

# ATHLETES' INVOLVEMENT IN DECISION MAKING FOR GOOD GOVERNANCE IN SPORT

Ingrida Grigaliūnaitė, Edvinas Eimontas  
Lithuanian Sports University, Kaunas, Lithuania

## ABSTRACT

*Background.* Governance is a key component of the effective organization management (Yeh & Taylor, 2008). Therefore, more and more researchers focus on good governance issues. The Initiative – Action for Good Governance in International Sports Organizations (AGGIS) set down guidelines for good governance, incorporating democratization processes. One of the growing good governance and its democratization concerns is involvement of stakeholders, in this case – athletes. Although governance decisions usually affect athletes directly, they have relatively low decision making power (Thibault, Kihl, & Babiak, 2010). The aim of this research was to highlight and discuss the importance of athletes' involvement in decision-making.

*Methods.* Literature analysis was used to study athletes' role in organizational decision making and its evolution in recent years. Theoretical framework allowed creating a survey with a purpose to assess the current situation in national sports federations.

*Results and conclusions.* Literature analysis revealed increasing democratization within sport organizations, which affects greater involvement of athletes in decision making. Theoretical framework allowed making recommendations for sports organizations so that they could become more athlete-centred. Although increasing democratization resulted in greater athletes' involvement in decisions making, some issues still remain unresolved.

**Keywords:** sport, good governance, athletes' involvement, decision making.

## INTRODUCTION

Sport is an international product and service that influences businesses on a global scale. Sport has evolved as an important economic activity and wealth creator as it functions at the individual, organizational, and national levels of a country (Goldman & Johns, 2009). For sports business, possibility to manage its organizations globally is important since sport itself and the related activities are often based on uncertain business future. As a business, it needs to focus more on the diverse nature of the international market in order to develop better management strategies (Ratten, 2011). Sport is no longer defined only as a physical activity, leisure or activity for health improvement; instead it is recognized as a rightful business. Therefore, it is no wonder that within a short period of time, much attention has

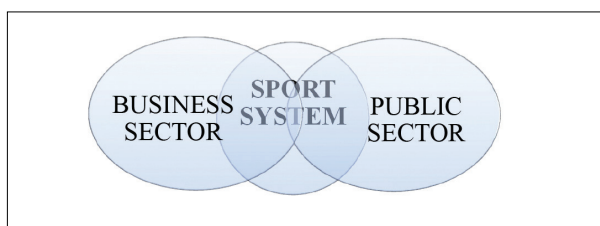
been devoted to sports management topics as an academic field (Mathner & Martin, 2012).

Sports industry is a wide system with a lot of relations and responsibilities due to which it has to be managed professionally. As international and national sports federations are the most important characters in sports business, for them to be productive they have to become more formalized, in other words – professionalized. Professionalization within the context of sports management can be described as a transformation from amateur management to more institutionalized by hiring staff with substantial competences (Nagel, Schlesinger, Bayle, & Giaouque, 2015). Professionalization, according to Bayle and Robinson (2007), can be divided into three sections: professionalization of activities, professionalization

of individuals and professionalization of structures and processes. Summing up, it can be assumed that professionalization embraces all areas of the organization including governance, board structures and its role.

The growth in the commercialization and professionalization of sports industry increased the interest in sports governance. One of the main reasons why sports governance receives comparatively much academic attention is its significant impact on a whole sports system (Ferkins & Shilbury, 2015). According to Chappelet (2017), a common agreement has been adopted that sports organizations should incorporate both “business world” – corporate governance and “public sector” – democratic governance. Visible links between sectors are demonstrated in Figure 1.

Figure 1. Interactions between sports sector, business sector and public sector (Chappelet, 2017)



These days, sports organizations face pressure to be profitable, provide high quality services and final product, maintain and increase the interest

of consumers, be role models and do all this with limited time and financial resources (Parnell, Spracklen, & Millward, 2017). Rising external and internal requirements and recommendations in a complex business-public environment implied the necessity for the improved governance of sport.

In sports case, governance defines how the power inside the organization is distributed: who makes decisions, who can contribute to decision making, how decisions are communicated to the other parts (Goede & Neuwirth, 2014). Originally, governance functions monitor and give overall directions of the organization. As governance professionalize, those basic responsibilities convert into a full set of functions which are usually seen in business and public organizations (Shilbury & Ferkins, 2015).

The term “governance” can have many meanings, however the concept of improved governance or “good governance” is even more difficult to define, measure and accomplish (Geraert, 2017). Goede and Neuwirth, (2014) define good governance as a governing process guided by certain values and principles. Uncertainty of the term influenced academics and governing bodies to set guidelines for good governance, consequently, more than 30 guidelines were proposed in the last decades (Chappelet, 2017).

Actions for good governance in international sports organizations (AGGIS, 2013) is one of the most discussed initiatives, the purpose of which

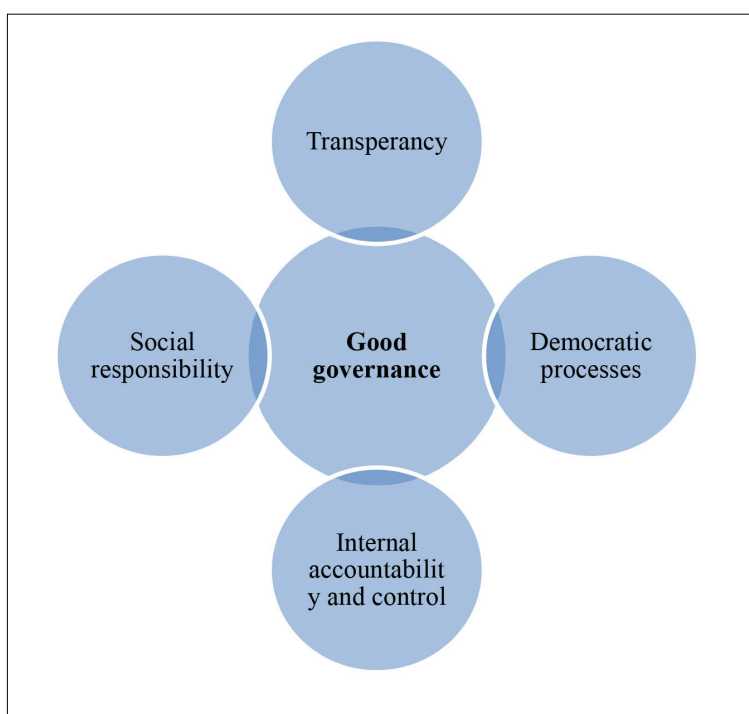


Figure 2. Classified indicators of good governance (Geraert, 2017)

was to identify and highlight the problems of sports governance, yet, at the same time find solutions for those issues. As a result, the sports governance observer was established (Geeraert, 2015). Accordingly, indicators and guidelines for good governance were formed and classified into four sections (Geeraert, 2017) (Figure 2).

A recent study within international sports federations revealed some major issues relevant to contemporary sports governance. One of the issues was related to accountability and transparency in funding management. Other issues included lack of independent ethics committees, insufficient athlete involvement in decision making and unidentified term limits for executive bodies. All those issues could be connected into one key problem – lack of democratic processes (Geeraert, Alm, & Groll, 2014). Referring to the previously discussed concept of good governance, it can be assumed that democracy is a primal and the most important step for further implementation of principles and the lack of it would affect others elements.

In sport organizations, democratic processes usually encompass elements seen in Figure 3.

Sharvani (2011) suggests that principles of good governance related to democratic processes include:

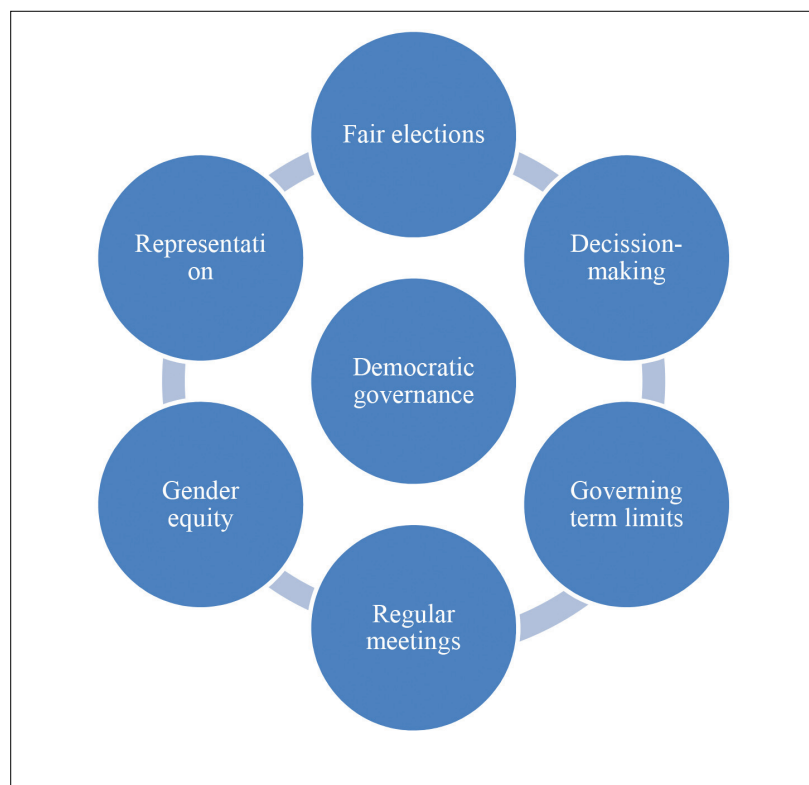
- Recognition of the stakeholders' role.

- Equal treatment of all stakeholders and recognition of their rights.
- Accountability and transparency.
- Clearly defined board responsibilities.

Same authors also claimed that participation of stakeholders in the governing processes and decision making is an essential foundation of democracy. Good governance should take into consideration different stakeholder groups and their interests. The main point of this is that it should be done not only because it is obligation, instead good governance should be able to understand the benefits to organization due to stakeholders' involvement. The main challenge here is the changing environment (professionalization and globalization), which complicates determination and classification of stakeholders (Senaux, 2008). The best and easiest way to identify organizations' stakeholders is using stakeholder theory, which is a powerful tool for sports managers to understand, systemically group and effectively communicate with different stakeholders (Friedman, Parent, & Mason, 2004).

Usually stakeholders are classified into internal and external. Internal stakeholders are those who have direct interaction with organizational managers, and external are those who have not (Freeman, 2010). Generally, according to their

Figure 3. Elements of democratic governance (Alm, 2013)



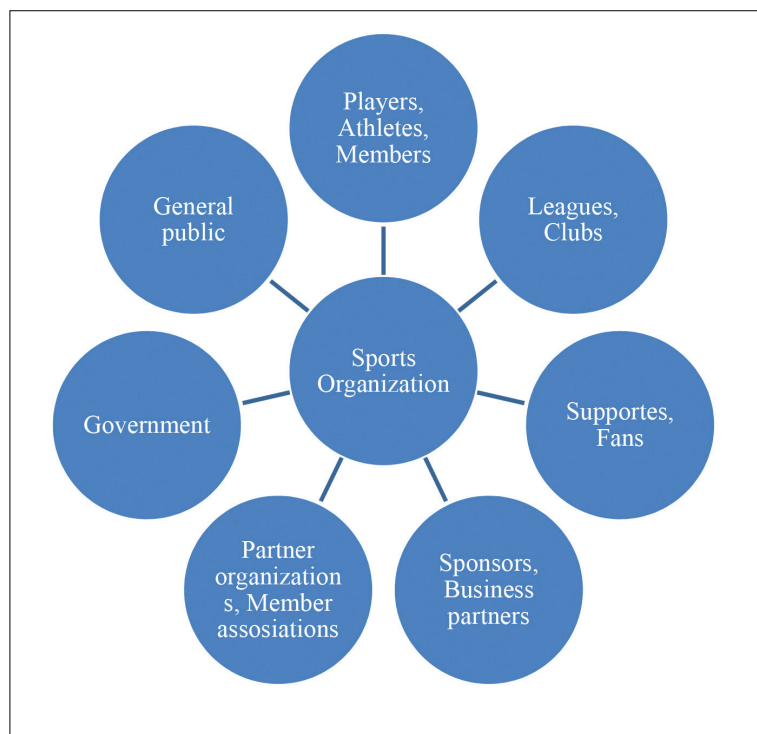


Figure 4. Key stakeholders of the sports organization (Alm, 2013)

importance, stakeholders are classified into primary and secondary. A primary stakeholder could be defined as vital for the organization and without which cooperation in the organization simply could not be possible. Meanwhile, secondary stakeholders are those who can affect or be affected by the organization but they are not vital for the organization for its survival (Kristiansen, Strittmatter & Skirstad, 2016). Going deeper, stakeholders can be of three types: latent, expectant and definitive. Latent stakeholders' interests and power to organization are low; therefore they are not so important and noticeable, while expectant stakeholders have strong interests in organization's issues but lack importance and power which lead to more attention from managers. Finally, definitive stakeholders are the most interested and active; they require a lot of attention and are the most important (Ferkins & Shilbury, 2015) for the organization. Stakeholder theory and the specific environment which surrounds a sports organization suggest the further stakeholders' determination (Figure 4).

It can be agreed that stakeholders' involvement directly affects the welfare of the organization and yet in practice, application of stakeholder theory can face the following challenges:

- Dilemma for which stakeholders group the system should be designed.
- It is difficult for stakeholders to understand the organization's system and it discourages

them from engagement (Ferkins & Shilbury, 2015).

- Focusing on one or few stakeholders' groups can negatively impact relationships with other groups (Hassan & O'Boyle, 2017).
- Limited resources cause difficulties for managers and directors in trying to reconcile the different interests of stakeholders (Senaux, 2008).
- Need to include variety of stakeholders causes coordination issues (Smith-Swan & Parent, 2013).
- Some stakeholders may be harmful and cause destabilizing effect to the entire organization (Kuzbik, 2017).

Nevertheless, Post, Preston and Sachs (2002) argue that managing stakeholders, who are closest to the organization, should give common benefits both to the organization and to the stakeholders while managing interest groups and general public should consist of conflict avoidance, harm reduction or creation of benefits.

An important stakeholders' group, which are highly interested, directly affects and is affected by the organization – athletes who can and should be emphasized (Thibault et al., 2010). Sports rules and regulations directly affect athletes' professional and sometimes personal lives, however traditional hierarchic sports governance rarely solves sports policy questions in consultation with athletes

and almost never in co-operation with athletes (Houlihan, 2004).

Usually sports governance could be defined as a hierarchical pyramid structure which operates at international, national and local levels. At the top of the pyramid, there are international sports federations, a step below – national sports federations and at the lowest basis – clubs and athletes. In this structure, only units closest to international sports federations have legal power and control, while those at the bottom lack power and control. As a consequence, for many years sports governance lack influence and involvement of athletes in decision making processes (Geeraert, 2015).

As many complaints regarding athletes' involvement were received, development of athletes' rights was noticed by sports organizations (Thibault et al., 2010). However, most governing bodies give athletes voice through limited membership, forum or athlete committee / commission. In this way, athletes are structurally provided with some kind of involvement but are safely isolated and buffered from any major decision making power. Although some sports organizations have institutionalized athlete participation and representation, the majority of organizations have not granted formal decision making power for athletes (Alm, 2013). Therefore athletes have a voice but do not have a vote.

Greater athletes' involvement in decision making processes is undoubtedly necessary and could be beneficial not only for athletes but also for the entire organization and this evidence is:

- Athletes inclusion in governing processes makes policies more effective as individuals whose opinion is heard tend to accept governance decision as their own.
- Athletes could provide specialized knowledge and understanding concerning specific issue which leads to more effective problem solving mechanism (Koppenjan & Klijn, 2004).
- If participation in policy process is legitimate, athletes' inclusion decreases the possibility of legal issues and conflicts (Sørensen & Torfing, 2009).

Growing demand of athletes' greater involvement triggered discussions and created conditions for athlete-centred system development within Canadian sports organizations. The main idea of athlete-centred system is that a sports

system exists because and for athletes, therefore the main focus in the development of policies, programs, and procedures should be on involving them in ongoing decision making process. Athlete-centred sports system is not only ensuring support, resources, good training, coaching or facilities; it is also about formal athletes' involvement in decision making and policy formation (Kihl, Kikulis, & Thibault, 2007).

## METHODS

Literature analysis was used to study athletes' role in organizational decision making and its involvement in recent years. Theoretical framework was used in creating a survey with a purpose to assess the current situation in Lithuanian national sports federations.

## RESULTS AND DISCUSSION

As sport is considered a multidisciplinary subject, scientists from different disciplines, including finance, marketing, law, psychology, sociology, ethics and management, are interested in this field from their perspective. Sports management themes vary from consumer's behaviour to economic impact, from marketing implementation to organizational culture (Nite & Bernard, 2017). Conclusion can be drawn that sports management is a vast field of subjects which can apply all traditional management principles.

Since it is agreed that sports industry is a wide system with a lot of relations and responsibilities, it has to be managed professionally. As international and national sports federations are the most important characters in sports business, for them to be productive they have to become more formalized, in others words – professionalized. Professionalization within the context of sports management can be described as a transformation from amateur management to more institutionalized one by hiring staff with substantial competences (Nagel et al., 2015). Professionalization embraces all areas of the organization including its governance, role and board structures.

The concept of good governance is so vast, intangible and flexible that there is no certain way or principle how to become good, instead there is vast amount of recommendations which helps organizations to improve and it only depends on organizational will.

On the other hand, some authors argue that the term good governance is not useful and does not give tangible benefits. Chappelet (2017) suggests that instead of “good governance” the term “better governance” should be used. He argues that organizations are too different to be guided in the same way and principles, which suit one organization, could be worthless to others. So, instead of blindly following good governance guidelines, organizations should try to be better, in that way it is easier to measure improvement.

## CONCLUSION

Katwala (2000) argued that international sport could be declared as the worst governed body in the world and as the main issues he distinguished those related to legitimacy and efficiency. Although much has been done in sports industry since this declaration, some issues considering sports governance still remain the same.

In recent years there was a noticeable increase of interest in the concept of good governance.

Uncertainty of the term led researchers and governing bodies to set guidelines for sports organizations in order to become well governed. Guidelines for good governance include transparency, democratic processes, internal accountability and control as well as social responsibility. One of the main challenges faced by sports organizations is the lack of democratic processes. Democratic processes usually include fair elections, open discussions, fair participation in decision making, where all related parties are heard. The main issues in democratic processes are related with stakeholders' representation and involvement. Since athletes could be defined as a key stakeholder who is directly affected by the governance decisions, their role in governance and decision making processes should be reconsidered. Based on the literature review, further research with the aim to assess the current situation in Lithuanian sports federations should be carried out. Further research will be helpful in creating guidelines for federations in order to become more athlete-centred.

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Corresponding author **Ingrida Grigaliūnaitė**  
Lithuanian Sports University  
Sporto str. 6, Kaunas LT-44221  
Lithuania  
Email [ingridagrighaliunaite@gmail.com](mailto:ingridagrighaliunaite@gmail.com)