

## Examining the resource allocation and success of National Olympic Committees governed by a corporate model

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### Key Words

Governance, resources, financial

### Aim of Paper

National Olympic Committees in North America and many Western nations are charged with promoting sport for all participants while maintaining a sustainable and self-sufficient financial profile. This can create a paradox for NOCs while they try to serve the greater good of the sport while selling elite development to sponsors and media rights holders. The purpose of this paper is to examine the resource allocation and success of various NOC's that utilize a corporate model as compared to a government model for financial and organizational support.

The challenge of resource allocation in NOC's is to support as many programs as possible while continuing to develop and support elite athlete success in order to drive more revenue streams to complete the cycle of grassroots program development and elite athlete development (Australian Olympic Committee, 2009). Addressing each of the various stakeholders when allocating resources is an essential function of a NOC. When regulatory bodies make decisions that affect various stakeholders, the need for clarity and transparency in asset management, financial support and program promotion is imperative, especially when the mission clearly states "all participants". Many governing bodies within sport and in other facets of business regularly eschew their mission to support elitism and marketable publicity. To maintain long-term success a NOC must understand the balance of resource allocation (IOC, 2012), in support of a corporate model which in many cases is

more stable than a government based model of Olympic program support.

An examination of the financial reports of from seven Western NOC's indicates that elite programs receive an exorbitant amount of the budget in relation to the largest participatory categories and that youth and girls development received a relatively small amount of the planned budget and actual dollars spent in all seven NOC's. In comparing seven corporate model Western NOC's over 4 Olympiad's found stable performance and organizational success was achieved when controlling for country size and Olympic host site. Three NOC's using a government model have significant fluctuations in performance over the same 4 Olympiad's. Although success at the elite level was found the percentage of individual budget in a corporate model was significantly more than the grassroots effort.

Further examination of the resource allocation within each of these NOC's and participation levels indicate that correlation exists between Olympic success and overall participation numbers per capita regardless of how much is spent on elite development (Bian, 2005). This is one flaw with the corporate model, the constant measurable need for continued success to place value on the investment in sport.

### Conclusion

If NOC's claim to utilize sport for development then they may want to rethink the practice of focusing its financial outlay on elite. There is some evidence that the rise in success at an international level is related to an increase in overall participation rather than an increase in elite development programs. Even in light of this, many NOC's have launched a program using the long-term athlete development model, while framing it only in elite development Elite development programs, while important to an NOC's, utilize a disproportionate amount of the resources that could be used to affect a larger number of participants (Matros and Namoro, 2004). This runs counter to the mission statement of many NOC's to develop sport as a vehicle for health and participation, but does correlate to overall success in Olympic medal counts. Future directions and suggestions will be presented.