
DEMOCRACY AND TRANSPARENCY IN FOOTBALL GOVERNANCE: A CASE STUDY OF THE FOOTBALL ASSOCIATION OF THE CZECH REPUBLIC

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Abstract

AIM OF ABSTRACT

The Football Association of the Czech Republic (FACR) board election triggered speculations about the governance of the association last year. Before the elections, disputations about strong behind-the-scenes influence and even intimidating of some delegates emerged. The disputes were supported by the situation that there was the only candidate for a president. After the elections, two crucial sponsors declared to continue sponsoring only under conditions that the association takes effective measures to eliminate further scandals. Moreover, the Ministry of Education, Youth and Sport announced to begin an audit of spending the state subsidies of over 10 million EUR due to low transparency of financial management. Thus, the aim of the study was to assess the level of transparency and democracy in the governance of the FACR and to compare the evaluation of the FACR governance by different stakeholders.

THEORETICAL BACKGROUND

Transparency and democracy are two of the key principles of good governance. Mrkonjic (2013) conducted a content analysis of 15 sets of principles of good governance applicable for national and international sport organizations and extracted three most important principles: transparency, responsibility and democracy. Low transparency was identified as one of the governance characteristics in Central and Eastern European (CEE) countries (Le, Kroll, & Walters, 2011) and according to Meyer (2003) it is likely that CEE countries may have developed unique forms of corporate governance. Transparency of Czech national sport organizations had been already studied (Král, 2012) and classified as very low. In following study (Král, 2013) it was revealed that higher transparency brings higher membership fees but on

the other hand, awareness of Czech NSOs about transparency is very low. This study develops the concept of transparency and its perception by key stakeholders. The concept of democracy within NSOs in CEE countries has not been studied before.

METHODOLOGY, RESEARCH DESIGN AND DATA ANALYSIS

A case study research design was chosen. Multiple sources of data collection were combined. Firstly, governance documents of the FACR were analysed such as constitutes, annual reports, board meeting reports, directives, etc. Second, media coverage was conducted analysing the coverage of the FACR governance. Content analysis covered all articles regarding FACR in three most read newspapers through year 2013. Third, interviews with representatives of clubs and a regional FACR board member were conducted and were focused especially on availability of governance information and the process of voting delegates. Finally, a questionnaire survey of football clubs was carried out. Questionnaire was distributed in one of 14 regions in January 2014, and was focused on perceiving of transparency and democracy by representatives of individual football clubs (n=251). The data were analysed using SPSS and R statistical software.

RESULTS, DISCUSSION AND IMPLICATIONS/CONCLUSIONS

Analysis of the FACR statutes reveals the governance structure reflecting principles of democracy through representation of delegates of all levels of clubs what ensures any sport club to vote a representative for a general meeting. However, media brought cases of intimidating of delegates representing district associations. In addition, the only candidate for a president admitted that there is a board member with power to determine the results of the election. The results of the questionnaire demonstrate the lowest score in items regarding democracy and thus, the results testify the low level of democracy in spite of democratic setting of the governance structure.

The content analysis of news articles reveals that the board elections had the largest coverage of all articles regarding governance of the FACR in 2013. However, the frequency of media coverage decreased quickly after the elections and the main declarations stayed without any response. Firstly, despite no measures to eliminate further scandals were taken, the declaration of two sponsors threatening leaving football had no further response and the sponsors did not leave. Secondly, there is no evidence that the announced audit of the ministry was carried out (even inquiry regarding the audit sent to ministry stayed unanswered).

Transparency of the FACR was classified as low especially because of limited availability of financial reports. In contrast, the perception of transparency derived from the questionnaire survey was better than the real state. Hence, the results provide evidence to assumption that transparency is not enrooted in the society of CEE countries and bring new finding that the perception of transparency is biased. These results call for more pressure on the ministry and suggest that government

subsidies to NSOs should be conditioned by compliance with principles of good governance. Moreover, the study provides an insight into governance of NSOs in CEE for international sport organizations (such as FIFA).

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