

Exploring Opportunities and Challenges of Mergers in Sport: A Case Study of the Korean Sport and Olympic Committee

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Aim

With the approval of the International Olympic Committee (IOC), in March 2016, the Korean Olympic Committee (KOC) (the organization responsible for managing elite sport) and the Korea Council of Sport for All (KOCOSA) (the organization responsible for mass sport development) were merged. The merger resulted in the launch of a new organization known as the Korean Sport and Olympic Committee (KSOC) that now has responsibility for developing both elite sport as well as sport for all in the country. The IOC stated that the merger was a historic step not only for the development of the Olympic Movement but also for sport in general in Korea (IOC, 2016). This is because the KSOC may be a representative case to show how sport organizations may improve the sport system through mergers. However, there have been a number of issues related to the KSOC following the merger including conflicts among stakeholders and the development of new organizational goals. It is important to achieve organizational synergies in the merger process in order for the new organization to be successful (Graebner, Heimeriks, Huy, & Vaara, 2017). As a result, understanding the opportunities and challenges associated with the KSOC merger is important for the future effectiveness of the new organization. However, relatively little attention has been paid to mergers in sport, so little is known about the opportunities and challenges faced by organizations in the sport context. The purpose of this study is, therefore, to explore the opportunities and challenges of the KSOC merger. By exploring this unique case, this study attempts to examine the implications of mergers in reorienting organizational direction and culture.

Literature Review

Although organizational mergers may be opportunities to optimize organizational effectiveness by achieving synergy, there may also be diverse challenges in post-merger integration (Graebner et al., 2017). That is, the issue of differences (e.g., structures, cultures and identities) between merging organizations may cause misunderstandings and conflicts that decrease the effectiveness of the new organization (Weber, 1996). Thus, within mergers, an understanding and integrating of the two merging organizations is important to reduce the chance of organizational conflict and to foster shared organizational goals. In sport, Stevens (2006) analyzed the overall merger processes of the Canadian Hockey Association (CHA) and showed how organizational elements (e.g., value, structure, and systems) changed based on the archetype framework in the merged organization. In doing so, the study illustrated the challenges of the merger such as value differences, lack of communication, and cultural clash. However, because the focus of the study was mainly on the internal organizational changes of the CHA merger, diverse challenges in integrating stakeholders related to the merger were not discussed. In addition, the opportunities of organizational mergers in the sport context were underrepresented. Also, there may be a fragmentation of beliefs and values among groups in changing policy priorities in the sport organization from elite sport development to mass sport development or vice versa (Steen-Johnsen & Vidar Hanstad, 2008). Thus, as the KSOC merger involves the varied sport development objectives of the KOC and the KOCOSA it seems likely that such a merger would experience diverse challenges. As such, examining the

case of the KSOC merger may provide a better understanding of the opportunities and challenges of mergers in sport in reorienting organizational directions.

Research Design and Data Analysis

A qualitative single-case study design (Yin, 2013) will be employed. More specifically, multiple types of documents and archival materials related to the KSOC merger (e.g., policy documents, archives, and newspaper clippings) are currently being collected. Additionally, semi-structured interviews (approximately 12) with key stakeholders directly involved in the merger (e.g., officials of the KSOC, national federations, and local sport councils) will be conducted (Summer 2018). Data analysis will occur in the form of a content analysis using the qualitative data analysis software ATLAS.ti 8.0 that facilitates the coding and retrieval of the data.

Results, Discussion and Implication

Preliminary findings suggest that opportunities and challenges coexist after the KSOC merger. Within the KSOC, new structures and practices were implemented to reorient organizational values and cultures to develop not only elite sport but also sport for all. However, due to lack of communication and cultural differences, there were conflicts among stakeholders in national federations. In terms of local sport councils, the lack of strategic merger planning and presidential leadership led to challenges (e.g., distrustfulness and confusion in terms of organizational direction among the staff) in post-merger integration. Data collection and analysis is currently ongoing and will be completed in summer 2018. As such, a more detailed review of the findings will be reported at the conference, and specific examples of the opportunities and challenges of the KSOC merger will be presented in order to support the results.

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