

Threatened Legitimacy: Stakeholders Criticism Towards The Finnish Olympic Committee

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Background

The structure of the Finnish sport system has undergone many changes during the last 20 years. First, in 1990's the class-based sport movement model was replaced with the domain model, where one national service organization together with three domains (elite sport, youth sport and sport for all) constructed the nuclear of sport system. The role of the state strengthened and the sport policy system moved towards the bureaucratic configuration (Henry, 2009). Second, between the years 2010–2016, additionally two reforms took place and as a result Finnish Olympic Committee (FOC) started as a new umbrella organization of Finnish sport covering all the operations from physically activity to elite sport in 1st of January 2017.

This new situation, where former Olympic sport organization (FOC), represents the whole spectre of civic activities in the field of physical activity and sport, has raised criticism towards the organization. The purpose of this paper is to use the stakeholder theory to analyse the relationship between FOC and its stakeholders. Especially, the arguments of those stakeholder's criticising FOC are analysed and discussed.

Stakeholder theory

Early stakeholder theorist studied the ability of stakeholders to influence the firm in terms of the source of their power. Freeman (1983) defined a stakeholder as an individual or group who benefit from or are harmed by, and whose rights are violated or respected by, organization actions. The fundamental idea of the theory was, that organizations should be managed in the interest of all their constituents. Later, Mitchell, Agle & Wood (1997) identified three elements; urgency, power and legitimacy, as factors that determine how much attention management will give to various stakeholders. They further classified eight different types of stakeholders. That classification is applied to case of FOC and its stakeholders.

Donaldson and Preston (1995) recognized three aspects of stakeholder theory; 1) descriptive justifications (how organizations behave), 2) instrumental justifications (how behaviour effects performance) and 3) normative justifications (how organizations should behave). In the current situation, when FOC tries to get a broad legitimacy as a national umbrella organization for sport and physical activity, those normative justifications of the stakeholders form the primary interest of this paper. Who are the most important stakeholder's of FOC? and what kind of normative issues are they raising up about the values, goals and operations that FOC promotes?

Method

The study incorporated a qualitative methodology that utilised document analysis (FOC documents, newspaper articles of FOC and reform process year 2010–16) and five semi-structured interviews. First all the relevant stakeholders of FOC were identified though documents and interviews. Then content analysis of the selected articles and interviews were conducted.

Results and discussion

The findings of this study identified different stakeholder groups and their arguments in favour and against FOC position and strategy. Most of the members of FOC and especially traditional Olympic sport NGB's are in favour of the current model. There exist two stakeholder groups, that criticizes FOC. First, the group of "big eight". It is formed by the team sport NGB's (e.g. football, ice-hockey and basketball) and they claim that FOC is too conservative in its strategy and operations. This group is labelled as dependent stakeholders. They are packed by the growing popularity and success of team sports in Finland. However, they don't seem to have the necessary power to carry out their will. Two other critical stakeholder includes the Worker's Sport movement and regional sport associations. Those stakeholder's values are based on the local activities and sport for all. They see FOC as a model of top down elite sport organization, which jeopardizes the traditional bottom up approach to sport.

Around 85% of the annual incomes of the FOC is state subsidies. The role of the state as the dominant stakeholder of the FOC is clear. However, there is no legislation that officially recognizes the role of the FOC. Therefore, it seems that the Finnish sport policy is stuck between the bureaucratic and missionary configuration and the legitimacy of the FOC could be constantly threatened.

References

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