

Session: **Local and global sport governance I.**

Abstract nr: **EASM-0102**

Leisure Sport Governance Principles: Czech Cycling Associations

P. Kral¹, K. Zdenkova¹

¹University of Economics Prague Faculty of Management, Department of Social Science, Jindrichuv Hradec, Czech Republic

kralpa@fm.vse.cz

Objectives

The aim of this study was to explore governance and assess governance principles within Czech cycling organizations. Effective governance is vital for professional sport organizations but its importance has been highly commented for non-profit sport organizations as well. About 17,000 members are associated with more than 350 Czech cycling organizations representing a challenge for successful organizational set-up, governance principles, and effective use of funds.

There are two dimensions determining effectiveness of organization governance: stability of governance structure and involvement of stakeholders in decision-making processes. Stable governance structure is built upon clearly outlined elements representing interest of the stakeholders (members) based on people responsible for executive functions. Stability can be observed along the lines of clearly specified competencies of governing and executive bodies and rules for election or appointment of executives. Stakeholders excluded from suggestion, acceptance, and monitoring phase cannot be perceived as involved in the decision-making process. This two dimensions lead to the matrix with four possible outcomes: stable-competent, stable-incompetent, unstable-competent, and unstable-incompetent approach to organizational governance.

Methods

The survey was conducted in cycling organizations in the Czech Republic. The population is 363 cycling organizations, members of the Czech Cycling Federation. Apart from a few professional clubs (the exact figure is unknown), the vast majority are non-profit organizations. The response rate of 12% was achieved with 44 complete questionnaires returned from non-profit cycling associations only. The questionnaire targeted elements of stable and stakeholder-involving governance structure.

Results

Aspect of having stable or unstable governance structure was concluded on the base of description of organizational structure and analysis of competencies at all levels. 86 % organizations were classified as having stable organizational structure and remaining 14 % have unstable governance structure. The approach to governance can be classified as competent in 36 % cases only, remaining 64 % organizations are governed without involving their stakeholders in decision-making.

Analysis of two dimensions reveals interdependence – in all instances, unstable governance structure leads to non competent approach to decision making processes. This case is defined as “functionless governance”. This can result for a large membership who may have different motivations to enter their cycling club. It is evident that ambiguous governance set-up entirely excludes stakeholders from exercising their power over their non-profit organization.

Stable organization structure was identified in 86 % of the sample. Conjunction of stable organization structure with non competent approach is defined as “strong executive” case and this is the situation of most (50 %) surveyed organizations. This corresponds with executive led model and points towards weak power of stakeholders in sport organizations. Only 36 % of all organizations were classified as having “efficient and effective governance” which is characterized by combination of stable organization structure and competent approach to decision-making process. Hence, organizations can act in the best interest of their stakeholders.

Conclusion

This study aimed at examining governance structure in sport organizations. The findings indicate that only 36 % of cycling organizations in the Czech Republic are governed effectively. Half of organizations are under strong influence of executives and for remaining 14 % the governance is insufficient. Absence of general meetings and regular reports is the main cause which excludes stakeholders from governing the organizations and from maintaining effective controls over strategies, fund allocations and activities.