

# UNDERSTANDING THE COMPETITIVE ADVANTAGE OF NATIONAL OLYMPIC COMMITTEES

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## Abstract

### Aim

This research aims to establish why many National Olympic Committees do not have improved performances at Olympic Games despite ongoing funding and experience of preparing teams for Games.

### Theoretical background

The competitive advantage of an organisation arises from the strategy that the organisation follows. However, the standard view of competitiveness where organisations compete on cost or differentiation is arguably irrelevant to National Olympic Committees. This is because a reduction in expenditure on elite sport has the potential to undermine competitive advantage significantly. There is also little possibility for differentiation as the overall mission and objectives of an NOC are enshrined within the Olympic Charter. As a consequence, a resource based view (RBV) of the firm (Grant, 2008) can be considered a more appropriate framework for evaluating the potential of National Olympic Committees for successful performances at Olympic Games. The key notion underpinning this perspective on competitive advantage is that success is based on resources and the way an organisation can use its resources to its competitive advantage. This is set out by Taylor (1998:198) when he states that the "driving force [of an organisation] is from within the organisation and that its internal capabilities must be developed as a source of superior performance." Resources are the assets under the control of an organisation while capabilities are the ability of an organisation to perform a coordinated set of tasks and utilize their resources to achieve an end result e.g. what they can do.

### Methodology

The purpose of this research is to understand why National Olympic Committees appear to be unable to create competitive advantage that leads to improvements in performance at Olympic Games. It does this by

investigating the resources and capabilities of the NFs that are responsible for developing the athletes that to the Games. The underlying premise of this research is that the competitive advantage of a NOC is reliant on the ability of their NFs to 'deliver' elite athletes who can achieve success.

The national federations within four Pacific countries were audited using the NF Assessment Tool (Rapilla, 2008; Minikin, 2009). This tool considers the resources, structures and capabilities that a National Federation has in place and assesses the national federation across an organisational development scale that ranges: 0 = no development to 4 = professionalised and specialised level of development. The data required to complete the NF Assessment Tool was collected by a web-based survey that asked respondent NFs to indicate what elements they have in place in their organisation. Responses were received from all national federations in the countries under investigation. The questionnaires were reviewed and any missing information and additional details were subsequently obtained by a member of the research team with comprehensive knowledge of the nations under review.

### Results, discussion and implications

The research shows that the key resource of the NOCs under investigation (its NFs) is not developed enough to create competitive advantage due to poor resources and low levels of capability. Therefore there is a need for these NFs to develop further as organisations in order to improve the potential competitive advantage of their NOCs. There are a number of ways of doing this; for example, a programme of 'knowledge transfer' allows what capabilities that have been developed to be more widely spread. This mining of experience (Grant, 2008) is a mechanism of developing capabilities for both the NFs and the NOC, as is process benchmarking which provides a framework for NOCs and NFs to understand how more successful federations develop and manage their resources (Bohlke & Robinson, 2009). Resources could also be concentrated on priority sports, which is a mechanism of resource leveraging utilised by many countries. NOCs also have the opportunity to develop alliances with other organisations or countries that are better placed to create elite athletes.

This research also offers a fundamental challenge to the universality principle of the Olympic Movement as it is possible to argue that attendance at the Olympic Games is not appropriate for the NOCs included in this research. The resource-based view is underpinned by the concept that strategic planning should be based on capabilities and resources (Grant, 2008) and thus continuing to plan to attend the Olympic Games is arguably neither a sensible nor a reasonable strategy for these NOCs.

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