

# **Changing Management Performance before and after the Introduction of CCT (Compulsory Competitive Tendering) to a Sports Centre in Japan**

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## **Abstract**

### Research Question / Aim of Paper

The Local Authority Act of Japan revised in September 2003, aimed to reduce costs for public services and to enrich public service quality. As a result of the Act, all local authorities had to introduce CCT for public sports facilities by September 2006 at the latest. Some 85% of local authorities were expected to reduce their expenditure for public services, while 80% of them also anticipated improving their service quality via Compulsory Competitive Tendering (CCT) (MRI, 2006).

The aim of this research is to clarify the change in management performance for a sports facility before and after CCT in Japan. This paper uses one facility in Japan as a case study and compares some performance data before and after the introduction of CCT.

### Theoretical Background

CCT for the management of local authority leisure facilities was first introduced in the UK by legislation enacted in 1993.

The first round of CCT improved the performance of leisure facility management relative to performance pre-CCT (Nichols 1996).

Management performance was first evaluated from a financial point of view only.

However, considering financial performance in terms of subsidy only was not sufficient, it was also necessary to evaluate the quality of services and the satisfaction of users.

Since 1999, when National Benchmarking Services was introduced by Sport England, a research instrument has been available to evaluate the service quality of sport facilities and was used for this research.

### Methodology / Research Design / Data Analysis

One of the biggest sports centres in Tokyo was selected for this research. This sports centre was run by a third sector organisation until the end of March 2006, and then by a consortium of commercial companies and the third sector organisation thereafter. The data before CCT were collected in February 2006 and the post CCT data were collected in February 2007 and 2008.

Questionnaires were distributed in the sports centre on one weekday and one day at the weekend, by the principal author.

Random sampling of respondents was used in those years. In total, 381 respondents in 2006, 576 respondents in 2007 and 457 respondents in 2008 were asked to complete the questionnaire after their activity.

The profiles of respondents did not differ significantly in those years.

table 1 Mean Scores of Satisfaction of Users at Sports Centre

|   | Mean            |                | SD     |       | t-value   |
|---|-----------------|----------------|--------|-------|-----------|
|   | Before<br>n=381 | After<br>n=576 | Before | After |           |
| <b>Overall Satisfaction</b>             | 5.29            | 5.11           | 1.10   | 1.43  | -2.211 *  |
| <b>Accessibility</b>                    |                 |                |        |       |           |
| Activity available at convenient days   | 4.19            | 4.17           | 1.00   | 1.04  | -0.253    |
| Ease of booking                         | 4.04            | 4.28           | 0.93   | 0.99  | 3.849 *** |
| <b>Availability</b>                     |                 |                |        |       |           |
| Activity available at convenient times  | 3.85            | 4.35           | 1.18   | 0.97  | 6.783 *** |
| Number of people in the pool            | 3.46            | 3.17           | 1.11   | 1.21  | -3.039 ** |
| Number of people in the activity spaces | 3.08            | 2.83           | 1.10   | 1.21  | -2.116 *  |
| <b>Quality of facility</b>              |                 |                |        |       |           |
| Quality of the activity spaces          | 3.67            | 3.58           | 1.03   | 1.16  | -0.798    |
| Water quality in the swimming pool      | 3.94            | 3.73           | 0.95   | 1.11  | -2.526 *  |
| Quality of equipment                    | 3.52            | 3.54           | 1.07   | 1.15  | 0.310     |
| Quality of car parking on site          | 3.07            | 3.20           | 0.84   | 0.94  | 2.309 *   |
| Quality of changing areas               | 3.75            | 3.78           | 1.22   | 1.25  | 0.397     |
| Quality of food and drink at kiosk      | 3.15            | 3.24           | 0.93   | 0.95  | 1.572     |
| Quality of drink on vendor machine      | 3.41            | 3.43           | 0.86   | 1.02  | 0.302     |
| <b>Cleanliness</b>                      |                 |                |        |       |           |
| Cleanliness of activity spaces          | 3.93            | 3.89           | 1.00   | 1.05  | -0.553    |
| Cleanliness of changing areas           | 3.78            | 4.04           | 1.03   | 1.11  | 3.600 *** |
| Cleanliness of entrance hall            | 3.98            | 4.33           | 0.86   | 0.85  | 6.172 *** |
| <b>Staff</b>                            |                 |                |        |       |           |
| Helpfulness of reception staff          | 4.13            | 4.08           | 0.83   | 0.98  | -0.784    |
| Hospitality of reception staff          | 4.16            | 4.18           | 0.84   | 0.91  | 0.322     |
| <b>Value for money</b>                  |                 |                |        |       |           |
| Value for money of activities           | 3.58            | 3.92           | 1.21   | 1.09  | 4.471 *** |
| Max                                     | 4.19            | 4.35           | 1.22   | 1.25  |           |
| Min                                     | 3.07            | 2.83           | 0.83   | 0.85  |           |
| Average                                 | 3.71            | 3.76           | 1.00   | 1.05  |           |

Notes: \* $<0.05$ ; \*\* $<0.01$ ; \*\*\* $<0.001$

## Results / Discussion / Implications

The mean scores of "Ease of booking", "Activity available at convenient times", "Quality of car parking site", "Cleanliness of changing area", "Cleanliness of entrance hall", "Value for money" and "Average" were significantly higher than those of before CCT.

However, the satisfaction of "Number of people in the pool", and "Number of people in the activity spaces" in 2007 was significantly lower than satisfaction in two categories in 2006. The mean scores of "Overall satisfaction" of users after CCT were not significantly higher than those of before CCT.

The reason that satisfaction ratings were not higher in these two categories is because of new challenges at the sports centre resulting from the introduction of CCT.

The number of users at the sports centre increased following the introduction of CCT.

The consortium invested in the renovation of the changing room, entrance hall, gym, studio and the reception area and also implemented a promotion strategy to increase the number of users.

As a result, increasing the number of users and improving "value for money" for users were achieved in a year.

However, congestion at the swimming pool and in the activity spaces became a new management problem.

So the first round of CCT in the case study centre saw an improvement in the financial situation and some areas of satisfaction, but "Overall satisfaction" did not improve.

## **References**

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