

Sector-Specific Environmental Factors in Organized Sport in Sweden – Implications for Elite Ice Hockey Clubs

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Introduction

Sport, like social and economic life in Sweden, has during recent decades seen some fairly revolutionary changes. From being recreational games for a fortunate few, sport is now both a source of income for many and the main leisure activity for the majority. Non-profit forces are coming up against commercial interests and the need for profit is pushing public services towards privatisation. The structures for securing grants and subsidies are constantly changing and forces of professionalization and commercialisation are penetrating not just the top layers of the sports movement.

In the relatively uncharted organizational life of sport in Sweden, exploring environmental factors is important (cf. Berg, Eggertz, Gröön, Hellström, Jacobson, & Olsson, 1993). Scholars in the fields of economics, law, sociology, pedagogy and politics have however, over the last 30 years, followed the continuing development of the non-profit sector and sport, a research material which provides the foundation for further in-depth studies of environmental factors and their influence on sport organizations. In order to better understand organizational variation in a given set of organizations within a specific sector in a society (e.g. the sport sector), environmental factors need to be taken into consideration.

Variations in an environment have consequences for the types of organizational forms and practices found within particular sectors (Scott & Meyer, 1983, Child & Smith, 1987). Kikulis, Slack and Hinings (1992) argue that the concept of sector specificity permits more meaningful comparisons of organizations to be made and a more comprehensive understanding of how organizations respond to external pressures to be achieved. Powell (1988) stresses the importance of studying organizational environments but argues that we need to develop a better understanding of the extent to which organizational environments are organized and how these macro-organizational frameworks influence the structures and strategies of particular organizations that operate within them. The purpose of this paper is to explore sector-specific environmental factors for the clubs in the highest division in Swedish Ice Hockey and how these factors can influence their operations?

Method

The data in this paper are drawn from the study of previous research on related subjects, data from clubs, federations and associations, and official statistics. With a complex, multi-faceted, and highly contextual issue such as sector-specific environmental factors it is difficult to apply a formalized analysis structure. According to Powell and Friedkin (1987) it is however still possible to present relatively simple descriptive and explanatory arguments. My intention was to offer both simple descriptions and to illustrate the complexity of the environment of these organizations and their interwoven relationships. With a qualitative approach I intended to make a contribution to an understanding of organizational environments as Powell (1988) asks for by investigating sector specific environmental factors.

In the sporting context Slack (1997) have contributed to this discussion with an illustrative model dividing environments into a number of environmental factors (in no particular order) (cf. Berg et.al., 1993): 1. Political - the prevailing political situation, the ideology in power and domestic and foreign affairs. 2. Demographic - distribution of age, gender, ethnicity and class within the population the sector interacts with. 3. Economic - state of the market, interest rates, fiscal legislation and the global state of economy. 4. Sociocultural - class structures, cultures, trends, traditions and social climate. 5. Legal - rules, regulations and laws. 6. Ecological - physical conditions, weather, environmental influence and seasonal changes. 7. Technological - technical development and innovations. This classification stands foundation for the descriptive part of my results.

Results and Discussion

The results of this study are twofold. On one hand they offer simple descriptions of Swedish elite sport and its organizations and a few explanations regarding internal and external relationships. On the other

hand they offer an analysis of how these relationships have implications for Swedish elite ice hockey clubs.

Due to the interwoven character of the factors presented, these implications are transverse and cut across all factors. This paper suggests 5 principal implications for the elite league clubs to relate to: a) the question of resource allocation, b) the power issue, c) the matter of independence, d) competition, and e) volunteerism & idealism. A selection of these implications is presented here.

a) Elite ice hockey is losing its legitimacy as a beneficiary of official subsidies and government grants. Operations able to support themselves are more or less directed to the private sector to favour operations that are not able to benefit from commercial stakeholders. The decision to allow the limited sport company as a alternative form of organization has so far led to a division within a number of clubs with elite activities.

b) The elite clubs have access to power in many forms. With this power they could decide to break free from the Swedish ice hockey association (SIF) and form a league of their own. The clubs could also choose to exercise their power within SIF. This option could very well result in a closed league similar to an independent league. Both options would probably lead to complications related to the lower divisions, junior team activities, and national team organization. The third option is to maintain the current system with little chances for clubs in lower divisions to qualify for the elite league thus keeping the larger sums of money at the top.

c) With a slow but steady emancipation from the state, the Swedish Sports Confederation (RF) and SIF, resources from corporate sponsors, broadcasting companies, and fans are becoming more important. Relying on corporate sponsors can however be a risky business when recession hits the market. An extended independence from the state, RF and SIF will in the future move the dependency to other sources. A crucial question for these clubs is whether independence is desirable and achievable or, if not, on whom should they otherwise be dependent.

d) Volunteers, according to Berg et. al. (1993), are the most reliable financial base for sport in general and the conclusion is that few elite clubs can afford to do without them. Most people volunteer for reasons associated with parenthood, fellowship, and concern for others (Chelladurai, 1999) and the crux of this matter is whether these volunteers would be interested of volunteering if these non-profit clubs transformed themselves into limited sport companies, if the elite operations were separated from the youth operations, and if more staff were hired and got paid for doing the same duties formerly carried out by volunteers. A more likely scenario is probably that volunteers will be found where the links to the activities are closer, leaving the limited sport companies to paid staff. Considering the costs involved, keeping the club together would be more profitable on many levels.

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