic, Asian, SEA and Commonwealth Games and world or regional multisport competitions; and
- organise Olympic, Asian, SEA and Commonwealth Games and world or regional multisport competitions.

Note that these objectives promote all levels of sport within the country, which is likely to be the objective of most NOCs.

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CASE STUDY 1 *(continued)*

The programmes to achieve these objectives are varied and include

- the provision of services, advice and assistance to the NSAs and to other sport organisations;
- the selection and entering of athletes and officials for participation in international multisport games;
- the selection of participants to attend courses, seminars and study tours overseas;
- the planning and organising of courses and seminars for coaches and sport administrators in Malaysia; and
- the sending of delegates to meetings and conferences of international sport organisations such as the OCA, CGF and SEAGF.

Structure of the OCM

The organisational structure has evolved since the OCM was established as a small NOC in 1953. As with most OSOs, the strategic decision-making body of the OCM lies with the General Assembly, which is made up of delegates of the NSAs. This assembly elects 12 officers, and thus the Executive Board is established. Again, like most OSOs, the OCM maintains an office of full-time staff to organise the daily affairs and to maintain financial accountability.

This staff includes the following:

- General Manager
- Finance (one person)
- Marketing and sponsorship (two people)
- International relations (one person)
- National relations (one person)
- Information technology (one person)
- Human resources (one person)
- General administration (four people)
- Olympic Museum and Hall of Fame (one person)
- Indoor sports arena and training hall (one manager, two supporting staff and three workers)

The present structure was adopted after Coopers & Lybrand Management Consultants carried out the Financial Strategy and Human Resource Consulting Study in May 1993. The present structure is adequate due to the voluntary contributions of the elected office bearers, a couple of staff members on a full-time basis and a few on a part-time basis.

► Governance of the OCM

As with all NOCs, the power of the OCM is vested in the General Assembly, which meets annually in June. Each NSA is entitled to send three delegates to the General Assembly. The General Assembly elects the 12 officers:

- President
- Deputy President
- Vice-Presidents (five people)
- Honorary Secretary
- Honorary Assistant Secretaries (two people)
- Honorary Treasurer
- Honorary Assistant Treasurer

The Council of the OCM includes the officers and one representative from each NSA. The Council meets in January, April, July and October each year. The Executive Board of the OCM comprises the officers and four additional nominated members, and it meets once a month. The Executive Board of the OCM discusses and makes recommendations on strategic decisions to the Council. The Council normally approves all the recommendations of the Executive Board, so therefore it could be argued that it is actually the Executive Board that makes the strategic decisions.

The General Manager and the Honorary Secretary are responsible for the everyday running of the OCM. The General Manager decides on routine day-to-day matters, whilst urgent and unforeseen matters are decided by the Honorary Secretary and the President. The OCM programmes have evolved greatly over the years, and the staff responsible for each of the programme areas has a good understanding of the constituent needs and is able to run the programme efficiently.

The programmes and projects of the next year are finalised by December of the preceding year. The implementation of the current year's programmes and projects is monitored by the Executive Board through its monthly meetings and by the Council at its quarterly meetings. As such, all staff members are fully aware of their duties and responsibilities for the year.

The principles of good governance are apparent in the way that the finances of the OCM are managed. The annual budget of the OCM is prepared by the Honorary Treasurer in December of each year for the consideration and examination by the Executive Board and approval by the Council.

A monthly financial report, comprising the receipts and payments account; status of rental payment of the OCM building, office space, conference rooms and sport arena; statement of receipts from sponsors; and statement of investments of the OCM, is presented for the consideration and approval of the Executive Board. At the quarterly Council Meeting of the OCM, a quarterly financial report, comprising the receipts and payments account and the quarterly balance sheet, is presented for the consideration and approval of the Council.

The annual balance sheet, income and expenditure and receipts and payments accounts for each calendar year, audited by a firm of chartered accountants (approved by the General Assembly), are presented to the members of OCM for their examination and study 35 days before the General Assembly. The annual audited financial reports are then formally presented for questions, clarifications and approval at the General Assembly. These procedures enhance the accountability and transparency of the management of a key organisational resource: money.

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CASE STUDY 1 *(continued)*

In terms of stakeholder consultation and engagement, the various stakeholders of the OCM influence its governance in different ways. The affiliates of the OCM (the NSAs) have a direct impact on the management of the OCM since they elect the office bearers of the OCM. However, other stakeholders, except the government, have no direct influence on the management of the OCM. The government has recently reduced its funding of the OCM and now provides only partial funding (up to 70%) for the participation of the national athletes and officials to multisport games, such as the Asian Games, Commonwealth Games and SEA Games. The OCM has responded to these cuts by increasing its revenue-raising activities. Of course, if the funds from sponsors were reduced, then management would have to work harder to raise funds.

► Information Management and Information Technologies

The OCM makes full use of e-mail for internal and external communication. The OCM also has a website that communicates information to the NSAs, sponsors and general public. The website highlights relevant stories that are published in the press and has a function that allows readers to e-mail the stories to others. This means that positive information about the OCM and sport can be disseminated further.

The website provides information about the history and operations of the OCM and its officers, and the minutes of the General Assembly are made public on the site. This is in line with the principles of good governance. In terms of other services to stakeholders, the website contains a calendar of major sport events and provides links to the calendars of the NSAs. Other major sport organisations can be accessed via the OCM website. Thus the OCM website is a valuable e-management tool.



This case study shows how an OSO can be considered in terms of its environment, goals, roles and activities. It also demonstrates how the principles of good governance can be implemented. Finally, although the OCM's use of technology may not be highly sophisticated, it does make good use of websites, e-mails and other communication technologies.