'THE PATH TO PROFESSIONALISM'

PROFESSIONAL MANAGEMENT PRACTICES & THE AUSTRALIAN SPORTS ADMINISTRATOR: A CRITICAL EXAMINATION

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SUMMARY

The general purpose of this research is to explore the literature on professional management practice and to assess its impact on the beliefs and behaviours of sport administrators in Australia. Within these broad parameters, the specific aims are: first, to identify the management systems which comprise professional management practice; second, to identify those factors that may affect sport administrators' beliefs or applications of professional management practice; and finally, to construct a typology of professional management practice used by Australian sport administrators.

Three major factors were found to affect administrators perceptions and uses of professional management practice. The first factor was identified as *fundamental assumptions*, which encompasses administrators' views on the relationship between business and sport, and their beliefs concerning the framework in which professional management practices are employed within their own personal experience. The second factor was classified as *professionalism*, which includes administrators' views on the notion of professionalism, and its effect on their application of management practices. The final factor was distinguished as *contextual forces*, which comprises the manner in which the organisational and industrial environment affects administrators' use of professional management practice. However, this thesis will demonstrate that precisely how each factor impacts upon the professional management practices of respondents remains unclear until all three factors are combined to construct a typology of professional management practice in sport.

To facilitate the conceptualisation of a professional management practice typology, respondents were categorised within two gross management perspectives: first, the common-sense approach, which views management as an activity requiring little other than common sense; and second, the theoretical best-practice approach, which holds that in addition to common-sense, there are a 'set' of management best-practices that can be used to maximise an organisations' processes and outcomes.

Broad management perspectives were combined with fundamental assumptions to create a typology describing individual approaches to professional management practice. Four categories were created, which align with the four categories created by organisational and industry direction. These four categories were labelled: first, 'Spot-fire'; second, 'Small-business'; third, 'Industry'; and finally, 'Generic'.

'Spot-fire' management practices are based on common-sense and urgent necessity, and include development planning and financial budgeting. 'Small-business' management revolves predominantly around a contingency approach, and include rudimentary forms of planning, budgeting, marketing, training, performance measurement, process analysis and human resource management. 'Industry' respondents embrace three 'professional' management techniques: first, development planning; second, financial management; and finally, marketing management. The 'Generic' approach to professional management practices is characterised by a functional systems approach, including development, financial, marketing, human resource, facility, special projects, infra-structure, event and culture management, framed within the common practices of strategic planning and quality management.

STATEMENT OF AUTHORSHIP

No other individual's work has been used without appropriate acknowledgment.

This work has not been submitted for the award of any degree or diploma in any other tertiary or educational institution.

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CHAPTER 1. INTRODUCTION

1.1 Background

Different societies react to the capitalist imperatives of competition and material growth in varying ways. Industrial societies have responded to these pressures by institutionalising and bureaucratising their business practices, and creating a mass of management theories, administrative principles, and employee training programs. At the heart of this system of management and training is a compulsive need to do things better and smarter; that is, to become more 'professional'. However, exactly what 'professionalism' comprises has rarely been addressed, and when it has, it has usually been concerned with broad assumptions and sociological interpretations.

In today's world of entrepreneurial and flexible business enterprises, professionalism is regarded as a prerequisite for success. Traditionally, professionalism has been associated with behaviour like, or along the lines of a 'professional', and belonging to a profession. The early literature on professionalism referred to those who belong to a group that possess specific knowledge gained from education and training, provide an essential service that impacts the community, and demonstrate a code of conduct that is enforced by a governing body (Larson, 1977).

While elements of this definition remain, the contemporary sociological understanding of a professional has widened to encompass a larger, more diverse occupational span. The idea of professional management has evolved into a methodology for business success. Today the term 'professional' is used to describe expert competence (Mautz 1988). Thus, professionalism refers to not only the sociological interpretation of an occupation (which emphasises training, service and ethical standards), but also to the best, smartest, most efficient and effective management practices that can be employed in any given situation. Both business and sport management/administration literature suggests that the term applies to a way of doing business, and that to describe a person or a practice as professional is to pay them the highest compliment in terms of expertise and competence (Arkin

1992; Auld 1994; Box 1993; Davis 1994; Parkhouse 1981; Reed and Anthony 1992; Thibault, Slack and Hinings 1992; Zanger and Parks 1990; Zeigler 1983).

Over recent years, professionalism has been increasingly associated with Australian sporting organisations, many of whom actively seek to achieve profits as much as premierships and participation increases. Clubs and sporting organisations must perform financially (or at the very least remain viable) if they want to survive in the highly competitive world of 'hyper'-commercialised sport. With this increasing emphasis on commerce, commodification, sponsorship and entertainment, many sport followers in Australia concede that elite sport has developed into a business (James, 1995; Mills, 1994; Stewart, 1990; Westerbeek, Shilbury and Deane, 1995). Subsequently, a more systematic and 'serious' approach to the management of sport has emerged, which has lead to an inexorable slide toward the implementation of 'business' practices in the administration of sporting organisations, and has lead many sports administrators to talk about increasing the level of 'professionalism' within their organisations by emulating competitive, commercial, profit-driven enterprises. However, while sports administrators use the term 'professional' to describe those management practices that apply to the competitive commercial world, neither the specific components of professional management practices, nor the frequency with which they are utilised, are usually identified. This thesis seeks to unravel the dimensions of professional management practice. It aims to construct a model by which to describe professional management practice in Australian sport, by first, tracing its antecedents in 'business' through a review of literature, and, by second, exploring the behaviours, beliefs and opinions of practising sports administrators.

1.2 Research problem/question

The days of sport being administered solely by volunteers is over. Professional sport in Australia is constrained by the same economic and fiscal laws that govern competitive commercial firms (Aris, 1990; Wilson, 1988). Indeed, we have seen many high profile sporting organisations struggle for survival due to questionable management practices, because sporting organisations must perform both on the field as well as off. Financial success is required to maintain the organisation's viability, and to ensure that players and employees can be offered lucrative packages to secure their services. Sporting organisations must fight for the same spectator, supporter, member, sponsor and government dollar, and can only make major decisions with the support of their members, and occasionally, shareholders. Thus, the process of administering sport differs little, on an economic level at least, from the administration of commercial businesses. These similarities have lead to a recognition in sporting clubs that their management practices must become more like commercial practices. In other words, there is a trend toward more 'professional' management practices.

However, the term 'professional', while applied universally to describe expert competence in sport, has proven elusive when it comes to specifying its constituent elements. What exactly professional management practice comprises has rarely been identified. This research aims to provide an answer to this conundrum, and it is anticipated that in doing so, will expand the management options available for sporting organisations to follow in their quest to become more effective in their administrative practices, and to provide quality services to their constituents.

1.3 Justification for the research

No matter where you turn, the term 'professionalism' arises. In recent times this term has been used in reference to the need for increased levels of competence in the management and administration of sporting organisations. This growing emphasis on professionalising management practices in sport administration is a reaction to the substantial sums of money involved in sport in Australia, and the need to manage this money 'properly'. As a result, sporting clubs and organisations are attempting to become more competent, efficient and effective. Their chosen method to achieve this goal has been to copy commercial business practices which are deemed to be more effective at generating resources and more economical in managing resources. This is because commercial enterprises simply cannot continue without being 'professional' enough to be profitable. However, the problem for many sporting clubs and organisations is that traditionally, they have not needed to make a profit. Many have survived by virtue of guaranteed government funding and 'association' support. While government funding is greater than ever before, more sporting organisations are competing for the same resources, and as a result, the government increasingly requires sporting organisations to provide documented plans outlining how grants will be spent, and how outcomes will be monitored. As a bottom line, those organisations that do not meet their goals, such as winning medals in international competition, are likely to receive less government money.

The purpose of this research, therefore, is to define what constitutes professional management practices, in order to allow sporting organisations to capitalise on this knowledge to subsequently improve their 'off-field' performances. It is anticipated that this research will not only identify specific professional management practices that connect to the practices of sports administration, but also to link them back to professional or 'best' management practices in commercial organisations. This thesis constitutes the first serious piece of research to consider these questions in a scholarly and systematic manner.

1.4 Methodology

Determining the meaning, significance and use of professional management practices in sporting organisations is a task requiring the collection of detailed information. The depth of information required was sufficient to exclude a quantitative approach; limited by rigidly constructed questions, pen and pencil tests, and scaled responses, quantitative research would be unable to yield the appropriate magnitude of insight. In other words, while quantitative research can answer 'what' and 'how many', it cannot sufficiently answer why and how. Slack (1995), argued that one of the criticisms of much of the research conducted in the sport management field is its over-reliance on quantitative approaches, thus supporting the call for more qualitative studies. A qualitative methodology was utilised for this research project, incorporating unstructured in-depth interviews with a diverse sample of sport administrators.

Theoretical sampling was used in order to ensure that a wide range of administrators were selected. The population for the sample involved national sporting organisations, state sporting organisations, and clubs participating in national league competitions. Two case-selection procedures were employed. Firstly, sampling categories were purposefully selected on the basis of their prominence in the literature, and secondly, the remaining cases were 'discovered' as data collection proceeded, their relevance to the research question arising as the data was analysed. Thus, the decision to include additional cases was justified by data as it was progressively collected. This process hinged upon flexibility, as the type of new cases cannot be predetermined.

A literature review was used as a foundation to determine purposeful sampling categories. This review indicated three circumstances that affect sports administrators' perceptions and adoption of professional management practices, and are described in detail in the Chapter two. An additional 'discovered' sampling category was also introduced, based on information obtained from initial interviews.

Twenty-nine interviews were conducted, in an unstructured and in-depth format. Data-collection and data-analysis were undertaken concomitantly, consistent with the analytic-induction method. Interviews were coded, and then categorised into clusters of relevant themes, issues and concepts that could be readily understood. This essentially interpretive, qualitative research was based in grounded theory, where all theory and interpretation evolved from the research data.

1.5 Structure of thesis

This thesis is divided into five chapters. Chapter one provides an introduction to the research topic. Chapter two is a literature review, and includes an analysis of the sociological antecedents of professionalism, a review of the commercial business management perspective of professionalism and management practices, an examination of the economic parameters of sport, and an investigation of professionalism and management practices in relation to sport management and administration. The purpose of Chapter two is to provide an understanding of contemporary thinking concerning the research problem, both in sport and in commercial business. Chapter three outlines the methodology used in undertaking this research, while Chapter four is a detailed report, explanation and critical discussion of the results. Finally, Chapter five summarises the research in the form of a conclusion.

1.6 Definitions

The idea of what management 'is' has not changed much in decades. For example, Kimball and Kimball (1947), offered a wide view of management. They stated that management incorporates all duties and functions that pertain to the initiation of an enterprise, its financing, the establishment of policies, the provision of equipment, the establishment of the general form of the organisation, and the selection of the organisation's principle officers. Later, Terry (1960), succinctly compressed the functions of management into four categories: firstly, planning, what is to be done, where, when and how; secondly, organising, who is to do what; thirdly, actuating, attaining employee willingness and co-operation; and finally, controlling, checking that the planned work is being properly carried out, and to remedy any difficulties.

Contemporary definitions of management are based on the four fundamental categories outlined by Terry (1960), and are encapsulated in the view that the common element, or essence of management is co-ordination (Chelladuria, 1995). The principles underlying sport management are no different. For example, Chelladuria (1995), defines sport management as, 'the coordination of resources, technologies, processes, personnel, and situational contingencies for the efficient production and exchange of sport services' (p.45). For the purposes of this research, management is defined as *the system of planning, organising, actuating and controlling the co-ordination of resources, technologies, processes, personnel, and situational contingencies for the efficient production and exchange of sport services.*

A practice is a habitual or systematic action or carrying on. In other words, it is a way of undertaking something. A management practice may therefore be defined as a habitual and systematic method of planning, organising, actuating and controlling the co-ordination of resources, technologies, processes, personnel, and situational contingencies for the efficient production and exchange of sport services.

Despite a myriad of definitions, the terms administration and management are typically synonymous. Mason and Paul, (1988), for example, considered the widely

quoted definitions of Williams, Clifford and Vernies, (1964) and Millet (1965), as benchmarks. Respectively, they argued that administration means, 'providing the constructive leadership that plans and maintains the program, and that enables the program to function effectively in accomplishing the established and worthwhile goals', (p.19) and, 'that it is a system of people working together, it is a pattern of co-operative activity in which the specialised talents of various individuals are brought together to achieve a common purpose' (p.2). Mason and Paul contended that sport administration is concerned with guiding and managing human behaviour, and is centred around achievement, 'getting things done' (p.3), and with progress and change. Hogg (1988), defined the term 'administration' as management, forward planning, and development of sport, in addition to the routine operation of sporting organisations, but excludes coaching, talent identification and sports science. He defined the term 'professional development' of sports administrators as relating to salaried administrators, and voluntary administrators who demonstrate a professional approach to their task, and who are concerned about improving the standards of administration and management within their sporting organisations.

For the purposes of this research, the term administration shall be defined in accordance with those proposed by Mason and Paul, (1988), Williams, Clifford and Vernies, (1964) and Millet (1965). Thus, *administration is concerned with the continuation of endeavours toward predetermined organisational goals.* Sport administrators are, therefore, individuals engaged in the sports industry, wherein they attempt to continue endeavours aimed toward the acquisition of predetermined organisational goals. Despite the minor academic distinctions between the terms management and administration, in practice the terms were used interchangeably by respondents.

Creek and Ormston (1996), provided useful definitions for the terms *professional philosophy, professional practice* and *theories:*

Professional philosophy is the profession's creed: the system of shared beliefs and values held by its members, which provides them with a common identity and which regulates professional theory and practice.

Professional practice is what the profession does: the purposeful application of knowledge, skills, and techniques to achieve predefined goals, utilising compatible frameworks and models that do not compromise the shared value system.

Theories are the ways in which the profession organises its knowledge base. They are conceptual systems or frameworks used to organise knowledge and guide practice. A theory is not a reality, but a structure invented to guide, control or shape reality in order to achieve some particular purpose.

1.6.1 Titles

A number of titles such as, 'chief executive' and 'executive director' have been used to represent the most senior employee in the organisation. Others include general manager, managing director, chief executive officer and chief administrator. In all cases the term refers to the individual at the highest level of the operational management hierarchy. This individual reports to a person, or persons who are not in the hierarchical management of the organisation, but are rather a representative of the organisations' beneficiaries, such as the board of directors, or the committee of management.

1.7 Limitations and key assumptions

Any research technique has limitations. In this case, with the use of a qualitative methodology, the principle limitation is a lack of breadth and statistical generalisability. Qualitative research cannot be generalised with statistical reliability. A more detailed examination of the methodological limitations are contained in Chapter three.

1.8 Style

Unless otherwise acknowledged, the style of this thesis is in accordance with the *Commonwealth government style manual: For authors, editors and printers* (1994), Fifth edition, Australian government publishing service, Commonwealth of Australia, Canberra. Within this system, the Harvard system of referencing has been employed.

CHAPTER 2: LITERATURE REVIEW

2.1 The antecedents of professionalism

2.1.1 Introduction

An examination of professional management practices cannot be undertaken without a review of the literature concerning professionalism and management practices as they apply to both the sports industry and to the wider commercial sector (public and private). This chapter seeks to identify and analyse relevant research literature as it applies to professional management practices. This literature review includes first, a sociological perspective on professionalism; second, a managerial view of professionalism, management practices and best-practice; third, an analysis of the sport market and its impact on the management of sport; and finally, a sport-based review of professionalism and professional management practices.

2.1.2 A sociological view of professionalism

In 1991, the Australian Council of Professions submitted a paper to the Australian Government's Economic Planning Advisory Council entitled, *'The Professional Contribution to the 'Clever Country' Concept'.* It suggested that the source of much of Australia's intellectual capital resides with the professions. The document described the traditional practice of a profession as being involved in a duty, comprising a high degree of responsibility and integrity, allied with a sense of service to the community. This view has its antecedents in a sociological interpretation.

The first sociologist to undertake a meaningful analysis of professional groups and standards of professionalisation was Carr-Saunders in 1928, who differentiated professional groups into four categories: first, established professions - religion, law, medicine and higher education; second, developing professions - engineers, chemists, natural and social scientists, and those possessing specialised arts and skills; third, semi-professions - areas that lack a theoretical study of a field of learning, but

possess substantial technical skills; and finally, aspiring professionals - business leaders and members.

Parsons (1938), developed the concept of the professions by claiming that the professional type is the institutional framework within which the majority of important social functions are undertaken. He observed, as had Carr-Saunders before him, that the upper levels of industrial society, businessmen, were forming professions. Parsons viewed businessmen and professionals as comparable in the sense that their emphasis is on the most efficient and effective method of practice, they are characterised by their specific work, they are each limited to their own specific field of expertise, and they make decisions based upon reason and rules.

While the ideology underpinning professional practice varies substantially, the definition of professions by social scientists are comparable in most cases. Larson (1977), in his sociological analysis of professionalism, summarised professions as occupations with special powers and prestige granted by society. He further identified professions as possessing, 'special competencies in esoteric bodies of knowledge linked to central needs and values of the social system' (p.XI), and that professions are 'devoted to the service of the public, above and beyond material incentives' (p.XII).

Daniel Soucie (1994), summarised professional behaviour as involving: first, a full-time occupation; second, membership in a formal organisation; third, advanced education and specialised training; fourth, a scientific and esoteric knowledge base; fifth, a service or client orientation; sixth, autonomy restrained by responsibility; seventh, an established code of ethics; and finally, political actions. Soucie argued that professionalisation is the quest for recognition and status by an occupation, while Fris (1975), argued that professionalisation is a developmental process whereby an occupation comes to display increasing amounts of the characteristics of a profession. Similarly, Vollmer and Mills (1966) defined professionalism as the attitudinal behaviour of an individual working within an occupation, and professionalisation as a dynamic process whereby many occupations alter specific

characteristics in the direction of a profession. Kornhauser (1963), like Fris, stated that a profession is characterised by expertise, autonomy, commitment, and responsibility. Barber (1965), in contrast, viewed professional behaviour as involving the application of general knowledge, community interest, and a code of ethical conduct.

While there seems to be common acceptance of the general nature of a profession, the views on the manner in which professions fit into the social order differ considerably. Durkheim (1937), for example, saw professions as the predominant vehicle for individual self-interest to be withheld in favour of the needs of the community and the society. On the other hand, Parsons, (1938) believed that professionals were no more altruistic than business people or any other profit-seeking workers. Mannheim, (1936) developed the thesis that cultural life within the boundaries of 'free-enterprise', industrial, capitalist nations were becoming less attached to class identification, and more associated with the bonds of common education and professionalism. This viewpoint stood in opposition to the doctrine of Marxism which advocated that irrespective of autonomy or detachment from any pre-existing social group, all remain within the confines of a class society.

Martin Laffin (1986), while acknowledging the traditional sociological pursuit for a definition of a profession, viewed the concept differently. He noted that typically the definition has comprised a set of qualifying attributes. Laffin lists the following as common dimensions of a profession (adapted from Moore, Wilbert., *The Profession: Roles and Rules,* Russell Sage, New York, 1970, professionalism. p.6-22): first, the possession of an established body of systematic knowledge; second, a commitment to altruistic services to the client; third, the existence of an occupational association (the membership of which is the license to practice; fourth, a high level of educational achievement among practitioners; and finally, a considerable autonomy at work.

Laffin criticised this approach because it, 'assumes a consensual and static view of society' (p.216). He suggested that his research indicated that the relationship

between a profession and other political and social power centres are critical, rather than the internal characteristics of a profession. Laffin viewed professional attributes as inconsistent measures of professionalisation, emphasising the relationships between a profession and other power centres within a society. Accordingly, Laffin argued that professionalism should be defined by the type of occupational control, rather than as an expression of the inherent nature of particular occupations. He stressed that a profession is unique in its ability to control its own work; its central aim to maximise its autonomy and freedom from others.

Caro (1992), acknowledged the continuing debate on the definition of the word 'profession', and suggested his own definition which advocated that a professional is an individual with specific expertise, knowledge and skill, covered by appropriate educational qualifications who has been invited to join a body of his/her peers. He additionally stipulated that the body must have established entry requirements, codes of behaviour, conduct and ethics, including the power to discipline or disqualify any member. Furthermore, Caro argued that society must accept group membership as an essential prerequisite for the member to practice in his or her area of expertise.

Caro questioned whether anyone should care about being regarded as a professional. He cited examples of discredited and successful 'professionals', such as football entrepreneur Geoffery Edelstein and Professor Fred Hollows, respectively. Indeed, Caro proudly announced that he personally was not a professional. The non-professional cannot hide behind the group protection offered by membership to a governing body; academics, politicians and managers, for example, should be prepared to be judged by their quality of work, depth of ability, and policy decisions.

In his exploration of the 'fortunes and prospects' of professionalism, Sullivan (1995, p.XVI), accentuated the varied outcomes of professionalism and professional occupations. Like Caro, he appreciated that at its worst, professionalism can force individuals to take a narrow and personal competence focus; but also noted that at its best, professionalism has strengthened group responsibility through work for ends of social significance. Sullivan concluded that professionalism forms a pivotal

connection between individual acquisition of competence and the exercising of that competence for the benefit of society. In other words, professionalism is the glue that binds individual opportunity and the wider needs of the community to form a mutual and productive interdependence. Although he argued that professionalism as a sociological notion is about occupational control of work, Freidson (1994), like Sullivan, acknowledged the need to regenerate the concept of professionalism to assimilate both its positive and negative attributes.

Table 2.1, on the following page, summarises the sociological views on professionalism described above. It includes key phrases which define the broad viewpoint of each author, and identifies the components of a profession that each writer advocated. As can be seen from Table 2.1, the contemporary understanding of professionalism has evolved chronologically from political and sociological commentaries. The sociological model of professionalism can, therefore, be viewed as a reflection of cultural practices which value skill, knowledge and the rewards associated with possessing competence. Thus, professionalism in a sociological sense is an attempt to translate specific skills and knowledge into political, financial, social and intrinsic rewards, the results of which may prove either positive or negative. The dominant themes running through these models of professionalism are money, status, power and privilege.

Table 2.1 - Summary of sociological views on professionalism and professions (chronological order)

Author	Broad View	Components of a Profession
Carr-Saunders (1928)	Four types of professions	1) Established; 2) developing; 3) semi; 4) aspiring.
Marx	Professionals and non-professionals are all commonly part of a class society.	
Mannheim (1936)	Free-enterprise leads to increased levels of professionalism.	
Durkheim (1937)	Professionalism is a vehicle for self-interest to be withheld in favour of the needs of the community.	
Parsons (1938)	Professions are those wherein important social functions are performed	1) efficient practice; 2) specific area; 3) limited to field; 4) makes decisions based on reason.
Kornhauser (1963)	Professions are characterised by four factors.	1) expertise; 2) autonomy; 3) commitment; 4) responsibility.
Barber (1965)	Professional behavior is the application of knowledge, community interest, and ethical conduct.	
Vollmer and Mills (1966)	Professionalisation is the attitudinal behavior of an individual working within an occupation.	
Fris (1975)	Professionalisation is a development process where an occupation increasingly adopts the characteristics of a profession.	
Larson (1977)	Occupations with special powers and prestige	1) special knowledge useful to society; 2) devoted to service; 3) service above material gain.
Laffin (1986) and Moore (1970)	Five characteristics of a profession.	1) Existence of an established body of knowledge; 2) client oriented; 3) existence of an occupational association; 4) high education levels; 5) autonomy.
Thompson (1991)	Professions are inherently intellectual.	1) Duty; 2) responsibility and integrity; 3) service to the community.
Caro (1992)	Professions are a haven for the mediocre.	1) Specific expertise; 2) knowledgeable and skillful; 3) educated; 4) member of a registered body (which has entry requirements, and a code of conduct).
Soucie (1994)	Professionalism is a quest for recognition and status.	1) Full-time; 2) members of bodies; 3) educated; 4) scientific knowledge; 5) service orientated; 6) autonomous; 7) ethical; 8) political.
Freidson (1994); Sullivan (1995)	Professionalism is both a problem and an opportunity	

2.2 A commercial approach

2.2.1 Introduction

To thoroughly explore the professional practices utilised in sporting organisations, it is necessary to trace their foundations in commercial business and public sector management. Recently, Canadian Trevor Slack (1995), in delivering the Earle F. Zeigler Award lecture, focused on the inability of sport management to accommodate the changes that have occurred in the leisure industry. Slack argued that this problem has its root in the isolationist attitude of the sport management profession. He noted that in 1967 Spaeth (1967), was concerned that few in the sport management field appeared aware of developments in management theory. Slack also quoted Zeigler, who, twenty years later, was equally concerned that sport management's use of general management literature had only marginally increased. Slack commented:

> *Any analysis of the literature in our field would, I believe, reveal that much of our research has failed to take into account current concepts and theories from the broader field of management. This situation is, in my opinion, highly problematic. Studies that are not based on sound and current theories are limited in their relevance and generalisability. As such, they gain us little credibility with practising sport managers or with scholars in the broader academic community. They also do little to move our field forward or to establish us as the leading experts in our chosen area (p.99).*

Slack offered a simple remedy to this predicament: 'the first and most obvious step is to ensure that we are familiar with current concepts and theories from the area of management and that we use these ideas to underpin our work' (p.99). In addition, Slack maintained that secondary data sources have been under-utilised, and advocated the analysis of the voluminous material on sport and sporting organisations contained in the popular press, business journals, trade journals, company reports and other related documents.

What follows is a review of the business and management literature, which 'underpins' the work on professionalism and professional practices undertaken in the field of sport management.

2.2.2 Management as a profession

No examination of professionalism or professional management practices can escape a discussion on the evolution of management itself as a profession. As discussed in the previous section, while the essential elements can vary, there are typically common characteristics that help to identify a profession. The emergence of management as a profession (in the sociological context), reflects a growing connection with professional management (in a management practices context). Becoming a professional has become synonymous with utilising professional practices.

Michael Reed and Peter Anthony (1992), for example, argued that management is an organisational profession. As a profession, they believe that management must take its responsibilities to the organisation seriously, and must be prepared to protect the long-term interests and viability of the organisation against short-term environmental pressures. Reed and Anthony specified that it is the education of managers that will bolster their performance in maintaining ethical and political integrity within the organisation. In simple terms, the education of managers is essential to prepare them for the pressures and priorities associated with working in complex organisations. The result is a more competent manager, behaving with appropriate conduct.

Roger Brauer (1994), however, took a broader approach to management professionalism, acknowledged the importance of professionalism, and argued that professions require management in order to best function. He identified the features associated with managing a profession. They included: first, increasing visibility and recognition of the profession; second, taking charge of the destiny of the profession; third, maintaining and communicating the academic, ethical and competency standards of the profession; and finally, equipping members to cope with changing business environments, technology, societal demands and government regulations. Again, the result of concentrating on the 'appropriate' management of a profession will lead to more competent and ethical managers.

However, the self-regulation proposed by Brauer is accompanied by certain dangers. Russell Grant (1993), suggested that like profit-oriented firms, professional societies should report to the government on how they exercise their professional privileges. Moreover, professional societies should repay their country for the opportunity to self-regulate as professionals. Grant indicated that this might be accomplished via a formal document that sets out the nature of the societies' commitment to serve and improve the nation. Grant, like Brauer and Reed and Anthony, emphasised the tangible and preferable outcome of identifying management as a profession; it should not fail to improve 'professional' management. In other words, unless becoming a profession has a positive outcome in terms of creating 'better' managers, the process is pointless.

2.2.3 Research on professional management

The dominant theme of modern business literature, that of improving performance, is the central issue of professional management. This concept of professional management, which incorporates performance enhancement, has filtered through to non-profit industries. For example, Robert Carbone (1994), acknowledged this development in the fund-raising industry. He observed that a review of fund-raising literature revealed a preoccupation with, 'how to do your job better'. This preoccupation originated with traditional business organisations, and has filtered to almost all sections of the marketplace, including the sport market.

Carbone argued that to become a profession, an occupational group must display more than competence. He contended that expertise on the job is not sufficient for the acquisition of professional status. The attainment of professional stature requires behaviour and attitudes that extend beyond mere competence. In other words, it is not sufficient to be merely competent, but rather professionalism incorporates additional specific behaviour.

In order to gain an appreciation of fund-raisers' sense of professionalism, Carbone conducted a survey of the occupation. While the results of this research are of no

practical relevance to this research, the data gathering process is of interest. The instrument used in the survey was based on six characteristics associated with professional behaviour. The six characteristics employed were: first, autonomy of decision-making; second, a systematic body of knowledge and skills; third, self-regulation and collegial standard setting; fourth, commitment to and identification with the profession; fifth, altruism and dedication to service; and finally, a code of ethics. The characteristics chosen by Carbone indicate a heavy emphasis on the behavioural aspect of professional management in contrast to practical competencies.

Kenneth Schneider and James Johnson (1994), shared a concern for the conduct aspect of professional management, and examined the extent to which deregulation led to changes in the professionalism and ethical conduct of trucking company salespeople. Schneider and Johnson did not specifically define the term professionalism, however, they implied that it is related to education and training in the most effective sales and managerial techniques, better standards to measure performance, and greater technical orientation. These components of professionalism combine to improve ethical conduct. Although concerned with proper behaviour, Schneider and Johnson's perspective is one that combined management competence and desired behaviour in employees. In this sense, they start with competent management practices in order to achieve ethical conduct, whereas Carbone begins with ethical conduct in order to achieve improved managerial performance. Either way, it is clear that competence in management and appropriate conduct are related to professional management.

It is at this stage that the sociological perspective of professionalism and the managerial view overlap. Both Carbone (1994) and Schneider and Johnson (1994) tangentially referred to professionalism from a competence related viewpoint, and directly refer to professionalism from a behavioural perspective. While their primary orientation was with the achievement of professional management, they appreciate the inextricable link between professionalism and performance. In other words, the point of becoming a profession is to enhance the credibility and the performance of

an occupational group. Thus, increased performance is undeniably associated with the establishment of professional status. While the literature on professions and their sociological significance alludes vaguely to the importance of greater, more effective and efficient management systems, the literature on management wholeheartedly embraces the link between professionalism and performance enhancement. Moreover, management literature neatly divides professionalism into two main categories; 'competence' and 'conduct'.

2.2.4 Definitions of professionalism

Mautz (1988), recognised that two definitions of professionalism exist. First, he used the term approvingly to those who perform special kinds of service, while in the second he applied the term also admiringly, to describe those with extraordinary skill and motivation irrespective of the nature of the activity. Mautz hypothesised that this second application of the term explains the origination of the phrase 'he's (or she's) a real pro!'. Mautz highlighted this usage by describing its application to sport:

> *Here the word 'professional' is used in the same sense it is used so often in the sports world to describe the skilled, highly motivated, show-them-no-mercy and expect-none contestant who sees his competitors not as colleagues sharing goals and philosophy but as antagonists to be defeated. To such 'professionals', stress and pain are part of the contest, tools of the trade. In the competitive world in which we live, that kind of professionalism is much admired and well rewarded. Indeed, the ultimate measure of that professionalism tends to be one of compensation. We do have all-star teams and other means of recognition, but we judge the success of most competitors in financial terms. The market is the ultimate test (p.88)*

Mautz' observation that the market is the ultimate test for professionalism succinctly captures the term's contemporary application. He pointed out that the idea of professionalism which focuses on expertise, growth, profitability and competition has supplanted the traditional concept of a profession as an occupation, that demanded intangible levels of skill, effort, responsibility, wisdom, and a concern for the public welfare. Mautz named the market determined style expert-competitor (EC) professionalism. In EC-professionalism, the skilled, highly motivated

competitor strives to provide the best possible client service in order to obtain maximum profit over the long term. Moreover, any service that receives market acceptance is neither illegal nor immoral because in a free-enterprise system, the market provides all the filtering necessary.

Anat Arkin (1992), also acknowledged two types of professionalism in discussing professional development. Arkin proposed that professional development is promoted by professional bodies and relates to individual professional needs, while the second is promoted by companies in order to develop greater organisational performance. Arkin also recommended the employment of project groups to assist in the professional development of employees within organisations, who should formulate a professional development plan detailing a competence-based approach to management development. Furthermore, it should be designed to assist staff in achieving their own personal objectives in addition to company goals. It should list core and subsidiary competencies such as business awareness and leadership, as well as functionally specific coaching and counselling skills. Training courses should also be offered to further develop employees' skills.

Despite a different contextual approach to the issue, both Mautz and Arkins' viewpoints are fundamentally congruent. Both envisaged a type of professionalism that involves individual or organisational promotion for the purpose of development; Mautz saw the culmination of that development in terms of service, while Arkin emphasised personal development. Further, they both regarded professionalism as containing a component of competence in performance.

Many writers referred to the concept of professionalism, but failed to adequately define its determinants. Instead they typically allude to it indirectly, in vague explanations of success or high performance. For example, in highlighting the success of stockbroker U.S. Equities, Jerry Davis, (1994) quoted one client who stated that they, 'picture U.S. Equities as a company with real professional people' (p.19). The statement was not put into context by Davis, but instead served to explain the profitability, quality and reputation accumulated by U.S. Equities. This

appears to be a common usage of the term professionalism. While the term is used in business to describe an enormous variety of situations and practices, the majority seem to be fundamentally linked to either improved performance or superior conduct. However, few define their meanings precisely, apparently assuming the concept is universally understood or clear within the context of their discussion. Richard Box (1993), for example, failed to adequately describe the components of professionalism. Instead, he explained the by-product of professionalisation:

> *It is true that professionalism tends to lead to progress if progress is defined as improved management systems leading to increased economic activity and physical growth (p.410).*

Both Davis (1994) and Box (1993) used the term 'professional' in a similar vein to Mautz, to describe expert-competence.

However, not all writers neglect a definition for professionalism. In discussing the demarcation between entrepreneurship and professional management, Tony Watson (1994), specified that professional management is sometimes used to explain that someone is being paid to undertake an activity, as opposed to doing it for pleasure. Watson asserted that it is also used to describe the highly competent. He also highlighted some of his own research regarding the perception personnel managers have concerning the notion of professionalism. His research identified that there are two popular associations with the term professional; being qualified and certified, and being very skilled or competent.

Another definition of professionalism was reported by Jackson (1992), who highlighted the views of Steven Foerster from the University of Western Ontario. Professionalism according to Foerster comprises three elements: the first is knowledge, the second is being able to share this knowledge in a manner that benefits clients or customers, and the final element is a strong adherence to ethics. Thus, professionalism implies a strong educational background, both pre and post employment and at both a formal and informal level. Gerry Romano (1994),

followed a similar line of reasoning, arguing that in order to focus on enhancing professionalism, individuals must maintain and improve their specific knowledge levels, thus expanding their competencies.

Terry Jackson's (1992), version of professionalism incorporated education and strong ethical standards, while to Geoffrey Hazard (1993), professionalism comprised style and etiquette appropriate to a given situation. Joan Linder (1994), referred to professionalism as a complex combination of attitude, appearance and behaviour, while similarly, Michael Patton (1994), viewed professionalism as comprising formal business attire, appropriate certification or education/training, and commanding respect from colleagues and customers as a result of quality productivity.

Although troublesome to quantify, professionalism has also variously been defined to include attitudes that reflect a commitment to certain standards of performance and behaviour (Griffin, 1993; Peterson and Nisenholz, 1987; Vacc and Loesch, 1987; VanZandt, 1990; Weiss, 1981). Thus, two clear themes emerge from the above discussion of professionalism, which can be encapsulated in the importance of appropriate ethical conduct and skilled or competent practice. The acquisition of both is linked to education and training. Table 2.2, on the following page, provides a summary of the definitions of professionalism discussed above.

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Table 2.2

Summary - Definitions of professionalism

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Author	View
Arkin (1992)	Two types of professionalism. Relating to : 1) individual - professional needs; and 2) organisational - performance needs.
Box (1993)	Professionalism leads to improved management systems and economic/financial advantages.
Davis (1994)	Professionalism leads to profitability, quality and service.
Griffin (1993)	Commitment to certain standards of performance and behaviour.
Hazard (1993)	Professionalism comprises style and etiquette.
Jackson (1992)	Professionalism incorporates education and ethical standards.
Linder (1994)	Combination of attitude, appearance and behaviour.
Mautz (1988)	Two types of professionalism. Relating to : 1) service; and 2) competence.
Patton (1994)	Professionalism includes education, etiquette, and the delivery of a quality service.
Peterson & Nisenholz (1987)	Commitment to certain standards of performance and behaviour.
Romano (1994)	Two types of professionalism. Relating to : 1) knowledge; and 2) competency.
Vacc and Loesch (1987)	Commitment to certain standards of performance and behaviour.
VanZandt (1990)	Commitment to certain standards of performance and behaviour
Watson (1994)	Two types of professionalism. Relating to 1) being qualified; and 2) being skilled and competent.
Weiss (1981)	Commitment to certain standards of performance and behaviour.

2.2.5 *'Professional' management practices*

There is little consensus as to what 'professional' management practices specifically encompasses, but there is a consensus that professionalism in management generally relates to 'expert-competence'. While components of professional management practices are elusive, it is common for organisations to promote themselves as being professionally managed. For example, *Indotronix International Corporation*, on its

Internet advertisement, considered their success to be a function of their professional management approach, which emphasises a commitment to quality and excellence (Indotronix International Corporation, 1996 - World Wide Web Internet Address: http://www.indo.com.au.

Although ambiguous, there is no lack of opinion on the broad issue of professional management practices. *Asian Business* Magazine (1995), for example, asked four 'leading' (but anonymous) Asian business managers for their thoughts on the trends for the future. Specifically, the magazine wanted to know how those leaders intended to keep their respective organisations at the forefront of Asian business. Their resounding response was to highlight the necessity to introduce what they termed professional management practices. While none of the business leaders defined professional management precisely, they described the need to exercise flexibility and competitiveness while developing human and financial resources. One business leader specifically mentioned the importance of creating a business culture in his organisation, and utilising the technique of strategic planning.

Meg Whittlemore (1994), provided another perspective in addressing the shift in the franchise industry toward professional management. Whittlemore submitted that this shift is a response to the pressures of the marketplace with investors expecting proven management techniques to be applied in the businesses' administration. Whittlemore quoted Michael Witte, chairman and CEO of *AlphaGraphics Printshops of the Future*, who neatly defined professional management practices as methods for looking at business using analytical tools such as forward planning and benchmarking, in order to establish best business practice. He identified the need for key support structures, including training manuals, standardised communication procedures, performance measurement, and training programs.

These 'best-business practices' can be applied to any business enterprise, with professional management commonly perceived as a pre-requisite for business success, irrespective of the industry involved. The need for professional management practices has even stretched to include circuses. Alvin Reiss (1995),

examined some of the 'professional' management practices that the Executive Manager of a circus, James McIntyre, undertook in order to move the organisation from the brink of financial collapse to security and profit. McIntyre focused on the use of strategic planning, generating strong relationships with the management board, and the development of a close working relationship with the organisation's employees.

In contrast, William Morin (1994), took a skills approach to the development of professional management. He named the skills required of a professional management consultant specialising in human relations. Although the skills he identified were not practices per se, their application precedes the development of increased managerial competence. The first skill he described was continuous learning, wherein professionals must keep aware of rapidly changing market conditions and competitive pressures in addition to advances in human relations strategies. The second skill was the ability to take a global perspective and the capacity to facilitate the management of diverse groups of people. The third skill was team leadership, in order to assist in group planning and implementing processes. Financial and marketing literacy skills comprised the fourth area, and the fifth area involved effectiveness measurement skills. The final two capacities Morin recommended for professional management were consulting and presentation expertise. A manager applies their proficiencies by practising management techniques that will assist their organisation in achieving its desired objectives.

An entirely different viewpoint of management practices was offered by Samuel Eilon (1992). He examined the determinants of corporate performance and concluded that it is determined largely by the broad theory for success that management subscribes to. This theory is partially determined by the perceived strengths and weaknesses of the organisation. Thus, corporate performance is determined by the alignment between the fundamental theory of management adopted by the organisation and the market within which the organisation operates. In this sense, Eilon proposes a contingency approach to professional management

practices, arguing that successful practices will reflect the fit between the organisation and its environment.

Eilon distinguished seven theories of 'market-orientation': first, great man theory - where the organisation is lead by a single charismatic, transformational leader; second, technology dominance theory - where the organisation is dependent upon superior technology and research and development; third, product dominance theory - where the organisation depends upon the uniqueness, quality or range of its product or service; fourth, market dominance theory - where the organisation is market-oriented and dependent upon marketing and market research; fifth, productivity factor theory - where the organisation bases its performance upon high productivity and low unit costs; sixth, economies of scale theory - where critical mass is achieved through large, high production facilities; and finally, organisational structure theory - where the structure of the organisation is adapted to fit the production of the good or service.

Peters and Waterman (1982), like Eilon, recognised the importance of organisational context, but viewed the concept of professional management in more mechanistic terms. They stated that, 'professionalism in management is regularly equated with hard-headed rationality' (p.29). They explained that professionalism is synonymous with a rational approach that holds 'unshakeable facts' in high regard, in addition to the utilisation of a, 'detached, analytical justification for all decisions' (p.29). However, they cautioned that a strictly quantitative, rationalist approach can be misleading and counterproductive.

Table 2.3, following, provides a summary of viewpoints on professional management practice.

Table 2.3
Summary - Professional management practices

Author	View
Asian Business Magazine Survey (1995)	Flexibility, competitiveness, development of human and financial resources; culture and strategic planning.
Eilon (1992)	Professionalism reflects an alignment between management practices and the market.
McIntyre (1995)	Strategic planning, board cultivation, close relationship with employees.
Morin (1994)	Skills approach, underpinning the utilisation of professional management practices.
Peters and Waterman (1982)	Based on rational analysis of facts.
Witte (1994)	Formal planning, benchmarking, established best practices; utilisation of key support structures such as training, communication and performance evaluation.

2.2.6 Best management practice

'Best practice' has become one of the management 'catch-cries' for the 1990's. The term is frequently used interchangeably with 'professional practice', and reflects the modern managerial fixation with developing higher levels of competence. Indeed, best practice epitomises contemporary businesses' preoccupation with 'higher, greater, better, further and faster'. Thus, best practice can be seen as a reflection of the desire to become more 'professional'. A brief review of best practice follows.

According to Arthur Anderson Consulting, (1997) best practice management techniques are the assumed and proven management methods that are common and fundamental to the most efficient and effective functioning of organisations. In the simplest possible terms, they are the best ways to perform a process. In contrast, Alan Reder (1996), defined best practices as the innovative and successful practices that can be integrated into the workplace to ensure that the organisation produces socially responsible outcomes. While much has been said in business literature regarding the definition and components of best practice, verifiable research is limited. Several best practice researchers cautioned that the value of much that is written on the subject is little more than hearsay, personal opinion of the author, or

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based on vague, unsubstantiated or questionable assumptions (Bardach 1994; Fitz-
ens 1993; Lynn 1989). General discussion of best practices does, however, aim to
widen the range of solutions to problems (Bardach 1994).

Paul Straussmann (1995), discussed the flaws associated with best practice literature.
He speculated that many consultants promote a catalogue of best practices, but fail
to explain how the practices meet the needs of the customer. In addition, he pointed
out that often the lists of best practices advocated are unsubstantiated; never having
been publicly validated by any independent measures of performance. Straussman
emphasised that every best practice list should be different, and that consultants
should be unable to draw lists of generic best practice techniques. He argued that
every firm is situated within a unique business landscape. As a result, each best
practice method must address the specific context in which a business is placed.
According to Straussman, excellence is created from the way management
harmonises its resources, which is not the same from company to company. While
Straussman's point that much of what is written on best practice is unsubstantiated
and unreliable is well founded, his view that a set of common, ubiquitous practices
cannot be identified, is in the minority.

Helliwell (1992), for example, insisted that any organisation or business can benefit
from the careful application of best practice strategies, which are determined from a
detailed examination of the experiences of other businesses. A similar view was
taken by George Fodor (1992), who described the management practices of *Bearings
Inc.*, a leading industrial firm, which incorporates continuing education and training
within a total quality management framework. Fodor also highlighted the company's
practice of focusing on the development of management personnel in order to
optimise the effectiveness of the best practices selected. Robert Scheier (1995),
explained another best practice ideology similar to Helliwell and Fodor, in reviewing
the techniques used by management consultant Mark Okey. Okey's method of best
practice revolved around rigour in analysing processes, irrespective of their nature.
Thus, process analysis should be conducted equally for manufacturing and service
based industries. Like Helliwell, Okey maintained that close scrutiny of other

industries' best practices may help an organisation conduct its own process analysis, with, as Fodor also suggested, attention to employee retraining.

Consultants Jan Blackmore and Janet Donahue (1995), emphasised this role of employee training and retraining in their analysis of best practice techniques. They recommended establishing a sound sales culture, wherein managers are responsible and accountable, with consistent performance goals and indicators. Furthermore, communication channels should remain open, allowing interdepartmental teams to function efficiently. Details on how this would be accomplished was not included in their discussion of best practice techniques. This is common in best practice literature. Often the practices which are 'best' are catalogued, but it is uncommon for writers to include information on either how to implement these recommended practices, or details on how they determined their approach.

One exception is Theodore Kinni (1994), who linked quality and performance with best practice techniques such as benchmarking, in reviewing the work of benchmarking specialist, Robert Camp. Camp, author of *Benchmarking: The Search for Industry Best Practice that Lead to Superior Performance,* demonstrated that all types and sizes of businesses can benefit from benchmarking as a tool to improve performance. Camp is one of the most prominent exponents of benchmarking as a best practice technique, and is typical of the dozens of authors celebrating its merits. The benchmarking approach to best-practice focuses on the analysis and duplication of the processes used by similar but superior competing organisations. This approach is consistent with Helliwell (1992), Fodor (1992) and Okey (1995), although they do not mention the term 'benchmarking'.

Benchmarking is a common and typically inclusive component of best-practice, yet receives a substantial amount of coverage as a technique in its own right. However, benchmarking is a complex and detailed process that will not be discussed fully here. Nevertheless, it is necessary to highlight that benchmarking is considered by many writers on best-practice as a fundamental tool for the achievement of professional or successful management practice (American Productivity and Quality Centre, 1996,

1995; Anderson, 1996; Bolon, 1995; Champy, 1995; Gannaway, 1996; Grace, 1996; Kaemmerer, 1996; Parker, 1995; Porter, 1996; Woods, 1995; Zairi, 1996).

While similarities exist concerning 'macro' best practice techniques, it may be prudent to acknowledge the warnings of Straussmann, Bardach, Fitz-enz and Lynn. They noted that writers on the subject of best practice in business organisations tend to reach dubious, and often unsubstantiated conclusions regarding its components. Recommendations therefore centre primarily on opinion, isolated events and subjective interpretation. However, there is some research that cogently supports the distinction of some of the practices considered above, and are addressed in the next section. The major themes that connect the discussion on best practice are provided in Table 2.4, on the following page.

Table 2.4
Summary - Best practice ideologies

Author	View of Best Practice
American Productivity and Quality Centre, (1996), (1995); Anderson, (1996); Bolon, (1995); Camp (1994); Champy, (1995); Gannaway, (1996); Grace, (1996); Kaemmerer, (1996); Kinni (1994); Parker, (1995); Porter, (1996); Woods, (1995); Zairi, (1996)	Benchmarking as an essential component of best practice.
Arthur Anderson Consulting (1996)	Best ways to perform a process.
Bardach (1994); Fitz-enz (1993); Lynn (1989)	The majority of best practice techniques are questionable and unsubstantiated.
Blackmore and Donahue (1995)	Strong culture, use of performance goals, open communication and use of teams.
Fodor (1992)	Education and rigorous decision-making.
Helliwell (1992)	Rigorous and sequential processes.
Okey (1995)	Rigorous scrutiny of systems and perpetual testing and re-testing.
Reder (1996)	Best practices are ethical and socially responsible.
Straussmann (1995)	There are no generic best practices; practices are industry and organisation specific.

2.2.7 Best practice research

Very little empirical research has been undertaken concerning best practice. However, what does exist is rigorous and convincing. A review of the research into best practice follows.

In 1992, the American Quality Foundation (AQF) commissioned a study to explore the management practices that impact upon profit, productivity and quality improvement. Data was collected on 945 quality-related management practices from 102 assessment areas. The major categories of assessment were: first, management

systems; second, human resources management; third, administrative support development; fourth, new product/service identification; fifth, new product/service development; sixth, entry into market; seventh, application of technology; eighth, supplier management; ninth, process management; tenth, quality assurance; eleventh, customer relations; twelfth, planning process; thirteenth, financial statistics; fourteenth, overall quality strategy; fifteenth, quality position; and finally, cultural characteristics.

Four industry segments were analysed within four countries: they were the banking, health care, automotive, and computer industries within Canada, Germany, Japan, and the United States, respectively. The study was performed over a two year period, and 584 organisations participated.

A five-step process was used to determine best practices. The first step was to specify performance indicators, which were measured along three dimensions: profitability, productivity and quality. The second step involved a segmentation of the data base, in which organisations were grouped into higher, medium or lower categories, in each of profitability, productivity and quality. Return-on-assets figures were used to segment profitability, and productivity was portioned by value-added-per-employee figures. The third step required an analysis of the relationships where descriptive statistics were compiled to identify trends across industry segments and countries, while a regression analysis was performed to determine which factors were associated with increased profitability, increased productivity, and increased quality. The fourth step specified a consolidation of the findings to form composites of lower, middle and higher categories. A determination of competitive advantage was the final step. This was undertaken by comparing the general direction of the relationship, either beneficial or detrimental, with the frequency of use of each management practice.

Despite the diversity of management practices studied, the results surprisingly indicated that only three factors had a universal effect on profitability, productivity and quality. The management practices which improved performance in all

industries and countries were *supplier certification, deployment of a strategic plan, and process analysis.* Formal programs for certifying suppliers indicated an across-the-board increase in the performance of the organisation, with an emphasis on quality and productivity. Diverse comprehension of the strategic plan by people inside and outside the organisation additionally had a beneficial impact on the organisation's performance, as did all process improvement strategies such as process value analysis, process simplification, and process cycle time analysis.

The usefulness of other management practices was context specific. The most significant contextual factor was the existing level of organisational performance. Different management practices worked best where the organisation was a high performer in terms of return-on-assets and/or value added per employee figures.

Other results also indicated that world best practice benchmarking, a benchmarking technique that measures performance against the highest industry standard in the world, was beneficial to high performing companies, and detrimental to low performing companies. The report suggested that an organisation should benchmark against similar organisations, which are performing slightly better, or else, productivity will suffer.

Other comprehensive 'best practice' research was commissioned by United States Congressman Donald Ritter, who commissioned the United States General Accounting Office (GAO) (1992), to determine the impact of management practices on the performance of selected U.S. companies. The report focused on Total Quality Management practices and best practices. The GAO reviewed twenty companies that were amongst the highest scoring applicants in 1988 and 1989 for the Malcolm Baldrige National Quality Award. The methodology for the study was developed from interviews with experts in industry, professional and trade associations, universities, and government agencies. In addition, a comprehensive review of quality management literature was undertaken.

Results from the study indicated that companies which adopted quality management practices experienced an improvement in corporate performance. In particular, organisations that employed TQM practices enjoyed better employee relations, productivity, customer satisfaction, market-share, and profitability. Six interrelated features consistently appeared in the organisations' TQM practices that contributed to improved performance. They were: first, attention to meeting customer satisfaction; second, management dissemination of TQM values throughout the organisation; third, employee involvement in improving all key business processes; fourth, a flexible and responsive corporate culture; fifth, a fact-based decision-making system; and finally, partnerships with suppliers.

Another major study which investigated 'best practice' was undertaken by the Saratoga Institute of Human Resource Effectiveness in the United States. Senior researcher, Jac Fitz-enz (1993), reported that the top performing twenty-five percent of organisations have eight common best practices. However, Fitz-enz cautioned that much of what is written concerning best practice is inaccurate, superficial or simplistic. He commented that business journalists in search of topical stories applaud apparent use of best practices, and imply that the practices in question are generalisable and symptomatic of trends. Fitz-enzs additionally identified two major problems with best practice research. The first problem is related to the definition of the term, 'best-practice'. What best practice encompasses is highly subjective and often non-specific. Moreover, best practice is transitory and subject to economic and evolutionary changes in the marketplace. The second problem is the habit of assuming that because a few companies employ certain management strategies, then many other companies are necessarily doing the same. The result of this unqualified extrapolation is an endless set of new 'trends' being reported by business journalists.

Fitz-enz also addressed the importance of field research validity. He specified that, 'valid field research is built on foundations that retain their utility however intense the climate of change'(p.13). He used this premise as a basis for justifying the need for the research undertaken by the Saratoga Institute. The study utilised a sample size of six-hundred organisations. From these 600 companies, the top twenty-five

percent were defined by their objective performance data. Multiple screenings and 'clarifying' interviews were subsequently undertaken to ensure that the organisations consciously understood what they were doing. This was in order to ensure that their success for the year wasn't purely luck, that they had done something beyond the ordinary and could point out objective evidence of their success. From the original 600 companies, 200 initially qualified, and fifty-four companies were finally accepted as having verifiable data to prove they were outstandingly successful. Fitz-enzs subsequently identified what he described as the 'best practice secret'. This 'secret' was uncovered during the data analysis component of the research. When analysing the data, the Saratoga researchers discovered that in several instances two companies reported opposite practices on certain issues. However, after further analysis of such anomalies, it was discovered that such practices were simply the visible tip of a more fundamental management philosophy. As a result, it was discovered that all the companies had a common set of best practice philosophies.

The conclusion reached by the Saratoga Institute was that 'best practice' is, 'not a set of discrete actions but rather a cohesive, holistic approach to organisational management that is the antecedent to and transcends the visible activity' (p.15). The eight best practices identified were: first, effective and open communications; second, continuous improvement; third, culture consciousness; fourth, customer focus and supplier partnering; fifth, interdependence between sections of the organisation; sixth, preparedness to take risks; seventh, strategy and commitment; and finally, a focus on value.

Good communication was considered intense, broad-based, continuous and multi-directional employee contact. Continuous improvement included feedback from all levels and a desire to exceed previous and existing levels of quality. Culture consciousness involved a recognition of how culture shapes management systems and employee behaviour. Customer focus and supplier partnering required an anticipation of consumer needs and the construction of relationships with both customers and suppliers. Interdependence assumed constant cross-functional co-operation and communication between organisational sections. Risk-taking revolved

around the courage to make 'hard decisions' and implement them. Strategy and commitment incorporated a long-term commitment to a strategic direction. Value focus applied a conscious application of the philosophic beliefs of value-adding actions on behalf of the customer.

A different perspective was taken by Abbie Griffin, Greg Gleason, Rich Preiss and Dave Shevenaugh (1995), in their research exploring the best practice techniques of firms focusing on customer satisfaction. The methodology for the research involved a qualitative field-study including interviews with managers and quantitative surveys, wherein firms were identified by measuring across two different data sources. One source consisted of articles and books on companies that emphasised customer satisfaction (CS), while the other incorporated annual reports from firms that report a CS strategy. A short list of thirty-five companies was developed by limiting the sample to only large, U.S. based, globally operating corporations, with multi-product lines; manufacturing and industrial product firms; and companies with strong and highly visible name awareness. Four companies were selected from this short list, each with different product life-cycles and manufacturing technologies. The results from the study indicated that although individual firms developed CS strategies and best practice management techniques for different reasons, all had similar characteristics. Common practices included the use of: first, specific and measurable performance indicators; second, data collection for the measurement of CS and quality; third, the availability of CS data to all employees; and finally, continuous improvement (despite their high levels of CS, they were all seeking to increase their level of CS substantially).

Where Griffin et al. researched the methods of companies that stressed customer satisfaction as a means to determine best practices, a number of studies have been undertaken to identify best practices from the 'other' end: companies that concentrate on employee satisfaction. For example, a U.S. Department of Labor report (1993), indicated that best practices are those which maximise employee productivity. Termed 'positive employee practices', four key management practices were found to be positively linked with employee performance and productivity.

They were: first, employee involvement in decision-making; second, compensation linked to performance; third, employee training; and finally, enhanced internal communication.

These four 'positive employee' best practices have been put to the test both in combined and individual form. Osterman (1994), for example, undertook an analysis of seven hundred organisations that each employed over fifty workers. He noted that thirty-seven percent of responding companies engaged in two or more positive employee practices, and every one reported improved performance since their instigation. This finding was reproduced by Bassi (1994) and Lawler (1994), who determined that of organisations introducing positive employee practices, seventy percent and sixty percent, respectively, improved both performance and quality.

Macy and Izumi (1991), investigated the effect of employee involvement in decision making. They discovered that the introduction of employee involvement produced a thirty percent average improvement in productivity. Bartel (1983), found that the introduction of formal employee training programs resulted in a nineteen percent rise in productivity, while Kruse (1987), discovered a positive correlation between the use of profit-sharing and firm productivity. Additional work by Kravetz (1988), reinforced the importance of positive employee practices. He ascertained that sales growth for firms employing positive employee practices averaged eighteen percent compared to eleven percent in less 'progressive' companies.

The components of best practice compiled through research are identified in summary Table 2.5, on the following page.

Table 2.5
Summary - Best practice research

Author	Components of Best Practice
American Quality Foundation/Ernst and Young (1992)	Three components: 1) supplier certification; 2) strategic planning; 3) process analysis.
Bartel (1983); Bassi (1994); Kravetz (1988); Kruse (1987); Lawler (1994); Macy and Izumi (1991); Osterman (1994); U.S. Dept. of Labor (1993)	1) employee involvement in decision making; 2) employee training; 3) compensation linked to performance; 4) enhanced internal communication.
General Accounting Office (1992)	Total quality management (TQM) - Six factors: 1) focusing on customer satisfaction; 2) dissemination of TQM values throughout organisation; 3) employee involvement in decision-making; 4) flexible culture; 5) fact-based decision-making; 6) supplier partnerships (certification).
Griffin, Gleason, Preiss, and Shevenaugh (1995)	1) Use of measurement and performance indicators; 2) the collection of data on customer satisfaction and quality; 3) data disseminated to all employees; 4) continuous improvement.
Saratoga Institute/Jac Fitz-enzs (1993)	Eight components: 1) open communication; 2) continuous improvement; 3) culture consciousness; 4) customer focus; 5) interdependence; 6) risk-taking; 7) strategy and commitment; 8) focus on value.

2.2.8 Practices for management success

As we have noted, the term 'professional' is not always used as an exclusive indicator of management practices that generate successful outcomes. There is, however, an unmistakable relationship between professional practices and practices for management success, as the underlying themes were typically congruent. The following section reviews this perspective.

Roy Serpa and Gerard Viera (1993), for example, discussed the requirements for successful management. They concluded that the most important factor for success is the development of what they term a downward and outward culture. By this they

meant that an organisation must foster an environment that emphasises open communication between all levels of hierarchy and position. Management consultant James Collins as cited by Geoffrey Brewer (1995), also viewed culture as critical to the management performance of an organisation. He argued that visionary companies have strong underlying core cultures that they maintain by promoting from within. Moreover, Collins asserted that executives who establish lasting mechanisms for management and employee action are more likely to develop visionary companies than leaders who are simply charismatic.

A different method was advocated in an article entitled, 'Is yours a world class company?', *The Director* Magazine (1994), in which they provided a scorecard for the executive to check their own managerial performance. The major practices the scorecard referred to included the application of: first, company mission and goals; second, business process management; third, company principles (rules of conduct); fourth, customer and supplier partnerships; and finally, employee involvement. Tom Brown (1995), also employed a 'scorecard' approach to business management success. He insisted that to be successful in business, a company must emphasise quality and the development of strong relationships with customers and employees. Successful management practices in Brown's estimation comprised: first, a focus on risk-taking; second, innovation; third, continuing education and learning; and finally, an awareness of the needs of the customer and society.

Quality management was a common entry on successful practice lists. Quality management techniques such as customer responsiveness, continuous improvement, greater individual responsibility and team based work units, were also identified by the Karpin management report as intrinsic to the successful future functioning of Australian orgainsations (Karpin Report, 1996).

W. Edward Deming (1982), the architect of total quality management (TQM), listed fourteen points which are pivotal to management success. These essential elements for management success were to: first, create constancy of purpose for improvement of product and service (rather than seeking profits); second, adopt the new

philosophy (make it the number one part of the corporate culture); third, cease dependence on mass inspection (quality comes from improvement of the process rather than from inspection); fourth, end the practice of awarding business on price tag alone (seek best quality and work with one supplier to create a long-term rapport); fifth, improve constantly and forever the system of production and service (reduce waste and improve quality); sixth, institute training and retraining; seventh, institute leadership (help don't tell); eighth, drive out fear (employees must feel secure); ninth, break down barriers between staff areas (work as teams-especially between departments); tenth, eliminate slogans, exhortations, and targets for the workforce (let employees put up their own slogans); eleventh, eliminate numerical quotas (quotas take into account numbers, not quality); twelfth, remove barriers to pride of workmanship; thirteenth, institute a vigorous program of education and training; and finally, take action to accomplish the transformation.

Although total quality management featured prominently amongst practices for management success, a detailed examination has not been included here. However, nine common practices of TQM have been identified. They are: first, continuous process improvement; second, knowledge of process; third, customer focus; fourth, commitment; fifth, top-down implementation; sixth, constancy of purpose; seventh, total involvement; eighth, teamwork; and finally, employee involvement (Blakemore, 1989; Bocka & Bocka, 1992; Crosby, 1984; Fox, 1991; Hammer, 1993; Hill, 1992; Imai, 1986; Ishikawa, 1982); Jablonski, 1992; Juran, 1989; Martin, 1993; McConnell, 1986; Reichheld & Sasser, 1995; Schmidt, 1992; Senge, 1990; Tribus, 1988; Walton 1986).

Where Deming and other TQM advocates focused on quality and service provision, Martha Gephart (1995), highlighted the importance of research concerning effective workplaces. Gephart considered that best-practice companies have what she termed high-performance workplaces. She noted that discussions on high-performance workplaces often focused on six central issues: first, self-managing teams; second, quality circles (TQM 'teams'); third, flat organisational structures; fourth, new

technology; fifth, innovative remuneration for employees; and finally, increased training and continuous improvement.

Gephart set the scene by discussing the context in which organisations have functioned in recent years. She acknowledged that the 1990's are a period of unprecedented financial and organisational restructuring in companies. In addition, fundamental assumptions regarding organisational performance have changed. The prominent idea that 'bigger is better', has been rejected. The core principles of high-performance work systems, as highlighted by Gephart, are connected by eight generic professional management practices: first, all practices employed are directly linked to the organisation's overall strategy; second, goals and outcomes are customer-driven, and individual, team, and organisational goals and outcomes are aligned; third, work is organised around processes that create products and services; fourth, practices include process-oriented tracking and management of results; fifth, organisation is by work units that are linked to processes - which enhances ownership, problem-solving and learning; sixth, workplace structures and systems facilitate focus, accountability, cycle time and responsiveness; seventh, practices are characterised by collaboration, trust, and mutual support; and finally, strategic change management practices are key. The ultimate consequence of the incorporation of these practices is management excellence.

The development of 'excellence' is intrinsic to the acquisition of management success and therefore, professional practice. The pioneers of studies in 'excellence' in large American based organisations were Thomas Peters and Robert Waterman. In their best-selling book, *In Search of Excellence* (1982), Peters and Waterman detailed research findings concerning the common characteristics of organisations that they considered 'excellent'. Sixty-two companies were included in the sample, that utilised quantitative statistical measures and in-depth qualitative measures, such as interviews. 'Excellence' was measured by long-term financial performance (statistical measures of growth and wealth creation over two decades), company performance consistently in the top half of its industry, and the companies' degree of innovation, as measured over a twenty-year period by unnamed, 'selected industry experts' (p.23).

Peters and Waterman summarised the management practices conducive to the development of excellence into eight succinct points: first, a bias for action - a preference for taking action rather than proceeding through many levels of analysis and discussion; second, staying close to the customer - learning the preferences of the customer and catering to them; third, autonomy and entrepreneurship - dividing the organisation in smaller companies and encouraging them to work independently and competitively; fourth, productivity through people - creating in employees the awareness that their best efforts are pivotal to the success of the organisation, and that the employees will share in the organisation's success; fifth, hands-on, value driven - top level management stays 'in-touch' with the company's business; sixth, stick to the 'knitting' - remaining with the business the company knows best; seventh, simple form, lean staff - few administrative layers, decentralisation; and finally, simultaneous loose-tight properties - fostering a climate where there is dedication to the central values of the company.

Table 2.6, following, draws out the themes from the above lists of practices for management success.

Table 2.6
Summary - Practices for management success

Author	Practices for Success
Brown (1995)	Emphasis on 1) quality; 2) strong supplier and customer relationships; 3) risk-taking; 4) innovation; 5) continuous education and learning; 6) an awareness of the needs of the customer.
Collins (1995)	Establishment of appropriate core culture.
Blakemore, 1989; Bocka & Bocka, 1992; Crosby, 1984; Fox, 1991; Hammer, 1993; Hill, 1992; Imai, 1986; Ishikawa, 1982); Jablonski, 1992; Juran, 1989; Karpin Report; Martin, 1993; McConnell, 1986; Reichheld & Sasser, 1995; Schmidt, 1992; Senge, 1990; Tribus, 1988; Walton 1986).	1) continuous process improvement; 2) knowledge of process; 3) customer focus; 4) commitment; 5) top-down implementation; 6) constancy of purpose; 7) total involvement; 8) teamwork; and 9) employee involvement
Deming (1982)	1) improvement of product and service; 2) adopt the new philosophy; 3) cease dependence on mass inspection; 4) end the practice of awarding business on price tag alone; 5) improve constantly; 6) institute training and retraining; 7) institute leadership; 8) drive out fear; 9) break down barriers between staff areas; 10) eliminate slogans; 11) eliminate numerical quotas; 12) remove barriers to pride of workmanship; 13) institute a program of education; and 14) take action.
Gephart (1995)	Strategic change management practices focusing on decentralisation, and employee involvement in process-management.
Serpa and Viera (1993)	Development of a 'downward' and 'outward' organisational culture.
Peters and Waterman (1982)	1) action; 2) customer focus; 3) autonomy; 4) productivity; 5) values driven; 6) stick to knitting; 7) lean staff; 8) flexible.
The Director Magazine (1994)	Application of 1) company mission and goals; 2) business process management; 3) company principles; 4) customer and supplier partnerships; 5) employee involvement.

2.2.9 Professional ethics

So far this review of literature has identified two major components of professionalism. They have been termed 'competence' and 'conduct'. Within the division of competence, the literature exploring professional management, best practice and business success, were discussed. Each of these areas holds a fundamentally congruent emphasis on increasing competence, or in other words, improving effectiveness and efficiency. Conduct, however, within the competitive world of business is comparatively neglected as an individual component of professionalism, as appropriate conduct is typically interwoven into the fabric of competence. A brief review of professional ethics follows, as it has been applied in the commercial and public sectors.

While the relationship between professional management practices and ethical behaviour is only loosely connected, there is a strong interconnection between the concept of professional practice and ethics. Generally, the relationship is apparent where ethical discretion is considered standard and accepted for managers and administrators in designing and implementing their management practices. Although widely defined, the common point of professional ethics is that it is about right and wrong and good and bad conduct, in addition to the inclusion of philosophical boundaries for morality imposed by society. However, it goes beyond right and wrong within society, and ventures into law, morality and justice (Beauchamp, 1988; Singer, 1979)

The need for ethical conduct is prominent for professional bodies and organisations. Steve Allan (1993), for example, discussed the importance for members of self-governing professional organisations to adhere to a code of ethics. He detailed six fundamental principles that should govern professions. The themes of each rule are: first, upholding the reputation of the profession; second, integrity and competence in work; third, maintenance of professional judgement and objectivity; fourth, client confidentiality; fifth, professional taste in advertising; and finally, general courtesy and consideration. It is worth noting that Allan includes competence (number two) in his list of professional rules. He argued that professionalism must be placed

above profit, if position, respect and credibility in the community are to be maintained. Furthermore, management should view a code of ethics as an important tool that should be compatible with an organisation's plan and policy, forming the foundation for leadership and direction within the organisation. Allan did not, however, specify what professionalism comprises beyond the implication that it is associated with service and ethical behaviour. But it is clear that he considered ethical behaviour as the normative glue that binds an organisation in intent, action and outcome.

Intrinsic to Allan's model of professional ethics was the idea that business practices and conduct are interrelated. Managers are responsible for the ethical validity of their business practices, irrespective of their industry or organisational goals. Similarly, Richard Morrill (1984), based his 'six-fold division' of professional ethics on the premise that professional conduct is a default characteristic of professional practice. All professional practices are, by definition, competent practices, and all competent practices are, by definition, ethical. In other words, competence and conduct go hand in hand. Morrill's six fold division enumerated a hierarchy of professional ethics in terms of professional responsibilities. They were, in order: first, to truth; second, to the discipline of knowledge; third, to the physical environment; fourth, to our communities; fifth, to our societies; and finally, to humanity.

While Morrill took a hierarchical approach to the responsibilities inherent to professional conduct, others have taken a more fundamentalist stance. Four general moral imperatives were found to be common to professional conduct. They were to: first, contribute to society and human well-being; second, avoid harm to others; third, be honest and trustworthy; and fourth, be fair and take action not to discriminate (Blanchard, 1988; Callahan, 1991; Codes of Professional Responsibility, 1991; Encyclopedia of Ethics, 1992; Goldman, 1980; Gorlin, 1986; Hansen, 1993; Mitchell, 1989; Mount, 1990; Pemberton, 1992; Press, 1994; Rich, 1984; Valasquez, 1991).

Farrell and Cobbin (1994), confirmed the importance of these moral imperatives through their research on ethical codes in Australian enterprises. They also reported that the most important objective of a code was to provide guidelines for employees and directors' conduct, as well as ensuring an appropriate level of competence. Table 2.7, following, summarises the views on professional ethics.

Table 2.7
Summary - Professional ethics

Author	View
Allan (1993)	1) upholding the reputation of the profession; 2) integrity and competence in work; 3) maintenance of professional judgement and objectivity; 4) client confidentiality; 5) professional taste in advertising; and 6) general courtesy and consideration.
Blanchard, (1988); Callahan, (1991); Codes of Professional Responsibility, (1991); Encyclopedia of Ethics, (1992); Farrell & Cobbin (1994); Goldman, (1980); Gorlin, (1986); Hansen, (1993); Mitchell, (1989); Mount, (1990); Pemberton, (1995); Press, (1994); Rich, (1984); Valasquez, (1991).	1) contribute to society and human well-being; 2) avoid harm to others; 3) be honest and trustworthy; and 4) be fair and take action not to discriminate
Morrill (1984)	1) to truth; 2) to the discipline of knowledge; 3) to the physical environment; 4) to our communities; 5) to our societies; and 6) to humanity.

2.2.10 Summary of professional management practices

A review of literature has identified the recurring themes associated with professional management practices. Nine management practices were most prominent and arose most often in the previous review of literature. They were, in order of prevalence: **first, process analysis; second, strategic planning; third, organisational culture development; fourth, employee involvement** (in management); **fifth, training** (development of organisational infrastructure to continually re-train employees); **sixth, performance measurement; seventh, supplier partnerships; eighth**

quality management and quality assurance; and **finally,** the utilisation of a **contingency approach.** A summary of practices and authors linked to professional management practices appears on the following pages in Table 2.8.

Table 2.8 - Common components of professional practice

THEME	PROPONENT	MANAGEMENT PRACTICES
PROFESSIONAL MANAGEMENT	Asian Business Magazine Survey (1995)	- ORGANISATIONAL CULTURE DEVELOPMENT - STRATEGIC PLANNING - GENERAL FLEXIBILITY (CONTINGENCY)
	Eilon (1992)	- CONTINGENCY APPROACH
	McIntyre (1995)	- STRATEGIC PLANNING - EMPLOYEE INVOLVEMENT (management)
	Morin (1994)	- SKILLS UNDERPIN PRACTICES
	Peters and Waterman (1982)	- CONTEXT/CONTINGENCY APPROACH
	Witte (1994)	- STRATEGIC PLANNING - BENCHMARKING - PERFORMANCE MEASUREMENT - INFRASTRUCTURE (TRAINING)
BEST PRACTICE	American Productivity and Quality Centre, (1996), (1995); Anderson, (1996); Bolon, (1995); Camp (1994); Champy, (1995); Gannaway, (1996); Grace, (1996); Kaemmerer, (1996); Kinni (1994); Parker, (1995); Porter, (1996); Woods, (1995); Zairi, (1996)	- BENCHMARKING
	Arthur Anderson Consulting (1996)	- PROCESS ANALYSIS
	Bardach (1994); Fitz-enz (1993); Lynn (1989)	- MOST PRACTICES ARE UNSUBSTANTIATED
	Blackmore and Donahue (1995)	- ORGANISATIONAL CULTURE DEVELOPMENT - PERFORMANCE EVALUATION - USE OF TEAMS - INFRASTRUCTURE (COMMUNICATION)
	Fodor (1992)	- INFRASTRUCTURE (TRAINING) - RIGOROUS PROCESS ANALYSIS
	Helliwell (1992)	- RIGOROUS PROCESS ANALYSIS
	Kinni (1994)	- BENCHMARKING
	Reder (1996)	- ETHICAL PRACTICES
	Straussmann (1995)	- CONTINGENCY APPROACH
BEST PRACTICE RESEARCH	American Quality Foundation/Ernst & Young (1992)	- SUPPLIER PARTNERSHIPS (certification) - PROCESS ANALYSIS - STRATEGIC PLANNING
	Bartel (1983); Bassi (1994); Kravetz (1988); Kruse (1987); Lawler (1994); Macy and Izumi (1991); Osterman (1994); U.S. Dept. of Labor (1993)	- EMPLOYEE INVOLVEMENT - EMPLOYEE TRAINING - COMPENSATION LINKED TO PERFORMANCE - COMMUNICATION
	General Accounting Office (1992)	- EMPLOYEE INVOLVEMENT (management) - ORGANISATIONAL CULT. DEVELOPMENT - PROCESS ANALYSIS (decisions based on facts)
	Griffin, Gleason, Preiss, and Shevenaugh (1995)	- PROCESS ANALYSIS (quality assurance & continuous improvement) - PERFORMANCE MEASUREMENT - EMPLOYEE INVOLVEMENT (management)
	Saratoga Institute/ Jac Fitz-enzs (1993)	- INFRASTRUCTURE (COMMUNICATIONS) - PROCESS ANALYSIS (continuous improvement) - ORGANISATIONAL CULT. DEVELOPMENT - STRATEGIC PLANNING

Table 2.8 - Common components of professional practice (continued)

MANAGEMENT SUCCESS	Brown (1995)	- SUPPLIER PARTNERSHIPS - INFRASTRUCTURE (TRAINING) - PROCESS ANALYSIS
	Collins (1995)	- ORGANISATIONAL CULT. DEVELOPMENT
	Blakemore, 1989; Bocka & Bocka, 1992; Crosby, 1984; Fox, 1991; Hammer, 1993; Hill, 1992; Imai, 1986; Ishikawa, 1982); Jablonski, 1992; Juran, 1989; Martin, 1993; McConnell, 1986; Reichheld & Sasser, 1995; Schmidt, 1992; Senge, 1990; Tribus, 1988; Walton 1986).	- QUALITY MANAGEMENT • process improvement • knowledge of process • customer focus • commitment • top-down implementation • constancy of purpose • total involvement • teamwork • employee involvement
	Deming (1982)	- QUALITY MANAGEMENT
	Director Magazine (1994)	- STRATEGIC PLANNING - PROCESS ANALYSIS - SUPPLIER (& CUSTOMER) PARTNERSHIPS - EMPLOYEE INVOLVEMENT (management)
	Gephart (1995)	- STRATEGIC MANAGEMENT - EMPLOYEE INVOLVEMENT (management) - PROCESS ANALYSIS
	Peters and Waterman (1982)	- CULTURE DEVELOPMENT - CONTINGENCY APPROACH
	Serpa and Viera (1993)	- ORGANISATIONAL CULT. DEVELOPMENT
COMMON COMPONENTS	IN DECREASING ORDER OF SIGNIFICANCE	**PROCESS ANALYSIS** **STRATEGIC PLANNING** **CULTURE DEVELOPMENT** **EMPLOYEE INVOLVEMENT (in management)** **INFRASTRUCTURE (employee training)** **PERFORMANCE MEASUREM'T (benchmarking)** **SUPPLIER PARTNERSHIPS** **TOTAL QUALITY MANAGEMENT/ASSURANCE** ▼ **CONTINGENCY APPROACH**

Professional management practices explained

A brief explanation of each of the nine common professional management practices follows, including a summary of the proponents of each of the management practices reviewed, in Table 2.9. Please note that professional management practices appear in both a combined and individual form. For example, while process analysis tops the list, it may also be considered a component of quality management. Thus, some practices are duplicated within others. In addition, although volumes have

been written on the topics of Total Quality Management and benchmarking, not all authors describe the practices as 'professional'. They have subsequently been ranked lower than other practices which have been implicitly described as professional. Ranking is neither meant to be statistically or quantifiably relevant, but rather to serve as a 'loose' indicator of popularity.

1) Process analysis

Conducting a process analysis' was the most consistent and popular 'professional' management practice. Process analysis consists of a systematised and rigorous methodology for managers to undertake in order to review the steps and procedures associated with the delivery of a product or service, or a component of a product or service. In more simple terms, it is a way of formally examining and assessing the effectiveness and efficiency of any method or practice. The purpose of process analysis' is to discover weaknesses in the production or service delivery process, so that it may be subsequently improved.

2) Strategic planning

The second most popular management practice associated with professionalism was strategic planning. Strategic planning is the systematic process through which organisational goals and purposes are identified and strategies are devised in order to achieve these objectives. It involves identifying the key decisions that an organisation must make correctly in order to prosper in the future (Argenti 1992; Jain 1997). The strategic planning process culminates in the establishment of a strategic plan - a set of statements describing the organisational purpose and outlining appropriate conduct - together with the strategies which have been designed to achieve the predetermined targets (Argenti 1992).

3) Organisational culture development

The development of appropriate organisational cultures via management action was the third most recognised 'professional' management practice. It is within the desire to understand more about the functioning of companies and businesses that the concept of organisational culture has taken shape. Just as nations have cultures that

dictate how members will act toward fellow members and outsiders, organisations have cultures that govern how employees behave. The culture conveys assumptions, norms and values, which in turn impacts upon activities and goals; and most importantly, in so doing orchestrates how employees undertake their work, determining what they view as significant within the workplace. Thus, employees' behaviours, beliefs and understandings are determined largely by the organisation's culture. Culture has been related to performance and excellence in the marketplace (Peters and Waterman 1982), as well as employee commitment, co-operation, efficiency, job performance and decision-making (Wilkins and Ouchi 1983). Organisational culture has been a significant tool in unravelling the conundrum of organisational behaviour.

A prevailing theme in the literature on organisational culture is the lack of an accepted definition. However, the literature suggested several recurring themes. They were first, culture is largely inflexible; second, it is determined by members of an organisation; third, it is shared by members of an organisation; and finally, its core assumptions are substantially hidden from most members because they are rarely documented (Beyer & Trice 1993, Drucker 1992, Ouchi & Pascale 1981, Schein 1984, Smith & Stewart 1995).

4) **Employee involvement (in management)**

Academic and popular business literature also stressed the importance of employee involvement in management. In other words, involving employees in the management decision-making process was considered to be a 'professional' management practice. Employee involvement in management was considered important because it allows the individuals who are 'at the coal face' to express their expert opinions on issues relating to their specific roles, and on the processes that affect their performance. Thus, management may involve employees in decision-making who traditionally would have no input in their own work. In addition, employees may become involved in any of the other management practices utilised, such as process analysis or performance measurement.

5) Infrastructure development (training)

Management and employee training was argued to be the most important factor for the development of an effective organisational infrastructure. Thus, appropriate training and continual re-training is a common component in lists of professional management practices. This trend toward employee training has influenced the development of what has been termed the 'learning organisation' (Senge, 1990). Learning organisations focus on their own dynamic and interdependent evolution via continual exploration, experimentation and training (Senge, 1990).

6) Performance measurement (benchmarking)

Performance measurement is a formal and rigorous system for determining the achievement of organisations, departments, groups and individuals relative to specific and predetermined goals and objectives. It is an explicit method of assessing the success of an organisation or parts of an organisation. Performance measurement may be undertaken at a macro level (assessing the acquisition of company goals outlined in the strategic plan), or at the micro level (assessing the performance of individuals, and how their work contributed to the achievement of unit or departmental goals), and may be qualitative, quantitative or a combination of both.

Linked strongly with performance measurement is the practice of benchmarking. Benchmarking is the use of <u>externally</u> defined quantitative and qualitative performance measurements designed to establish meaningful goals for an organisation to target (Leibfried & McNair 1992). Benchmarking is simply a performance measurement technique that utilises external measures instead of those determined within an organisation.

7) Supplier partnerships

Almost all organisations rely on other companies' products or services. When managers develop partnerships with their suppliers, they are recognising the importance of establishing long-term relationships with companies whose products or services are intrinsic to their own products' or services' quality and success. Thus,

stable partnerships with suppliers can improve quality and delivery of the products or services which are the raw materials for other organisations. Supplier partnerships or supplier certification is a common feature of TQM.

8) Total quality management and quality assurance

Total quality management and quality assurance practices are formal and measurable management practices designed to improve product or service quality and increase customer satisfaction, by restructuring traditional management practices (Ritter 1991). Quality assurance is based on the premise that quality is customer driven and defined, and therefore must be continuously analysed objectively with the customers' best interest in mind. The core focus of TQM is continuous improvement.

9) Contingency Approach

While the above management practices are quite specific in nature, the contingency approach to professional management practice is totally non-specific. The contingency approach recognises that there is not one best practice, and that practices must be context specific. In other words, managers must be flexible and adaptable, and be prepared to utilise any principle or practice that may work.

Table 2.9 - Proponents of professional management practice

Professional management practice	Proponents
PROCESS ANALYSIS	American Quality Foundation - Ernst & Young (1992), Arthur Anderson Consulting (1996); Brown, (1995), Director Magazine (1994), Fodor (1992), Griffin, Gleason, Preiss, & Shavenaugh (1995), Gephart (1995), Helliwell (1992), Saratoga Institute (1993), United States General Accounting Office (1992), Walton/Deming (1989)
STRATEGIC PLANNING	American Quality Foundation - Ernst & Young (1992), Asian Business magazine (1995), Director Magazine (1994), Eilon (1992), Gephart (1995), McIntyre (1995), Saratoga Institute (1993), Witte (1994)
CULTURE DEVELOPMENT	Asian Business magazine (1995), Blackmore & Donahue (1995), Collins (1995), Peters & Waterman (1982), Saratoga Institute (1993), Serpa & Viera (1993), United States General Accounting Office (1992)
EMPLOYEE INVOLVEMENT	Bartel (1983); Bassi (1994); Director Magazine (1994), Gephart (1995), Griffin, Gleason, Preiss, & Shavenaugh (1995), Kravetz (1988); Kruse (1987); Lawler (1994); Macy and Izumi (1991); McIntyre (1995); Osterman (1994); U.S. Dept. of Labor (1993); United States General Accounting Office (1992)
INFRASTRUCTURE (TRAINING)	Bartel (1983); Bassi (1994); Blackmore & Donahue (1995), Brown, (1995); Fodor (1992), Kravetz (1988); Kruse (1987); Lawler (1994); Macy and Izumi (1991); Osterman (1994); Saratoga Institute (1993); U.S. Dept. of Labor (1993); Witte (1994)
PERFORMANCE MEASUREMENT	American Productivity and Quality Centre, (1996), (1995); Anderson, (1996); Bartel (1983); Bassi (1994); Blackmore & Donahue (1995); Bolon, (1995); Camp (1994); Champy, (1995); Gannaway, (1996); Grace, (1996); Griffin, Gleason, Preiss, & Shavenaugh (1995); Kaemmerer, (1996); Kinni (1994); Kravetz (1988); Kruse (1987); Lawler (1994); Macy and Izumi (1991); Osterman (1994); Parker, (1995); Porter, (1996); Witte (1994); U.S. Dept. of Labor (1993); Woods, (1995); Zairi, (1996)
SUPPLIER PARTNERSHIPS	American Quality Foundation - Ernst & Young (1992), Brown (1995), Director magazine (1994)
QUALITY MANAGEMENT	American Quality Foundation - Ernst & Young (1992); Crosby (1984); Deming (1982); Hammer (1993); Imai (1986); Juran (1989); Schmidt (1992); Senge (1990); United States General Accounting Office (1992); Walton (1986)
CONTINGENCY APPROACH	Eilon (1992), Peters & Waterman (1982); Straussmann (1995)

2.2.11 Conclusion

Professional management practices have been located from a number of sources including literature on the professions, management as a profession, professionalism, professional management, best management practice and practices for management success. Each one of these disciplines have proven influential in the evolution of professional management practices. A conceptual construction of professional management practices is illustrated below in Chart 2.1.

Chart 2.1 -
A conceptual construction of professional management practices
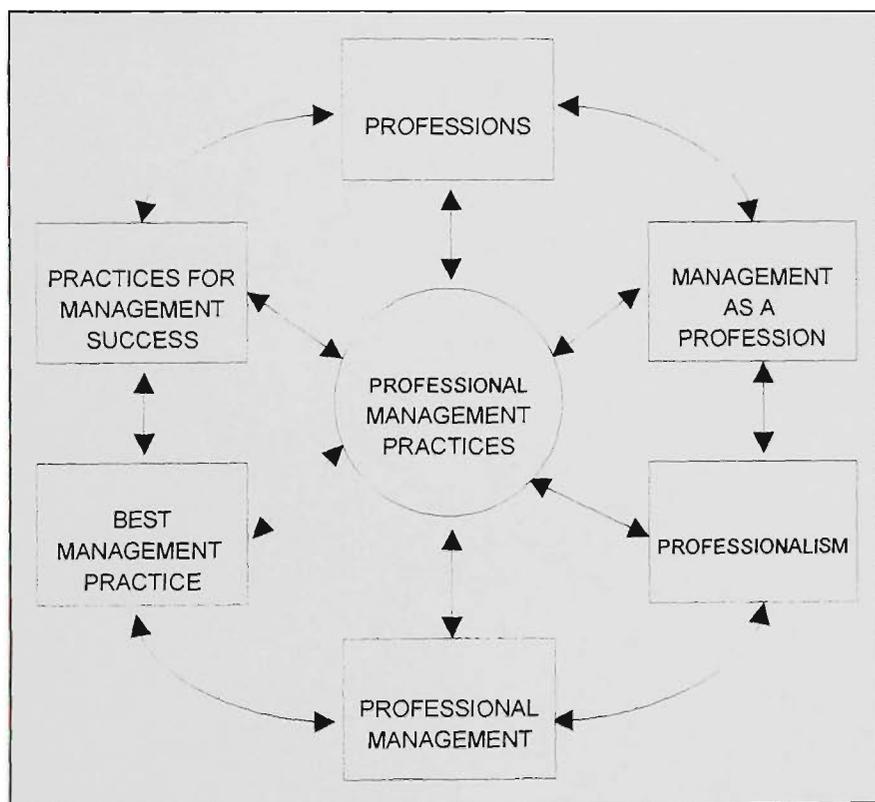
It is no coincidence that each one (excluding the contingency approach) of the nine identified professional management practices is described as a formal and rigorous system for achieving organisational goals and objectives. All professional management practices are unified in two senses. Firstly they are all documented, structured and duplicable procedures, and secondly, they are all tools or techniques

to reach the same objective - success - as defined in the company's strategic plan or vision.

According to the literature, it may be surmised that all nine identified professional management practices are conceptually linked. No single practice can produce a holistic view of the organisation, its processes and outcomes. In a metaphorical sense, each of the nine management practices may be seen as pieces of a shattered mirror. When re-assembled, the only way to get a true reflection is to have each piece in its correct position. Figure 2.1, on the following page illustrates this point. However, the literature has not yet specified clearly how each of these pieces may be reassembled to create an accurate representation what actions must be taken in order to realise professionalism.

Figure 2.1 - An holistic view of professional management practices

CONTINGENCY APPROACH

SUPPLIER
PARTNERSHIPS

QUALITY

TRAINING

PERFORMANCE
MEASUREMENT

EMPLOYEE
INVOLVEMENT

CULTURE
DEVELOPMENT

STRATEGIC PLANNING

PROCESS ANALYSIS
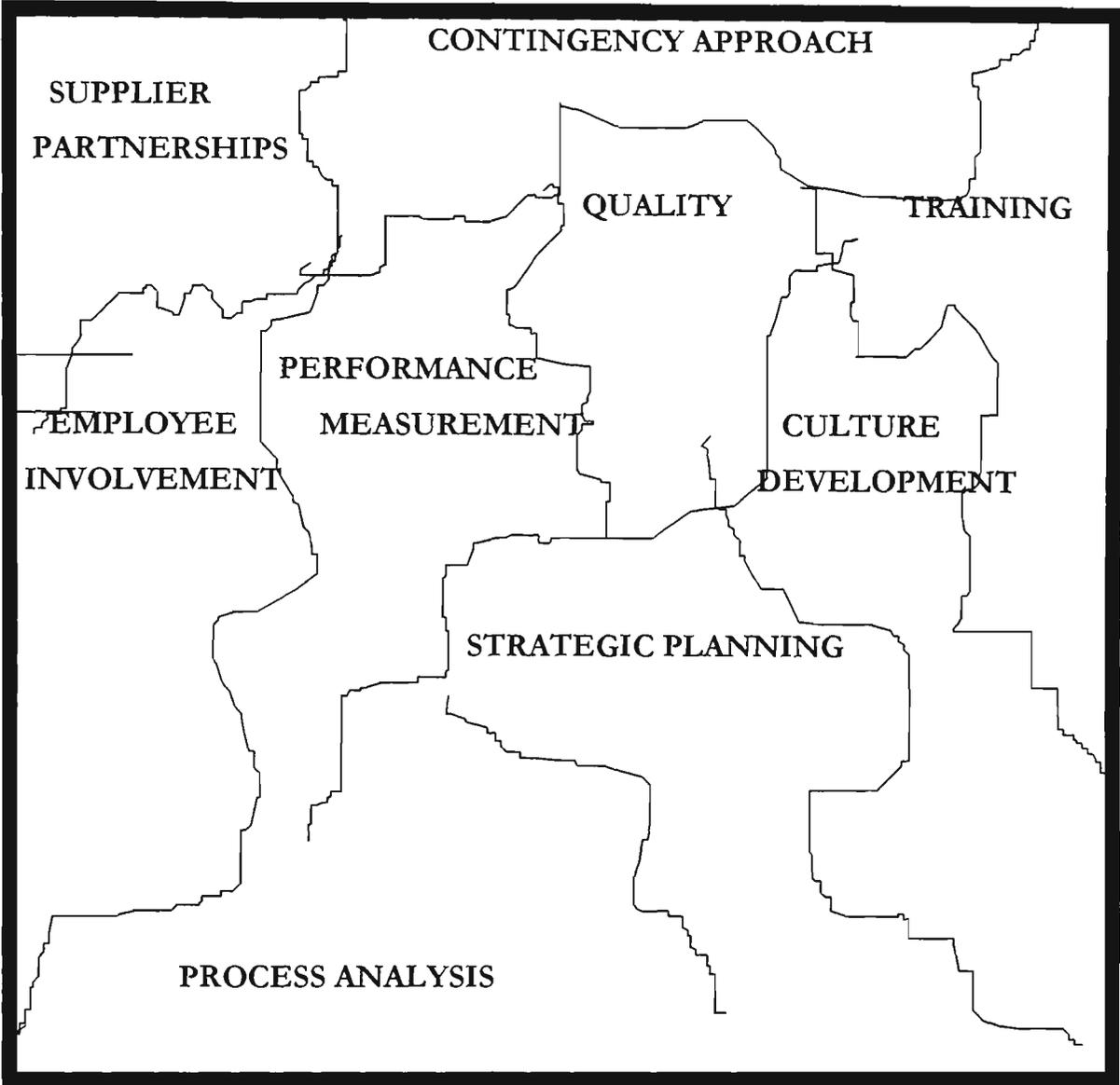
2.3 The business of sport

2.3.1 Introduction

The emergence of professional management practices in sporting organisations has shadowed the perception that sport is becoming a serious business. As Murray Massey, (1996) highlighted in his examination of the business of sport, sport in Australia has transcended its amateur foundation to become a legally complex and highly competitive professional activity. Massey observed that this movement toward professionalisation has created a new occupational sector: sports management.

Massey directly acknowledged the link between professionalism and business principles. He noted that, 'as professionalism engulfs sport in Australia, sport managers ... increasingly face the same commercial pressures and benchmarks as their counterparts in mainstream business' (p.75). However, this 'new' era of professionalism is only a decade old, and sport has, according to Massey, a disproportionate share of business amateurs with questionable ethical practices. He cited David Shilbury, Associate Professor in sport management at Deakin University, who argued that the trend toward full-time paid staff and the professionalisation of sport management is now irreversible, and that, 'today sport managers are challenged to upgrade their knowledge and skills to ensure that organisations within the sport industry remain competitive and financially viable' (p.76).

While the connection between business and sport is an emerging relationship in Australia, the linkage is unambiguously made by European and North American commentators. Aris (1990) and Wilson (1988), considered sport a professional business endeavour, as illustrated by the titles of their books, *Sportsbiz: Inside the Sports Business,* and *The Sports Business,* respectively, while Canadian academic, Trevor Slack (1995), succinctly commented that sport is *big* business, and that, 'big business is involved in sport' (p.97).

The concept of professionalism and the incorporation of professional management practices in the administration of sporting organisations is based on the premise that

sport must be managed like a business. Without this fundamental and recent 'shift' in perception, the incorporation of professional management practices is impossible. It is this paradigm shift which forced the recognition that sport _must_ be managed as a business, that has provided the catalyst for the emergence of professional management practices.

However, while sport managers and administrators are increasingly utilising commercial business principles, there is a strong argument that although sport may be managed as a business, it is in fact a special form of business with unique features. In order to comprehensively examine professionalism and professional management practices, it is essential to first review the current arguments concerning the nature of the sport market.

2.3.2 Unique business or generic business? : the features of the sport market

Introduction

Stewart, (1990) pointed out that while the effects of the commercial development of sport in Australia has been strongly debated over recent years, it has not taken long for many sport organisations to adopt the characteristics of business enterprises. These developments have come under the scrutiny of critics and commentators who have focused in particular on increasing levels of professionalisation in sporting organisations (Auld 1993; Mills 1994; Moore 1993; Watt 1992; Whitson 1988) and greater levels of bureaucratisation and specialisation (Frisby 1988; Kikulis, Slack, Hinings, and Zimmerman 1989; Slack 1988; Slack and Hinings 1989). The underlying arguments presupposed an increasingly business-like approach to the management of sporting organisations and clubs, especially at the elite level where players and administrators are often paid employees (Auld 1993b; Hogg 1988; Thibault, Slack and Hinings 1992), and where adaptability and customer service are seen as critical success factors (Champy 1995; Maynard and Mehrtens 1993; Peters 1993).

Where in the past sporting club goals were bound up with winning as their only avenue of success, many Australian sporting organisations seek to achieve financial stability and profits as much as 'on-field' and elite success. For example, a club, according to Wilson (1990), must perform financially if it wants to survive in the highly competitive world of commercialised sport. With this increasing emphasis on commodification and entertainment, Australian professional sporting teams have adopted a range of business practices. Tasker and Nicklin, (1995) suggested that this has resulted in the emergence of a more systematic and 'serious' approach to the management of sport. This has lead to an inexorable slide toward the implementation of 'professional' practices in the administration of sporting organisations, and has caused many sports administrators to emulate private sector profit-driven enterprises. McDonald, Sutton and Milne, (1995) noted that this trend has resulted in an increased awareness and use (albeit limited) of management techniques such as total quality management. Other commentators such as Brohm (1978), Riguar (1981), and Stewart (1989), have argued that the trend toward rationalisation and productivity has forced sports administrators to translate human and sport resources (particularly players) into economic equations in which division of labour, efficiency, regulation, standardised work practices and management control have become the dominant variables.

On the other hand, there have been some commentators, such as Auld (1993), Brooks (1994), Gorman and Calhoun (1994), and Mullin, Hardy and Sutton (1993), who have specified that sport is unlike any other commodity, and is sufficiently different to warrant it being managed differently. In other words, they have maintained that sport is a unique, or at least special, form of business, and therefore troublesome for management to place within a traditional business paradigm.

Emotion and irrationality

Professional sport and commercial business have become inextricably linked. We need look no further than the metaphors used to describe specific business situations. For example, to 'drop the ball', or 'let the team down', commonly describes corporate failure, whereas to 'kick a goal', 'put one through the middle', or 'get runs on the board', describes a business success. Sporting analogies are used almost universally in business to demonstrate the value of loyalty, commitment and teamwork. In the USA, Bill Parcells, the head coach of the New England Patriots football team recently wrote a book in which he translated the `lessons' learned on the playing field into leadership lessons for business firms (Parcells 1995). Similarly, in Australia a book just written about Australian football legend, Ron Barassi, revealed details of Barassi's lucrative business lecture circuit and the impact of his `motivational talks' on business executives (Barassi and McFarline 1995). This link between sporting and business practice was not lost on Gareth Morgan, an organisational theorist, who, in one of his management textbooks, spent a whole chapter using sporting metaphors to explain the place of teamwork in business management (Morgan 1993). David James, (1995) captured the powerful symbolic and metaphorical significance of sport for business when he commented:

> *Sport exposes one of the greater ironies of human nature: although work determines a person's standard of living and social position, many people are more concerned about a piece of inflated leather passing between white sticks. Most managers can only dream of getting the passion and commitment from their workforce that sport arouses (p66).*

At the same time, sport and business clearly operate within different behavioural parameters. While profit centred businesses need to obtain strong emotional support from their employees, their overriding concern is efficiency, productivity and responding quickly to changing market conditions (Argenti, 1992; Grace, 1996; Hames, 1994; Imai, 1986). Sport, on the other hand, according to Gorman and Calhoun (1994), is consumed by emotional and situational variables that make its outcomes both reactionary and uncertain. For example, a proposal to change club colours in order to project a more attractive image may be defeated because it breaks a link with the past. Similarly, a coach can be appointed on the basis of her previous

loyalty to the club rather than because of a demonstrated capacity to manage players better than the other applicants. Commentators have also suggested that the behaviour of sport supporters can also be blatantly irrational. Demmert, (1973), for example, observed that fans are more attracted to a game where the result is problematic rather than one where the winner is virtually known in advance. In other words, predictability and certainty, which are goals to aimed for in the commercial world, particularly with respect to product quality, are not always valued in the sporting world. This is the paradoxical nature of sport, and as Schaaf, (1995) cautioned, sport administrators must understand this ambiguity, and be prepared to change their approach from a narrowly rational business perspective to one which fits a sporting world in which social, cultural and commercial forces intertwine in a myriad of interesting but sometimes contradictory ways. Accordingly, sports administrators must acknowledge the vagaries of the sporting landscape.

Interdependency between competing clubs

From an economic perspective, several authors have commented on the number of differences between sport and commercial business, by highlighting the differing impact of market forces on each area. Unlike the competitive benefits that may come from something like the Coles-Myer amalgamation in the Australian retail industry, Vamplew (1988), for example, pointed out that professional sporting clubs depend upon the continued economic viability of their opponents. Arnold and Stewart (1986), reinforced this notion in arguing that at the most basic level clubs must co-operate with their rivals in order to deliver a sporting product or experience to their fans or customers. As Morely and Wilson (1984) highlighted, clubs are mutually interdependent, and the financial weakening of any club as a result of spectator or sponsor disinterest is damaging for all clubs involved in the competition. In addition, this interdependency, according to Arnold and Stewart, (1986) can lead to organisational arrangements which constrain the activities of the powerful dominant member clubs, by cross subsidising the less powerful clubs. This strategy is not uncommon in Australian sporting competitions, which in the case of the Australian Football League (AFL) involves sharing of television revenue between the

fifteen member clubs. Melbourne, currently the worst performing club, therefore receives the same return from television as West Coast, one of the most televised and profitable (AFL 1994). In contrast, revenue sharing in the retail industry would be unthinkable.

Profits and premierships

Perhaps the most significant difference between professional competitive sport and commercial business is the way in which they measure performance. While commercial businesses have many goals, their mission and *reason d'être* is to make the greatest profit possible. Thus, two businesses in direct competition may both perform well throughout a given fiscal year. For example, while Coles-Myer and Woolworths are fierce retail competitors, they may both produce a profit, and claim a successful year. However, in the case of sporting clubs, the acquisition of a profit will do little to convince them of their success if they finish the season at the bottom of the ladder, or perform poorly in elite competition. While the Coles-Myer or Woolworths shareholders may find the achievement of profits pleasing, as Wilson and Allan, (1978) argued, sports clubs and representative teams judge performance mostly on the basis of trophies, championships, premierships, medals and pennants. For example, during the early 1990s, the Sydney Kings basketball club succeeded famously in financial terms, but failed dismally on the court. At the other extreme, the North Melbourne Giants had bankrupted themselves, but were highly successful in the premiership race, where it `mattered most'. It is unlikely that this is exclusively an Australian phenomenon. In research from the United States, Sack and Watkins (1985), concluded that football performance has little or no impact on the amount of money alumni contribute to college athletic programs. In a similar study, Gaski and Etzel (1985), found no apparent connection between donations and football and basketball performance.

In the some instances the relationship between sporting club or association aspirations, profits and performance success is complicated by situations in which organisations deliberately avoid expanding their commercial linkages, or changing

rules to suit fans or television audiences, by maintaining their 'historical roots' and traditional connections. Schofield, (1982) for instance, discussed how cricket authorities for many years refused to give prominence to one day cricket because it did not fit in with its view of the traditions of the game. Other authors, such as Stewart (1995), and Stewart and Smith (1995), have highlighted cases where sporting organisations refused sponsorship deals or a naming right arrangement because it departed from customary practices. In other words, tradition can often be valued above profits; a situation which would rarely happen in the commercial sector.

The road to sporting profitability

Historically, there have been two prevailing and distinct models to describe the sports market and its underlying behaviour, variously described by Dabscheck (1975), Sloan (1971), and Wilson and Allan (1978). The first is the profit maximisation model which assumes that a club is simply a firm in a perfectly competitive product market and that profit is the single driving motivational force. The second is the utility maximisation model which emphasises the rivalry between clubs playing in the same league, and their desire to win as many matches as possible. It assumes that sporting organisations are by nature highly competitive, and that the single most important performance yardstick is competitive success.

However, recent changes in the sporting context, and changing management practices in sporting organisations have complicated this issue. The growth of a competitive leisure industry in which market boundaries are blurred, and the trend toward professionalisation has forced many clubs previously concerned only with winning to consider the profit-maximisation perspective. This re-focusing of goals was identified as early as 1978 by Wilson and Allan (1978). These organisations, while acknowledging that winning attracts more support, also recognise that they must also take steps to secure their long-term financial viability. Thus, many clubs are faced with ambiguous missions and competing claims from their stakeholders; 'traditionalists' advocating the maximisation of playing efficiency (which can involve

winning at any price), and 'progressives' suggesting that success is a function of an expanding revenue base rather than the accumulation of premierships (AFL, 1994).

According to Stewart and Smith (1996), this demarcation is exacerbated by the motivation of spectators. While the expectation of a 'close', 'exciting' match is essential to attract large crowds, the partisan spectator also demands victory. Thus, the 'customer' has no direct interest in the financial or profit-maximisation approach unless it impacts upon their club's level of performance or continued existence in the competition. As a result, the supporter or customer's concern for utility (in simple terms, a better win-loss ratio) is distant from the desire to maximise profit.

Moore, (1994) noticed that these clashing stakeholder values have forced contemporary sport managers to concede that profit and competitive success are neither mutually exclusive nor positively related to each other. There is a complex and often apparently contradictory relationship. While uncertain outcomes (the expected result of the game is problematic) and high game quality (the game is closely contested and exciting), will generate large audiences and revenue, at the individual organisational level, the primary concern is to attract the best recruits and to dominate the competition. However, the evidence indicates that what is in the best interests of individual organisations is not in the best interests of the league, competition or sport as a whole. Demmert (1973), demonstrated that highly predictable and `one sided' outcomes will fail to attract large attendances. Quirk and Fort (1992), supported this view, suggesting that when a team or individual athletic competitor dominates a fixture so much that the result has become a `foregone conclusion', the interest of fans will wane.

Both Dabscheck (1975) and Quirk and Fort (1992), acknowledged that as a result, the ongoing viability of the competition, and by implication, the financial health of constituent clubs, can be sustained only if rules are introduced which distribute playing talent equally between teams and minimise the dominance of a few clubs. It is no surprise that the two most successful professional sport leagues in Australia (Australian football and rugby league) have put in place a comprehensive package of

salary caps, player draft rules, and ceilings on the number of listed or contracted players. Borland (1987), Cairns, Jennert and Sloan (1986), Morely and Wilson (1984), Quirk and Fort (1992) and Vamplew (1988) concluded that `outcome uncertainty' and competitive balance is the key to the economic success of professional team sports.

Variable quality

The above studies demonstrated that attendances at sporting contests will be higher where the game is expected to be unpredictable but close, and where the outcome is ambiguous, in contrast to a game where one team is expected to win by a wide margin. However in commercial business markets, most companies strive to deliver products and services that have only minor variability in their quality; they are reliable and standardised. Champy, (1995) observed that in fact the current concern for quality assurance aims to guarantee a consistent level of excellence in product performance and service delivery. In contrast, there is an enormous variability in the quality of sporting performances. Many factors contribute to this variability, including the weather, player injuries, the venue, the quality of the opponents, the closeness of the scores, the size of the crowd and its response to the contest, and the tactics employed by the opposing teams (from dull and defensive play to risk taking and adventurous team selection). Mullin, Hardy and Sutton (1993), ascertained that sport promoters and marketers spend significant energies in attaching more tangible benefits like premium seating, hospitality boxes, catering services, club merchandise, and glossy programs, to the game in order to ensure some minimum level of customer satisfaction. According to management expert, Tom Peters, (1973) a successful sporting event will always offer a, `full package of amenities' (p.641).

Fluctuations in productivity

Stewart 1995, commented on another associated difficulty inherent in sport: the high degree of risk associated with the efficiency and productivity of its primary factor of production, the players, due to the potential for injury. Whereas manufacturing and service industries replace faulty equipment and hire new employees, sporting bodies will frequently hold onto injured star players for fear that they could be rehabilitated by a competing club. As a result, declining individual performance (that is, low productivity) is treated more leniently in sporting clubs than low productivity from employees in traditional commercial markets. Thus, poor (or even lack of) performance is highly tolerated in sporting organisations. In contrast, in the case of industries like tourism or insurance, market forces will usually decide the fate of under-producing employees. In other words, if they do not perform, the proprietors of the products and services they affect will simply withdraw or replace them. In sport, however, labour output is more variable.

Low product elasticity

Another market factor that highlights the unique nature of sport is its low cross elasticity of demand; that is, there is low degree of substitutability between different sports leagues and competitions. Schaaf, (1995), for example, reported that competing clubs, through match day fixtures, provide a clutch of entertainment benefits which attract spectators and television viewers. These benefits are usually sport specific, and the satisfactions that come from one sport will not easily transfer from one sport to another. In this sense, sport enjoys inelastic demand and a high degree of product loyalty. For example, in the event that supporters were unhappy about the result of a particular game, the winning margin, or the standard of umpiring, it is unlikely that they would change their sporting preferences. If, for instance, a supporter's soccer team is playing interstate and the match isn't televised, the supporter is unlikely to go to a hockey or bocce game instead. The traditional, if simplistic, examples of tea and coffee, and butter and margarine, highlight the high degree of substitutability between many products. In sport, no such easy substitutability occurs.

While a low degree of product substitution can be advantageous to a sporting competition, there are concealed drawbacks. For example, a low degree of substitutability suggests that a particular sport's ability to achieve strong market penetration is severely limited. Thus, persuading spectators to change sporting loyalty will be just as difficult as persuading car drivers to take public transport. After all, consumers may purchase both tea and coffee, but are unlikely to attend a `foreign' badminton or handball match just because their favourite field hockey team is not playing. A number of commentators including, Gorman and Calhoun (1994), Mullin, Hardy and Sutton, (1993), and Smith & Stewart (1995), have proposed that the customs, habits and traditions of sport fans, and the spectator inertia they induce, makes it difficult to shift them from one sport to another in large quantities by using material incentives or discounts, since neither price reductions nor an increase in a fan's income level will have a significant impact on the spectating and viewing preferences of sport consumers.

High brand affiliation

Linked to this theme is brand affiliation or the emotional attachment consumers hold for a particular brand of the product or service. Crossett (1995), observed that in sport, brand affiliation (or, to put it more euphemistically, team loyalty) is high, whereas for other products and services it can range from very low (like frozen foods) to moderately high (like cigarettes). For example, if a consumer who was planning on buying a particular model car was offered the opportunity to purchase the next best model for the same price, it is likely they would seriously consider the possibility. However, few Victorians would choose to watch the West Coast Eagles Australian football club play against the Adelaide Crows, in preference to viewing their own Melbourne club play, even if the admission price was severely discounted. Victorian supporters have a strong emotional attachment to their team's service, and a strong antipathy to the interstate teams from South and Western Australia. Despite the fact that such a match might be of a higher intrinsic quality than watching the team they support, their affiliation to their club is of paramount importance. Similarly, a supporter of Australian Football club Carlton who identifies

with the club because of its upper-middle class pretensions, will be unlikely to easily transfer her allegiance to a club like Footscray, which attempts to represent the 'battlers' of the western suburbs of Melbourne. Fans invest an enormous amount of personal energy in their favourite team, and this can create lifetime attachments. Fans often see their team as an extension of themselves, according to Gorman and Calhoun, (1994), a characteristic which is reinforced through such things as club brochures, videos, logos, advertisements and specialised athletic department personnel with well developed public relations skills (Fleisher, Goff and Tollison 1992). It is this emotional attachment and individual identification inherent in sports consumers that manufacturers, retailers and service organisations are desperate to acquire for their products. Advertising strategies which subsequently link customer emotions and identifying symbols with specific product features will usually lead to strong repeat sales.

Cultural and social identification

Freidan (1984), pointed out that the factors influencing the demand for sporting contests are clearly different from those factors that impact upon conventional business, and sports marketers have developed a sound understanding of the market forces that fuel the loyalties of spectators. The loyalty to a sport or league is acquired through friends and family, and is reinforced by feelings of personal and cultural identification and the promotional campaigns of sporting clubs and leagues. As a result, it is not unusual to see a six-year old child at a professional sports match wearing the uniform of their parent's favourite team or individual competitor. Older supporters construct a hierarchy of loyalty and identification to the sport, their club and heroes respectively. Consequently, a supporter may enjoy playing or watching basketball, will vehemently support the Melbourne Tigers, and will attempt to emulate and/or admire Andrew Gaze. Moreover, if Gaze wears Adidas, so will the supporter (Scaaf 1995). Stedman, Goldblatt and Delphy (1995), argued that many businesses recognise the power of sporting league loyalty and identification, and have attempted to market their products via sporting heroes. By creating sporting celebrities, they can capture some of the loyalty associated with the sport, team or

player, that originated primarily through geographical location, or the influence of family and friends, rather than through price, convenience or quality. Staudohar and Mangan, (1991) proposed that this 'symbiotic interaction' between the sport fan, television, and sporting heroes has a powerful influence on the spending patterns of consumers.

Change and tradition

The response of sporting organisations and their members to changes in their sporting worlds are full of contradictions. On one hand, sport as a product or service differs from other products or services in that sport fans have a high tolerance for changes in product quality held loyal by emotive glue. Sporting fans will endure countless changes to the personnel of their club and its achievements. For example, if a star player moves from one club to another club, the supporters' allegiances will, in general, remain fixed. For example, when Mark Bradtke, the star centre for the Australian National Basketball League team the Adelaide Thirtysixers transferred to the Melbourne Tigers basketball team, Adelaide fans continued to support their home team, while Melbourne supporters embraced Bradtke as if he was 'a long lost son'. However, unlike sports supporters, the 'commercial' consumer on the lookout for computer hardware or a new tennis racquet is likely to change products if the status-quo is affected for the worse (that is, the product has lost its major attribute). On the other hand, the rate of change in sporting organisations is slower than in the commercial sector, and is largely governed by the slow rate of technological adaptation resulting from a preference for traditional ways of doing things. Sport is often ruled by its cultural antecedents, which over the years have included an observance of the sanctity of the original rules and customs, the character building qualities of amateurism, a belief that money corrupts, a view that playing the game for its own sake is infinitely superior to playing it for material reward, and the reverence for tough, dour but often reactionary leaders (Stewart 1995).

There are a multitude of examples where commercial businesses have sought to gain a competitive edge by achieving a technological breakthrough. For example, the introduction of the airbag and anti-lock braking systems have revolutionised automobile safety, while in the computer industry the rate of change is so dramatic that a product is likely to become obsolete soon after its purchase. In contrast, sports science affords slow, progressive improvements to sport performance. At the extreme, according to Smith & Stewart (1995), sport administrators will resist change if it means that the 'personality' of the club is undermined through a relocation of playing venue, the appointment of a 'foreign' coach (that is someone from another club) the renaming of a facility, a change in its motifs, or modification to the club colours or theme song.

Fixed supply schedule

Fixed short run productivity is another hindrance for sporting clubs. Where commercial businesses can increase their productivity to meet demand, sporting organisations have a fixed, or highly inelastic production curve (excluding sales of memberships and memorabilia). Clubs or individual competitors can only play a certain number of times during a specific period. In the situation where support for a particular club is high, the league may change the venue to allow a larger crowd to attend, but cannot decide to play the match twice. In the long run, however, the supply of the sport product can be increased. For example, the steady increase in the demand for cricket watching (mostly via television) over the past thirty years has resulted in more matches being played, and therefore resulted in an increase in productivity (Stewart 1995). This sort of strategic response is not surprising to Staudohar and Mangan (1991), since the success of professional sports ventures is based on the extent to which they can deliver games to large numbers of people who are willing to pay for the entertainment.

Conclusion - A business, more or less?

While commentators and business analysts seem to universally agree that professional sport requires professional management via the careful adoption and in some cases adaptation of commercial business principles, the unique features of the sport market is still highly visible. Without an understanding of how business principles apply to the unique nature of sport, sports administrators will fail to maximise their club's successes both on the field and off, nor will they be capable of employing appropriate management practices. Thus, it appears that an understanding of the unique features of the sport market is intrinsic to the application of professional management practices.

While the radically changing world that currently surrounds sport demands an appropriate administrative response, it is also important that sports administrators be sensitive to the special structures of sport. These features were succinctly summarised by Jerry Gorman and Kirk Calhoun (1994) when they commented:

> *Sports. It is at once a business and an emotional experience, money and heart. Neither side can be dismissed, by the fan or the people in charge (p.47).*

It has been argued that sport is a complex socio-cultural phenomena as well as being part of the entertainment industry, and to reduce it to a simple commercial transaction or public display fails to provide a full understanding of its special features, enormous social and cultural impact, symbolic significance and frequently paradoxical practices. As a result, the commercial business professional management practices identified in the previous section must be viewed with an understanding that the sport market may not always be able to translate the practices directly. While, professional management practices in the commercial business world are inextricably linked to the management of sport, the degree of translation is debatable and ambiguous.

As professional management practices in commercial business have been identified, and the unique features of the sport market explored, the next logical step is to

examine how commentators of the sport market have viewed professional management practices.

2.4 The sport market approach

2.4.1 Defining features of the sports professional

The use of the term 'professional' to describe the management of contemporary sport can be confusing, since traditionally the term professional has been used to describe players who were paid for their participation. However, Zanger and Parks (1990), in their analysis of contemporary sport management, were clear about what it means to be professional:

> *Describing someone as 'professional' is a compliment, implying proper business ethics, good service and quality products. In addition, professionalism involves a neat appearance, pleasant voice, and fluent but succinct speaking and writing abilities (p.21).*

Zeigler (1983), also discussed the role of the professional in sport when outlining the development of managers' personal skills. Having identified five leadership styles, he described one as 'professional'. According to Zeigler, an individual possessing a professional leadership style is distinguished by several characteristics including: first, their willingness to address themselves to the understanding of the conditions that affect good management practices; second, their study of the research and application of the behavioural sciences and management schools; third, their recognition that the efforts of management and professional employees must be shared in order to maximise goal achievement; fourth, their undertaking of an eclectic approach allowing the management of a diverse range of employees; and finally, their continual attempt to achieve the best results, without compromising their employees.

Horine (1991), in his textbook concerning the nature of administration and management, reinforced the competence and conduct components of Zeigler's definition. Horine specified that the professional administrator remains current and 'in touch' with trends. In a sporting context, being highly professional means behaving ethically as well as being competent, a notion reinforced by Slack (1997). Table 2.10 summarises the defining features of a sport management professional.

Table 2.10 - Defining features of a sport professional

Author	View
Zeigler (1983)	• understanding of 'good' management practice • education • employee involvement in management • flexibility • ethical behaviour.
Zanger and Parks (1990)	• ethical behaviour • service to customers • quality • style & etiquette
Horine (1991); Slack (1997)	• competence • ethical behaviour

2.4.2 Professional management practices and the professionalisation of sport

Although the literature on sport management and administration lacks the detail, depth and precision of the general management literature, it nevertheless makes some useful points. There have been a number of attempts to link the professionalisation or commercialisation of sport with 'professional' practices and best practices. In doing so, a number of writers have tried to establish a profile of the professional sport administrator.

Lawrence Watt (1992), for example, in his examination of the professionalism of sport management in New Zealand, maintained that any sports manager will rate personal skills at the top of their list of required professional attributes, along with quality management and assurance procedures. While quality management and assurance figures prominently in business literature, people skills are rarely associated with 'professional' attributes. Ramish Patel (1992), executive director of the New Zealand Hockey Federation, nominated that this is due to the prevalence of volunteers in sporting organisations, and the implicit difficulty professional (full-time) administrators have with their dismissal.

According to Peter McDermott (1992), Chair of Zealand Cricket Inc., professional management in sport is not very different from professional management in running a commercial company. McDermott pointed to five key management areas: first,

marketing; second, financial planning; third, merchandising; fourth, retail selling (tickets); and finally, marketing (television rights). Taking a similar 'checklist' approach to professional management, Matene Love (1994), examined the skills and competencies of modern sports managers. She quoted (but failed to reference) research commissioned by Massey University which indicated that specific sport knowledge rates poorly as a prerequisite to gaining employment in the sports management industry compared with other technical disciplines. According to Love, the research identified eight competencies as being essential requirements for sports management executives. Some of these competencies were skills while others were management practices. They were, in order of importance: first, marketing skills; second, business planning skills; third, accounting and financial management abilities; fourth, general management abilities; fifth, economic experience; sixth, sport science knowledge; seventh, human resource management skills; and finally, leisure and recreation theory.

Love hypothesised that an emphasis on marketing skills is a consequence of commercialisation and professionalisation of sport, and the need to sell sport as an entertainment package to both sponsors and the public. Moreover, Love stated that modern professional management requires a 'hard-nosed' approach in order to successfully deal with marketing, sponsorship and media issues, implying that the human aspects of management and the needs of participants, voluntary officials, coaches, and administrators, are not as important as service delivery skills. Love proposed that this is a reaction to the pressures on organisations to produce effective and efficient sporting operations. In other words, the implementation of professional management practices has forced a focus on the acquisition of customer satisfaction via rigorous, formal and documented management techniques.

Love argued that 'experts' commonly believe that a professional or commercial approach will have a significant impact upon sporting club structures, in addition to having a positive effect on participation levels. Furthermore, Love warned that failure to acknowledge the changing nature of sports management as a natural

progression toward increased commercialisation could lead to the destruction of national sporting association structures.

Maloy (1994), also acknowledged this necessity to adjust perceptions concerning the commercialisation and professionalisation of sport management. In order to broaden and develop management competence in collegiate sport in the United States, Maloy suggested several professional management practices. He advocated a greater emphasis on long-term planning to be distinguished by values and quality, and the re-appraisal of the sport administrators' role to encompass situational variables. Furthermore, he argued that charisma is not a sufficient characteristic in a manager. Rather, sport managers require concrete abilities, skills and practices. Maloy predicted that in the future successful sport organisations will typically focus on performance and productivity, incorporating performance measures such as ethics and leadership in their version of professional management.

A similar viewpoint was offered by Dene Moore (1993), former Executive Director of the Confederation of Australian Sport, in his examination of the development of professional management in the sport industry. He concluded that despite an early reluctance to embrace change, better management expertise and planning by sporting organisations has led to the acknowledgement that full-time, paid administrators are essential to the development of an 'efficient and effective' sports structure. Moreover, Moore argued that those sports in Australia that are progressing are those which are best managed. In addition, the development of a strong rapport and working relationship between boards of management, which are elected, unpaid, varying in qualifications and not usually directly accountable, and staff which are appointed, paid, generally qualified and accountable, is essential to the success of sporting organisations, and fundamental to any concept of professional management.

Moore noted that the successful sports administrator needs to be skilled in a number of areas. He specified that the challenges of 'management, public relations, marketing, media relations, legal expertise, insurance knowledge, personnel

qualifications, facility and technical know-how, financial skills, and public speaking demands ... require the modern sports administrator to be more qualified than ever before' (p.18). Furthermore, the future will see an increase in the number of specialists employed in sporting organisations, and the fields of marketing and finance are likely to increase with the development of professional management incorporating practices such as strategic planning, with the corporate approach to become the accepted norm.

Table 2.11 summarises the previously reviewed general philosophies and views concerning skills and management practices associated with professionalisation in sport.

Table 2.11- Summary of views on the professionalisation of sport

Author	General Philosophy	Professional Management Skills	Professional Management Practices
Love (1994)	'competency' approach	• general management skills • economic skills • sport science • HRM skills • leisure & rec. theory	• marketing • strategic planning • financial planning
Maloy (1994)	'contingency' approach within ethical parameters		• strategic planning • quality management
McDermott (1992)	'commercial' approach		• marketing • financial planning • merchandising • retail selling • marketing (TV)
Moore (1993)	'corporate' approach		• strategic planning
Watt (1992)	'business' approach	• people skills	• quality management and assurance

2.4.3 Management practices in sporting organisations

Some research has been undertaken which addresses the importance of various management practices and structures within sporting organisations, although little has been conducted in Australia. The following is a review of this research.

Lawrence Kahn (1993), for example, investigated the impact of managerial quality on team winning and individual player performance. Kahn sought to link the human resource skills of American major league baseball managers with their team's performance on the field. Managerial quality and player performance was measured as predicted pay based on salary regressions. Kahn used a market-related approach to the measurement of managerial skill. He reasoned that since managers are free-agents, subject to the demand of a competitive labour market, their salaries should approach their marginal revenue products. In simple, non-economic terms, Kahn rationalised that a manager's salary is an approximate measure of their quality. He therefore used manager's salaries as a measure of their competence. However, salary data was only available up to 1987. As a result, Kahn extrapolated the data (using statistical regression) to provide a predicted pay structure for the years up to 1992.

Kahn's results indicated statistically that higher quality (better paid) managers are more successful in terms of win-loss percentages, and the higher the manager's quality, the better the players' performance levels. According to Kahn, the findings suggested that the quality of management makes an important difference in the performance of organisations.

David Fabianic (1993), also examined managerial effectiveness in American professional baseball. The purpose of his study was to determine which managers were most effective in team management. He classified managers into those who have had major league experience and those without, and grouped them according to whether they had a winning record of greater or less than 50%. Fabianic concluded that those managers with no playing experience were most successful, and a trend was developing for more managers to be appointed who also had no playing experience. He explained that the tendency toward appointing managers who were

inexperienced in playing major league baseball is because baseball is becoming increasingly oriented toward business and profitability considerations. He commented:

In order to function at this level, teams have resorted more and more to a large business model of organisation. The manager is but one role in the complex of roles which define the organisation. Ownership looks for skills and attributes which will benefit the organisation, not just the performance of the team (p.5).

Clare Hanlon, Robin Tait, and Brad Rhodes (1994), used qualitative and quantitative data to determine the management styles of successful Australian managers in sport, tourism and recreation. They determined that there were no significant differences between the styles most used by successful managers. In fact, managers revealed that they used different management styles in different situations. In other words, if successful management styles are equated with professional management practices, then according to this research, Australian sport managers have largely adopted a contingency approach to the use of administrative techniques.

Table 2.12 illustrates in condensed form the results of research concerning management practices in sporting organisations.

Table 2.12 - Management practices in sporting organisations

Author	Research	Result
Fabianic (1993) - USA	Importance of playing experience in management success	Managers with no professional playing experience are more successful
Kahn (1993) - USA	Impact of management quality on team winning	Higher quality managers lead to higher organisational performance
Hanlon, Tait, Rhodes (1994) - AUS	Determination of management styles of successful managers	No significant difference between styles - 'CONTINGENCY'

2.4.4 The impact of professionalisation in sporting organisations

In 1996, the Federal government created the Standing Committee on Recreation and Sport (SCORS), which considered data obtained by the Australian Sports Commission (ASC) demonstrating that many national sporting organisations (NSO's) needed to:

> *... undergo significant improvements to be able to respond to current and future management and development imperatives. In particular, the management systems, skills and structures of NSO's and state sporting organisations (SSO's) need to be reviewed and possibly replaced with more business-like practices which are able to address the 'big-picture' issues and deliver results (p.1)*

According to the Australian Sports Commission, these 'business-like' practices are the vehicle for necessary change in the traditional structures and systems that currently dominate sport management, so that ultimately NSO's and SSO's can respond swiftly and decisively to market forces. Furthermore, in order for change to occur, Australian sport organisations should adopt a 'best-practice' model, comprising the following elements: first, streamlined national boards which are appointed on the basis of individual skills; second, a single national entity - where each state is given responsibility to achieve agreed outcomes in line with the national plan; third, linked constitutions and management structures - where duplication in decision making processes and management systems are removed; fourth, a single vision shared by all members within an organisation; fifth, the coordination of national programs and policies across state boundaries; sixth, the principles of hand-off 'governance' and hands-on 'management' are understood; seventh, organisations are innovative, customer focused and responsive; eighth, organisations use sophisticated information and communication systems; ninth, the employment of more suitably qualified women; tenth, reliance upon government funding reduced; and finally, competency-based training and performance assessment is widely understood.

In a follow-up report in 1997, SCORS also nominated the common management issues Australian sport administrators would like addressed. These issues departed

from the 'macro', generic best practices listed above, instead focusing on more functional 'micro' practices including the management of facilities, events, personnel, technology, marketing and the media, quality service delivery, the law, organisational culture and funding.

A number of individual researchers have underscored the ASC's best-practice imperatives, in unrelated and independent studies concerning the relationship between volunteers and professionals. Graham Cuskelly (1994), for example, undertook an analysis of the relationship between organisational commitment and committee functioning in amateur sporting organisations. In determining relationships between organisational commitment and committee functioning (for all five identified dimensions - decision process, cohesion, conflict receptiveness, and homogeneity), Cuskelly identified a trend towards professionalisation in sport administration. Cuskelly concluded that volunteers were more committed to their sporting clubs or associations when they perceived that their committee was a cohesive group, which remained receptive to new ideas, and used open processes to make decisions and handle conflicts. Thus, the professionalisation of sport in essentially amateur organisations did not alienate volunteers, providing that the practices employed were sensitive to the culture of the organisation. In fact, the process of professionalism can potentially generate positive outcomes. Auld (1993), for example, maintained that the process of managerial professionalism has provided organisations with a myriad of benefits. However, he cautioned that the professionalisation process is subtle, with its impact on volunteers largely unknown.

Similarly, in looking at the role of volunteers in the process of professionalisation, Auld (1994), again explored the contribution that volunteers make to the leisure industry. He reported that organisations have moved away from volunteerism and toward professionalisation; a situation characterised by the employment of professional administrators to assist the operational management of an organisation. Auld noted that this professionalisation process has led to the marginalisation of volunteers, and has resulted in a relocation of their responsibilities from the core to the periphery. Given the importance of professionals and the increase of

professionalisation in previously voluntarily managed organisations, Auld observed that professional competence has received little exposure.

Wittock, Bollaert, De Knop, Laporte and Van Meerbeck, (1995), also acknowledged the growing trend towards professionalisation in sporting organisations, in discussing their attempts to develop an instrument with which sports federations can evaluate and optimise their management. Despite referring to the European leisure community, their comments are similar to those made in Australia. They cautioned that the expansion of the leisure industry, the diversification of sports disciplines, and the increasing number of commercial organisations offering sports, may spread administrative resources thin. In addition, the professionalisation of sports organisations and the growing complexity of the tasks to be fulfilled within clubs, may make it difficult to find volunteers to perform the necessary work. Wittock et al recommended comprehensive planning strategies for sporting organisations to address this demand for increasing professionalism.

A number of studies have addressed the emergence of professionalisation in sporting organisations in Canada. Macintosh and Whitson (1990), for example, in discussing the Canadian amateur sport scene, looked at the relationship between paid employees (whom they termed professionals), and volunteers. They reported that most professionals were employed by volunteer boards or committees, and subsequently worked in a variety of roles in concert with those committees. They specified that the roles of professionals can swing between the extremes of complete decision making authority, to no authority at all.

Macintosh and Whitson additionally investigated the relationship between amateurs and professionals in Canadian national sporting organisations. They discovered some areas of conflict, and found variability in the degree of influence and responsibility professionals have in the policy development process. While these differences were widely experienced, Macintosh and Whitson argued that the areas of policy development, committee involvement and resource allocation were at the centre of professional-volunteer relationships in the management structure. Thus,

the shift toward professionalisation has led to the implementation of formal and discrete management practices which are implemented by paid, full time staff, thereby decreasing the effective decision-making power of volunteers.

In another Canadian-based study, Kikulis, Slack, Hinings and Zimmermann (1989), examined the effects of professionalisation on sporting organisational structures. Professionalisation, according to Kikulis et al, is based on the levels of full-time, paid staff. They identified eight structural design types. Of the fifty-nine provincial sport organisations participating in their study, five were labelled as the 'professional bureaucratic' design type, which were the most evolved level from that of the volunteer organisation. The 'professional bureaucratic' structural design type is characterised by high levels of specialisation, where decisions are undertaken by professionals and approved by volunteer boards. Kikulis et al indicated that the control of information that the professionals possessed lead to the disempowerment of volunteers.

Kikulis et al further observed that some professionals view the role played by the board or committee as limited, and believe that part-time volunteers are not qualified to participate in policy decisions, or assess professional competence. In some NSO's, they reported that volunteers felt they were appropriately empowered and were satisfied with the roles played by professional staff, while in other organisations where volunteers sought a high level of involvement, professional staff typically complained of being 'hamstrung' and unable to fulfil their roles adequately, due to volunteer 'meddling'.

Thibault, Slack and Hinings (1990), followed on from this study, examining the impact of professional staff on a number of structural variables. They warned that the introduction of professionals leads to a change in the culture of amateur sport organisations, and that professional employees are influential in an organisation's decision making processes. Thibault et al explained the increase in decision making by professionals as symptomatic of their advancing autonomy. In other words, professionals are becoming more powerful in amateur sporting organisations.

In yet another Canadian study, Slack and Thibault (1990), investigated the values and beliefs of employees of NSO's. In undertaking this study, they examined the views of professionals and volunteers regarding decision making power. They discovered that professionals are viewed as controllers of decision making power, and are likely to continue in that role. Slack and Thibault highlighted that the dominant values and beliefs of NSO's are centred upon increasing professionalisation.

In one of few domestic critiques, Richard Mills (1994), considered professionalism in Australian sport and the utilisation of business practices by sporting organisations. Mills recognised that there is an increasing amount of pressure placed on sports administrators to conduct their management with consideration toward the legal and financial components of their organisation's performance, in addition to its 'on-field' success. He pointed out that at a local level, clubs are undertaking strategic planning where they have never before. Where the delivery of sport is facilitated by state sporting organisations, increased professionalism is manifested by a greater presence of paid staff. At the national level, the professionalisation of sport is continually demonstrated by the locations and entertainment value of competitive matches supported by sophisticated marketing and management activities. In addition, sport is characterised by increasing levels of formalisation and bureaucratisation, with a shift from a volunteer base to a paid staffing system. Mills recommended that the current professionalisation process should be analysed further, with a view to carefully managing the introduction of professional administrators and their use of business practices, in order to minimise conflicts with voluntary staff.

The impact of professionalisation in sporting organisations is condensed in Table 2.13, on the next page.

Table 2.13 - Impact of professionalisation in Sporting organisations

Author	Research	Impact of professionalisation
Auld (1993)	Impact of professionals on control of organisation	Professionals control organisation
Auld (1994)	Importance of volunteers	Volunteers marginalised - less powerful in decision-making
Australian Sports Commission (1996)	Impact of best-practice and professionalism on Australian NSO/SSO's	• improved communications • increased revenue • less govt. funding • streamlined decision making • improved national focus • focus on national priorities • commitment to gender equity • improved research capacity • understanding of the 'customer' • new services to meet customer
Cuskelly (1994)	Relationship b/w commitment and committee functioning	Volunteers committed when committee cohesive during professionalsation
Kukulis, Slack, Hinings, & Zimmerman (1989)	Effect of professionalisation on sporting organisational structures	Increase in specialisation, size, and complexity controlled by paid employees
Macintosh & Whitson (1990)	Relationship b/w professionals and volunteers	Leads to professional management practices controlled by paid employees
Mills (1994)	Discussed effects of professionalisation	Increase in paid staff and use of business principles
Slack & Thibault (1990)	Views of professionals and volunteers concerning decision-making power	Professionals should control decision-making power
Thibault, Slack, & Hinings (1990)	Impact of paid staff (professionals) on structure	Professionals (paid staff) have more decision-making power
Wittock, Bollaert, De Knop, Laporte, & Van Meerbeck (1995)	Development of instrument to optimise management (STRATEGIC PLANNING)	Difficult to find volunteers to perform complex tasks

2.4.5 Quality management in sporting organisations

Mawson (1993), defined Total Quality Management (TQM) as a customer-focused management system that provides customer satisfaction through improvement of the work processes of all employees in an organisation that produces goods and services for customers (p.101). She suggested that TQM is applicable to the field of sport management because of its broad base of customers: sport participants, sport spectators, and sport management students/researchers/teachers. In a sport management context, total quality management focuses on delivering reliable and durable services in order to meet or exceed customer expectations.

Mawson advised that TQM can be incorporated by sport managers within the services they provide to sport consumers, through their leadership to employees and via the sport programs they administrate. The concept of TQM emphasises quality, reliability and productivity; factors that require maximisation in the increasingly competitive world of sport and recreation as a service business. Thus, a focus on the quality of product or service delivery is an integral component to any system of management practices concerned with professionalism.

While Mawson talked about it, Van der Graaff (1995), demonstrated the importance of quality in sport management, based on data obtained from researching quality of service in sport centres in the Netherlands. He emphasised that managing a sports centre in a market oriented way is becoming an, 'all important matter' (p.41) due to lack of funds, and pressures from the business community to be more attune with contemporary business practices. The result is a need to be more professional, which, in practical terms translates as being more result and customer orientated, as well as more price and quality conscious. In addition, Van der Graaff reasoned that in order to survive in the long-term, sports centres must adapt to new developments in society, and must think seriously about the manner in which their own way of thinking coincides more closely with that of the business community. In other words, sports centres must utilise the principles of professional management that commercial business has developed. The importance of adopting commercial

management practices was similarly highlighted by Quick (1995), in his assessment of the use of quality management in two Australian professional sport organisations.

Bramvold (1993), took a similar approach to quality management as did Mawson, Van der Graaff and Quick, in his model for evaluating American college athletic program quality. Highlighting the importance of commercial principles, Bramvold identified five pivotal management areas. They were: first, academic performance; second, financial sufficiency; third, balance and equity; fourth, winning; and fifth, size and scope.

In contrast, James (1995), took a participant rather than management approach to quality management. He discussed the use of total quality management (TQM) by an Australian rules football team. He cited TQM specialist Lou Coutts, who recognised TQM techniques being employed by West Coach Eagles coach, Mick Malthouse. Coutts claimed that the Eagles were a totally integrated organisation. He claimed that Malthouse taught players to operate under a strict system based on controlling unwanted randomness, and developed 283 rules for being a footballer, all of which can be adjusted by individual players in the event something goes wrong. In this sense, James argued that quality management can be utilised by coaches to enhance players' professionalism - and ultimately their performance. Nevertheless, it appeared as though Malthouse's appreciation of total quality management was instinctive, rather than deliberate. When asked, he stated that he had never heard of total quality management.

Table 2.14 summarises the quality management approaches described above.

Table 2.14 - Approaches to quality management

Author	Area of applicability	Proposed outcome
Bramvold (1993)	Evaluating college sport programs	Increase in quality of programs if management focuses on: 1) academic performance; 2) financial sufficiency; 3) balance and equity; 4) winning; and 5) size and scope.
Coutts (1995)	Professional sports teams	Increase in professionalism Increase in performance Decrease in variability/quality of performance
James (1995)	Football teams	Increase in performance
Mawson (1993)	All sport management	Increase in professionalism Increase in quality, reliability, & productivity
Quick (1995)	Professional sport clubs	Increase productivity and quality
Van der Graff (1995)	Sports centres	Increase in professionalism Price, quality & service orientation

2.4.6 Factors affecting the use of professional management practices in sport

While many of the following issues have already been identified in previous sections, this segment reworks them in order to provide a succinct summary of the factors that impact upon professional management practice in sport.

Financial resources, size and complexity

Sports development consultants David Hogg Pty. Ltd., undertook a study in 1987 designed to assess the quality and needs of sports administrators in Australia. The study surveyed Australia-wide sports administrators covering national federations, state associations, regional associations and clubs. Respondents were selected from a diverse background and varied in terms of sports represented, type and size of organisation, capacity of involvement (paid or unpaid), professional qualifications, and years of experience.

Hogg Pty. Ltd. concluded that the greatest priorities for sport administrators were in the areas of sponsorship applications and servicing, followed by marketing, media relations and the acquisition of government grants. Other developmental areas considered of high importance were preparing developmental plans, general fund-raising, use of computers, and making use of voluntary manpower. Most significantly, sports administrators believed that their professional development was lacking in areas concerning the acquisition of finances. Accordingly, Hogg Pty. Ltd., determined that the level of financial resources an organisation commands, has a significant impact on their management processes and practices.

A number of Canadian authors, (Frisby 1986; Slack 1985; Slack and Hinings 1987; Kikulis, Slack, Hinings, and Zimmerman 1989), have examined the process of professionalisation within amateur sport organisations, specifically focusing upon organisational structure. Kikulis, Slack, Hinings, and Zimmerman (1989), for example, identified specific structures that sporting organisations possess, and went on to establish that that there is an increasing trend toward bureaucracy. Their conclusions, supported by the previous work of Frisby (1986), and Slack and Hinings (1987), indicated that the development of larger, more formal or 'professional' structures within sporting organisations may lead to better outcomes. In other words, the larger the organisation, the greater the chance it will employ professional management practices. In addition, the larger the sporting organisation, the greater their financial resources. Thus, professional management practices may be directly related to financial status.

Mills (1994), supported this notion in his examination of the utilisation of 'commercial' business practices by sporting bodies in Australia. He noted the increase in paid employees and long-term planning, and implicitly assumed a direct relationship between a 'professional' approach, 'professional' practices, and superior outcomes. He concluded that the increased level of organisational complexity and the change from volunteer to paid administrators has increased the use of business practices. Thus, an organisation's size, resources and complexity will affect its management practices. Ferguson (1995), supported this view, arguing that this

increase in professionalism has forced Australian Rugby League teams to abandon their traditional club structures for larger, more formal business structures with greater resources, which can more easily embrace contemporary professional practice.

Reward system

Using a similar conceptual framework to Kikulis, Slack, Hinings and Zimmerman (1989), Thibault, Slack and Hinings (1991), investigated the impact of paid staff on sporting organisations that had previously employed a volunteer to undertake the position. They discovered that the levels of specialisation and standardisation increased with the employment of paid 'professional' staff. Auld (1993), confirmed this conclusion and illuminated the influence paid professional staff and volunteers command in national sport organisations. He found that both paid professionals and volunteers perceive that 'professionals' have more influence in organisational decision-making than do volunteers. A similar result was obtained by Cuskelly (1994), who analysed volunteers' perceptions of organisational functioning in Australian sporting bodies, while in the United States, Kahn (1993), investigated the impact of managerial quality on team performance in professional baseball, and rationalised that a manager's salary is an appropriate measure of their quality.

Watt (1992), also viewed the remuneration status of administrators as fundamental to their beliefs and practices. Love (1994), adopted a similar approach, explaining that paid managers have difficulty in dealing with volunteer administrators because they possess different views on how to manage an organisation. According to Moore (1993), it must be acknowledged that paid administrators are essential to the development of an 'efficient and effective' sports structure, and like Love, pointed out that the differences in management practices between those who are unpaid and varying in qualifications, and those who are paid and generally qualified, are considerable. Thus, the remuneration status of sport administrators is fundamental to their perception and application of management practices.

Education/training

It also seems clear that education and professional training is an important factor influencing sports administrators' use of management practices. Several writers (Moore 1993; Parkhouse 1981; Watt 1992), have suggested that further education is a necessity for the professional development of sports administrators. Hogg (1988), submitted a report to the Australian Sports Commission outlining the professional development needs of Australian sports administrators. He acknowledged that tertiary educated administrators have different perceptions and utilise different management practices to non-tertiary educated administrators. Moore (1993), cautioned that the professionalisation process is forcing the modern sports administrator to be more qualified than ever before. Watt (1992), endorsed this growing tendency for sport administrators to possess management training, and explained that this accounts for some of the different practices employed by administrators.

Saunders (1993), suggested that it is necessary for sport managers to undertake additional training in order to achieve improved levels of efficiency and performance. Whitson and Macintosh (1989), also noted the trend towards a more performance-oriented and educationally based system of management in their discussion of the increasing levels of rationalisation and professionalisation in Canadian amateur sporting organisations. Slack's (1988), research reinforced the trend identified by Whitson and Macintosh (1989), his examination of the values and beliefs of members of Canadian national sporting organisations indicating that volunteers favour the role played by trained 'professionals' in their organisation, and supported further power to be allocated to professionals. Research undertaken by Whitson (1988) found that professionals, without exception, are committed to high performance, re-training and the centrality of their role in pursuing performance goals. Thus, a focus on the pursuit of high performance and success in sport appears linked to employee training.

Source of funding

Wittock, Bollaert, De Knop, Laporte and Van Meerbeck, (1995), viewed the context in which production and marketing takes place as the most important factor concerning the sports manager. They argued that an organisation can be described as either profit or non-profit, where accordingly, profit imposes specific objectives, and subsequently specific contingencies on a sport manager. They do not, however, detail what these contingencies are. In addition to the profit-orientation of sporting organisations, Wittock et al suggested that the other major contextual dimension is an organisation's source of funding. Funding can be private: from membership fees and donations, public: government grants, and from a third sector: a combination of both private and public funding. Thus, the management practices utilised by sport managers is dependent upon the organisation's profit-orientation and the orientation of their major source of funding, either private or public. For example, if an organisation received the majority of their funding from the government, they may be committed to spend that money pursuing government policy objectives.

Wittock et al's view is based on a European model. The organisation of Australian sport may be too ambiguous to apply the Wittock et al model. The majority of Australian sporting organisations, including state sport organisations, national sport organisations, and even 'professional' clubs are non-profit, according to their legal articles of association. However, many of these organisations do actively seek surplus income, making their profit-orientation difficult to categorise. In addition, while funding sources are generally split between private and public, Wittock et al don't specify why management practices may vary between organisations with varying goals. Implicit within the concept of professional management practice is the notion that some management practices are ubiquitous and therefore appropriate for all organisations. Thus, the orientation of the major source of funding and its impact on management practices remains unclear.

Summary

The sport related literature is in agreement that professionalism is worth aspiring to, and that it will produce good outcomes. In addition, it highlights the likely impact that organisational size, complexity, and financial power (Ferguson 1995; Frisby 1986; Kikulis, Slack, Hinings and Zimmerman 1989; Mills 1994; Slack and Hinings 1987), education level (Hogg 1988; Moore 1993; Parkhouse 1981; Watt 1992), and the reward system (paid or voluntary) (Auld 1993; Cuskelly 1994; Kahn 1993; Love 1994; Moore 1993; Thibault, Slack and Hinings 1991; Watt 1992) have upon the beliefs and behaviours of sport administrators concerning professional management practices. In addition, although not well supported, the source of funding for an organisation may have an effect on its application of professional management practices (Hogg, 1987; Wittock, Bollaert, De Knop, Laporte and Van Meerbeck, 1995). Table 2.15 summarises the factors affecting the use and adoption of professional management practices.

Table 2.15 - Factors affecting the use and perception of professional management practices by sport administrators

Factors affecting professional management practices	Advocates
REWARD SYSTEM - Remuneration of employees	Auld (1993), Cuskelly (1994), Hogg (1987), Kahn (1993), Love (1994), Mills (1994), Moore (1993), Thibault, Slack & Hinings (1991), Watt (1992)
EDUCATION/TRAINING level of employees	Hogg (1988), Moore (1993), Parkhouse (1981), Watt (1992).
STRUCTURE (financial resources, size, complexity)	Ferguson (1995), Frisby (1986), Mills (1994), Hogg (1987), Kukulis, Slack, Hinings, & Zimmerman (1989), Slack (1985), Slack & Hinings (1987)
SOURCE OF FUNDING - (private/government)	Hogg (1987), Wittock, Bollaert, De Knop, Laporte and Van Meerbeck, (1995)

2.4.7 Conclusion

Following a review of literature it remains difficult to precisely identify what constitutes professionalism and professional management practice, how it specifically applies to the world of sport, and how it impacts upon the day to day practices of the sports administrator. In other words, while professional management practices in sport are seen as goals worth striving for, and are increasingly important as the 'sports world' becomes more 'commercial', the practices that the contemporary sports administrator commonly employs are rarely identified or explained in any detail. However, this is not to say that sport administrators have no views or beliefs on the matter. In short, sport-based research has not ventured into sufficient detail to yield specific responses from the 'practitioner' about professional management practice.

However, while there are no clear answers, the literature does point toward certain common practices and perceptions that shed some light on the issue. Five common practices were identified from the literature review as professional management practices. They were, in order of prevalence: first, strategic planning; second, quality management; third, a contingency approach; fourth, financial planning; and finally, marketing practices.

Strategic planning, quality management and the contingency approach were described earlier. Financial planning refers to the development of a formal system of goals and processes concerned with pecuniary or monetary situation of an organisation. Marketing practices are those related to the selling and merchandising of products and services offered by an organisation. Table 2.16 provides a summary of the sport-related view of professional management practices.

Table 2.16 - A sport related view of professional management practices

Professional management practice	Proponents
STRATEGIC PLANNING	Love (1994), Maloy (1994), Moore (1993), Wittock, Bollaert, De Knop, Laporte, & Van Meerbeck (1995)
QUALITY MANAGEMENT	Bramvold (1993), Coutts (1995), Maloy (1994), Mawson (1993), Quick (1995), Van der Graff (1995), Watt (1992)
CONTINGENCY APPROACH	Hanlon, Tait, & Rhodes (1994), Maloy (1994)
FINANCIAL PLANNING	Love (1994), McDermott (1992), Hogg (1988)
MARKETING PRACTICES	Love (1994), McDermott (1992), Hogg (1988)

2.4.8 Business - sport comparisons

Professionalism

The purpose of this section is to briefly distinguish the relative characteristics of professionalism according to both the business and sport-related literature. There has been far more written under the banner of business literature, than in the relatively young field of sport management, however, even at a cursory glance, there are conspicuous commonalties between the two. For example, there are writers from both disciplines that regard professionalism as comprising elements of competence, ethical behaviour, service, education, or style. This is highlighted in Table 2.17, following, which illustrates for comparative purposes the perceived components of professionalism in business and sport-related literature.

Table 2.17 - Common characteristics of professionalism in business and sport

Component	Proponents - BUSINESS	Proponents - SPORT
COMPETENCE/ KNOWLEDGE/ SKILL	Arkin (1992), Box (1993), Griffin (1993); Lindler (1994); Mautz (1988), Peterson & Nisenholz (1987); Romano (1994), Vacc & Loesch (1987); VanZandt (1990); Watson (1994); Weiss (1981)	Horine (1991), Zeigler (1983)
CONDUCT (ETHICAL BEHAVIOUR)	Blanchard, (1988); Callahan, (1991); Codes of Professional Responsibility, (1991); Encyclopedia of Ethics, (1992); Goldman, (1980); Gorlin, (1986); Hansen, (1993); Jackson (1992); Mitchell, (1989); Mount, (1990); Morrill (1984); Pemberton, (1995); Press, (1994); Rich, (1984); Valasquez, (1991).	Horine (1991), Zanger & Parks (1990), Zeigler (1983)
(COMPETENCE) service/quality	Box (1993), Davis (1993), Mautz (1988), Patton (1994)	Zanger & Parks (1990)
(COMPETENCE) qualifications/training/ education	Jackson (1992), Patton (1994)	Zeigler (1983)
(CONDUCT) style/etiquette	Hazard (1993), Lindler (1994), Patton (1994)	Zanger & Parks (1990)

Professional management practices

Again, it is clear that there is far more literature concerning professional management practices in business than there is in sport. This is not surprising in the light of the competitive context of business, and the traditional view that sport and business are not always closely connected. However, a number of superficial comparisons between the two bodies of literature can be drawn. For example, there were some shared practices, such as strategic planning, quality management and the use of a contingency approach, but there were also a number of practices which proved unique to each body of literature. The business literature, for instance, associated the use of process analysis, culture development, employee involvement, training, performance measurement and supplier partnerships with professional management

practice. On the other hand, the technique of financial planning and the use of marketing practices was unique to the sport-related perspective of professional management practices. Noteworthy is the fact that other management practices were explained in both sets of literature, but were not overtly associated with professional management practices. It would therefore be imprudent to assume that nothing more has been written concerning recommended management practices. Table 2.18, on the next page, compares the features of professional management practices as identified by business and sport-related literature.

Table 2.18 - Professional management practices: A comparison between business and sport literature

Component	Proponents - BUSINESS	Proponents - SPORT
FINANCIAL PLANNING		Love (1994), McDermott (1992), Hogg (1988)
MARKETING		Love (1994), McDermott (1992), Hogg (1988)
PROCESS ANALYSIS	American Quality Foundation - Ernst & Young (1992), Arthur Anderson Consulting (1996); Brown, (1995), Director Magazine (1994), Fodor (1992), Griffin, Gleason, Preiss, & Shavenaugh (1995), Gephart (1995), Helliwell (1992), Saratoga Institute (1993), United States General Accounting Office (1992), Walton/Deming (1989)	
STRATEGIC PLANNING	American Quality Foundation - Ernst & Young (1992), Asian Business magazine (1995), Director Magazine (1994), Eilon (1992), Gephart (1995), McIntyre (1995), Saratoga Institute (1993), Witte (1994)	Love (1994), Maloy (1994), Moore (1993), Wittock, Bollaert, De Knop, Laporte, & Van Meerbeck (1995)
CULTURE DEVELOPMENT	Asian Business magazine (1995), Blackmore & Donahue (1995), Collins (1995), Peters & Waterman (1982), Saratoga Institute (1993), Serpa & Viera (1993), United States General Accounting Office (1992)	
EMPLOYEE INVOLVEMENT	Bartel (1983); Bassi (1994); Director Magazine (1994), Gephart (1995), Griffin, Gleason, Preiss, & Shavenaugh (1995), Kravetz (1988); Kruse (1987); Lawler (1994); Macy and Izumi (1991); McIntyre (1995); Osterman (1994); U.S. Dept. of Labor (1993); United States General Accounting Office (1992)	Zeigler (1983)
INFRASTRUCTURE (TRAINING)	Bartel (1983); Bassi (1994); Blackmore & Donahue (1995), Brown, (1995); Fodor (1992), Kravetz (1988); Kruse (1987); Lawler (1994); Macy and Izumi (1991); Osterman (1994); Saratoga Institute (1993); U.S. Dept. of Labor (1993); Witte (1994)	
PERFORMANCE MEASUREMENT	American Productivity and Quality Centre, (1996), (1995); Anderson, (1996); Bartel (1983); Bassi (1994); Blackmore & Donahue (1995); Bolon, (1995); Camp (1994); Champy, (1995); Gannaway, (1996); Grace, (1996); Griffin, Gleason, Preiss, & Shavenaugh (1995); Kaemmerer, (1996); Kinni (1994); Kravetz (1988); Kruse (1987); Lawler (1994); Macy and Izumi (1991); Osterman (1994); Parker, (1995); Porter, (1996); Witte (1994); U.S. Dept. of Labor (1993); Woods, (1995); Zairi, (1996)	
SUPPLIER PARTNERSHIPS	American Quality Foundation - Ernst & Young (1992), Brown (1995), Director magazine (1994)	
QUALITY MANAGEMENT	American Quality Foundation - Ernst & Young, (1992); Blakemore, 1989; Bocka & Bocka, 1992; Crosby, 1984; Fox, 1991; Hammer, 1993; Hill, 1992; Imai, 1986; Ishikawa, 1982); Jablonski, 1992; Juran, 1989; Karpin Report; Martin, 1993; McConnell, 1986; Reichheld & Sasser, 1995; Schmidt, 1992; Senge, 1990; Tribus, 1988; United States General Accounting Office (1992); Walton 1986).	Bramvold (1993), Coutts (1995), Maloy (1994), Mawson (1993), Quick (1995), Van der Graff (1995), Watt (1992)
CONTINGENCY APPROACH	Eilon (1992), Peters & Waterman (1982); Straussmann (1995)	Hanlon, Tait, & Rhodes (1994), Maloy (1994)

CHAPTER 3: RESEARCH DESIGN & METHODOLOGY

3.1 Introduction

The purpose of this research is to explore the nature of professionalism and professional management practices, and to examine the extent to which they have impacted upon the beliefs and behaviours of Australian sport administrators. A review of literature in business and sport, in combination with in-depth interviews of practising sport managers has been used to acquire primary data in order to address this issue.

3.2 Justification for the methodology

3.2.1 Philosophical background to research

Qualitative methodologies cannot be fully appreciated without a sound understanding of the philosophical paradigm that underpins them. Research methods have traditionally evolved from the scientific method which takes a fundamentally positivistic perspective toward research. Positivism holds that science or knowledge can only deal with observable entities known directly to experience. The positivist subsequently aims to construct generic laws or theories which express relationships between entities (Minichiello, Aroni, Timewell, and Alexander 1995). Qualitative research departs from the traditional positivistic base, having been born out of the rejection of the natural science, or positivistic vision of knowledge accumulation, for the study of humans in their social life settings (Sage 1989). The positivistic approach was viewed as excessively narrow and inflexible, and unable to capture the complexities of human behaviour and interaction.

Qualitative research can be defined as a systematic, empirical strategy for answering questions about people in a bounded social context (Locke 1989). Like most other methodological approaches, qualitative research seeks to answer the question: 'What's going on here?' (Locke 1989). However, qualitative research differs from conventional scientific enquiry in two major respects: first, the methods employed (how to do it), and second, the assumptions the researcher makes at the strategic level (how they view the world).

In qualitative research, significant attention is paid to the research assumptions, and the subjective views of respondents. This interpretive approach holds that people's individual and collective thinking and action has a meaning which can be made intelligible (Minichiello 1995). In other words, an interpretive approach seeks to explain the behaviours of people in terms of the meaning it holds for them. Interpretive research retains the positivist assumption that the goal of research is to describe and explain reality without a value bias. However, unlike the positivistic approach, the interpretive viewpoint rejects the possibility of creating generic laws (Bain 1989). As a result, this research focuses on the perceptions, opinions, beliefs

and practices of individuals, and the assigning of these views with an underpinning meaning.

3.2.2 Qualitative research

To summarise, thus far, qualitative research is based on the theoretical and methodological principles of interpretive science (Sarantakos 1993). According to Sarantakos (1993), qualitative analysis contains a minimum of quantitative measurement, standardisation and mathematical techniques. Moreover, he suggested that the process of qualitative research brings together collection and analysis of the data in such a way that the identification of data leads automatically to its analysis, which in turn directs the area in which data should be sought and identified in order to be analysed again. This ongoing process culminates in the development of new concepts and theories by relating the evidence to abstract concepts and theory generation.

Qualitative research can be distinguished from quantitative research methods by its fundamental approach to solving the research question. For example, quantitative methodologies generally separate the research object from its context, whereas qualitative research assumes that the social world is a human creation, not a discovery (Denzin & Lincoln 1994; Sarantakos 1993). Thus, qualitative or interpretive science attempts to capture reality as it is; as seen and experienced by the respondents. In addition, qualitative research perceives the researcher and the researched as two equal components in the same situation, where each are viewed as holistic individuals rather than being reduced into their constituent parts. Reducing people into numbers and statistics implicitly causes a loss of perception of the subjective nature of human behaviour (Denzin & Lincoln 1994; Hamilton 1994; Sarantakos 1993). Data collected in qualitative research is gathered verbally, producing descriptive data, presenting the respondent's views and experiences in their own words.

Qualitative research attempts to capture people's meanings, definitions and descriptions of events (Berg 1989). Strauss (1987), argued that a researcher's choice

of methodology is predominantly determined by their training influences. However, while the researcher's educational background is undoubtedly influential to some degree, as Minichiello et al (1995) pointed out, this argument loses sight of the interrelationship between theory and method. The research problem lends itself to the use of specific methodologies.

Minichiello et al (1995), also highlighted the fact that the choice of method is affected by the assumptions the researcher makes about the world. In other words, the researcher will always to some extent be influenced by their own world view, leading them to see what they want to see. Therefore, utilising a qualitative methodology within an interpretative paradigm will affect the understanding of the research question.

It is also necessary to acknowledge the fact that the majority of situations could be studied, with equal justification, using a diverse range of methodological techniques (Schwandt, 1994). However, once the research question has been framed by the researcher, certain methodologies lend themselves toward its resolution (Vidich & Lyman, 1994). Again the research question becomes tainted by the process of being framed by the researcher. Nonetheless, the most appropriate methodology can best be determined by understanding the contextual and conceptual basis of the researches' aims.

3.2.3 Aims

The general purpose of this study is to explore the nature of professional management practice, and to assess its impact upon the beliefs and behaviours of sports administrators in Australia.

The specific aims of this study are:

(1)   To identify the management systems which comprise professional management practice.

(2)   To identify any factors that may affect sport administrators' beliefs or adoption of professional management practice.

(3)   To construct a typology of professional management practices used by Australian sports administrators.

3.2.4 Justification of methodology based on aims

The aims of this research are essentially exploratory; that is to say the focus is on gaining an understanding of how sports administrators go about their tasks, and the assumptions, values and meanings they have constructed around those tasks. In order to provide sufficient insight to meet these aims, a methodology was selected that allowed depth and richness in the collected data. It was decided that quantitative methodologies that employ questionnaires and scaled responses would not generate the 'hidden', 'deep' or elusive information that was anticipated as necessary to solve the research problem. Thus, a qualitative methodology was employed that used in-depth interviews as the data-gathering tool.

3.3 Unit of analysis

3.3.1 In-depth interviews

The beliefs and behaviours of a sample of sports administrators has been examined through the use of in-depth interviews. Informants provided 'dense' descriptions of their administrative experiences in sport and revealed how those experiences affected their views and practices concerning the management of sport in general. This research has focused on those sports administrators who are involved in the day-to-day operation of an organisation, are key decision-makers, and have roles of authority and responsibility. For example, typical paid sports administrators fitting this definition included senior management, holding positions such as Chief-Executive, General Manager, and Executive Director. The unpaid equivalent included the President, Chairman or Secretary of the organisation, where they were actively involved in the organisation's daily operation.

3.3.2 Sampling procedure

Theoretical sampling

Theoretical sampling was used to select appropriate interview subjects. Theoretical sampling hinges upon the selection of informants on the basis of the relevant categories, issues, themes, and concepts that emerge prior to and during data collection (Minichiello 1995). The object of theoretical sampling is to uncover diversity. In other words, it seeks to facilitate the identification of a full range of possibilities that have proven to be theoretically relevant to the research question (Strauss and Corbin 1990). The principles of the theory that is to be developed is the guiding basis for theoretical sampling. Through analysis, the researcher is directed to additional data, which must be collected next in order to explore aspects of the working theory that have become important (Sarantakos 1993). Thus, by using theoretical sampling, the data-collection and data-analysis components of the research are conducted simultaneously, (Strauss 1991) with each piece of analysed data providing information as to where to look next for further data.

Two case-selection procedures have been utilised. Firstly, sampling categories were purposefully selected on the basis of their prominence in the literature. The remaining cases were 'discovered' as data collection proceeded. Their relevance to the research question arose as the data was analysed. Thus, the decision to include additional cases has been justified by data as it was progressively collected. This process hinged upon flexibility as the type of new cases were not predetermined.

The literature review was used as a foundation to determine purposeful sampling categories. A review of literature indicated that three circumstances are strongly, and one potentially linked to sports administrators' perceptions and adoption of professional management practices. They were first, the reward system in place (Auld 1993; Cuskelly 1994; Kahn 1993; Love 1994; Moore 1993; Thibault, Slack and Hinings 1991; Watt 1992), second, the administrator's education or training level (Hogg 1988; Moore 1993; Parkhouse 1981; Watt 1992), thirdly, the organisation's level of financial resources (Ferguson 1995; Frisby 1986; Kikulis, Slack, Hinings and Zimmerman 1989; Mills 1994; Slack and Hinings 1987), and finally, the source of funding (Hogg 1987; Wittock, Bollaert, De Knop, Laporte and Van Meerbeck, 1995). These factors were seen to be suggestive and indicative, rather than definitive, and therefore did not represent a conclusive explanation of the factors influencing management practices. On the other hand, these categories were demonstrably exposed by the literature in section 2.4.6 of Chapter two, and provided an avenue for exploration and analysis. The first three factors formed the basis for purposeful sampling categories, the final, weakly linked category was discarded due to insufficient theoretical support.

The first purposeful sampling category was the reward system in place; that is to say, sports administrators may be paid or unpaid for their services. The second was the education level the sports administrator has achieved; namely whether they are tertiary trained or not tertiary trained. The final sampling category was financial resources. This category was differentiated into two proxy components: organisations with a gross annual income of greater than one million dollars and organisations with a gross annual income of less than one million dollars. This

demarcation is similar to that used by governing state and national organisations to help determine funding categories (Sport & Recreation Victoria 1997).

These purposeful sampling categories formed the starting point for the research. The sampling framework was reviewed as data was collected, and provided information reinforcing the validity of the sampling categories. While data collected substantiated the use of the purposeful sampling categories, it also identified another element that, according to sport administrators, has an impact upon the use of management practices in sporting organisations. This additional element was the organisation's source of income or funding (identified earlier as being loosely connected to professional management practices), and in particular, whether it is derived from public (government) or private (generated by the organisation) sources. Based on data accumulated during the initial eight interviews, this category was measured in terms of whether the organisation received a *significant* amount of their funding from the government. Thus, organisations which received more than forty percent of their income from the government were considered to be government dependent, while those receiving less than forty percent were seen to be 'self funded'. The forty percent threshold was derived from the first eight respondents, and represented an 'average' of respondents' opinions. At the same time, this figure was seen as flexible, and although unnecessary, could have been altered at a further stage of the interview process in response to additional views and opinions.

It must be acknowledged that the sampling categories do not perfectly separate the sample into even and equally diverse components. However, given that the purpose of the model was to establish diversity, it was 'as accurate as it needed to be'. It should also be remembered that this sampling model does not pretend to be exhaustive or complete, and nor is it a perfectly representative sample of the population of sport managers.

While all respondents represented in the sampling model existed initially in theoretical terms only, representatives from each category were located for interview purposes. The original sampling model appears in Table 3.1.

Table 3.1 Original Sampling Model

Reward System for Staff	PAID				UNPAID			
Education Level of Staff	TERTIARY TRAINING		NON-TERTIARY		TERTIARY TRAINING		NON-TERTIARY	
Financial Resources of organisation - $ millions	>1	<1	>1	<1	>1	<1	>1	<1

Based on the original sampling categories, eight interviews were conducted. They were undertaken in the following order, with respondents who represented the following categories:

1) **PAID, TERTIARY TRAINED,** employed in an organisation with > 1 **MILLION DOLLARS IN GROSS ANNUAL INCOME.**

2) **PAID, TERTIARY TRAINED,** employed in an organisation with < 1 **MILLION DOLLARS IN GROSS ANNUAL INCOME.**

3) **PAID, NOT TERTIARY TRAINED,** employed in an organisation with > 1 **MILLION DOLLARS IN GROSS ANNUAL INCOME.**

4) **PAID, NOT TERTIARY TRAINED,** employed in an organisation with < 1 **MILLION DOLLARS IN GROSS ANNUAL INCOME.**

5) **UNPAID, TERTIARY TRAINED,** employed in an organisation with > 1 **MILLION DOLLARS IN GROSS ANNUAL INCOME.**

6) **UNPAID, TERTIARY TRAINED,** employed in an organisation with < 1 **MILLION DOLLARS IN GROSS ANNUAL INCOME.**

7) **UNPAID, NOT TERTIARY TRAINED,** employed in an organisation with > 1 **MILLION DOLLARS IN GROSS ANNUAL INCOME.**

8) **UNPAID, NOT TERTIARY TRAINED,** employed in an organisation with < 1 **MILLION DOLLARS IN GROSS ANNUAL INCOME.**

Data obtained from these eight initial interviews identified additional issues which were sufficient to justify the introduction of a further sampling category: significance of government financial contributions. The revised sampling model appears in Table 3.2.

Table 3.2 - Revised Sampling Model

Reward System for Staff	PAID								UNPAID							
Education Level of Staff	TERTIARY TRAINING				NON-TERTIARY				TERTIARY TRAINING				NON-TERTIARY			
Financial Resources $ millions	>1		<1		>1		<1		>1		<1		>1		<1	
Significance of Government Funding (>40% is significant) - Significant/Not Significant	S	NS	S	NS	S	NS	S	NS	S	NS	S	NS	S	NS	S	NS
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p

Based on the revised sampling model an additional eight interviews were conducted in order to fill each category. Because the original eight were selected without prior knowledge of the importance of the final category, they were conducted with respondents from organisation's which were both significant and insignificant in regard to government funding. As a result, each of the eight initial categories were re-examined to determine whether they were with respondents who worked with organisations that were significant in their receipt of financial resources from the government. Once this was determined, negative cases for each of the eight initial interviews were located and interviews conducted. For example, in interview one, with a respondent representing the category, **PAID, TERTIARY TRAINED,** employed in an organisation with **> 1 MILLION DOLLARS IN GROSS ANNUAL INCOME,** they also represented an organisation which did not have a significant level of financial assistance from the government. Therefore, the first interview in the 'second round' was with a respondent representing the category, **PAID, TERTIARY TRAINED,** employed in an organisation with **> 1 MILLION DOLLARS IN GROSS ANNUAL INCOME and SIGNIFICANT IN THEIR DEGREE OF GOVERNMENT FUNDING.**

Based on the sampling model, a minimum of sixteen interviews were conducted; one for each of the sampling categories. However, the analytical induction method continues until 'saturation' is reached. Strauss and Corbin (1991), specified that theoretical saturation of the category occurs when no new or relevant data appears to

emerge regarding the category, and the relationships between categories are rigorously established. In this case, saturation was deemed not to have occurred for every category. Thus, second interviews were conducted in several categories until saturation had occurred. An additional thirteen interviews were undertaken, totalling twenty-nine. In Table 3.2 above, each interview has been given a corresponding letter in order to simplify explanation. Thus, each individual interview category is marked (a-p). Table 3.3, following provides the interview order.

Table 3.3 - Interview Order

Interview order number	Negative case for	Corresponding letter/abbreviated categories
1		b - P, TT, >1, NS
2		c - P, TT, <1, S
3		e - P, NT, >1, S
4		g - P, NT, <1, S
5		i - UP, TT, >1, S
6		l - UP, TT, <1, NS
7		m - UP, NT, >1, S
8		o - UP, NT, <1, S
9	b	a - P, TT, >1, S
10	c	d - P, TT, <1, NS
11	e	f - P, NT, >1, NS
12	g	h - P, NT, <1, NS
13	I	j - UP, TT, >1, NS
14	l	k - UP, TT, <1, S
15	m	n - UP, NT, >1, NS
16	o	p - UP, NT, <1, NS
	REPEAT	
17		a - P, TT, >1, S
18		b - P, TT, >1, NS
19		d - P, TT, <1, NS
20		c - P, TT, <1, S
21		f - UP, NT, <1, S
22		m - UP, NT, >1, S
23		m - UP, NT, >1, S
24		p - UP, NT, <1, NS
25		f - P, NT, >1, NS
26		h - P, NT, <1, NS
27		e - P, NT, >1, S
28		l - UP, TT, <1, NS
29		g - P, NT, <1, S

KEY	
P	PAID
UP	UNPAID
TT	TERTIARY TRAINED
NT	NOT TERTIARY TRAINED
>1	GREATER THAN $1 MILLION
<1	LESS THAN $1 MILLION
S	SIGNIFICANT GOVT. FINANCIAL CONTRIBUTION (>40%)
NS	NOT SIGNIFICANT GOVT. FINANCIAL CONTRIBUTION (<40%)

While Table 3.3 provides the details of interview order, it does not reflect the relative difficulty in finding respondents to fit each category. Certain categories were comparatively easy to fill, while others were virtually impossible. For example, finding a paid, tertiary trained administrator, working in an organisation that turns over more than one million dollars that is primarily derived from private sources, was simple. Virtually all professional clubs competing in national competitions, such as AFL football, NBL basketball, and NSL soccer for example, had administrators that fitted this category. Similarly, unpaid, non-tertiary educated (volunteer) administrators, working in organisations that turn over less than one million dollars, existing only through government grants, were also easily found. Many administrators from state sporting organisations fit this category.

However, in contrast, finding unpaid, tertiary trained administrators, in organisations that turn over greater than one million dollars, primarily subsidised by the government, were exceedingly difficult to locate. This was particularly difficult as few Board Presidents wield operational power. One method of combating this problem was to ask respondents if they knew of people fitting this and other difficult categories. Invariably, they were able to provide several leads. While at first glance, this may appear to be another slant the popular, but highly erratic and random sampling technique known as 'snowballing', it was not the case. All potential respondents, irrespective of how they were located, *had to* conform to the sampling criteria, and be found within the designated population in order to be approached for an interview.

3.3.3 Population

The population from which the sample was selected included: 1) national sporting organisations (approximately 130); 2) state sporting organisations (approximately 130); 3) sport clubs that participate in national league competitions (approximately 100).

3.4 Instrument for data collection

3.4.1 In-depth interviewing

In-depth, unstructured interviews were conducted with sport administrators. The purpose of these interviews was to explore the concept of professional management practice in a sporting context. The structure of these interviews was unfixed, but utilised information extracted from the literature review.

3.4.2 Unstructured interviews

An interview is a verbal exchange wherein the interviewer attempts to access the opinions or beliefs of the informant (Burns 1994). In structured or standardised interviews, every informant receives the same questions in the same sequence. This forces informants to respond only to the fixed question, and subsequently the information elicited reflects the depth and insight of the questions previously established by the designer of the questionnaire. There are several disadvantages to this method of interviewing. Firstly, the researcher has no flexibility to determine beliefs, feelings, attitudes and perceptions of the respondent beyond that which is answered by the pre-determined response categories. Secondly, in using a structured interview, the interviewer must become a neutral, standardised medium wherein questions are presented without bias or subjectivity. As a result, the method fails to acknowledge the inherent 'humanness' of the interviewer. Finally, the detachment and impersonal approach required can prevent trust and rapport from developing between the interviewer and the respondent (Burns 1994).

Unstructured interviews dispense with formal interview schedules and ordering of questions, and rely substantially on the interaction between interviewer and informant in order to gain information (Minichiello, Aroni, Timewell, and Alexander 1995). Unstructured interviews take the form of conversations between the interviewer and the respondent, and according to Burns (1994), they focus on the informant's perception of themselves, of their environment and of their experiences. No questions are pre-determined or standardised. The medium for information gathering is a free-flowing conversation, relying on the interaction between the

participants. The onus is on the interviewer to use their interpersonal skills to subtly direct the conversation (Fontana & Frey 1994). However, the interviewer attempts to allow the respondent to control the conversation, asking questions to clarify issues, or highlight comments made tangentially, only casually and indirectly changing topics or subjects.

Burns (1994), argued that there are many advantages to in-depth or open-ended interviews. One advantage is the greater degree of informality involved, leading to a stronger rapport. Secondly, the informant's perspective is more easily expressed, rather than the perspective of the researcher being imposed. Thirdly, the informant has the opportunity to express themselves in language natural to them, instead of being forced to fit their language within the context and concepts of the study. Finally, the conversation medium of the in-depth or open-ended interview affords the informant equal status to the researcher, thereby enhancing rapport and trust (Burns 1994, Fontana & Frey 1994).

Burns (1994), May (1993), and Minichiello et al (1995), all caution that unstructured, open-ended interviews should be used judiciously. There are several circumstances in which open-ended, unstructured interviews are appropriate: when the objective of the research is to obtain an individual's subjective experiences, reported in their own language; when access to activities, or events cannot be directly observed by the researcher; when more subjects are needed to be studied than can be practically achieved using participant observation; and when more than one individual is being interviewed at one time.

In the case of this research, open-ended interviews were used because the situation reflected a number of the circumstances described above. For example, the object of this research was to obtain information unavailable through observation techniques, where individual subjective experience, reported in their own language was important. Further, more subjects were needed to be studied than could have been achieved through participant observation.

The major disadvantage of open-ended, unstructured interviews is that the researcher is vulnerable to the interpretations and insights of the informant. As a result, the researcher may be drawn into the informant's world view. According to Burns (1994), this problem of validity must be acknowledged as inconsequential if the informant's behaviour is congruent with their perception of reality. However, the problem remains that the researcher is unable to view first hand the context in which the informant's reported perceptions occur, not being able to observe the informant's behaviour. It would be prudent to acknowledged that this is a limitation of the in-depth interviewing research technique.

3.4.3 Contact with respondents

Once the respondents were identified, they were contacted by letter, outlining their potential place in the research, followed by a telephone call. All interviews were conducted at the respondent's place of work. Once an interview was completed, the next interview respondent was selected using the analytical-induction method.

3.4.4 Analytical-induction method

Interviews were conducted based on the analytical induction method. The analytical induction method incorporates the following processes: first, conduct first interview; second, record data; third, analyse data via recognising and coding dominant themes, issues, and concepts; fourth, return to the original question, and analyse it in light of the results from the first interview; fifth, select a respondent who would likely have an alternative viewpoint; sixth, conduct interview; seventh, analyse interview and re-analyse first interview in light of second interview; eighth, formulate, revise and extend proposition until original question becomes more focused; ninth, continue cycle, becoming more deductive; finally, develop proposition to the stage where no new information is forthcoming, and saturation is achieved (Minichello 1995). Chart 3.1, on the next page illustrates this process.

Chart 3.1 Analytical - Induction model

re-consider research question

select negative case

second interview

analyse data

focus research question

first interview

record data

analyse data

Preparation
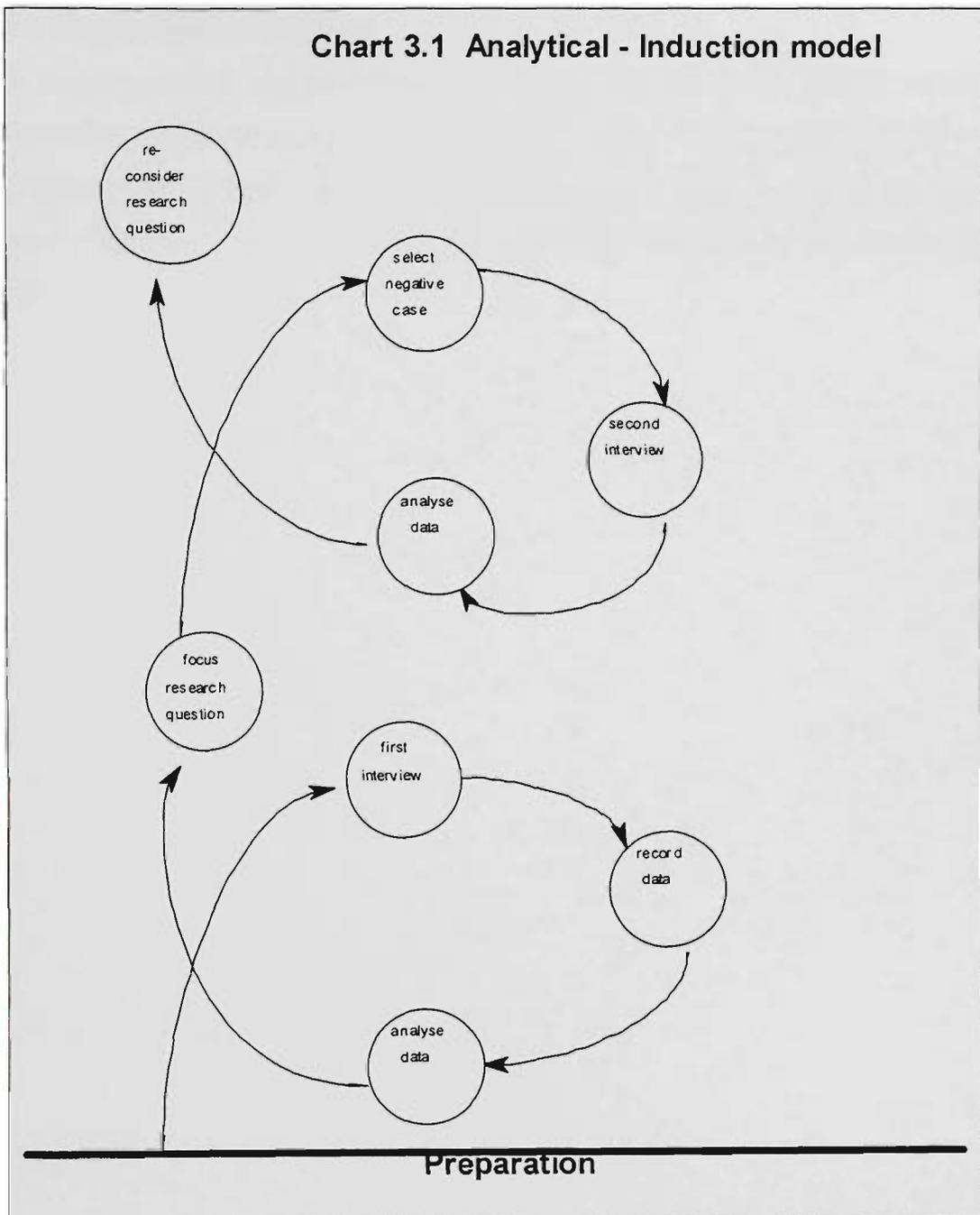
Adapted from: Minichiello, Victor., Aroni, Rosalie., Timewell, Eric., and Alexander, Loris. (1995), *In-depth interviewing: Principles, techniques, analysis,* Longman Australia, Melbourne

3.4.5 Recursive model of interviewing

The recursive model of interviewing was employed. With the recursive technique, open-ended questions are asked, encouraging a broad range of information to be brought forth. Specific questions are subsequently asked to narrow the field of inquiry. Questions become more specific with each successive interview (Minichiello 1995).

3.5 Data analysis

3.5.1 Interview transcription

All interviews were transcribed 'word for word' onto computer database for use in subsequent analysis. In total, approximately 750,000 words of data was transcribed.

3.5.2 Coding

All interviews were audio-recorded, (as agreed by respondents), transcribed and subsequently coded. Coding is the method of data analysis and organisation, where according to Miles and Huberman (1994), analysis involves reviewing field-notes, transcribing or synthesising them, then dissecting them meaningfully, while keeping the relations between the parts intact. They specified that coding is the part of analysis wherein the researcher differentiates and combines the data retrieved, and reflects upon this information. Miles and Huberman (1994), defined the term 'codes' as tags or labels for assigning units of meaning to the descriptive or inferential information compiled during research. Polgar and Thomas (1991), take a similar view, and indicated that coding is a process in which data obtained from interviews is systematically organised and classified. Subsequently, these codes are attached to 'chunks' of varying size; words, phrases, sentences, or whole paragraphs, connected or unconnected to a specific setting (Miles and Huberman, 1994).

The transcript was at first broadly studied to gain a general familiarity of the contents. During this process, dominant concepts, themes, and issues were noted to form categories, these categories becoming the codes with which the transcript was interpreted and meanings were developed. Thus, coding by using keywords is a tool of analysis used by researchers in order to categorise or classify the text (Sarantakos 1993). During the coding process, keywords were applied to sections of the text, which gave specific meanings to the text as well as providing a label for the section. As Miles and Huberman (1984) acknowledged, these codes help to reduce and analyse data and direct the researcher toward trends, themes, patterns, and causal processes.

3.5.3 Type of coding

There are many types of coding. Coding may be used at different levels of analysis, ranging from the descriptive to the inferential, can occur at different times during analysis (usually the descriptive first then the inferential), and can reduce data, combining it for easier analysis (Miles and Huberman 1994).

While Miles and Huberman (1994), recommended the development of some preliminary codes prior to data collection, this research is founded upon a fundamentally 'grounded' philosophy which holds that data should not be coded until it has been collected, and its diversity and environmental context appreciated. Grounded theory was introduced by Glaser and Strauss (1967), and is so named because it emerges out of, is created through, and grounded on empirical data. The centre of its interest is not on collecting volumes of data, but organising the variety of thoughts and experiences the researcher gathers during the analysis of data (Sarantakos 1993). With this approach to data analysis, the researcher is more open-minded and context-sensitive, however, the objective remains to tease out theory based on the research gathered (Glaser and Strauss 1967). The coding process utilised in this research was based on the inductive methodology described by Strauss and Corbin (1990; 1994).

3.5.4 Coding procedure

Coding was undertaken in three forms, as recommended by Strauss and Corbin (1994). They were: open coding, axial coding and selective coding. These three coding methods are not different, but sequential and interrelated. Each is built upon the previous. In this way, the lines between each type of coding are artificial (Strauss and Corbin, 1990). Thus, in a session of coding, it was possible to move between one form of coding and another. The reason for this, as Strauss and Corbin (1990) appreciated, is that during the final or selective stage of coding, there are always some concepts that remain undeveloped and ambiguous. At the same time, during the initial or open stage of coding, some concepts will naturally progress to the more developed stages achieved during selective coding.

Open coding is the process of breaking down, examining, comparing, conceptualising, and categorising data (Strauss and Corbin, 1990). Open coding was initially used, and the interview transcripts were studied and codes were assigned to every piece of information. Every sentence spoken by the respondents was classified into broad categories. According to Strauss and Corbin (1990), a category is a classification of concepts. Concepts are labels placed on discrete happenings, events, and other instances of phenomena. In this initial phase, the categories were broad and inclusive, rather than specific and selective.

The purpose of this initial coding stage was to reduce the data into a more condensed form, allowing definitive and apparent categories to emerge. Once particular phenomena were identified in the data, concepts were grouped around them. This is done in order to reduce the volume of data. Thus, the codes broke the data into more manageable 'chunks', or preliminary concepts, ready for subsequent and more precise reduction when concepts were grouped into categories. Thus, the coding process moved in ascending order, combining and reducing data from the 'raw' interview transcripts, which when grouped according to similar themes became concepts, which in turn when combined, became themes. Whenever concepts, categories or themes were applied, they were given an abstract and broad conceptual name.

Open-coding was undertaken on three levels. First, at the broadest level, an entire transcript was read and then the question asked: 'what are the general themes coming from this interview?'. Having answered this question, the document was then reviewed by paragraph. Again, the same question was asked: 'what are the general themes coming from this paragraph?'. Finally, at the most detailed level, interview transcripts were analysed on a line-by-line basis. Here, the transcript was examined closely, looking at phrases and specific words. While this method was tedious, it ensured that no categories or concepts were overlooked, which was particularly important because some categories provided evidence for the introduction of additional sampling categories.

The interview transcripts were physically separated into the initial categories where all data from particular categories were relocated. By the conclusion of the open coding process, the twenty-nine interview transcripts were transformed into four open codes. These open codes were re-located into separate computer directories and printed in order for the next stage of coding to be undertaken. The four open codes were termed: A) fundamental assumptions; B) elements of professionalism; C) environmental factors; and D) professional management practices.

Axial coding was undertaken next. Using the initial codes, the *axis* of the key concepts were identified. In other words, deeper patterns, strategies, categories and concepts were identified from the initial codes and sub-categories/codes were developed. Further computer files were established for each of the new codes within the existing codes, creating sub-directories resembling family trees. From the first four open codes, sixteen sub-codes were created, which were subsequently printed. The sixteen sub-codes were: first, business; second, professionalism; third, training; fourth, remuneration; fifth, responsibilities; sixth, responsibilities; seventh, employees; eighth, government; ninth, resources; tenth, objectives; eleventh, events; twelfth, structure; thirteenth, management practices; fourteenth, marketing; fifteenth, quality; and finally, best practice. A conceptual view of the open coding to the axial coding process is illustrated in Flowchart 3.2, on the next page.

Chart 3.2 - Open (Initial) codes into axial codes:
A conceptual framework

BUS	- BUSINESS	
PRO	- PROFESSIONALISM	
TRA	- TRAINING	
REM	- REMUNERATION	
REP	- RESPONSIBILITIES	
EMP	- EMPLOYEES	
GOV	- GOVERNMENT	
RES	- RESOURCES	
OBJ	- OBJECTIVES	
EVT	- EVENTS	
STR	- STRUCTURE	
MP	- MANAGEMENT PRACTICES	
MKG	- MARKETING	
QAL	- QUALITY	
BP	- BEST PRACTICE	
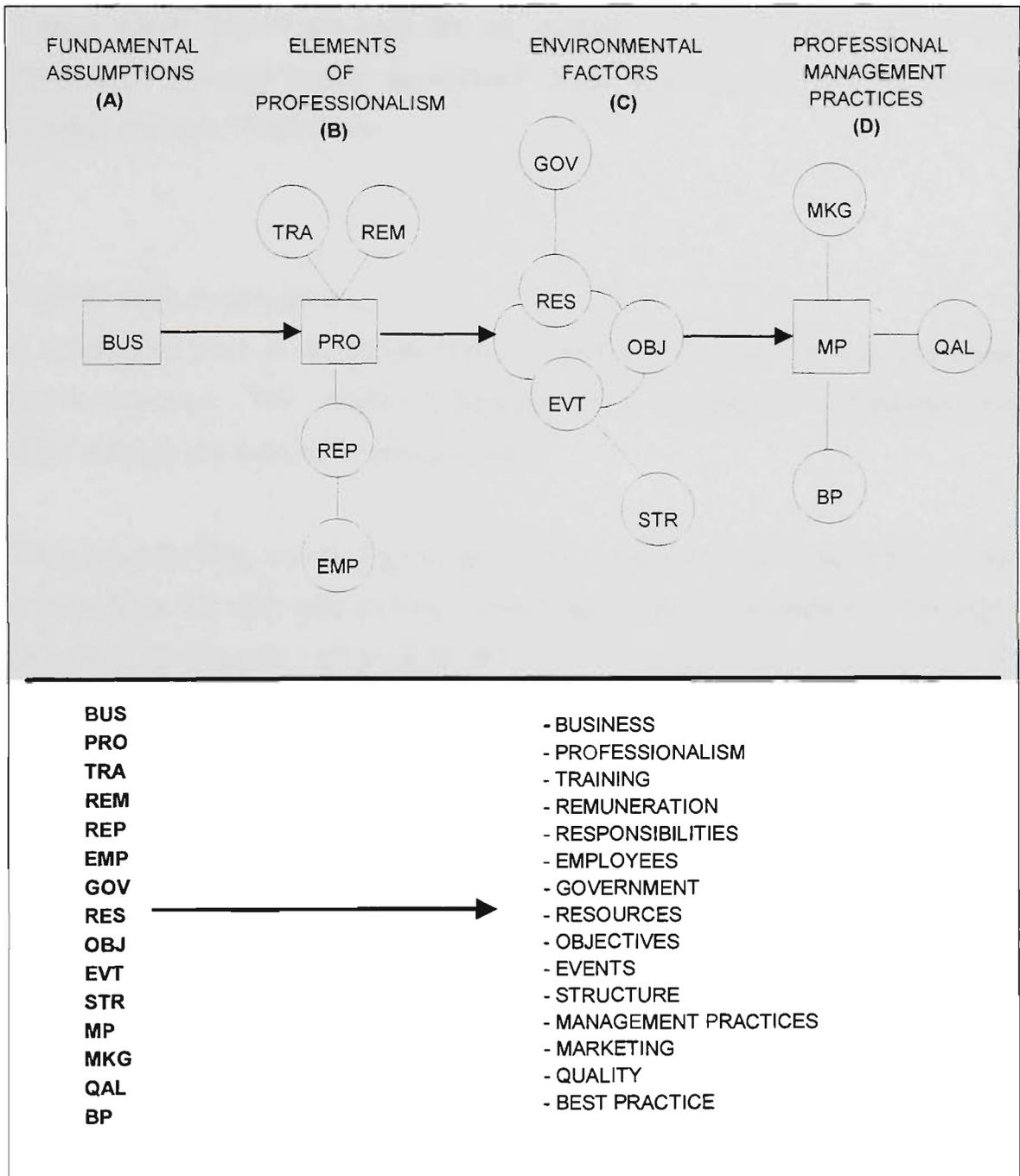
Finally, selective coding was used to refine the existing codes and sub-codes. This form of coding was the most specific, and was geared towards generating precise themes, which formed the basis for the structure of Chapter four: Results and Discussion. Selective coding transformed the sixteen sub-codes into the section headings found in Chapter four.

3.5.5 Example of coding process

A rudimentary piece of coding has been provided as an example of how the coding process operated. This example demonstrates how one piece of information can 'filter' through the three tiered coding process.

Table 3.4, following, is a one page excerpt from a single interview transcript. As can be seen from the right-hand column, several open codes were applied to this page, including B) elements of professionalism, C) environmental factors, and D) professional management practices.

Table 3.4 - Excerpt from interview transcript

AS:	Mmm. We talked earlier a little bit about professional administrators, being professional. This is one of the things I've been trying to work out because everyone talks about the need to be professional so what I'm trying to understand is what do you think a professional is?	
MR	Well, the professional er, the professional nature really is being able to contribute efficiently and effectively toward the sport. As I mentioned, we try to present any document that comes out of this office as being well prepared, well thought out. There are a lot of development plans, submission papers to whoever be it, Government, be it sponsors, be it individuals in the sport that we seek to represent ourselves as an efficient organisation that is well managed and knows what it's doing. That's part of professionalism. The fact that you get paid for a job and there is a degree of pride at stake in doing it. Um, sports administration is passed as being very much an amateurish mismatch of individuals who, as I said, may have come from within the sport, maybe rewarded with some position that gives them power but not really much responsibility or power but no idea how to use it. And sport will suffer from there and I think sport's come a long way in the last ten years, but it could've gone a hell of a lot further had that sort of mentality existed, you know, 20 years prior. Having said that, I think it's fair to say that in business and commerce generally, the ideas of best practice of professionalism, of customer services and so on, have only recently been thumped out and bashed into administrators and managers and executives at all levels.	**B** **C** **D**
AS:	Can you see it continuing?	
MR:	I think it can. I think it's going to become second nature. It's second nature to us to present something in certain ways. It's second nature for us to jump and down if a photocopier is producing little speckles of grey instead of being a perfect copy because that's which one you want to present.	**B**

During open coding, the data contained in the above excerpt was relocated to become parts of sub-codes B, C and D. An excerpt from code B containing a paragraph from the original transcript is shown on the next page in Table 3.5.

Table 3.5 - Excerpt from open code B (elements of professionalism)

Well, I think there are a couple of aspects to it. One, in the position that I'm in, the ability to administer the sport, to fulfil the roles that are set down by the sport that are direct and set by the sport to a sport to go in. I'm paid for it, I'm paid quite well for it and um, it's a job where you put the hours in as much as it takes. It's not, you know, we do things in a professional sense. There is a great sense of need to present things well. The computerisation in some of the office helps to present an image that comes across as an efficient and well managed organisation and that's all part of the job.

Um, well, I think that's a matter of little things of returning phone calls and responding to requests for information, or whatever in a timely manner, through to efficient planning and ability to you know, to see into the future, to have a vision of where the sport wants to go, to be able to work towards that using resources and er, to expand and to generate a sufficient regrowth within the sport to keep the sport vibrant and alive and that's all part of it, the job.

But er, they're battling against a tradition of um, a point from within the sport, tend to be people who have put a lot of work over a period of time into a sport and are rewarded with positions within the sport. I think sport has done that traditionally. I think only recently has it realised there are better people perhaps around and it's simply a fact that twenty years ago, even ten years ago when I was going to university, or eight years ago, there was no sports management courses that were readily available. Only a few institutions had them. They weren't really considered of particularly high quality, they were a bit of a mismatch, a bit of accounting and a bit of computers, a bit of law, a bit of economic theory and out you go. Now we're seeing a lot more specialised and from what I've seen of some of the syllabuses, some very effective and comprehensive courses.

Well, the professional er, the professional nature really is being able to contribute efficiently and effectively toward the sport. As I mentioned, we try to present any document that comes out of this office as being well prepared, well thought out. There are a lot of development plans, submission papers to whoever be it, Government, be it sponsors, be it individuals in the sport that we seek to represent ourselves as an efficient organisation that is well managed and knows what it's doing. That's part of professionalism. The fact that you get paid for a job and there is a degree of pride at stake in doing it. Um, sports administration is passed as being very much an amateurish mismatch of individuals who, as I said, may have come from within the sport, maybe rewarded with some position that gives them power but not really much responsibility or power but no idea how to use it. And sport will suffer from there and I think sport's come a long way in the last ten years, but it could've gone a hell of a lot further had that sort of mentality existed, you know, 20 years prior.

Sub-code B was divided into five further codes: 1) TRA; 2) REM; 3) PRO; 4) REP; and 5) EMP. During axial coding, several sentences contained in the highlighted section in Table 3.5 were moved from code B to code PRO. Table 3.6 below, shows these sentences within an excerpt from axial code PRO.

Table 3.6 - Excerpt from axial code PRO

- *Professional nature really is being able to contribute efficiently and effectively toward the sport.*

- *An efficient organisation that is well managed and knows what it's doing. That's part of professionalism.*

- Carry out things, jobs that you are involved in, in a manner which is a fairly high standard, because it can consist of standard.

- The capacity to know and understand and do all the things that managers have to do. And that's about you're planning, about you implementation, about reaching outcomes, doing all the sorts of things that any manager anywhere would do.

- Yeah, but to be a professional you've also got to know what happens at the sport down here.

- Well, I think it needs salaried staff for one thing.

- It's being the best at the business that your in.

The above excerpt from code PRO was finally relocated during selective coding to code COM (competence), which is incorporated into Chapter Four as a topic heading. While the coding process formally involved three discrete stages, it varied according to the data itself. For example, there were occasions during the second half of open coding, after the open codes had already been established, where axial codes were clearly emerging. In some cases, open coding was 'skipped' and the data transferred directly to an axial code from the transcript. On the other hand, there were occasions such as after the code COM (competence) was developed that further

sub-categories became apparent. In such instances, coding was informally taken another step. For example, COM broke down into four additional themes: first, abilities; second, insight and vision; third, qualifications and experience; and finally, excellence. Thus, coding was a flexible process capable of compensating for different data.

3.5.6 Typologising

Interview results provided the data identifying the extent to which the beliefs and practices of sports administrators reflect an underlying concern for professional (best) management practice systems, and, also provided specific information concerning what those practices were. The final stage of the thesis involved the construction of typologies for professionalism and professional management practice in Australian sporting organisations. At the same time the results established the roles that remuneration, training, and funding had in explaining the differences in beliefs about professional management practice.

According to Minichiello et al (1995), typologising is a method that researchers commonly use to understand phenomena more completely by grouping ideas and then forming ideal types which conceptualise situations that have similar or different characteristics. In other words, it is a method of making sense of complex or abstract ideas. Ideal types are so termed because they do not exist in reality, but instead are intellectual constructs which represent reality for the purpose of understanding reality. Minichiello et al (1995), noted that ideal types do not generate knowledge. In fact they are a tool which helps researchers to ask particular questions and formulate useful propositions. Thus, the purpose of typology construction was to clarify and summarize the enormous volume of data that was gathered.

3.6 Ethical considerations

3.6.1 Subject Consent

At the conclusion of the interviews, respondents completed a consent form indicating that their responses would be used as part of the research data and that they and their organisation would be protected by virtue of confidentiality.

3.7 Summary of methodological procedure

Chart 3.3 below summarises the methodological process.

Chart 3.3 Sequences of methodological process

```
                          Literature   ◄────────┐
                            Review               │
                               │                 │
                               ▼                 │
                         Construction            │
                         of sampling             │
                            model                │
                               │                 │
    Revision                   ▼                 │
    of sampling  ───────►   Interviews           │
      model                    │                 │
        ▲                      │                 │
        └──────────────────────┤                 │
                               ▼                 │
                            Analysis             │
                            (coding)             │
                          of interviews          │
                               │                 │
                               ▼                 │
                           Construct  ───────────┘
                           Typology
```
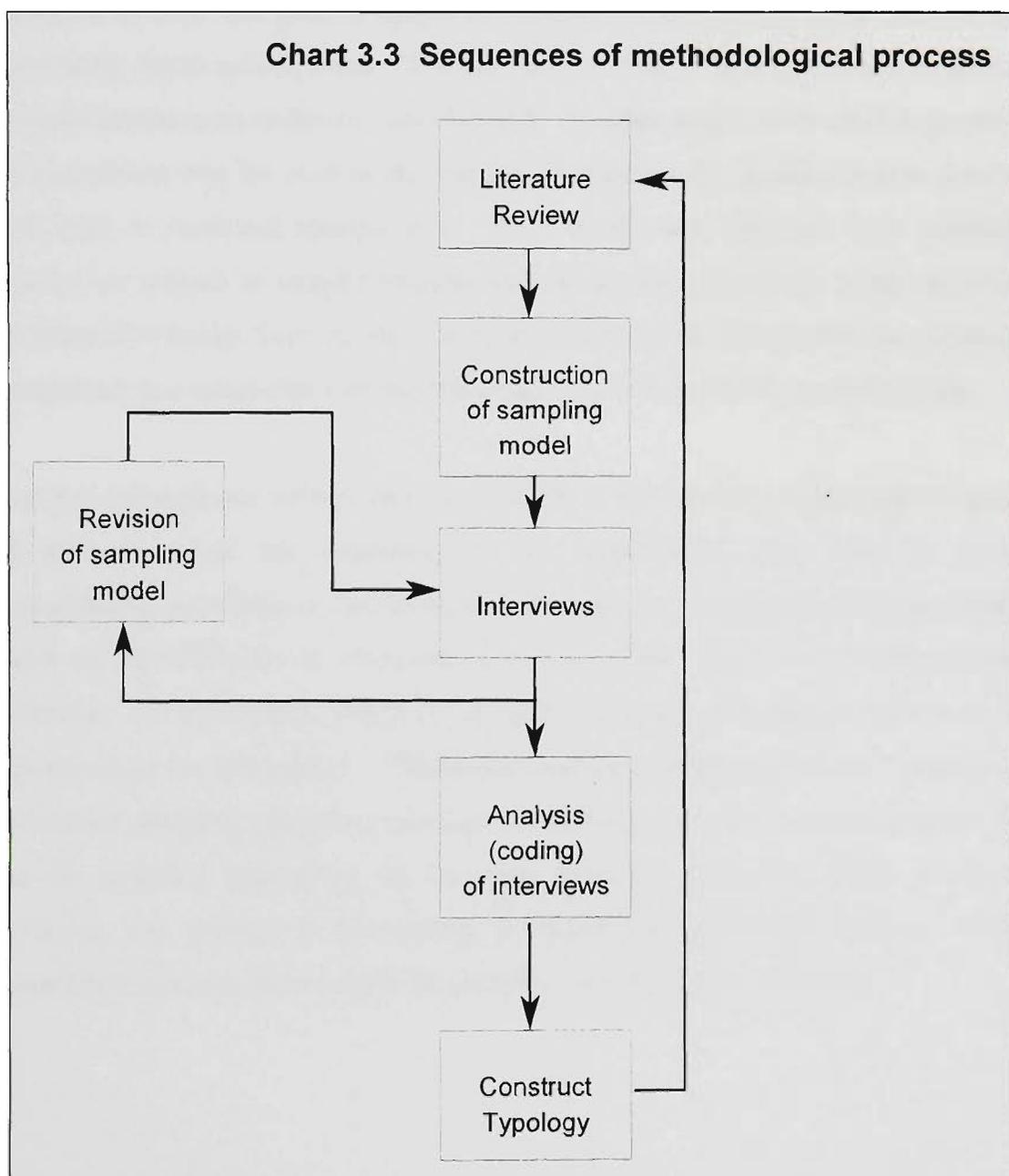
3.8 Limitations

In any research it is necessary to acknowledge the limitations intrinsic to the system of data collection and analysis used. As this research was qualitative, there are a number of limitations associated with qualitative research that must be discussed. Firstly, it is clear the great strength of qualitative strategies is their usefulness in uncovering depth of response. The corollary of this, is that qualitative research is severely limited in its ability to cover breadth. In other words, only small segments of the population can be used in the sample. Subsequently, qualitative data does not lend itself to statistical manipulation. As a result, data obtained from qualitative sources are subject to lengthy analysis and discussion, only rarely being statistically representative in any way. In the case of this research, the data cannot be statistically interpreted, and cannot be summarised simply and efficiently in numerical form.

Another consequence of this style of research is the relative importance of sample selection. As there are comparatively few respondents, they must be chosen appropriately, providing as much information into the research question as possible. Much of this difficulty is controlled with the proper use of a suitable sampling technique. As theoretical sampling was used in this research, the limitations of that process must be recognised. Theoretical sampling hinges upon the original and discovered sampling categories selected. If at first, they are chosen incorrectly, they can be modified depending on the data obtained from the initial interviews. However, this process is demanding, requiring great care and analysis. Unlike quantitative research, data cannot be precisely 'crunched' in a computer.

3.9 Summary

Chapter three: Research design & methodology aimed to explain the research process in detail. Data was collected using a qualitative approach wherein twenty-nine unstructured, in-depth interviews were conducted with Australian sport administrators. These respondents were derived from a theoretical sampling procedure, focusing on four categories (three originally selected and one discovered). The interviews were transcribed and analysed using a common coding system, which reduced the information into themes, issues, and categories, which ultimately formed the basis of a number of typologies. The typologies reflect ideal categories that help to explain and interpret the enormous quantity of data obtained. Chapter four: Results and discussion, provides details concerning the results of this research.

CHAPTER FOUR - RESULTS & DISCUSSION

4.1 Overview

To repeat, the general purpose of this research is to explore the literature, theory and nature of professional management practice, and to assess its impact upon the beliefs and behaviours of sport administrators in Australia. Twenty-nine senior managers were interviewed and their responses to questions examined. In addressing these research questions, respondents provided beliefs and behavioural information that fell into one of four categories. These categories were, first, fundamental assumptions about the business nature of sport, second, the relationship between professionalism and sport, third, contextual factors in sport administration, and finally, professional management practices in sport. This chapter has been segmented into these four categories.

Category one, fundamental assumptions about the business nature of sport, details the beliefs of respondents concerning the behavioural framework in which their management practices are employed. Category two, professionalism and sport, examines respondents' views on the notion of professionalism, and its meaning and application to their management practices. Category three, contextual factors, explores the external and organisational environment affecting respondents use of professional management practices, and category four, professional management practices in sport, explains the specific practices that respondents believe to be professional (within a sporting context).

4.2 Fundamental assumptions about the business nature of sport

4.2.1 Introduction

The purpose of this section is to identify and discuss the fundamental assumptions held by respondents concerning the framework within which they make decisions about the use of specific management practices. Each respondent had a particular frame of reference from which they viewed professional management practice. The most fundamental frame of reference affecting administrators' use of management practices was their view on the nature of sport as a business. Respondents unambiguously argued that business practices and management practices for sporting organisations are intrinsically connected, and largely inseparable. In the main, respondents' reported that sport is a business, although there was disagreement as to what form of business sport takes. Opinion was divided into two 'camps': those who believe sport is a unique form of business, and should therefore be managed differently to other forms of business, and those who believe sport is generic business, and should be managed like any other type of business. In addition, there was a small minority of respondents who had a bet 'each way', and subscribed to a situational approach wherein certain sports can be managed as generic businesses whilst others need to be managed as unique businesses. These different viewpoints had a significant impact upon the management practices of administrators, and are illustrated in Chart 4.1, following.

Chart 4.1 - Fundamental assumptions about the business nature of sport

```
┌─────────────────────────────────────────────────────────────────────┐
│                                                                       │
│                        FUNDAMENTAL                                    │
│                      ASSUMPTIONS ABOUT                                 │
│                      THE BUSINESS NATURE                               │
│                          OF SPORT                                     │
│                                                                       │
│   ┌──────────────┐      ┌──────────────┐      ┌──────────────┐       │
│   │  SPORT AS A  │      │  SITUATIONAL │      │  SPORT AS A  │       │
│   │   GENERIC    │      │   APPROACH   │      │   UNIQUE     │       │
│   │  BUSINESS    │      │   - SPORT    │      │  BUSINESS    │       │
│   │              │      │ CAN BE EITHER│      │              │       │
│   └──────────────┘      └──────────────┘      └──────────────┘       │
└─────────────────────────────────────────────────────────────────────┘
```
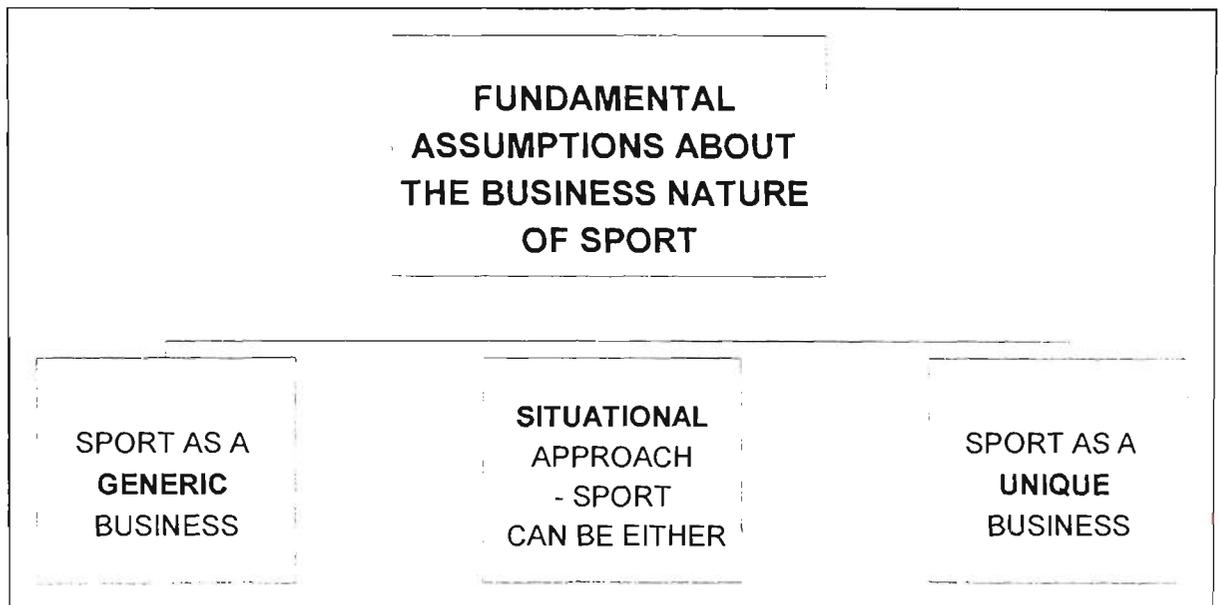
4.2.2 Is sport a business?

What is business?

Managing sport as a business is a central theme in this research. As the unpaid, tertiary trained president of a poorly resourced but financially independent national sporting organisation aptly commented, 'whether you like it or not, sport is a business'. It is therefore necessary to understand what the term 'business' means to each respondent. Five common dimensions were specified by twenty-six of the twenty-nine respondents. These were, first, a formal and established structure, second, possession of a legal identity, third, possession of a pre-defined purpose, fourth, involvement in commercial transactions, and finally, involvement in the provision of products and/or services to customers. Any organisation, group or body possessing these characteristics, be they public or privately owned, and/or profit or non-profit seeking were classified as 'businesses' by respondents in this research. As far as respondents were concerned, a business can be defined as follows:

Any formally structured or established, legally recognised organisation possessing a definitive purpose, engaged in a transaction involving the provision or exchange of products and/or services.

The bottom line

The central issue dominating sport administrators' perceptions of sport as a business is financial viability. This pivotal factor was responsible for the united view from all respondents that sport is a business. There was an underpinning belief that irrespective of the amateur or professional status of an individual sport, there are inherent financial priorities that are inescapable, and that transcend organisational size and complexity. While their views on management practices in sport differ considerably, depending upon the quantity and source of resources available to their organisation, each has a financial 'bottom line' that cannot be compromised. Thus, sport was considered a business because, like all businesses, it demands pecuniary awareness since its survival requires financial viability. The paid, tertiary trained general manager of a wealthy and resource independent national sport organisation summarised this viewpoint as follows:

> *You have to be realistic. There are bills to pay and you absolutely must be ruthless in dealing with situations as business and not out of what you would like to do. You must be practical in setting goals. No doubt about it, it has to be run as a business, and you have to reach those business goals.*

A concern with financial viability is the prerequisite for sport to qualify as a business. Budgets are set, and there is considerable pressure to ensure that income and expenditure forecasts are met. According to respondents, sport can be defined as a business not because of the services provided, the customers, the goals, or even the quantity of money involved, but because all sporting organisations must preserve financial integrity. The paid, tertiary trained executive director of a small and resource dependent state sporting organisation made the following comment:

> *This is a business. It's run as a business. We set our budgets each year and we set our projects each year, and I answer directly to the policy makers who are the board of directors. We set our projects that we're going to head each year. We go through the budget each month and make sure we're on budget. But it is a business.*

Paid staff

Allied to the idea of financial viability is the responsibility which organisation's face for their paid staff, both part-time and full-time. Respondents linked this accountability for their staffs' income with the constant financial demands that they deal with. Obviously, if an organisation fails to maintain its economic viability, staff cannot be paid punctually, and ultimately must be made redundant. The effect of an organisation's financial security on the lives of paid employees was a factor which encouraged organisational leaders to view sport as a business, and since all respondents held responsible positions, this fact weighed heavily upon them. The paid but not tertiary trained managing director of a large but resource dependent state sporting organisation expressed this feeling as follows:

> *You have to appreciate where we're coming from. Sport is like ... it's more like a business. Employment responsibilities are pretty onerous. We have a case now where we've got five sites where there are employees, all of them relying on us to make sure this organisation is paying them on time, and is going to be here tomorrow. It's not just the players that rely on us to keep the money coming in.*

The paid, non-tertiary trained executive director of a small but resource independent state Olympic sporting organisation explained their primary concern:

> *The number one responsibility is that you are employing paid staff, just like a small business. And just like a small business, if the business goes under so does (sic) the employees.*

Real sports

While all of the twenty-nine respondents viewed sport as a business, a minority argued that only those sports which uphold an amateur ideal are 'real' sports. While acknowledging that contemporary sport has a business dimension, three respondents observed that sports in which players earn money for their efforts are not 'real' sports. The respondents who shared this opinion all began their administrative careers as volunteers, before obtaining a paid position, and all were working for sports that have traditionally been 'amateur' (involving unpaid elite participants).

These respondents lamented the changes taking place in the sport industry, wherein 'true' amateurism no longer exists, but also appreciated that according to their definitions, their own sports were no longer entirely 'real'. Two administrators, the first the unpaid and non-tertiary trained president and executive director of a resource poor and dependent national Olympic sporting organisation, and the second the paid and tertiary trained executive director of a financially dependent and 'troubled' state sporting organisation, expressed the situation as follows:

> *Yes, sport is a business, but there are two divisions of sport. There are the fake sports like tennis, and AFL, which are propped up by media and promotion. A real sport is where an athlete trains and becomes proficient in a sport, and they love it and do it because of the love for the sport. He wants success in performing at the highest level he can.*

> *Its not real sport if you are working at that sport and receiving your livelihood from the playing of it. But sport does eventually become a business in the sense that it has to be run properly, and be profitable or at least financially viable at the end of the day.*

4.2.3 Managing sport as a unique business

What makes sport unique

There was a fundamental view that sport is a form of business. While the results of this study indicated that it is often unclear what form it may take, fifteen or approximately half of respondents believed that sport should be managed as a unique business Repeat interviews may uncover other foundations for this collective understanding, but when these fifteen respondents were examined, there were several demographic similarities. For example, thirteen, or ninety percent of respondents who subscribed to the notion that sport should be managed as a unique business held positions with organisations that command resources of less than one million dollars in annual income, while eleven, or seventy-five percent obtained a significant amount (over forty percent) of their resources from government subsidisation. In other words, nearly all the respondents who believed that sport should be managed as a unique business, represented 'resource-dependent' organisations.

The respondents who argued that sport must be managed as a unique form of business, identified five characteristics of sport which they believe are significantly different from other forms of business. These areas are: first, resources, second, objectives, third, volunteers, fourth, services and finally emotions.

Resources

All of the fifteen respondents who viewed sport as a unique business commented that sport is different from other forms of business because its resources are limited and often externally generated. For example, resources are frequently obtained from the government via grants, and from commercial businesses in the form of sponsorships. It was also agreed by the fifteen respondents that not a single one of their organisations would function adequately, or be capable of providing the same range and depth of services, without externally generated income of some form; irrespective of whether the income comes in the form of sponsorship from corporate sources (as frequently in the case of national sporting organisations [NSO] and clubs competing in national sporting leagues), or from government grants (typically given to NSO's and state sporting organisations [SSO]). Ten of the twenty-nine respondents observed that while their organisations would continue to function in the event that their external income sources were lost, it would result in a decrease in services and performance. The remaining respondents were certain that such an eventuality would inexorably lead to their organisations' demise. Indeed, three organisations were in that situation at the time of their interviews, and all were destined for closure or merger in the event that a government or sponsorship funding breakthrough was not forthcoming (one organisation was a NSO, one a SSO, and one a club in a national sporting league [the even distribution was purely coincidental]). Resource circumstances were a strong constituent of the argument that sport should be managed as a unique business. In describing the role of the sport administrator, the paid and tertiary trained executive director of a poorly-resourced and dependent low-profile national Olympic sporting organisation summarised the situation as follows:

The sports administrator provides a highly efficient linkage which the athlete themselves can't access, so they can compete at whatever level is necessary. However, there is one key component that makes sport a unique form of enterprise: there is no money without the sponsors - government or commercial. And when there's no money there's no sports administrator. No sports administrator providing the necessary infrastructure, no athlete.

While all sporting organisations rely heavily upon external sources of income, the origin of that income affected the management practices employed. The effect of resource acquisition and origin is discussed in detail in sections 4.4 and 4.5.

Objectives

Strategic objectives such as increasing participation, winning medals and competitions and developing junior ranks were regarded by some respondents as sufficiently incongruent with both the generic corporate or commercial goals of profit making companies, and the altruistic goals of non-profit organisations. The traditional argument holds that in both public and private profit-seeking businesses and in non-profit businesses, the organisational objectives are distinct: to make profits and to provide services, respectively. However, twelve, or eighty percent of respondents who argued that sport should be managed as a unique form of business, claimed that in sporting organisations the objectives are more ambiguous and sometimes contradictory. These objectives include winning or elite performance and increasing participation rates on one hand, (in NSO's and SSO's) and ensuring financial security or outright profit-making on the other. Often this degenerated into a simple argument that can be colloquially encapsulated by the question, 'profits or premierships?' The imposition of financial obligations has clouded this issue, leaving sporting organisations, many legally non-profit entities, contemplating how to acquire more money in order to deliver both their grass-roots services and experience elite victory. The paid but not tertiary trained general manager of a high profile, but under-resourced and dependent Olympic state sporting organisation described the predicament in uncomplicated terms:

You win medals and they (the members) *criticise the grass-roots programs. You increase participation and they say we're not looking after the best players. You do both and they say, 'where's all the money gone'. You make a profit and declare a surplus and they say we're ripping them off, and we should lower our fees. What makes sport so different is that it's almost impossible to please them in terms of a constant objective. And without a constant objective it's very difficult to manage an organisation with any continuity. The best you can do is go after very short-term goals, and then change them frequently, and try to keep everyone happy.*

In addition, respondents from clubs competing in national leagues, such as the Australian Football League (AFL) and the National Basketball League (NBL), suggested that it's dangerous for one or several teams to dominate a competition. They contrasted this with the clear objective of profit-driven businesses; to dominate the market. To them this added weight to the notion that sport must be managed as a unique business. The paid, non-tertiary trained chief executive officer of a wealthy national club made the following observations:

Managing sport is in contrast to managing business: the aim of business is to dominate your market share, so that you can sell more products. You're more successful and make more profits, and deliver more to your shareholders, and they take more interest because the shares go up. The company is worth more. On the other hand in sport, it's no good for Collingwood and Carlton to be the only two football teams in the comp., because competition is the essence of sport. Therefore you must have other teams in the competition. They need to be equalised through drafts, salary caps, and other ways even through amateur sport. It's no good one team winning the title twelve out of thirteen times. If that happens then people just walk away.

Volunteers

The third area raised by administrators related to the impact of volunteers in sporting organisations. Ten respondents pointed out that volunteers occupy positions at the top and bottom of the organisational hierarchy, with the professional (paid) administrators 'sandwiched' between the two. This position is of considerable concern for paid administrators, as they emphatically stated that their organisations could not function without volunteers, and yet also complained that the volunteers

were a constant source of frustration and wasted time. It is this irony that lends more authority to the viewpoint that sport must be managed as a unique business.

The importance of volunteers in the day-to-day operation and running of events is unquestionable. However, it is the way volunteers contribute that causes anxiety to all administrators, paid and unpaid, professional or volunteer. The difficulty is that volunteers are limited in their time availability, and as a result, they cannot predictably complete assigned responsibilities. Indeed, nearly sixty percent, or seventeen respondents complained that much of their time was taken up with locating appropriate volunteers, motivating them to work to a formal schedule, and 'pampering' to their idiosyncratic whims. The paid, tertiary trained executive director of a high profile and successful but resource poor and dependent state Olympic sporting organisation expressed this opinion:

> *The difference between true commercial business and sport? The organisational hierarchical structure is different. In sport it becomes almost a family situation. Everyone has to lead by example. You must be seen to understand what is happening at the grassroots level. From a management practices perspective, in sport you have to motivate people to do jobs. They don't just fall in line because you are higher in the hierarchy than they are. Often you are dealing with volunteers. Sport has to be managed differently. So, how is sport unlike a business? I suppose its the volunteer aspect. The fact that you can't run without huge numbers of people volunteering. So you have the elected Board of Directors for policy making, and they all come from the volunteer side of it. In this case it took me a long time to learn enough about* (this sport) *to get an overview of the sport's direction. I don't know how much that has to do with my abilities or lack of them. Or sport being complicated. But also the demands in sport are quite high. People expect things to be very competently done. If they're not at any level, then there is a problem and it must be fixed yesterday.*

Thus, volunteers cannot simply be told what to do. An enormous amount of time must be invested in volunteers to ensure that their morale is high, that they are available to do the jobs needed, and that they complete them on schedule and at an appropriate quality. The volunteer predicament is, of course, a direct outcome of limited financial resources, and it is within this context that the following comment

was made by the paid, not tertiary trained general manager of a small but financially independent national sporting organisation:

> *On the other side of the coin, from the long term point of view, or even the short term, you must stay financially in the black. You cannot maintain running at a loss. If you continually run at a loss, then you will inevitably go down the drain. Either as a club or an association, and you will still be left with debts. It's a fine line. It is a business where the greatest asset are the people. The players, coaches, administrators, athletes, supporters. Of them, 80-90% are volunteers. They are not paid. You can't direct them like you can direct employees. You can't say, 'you will do this'. For one thing they may be your boss on the Board.*

Another difficulty highlighted by respondents, which added substance to the argument supporting the need to manage sport uniquely, involved the difficult transition business people encounter when they participate in the voluntary management of sport. This difficulty is grounded in the differences between sport and business described previously, and compounded because business people who undertake voluntary management in sport find that they cannot make changes as readily as they can be made in the commercial sector.

The social context in which volunteers operate also frustrates professional (paid) staff, and leads them to conclude that sport requires a unique touch. This social context is evident in meetings where volunteers can only attend after normal business hours, and subsequently approach them in leisure time. Many volunteers, no matter how serious, are involved in sport as a hobby. This requires paid administrators to exercise great skill in ensuring that they get after-hours meetings completed swiftly and efficiently. The unpaid, tertiary trained secretary, president and acting executive director of a small and dependent state sporting organisation, expressed the problem succinctly:

> *Parents and coaches. Then you have sub-committees that run events. They bring in a social aspect to it that is not business and never will be.*

Furthermore, as volunteers are pursuing their hobbies, they all have different reasons for participating, which can range from a desire to serve the community to a chronic need to have their egos 'massaged'. As a result, they are particularly difficult to co-ordinate, as the following comment from the paid, tertiary trained chief executive officer of an under-resourced national sporting organisation highlighted:

> *Coordinating volunteers is difficult, because they require so much feedback and attention. They're all in it for a different reason. That's good because without it then we would have to pay. But meeting their reasons is sometimes difficult.*

Services

Associated with the ambiguous objectives of sporting organisations, are the services they provide. Since many of the services provided by sporting organisations are neither paid for directly, nor subsidised by their customers, many organisations are left with continually inequitable transactions. As a consequence, many respondents noted that this contributes to the need to manage sport as a separate identity from other types of organisations. For example, the paid, tertiary trained executive director of a small but independent state Olympic sporting organisation described how in her organisation, there is a considerable amount of work to do in 'client service', but no reciprocal revenue in return.

Another common point raised by respondents was that customers cannot be satisfied as easily as they can in other markets. They are more difficult to accommodate because the issues that must be dealt with are inherently emotional. The following statement from the unpaid, non-tertiary trained acting general manager of a small but comparatively wealthy national sporting organisation illustrates this point:

> *So the players are the customers. You try to accommodate them as best you can knowing that over certain emotional areas; finals, eligibility, suspensions all those sorts of things, that you are ultimately not going to solve or satisfy their complaint as you would in a retail marketplace. Its never going to occur that way in sport. That's one of the reasons sport must be managed differently.*

If I buy a bike I can take it back and get a refund or an exchange. However, if a player comes to me and says my local association has banned me from playing, there is nothing I can do about it, because they're an incorporated association, and I can't change their decisions. I have to follow the due process.

Emotion

The final, and obvious area that makes sport a unique entity to manage, according to fifteen respondents, was the emotions associated with sport. Respondents observed that the greatest obstacle to overcome is the perception that participants have of themselves. They do not view themselves as customers, but as athletes or fans, and as such they have emotional and often irrational needs bound up with personal success and collective identity. In addition, there are no products to refund or replace, and the services provided are often intangible and difficult to measure. Sport was viewed as a unique business based on the emotions of people, with hopes, dreams and goals. Customers of other businesses aren't so emotional. If they don't like the service they go elsewhere. Players can't do that, and supporters don't because they tend to be loyal. This emotional context of sport was captured by the comments of (an originally unpaid but now) paid, tertiary trained former development officer for Australia's largest national sporting league:

I was told that (his sport) *is a business, but an emotional business. It's emotional because you're dealing with people, and a large amount of volunteers. They love their sport, whatever it might be. They have an emotional involvement. Therefore, you cannot make hard-core or one-hundred percent economic rationalist business decisions, as you can if you were selling widgets or cans of coke. I think that the best example is the merger situation in clubs. They choose not to in general because of the emotions involved from the supporters.*

4.2.4 Managing sport as a generic business

A business view

While fifteen (approximately half) of the respondents in this research subscribed to the view that sport should be managed as a unique business, the remaining fourteen steadfastly maintained that sport should be managed in the same way as any other business. As with the previous section, the respondents fitting this conceptual

framework are bound by several demographic commonalities. Those who maintained that sport should be managed as a generic business were typically from larger, wealthier organisations who are less reliant on government funding. Their perspective was grounded in six observations concerning the nature of the sport industry: first, the characteristics of the sport marketplace; second, the services delivered; third, the corporatisation of volunteers; fourth, the trend toward commercialism; fifth, the resulting need for business practices; and finally, the belief that business practices are universal.

Unique market

According to respondents who argued that sport should be managed as a generic business, it is the sport <u>marketplace</u> that is unique, not the management practices required to operate sporting enterprises. Moreover, all marketplaces are different, both on the macro and micro scale. For example, the manufacturing sector is different from the service sector. In addition, certain manufacturing industries differ, just as not all service industries are identical. So, organisations making cars and those selling cars operate within clearly different parameters, while those selling cars and those selling cola share many similarities but still have their unique features. The point is that there are both overt and elusive similarities and differences between marketplaces, but all share certain inescapable commercial characteristics which were identified in the definition of a business, described earlier.

Subsequently, the fourteen 'sport as generic business' advocates reasoned that the unique features of the marketplace in question must be understood intricately in order to be successful in business; professional management practices do not change from one business to another. They are collective practices tempered by different markets, not collective markets tempered by different practices. In other words, every marketplace has unique demands, but the processes associated with professional management practices remain unchanged. This view is encapsulated in the following statement from the paid, tertiary trained general manager of a resource independent national league club:

I came from a business background to sport administration. The only thing that's different is the situation. The context changes but the content of management never does. Put a manager in any style of business and they'll come up with the same practices. Businesses vary but business management stays the same.

Service business

Sport is a business. A service orientated, client service business. We package sport in the same way that we package business.

The above statement from the paid, non-tertiary trained general manager of a well-resourced and financially independent state Olympic sporting organisation epitomises the generic business approach to service delivery. This approach holds that sport is simply a service business. While the market context may be different to other service industries, the processes associated with service delivery and customer service are the same. Accordingly, a failure to recognise sport as a service oriented business will lead to inevitable difficulty, particularly if managers are fooled into believing that sport must be managed uniquely, instead of with a business orientation. The paid, tertiary trained chief executive officer of a resource independent national sporting league put it this way:

There's no excuse for getting it wrong. It's a simple idea: they pay us and we provide them with a service. If you depart from the tried and tested principles of business management, you're not going to service your members effectively. Especially if you fool yourself into believing that there are some 'secret' practices that can only be used in sport.

A departure from 'tried and tested' techniques can lead to complications, such as making unrealistic promises, and delivering unwanted services. The need for caution in this area was especially vehement from administrators representing clubs in national competitions. An example from the unpaid, tertiary trained part owner of a successful and independently wealthy NBL club follows:

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Certainly many clubs around, particularly at the lower level, make extravagant promises and fail to deliver due to lack of money. The result is they go under and fold. So it's a business just like any other form of business, which some of these people seem to forget. They expect something almost magical to happen that will save them, as if they're dependent on the winningness of the team.

A corporate view of volunteers

Respondents indicated that given the amount of money and the degree of responsibility, accountability and liability that volunteers have to endure in order to manage a state or national based association or club, then these volunteers deserve to be appropriately acknowledged as 'professional' people. Thus, sport volunteers ought to be viewed in exactly the same way as a corporate board of directors. The paid, tertiary trained executive director of a large and financially independent national sporting organisation expressed this view in the following comment:

Our structure here is corporately based. We have a board of directors and we run a business. The business happens to be sport, and that sport happens to be a business partly because of the volunteers.

Commercial business

In addition to the provision of services in exchange for financial compensation, respondents pointed to the increased commercialism in Australian sport. One of the results of this commercialism is an increased importance placed on financial success. As a consequence, administrators are feeling added pressure to conform to commercial methods that produce profits. In contrast to those administrators who feel the need to manage sport as a unique enterprise, those supporting generic business management stress the importance of meeting financial expectations through the application of business systems. The paid tertiary trained general manager of a financially independent but 'troubled' national league baseball club commented that sometimes the public don't see that there's an entrepreneurial arm behind sport organisations. In fact everything done in sport should be done to some

degree like a commercial activity. There's no room to manage a sporting organisation as anything but a commercial business.

Business practices

Because of the fact that commercialism has lead to pressure on sporting organisations to implement business practices, the possibility that sport <u>can</u> be managed as a business is reinforced. Indeed, respondents fitting this world-view proposed that they manage their respective sports as businesses; and with excellent results. If it can be done, and done with success, then their argument is that it <u>should</u> be done. The paid, tertiary trained executive director of a wealthy but resource dependent large national sport association summed up the business practice philosophy when she commented:

> *No disrespect to my predecessor, but this organisation wasn't run as a business. It was done ad hoc, and we needed to put business practices in place. If you don't manage sport as a business like any other serious business, then you can't compete. With the money generated to run the sport, you just have to get it right. If you're not using business practices, you jeopardise government grants, sponsorships, money coming in, and the whole thing about this place is that the outside dollars are the one's we want. The members are paying for the sport. My view is that managing sport is like managing any business - and that's the value that I bring to this organisation.*

Business is business is business

> *Sport is a business. It must be managed professionally, like any business that wants to succeed. The principles are always the same. If you have a small business you have to have a product. You have to sell it and pay for the product. Out of the sales you have to pay for all the ongoing activities you've got. We have an office, we have staff, we have player uniforms. There's a lot of money to be out-laid. We have to know that the income base is sound. Secondly you must be sure that the expenditure will be covered by the income. Business is business is business!*

The above response from the unpaid, tertiary trained part owner of an ABL (Australian Baseball League) club captures the precept that the principles of business are the same irrespective of what form business may take. According to this view, business is simply a transaction involving the delivery of a product or service. Thus, sport is a business transaction. Furthermore, all respondents pointed out that their daily work involves business duties such as dealing with sponsors at senior levels, negotiating with marketing firms, and liaising with the media. The duties of a sport administrator are essentially the same as any administrator; there's a broad mix of activities that transcend the type of business involved.

4.2.5 A situational approach

The final underpinning assumption concerning the context in which professional management practices are undertaken, takes the form of a situational approach to the management of sporting organisations as unique businesses. The few administrators who supported this standpoint argued that some sporting organisations should be managed as unique businesses while others shouldn't, depending upon their individual situations. As this attitude was held by only three respondents (approximately ten percent), no demographic similarities are worth exploring since each were from a different section of the sample.

The argument for the situational approach is flimsy, but consistent between each proponent. All three advocates mentioned four factors that help determine whether an organisation should be managed as a unique form of business (none of the four factors were overlooked by either of the other two groups). These factors were: first, organisational objectives; second, resources; third, services; and finally customers.

Objectives

The first factor is based on the necessity for a 'true-business objective'. A true business objective in this context is one where the chief aim of an organisation is to achieve a profit. Thus, organisations that pursue a profit should be managed as

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generic businesses and those that do not, as unique businesses. Furthermore, if an organisation fits this 'profit' criteria, then they should be managed generically, with business practices. If they do not, then another set of practices are appropriate, that meet the unique requirements of sport. Intrinsic to this argument is the belief that sport is unique only when it isn't profit-seeking. What is more perplexing is that managing sport as a generic business necessarily assumes that the goal is profit. Subsequently, the idea falls down where sporting organisations are managed as generic businesses but explicitly ignore potential profit earning opportunities in favour of the pursuit of other objectives. The paid, non-tertiary trained executive director of a small and poorly-resourced state sporting association replied as follows when asked how this apparent incongruence can be explained:

> *If an organisation doesn't manage with the intention of achieving a profit, then they're not using a business approach. A business approach assumes that profits are the goal, and management practices are accordingly employed.*

Resources

The second factor refers to the resources an organisation possesses. An organisation can be managed as a generic business provided that their resources are sufficient. A common statement by all three respondents supporting this view, was that a large amount of resources are necessary in order to manage a sport as a generic business. The old cliché that money makes money seems to be the point here. However, this proposition has two major flaws. Firstly, at what point are resources adequate to be considered appropriate for business management?. Is there some invisible number that demarcates the transition from unique management to generic management? Secondly, the argument seems logically inconsistent anyway. If an organisation is low on resources and attempts to achieve a profit, they would not be classified as a generic business. How does an organisation go from a small amount of resources to a large amount without managing themselves as a generic business? The answer was provided by the paid, tertiary trained executive director of a financially independent high profile and well-resourced state sporting organisation:

It's an evolving process. Sporting organisations can get money from the government or from sponsors, and can easily not manage themselves as a business. We started as a kitchen table organisation and now are considered a business.

Services

Qualifying as a generic business is also affected by the services offered. This is the case when the majority of services are oriented toward a clear exchange for money. In other words, a sport qualifies as a generic business when it provides its services in direct compensation for payment. The corollary of this relationship is when a sporting organisation is paid through membership fees, and are expected to provide a blanket service that covers anything that may be needed by the member. Of course, this qualification raises more confusion as the majority of sporting organisations take the blanket service approach. There is a further complication in that many non-sporting businesses take this approach as well. Furthermore, according to this rationale, the majority of sports must not be generic businesses; a predicament that has already been rejected by the same people. How can these disparities be explained? Two respondents' answers follow, the former from the paid, tertiary trained executive director of large state national sporting association, and the latter from the paid, non-tertiary trained executive director of a small state sporting organisation:

It's a confusing issue, and one that wastes a lot of time thinking about. It's really a factor of whether the sport has well defined services that are compensated for by members payments, or whether the services aren't costed out. In sport you provide all services that your members want. Often they are not cost efficient. You spend ten dollars of your time dealing with a ten cent problem. That doesn't happen in a business.

In our case if you take into account the ingredients of the services that we offer, then it may be over the top to say we are running a business. We provide whatever services are necessary at the time. Businesses can't afford to do that, and if you go to some sporting organisations, you will find that they're very rigid in what services they provide, because they are trying to keep costs as low as possible.

Customers

The final element in the 'situational' approach that can determine whether a sport should be managed as a generic business or a unique business, pertains to the customers of sporting organisations. Again, this is another area that is confusing. The most simple explanation involves the perception that the customers have of themselves. If they view themselves as athletes, then the sport is a unique business, but if they see themselves as customers, then the sport can be managed as a generic business. This is how the paid, non-tertiary trained executive director of a popular but financially independent state sporting association explained it:

> *I had a vision that I saw this as a sport not a business. They treated their members as business units rather than as sports people, athletes. Like they were McDonalds' customers. Here is you're service, now out you go and don't bother us if what you want isn't on the menu. The problem was that they weren't being treated as sportsmen, with respect. That's OK if the members see themselves as customers, like in McDonalds. But they don't, so it must be managed differently to normal business.*

While the situational approach has some intuitive appeal, it produces confusing outcomes as the logic behind the arguments lack internally consistent. Indeed, each of the four elements clearly qualify different organisations as requiring a generic business approach. Based on these discrepancies, and as the concept was advocated only by a small minority, it is likely that the situational approach to managing sport is uncommon. At the same time, it does constitute a useful framework for a few sports administrators.

4.2.6 Other factors

There are two additional factors that separate the two predominant frames of reference discussed previously. They have been included here rather than earlier because while they were not part of the respective arguments, they were clearly common to each. In other words, respondents from the 'sport as business' camp possessed the same opinions on these issues, while those taking a 'sport as a unique

business' stance held opposing but common perspectives as well. However, neither distinctly used these particular factors to bolster their arguments. They are simply 'other factors' that help to distinguish the two philosophies. The factors include the transferability of practices and sport's association with leisure.

Transferable practices

Each of the twenty-nine sport administrators interviewed argued that they could successfully make the transition from the management of one sport to the management of another sport. This was irrespective of whether the move was to or from a state or national association or national league club. When asked if the skills required to be successful in one sporting organisation would apply to another, the answer was typically a resounding and emphatic 'yes'. This was commonly accompanied (only in 'sport as generic business' supporters) by a warning that the administrator should not attempt to become an authority on the technical side of the sport.

The caution against an attempt to gain technical expertise is conspicuous. The 'sport as generic business' proponents would point out that the technical side of sport can be equated with the technical side of any business, be it selling thumbtacks or making computer components. They would argue that the technical side of any business is largely irrelevant to the use of business practices.

So, the proposition that practices are transferable between sports is agreed upon. However, this is the only mutual ground, since the 'sport as unique business' group argued that sport administrators could not transfer to commercial business with great success. Nor could business people move to managing sport with great success. When asked further questions about this situation, they often qualified this pronunciation with the provision that if the managers are experienced and skilled then they will, in time, be successful in any organisation. The examples below, all from the executive directors of small and resource poor and dependent sporting associations, illustrate this point:

We could move to other sports administration work comfortably, yes. Movement between sports would be relatively painless. I don't know how the transition would work to or from business - not very well, I think.

Yes, I could work in any sport. I've never played this sport. I believe that if you've got management skills, and you've just come from business, you need to understand sport, and you will not necessarily succeed in sport management easily.

As an example, we had eight of nine executive directors from business who just didn't know where to start. Maybe we need organisations that help sport find out how to network and find sponsorship, and re-negotiate. Where you go for sponsorship, and where do you go for government grants if there are any. What support systems are there for you, because those eight people from what I can gather didn't know where to start.

In contrast, the 'sport as generic business' group see management as an activity that completely transcends the specific business involved. For example, the paid, tertiary trained general manager of a large and financially independent state sports body made the following comment:

I don't see why sport should be isolated and said to be any different from any other system of management. I mean if you're managing a dairy farm, you're still managing aren't you. The end result happens to be milk and cheese, but the manager's role would still be the same. First and foremost I think as a manager I could move from this sport to any other sport or business and apply the same set of principles and practices to management of that organisation.

Sport as leisure

According to 'sport as unique business' supporters, the fact that sport can be a leisure activity makes it more difficult to manage. This is primarily because often the participants and spectators are spending their discretionary income. In comparison, 'sport as generic business' supporters do not consider that sport as leisure makes any difference to the management practices required.

4.2.7 Conclusion

To summarise, while all respondents agreed that sport is a form of business, there are two chief frames of reference from which that form is viewed. These are the fundamental assumptions that sport is a unique form of business and must be managed taking into account these unique factors, and the presumption that sport is a generic business and can be managed in the same way as any other business.

There are several contrasting features that distinguish the two suppositions. 'Sport as unique business' adherents believe that sport's association with leisure and increased commercialism make the management of sport difficult and special. In addition, the emotions inherent in sport forces managers to avoid making rational decisions where they may cause player, member and volunteer dissatisfaction or discomfort. Objectives are frequently divergent and there is a heavy reliance on externally generated income, which is often insufficient. This is amplified by the difficulty associated with managing volunteers. In summary, management practices are not transferable between sport and other forms of business.

In contrast, the 'sport as generic business' camp viewed the leisure orientation of sport, the emotion, ambiguous objectives, and limited resources as irrelevant to the management practices of a sporting organisation. Furthermore, they take a corporate view of volunteers, insisting that they are like any other organisational employees. Instead of viewing sport as a unique form of business, they insist that sport is a client service business operating within a unique marketplace, utilising transferable management practices. A summary of these distinguishing features appears in Table 4.1.

Table 4.1 - Business and sport: Distinguishing features

Features	Sport as a unique business	Sport as a generic business
Association with leisure	Makes managing sport more difficult	Irrelevant
Commercialism	Makes managing sport more difficult	Has helped sport embrace business practices
Emotion	Can't make rational decisions	Irrelevant
Market	Not mentioned	Unique marketplace
Objectives	Often contrasting & opposed	Irrelevant
Resources	Limited & largely external	Irrelevant
Services	Inequitable for returns	Client service business
Transferable practices	Not transferable	Transferable
Volunteers	Top & bottom of organisation./difficult to co-ordinate	Corporate view

The assumptions underpinning sport administrator's use of management practices begs the obvious question of what effect do these two major approaches have on professional management practices in sport. The answers to these questions are resolved in this chapter, but first, it is necessary to appreciate some additional factors that affect the use of professional management practice. They include the following section which addresses administrators' perceptions of the notion of professionalism, as well as the contextual factors which impact upon management beliefs and behaviours.

4.3 Professionalism and sport

4.3.1 Introduction

The word professional is often misused and misunderstood. Traditionally it has been used in connection with occupational professions, or to contrast with the term amateur in order to describe situations where individuals are paid to perform an activity or pursue it to the exclusion of all else. The confusion arises when the term is used in a contemporary sporting context where according to respondents in this research, sports followers in Australia are already familiar with the 'professional' (paid, full-time) athlete and 'professional' (money generating) sports. In addition, in this modern sporting context the term professional has been used to describe a system of management practices that encompasses the 'best' approach.

The purpose of this section is to describe and analyse sport administrators' perceptions of professionalism in order to determine how their views and beliefs on this issue may affect their management practices. Clearly, if it is the objective to understand what professional management practices may include, then we must first discover what it means to be professional.

While the term professional was broadly defined by respondents, they were specific about several issues: first, professionalism is a positive characteristic, second, it applies not just to sport, but also to a range of commercial and cultural practices, and finally, it has attracted interest because there was a distinct need for it. Professionalism is no longer viewed as a proxy for remuneration status and a full-time work commitment. While respondents held a diverse range of opinions concerning the definition of the term 'professional', their views can be summarised under two thematic banners; first, a <u>conduct</u> approach which focuses on appropriate behaviour, and second, a <u>competence</u> approach which focuses on proficiencies and ability. Respondents rarely subscribed to an exclusively conduct or competence view, but their responses were typically grounded in either one approach or the other. Respondents also linked a 'professional approach' to management performance or orientation, in which emphasis was given to either a <u>process</u> focus, which involves a preoccupation with how practices are undertaken, and an <u>outcomes</u>

focus, which concentrates on the results of those practices. Dimensions of professionalism will be discussed first, followed by an analysis of management orientation. The dimensions of management orientation are illustrated below in Chart 4.2, as are the conduct and competence dimensions of professionalism.

Chart 4.2 - Dimensions of management orientation and professionalism

MANAGEMENT
ORIENTATION

| **PROCESS** | **OUTCOME** |
| FOCUS | FOCUS |

DIMENSIONS OF
PROFESSIONALISM

| **CONDUCT** | **COMPETENCE** |
| APPROACH | APPROACH |
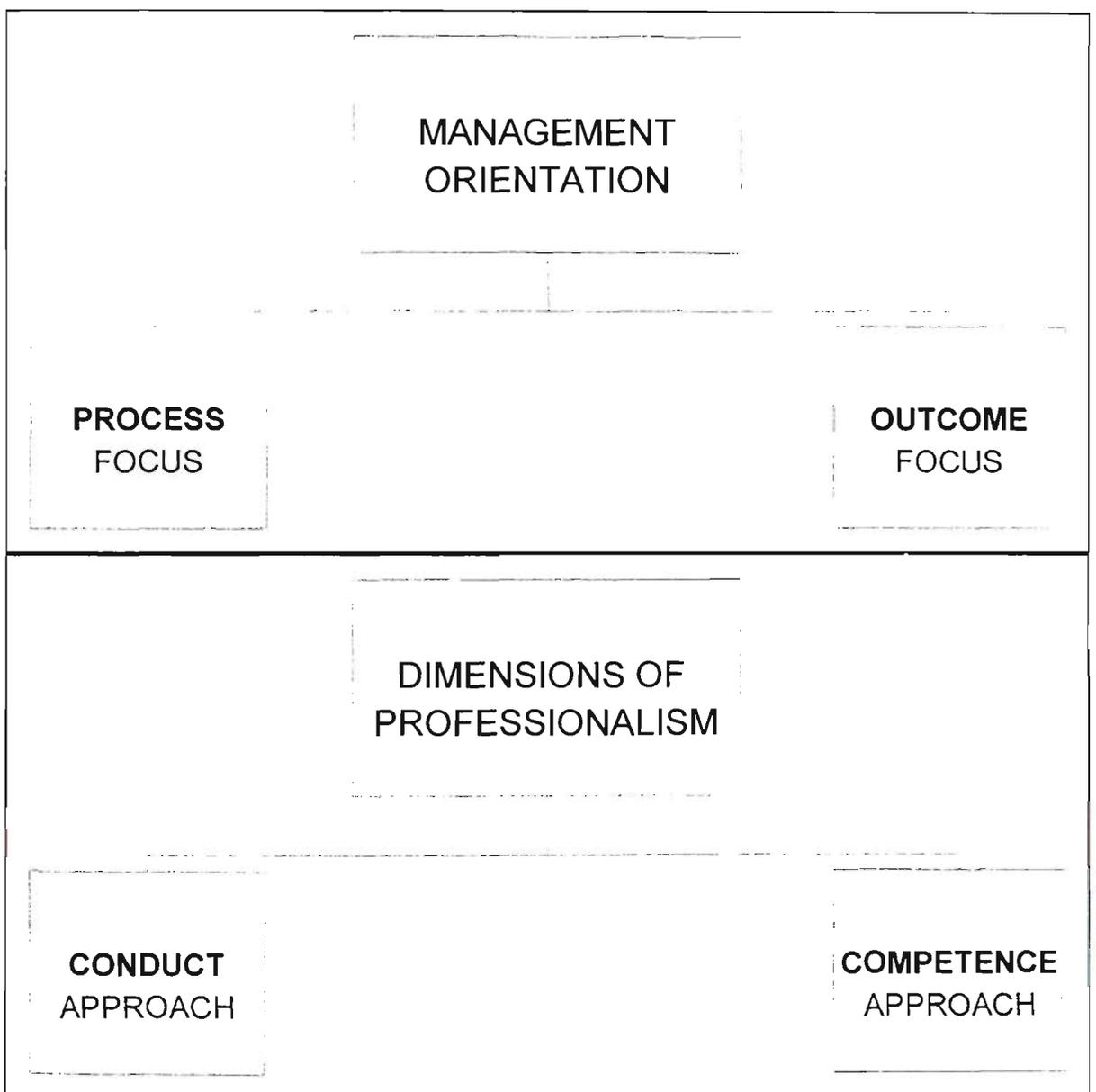
4.3.2 General characteristics

Several opinions about professionalism were universally expressed. The first was that professionalism is a positive attribute, actively sought by every respondent. It is puzzling how a single word can evoke such positive, yet differing reactions, but it is clearly a term that arouses powerful ideas. It was particularly perplexing that several administrators were unsure exactly what professionalism meant to them, but maintained that while they, '…don't know exactly what professionalism is', they, 'want it anyway'. The significance of this positive association with professional management practices cannot be understated. According to respondents, anything 'professional', was considered valuable.

The second area of agreement related to the universal relevance of professionalism. Professionalism doesn't just apply to sport or business, but to all occupations. As the paid and tertiary trained chief executive of a well-resourced, but resource-dependent national sporting organisation, governing one of Australia's most popular participant sports said, 'it applies whether you work in amateur theatre or whether you sell cars'. Furthermore, the term is also frequently used in an ecumenistic sense, implying that professionalism is as much a world-view as a description of occupational proficiency. Thirteen, or nearly half of the respondents, mentioned that they applied their concept of professionalism to their personal lives as well as their occupational lives. A common perception was that professionalism, 'is a way of doing something, it doesn't matter what'.

Bolstered by this sweeping perception of professionalism, was the belief that professionalism is needed in the management of sporting organisations. This is a direct consequence of an equally common belief that there is a lack of professionalism in Australian sporting organisations. According to respondents, this lack of professionalism explains the current preoccupation with the subject in management circles.

4.3.3 A scarcity of professionalism

Introduction

Nearly all respondents believed they could explain the underlying causes for the paucity of professionalism in Australian sporting organisations, which can be synthesised into three principle arguments. The first argument encapsulates the views of respondents who see sport as unique business. According to this view, there is a lack of professionalism in the management of sport because there are few sport administrators who understand the true nature of sport. In contrast, 'sport as generic business' supporters believe that a lack of professionalism exists in the management of sport because there are few sport administrators who truly understand how to run a business. However, both agree that despite their differences, the traditional 'old-boy' network is a root cause of the dearth of professionalism.

The 'sport as a unique business' view

'Sport as unique business' respondents believe that there is a lack of professionalism in the management of sport because few sport administrators appreciate the unique nature of sport. According to these respondents, sporting organisations are attempting to become more professional, but only a small percentage are successful. This is partly due to a reliance on untrained lower level volunteers, and because the governing boards or committees have little or no understanding of the unique necessities of sport management. They are often successful business people, but their business acumen does not easily transfer into sport management sagacity. This feeling was captured by a comment from the paid but not tertiary trained executive director of a small state sporting association, who ventured to say that, 'there aren't many people managing sport who really know what's going on'. Moreover, the sport management industry will never become truly professional in capability until it becomes common knowledge what, 'makes sport so damn tricky to manage' (unpaid, non-tertiary trained executive director and president of a under-resourced and resource-dependent SSO).

The sport as a generic business view

The 'sport as generic business' lobby asserted that the shortage of professionalism is caused by a lack of sport administrators who comprehend the nuances of running a business. This is a product of the parochial nature of the industry and the limited experience sport administrators have in the wider business community.

When entering sport administration from the business world, there are several striking factors that affect the ability of administrators to generate professionalism. One is that many people have been traditionally employed in sport because of their interest and passion, rather than their professionalism or qualifications. They simply drift into sport rather than being directed into sport via a career path, as in business. The second factor is that there are insufficient financial rewards in the industry for individual administrators. The best business managers are employed by organisations that pay a premium for their services. Even the best paid Australian sport administrators compare poorly with their business counterparts. The paid, tertiary trained general manager of one of Australia's largest and independently wealthy national sporting associations observed:

> *The best paid sport administrator in Australia would be the CEO of the AFL. At a guess, he'd have a package of a couple hundred grand. Compare that with the CEO of BHP or QANTAS, who'd make between one and two million comfortably. In sport administration, there's little incentive provided by the financial compensation offered by organisations. Is it any wonder the best managers are in the commercial sector? And when they do come into sport, is it any wonder that they are surprised at the lack of professionalism in many organisations? There aren't many oak panelled offices in sporting organisations.*

The 'old-boy' network

While the previously described opinions concerning the shortage of professionalism have a different focus, there is one point of collective agreement, that is, the traditional structure and function of sport doesn't lend itself to the development of professionalism. Both camps agreed that tradition has failed to produce administrators that can manage sport effectively. Thus, all administrators

interviewed reported that they had an ongoing battle with traditional practices. This is noteworthy as the sample included unpaid, volunteer administrators. Clearly, they too are frustrated by some 'classical' methods of managing sport.

One difficulty faced by respondents is the colloquially named 'old-boy' network, wherein administrative positions are obtained as the result of political manoeuvring. While the 'old-boy' network is not exclusive to sport, it was perceived by respondents as excessive in sport. Traditionally, in this male-dominated network, administrative appointments have been made by well-meaning but politically shrewd volunteers, who are more interested in furthering their personal position than concentrating on the management practices they exercise, or the appropriateness of the employees they hire. The paid but non tertiary trained general manager of a national club commented that he looked at these people and just had to shake his head in disbelief. Another unpaid but tertiary trained president of a small national sporting association said, 'I cannot believe that they are in a position of responsibility'.

As a result of the, 'old-boy network', many positions of power are held by former champions of the sport, and while the respondents respected their achievements, they saw them as incompetent, leading the paid, tertiary trained chief executive of an independent and powerful national sporting organisation to suggest that the old boy network may be the cause for the ultimate downfall of sport in Australia. However, respondents also noted that these traditional practices and 'old-boy' dominance has been challenged recently by the appointment of 'professional' (paid, full-time, tertiary-trained) administrators from business, and university trained sport management backgrounds.

4.3.4 Professionals everywhere

All but one of the respondents viewed themselves as professional administrators, despite the fact that half of them were unpaid and not tertiary trained. These responses reflected a view that the term 'professional' is significantly different from

the traditional sociological definition, and unrelated to tertiary education credentials. The respondent who claimed not to be a professional, did so on grounds of their amateur, and unpaid status, but still went to considerable trouble to explain that their general disposition and practices were 'professional'.

Clearly the acquisition of professional status is prized, and the term 'professional sport administrator' goes beyond the occupational description on paid administrators' tax returns. Professionalism is a complex phenomena in its application to sport administration in Australia. When asked if they were professional, respondents invariably replied that they were, and that professionalism is related to what they do, how they do it, and the outcomes of their choices. Responses such as, 'I am a professional looking after amateurs', were found in fourteen, or nearly half of the respondents, and centred around the unpaid, who were particularly anxious to associate their administrative efforts with 'professionalism'. At times, the vehemence with which respondents attempted to authenticate their professionalism was inversely proportional to the size of their organisation. The paid but not tertiary trained executive director of a dependent and poorly-resourced state sporting association reported:

> *With everything that a small organisation does, it may all seem a bit Mickey Mouse. We're not a big fish. But that doesn't stop us from being any less professional than the biggest organisations or clubs.*

Full-time administrators from larger and wealthier organisations were less proactive in validating their professionalism, and implicitly assumed a 'professional' status. However, some respondents became uncomfortable when discussing how their interpretation of professionalism impacted upon their choice of management practices. Ultimately however, the notions of remuneration and time commitment, played a small role in the qualification for a professional standing.

4.3.5 Remuneration & time commitments

While the modern view of professionalism transcends the traditionally established components of compensation for work and a considerable time commitment, it would be premature to dismiss remuneration and time as irrelevant to this study. When asked to define professionalism, two respondents immediately mentioned money and time. After doing so, they subsequently discussed the concept in other terms (described in detail in the next section). On the other hand, the remaining respondents failed to mention money and time until questioned about their place in a definition of professionalism. The archetypal answer was that they, 'have a place but nowadays aren't really that important'. Other respondents justified this type of comment with anecdotal evidence where someone they knew wasn't paid but was more 'professional' than someone else who was paid. It was therefore recognised that money and time have been superseded by contemporary notions of professionalism, and are of limited use. In other words, money and time may remain occupational measures, but are not behavioural measures.

The results indicate that defining professionalism is not an easy task for Australian sport administrators, and its features are assumed rather than expressed. No respondent had a precise unprompted definition, and twenty or two-thirds commented that it was a 'tricky' or 'difficult' concept to explain. As the unpaid/paid (respondent began as a volunteer and later secured a paid position), tertiary trained former development officer from Australia's largest and wealthiest sporting league observed, 'it's a bit like the word "electricity"; we know what it is, we know we need it, and we know it's a good thing, but most of us would have difficulty defining it in any meaningful way.' A discussion of professionalism is complicated. When respondents defined it, they left themselves vulnerable to be measured by their own definition. As a consequence, a handful of respondents were reluctant to materialise their views. The unpaid, tertiary trained executive director of one of Australia's smallest and most resource-dependent national sporting associations claimed that, '...professionalism is a hard word to define in sport' because 'it's fraught with danger if you start to get hard and fast definitions for it, because some people will think it's one thing, while others think it's something totally different'. Nonetheless, when

coaxed, all respondents were able to provide details of their meaning of professionalism.

4.3.6 A typology to understand professionalism

Overview

The results showed that there were as many definitions of professionalism as there were respondents in this research. However, after extensive coding and analysis of the responses, it became apparent that, despite individual explanations and personal variations, there were two central approaches to the issue of professionalism. These were named the <u>conduct</u> approach and the <u>competence</u> approach. Both approaches are behaviourally grounded, but whereas the conduct approach holds 'appropriate' behaviour as its central theme, the competence approach maintains that the 'aptitudes' leading to behaviour are the pivotal factor in professionalism.

Of the twenty-nine respondents participating in this research, two and three administrators subscribed exclusively to the conduct approach and the competence approach, respectively. The remainder of the respondents included elements from both approaches in their personal views, although not a single respondent gave equal weight to each approach. The 'average' administrator subscribed to a view that was fundamentally based in one approach, with the competence approach being more popular, with fifteen or approximately two-thirds of administrators advocating it.

The conduct approach

Introduction

This approach to professionalism is associated with individual and organisational conduct. Within this paradigm, there are four closely allied but discernible categories. They are: first, ethical behaviour; second, image; third, service; and finally, effort.

Ethical behaviour

The first component of the conduct approach revolves around ethical behaviour. Respondents believed that professionalism must include a moral philosophy that governs behaviour in a formal and systematised way, leaving no room for ambiguity or confusion. Thus, it was common for the administrators who mentioned this component of the conduct approach to describe the need for a guide to ethical behaviour which would contain the moral principles administrators must adhere to. When asked what precisely professional or ethical behaviour entails, the typical answers included 'fairness, honesty, integrity, safety, authenticity', and, 'moral and legal propriety'.

Image

Image and perception were frequently revealed characteristics of professional conduct. Image refers to the symbols or perceptions that are associated with individuals and organisations that are representative of them, and are judged by others as positive or negative. In this case, a positive image is strongly associated with professionalism.

At an individual level, image was allied with stereotyped physical characteristics such as etiquette, style, personality attributes (extroversion and a tendency to be serious) and attire. Thus, physical cleanliness, neatness, confidence and clothing contribute to image. The paid but not tertiary trained chief executive of a national club suggested that important features include, '...short, neat hair (for men), a smile and a suit...and people will think you "ooze" professionalism'.

Respondents also reported that an organisation must present a positive image to enhance their customers' perceptions of their professionalism. This includes control of office decorum, as well as the wider perceptions that clients may hold about efficiency and effectiveness. It's easy to confuse this element of professionalism with the competence approach. However, there is a considerable difference between the perception of competence and actual competence. Subsequently, organisations

want to present themselves as efficient and well managed, despite the fact that it may not be a reality. The power of image was well acknowledged by respondents, since it can affect customer satisfaction and organisational culture. Culture is a potent determinant of an organisation's actual capabilities. In other words, if an organisation has a positive image as a cultural determinant, then employees are under strong pressure to meet that cultural perception.

Image is also linked with presentation to everything and everyone the organisation deals with. Not only does that include members, but potential members. In fact anyone or any group who are, 'peripherally connected with the sport'. The paid, non-tertiary trained executive director of an independently-resourced state association that governs one of Victoria's most successful participant sports, summarised the issue in the following comment:

If the media contact you, you must talk to them, with exuberance about your sport and with knowledge about your sport, and try to understand what they're trying to get out of you. You cannot afford to dismiss anyone. Image is everything.

Service

The importance of providing a quality service is intrinsic to the definition of professionalism, and could probably be included in either the conduct approach or the competence approach. However, while it's a 'close call', it has been included in this section because respondents emphasised the appropriateness aspect of service rather than the specific abilities required. For example, it was stressed that professional service must be, 'tight, correct, and at all times maintaining integrity'. It includes the provision of what customers want, delivered in a manner appropriate to their needs.

Often, respondents emphasised the 'little things', as the larger, more fundamental services were taken for granted. Accordingly, what separates capable service from professional service is attention to detail and the incorporation of the other components of appropriate conduct; ethical behaviour, image and effort (discussed

below). As a result, respondents focused on details such as returning phone calls, photocopier quality and responding to requests for information promptly. Moreover, it was considered important to be seen to provide quality service, within the appropriate ethical parameters. These sentiments were captured by the observations of the paid, tertiary trained executive director of a wealthy but resource-dependent national sporting organisation:

> *Professionalism goes right down to answering the phone. If you can't answer a question, then we have to call back in five minutes. We have to be seen to give the people the best service, and this is a service industry. Someone walks away from this office happy, then the chances increase that they will come back again.*

Effort

The final element of the conduct approach involves the application of effort. Whenever conduct is appropriate it invariably requires considerable effort. In other words, professionalism does not come easily; it must be earned. The employment of suitably directed effort is a prerequisite for professionalism. Under the banner of the term 'effort' comes, 'enthusiasm, dedication, and passion'.

Effort may find a place in the competence approach to professionalism as well. There is little doubt that the employment of effort is an important constituent of successful practice, irrespective of orientation. It was, however, included by respondents more as an afterthought than as an immediately striking feature of professionalism. It has been included in this section because there was a universally expressed belief that consistently behaving with appropriate conduct requires more effort than behaving with competence. The reasoning behind this enigma is that while acquiring the abilities needed for competence is difficult, the exercise of competence is relatively straightforward, and in most cases easier in the long-term than incompetence. On the other hand, the continual delivery of service through ethical behaviour was deemed more, 'troublesome, particularly with no overt benchmarks'.

The competence approach

Introduction

The other and more popular philosophy of professionalism is termed the competence approach. Within this approach there are four separate but interrelated categories. They are; first, abilities, second insight and vision, third, qualifications and experience, and finally, excellence.

Abilities

Competence cannot be achieved without the possession of specific abilities. Abilities refers to, 'anything that helps get the job done'. In this case administrators described two forms of abilities allied with professionalism. The first relates to practices and the second to skills. Practices will be overlooked in this section, as section 4.5 - Professional management practices deals exclusively with the issue. However, there were a number of skills that were considered to be components of professionalism. It should be emphasised that there are no standard lists of skills that automatically qualify as professional. The competence approach implicitly assumes that the skills used are appropriate in the given circumstances. Thus, sport administrators call upon different skills at different times, taking a contingency approach to the application of their abilities.

Respondents cited voluminous quantities of skills that they considered intricate to the development and maintenance of professionalism. However, they all can be summarised within four skill processes. The first set of skills involves data acquisition. This includes any expertise related to finding information, such as networking, reading, researching, and all forms of communication. The second set of skills follows on sequentially, relating to the interpretation and analysis of the information gathered during the first process. This includes skills such as independent and clear thinking, ability to comprehend large quantities of data, knowledge of the subject (the organisation or industry), ability to see holistically, ability to think logically, and the ability to reduce complex information into a simple form. The third process is based on the first two, entailing the skills of decision-

making. Included are the ability to deal with pressure, 'think on your feet', and to make 'courageous decisions' (considered by all respondents who mentioned it to be as much an acquired skill as a character disposition). Finally, the last set of skills is concerned with the consequences of decisions. Comments made by the unpaid, tertiary trained president of a large national sporting organisation emphasises this point:

> *The other thing about professionalism is acknowledging your own level. Knowing when you've reached your limit of professional skills. Knowing when to say no. In sport, it also means accepting criticism objectively and not taking it personally. Knowing when you've made a good decision and when you've made a stupid one, then doing something about it.*

This includes skills such as critical, reflective and objective thinking, listening to employees, flexibility and pro-activity.

Insight & vision

While insight and vision can be placed within the previously described processes of professional skills, they were so vehemently advocated that they warrant a place of their own. Insight is part of both the information gathering process outlined above, and like vision, is an extension of the second process of information analysis and interpretation.

According to respondents' perceptions, insight is a special kind of ability that results in an accurate understanding of the environment and its associated pitfalls and opportunities. It includes able time management, an awareness of the politics of the sport, the needs of the people playing (or customers), an understanding of what is important and what isn't, a knowledge of the capacities and skills of employees and volunteers, and a degree of acumen and intelligence. In the words, of the paid, tertiary trained general manager of one of Victoria's largest and financially

independent state sporting associations, '...you have to be reasonably astute; you can't be dumb and professional at the same time'.

Vision is the application of insight into the future. It comprises a view toward efficient planning, setting a direction and the ability to anticipate the needs of the organisation, its customers, and employees.

Qualifications & experience

The competence approach holds that competent practice can never be obtained without appropriate training and experience. This section deals with training and experience, irrespective of its substance; formal or informal, tertiary or non-tertiary.

All of the eighteen respondents who supported a competence approach to professionalism believed that ideally, sport administrators should possess some qualifications in sport management or administration. However, all specified that despite this ideal, qualifications and/or training are not prerequisites for competence. Nonetheless a prerequisite is some method of knowledge and ability acquisition. The paid, tertiary trained executive director of a financially 'struggling' state sporting organisation noted the following:

> *Those who have come through the academic road are certainly aided in their professional abilities. But there are also those who have grown up in the sport or in other areas that come through and have equally done well. I can think of many of the people in other sports that I've grown up with in the sporting arena and gone into administration and done very well.*

Given a choice between either a formally educated employee or an experienced one, ten out of the eighteen respondents preferred the formally educated applicant. On the other hand, eight favoured experienced employees. Obviously a combination of the two represented a best-case scenario. Surprisingly, those who nominated education as the most important factor shared no common demographics, and

included representatives from seven of the sixteen total sampling categories (b - P, TT, >1, NS; c - P, TT, <1, S; o - UP, NT, <1, S; l - UP, TT, <1, NS; a - P, TT, >1, S; h - P, NT, <1, NS; k - UP, TT, <1, S; p - UP, NT, <1, NS), with none dominating, including the tertiary educated themselves. It was common for non-tertiary educated respondents to voice their approval for tertiary-training. However, there were 'hard-core' advocates of the importance of experience, with some of them suggesting that their own tertiary education did little to prepare them for the rigours of sport administration. They cautioned that the theory gained in university may not necessarily match the practice required in managing sport. As the paid and tertiary trained executive director of a small but financially independent state sporting association pointed out, there is a danger that you can employ, 'someone who has gone through three years of university, who have worked on papers and assignments that may be complex, but they're all on paper - they haven't been tested in the field'. In addition, four respondents mentioned that they have been frequently challenged with problems that were not addressed in their textbooks. All four were, however, graduates from a business degree (none of the administrators participating in this research were graduates from a sport management or administration program). This is not surprising as the respondents in this research were entrenched and experienced 'decision-makers'. Sport management programs in Australia are too young to expect to have graduates in these positions yet.

Australian sport is in transition concerning the relative importance of qualifications. A 'metamorphosis' is occurring, wherein more and more qualified sport administrators are emerging from tertiary institutions and entering the sport industry. There is a perception that inevitably, a 'professional' in sport administration will possess a degree in the field. Moreover, these 'professionally' qualified administrators will be able to work in any type of sporting organisation, irrespective of their personal sporting background. Indeed, as the unpaid, non-tertiary trained executive director of a resource poor and dependent state sporting organisation lamented, they 'do not even have to like the sport at all'.

Excellence

Professionalism has also become a surrogate for excellence. Seventeen of the eighteen respondents who focused on the competence approach explained that professionalism is directly related to the pursuit of excellence, which in turn is a function of commitment and enthusiasm. However, there was a clear distinction between those administrators who were fixated with the processes necessary for the management of excellence, and those concerned with the outcomes arising from excellence. However, in both cases respondents believed that 'excellence professionalism' is relative; that is, what may be excellence professionalism for one organisation may be taken for granted by another. While the relative variability of the concept of excellence would be worth further exploration, this study has generated no direct additional data on the issue. This may be viewed as a limitation. However, 'excellence' is considered tangentially in the performance measurement component of section 4.5

4.3.7 Professionalism in sport

Having examined the views and values of respondents about their roles in managing sporting enterprises, their perspectives on 'professionalism' and the different emphasis given to the conduct approach and the competence approaches, a definition can now be developed from a synthesis of the two. Thus, professionalism can be defined as follows:

> **Professionalism is the commitment to appropriate conduct and competence, wherein ethics, image, service and effort are paramount, and the combination of ability, insight, vision, qualifications and experience culminate in the progressive realisation of excellence.**

4.3.8 Management orientation

Overview

It was never the objective of this research to examine the management orientation of Australian sport administrators. However, after taking a macro view of professional management practice, it was apparent that management orientation is closely related to respondent's views on professionalism and nature of sport as a business. To put it another way, professional conduct and competence was connected to management orientation, which in turn impacted upon professional management practice.

Management orientation describes what individuals and organisations hold important and focus upon in their administrative and management practices. Management orientation can therefore be divided into two major components: a process focus, which concentrates on 'means' or inputs, and an outcomes focus, which concentrates on 'ends' or outputs, although, as with the conduct and competence approaches the process and outcomes focuses are often combined, with one focus dominating. Fifteen of the twenty-nine, or just over fifty-five percent of respondents took a predominantly outcomes focus, while the remainder took a process focus. None held an exclusive focus on one orientation or the other, but neither did they balance their focus. If management orientation were to be represented as a continuum, with a process focus on one side and an outcomes focus on the other, then all respondents would be on one side or the other, thereby indicating a firm position.

Process focus

Process focused administrators are primarily concerned with the course of action that they had taken, and emphasised inputs rather than outputs. Inputs are the contributions made to the sporting enterprise, and indicate the amount of time worked, the amount of effort expended (a component of professionalism), the production quantity (related to professionalism via service) and employee training and experience (another component of professionalism). Respondents with a process focus are concerned with action systems in place, and organisational

functions. Process oriented respondents typically stated that they concentrate on the perpetuation and survival of their organisation via the operation, production and delivery of their organisations' services. The following statement from the paid, non-tertiary trained general manager of a resource poor and dependent sport association encapsulates the process focus:

> *I constantly analyse the methods we use to deliver our services. You can always be more precise, and more efficient in anything you do. When I can improve a system in place by making it more direct and making it take fewer steps, then I know I've achieved something. I think it's extremely important to have formalised documents detailing all ways for doing everything.*

A preoccupation with processes has one distinct advantage and disadvantage; a process focus may maximise an organisation's productivity by enhancing its efficiency, but may fail to maximise effectiveness (quality) where the results of systematised processes are overlooked.

Outcomes focus

The outcomes focus contrasts with the process focus, and centres on outputs rather than inputs. Outputs are the results of the processes, and cover financial status, elite performance, participation rates and service quality. According to the paid, non-tertiary trained chief executive of a successful national club, an outcomes management orientation is all about, 'getting the job done'. While such a focus forces administrators to appreciate the effectiveness of their services, an overemphasis on an outcomes focus can result in a dislocation from the system that delivers the outcomes. In this sense, administrators can become 'blind' to creative improvement in work patterns and practice and other process driven opportunities.

4.3.9 Typology of professional management focus

Introduction

As previously explained, a professional approach can be viewed as a continuum with the <u>conduct</u> approach at one end and the <u>competence</u> approach at the other. Similarly, management orientation can be represented by a continuum with the <u>process</u> focus and the <u>outcomes</u> focus at the respective extremities. While professionalism and management orientation are inter-connected, it is not until both continuums are combined that their impact upon professional management practice becomes clear. When connected as a typology of professional management orientation, it demonstrates how fundamental assumptions of sport as <u>unique</u> business and sport as <u>generic</u> business provide the foundation for the analysis of management practices in sport.

When the professional focus dimension is combined with the management orientation dimension, four categories of professional management focus are created. They are, first, process/conduct orientation; second, process/competence orientation; third, outcomes/conduct orientation; finally, outcomes/competence orientation. Each category is detailed after the typology of professional management orientation located in Table 4.2 on the following page. Every respondent holds an orientation that fits into the typology, although, it is difficult to determine precisely where each respondent fits in regard to this typology without further interviews. At the same time the typology neatly differentiates the variety of practices used by sport managers 'in the field'.

Table 4.2 - A typology of professional management

PROFESSIONAL MANAGEMENT ORIENTATION

CONDUCT FOCUS   COMPETENCE FOCUS

PROCESS FOCUS

A   B

MANAGEMENT
FOCUS

C   D

OUTCOMES FOCUS
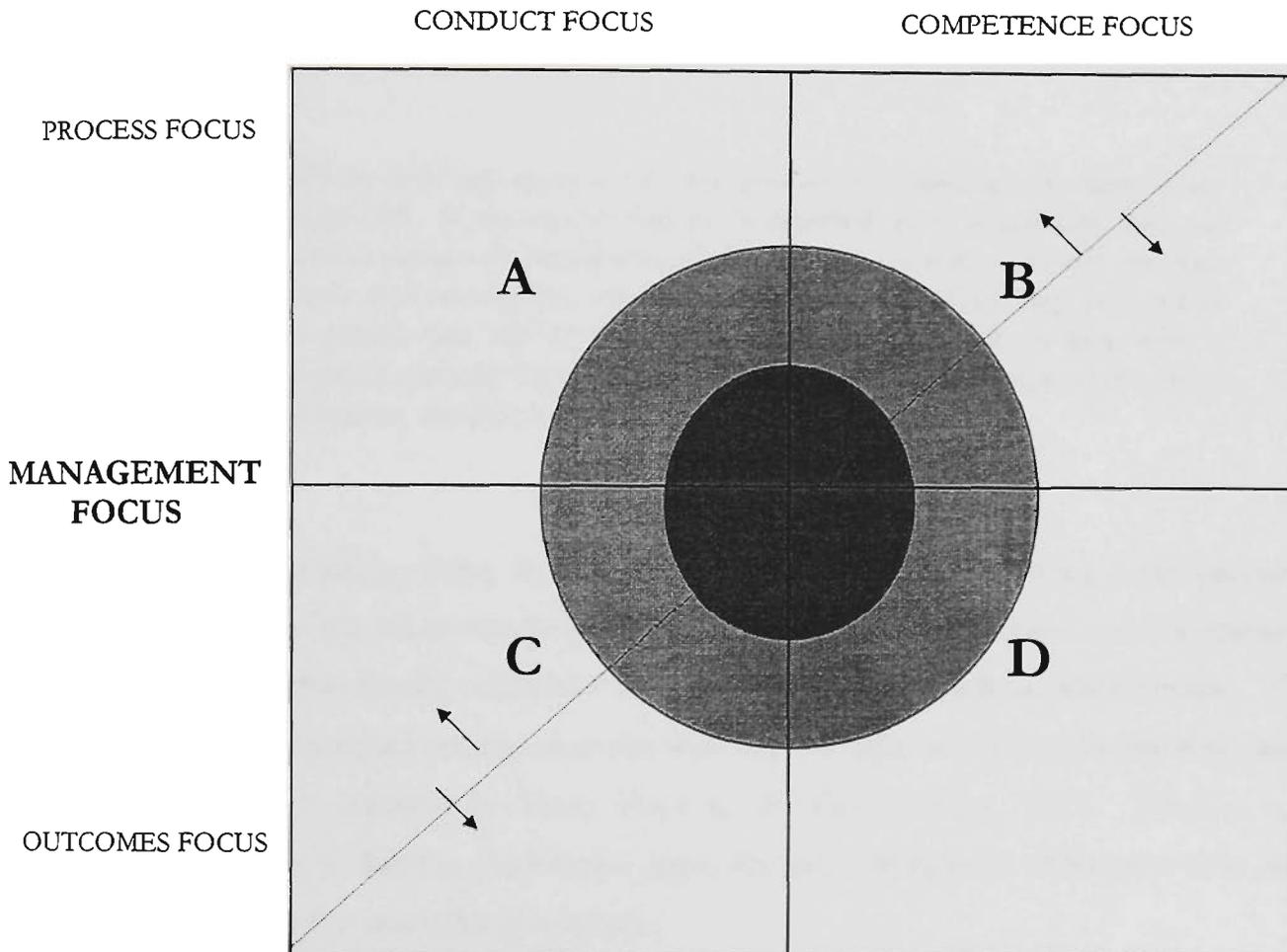
(A) Process/conduct: the 'Social' orientation

The first category (quadrant A) combines process with conduct, and has been labelled the 'Social' orientation. As mentioned previously, process focus is concerned with inputs, and the conduct approach with appropriate behaviour. The process/conduct orientation therefore focuses on desirable employee behaviour and the work systems in which they operate. In practical terms this translates into a preoccupation with non-economic, social factors, like inter-personal relations, leadership qualities and the level of morale. Respondents who took a predominantly Social orientation stressed the importance of systematically improving the quality of

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life experienced on the job in order to make their organisation a satisfying and rewarding place to work. This is achieved through a manipulation of the work processes in place. The unpaid but tertiary trained president of a 'battling' and resource dependent state sporting organisation described this orientation when he commented:

> *We try to be very aware of the work processes and conditions our employees are faced with. If you want to improve the operations of an organisation, then you need to improve the performance of the employees. In order to do that you must make their working lives better - more satisfying. One of the things you must do is provide them with behavioural guidelines. Employees like to know what is expected and what isn't. People like to know that their employer values moral behaviour, and that that's how they do business.*

The underlying theory behind this orientation is that improving work processes results in the enhancement of employee's motivation, satisfaction and commitment; factors that should contribute to high levels of organisational performance. This process/conduct orientation is not new, and is similar to the human relations theory proposed originally by Elton Mayo in the 1930's (Mayo, 1933). What is new, however, is that the professional approach and management orientation have been combined to reach this orientation.

Perhaps the best way to appreciate the nuances of the process/conduct orientation is by looking at its strengths and weaknesses. The strength of the Social orientation is can produces happy, productive and ethical employees who can work with efficient service delivery systems. However, these cheerful and morally balanced employees can be also incompetent, and still remain protected within a process focused system. Furthermore, the efforts designed to increase worker productivity may be in vain if systems of performance evaluation, that focus on outcomes, are not in place to ensure that the effort is actually achieving results.

(B) Process/competence: the 'developmental' orientation

The process/competence, or 'developmental' orientation (quadrant B) is similar to the process/conduct orientation in that the methods and procedures associated with the operation of the organisation are important. However, unlike the previous model, what those operations are, rather than how they are undertaken, is significant. In this developmental orientation, operational efficiency is based on choosing the <u>best</u> system, rather than doing what is ethical, what looks best, what provides the best service or what requires the least effort.

Process/competence oriented respondents were interested in whatever it takes to achieve superior processes. Thus, the development of vision, abilities and insight via training and experience are paramount. The great strength of this orientation is that processes tend to be well constructed and more likely to achieve the desired outcomes. Furthermore, a competence focus tends to be more cost effective than a conduct focus. According to respondents, this is because it is cheaper to be competent than it is to be ethical! This is reflected in the facetious comments of the paid, tertiary trained executive director of a small but resource independent national sporting organisation:

> *If you're incompetent you need to be honest - and honesty is expensive. But if you're prepared to set up the organisational processes right but cheaply then you must be extremely canny. We focus on developing our abilities in dealing with our operations.*

(C) Outcomes/conduct: the 'utilitarian' orientation

According to the outcomes/conduct or 'utilitarian' orientation, positive results are the important factor, but they must be achieved via appropriate behaviour. To recap, the outcomes focus is one that is concerned with results - the bottom line. However, administrators who tended toward this style of management were unprepared to accomplish their objectives 'at any cost'. They would not, for example, exploit their members or employees in order to increase earnings. Thus,

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only ethically obtained profits are acceptable, because although profits are necessary, so too are trust and honesty.

The outcomes/conduct focus is identified as the utilitarian orientation because administrators tending toward this mode typically attempt to achieve the greatest results for the greatest number. In other words, all resources are directed toward programs and outcomes that are of broad appeal, within socially responsible guidelines. This point is illustrated by the comments made by the paid, tertiary trained general manager of a wealthy but resource dependent state sporting organisation:

> *We are tunnel visioned. We look at the results we've achieved, then set new objectives. The only way to prove that this is a successful organisation is to have figures - statistics that anyone can see and understand are representative of our performance. As a professional, my job is to see that we improve those figures next year. And if I improve those figures then we will deliver to the members what they want. Equally, it's my job to ensure that we got those results the right way.*

The strength of the utilitarian orientation is its ability to achieve positive results for the majority of people. Furthermore, while the outcomes achieved are pivotal, appropriate, ethical or socially valued conduct remains uncompromised. On the other hand, the strong output focus can be undermined by a lack of attention to process efficiency, and may subsequently lead to disappointing outputs in the long-term. In addition, like all conduct focused professional approaches, the competencies and skills of staff may remain under-developed.

(D) Outcomes/competence: the 'rationalist' orientation

The outcomes/competence or 'rationalist' orientation assumes a 'whatever it takes' attitude to successful management. Thus, it focuses on the abilities, skills and knowledge required in order to realise an organisations' goals, where reaching objectives is achieved through a concentration on effective practices, irrespective of the means. In this sense, the cliché, 'the ends justify the means' is appropriate. The strongly rationalist paid and tertiary trained general manager of a wealthy and resource independent national sporting association, made the following argument:

> *Business is business - it's never personal. So if someone doesn't perform, then they're out. It might sound cold, but who suffers when there's no professionalism? Who suffers when someone's incompetent. The customer. For every one idiot administrator, there's a hundred members who cop it with higher memberships and stuff. We're a business that's subject to the same laws of free-enterprise that all businesses are. It's dog eat dog. The amateurs defend while the professionals attack. You have to fight for that sponsorship, you have to fight for the government grant. Too many sports in this country think they're owed something, and expect Coke or Reebok to ring them up and offer them money. You do what it takes, and if you can't, then you get the skills so you can. If you don't have the skills, then ... go home.*

Given that the rationalist orientation is at the opposite end of the scale to the Social orientation, it is not surprising that it shares some commonalties with classic scientific management, introduced originally by Frederick Winslow Taylor more than eighty years ago. For example, Taylor advocated that employees should be well trained for their tasks, and that if motivated by increased remuneration, would increase output (Taylor, 1947). The obvious strength of the rationalist approach is that it is aggressive and proactive. The rationalist administrator is more likely to hit their targets than any other group. However, their long-term performance is more vulnerable, as employees and ultimately customers may feel alienated if treated as second best to the 'bottom-line'. In addition, eight respondents from the other categories cautioned that the 'whatever it takes' attitude, if taken to the limit wherein ethics are disregarded, may in the long-term prove counter-productive. For example, one strongly 'Social' respondent made the following comment:

You can exploit you're employees or customers or both for a time, but eventually,
it catches up with you.

4.3.10 The link with professional management practices

Every sport administrator's professional management orientation can be found somewhere in the typology illustrated in Table 4.3. At times their relative position will change to some degree, as a result of evolving views on professionalism and management, and due to situational factors, but essentially, the evidence suggests that their orientation will remain consistent.

However, there is no one best orientation, since every individual, organisation and situation requires a potentially different approach. It is unlikely, though, that respondents exercise a contingency approach to professional management. As mentioned already, they are most likely to be grounded in one orientation, and handle the same situation differently, even when all other factors are equal. This is borne out in the myriad of leadership and management styles in the sport administration field.

While there is no one best orientation, it is likely there is a best general approach to professional management. The typology in Table 4.3 shows two concentric circles where the four categories converge. The darkest circle in the immediate centre indicates the 'ideal' environment for professional management practice. While every respondent could be located somewhere within the typology, only one to two were located in the extremities. In other words, approximately twenty-five respondents most probably fit somewhere near the central position. Moreover, within their professional approach, there were more competence advocates than conduct, but an approximately equal division between process and outcomes proponents.

A balanced approach therefore, provides a stable environment for professional management practice. The further the administrator's orientation goes out from the centre of the dark circle in Table 4.3, the greater the imbalance of their practices. The second, lighter circle, demarcates the boundaries between an imbalanced

orientation and an extreme one. The remaining white background represents the extremities of professional management orientation.

Finally, professional management orientation is related to the fundamental assumptions about the nature of sport as a business outlined in section 4.2. In Table 4.3, the diagonal line that splits the typology from the bottom left to the top right corner provides a general guide to where these assumptions fit in. The lower side of the typology, containing quadrants D, and half of C and B represent the 'sport as generic business' likely position. The upper side of the matrix, containing quadrants A, and half of B and C represents the position of the 'sport as unique business'. In simple terms, a 'sport as generic business' advocate is more likely to be a rationalist, and a 'sport as unique business' proponent is more likely to adopt a Social orientation. Respondents' fundamental assumptions were apparent when the interview transcripts were reviewed and the professional management orientation of each respondent were traced. Because each respondent leaned toward one side of the two possible continuums of professionalism and management, their orientation could be aligned with the two fundamental assumptions. While this method was not able to determine the precise locations of each respondent on the typology, it highlighted the fact that the 'sport as generic business' camp were more 'rationalistic' while the 'sport as unique business' group were more 'Social'. This observation is confirmed by the practices employed by each of the two 'fundamental assumption' groups. For example, the practice of process analysis is employed more by 'sport as unique business' advocates, while performance measurement was almost the exclusive domain of 'sport as generic business' supporters (this relationship is explored in greater depth in section 4.4).

4.3.11 Conclusion

The purpose of this section was to determine administrators' views and beliefs on professionalism, and to examine how these perceptions affect their management practices. It was found that professional approach of administrators was related with their management focus, thus forming a typology, labelled professional management orientation.

The stronger the Rationalist orientation, the greater the administrators' use of outcomes focused practices, such as performance measurement. The stronger the Social orientation, the greater the administrators' use of process focused practices, such as process analysis. In addition, the fundamental assumptions about the nature of sport as a business, examined in section 4.2 have a close association with professional management orientation. The 'sport as generic business' group tend toward Rationalism, while the 'sport as unique business' group tend toward the Social orientation.

Finally, this section demonstrates that respondents' fundamental assumptions about the business nature of sport and their professional management orientation combine to influence their professional management practices. The full extent of this relationship cannot be fully understood until contextual factors are discussed, and the final piece of the management practice puzzle examined.

4.4 Contextual factors

4.4.1 Overview

The previous two sections have explored the impact and meaning of administrators' fundamental assumptions and views on professional approach and management focus. The purpose of this section is to provide an insight into what has been termed the 'organisational context' in which administrator's operate. Results indicate that organisational factors influence administrators' perceptions and applications of professional management practice. Therefore, unlike the previous two sections, this section deals with organisational factors rather that individual ones. While, sections 4.2 and 4.3 examined beliefs that were internal and personal to respondents, this section investigates organisational aspects that affect administrators' behaviours and beliefs.

While this seems to be a straightforward exercise, and although neatly separating factors that influence professional management practices into individual and environmental categories is convenient, it can also be misleading. For example, there is no way, short of further research, to measure the degree to which organisational factors affect individual perceptions, in contrast to the degree to which individual perceptions affect organisational conditions. Furthermore, it is difficult to establish how one administrator might function in an environment that has traditionally employed an administrator with different perceptions and practices. Therefore, despite the 'neat' structure of this chapter, the factors influencing professional management practices are like pieces of a puzzle, and must be viewed together in order to appreciate the whole picture.

Although it is difficult to qualify the relative influence of environmental factors on the behaviours of specific administrators, it was clear from this research that organisations with certain characteristics typically employ predictable practices. Thus, by analysing respondents' perceptions and comparing them with their respective organisations, it was possible to construct a typology linking respondent views and beliefs to organisational types. This typology categorises sporting organisations according to their organisational and industry directions. They may

possess a predominantly <u>internal</u> or <u>external</u> organisational direction, or an <u>internal</u> or <u>external</u> industry direction. Each of these 'directions' is examined in the following section, and are illustrated in Chart 4.3

Chart 4.3 - Dimensions of organisational and industry direction
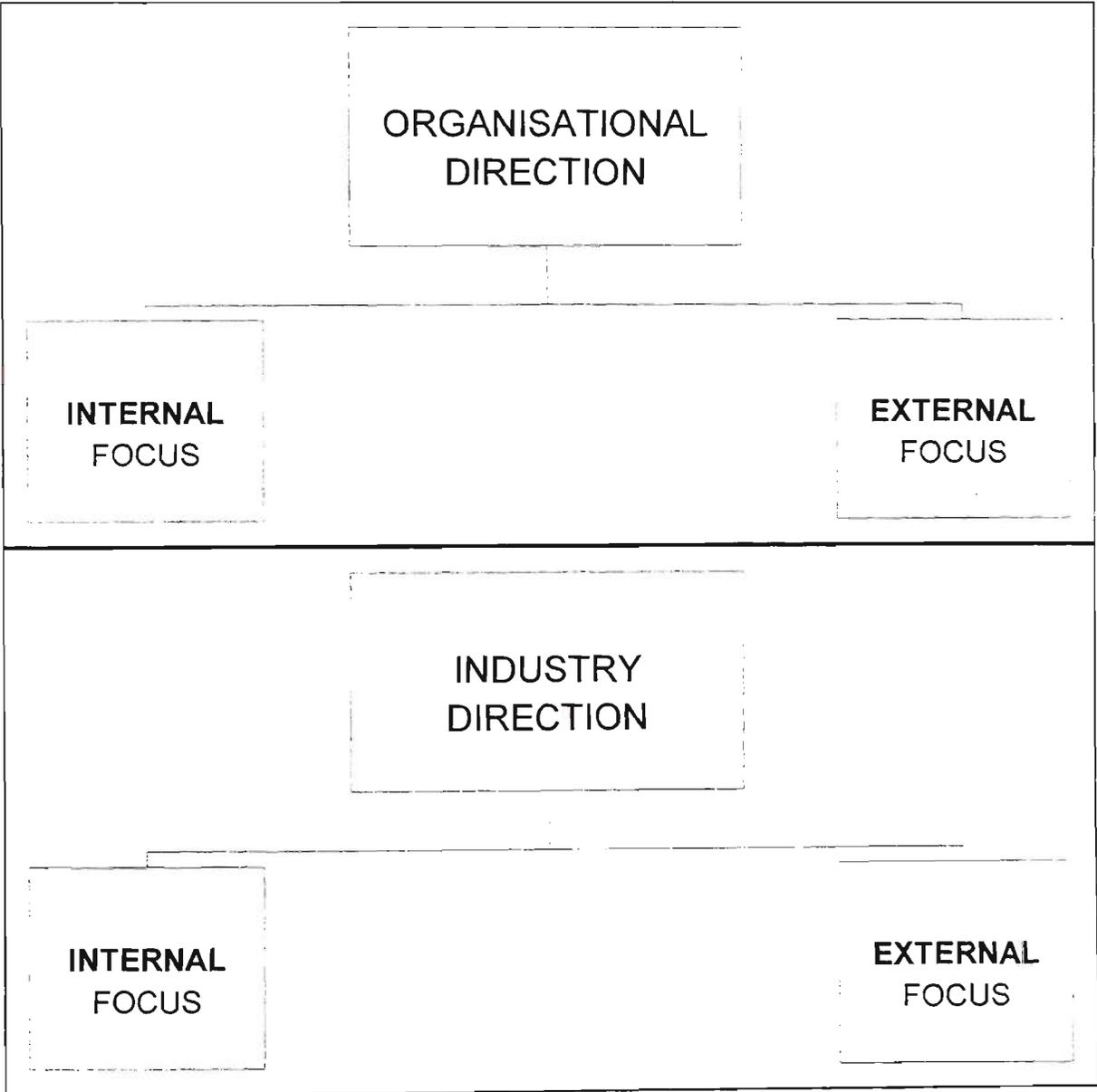
4.4.2 Internal/external organisational and industry direction

Introduction

Respondents described their respective organisations in great detail (in general they did not distinguish between or separate their own practices from those of the organisation which employed them). After analysing each organisation, it was evident that there were two elements that summarised any organisation's dominant paradigms. They were first, organisational direction and second, (sport) industry direction. Organisational direction refers to whether the organisation's focus is inside or outside of their own circumstances. In contrast, industry direction pertains to whether the organisation is concerned exclusively with the industry they are involved in, or whether they look to other organisations outside the sport industry for guidance.

In the same way that professional management orientation, discussed in the previous section, can be expressed in a continuum, so can organisational and industry direction, with internal and external focus being the extremities. Again an organisation (or administrator) rarely holds a view exclusively at one extreme or the other. Instead, organisations tend to be principally centred in either the internal or external focus of both continuums.

4.4.3 Organisational direction

Internal organisational direction

Organisations possessing an internal organisational direction are typically small and parochial. Their focus is intra-organisational; they are exclusively concerned with their own situation, and have little or no interest in the affairs, conduct or practices of other sport organisations. The unpaid, non-tertiary trained president of a small and resource-dependent state sporting association, expressed this perspective in the following terms:

We try not to waste energy or resources by getting caught up with what other sport organisations are doing. We tend to think that when you look at others you can get preoccupied with their situation and lose sight of your own. It doesn't matter what they're doing, it's what you're doing that counts. They may have totally different objectives to yours and different resources in which to achieve it.

Thus, organisations with an internal organisational direction are insular and ethnocentric. They believe that the progress and difficulties of other sport organisations, even those directly related such as another state governing body of the same sport, are both unimportant and irrelevant. Internally focused organisations are typically secular, holding the belief that their experiences are special and peculiar.

External organisational direction

In contrast, an external organisational direction is one where the focus is outside the establishment itself; it is inter-organisational. Such organisations are interested in the methods and techniques applied in the management of other sport organisations, providing they are similar in structure and function. The distinguishing characteristic of those with external organisational directions is that they look to other comparable organisations. They study similar systems of operation with the view of 'stealing' or modifying anything useful. The comments of the paid and tertiary trained general manager of a club competing in a low profile national league, highlighted the common belief amongst respondents working in this category of organisation that, 'there are (in similar organisations) the same problems, but we all have different solutions'.

Subsequently, this group of respondents advocated extensive networking, particularly throughout the sport industry. These administrators also had a background of staying with a sport for a period, then moving to another sport. Most had no prior background in any of the sports or clubs that they worked for, with the exception of their initial position. It was not unusual for this group of respondents to claim that their practices had remained, 'much the same', as they had used the same techniques

over and over again, but in different organisations. However, despite their predisposition to move between organisations, they almost always moved to organisations that had the same organisational and industry direction. In three cases where respondents moved outside their 'category', one left within one year, dissatisfied and frustrated with the organisation, and the other two, moved their new organisations to conform with their preferred focus.

4.4.4 Industry direction

Internal industry direction

Sport organisations maintaining an internal industry direction are only interested in their own industry. The dominant view in these organisations is that only sport is relevant to sport, which is the <u>organisational</u> equivalent to the <u>individual</u> assumption that sport is unique business. Organisations that take an internal industry direction are likely to employ administrators who maintain that sport is a unique form of business, thereby perpetuating the industry direction. Respondents also maintained that an organisation's industry direction, usually a legacy of the, 'person who worked the most hours, made the majority of decisions, and was the strongest and most charismatic', can affect the beliefs of a newly inducted administrator. However, in general, a potential employee's (volunteer or paid), past tends to indicate their suitability to the organisations' philosophy. For example, an organisation with an internal industry direction will not hire someone with a background in commercial business, unless they consciously want to change their focus.

External industry direction

External industry direction is the organisational equivalent to the individual belief that sport is a generic form of business. Organisations with an external industry direction are interested in other industries and marketplaces, and may emulate other industries' practices where it is compatible with their organisational direction. Irrespective of their willingness to employ practices originating outside the sport industry, they acknowledge that, 'sport is not the whole world', and that this

recognition, 'has an impact on an organisation even if it doesn't consciously copy other business'. Respondents indicated that even an appreciation that the sport industry is not isolated, is enough to affect management practice. One paid, tertiary trained executive director of an independent but small state sport organisation, described it as being like believing in God: 'You don't necessarily have to pray for it to change your actions'.

4.4.5 Typology of organisational and industry direction

Introduction

In summary, those respondents holding an internal organisational direction are preoccupied with their own problems, while members of the external organisational direction are interested in any organisation with similar problems to their own. Organisations with an internal industry direction view sport as the only useful industry yardstick by which to measure their progress, while an external industry direction presumes that all businesses have the same opportunities and difficulties, and therefore are all relevant 'cases' for gaining insight and managerial 'clues'.

The typology of organisational and industry direction combines the two continuums of organisational direction and industry direction to create a typology that classifies organisations into four categories. They are named (with organisational direction first, then industry direction), first Type (I) internal/internal or 'Introverted'; second, Type (II) internal/external or 'Expansive'; third, Type (III) external/internal or 'Insular'; and finally, Type (IV) external/external or 'Global'.

Each category is illustrated in Table 4.3, and are examined via four attributes. These are: first, resources, second, external income generation, third, government assistance, and finally, remuneration. These four properties define each category, and it is not a coincidence that they formed the basis of the sampling categories used in the theoretical sampling model described in Chapter three. External generation of income was not part of the original sampling model, but is directly related to government assistance, and therefore helps to explain it better.

A notable exception is the education (tertiary/non-tertiary) sampling category, which has not been used to describe the typical characteristics of any category. This is because, despite all expectations, tertiary training has little influence on respondent's views on professional management practice. This conundrum can be explained by several situational contingencies. Firstly, every respondent argued that 'ideally' every sport administrator would have specific tertiary qualifications, but when pushed, the sixteen respondents who were not tertiary educated, nine, or fifty-two percent argued that experience is more important. Of the remaining thirteen tertiary trained respondents, only seven believed that tertiary training is more important than experience. Therefore, respondents' views concerning the importance of tertiary education, including the tertiary trained themselves are varied. Secondly, not one respondent suggested that their own tertiary training had impacted upon their professional management practice. Indeed, while every respondent maintained that ideally, a sport administrator would be specifically trained by a tertiary institution, they couldn't describe how it would affect management practices, beyond the superficial notion that it would lead to greater 'professionalism'. Thirdly, the most damning evidence was that tertiary trained respondents held no common view, and no unique or common techniques of professional management practice.

Table 4.3 - Typology of organisational and industry direction

SPORT INDUSTRY

	INTERNAL FOCUS	EXTERNAL FOCUS
INTERNAL FOCUS	**TYPE I.** "INTROVERTED"	**TYPE II.** "EXPANSIVE"
EXTERNAL FOCUS	**TYPE III.** "INSULAR"	**TYPE IV.** "GLOBAL"

ORGANISATION

4.4.6 Type (I) organisation: 'Introverted' focus

Introduction

The 'Introverted' organisation is isolationist. It focuses on the peculiar difficulties of its own structure and function, but makes little attempt to utilise the examples that other sporting or non-sporting organisations have set. 'Introverted' organisations are typically highly dependent on other organisations for their survival.

Resources

The internal organisational direction/internal industry direction category can best be described as a 'kitchen-table' class. The colloquial term 'kitchen-table' refers to an organisation that is so low on resources that it is administrated over the kitchen-table of its volunteers. While this group may not necessarily be so short on resources as to rely upon the homes of its volunteers, in all cases, respondents indicated that they generate an income of substantially less than one million dollars annually. Respondents from organisations in this category complained that their jobs are impossible to do effectively, given that everything they undertake must be done on a 'shoe-string budget'. The result is, 'unrelenting pressure and little else', for the administrator, because with such a lack of resources, no momentum is ever created to allow the organisation to commence any projects beyond the most elementary. The primary and day-to-day concern is financial viability, as the unpaid, non-tertiary trained president of an 'Introverted' organisation explained:

> *A good month is one where we know where the money will come from to keep going next month. The money we do have goes directly to servicing the athlete. It's a vicious circle that we can never break out of. You have to go to the bottom line all the time.*

This resource rationing and dependency is symptomatic of a declining popularity for many NSO's and SSO's, with membership and spectator support contracting in club activities. On the other hand, national league clubs do not fit the 'Introverted' category, so they do not depend on government funding, and are able to generate income independently through memberships, gate receipts and sponsorships.

External income generation

The financial resources that 'Introverted' organisations obtain are customarily procured through external sources. External income includes financial resources that originate outside the organisation itself, like sponsorship and government grants, but excludes income from memberships, gate receipts and social functions.

External generation of income is an indicator of an organisation's ability to survive alone, and where income is predominantly externally generated, the vulnerability of the organisation is heightened. 'Introverted' sport organisations receive little compensation from their members, nor are they adept at creating other income opportunities. Often 'Introverted' organisations bolster their meagre bank accounts with profit-making ventures, such as, bake sales, fun fairs, raffles, functions, dinners, parties, and coaching clinics. While these activities are supported regularly, repeatedly and generously by members and supporters, the funds accumulated are insufficient to break free from the shackles which bind them to mendicancy. For example, the president of an 'Introverted' organisation explained that if they had some money they could make money, but until they had some they would remain, 'trapped - totally powerless to control their own destiny'.

Government assistance

The bulk of the 'Introverted' organisation's income comes directly through government 'hand-outs', rather than as compensation from their customers in exchange for products or services. Thus, 'Introverted' sport organisations are little more than public assets, such as the armed services, at the mercy of political whim or public pressure.

Government grants are used by 'Introverted' organisations to provide essential services to their members, leading to a further resource-dependency. In order for an organisation to receive a grant they must provide a certain standard of service to their customers, and demonstrate that they have specific plans for the future 'improved' delivery of services. However, this requires detailed paperwork submitted to the appropriate government department, such as the Australian Sports Commission at the federal level and Sports and Recreation Victoria (in Victoria), at the State level, for example. In order to fulfil the onerous documentation requirements, paid administrators are required, because few volunteers have sufficient time to dedicate. Consequently, according to respondents, government grants end up paying for the employment of a/an administrator/s, whose main task

is to submit applications for government grants. The obvious result is that an inadequate amount of time is spent actually managing the organisation, and finding alternate potential revenues.

Remuneration

'Introverted' organisations usually have either volunteer administrators, or a single paid officer. In 'Introverted' organisations, the power is usually held by volunteers, who are the decision-makers. This is illustrated by the comments of the secretary of an 'Introverted' organisation:

> *In these small, government-driven organisations, the volunteers are the ones calling the shots. Mostly, this is because they are the only ones anyway. We have a part-time guy come in who's paid, but really we just give him jobs to do, like preparing the official budget and the development submission.*

4.4.7 Type (II) organisation: 'Expansive' focus

Introduction

Like the 'Introverted' organisation, 'Expansive' organisations are caught up in their own internal uncertainties, however, unlike the 'Introverted', they recognise the place that they hold in the 'business community'. This recognition is exceedingly powerful, as it emphasises the isolation of the organisation. It is this recognition that has lead them to become independent financially, or to maintain independency.

Resources

'Expansive' organisations are distinguished by their relocation from the kitchen table to the full-time office. Three respondents from this category pointed out that this transition, or escape from the 'Introverted' category is both difficult and hazardous, particularly as some organisations take out substantial bank loans in an attempt to buy themselves out of the type I 'rut'.

A change of attitude must occur for an organisation to change from having an internal industry direction to an external one, and respondents described three reasons for this change. Firstly, there may have been no discernible change; for as long as anyone can remember, the organisation has had consistent attitudes and characteristics. Secondly, new administrators possessing alternate views moved the organisation in alignment with their own thinking, and thirdly, the organisations' operations have become unproductive, necessitating a paradigm shift in its management.

A comparison of income statements revealed that 'Expansive' organisations normally have greater financial resources than 'Introverted' organisations. However, their gross income still remains below one million dollars per year. The more noticeable difference is apparent in the structure of 'Expansive' organisation finances. They generate most of their income from internal sources, but as the paid, non-tertiary trained executive director of an 'Expansive' organisation indicated, there 'still is never enough'.

External income generation
Paradoxically, the successful internal generation of income leads the organisations' customers and members to believe that funding arrangements need to be expanded. For example, in discussing money, the general manager of one 'Expansive' organisation suggested that 'numbers' are always a problem, because, 'the punters (members) think there are plenty of them'. At the same time, an internal generation of income is considered to be more desirable than a predominantly external one. And, 'once you can make that jump, you will be pretty right'.

'Expansive' organisations obtain their revenue primarily through membership affiliations from clubs or individuals. Additional income comes from merchandising, events (e.g. a share of the entrance fees), other activities as mentioned for 'Introverted' organisations such as bake sales and raffles, as well as some from

sponsorship and government grants. In general, though, while the external income is of enormous use, the organisation would continue to survive in its absence.

Government assistance

Since internal income generation is dominant for 'Expansive' organisations, government assistance is not critical to their successful development. However, that is not to say that government support is not useful. The paid, tertiary trained executive director of one 'Expansive' organisation described the situation in the following terms:

> *About ten percent is from government money. We can live without it. Also, sponsorship is very limited; mostly products. We never expect to get much out of the government. The government traditionally has not backed us, compared to other states, which would receive about forty percent from the government. But to our advantage it forces us to be more efficient and self-reliant in achieving what we need to by ourselves.*

Self-reliance is pivotal to any organisation's operation, and the greater the independence from government subsidisation, the more freedom an organisation has in orchestrating its direction. One belief that was common to every organisation that received government money was that the government's political agenda is highly influential in determining the relative importance of various organisational objectives. For example, despite the fact that increasing participation rates is the primary focus of some organisations, those relying on government funding must commit the majority of their resources to the acquisition of improved elite performance. In other words, the government wants the positive media association with winning, rather than the more mundane benefit of community health and fitness. For 'Introverted' and 'Insular' organisations (to be discussed shortly), the government is a highly demanding 'sponsor' that cannot be ignored.

Remuneration

While there are fewer paid administrators than unpaid ones, the power distribution between the two is relatively even. 'Expansive' organisations are still bounded by their internal organisational direction, and do not relinquish power fully to the paid administrator. However, the volunteer committee or board of directors are prepared to pass on a considerable amount of the operational decision-making to paid administrators, providing they retain 'ultimate' decision-making power. For example, paid respondents from 'Expansive' organisations reported that they spent more time implementing instructions from their board or committee concerning daily operation of the organisation, such as completing paperwork, rather than acting proactively, such as seeking additional income opportunities.

4.4.8 Type (III): 'Insular' organisation

Introduction

With an external organisational direction, the 'Insular' organisation is cognisant of other managerial approaches to sport. From this, the organisation reportedly benefits enormously in terms of overall capacity. However, the 'Insular' organisation holds an internal industry focus, leaving it heavily contingent upon external and therefore unreliable income sources.

Resources

When asked, respondents representing 'Insular' organisations reported that their annual income was in excess of one million dollars per year. This fact was confirmed by an examination of income and expenditure statements. This is a significant turnover given the size of the Australian sport industry. 'Insular' organisations are often consequential players in Australian sport, and are usually NSO's. The greater financial resources make the organisation more comfortable in terms of its operations; they are not perpetually concerned with survival. However the important descriptive indicator is their significant external income generation.

External income generation

Respondents representing 'Insular' organisations all observed that they can survive, albeit reduced in capacity by up to approximately seventy to eighty percent, without externally generated funding. External funding comes in the form of commercial sponsorships, which according to administrators from this category only accounts for around ten to twenty percent of gross income, and from the government in the form of grants. Again, respondents maintained that grants can provide as much as sixty to seventy percent of the organisation's income. This is a particularly significant sum when the total income of the organisation is more than one million dollars. The organisations that were classified as 'Insular' were the high profile sports in Australia that do not necessarily have enormous participation rates. In simple terms, they perform well at the elite level having acquired considerable international status, and are noticed by the media, but have comparatively few participants. Their remaining income is obtained from standard sources such as membership affiliation and events.

Government assistance

As previously mentioned, 'Insular' organisations receive a significant amount of their income from the government. Unsurprisingly, it was common for respondent's fitting this category to spend an inordinate amount of time with, what one executive director described as 'bureaucratic paper shuffling, that', they, 'cannot take their eyes off for more than a week or two'. As another executive director commented, because the government can provide, 'fifty percent of turnover in one hit', they literally cannot afford to miss the opportunity by failing to complete menial responsibilities such as paperwork.

The government holds the 'fate' of the 'Insular' organisation in its hands, by controlling the direction of organisations by manipulating and categorising funding pools. In doing this they shape where an organisation places its energy and effort. For example, they may provide grants only in areas of elite program development or elite junior development if their emphasis at the time is on success. On the other

hand, if they want to increase grass-roots participation, they fund competitions and school programs. However, while coercing organisations to develop the way they want is to a large extent effective, respondents suggested that it is not entirely practical. One paid and tertiary trained 'Insular' organisation executive director highlighted this point:

> *It backfires to a degree, because a sport will always try to think up a way of spending the money on a new program, and inevitably it costs more than that. Also, you can't fund it beyond the initial payment. So you start the program but never finish it. In our case, they unashamedly pressured us to take on a* (particular organisation as sponsor, in order to promote their [ed.]) *message. We're now married to them, like it or not.*

'Insular' organisations frequently feel that their primary responsibility is not to their members but to their government 'sponsors'. In fact, there is a core group of administrators (suggested by respondents but not including them) that are apparently conceding that the customer (of 'Insular' organisations) is now chiefly the government. One paid but not tertiary trained 'Insular' organisation executive director explained this situation:

> *I've always thought that the primary customers are the juniors, from the grass-roots to the elite, and anyone participating in the sport. Then there's the clubs. They run the programs for us. We have to service the clubs with information and professional development and administrative advice. The parents also. However, there is a change of opinion recently among the sport at a National level saying that the customers are the sponsors, and that means the government. It's come about in response to the gold medal program of the government and the AOC. They want to know how we're going about achieving gold medals with the funding given. So if they give us money, we must meet their aims - winning, or else no more money. And, no more money means we can't service anyone properly.*

There is little doubt that 'Insular' organisations feel the obligations upon them exerted by their prime income provider. This lead one paid and tertiary trained general manager to comment that, 'ultimately we don't want to be dependent on the

government or even on sponsorships. We need an ongoing perpetuating internally generated income'. However, before this can become a reality the 'Insular' organisation must relinquish its long-held internal industry direction.

Remuneration

'Insular' organisations usually have numerous paid employees, and although there are more unpaid volunteers than paid employees, and despite the fact that the board of directors controls policy, the paid employees play a significant role in making major decisions. They make all the day-to-day decisions and control the majority of planning, therefore causing the power balance to be 'tipped' in favour of the paid administration.

4.4.9 Type (IV): 'Global' organisation

Introduction

Respondents from 'Global' organisations maintained that there is something to be learned from all organisations in terms of their management practices. Subsequently, 'Global' organisations emphasise the importance of research and development, and readily acknowledge the impact of Australia's contemporary market economy on their ability to sustain a long-term enterprise. In non-economic terms, the 'Global' organisation is focused on the how they can not only survive, but prosper in a marketplace that is highly competitive with other sport organisations, in addition to the non-sport entertainment industry (where a large amount of disposable income is also spent), fighting for the same member/participant/spectator dollar. 'Global' organisations were mostly national leagues and national league clubs, but there was also one NSO.

Resources

According to their income and expenditure statements, 'Global' sport organisations have the largest turnovers of any sport organisations, often generating substantially more than one million dollars in income annually. Like all the categories, the most illuminating indicators are not concerned with the volume of money, but the method of appropriation.

External income generation

Although 'Global' organisations often receive significant sponsorship funding, it usually constitutes a minority of total revenue. The majority of income comes from, capitation fees (form of membership fee incorporating insurance), membership fees, application fees, courses, events, and entrepreneurial undertakings. 'Global' organisations have the luxury of making investments, and respondents identified investments ranging from golf-courses and bingo halls, to gaming machines, social facilities, money markets, stocks, real estate and sports venues and facilities. For example, the paid, tertiary trained chief executive of a successful 'Global' organisation made the following statement:

> *We have a turnover of 4.5 million dollars, we employ 44 people, we own a couple of million dollars worth of real estate, and offices in each state, and we supply multi-million dollar quality driven services.*

The focus for 'Global' organisations, which obtain up to eighty percent of their income from internal sources, is to be self-sufficient. On that basis their financial strategies revolve around providing continuing high quality services to encourage strong membership retention.

Government assistance

While government support for 'Global' organisations is not significant, it provides a useful supplement, and can take the form of salary subsidies for NSO's, or for specific programs. In general the government grants are seen by 'Global' organisations to be of limited value, since they alone are insufficient to fund large scale programs and projects. In addition, many national leagues and national league clubs classified as 'Global' organisations, do not qualify for any government assistance.

'Global' organisations work on the premise that even if the government stopped providing money, and all the commercial activities died, survival would still be certain. The fundamental importance of self-sufficiency is forcibly described by the paid, tertiary trained general manager of a 'Global' organisation:

> *Self sufficiency is very important because then you can determine what you can do for yourself. If you're reliant on other people's money, then you're also under the control of other people's sense of direction. When it's government money it will be tied to government policy, and government policy mightn't be our policy. Now who's running the sport, the government or the sport. Very tough question for many sports because they don't have a strong membership base like we do, and they say, 'but we can't survive without support from government.' I say, 'fine that's you're decision but you're view won't necessarily be transferred to me because I'm able to be self-sufficient. It's good for you but not for me. I want to be in control of what I do. This sport will determine what's good for this sport, not the bloody government.'*

Remuneration

Like all sporting organisations, the 'Global' organisation is restricted by the policy decisions of its board of directors. However, the balance of power is held by paid administrators, who typically outnumber the volunteers on the board of directors by three or four fold. Decision-making is controlled chiefly by paid staff, who are accepted as the 'experts'.

Table 4.4, provides a summary of indicators for each category of organisational and industry direction.

Table 4.4 - Summary of indicators for organisational and industry direction

• less than $1m • significant external generation of income • significant government assistance • paid/<u>unpaid</u> **I.** **'INTROVERTED'**	• less than $1m • not significant external generation of income • not significant government assistance • <u>paid</u>/unpaid **II.** **'EXPANSIVE'**
• greater than $1m • significant external generation of income • significant government assistance • <u>paid</u>/unpaid **III.** **'INSULAR'**	• greater than $1m • not significant external generation of income • not significant government assistance • <u>paid</u>/unpaid **IV.** **'GLOBAL'**

4.4.10 Conclusion

This section has exposed the four categories of sporting organisations, each of which constructs an organisational <u>context</u> in which administrators must manage its affairs. The categories comprise a typology of organisational and industry direction, and while there are exceptions to each category, what makes it a useful model is that it holds under general conditions. Neither is there necessarily a 'best' category, since organisations subscribe to ideas and use practices that they believe are appropriate given their individual situation.

The next section reveals how fundamental assumptions concerning the nature of sport as business, professional management orientation, and organisational and industry direction influence professional management practices.

4.5 Professional management practices in sport

4.5.1 Overview

Whereas the three previous sections have examined the beliefs and behaviours of sport administrators and the characteristics of sport organisations, with the purpose of providing the groundwork upon which professional management practices may be understood, the objective of this final section is to determine the precise management systems which comprise professional management practice in sport. The previous discussion revealed a link between <u>fundamental assumptions</u>, <u>professional management orientation</u>, <u>organisational and industry direction</u> and <u>professional management practice</u>. It is now possible to construct a broad management typology, incorporating two major management perspectives, the <u>common-sense</u> approach, and the <u>theoretical best-practice</u> approach, to supplement the earlier typologies, wherein four primary systems of professional management practice may be identified and examined. The four categories are: first, (I) 'Spot-fire'; second, (II) 'Small-business'; third, (III) 'Industry'; and finally, (IV) 'Generic'. The process by which the professional management practice typology was constructed is diagrammatically illustrated in Chart 4.4.

Chart 4.4 - Construction of professional management practice typology

FUNDAMENTAL ASSUMPTIONS	PROFESSIONALISM	ORGANISATIONAL CONTEXT

GENERIC BUSINESS	UNIQUE BUSINESS	PROCESS FOCUS	OUTCOMES FOCUS	INTERNAL ORG.	EXTERNAL ORG.

CONDUCT   COMPETENCE   INTERNAL IND.   EXTERNAL IND.

PROFESSIONAL MANAGEMENT PRACTICE

BROAD MANAGEMENT PERSPECTIVE

COMMON-SENSE   THEORETICAL
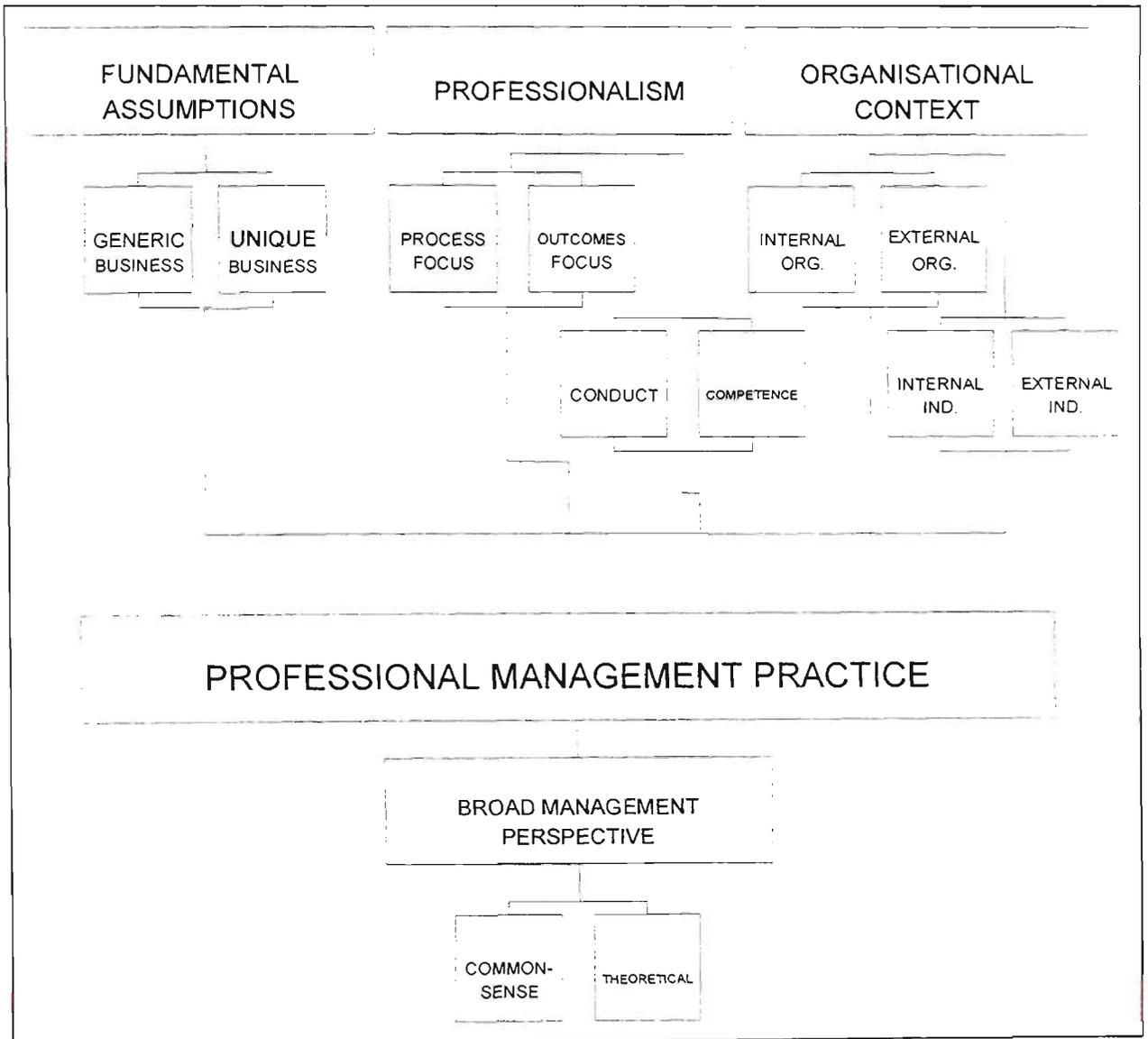
A review of these four categories demonstrates that Australian sport administrators practice a far more diverse range of management techniques than the review of sport related literature in Chapter two suggested. In general, the management practices used by sports administrators resembles a combination of the themes highlighted in the sport management and general management literature. However, the different practices described by the managers and administrators interviewed in this study, were a function of their fundamental assumptions, professional achievement orientation, organisational and industry direction, and broad management perspective.

4.5.2 Broad management perspective

Introduction

The results of this study show that all respondents hold a broad set of assumptions and beliefs which they use to navigate the turbulent waters of management. On the basis of respondent views, sport administrators can be categorised within two gross management perspectives: the common-sense approach, and the theoretical best-practice approach. The gross management perspective can be conceptualised as a continuum, with common-sense at one end and theoretical best-practice at the other; respondents tending toward one preference or the other. In practice, the preferences are not mutually exclusive, since respondents with a proclivity toward the theoretical best-practice approach do not reject the common-sense approach outright, but rather believe that in addition to common-sense, there are a 'set' of management best-practices that can be used to maximise an organisations' processes and outcomes. Thus, the theoretical best-practice advocate should be viewed as one comprising a theoretical best-practice approach complemented by a foundation of common-sense. The two broad management perspectives are illustrated in Chart 4.5.

Chart 4.5 - Broad management perspectives
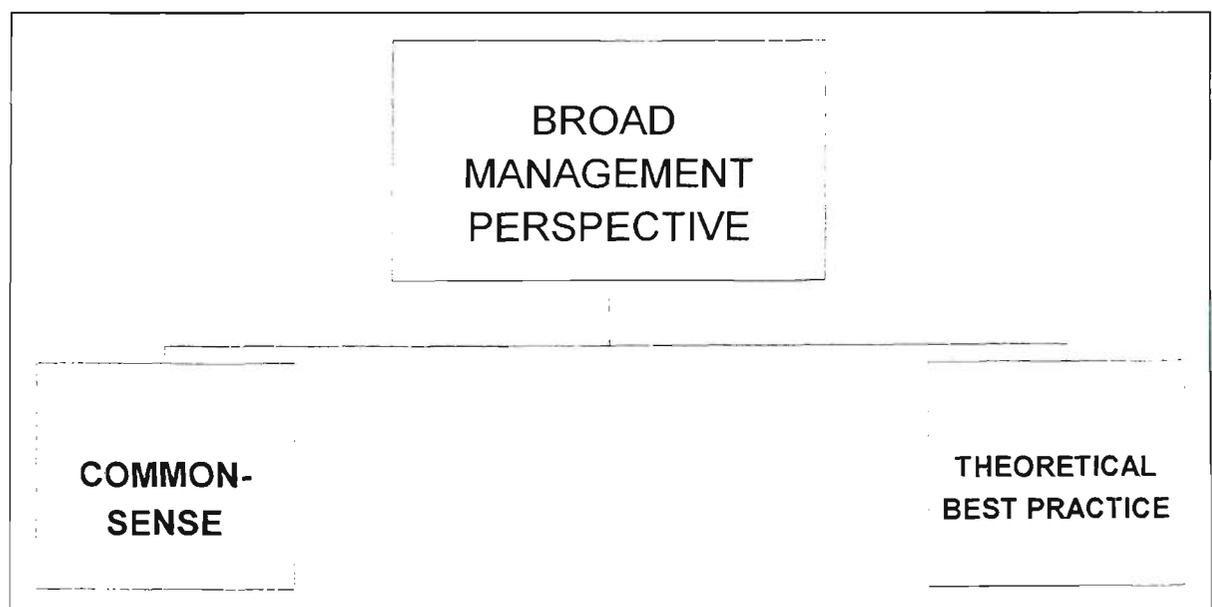
In some cases respondents either oscillated between common-sense and theoretical best-practice, or blurred, and even confused the distinction. For example, while twenty, or two-thirds of respondents, expressed support for theoretical best-practice, fourteen, or less than half, actively practised it. Therefore, only these 'active' administrators would be found clearly on the theoretical best-practice side of the spectrum. Respondents who advocated theoretical best-practice, but failed to either describe or employ it, suspected that theoretical best-practice techniques may well be useful, but didn't know what they were exactly, or how to apply them. Finally, as already explained, all respondents believed in the importance of common-sense.

Common-sense practices

Those respondents expressing an exclusively common-sense approach to management rejected the significance and even existence of a 'set' of best-practice management techniques. They argued that successful management is experience and practice based, and that management best-practices are either esoteric theories that do not translate into practice, or common-sense practices 'dressed-up'. In short, management revolves around making sensible decisions, and exercising skills and knowledge acquired from dealing with the results of those sensible decisions. Respondents supporting the common-sense approach to management conceded that decisions are not always correct, but when errors occur, they can be adequately handled with the application of additional common-sense.

When discussing theoretical best-practice, respondents practising the common-sense approach liked to use the term 'catchwords' to describe best-practice principles. In fact, of the fifteen respondents taking the common-sense view, twelve mentioned the term. Often it appeared to be used defensively to explain their lack of awareness of best-practice - 'It's just a catchword, good management is just common-sense' - or to dismiss the subject as irrelevant or transitory - 'It's just the latest catchword for what's common-sense anyway'. By classifying best-practice as nothing more than the latest catchword advocated by, 'overzealous consultants', 'self-proclaimed management gurus', 'management textbooks', and even 'yuppie wankers',

respondents de-emphasised the importance of theory and preached the virtues of practice. Furthermore, they cautioned against over-complicating administrative practices which are essentially simple in nature. As one respondent said, 'management is not easy, but it is simple', where any difficulty can be sufficiently dealt with by 'simple, bloody common-sense'.

Theoretical best-practice

In contrast, those supporting the existence and application of a 'set' of best-practices, acknowledged the importance of common-sense, but argued that, 'good management is more than just common-sense'. According to respondents who believe in the necessity of establishing and implementing best-practice, a reliance on common-sense is a 'knee-jerk' reaction to administrators being, 'out of their depth'. Correspondingly, if successful management were simply a matter of common-sense, then being successful would be easy. However, management is not easy. Good management is the culmination of common-sense and the application of appropriate management principles. The paid and tertiary trained general manager of a 'Global' organisation voiced this basic premise:

> *Whenever I hear someone say that management is common-sense, I laugh, because you can be sure that they work for some Mickey-Mouse club or organisation. You don't ever hear Prescott* (Managing Director - BHP) *or Strong* (Chief Executive Officer - Qantas) *talk about common-sense. That's because if it was just common-sense, anyone with common-sense could do their jobs, and that's just not the case. Does that mean that businesses that fail have managers with no common-sense? Are they just stupid, or something?*

In general, respondents fitting this category believe that in business, commerce and sport, the ideas of best practice are more than just theories for the most effective and efficient operation of an organisation. The paid and tertiary trained chief executive of an 'Insular' organisation suggested that the basic constituents of best-practice have been sufficiently, 'thumped out and bashed into the heads of administrators, managers and executives at all levels'. Thus, sport administrators adhering to a best-

practice approach continually reflect upon the, 'requirements of their organisation for complete professionalism'.

4.5.3 A typology of professional management practice

Introduction

Exposure to the broad perspective of management is pivotal in understanding what type of professional management practices individual administrators, and organisations, employ. In using this broad perspective to create a model of professional management practice, the fundamental assumptions discussed in section 4.2 were used to add a further dimension to the model. The result of combining fundamental assumptions about the nature of sport as either unique business or generic business (on the horizontal axis) with broad management perspectives (on the vertical axis), creates a typology of professional management practice, and is illustrated Table 4.3, following. Four categories of professional management practice are identified; first, (I) 'Spot-fire'; second, (II) 'Small-business'; third, (III) 'Industry'; and finally, (IV) 'Generic'. This relationship can also be described by combining the two dimensions of organisational focus and industry focus, as seen in italics.

Thus, for example, category I, 'Spot-fire' is the combination of sport as unique business with the common-sense approach to management. It can also be represented as the combination of an internal industry focus and an internal organisation focus. In other words, an administrator who employs a 'Spot-fire' approach to management, is likely to work for an 'Introverted' organisation. Thus, the typology of professional management practice encapsulates the relationship between individual approaches to professional management practice, and organisational types.

'Spot-fire' emphasises a 'day-to-day' approach to management practice in which basic and simplistic principles are seen to be applied in a narrow organisational framework. Category II, 'Small-business' can be summarised as a reluctance to undertake any more forward thinking than necessary. It also deals with the basics of

professional management practice. 'Industry' (III), views sport as a unique industry with specific and exclusive professional management practices. Finally, category (IV), 'Generic' maintains that there is a ubiquitous set of professional management practices throughout all industries and all businesses which can be applied to sport with great success. The four categories of professional management practice are analysed in detail in the following sections.

Table 4.5 - Typology of professional management practices

	(INTERNAL SPORT INDUSTRY FOCUS) SPORT AS A UNIQUE BUSINESS	*(EXTERNAL SPORT INDUSTRY FOCUS)* SPORT AS A GENERIC BUSINESS
COMMON SENSE P.M.P. *(INTERNAL ORG. FOCUS)*	**I.** 'SPOT-FIRE' MANAGEMENT *'INTROVERTED'*	**II.** 'SMALL-BUSINESS' MANAGEMENT *'EXPANSIVE'*
MANAGEMENT PRACTICES *(EXTERNAL ORG. FOCUS)* THEORETICAL B.P.	**III.** INDUSTRY MANAGEMENT *'INSULAR'*	**IV.** GENERIC MANAGEMENT *'GLOBAL'*

Category Demographics

The results of this study show that each category type has a <u>typical</u> demographic breakdown, that can be used to summarise professional management practice in terms of the factors that influence its application, and is contained in Table 4.6, following. The four fundamental category types were derived from combining respondents' fundamental assumptions on sport with their broad management perspectives. These categories can also be expressed in terms of organisational focus and industry focus. Common factors for each type are shown as bullet points. Each category contains a predisposition toward a specific professional management orientation, and category types indicate a 'tendency' toward management practice.

Table 4.6 - Professional management practice categories and demographics

• less than $1m • significant external generation of income • significant government assistance • paid/<u>unpaid</u> **I.** **SPOT -FIRE** *Social* *'INTROVERTED'* COMMON-SENSE/UNIQUE BUSINESS INTERNAL ORG./INTERNAL IND.	• less than $1m • not significant external generation of income • not significant government assistance • <u>paid</u>/unpaid **II.** **'SMALL-BUSINESS'** *Developmental-rationalism* *'EXPANSIVE'* COMMON-SENSE/GENERIC BUSINESS INTERNAL ORG./EXTERNAL IND.
• greater than $1m • significant external generation of income • significant government assistance • <u>paid</u>/unpaid **III.** **'INDUSTRY'** *Utilitarian-social* *'INSULAR'* THEORETICAL B.P./UNIQUE BUSINESS EXTERNAL ORG../INTERNAL IND.	• greater than $1m • not significant external generation of income • not significant government assistance • <u>paid</u>/unpaid **IV.** **'GENERIC'** *Rational* *'GLOBAL'* THEORETICAL B.P./GENERIC BUSINESS EXTERNAL ORG../EXTERNAL IND.

4.5.4 (I) 'Spot-fire' management

Introduction

The first typological category identified has been labelled the 'Spot-fire' approach, with seven of the twenty-nine respondents (and seven 'Introverted' organisations) fitting this category. Type I or 'Spot-fire' administrators tend to be employed by 'Introverted' or type I organisations, as outlined by the organisational and industry typology. Thus, it must be remembered that the 'Spot-fire' administrators' practices are restrained by the fact that they generate less than one million dollars in turnover, are almost exclusively dependent on government 'handouts', and are likely to be predominantly operated by volunteers.

The term 'Spot-fire' is used to describe an approach to management practice that concentrates on trouble-shooting on a 'day-to-day' basis, or even 'crisis' management. Administrators subscribing to this approach attempt to put out 'Spot-fire's'. In other words, they focus their attention on the most urgently pressing situation, emergency, difficulty or attention-grabbing condition. They utilise a 'seat of the pants' approach and spend little time planning for future developments. The archetypal characteristics of 'Spot-fire' respondents are highlighted in bold, italics and are underlined, in Chart 4.6 on the next page.

Chart 4.6 - 'Spot-fire' management

```
                          PAID  -  UNPAID
                     TERTIARY - NON TERTIARY
                          ≤ $1M   -   >1$M
                     SIG. $ GOV - NOT SIG $ GOV
          ┌──────────────┐  ┌──────────────────┐  ┌──────────────────┐
          │  FUNDAMENTAL │  │ PROFESSIONALISM  │  │ ORGANISATIONAL   │
          │  ASSUMPTIONS │  │                  │  │    CONTEXT       │
          └──────────────┘  └──────────────────┘  └──────────────────┘

     GENERIC    UNIQUE      PROCESS    OUTCOMES   INTERNAL   EXTERNAL
     BUSINESS   BUSINESS    FOCUS      FOCUS      ORG.       ORG.


                           CONDUCT   COMPETENCE  INTERNAL   EXTERNAL
                                                 IND.       IND.


          ┌───────────────────────────────────────────────────────┐
          │         PROFESSIONAL MANAGEMENT PRACTICE               │
          └───────────────────────────────────────────────────────┘

                    COMMON-      THEORETICAL
                    SENSE        BEST
                                 PRACTICE

                    ┌──────────────────────────┐
                    │   BROAD MANAGEMENT        │
                    │     PERSPECTIVE           │
                    └──────────────────────────┘
```

A day-to-day approach

Respondents who employ a 'Spot-fire' approach to management practice make decisions based on common-sense and experience, and shun the idea of best-practice. They believe that sport is a unique form of business that cannot be adequately managed using non-sport related management 'common-sense'. To that

end, they argue that managers or administrators from non-sport backgrounds, despite being adequately endowed with common-sense, would be unable to effectively manage sporting organisations. In addition, 'Spot-fire' administrators possess an internal organisational focus and an internal industry focus, and tend towards a 'Social' professional management orientation. In other words, they are disposed toward a conduct view of professionalism and a process view of management. These 'tendencies' were clearly reflected in their statements. For example:

> *Professional management practice to me is a matter of applying sensible management policy that is appropriate to this organisation. And, that's different to any other organisation - and worlds apart from business organisations. I guess professional management practice is about going about doing things in the right way.*

While the above excerpt is the only example where a respondent mentioned all the typological indicators in one succinct paragraph, it is a useful summary of the 'Spot-fire' disposition toward professional management practice

One obvious emphasis for the 'Spot-fire' administrator is on dealing with situations as they arise. One 'Spot-fire' respondent maintained that this is a, 'normal occurrence', while another explained that they 'have to deal with serious emergencies every now and then, and in those cases everything is dropped. A thing will arise and take over, and when it happens, whole days are lost putting out the fires'. A concentration on the day-to-day operation of the organisation, therefore, means keeping up with the most pressing areas of responsibility. 'Spot-fire' managers suggested that this compromises their ability to contemplate the future requirements of their sport or club (although no administrators were from clubs in this category). They pointed out that through no fault of their own, they must behave reactively instead of proactively and pre-emptively, which is as much a consequence of the so called, 'one man band' element. Frequently 'Spot-fire' administrators are the sole employee in their organisation, and have no secretaries to call upon, and no

assistants to delegate to, doing everything from licking stamps to typing letters. One 'Spot-fire' executive director astutely commented that he was a servant to the sport, before explaining that the interview was running overtime and that he needed to, 'go out and buy some pens, and then do the vacuuming'.

'Spot-fire' practices

The most striking indicator of the 'Spot-fire' category, is the lack of formalised, discrete, systematic and documented management techniques. In fact, respondents tended to be vague and imprecise when explaining their principles of professional management practice. This of course, is not surprising given that the 'Spot-fire' approach implicitly rejects the need for predetermined management techniques. Theirs is largely a reactive, extemporaneous approach, that comes in the form of a mismatch of practices, skills, policies, attitudes, and objectives, all generated from nothing more elaborate than common-sense. These include a number of roles including keeping the board informed, and working towards the goals of the organisation, although they rarely defined how this was to be achieved. When pressed, they usually commented on the importance of providing smooth and effective services. Inevitably, as one respondent commented, it always came down to the, 'common-sense management practices of sport, such as running the office properly'. Professional management practice to the 'Spot-fire' administrator involves simply doing the job, and responding to situational contingencies, which in practical terms includes attending meetings, writing minutes, talking to members and solving their problems. However, despite the fact that questions about professional management practice were generally met with disapproval; respondents making observations such as, 'you have to be careful you don't get caught up in jargon', and that, 'a lot of management practices are overrated', they nonetheless acquiesced in suggesting that there are some management practices that are, 'inescapable and professional'. Two practices were unanimously declared professional: development planning and budgeting. However, respondents seemed incapable of highlighting the processes associated with either practice, beyond the most fundamental basics. While this research was not based on any form of document content analysis, a

cursory glance at 'Spot-fire' development plans and financial statements revealed that both were simplistically constructed and lacking in both detail and clarity. The development plan was, in every case, a minimalist assemblage based on the examples provided by the Australian Sports Commission. While this in itself in not an unreasonable expectation, the respondents suggested that the development plan was rarely influential in the day-to-day running of the organisation; it just remained on a shelf until it was time to submit another one. One executive director explained the situation:

> *It could be a working document in a sense ... but I don't really use it. Every year you look at it and tick off some things that you've managed to do, before you start the funding. My day to day activities do not revolve around the document. It's driven by reaction, there is no time for planning. There's a lot of damage control and paying attention to detail, and so much to do that we never get around to forward planning.*

The financial statements were similarly vague and short. However, the budget was clearly a day-to-day concern for the simple reason that if the money ran out, the organisation would be in desperate trouble. However, despite the importance of financial concerns, the budget was typically formally reviewed bi-annually. Financial statements included a balance sheet detailing assets and liabilities, and an income and expenditure statement, detailing profits and losses.

The lack of detail in professional management practice is unsurprising given the voluminous task that 'Spot-fire' administrators face. The difficulty of the situation was noted by one 'Spot-fire' executive director:

> *I'm not an administrator, I'm a part time development officer, event manager, marketer, advertiser, coach, trainer, accountant, visionary and Association President. This situation denigrates the idea of professionalism because nothing is done the way it should be. They call me an executive director, but I'm really just a dogsbody.*

Conclusion

The 'Spot-fire' approach is riddled with uncertainties and inconsistencies. In the first instance, they effectively argued that common-sense is not so common after all. In fact, the common-sense needed to manage sport organisations is different to the common-sense required to manage any other organisation. Perhaps there is a set of 'best common-sense practices' for sport management? Secondly, while the 'Spot-fire' group saw no need to identify any management practices as professional, when pressed, they reluctantly conceded that planning and budgeting were professional management practices, after all. Another inconsistency? Perhaps not. Their application of planning and budgeting were performed for the exclusive benefit of their government sponsors who require annual documentation. To speculate, it is probable that 'Spot-fire' administrators want their government sponsors to believe they practice strict planning and budgeting, but in reality don't. Instead, they remain loyal to their common-sense viewpoint. Furthermore, they probably answered honestly concerning the role of professional management practices in sport administration, only to discover a contradiction when challenged about their use of planning and budgeting. Unprepared to either compromise on the appeal of common-sense, or their application of planning and budgeting intrinsic to their funding arrangements, most were 'snookered' into ambiguity.

4.5.5 (II) 'Small-business' management

Introduction

Eight of the twenty-nine respondents in this research may be classified as 'Small-business' in their approach to management practice. Category II aligns with the 'Expansive' organisation on the typology of organisational and industry direction. Again, each respondent is limited in their practices, simply because of their organisation's situation. Their turnover, for example, is likely to be less than one million dollars annually, although it is predominantly obtained from internal sources. In addition, the power distribution is marginally in favour of the paid administrator. 'Small-business' administrators have much in common with 'Spot-fire' administrators, because they share an internal organisational focus and a common-sense outlook to management practices. However, unlike the 'Spot-fire' administrator, the 'Small-business' administrator takes an external industry view and subsequently holds that sport is a generic form of business. The impact of this difference is manifested in their professional management orientation. 'Small-business' administrators are inclined toward developmental-rationalism, rather than a social outlook. In other words, they swing between a process and outcome focus concerning management orientation, but tend to remain competence directed. The result is that their concept of professional management practices is grounded in the notion of developing proficiency in processes and in realising outcomes. Professional management practice within the 'Small-business' professional management framework incorporates any practice that is appropriate to the organisation's operational system or to achieving the desired result. However, a predisposition toward a common-sense approach in combination with an internal organisational focus, forces the 'Small-business' administrator to concentrate on a contingency approach to professional management practices instead of a potential best-practices vision. Features of the 'Small-business' approach are highlighted in Chart 4.7, following.

Chart 4.7 - 'Small-business' management
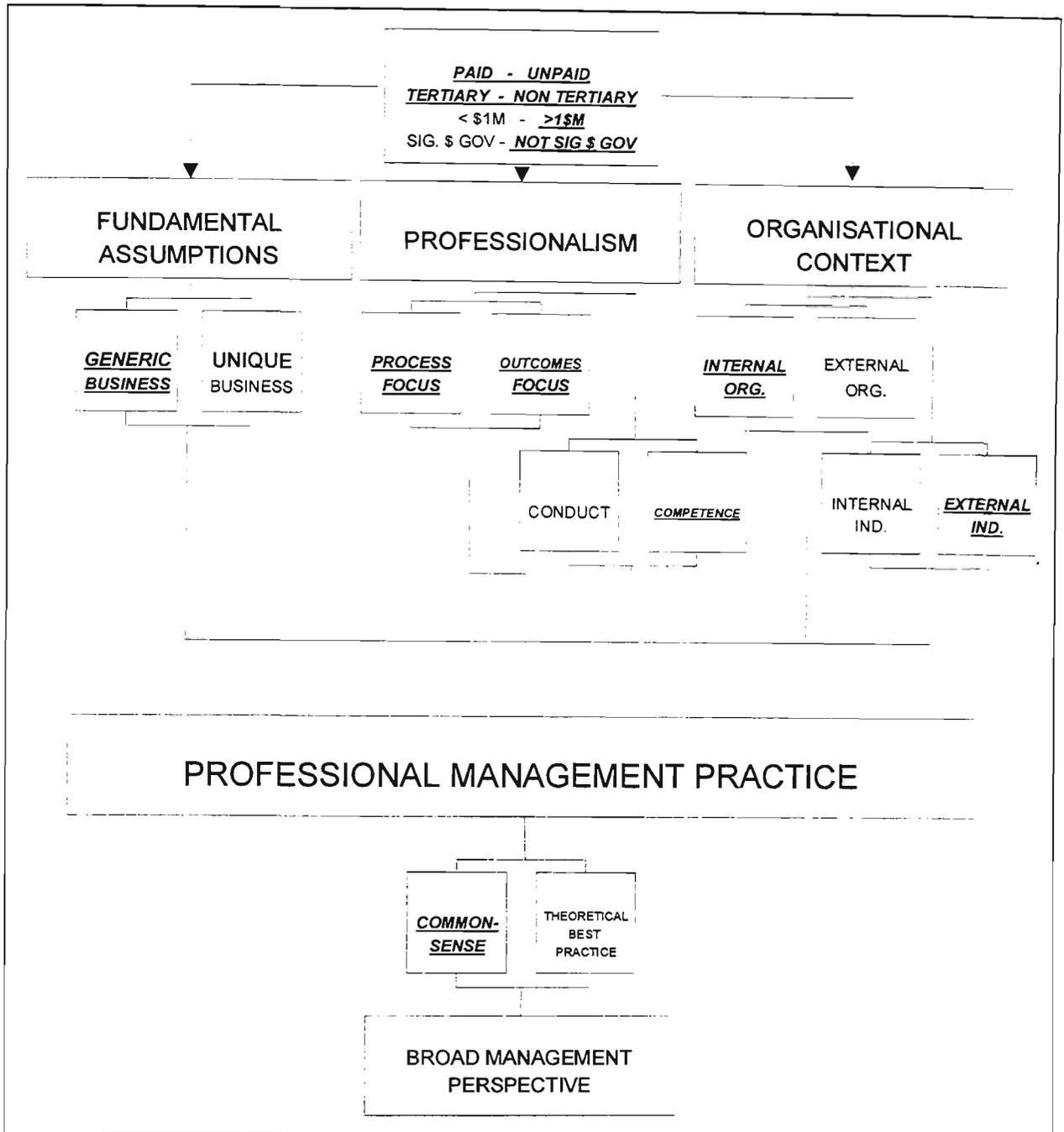
The 'bottom-line' of the 'Small-business' management approach centres on development planning and financial budgeting. However, the contingency predilection of 'Small-business' administrators makes them unpredictable, since they employ process grounded management practices at certain times and performance driven techniques at other times. What remains relatively constant is the depth of

their practice, and the competence priority they maintain. Practices are frequently spontaneous, rarely documented, and based on, as one respondent put it, 'sensible and practised policies'. Moreover, what is done is more important than how it is done. Rudimentary forms of marketing, training, performance measurement, process analysis and human resource management are utilised, but they remain peripheral concerns. They are used sparingly and informally, in a way analogous to how a small business may apply big business practices; cautiously and shallowly, failing to notice any strategies that remain beyond the reaches of common-sense or prior experience. In other words, their practices while not considered professional by nature, as a result of their rejection of a theoretical set of best-practices, are real and based on common-sense.

A 'Pseudo-contingency' approach

At the heart of traditional contingency theory, is the philosophy that there is no one best approach. In the case of professional management practice, a contingency theorist would likely argue that no one <u>individual</u> practice is more professional than any other. In this sense, the 'Small-business' respondents use the contingency theory out of context. They argued that there is no one best <u>set</u> of professional management practices; the components of professional management practice change depending upon situational necessities, and can be generated by common-sense anyway. This essential premise is a result of the fundamental assumptions and the broad management approach they hold. Put simply, those administrators who observe sport as generic business (and therefore take an external industry view) and also adhere to a common-sense management perspective, <u>all</u> described their approach to management practices as experience and situation based. In one manner or another they all advocated a dynamic and fluctuating system of management practices. Specifically, five of the eight 'Small-business' respondents used the term 'contingency' to explain their outlook.

'Small-business' respondents were not entirely averse to the concept of formalised management practices, and they were quite prepared to acknowledge their existence.

However, they maintained, 'that every practice has its place, and that place depends on the situation at the time', and accordingly, management practices are those which are appropriate to the given situation, as selected by common-sense. As one executive director put it, 'today planning is necessary, tomorrow we take action, and the next day the results will need to be measured'. Thus, the management practices used at any one point in time are essential for that time. Determining the essential nature of the practices is a function of experience and common-sense, as one 'Small-business' executive director outlined:

> *Management practices are the things that sit at the back of you're brain, and you know that's what you've got to do; the practical application varies given you're circumstances. Theory twenty percent, practice eighty percent - hands on. And every now and again you think, hang on I've heard that you're supposed to do things that way but, mostly that goes out the window, and you make a common-sense decision for the circumstances, but it may not match the original theory. The theory of management practice is handle it as you go, often.*

Common-sense plays a pivotal role in the determination of management practices for 'Small-business' administrators. While their preparedness to embrace sport as a generic business opens a vista of management practice opportunities, they tend to be restrained by their 'practice' oriented common-sense preoccupation. 'Small-business' operators stressed the importance of mediating every practice with common-sense, and as one respondent noted, they 'apply a fair degree of common-sense, logic, try to remain unemotional, and be practical, factual and non-judgmental,' arguing that, 'most basic management practices come from common-sense'. However, common-sense insights are problematic when non-basic management practices are encountered. Unfortunately, when a, 'fair degree' of common-sense cannot explicate a difficulty, neither will an 'extreme degree'. The tendency in these situations is for 'Small-business' administrators to ignore non-basic management practices, condemning them as merely 'catchwords' or 'jargon', much like their 'Spot-fire' counterparts.

So called 'catchwords' such as Total Quality Management (TQM) are simply ignored by both 'Spot-fire' and 'Small-business' administrators. For the most part, when the 'Small-business' administrator's common-sense worldview cannot handle certain management concepts, they are deemed appropriate for large, well-resourced organisations exclusively, and are therefore relegated to the indignity of a 'useless for us' label. To be classified as useful, management practices not only must fit the framework of common-sense, but must also be applicable in a day-to-day, priority based contingency system. Thus, the contingency system has much in common with the 'Spot-fire' method. The most significant difference is that the 'Small-business' strategy has a wider base of management practices to select from, primarily because they will consider externally generated methods (providing they are accessible and understandable via common-sense), whereas 'Spot-fire' members are too internally absorbed to learn from generic business management practices. 'Small-business' administrators, therefore, 'bring the things that are appropriately programmed to the top, then handle the rest as it goes', utilising whatever management practices they deem pertinent, which can differ considerably between individual administrators.

'Small-business' management practices

Because the contingency approach is used by 'Small-business' administrators, their actual practices thwart categorisation. Management practice within a contingency backdrop are those which are considered appropriate to the situation, making the practices used by 'Small-business' administrators unpredictable, inconsistent, and often non-duplicable. For example, as one respondent observed, 'I suspect we practice some hybrid versions of these theoretical management practices, but I don't know enough about them to call them by their catchword'. 'Small-business' administrators also concentrate on the competencies required for effective practices, and have no preference for the processes or outcomes those competencies deliver. In practical terms, this means they are more concerned with <u>what</u> has to be done, rather than <u>how</u>. As a consequence there are some management practices which were universally applied, chiefly because they are predictably appropriate, such as development planning and financial budgeting. Others such as marketing, training,

performance measurement, process analysis and human resource management are used erratically. 'Small-business' respondents rarely take a complete strategy, instead they use fragments of the techniques that are obvious, attainable through common-sense, and that can be used on an impromptu, day-to-day basis.

Development planning & financial budgeting

The processes of development planning and financial budgeting are similar to those employed by 'Spot-fire' administrators. The difference is in their relative importance. For example, the 'Spot-fire' administrator normally prepares a development plan specifically for the government organisation that provides them with their major source of income. In contrast, the 'Small-business' administrator will spend less time on the development plan, because they expect little financial benefit from the government for their effort. Therefore, the development plan written by the 'Small-business' administrator will be 'short and sweet'. Indeed, six of the eight respondents from the 'Small-business' category mentioned that they, pay little attention to the development plan, because as one respondent put it, 'it's just to try to get some money out of the government', and that they have additional planning documents which are the, 'real ones' anyway. These 'real' planning documents were usually in the form of elementary business plans, containing the rudimentary financial projections and marketing guidelines. In contrast to the 'Spot-fire' approach, the business plans of the 'Small-business' category are 'hands-on' documents, and are the only regularly used documentation for any management practices. Nonetheless, despite being referred to frequently, they are only formally updated and recognised on a bi-annual basis. The following observation from one respondent reveals the significance of planning and budgeting to the 'Small-business' administrator:

> *It's just like running a small business here. You still have your business plan, not to be confused with the development plan, which is just bull-shit. Of course we have the real version of the development plan in the business plan. The business plan also has our budget - it's the same budgeting format as in a small business.*

Every week I'm looking at the budget and comparing what we're spending with what we've projected.

Like 'Spot-fire' administrators, 'Small-business' administrators are light on detail when it comes to planning and budgeting. 'Small-business' administrators are reluctant to spend a great deal of time planning, and instead, in the words of one respondents, prefer to 'come up with an idea, put it on paper, and then do it'. They advocate a direct approach: as one 'Small-business' respondent put it, 'If you want to move the mountain, set the dynamite - don't piss around with it'. In short, they see themselves as 'doers' not 'planners'. They argued that they have no time for extended planning; that is the realm of the well-resourced organisation.

Marketing

All but one 'Small-business' respondent mentioned marketing under the 'banner' of useful management practices, however, the average view of marketing was narrow and vague. Indeed, their understanding of marketing revolved around two concepts: sponsorship and advertising. Apart from menial product or service endorsements, sponsorships are rare for 'Expansive' organisations with 'Small-business' administrators at the helm. For example, the organisation may receive sample products and services for member's use, or a corporation may sponsor a specific event. However, substantial sponsorships remain an elusive and inconceivable dream for most 'Small-business' administrators, and only one respondent fitting the 'Small-business' category was employed by an organisation that had such a sponsorship. The remaining respondents were transfixed with the possibility, as they believed it could revolutionise their organisation, but were ultimately pessimistic about their chances. The typical belief was that their sport was too small and insignificant to generate sufficient media interest, which would in turn attract corporate attention. The result is that while every administrator described the importance of obtaining sponsorship, none actively spent much time pursuing it. Furthermore, none really knew how to pursue it, beyond sending formal proposals

to corporations that may have a vague interest in the organisation, or establishing a powerful 'contact' that may lobby on the organisation's behalf. Ultimately, 'Small-business' respondents argued that they would like to spend more time trying to find sponsors, but were too busy dealing with the fundamentals of running an office. Sponsorship pursuit was as much a 'fantasy' as a management practice, but did not prevent some 'Small-business' administrators from 'novel' methods of attracting sponsors:

> *Traditionally we have tried to get sponsorship by sending letters to major companies like Coke and Nike, but I don't think it works that way. This time we're going to try raffles and get ten flagship sponsors. I like the idea of a sponsor raffle because it's fairly easy to do. We need some sponsors to provide some products. Instead of approaching sponsors for five or ten or twenty thousand dollars worth, we try to get one grand or 500 dollars out of them, and then raffle off a major prize. We need to think laterally about the way we can offer services to sponsors.*

While 'Small-business' administrators displayed some appreciation of advertising, their promotional practices tended to be sporadic, 'all or nothing' ventures, centrally determined by the amount of surplus money available. The infrequent nature of the advertising campaigns underlies the 'Small-business' contingency/common-sense view of management practice, which in this case, was a function of the availability of surplus funds rather than the result of a preferred marketing mix. Nevertheless, when advertising is undertaken, it is done inexpensively and, usually at the local and community level in the print rather than electronic media. None of the eight administrators in this category budgeted for advertising; it is seen as a 'bonus', as one respondent noted, another 'luxury well-resourced organisations can employ'. The only consistent advertising or marketing technique they utilise are mail-outs to their present members, which involves sending promotional literature to their members in the hope of consolidating their memberships, enticing them to undertake additional activities, and to attract new members through 'word of mouth'.

Training

Training was another area considered to permanently qualify for useful management practice status by six out of the eight respondents, although its inclusion was based more in an ideal circumstance than in reality. Staff training was considered to be an ongoing necessity in an ideal scenario, where staff would undertake re-training and specific professional development every year. However, in practice little money was budgeted for this, none of the administrators considered it a priority, and it was rarely followed through.

Performance measurement

Performance measurement was in some manner or form, included as a useful management practice by all eight 'Small-business' administrators. Along with process analysis, performance measurement was employed in an eclectic and situational form, and was rarely identified as a formal process. According to the respondents, performance measurement was a common-sense notion, and several were surprised to discover that there was an 'official catchword' for what they had been doing for years. When asked how they go about measuring the performance or success of their organisations' programs and services, they pointed to three distinct indicators: first, participation rates; second, elite success; and finally, annual income. However, none of these indicators were documented or prioritised, and performance was determined somewhat arbitrarily. Respondents had general figures in mind that would represent success or failure respectively, but none were recorded, leaving them with only a general picture of performance.

Process analysis

Process analysis was another useful management practice utilised superficially, and in most cases unconsciously. All respondents described what can be classified as a rudimentary form of process analysis. Normally, respondents explained that they dissected their programs when they went overtly right or wrong, in a reductionistic attempt to locate the source of the problem or success. For example, in the event

that a tournament attracted more spectators than in previous years, the administrator would reflect on what was done differently so that it could be done again. No respondents used a systematised approach to process analysis, and mostly, they didn't even realise they were doing it at all.

Human resource management

In the eyes of 'Small-business' respondents, human resource management boils down to the single practice of dealing with volunteers, maintaining that effective management of volunteers is a prodigious undertaking. However, respondents were unable to provide any details associated with practices for effective volunteer management beyond useful skills and personality traits. One respondent drew the following conclusions:

> *The process of managing volunteers is one that is a hurdle for many. That's where the biggest skill is being able to work with the people you've got in. You have to be tolerant, but also firm and directing. Forget all the other theory, if you can't work with your people, you're not going to win. You have to encourage the system to go on and work.*

Conclusion

'Small-business' management revolves predominantly around a contingency approach to management practice where practices are applied on a situational basis. In accordance to their common-sense viewpoint, no practices were classified as 'professional', instead identifying 'useful' practices including rudimentary forms of planning, budgeting, marketing, training, performance measurement, process analysis and human resource management. In every case, common-sense, rather than theory was seen to be the best way to achieve effective outcomes.

4.5.6 (III) 'Industry' management

Introduction

The third category of management practice is 'Industry', which accounted for eight respondents. Administrators fitting into this 'Industry' framework were employed in organisations characterised by their relatively impressive size, turning over more than one million dollars annually, and where day-to-day operation is the exclusive domain of the paid administrator. However, 'Industry' organisations are also typified by their external organisational direction and internal industry direction, and their heavy reliance on government finances. 'Industry' administrators are distinguished by their theoretical best-practice perspective on management practices and their fundamental assumption that sport is a unique form of business. As a result they believe that there is a set of definite and specific professional management practices which are universal and unchanging, however, they also argue that these professional management practices, although distinct and discrete, are exclusive to the sport industry, and cannot be applied to any business. The corollary of this argument for 'Industry' administrators, is that professional management practice in 'other', non-sport related businesses are inappropriate and cannot be used in sporting organisations, without judicious modification.

The 'Industry' category tends toward a Utilitarian-social outlook on professional management orientation. As has been explained in section 4.3 of this chapter, sport as unique business followers are inclined toward a Social orientation, and advocates of sport as a generic business, a rationalist orientation. This translates to mean that unique business, and in this case 'Industry' administrators, emphasise a process management focus and a conduct professionalism focus. The utilitarian model takes an outcomes achievement focus and a conduct professionalism focus. Therefore, an 'Industry' administrator is essentially conduct focused, with the possibility of accentuating both or either of process and outcomes, stressing how management practices are undertaken within their set of predetermined professional practices. In addition, both process and outcomes techniques are components of the 'Industry' set of professional management practices. Chart 4.7 illustrates the features of the 'Industry' professional management approach.

Table 4.7 - 'Industry' professional management

PAID - UNPAID
TERTIARY - NON TERTIARY
≤ $1M - >1$M
SIG. $ GOV - NOT SIG $ GOV

FUNDAMENTAL ASSUMPTIONS	PROFESSIONALISM	ORGANISATIONAL CONTEXT
GENERIC BUSINESS / *UNIQUE BUSINESS*	*PROCESS FOCUS* / *OUTCOMES FOCUS*	INTERNAL ORG. / *EXTERNAL ORG.*

CONDUCT   COMPETENCE

INTERNAL IND.   EXTERNAL IND.

PROFESSIONAL MANAGEMENT PRACTICE

COMMON-SENSE   *THEORETICAL BEST PRACTICE*

BROAD MANAGEMENT PERSPECTIVE
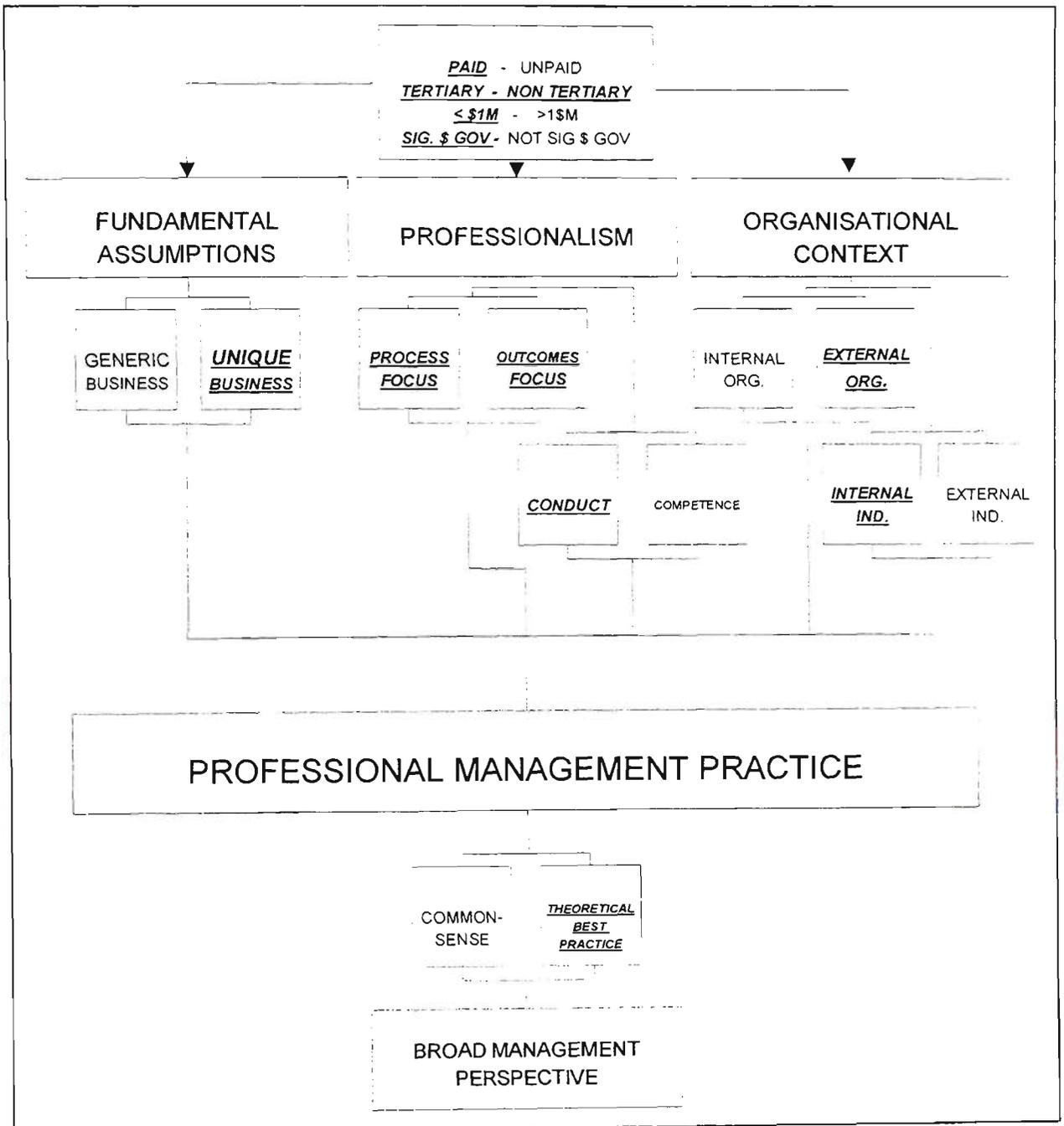
The set of professional management practices described by 'Industry' respondents is based on three fundamental functions: first, development planning; second, financial management; and finally, marketing management. Several other practices were also described, but were mostly mentioned by only one respondent, and have not been

discussed. In addition, within the 'fundamental three' practices named above, there are several common sub-practices, which have also been detailed.

An 'Industry' approach to best-practice

'Industry' respondents argued that best-practice does exist, and can be applied to sporting organisations. These 'best-practices' when placed within a management practice backdrop, become professional management practices, and as a result, 'Industry' respondents used the terms best-practice and professional practice interchangeably. Where 'Spot-fire' and 'Small-business' respondents believe that common-sense drives professional management practice, 'Industry' administrators argue that the best-practices for the job determine professional management practice.

The argument, according to 'Industry' respondents is that, 'best' (professional) practice is a misunderstood concept. As one 'Industry' general manager pointed out, 'People take the notion literally and think that it can apply anywhere, but it is not a literal concept'. It is not a standard set of best (professional) practices, it is an assemblage of explicit practices, generalisable for the industry only. As a result, some practices that work in standard business scenarios do not work in sport organisations because of their peculiar structure and operation. The most common examples used to illustrate this point revolve around these 'unique' characteristics of sporting organisations, as the following comments from the 'Industry' chief executive of an 'Insular' organisation highlights:

> *It's contextual and situational depending on the industry and the typical resources and processes the organisation has in place. I've had the same discussion with business people who say we should incorporate certain business practices. But it's just like saying, O.K. lets buy a full forward, and we'll win the flag. It's just not that simple in sport. There are rarely processes that will lead to specific and predictable outcomes. It's because often you are dealing with factors outside your control. So what I do is control what I can, and not panic over what I can't control. There are a group of professional or best practices - whatever you want to call them, and they revolve around what you can control. How do you work a management approach with emotional circumstances? You have to foster a win-*

win situation, for the benefit of everyone. You don't do that in business, you try to win, and stuff everyone else.

The above comment also illustrates the 'Industry' inclination toward humanism. Respondents were frequently merciless in condemning other administrators and organisations that were rationalist, and more concerned with achieving objectives than 'win-loss' scenarios. 'Industry' respondents, while occupied with the acquisition of 'win-win' outcomes, tend to ultimately settle for utilitarian results. In other words, they will try to obtain a result that satisfies the greatest good for the greatest amount of people.

The 'Industry' professional management approach concentrates on three common processes. One 'Industry' respondent summarised them succinctly:

Professional business management is forward thinking or planning, financial stability, and attracting money and more customers through good marketing. For me, all management processes come from those fundamental professional practices.

Industry professional management practices: The 'fundamental-three'

1. Development planning

The basic concept of the development plan has been loosely described in the previous two sections, however, the 'Industry' administrator's application of development planning is considerably more complex and evolved than either the 'Spot-fire' or 'Small-business' administrator. Within the 'Industry' management approach, development planning is a formal, discrete and obligatory practice, endorsed universally and undertaken vigorously.

A development plan therefore, according to 'Industry' respondents, is an official and explicit document which systematically outlines what one respondent named 'an organisation's purpose and objectives,' within a commercial and cultural framework. Contained within this framework are methodological strategies that detail the actions required in order to realise specific objectives. While the theory and the structure

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remain the same, the depth and detail tend to vary from organisation to organisation. In general, however, while 'Spot-fire' and 'Small-business' administrators (and 'Introverted' and 'Expansive' organisations, respectively) find little time for the development plan, 'Industry' administrators stress the significance of the practice, and subsequently invest a considerable amount of time in the endeavour. In the words of one respondent, 'with the big picture in front of you, where you're going ten years down the track, you can't skimp on details'. Indeed, the detail of the plan is considered intrinsic to its success. Every last detail should be documented, but rarely is, due to the time requirements associated with the formal planning process. Three out of the eight respondents argued that sport is inherently too dynamic to plan to the last detail, while the remainder argued that while the 'power' of documentation is formidable, the time input is not always commensurate with the results, especially where there are many unknown variables, as they maintain there are in sport. For example, objectives involving elite or club performance are considered difficult to document, as one chief executive commented:

> *In sport sometimes you can put it on paper and sometimes you can't, although I do acknowledge that there is a growing trend toward documentation. The more formalised you get the more time consuming, and that is tricky when you're dealing with dynamic and explosive circumstances like sporting contests.*

It is interesting to note that a preoccupation with the dynamic tendencies of sport is exclusive to the 'Industry' administrator. Ultimately, however, it doesn't affect their planning capability or its perceived importance, beyond a restriction on its detail. In contrast, 'Spot-fire' administrators, although holding the same fundamental assumption that sport is a unique form of business, are totally unable to find the time and resources to undertake any form of planning, aside from the basics provided to the government. Surprisingly, no 'Spot-fire' respondents mentioned the 'dynamic' tendencies of sport, probably because they have no time for any management practices other than those which keep them operational.

Why plan?

According to 'industry' respondents, development planning is important for several reasons: firstly, it gives an organisation direction, and a practical method of moving toward that direction; and secondly, it is a necessary requirement in order to receive government funding. Unlike the plans submitted by some 'Spot-fire' and 'Small-business' administrators, the 'Industry' development plan is undertaken with the intention of being applied for both the organisation's use and for government approval. In order for an organisation to proceed toward its mapped objectives, it requires a 'compass' from which to navigate. The development plan serves as a guide for an organisation to travel from its present position to a predetermined situation at some specific future time.

Every 'Industry' respondent gave equal weight to the government dimension of development planning, as to the practical side, and in real terms, administrators plan for 'show', as much as they plan for their own future. This fact lends credibility to the argument that sport is a unique business entity, as administrators spend more time on the development plan than they would if it wasn't intrinsic to the acquisition of the majority of their funding. After all, as one 'Industry' respondent commented, 'how could you not spend more time on it than you otherwise would, when it's necessary for more than half of your income'. Presumably, this is part of the government's strategy in demanding the plan with submissions.

How is planning done?

'Industry' respondents described five distinct steps associated with designing and documenting development plans. In order they were; first, establish mission; second, conduct a SWOT analysis; third, take action; fourth, measure the results of the action; and finally, achieve the vision. While these five stages are sequentially undertaken, they are not completely independent as the process cannot begin until each step has been rigorously defined. The most common example respondents used to demonstrate this point concerns the long-term objectives or vision of an organisation. An organisation cannot determine any actions until it has firmly

decided where it wants to go. Chart 4.8 highlights the five stages to development planning, as advocated by 'Industry' respondents.

Chart 4.8 – The planning process for 'Industry' management

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        ┌──────────────┐
        │   MISSION    │ ◄───
        └──────────────┘
               ▼
        ┌──────────────┐
        │    SWOT      │
        └──────────────┘
               ▼
        ┌──────────────┐
        │   ACTION     │
        └──────────────┘
               ▼
        ┌──────────────┐
        │ PERFORMANCE  │
        │ MEASUREMENT  │
        └──────────────┘
               ▼
        ┌──────────────┐
        │   VISION     │
        └──────────────┘
```
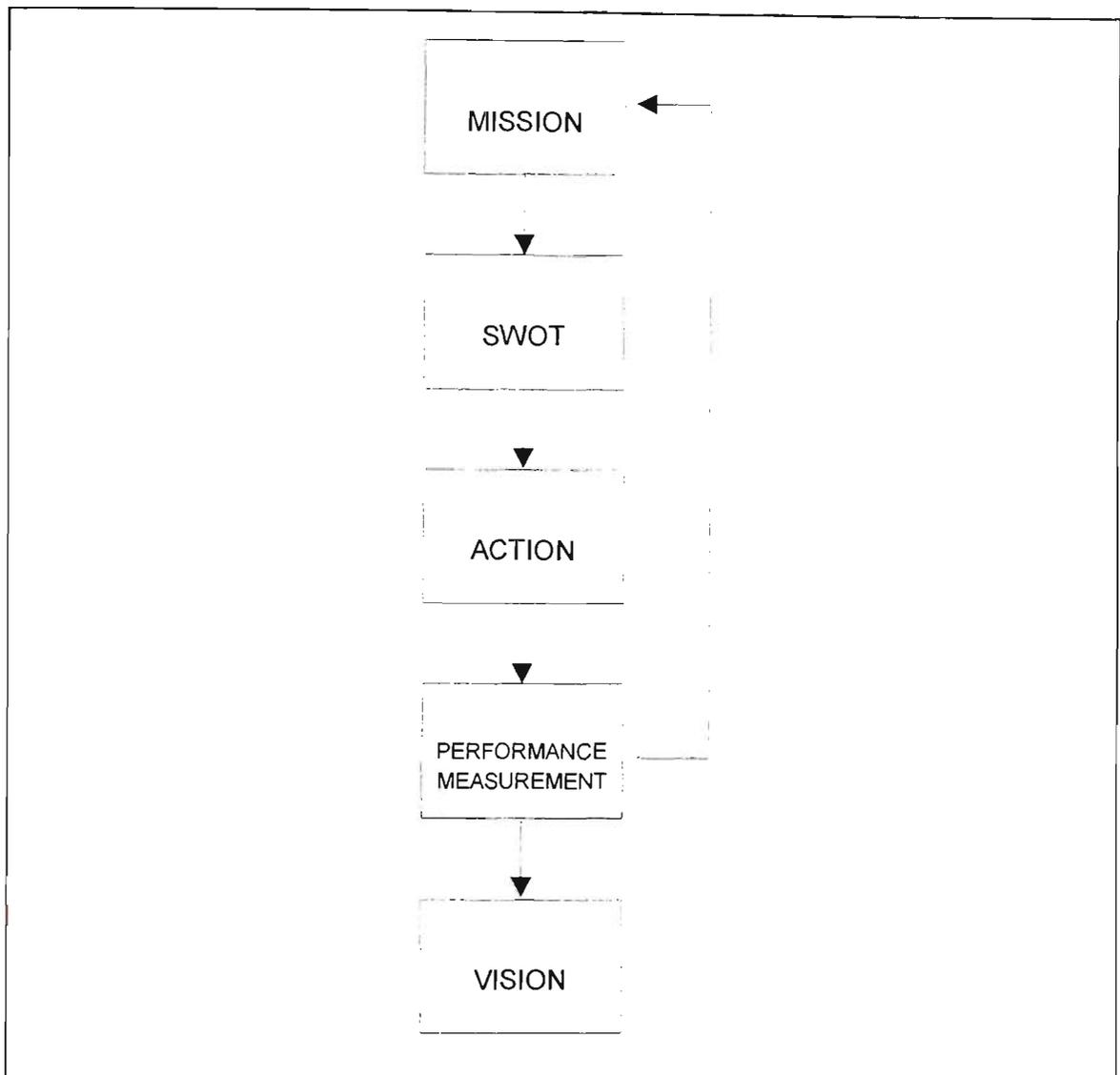
(a) Mission

According to one respondent, an organisation's mission 'reveals its purpose and reason for existence'. It is a statement that clearly defines what an organisation was set up to achieve, what general services or products it provides, and to whom it provides them. A mission is typically expressed in an official and documented form,

named by all eight respondents as a 'mission statement'. The mission statement is a concise proclamation declaring an organisation's vocation, and ranges in size from one sentence to one paragraph.

(b & e) Vision

Although the vision is the final destination of a successful development plan, it logically follows on from the mission statement. Where the mission describes the relative position and function of an organisation in the present, the vision describes where an organisation would like to be in the future. Similar to the mission statement, organisations write vision statements which reflect their desired future positioning. Respondents didn't provide many details concerning the components of vision statements, although every organisation possessed one and they varied little in length and content, as a result of following the outline provided by government examples. All vision statements were consistent with the length and format of the mission statement, with the vision set for either four years, in alignment with the Olympic cycle, or three to five years, for non-Olympic sports.

The term 'vision' was also used in another context; as a verb rather than a noun, in order to describe the practice of looking ahead to the future in order to anticipate changes and to make contingency plans. Thus, in order to develop a development plan, an administrator must be able to appreciate the context in which the plan is to be formulated. Of course, this context is mediated by the fact that 'Industry' sport administrators view sport as a peerless context, singular and incomparable. The purpose of visionary contemplation is to ensure that the organisation remains aware of its environment, and in the words of one 'Industry' respondent, 'so that its members are not disadvantaged, and most of them can be satisfied by the services they receive' (a common Utilitarian-social comment). Another 'Industry' respondent commented on the importance of planning:

> *What's important to the planning process? The ability to look into the future;*
> *(being) a visionary. I can't believe that any manager worth his salt is not a*
> *visionary, 'cause all they're doing is going through the motions otherwise. You've*

got to be looking for ways in which you can be better, ways you can be increasingly competitive, and also keeping in tune with your client-base. After all if we stuff them up, we violate our whole mission anyway.

(c) SWOT analysis

The SWOT analysis is a technique used to facilitate and succour the planning process, by providing an examination of the organisation's strategic position or immediate environment. It was considered of fundamental importance by every 'Industry' respondent, and was subsequently described in detail. The SWOT technique is a method of analysing organisations from the perspective of understanding the strengths, weaknesses, opportunities and threats they possess and face. The practice is generally referred to by its acronym, SWOT.

The SWOT analysis is divided into two components, firstly, the internal analysis (strengths and weaknesses) and, secondly the external analysis (opportunities and threats). Internal in this sense refers to the organisation's own competencies, measured in terms of a strength or a weakness, and external relates to factors outside and beyond the organisation's direct control, and is measured in terms of opportunities and threats. The SWOT analysis is the point in the planning process where the administrator conducting the analysis attempts to identify what their organisation does outstandingly well and badly, what its special abilities and disabilities are, and where it advantages and disadvantages lie compared with its competitors and with previous or future positions.

In explaining the SWOT procedure, six of the eight 'Industry' respondents emphasised the importance of taking an 'holistic view', one stating for example that, 'it is important to remember that what we are looking for are major factors that may condition the organisation's destiny for many years into the future'. These are unique features of the organisation which will distinguish it from other organisations and mark it out from the norm. Accordingly, it is unlikely that the organisation has more than six to twelve strengths or weaknesses of that magnitude. Respondents indicated that a detailed analysis is not appropriate at this stage, but rather the

objective is to obtain a broad, 'coarse-grained' picture of an organisation's direction. In the words of one 'Industry' respondent, 'we don't want to get tied down with its day-to-day concerns'.

To combine individual definitions, a strength is a resource or capability that the organisation can use to achieve its mission, while a weakness is a limitation or inadequacy that will prevent or hinder the mission from being met. An opportunity is a favourable situation or occurrence provided by others or by circumstance which can be exploited by the organisation to enhance its capacity, and a threat is an unfavourable situation which will make it impossible, or at least, more difficult for the organisation to achieve its mission. While the S/W analysis is undertaken inside the organisation, the O/T analysis has its focus on the environment or context in which the organisation functions. Here the trends and events in the environment which might have a major effect on the performance of the organisation are documented. Most of these are potentially in the future and again there is likely to be no more than six to twelve. The major difference between this part of the analysis and the former, is that the S/W analysis is undertaken within a context that is finite; the organisation, whereas in contrast, the O/T analysis is conducted throughout the entire environment and in the foreseeable future, which according to respondents makes this component of the SWOT technique far more complex, demanding a wider vision and more time. SWOT analysis' are undertaken yearly, in concert with reviews of the development plan.

(d) Action

The SWOT analysis allows an administrator to make assessments concerning possible courses of action. This third stage of development planning has two parts, the first requiring the formulation of specific and necessary actions that will lead to the acquisition of the vision, and the second involving the implementation of those action plans. This area is the most haphazard and informal of any advocated by 'Industry' administrators, with few apparent similarities between any of the respondents' approaches, beyond a general indiscriminate and casual lack of

structure and method. A review of 'Industry'/'Insular' development plans revealed that the documented action plans all, in accordance with government submission specifications, described their objectives, and provided page after page of necessary conditions for the accomplishment of those objectives, but rarely contained any specific activities or actions to be undertaken. Their action plans were, in reality, strategies, but in order for strategies to be successful some action is required, however, actions were only detailed in one of the eight development plans. For example, in one development plan, where the objective was to develop a new program, the strategy stated that this would be achieved by increasing profits in order to fund it. What wasn't detailed is how. To make matters worse, sometimes these plans were circular in logic, for example: a new program will be funded by an increase in profits, and profits will be increased because there will be an increase in members, and membership will increase because of the introduction of a new program. A more accurate plan would have the following causality, for example: a new program will be introduced, which will be funded by an increase in profits. Profits will increase because the government will provide the money. The government will provide the money because the sport's development plan is more impressive and ambitious than ever before.

When asked why their development plans contained so little detail concerning specific actions, respondents cited two reasons: first, as one respondent commented, 'the actual implementation of the plan depends on whether there is money. Money comes from the government and the government requires a development plan'. Respondents therefore reasoned that they shouldn't write the details until they've got the financial support for their plans. After all, if the money doesn't come through, or is cut in some way, as another respondent put it, 'then the whole plan is out the window anyway'. Second, administrators believe that the nature of the sport industry is so changeable and situational that it will inevitably corrupt any detailed plans, leading them to question the usefulness of writing them. Their argument is that they are, as one respondent put it, 'working the system'.

Despite the lack of documented details concerning action plans, some forms of action are taken, or else nothing would ever change, and 'Industry' administrators would simply aim to maintain the status-quo. However, this is not the case, as some 'Industry' organisations and administrators are highly successful; they must get things done, although this research cannot explain precisely how. Presumably, they do take action toward the direct fulfilment of their objectives, but when asked exactly how, respondents explained that they possess a number of action plans in their minds, and depending on the scenario, put the appropriate one into operation. Because the exact 'scenario' is typically determined, 'at the last minute', they do not bother documenting their plans.

(d) Measuring performance

Measuring the effectiveness of the plans once they were implemented was a component of development planning mentioned by all 'Industry' respondents. They suggested that performance indicators or measures must be contained in the plan so that there is some means of objective evaluation of an organisation's success in achieving its goals. Performance indicators or measures are precise, usually quantifiable gauges that can be consistently identified. 'Industry' respondents employ four common performance measures which correspond with typical objectives that sport organisation's pursue. They are; first, participation rates; second, membership rates; third, elite success; and finally, financial status. Participation rates are estimated based on attendance figures (the club equivalent is spectator numbers), and membership is measured precisely and directly as a number. Elite success is measured in medals, win-loss ratios and rankings, while financial status is measured in terms of profits or losses, and assets and liabilities. None of the 'Industry' respondents provided any further performance measures in the development plan. Goals were defined either in terms of a number, for example, 1,000 members; a percentage of previous amounts, for example, twenty percent increase in participation rates; or in vague stipulations, for example, to make a profit instead of a loss.

2. Financial management

Stability and beyond

It has already been established in previous sections of this chapter that the financial position of a sport organisation is its most basic and primary concern. While 'Industry' administrators are in a more secure position than most others, their existence and continuing financial stability is heavily dependent upon external revenue sources. As a result, they rigidly follow financial management practices. The idea of being relegated involuntarily to the bottom of the pecking order as a result of a lack of government support is anathema to them, and financial incompetence is the principle cause of government funding withdrawal. The importance of financial stability is acknowledged by the comments following from one respondent, where she goes so far as appreciating a common *business* practice:

> *... you must follow business principles of financial stability. No business can plan ahead without the fundamental balance of income and expenditure that comes with financial stability. We do that by a well planned rigorous budget which we stick to almost exactly. We don't go over budget.*

Financial management is the only area where 'Industry' (sport as unique business advocates) conceded the direct application of a business principle, without the need for major 'adjusting'. Nevertheless, they did point out that there are ample contrarieties between the objectives of non-sport businesses in financial management as compared with sport-based businesses. For example, every respondent in the 'Industry' group maintained that a sport organisation should uphold what several respondents termed a, 'break even budget policy', a procedure diametrical to the traditional business mission covertly described by one respondent with an accounting background as 'nummular aggregation'. 'Industry' sport administrators try to avoid the term profit, because as one respondent put it: 'It tends to make volunteers and members nervous'.

Paradoxically, financial management may be one area where 'Industry' sport organisations utilise a deviant methodology to other businesses. Five of the eight

'Industry' respondents described how, in order to maintain an even budget, they, as one respondent stipulated, 'anticipate expenditure and adjust income accordingly', usually by increasing or decreasing club or member affiliation fees. The more money the organisation obtains from the government or from sponsors, the more subsidisation the clubs and/or members receive, the process undertaken as much to avoid the prospect of a profit, as a loss. The term profit is never used by 'Industry' administrators, the preferred term is surplus. It is sometimes considered inappropriate to generate a 'surplus', because as one respondent put it, 'we don't try to make a profit and I don't think that we really should'. Many members are bitterly anti-profit, and the declaration of a surplus makes them feel exploited and overcharged, as highlighted by the following comments made by an 'Industry' respondent:

> *I'd like to have at least one venture that is profit making. But many of the shareholder clubs are anti-that, because we are a non-profit organisation. Our purpose is not to make millions, and in order to do that we'd need to take risks with other people's money. So, ultimately the only safe bet is a balanced budget.*

An 'Industry' administrator will go to any lengths to acquire a balanced budget, and ironically this sometimes involves spending money as rapidly as possible, because when 'Insular' organisations begin to accumulate a reserve of money, the 'Industry' administrator begins to feel nervous. They fear that if they haven't spent the money allocated to them, they will receive less from the government the next time around. The 'Industry' administrator would feel more secure throwing the organisation into a small debt to finance a special project, such as a junior development program, an event, or even the purchase of a facility, rather than declare a large operating surplus. However, they would never deliberately allow a substantial debt to be recorded, unless it was a 'one-off' investment, with measurable returns directly for the members. For example, one respondent described how she wanted to hire a marketing manager, but in order to finance their salary, members would have to pay a ten percent increase in fees. However, that ten percent increase could not be introduced on what members saw as her 'whim', rather, it had to be justified to the

members in a tangible and specific way, forcing her to argue convincingly that the introduction of a marketing manager would generate an additional amount of income that she could ultimately use to decrease membership fees.

Financial management is rarely the exclusive domain of 'Industry' respondents, who were all administrative 'heads' of their organisations. In fact, every 'Industry' respondent in this research enlisted the services of an accountant and/or financial planner, and typically had at least one accountant on staff. The respondent's role was normally to take an overall view and to make decisions concerning the general financial management of the organisation. As one respondent commented, the 'details are handled by the accountants'.

Financial management practices

'Industry' respondents use a number of 'standard' financial management practices, but in general were unable to provide substantial detail on either what they encompass or what procedures are employed. The 'Industry' administrator does not concern themselves with the details of financial management, because they are not required in government submissions. As a result, 'Industry' administrators are chiefly concerned with the financial information delivered to the government and to members, which are the financial indicators of the organisation's performance, and appear in the form of financial statements. These include; first, the profit and loss statement; second, the balance sheet (assets and liabilities); and finally, the cash flow statement.

The importance of financial statements

According to respondents, financial statements exist to provide information about the financial status of an organisation to those external to it, in this case, the members of the organisation and government and commercial sponsors. 'Industry' administrators would possibly argue that it really doesn't matter what the reality of the organisation's financial situation is, rather what matters is what it is perceived to

be, by its owners and investors; the members and the government/sponsors, respectively. That is not to say that they are in the habit of misrepresenting or manipulating the figures contained in their organisation's financial statements. Instead, their financial management emphasis is on financial statements rather than on financial management processes, such as bookkeeping. In other words, they are more interested in indicators of financial performance in preference to indicators of financial processes, and tend to be more outcomes driven in their financial management than they are in any other management practice. For example, their development plan is heavily weighted toward processes of achievement, whereas in contrast, their financial planning concentrates on performance indicators, the outcomes of management. Nonetheless, 'Industry' respondents maintain that the fundamental purpose of financial statements is to provide data upon which to base decisions.

Profit and loss statement

The selectively termed the income and expenditure (revenue) statement periodically reports the results of operating a business, and under normal circumstances, is formally documented on an annual basis. The two major components of a profit and loss statement are revenue and expenditure. Revenues according to one respondent includes 'any earnings associated with the operation of the organisation', while expenses are the costs incurred as a result of operation. Revenues are generally obtained from the provision of services in sporting organisations, but in order to provide services there are certain costs, or expenses, as well. Thus, the profit and loss statement gives an indication of the profitability and viability of the provision of services, and provides a breakdown of the various costs and incomes associated with the delivery of a sport organisations' services. In this sense it is useful for an organisation to determine the areas of primary expenditure and revenue. 'Industry' respondents described three chief expenses in sport services (none mentioned all three, but four out of eight described two). They were; first, actual service costs; second, administrative costs; and finally, resource costs (these names were given by the researcher, not the respondents, for the purpose of clarity). Actual service costs

includes the expenses incurred as a direct result of services delivered, such as in an event, including facility hiring fees and referees for example, while administrative costs are those generated from the general operation of the organisation, such as salaries, office lease, utility bills and stationery, for example. Finally, resource costs are those expenses caused as a result of the external acquisition of resources. This can come in the form of interest paid on bank loans, or resources committed to sponsorship agreements, such as the provision of seating, tickets or personnel that would normally be occupied elsewhere. In addition, resource costs can be incurred by allocating money, time and personnel as one respondent's described it, 'in satisfying the policies and political whims of government agencies'.

The balance sheet

The balance sheet indicates the balance of economic resources in the form of assets and liabilities. Assets refer to items of monetary value <u>owned</u> by the organisation or <u>owed to</u> the organisation. Liabilities, on the other hand, are the amounts owing to creditors for goods or services received or borrowed. Respondents described a common method of classification of assets; by liquidity, which is a measure of how rapidly an asset can be converted into cash and was accepted as a common and standard method. Assets can be either current, which means they can be converted comparatively rapidly (less than one year approximately) such as cash, stocks and debts, and fixed or non-current (the terms were used interchangeably), which are intended for continuing use instead of conversion to cash, such as facilities or equipment.

Liabilities were classified according to the urgency with which they must be removed. Current liabilities must be discharged imperatively, and include such items as short-term loans and tax, whereas, in contrast, deferred or non-current liabilities are not urgent and include all other debts that do not require repayment inside approximately one year.

Cash flow statements

Cash flow is a measure of liquidity, rather than profitability, and traditionally, according to 'Industry' respondents, cash flow statements have not been part of sporting organisation's financial statements. However, this has changed in recent years, as asset wealthy sport organisations have discovered that they require a steady flow of cash to pay suppliers, creditors and employees. Liquidity is a particularly useful measure for 'Industry'/'Insular' (and many other) sport organisations, because rarely do they have a constant or consistent cash flow. Instead, their income is predominantly acquired through lump sum payments at particular times in the year, correlating with membership payments, government grants or sponsorship revenue. The net result, is that their 'turnover', or total or gross income is large, but their cashflow is irregular, and often generated over a period of several months. Subsequently, 'Industry' respondents argued that they have traditionally sought to deal with the major expenses of the organisation at 'convenient' times of the year, but as they have grown to meet the demands of increased professionalism, their expenses have become more regular. Staff, for example, expect to be paid fortnightly, and if the cash isn't available, there are serious ramifications. To combat this problem of cashflow, 'Industry' respondents opt to employ cashflow statements to increase their awareness of the situation. The result has been several common practical measures, including an attempt to persuade member clubs and individuals to pay their membership fees in parts, usually quarterly, which has not been entirely successful, as many pay late, and end up months behind. The organisation then has to spend its resources, 'chasing' members, like debt-collectors, which is unproductive. They also encourage members to pay 'up front' at the beginning of the year, encouraged by a discount of between ten and twenty percent, rationalised by the fact that normally membership fees are paid toward the middle or end of the year. Organisations would prefer them earlier rather than later, as the money lost from the discount is more than compensated by the resources saved from chasing late payments. In addition, the money is invested, on a short-term basis, until it is required.

3. Marketing management

Almost the 'four P's'

The third of the fundamental three practices advocated by 'Industry' respondents was marketing management. All eight of the respondents in the 'Industry' category accentuated the importance of developing appropriate and effective marketing strategies, however, none introduced the traditional marketing concept of 'the four P's': price, place, promotion, and product, in order to determine their marketing 'mix'. However, in deciding their individual marketing strategies, they each described several of the four P's. No single administrator mentioned all four, and all tended to concentrate on specific elements within each of the strategies they sanctioned. For ease of analysis, the marketing practices endorsed by 'Industry' respondents have been segmented according to their relative place within the four P's. While it may appear that order and categorisation have been imposed presumptuously given the fact that no respondents mentioned the four P's directly, 'Generic' respondents, described in section 4.5.9, developed the concept considerably. With this in mind, comparison between 'Industry' and 'Generic' administrative techniques is facilitated within this format, although a detailed description of the four P's has been left within the 'Generic' discussion of marketing practices.

Service (product)

Respondents accepted the difficulty of marketing sport services for organisations that rely upon team or elite success, due to the intangible nature of the product, namely spectator entertainment. However, few 'Industry' administrators work for organisations with such difficulties, like those faced by a national league club. As a result, 'Industry' administrators concentrate on the services they provide in terms of a simple transaction, and as one respondent put it: 'We provide simple services in exchange for membership fees. Our product is the sport itself, and that is largely self-regulating'. The upshot of this disinterest in the peripheral issues of the sport product/service is a definite focus on being appropriately compensated for what is provided.

Price

To ensure that payment is commensurate with the value of the services delivered, it was argued that time needs to be invested in determining the appropriate price. This is especially laborious as 'Industry' administrators seldom wish to achieve a profit, and subsequently must allocate time and resources to calculating the precise value of their services. According to respondents, too high a valuation, 'will lead to a membership outcry', as profit-making is frowned upon, and too low a valuation will inevitably lead to a budget shortfall, and, 'cries of incompetence'.

Advertising (promotion)

'Industry' administrators tend to rely on the media for advertising, and do not typically spend money on print or electronic media promotion for either the sports they govern or the services they furnish. However, they do liaise with the media in the hope that they will be interested enough to report the major events they co-ordinate. However, the media, in general will not provide this 'free' coverage unless it is of national importance, which in practice means that Australia must be a leader in the sport, or is expected to perform impressively in the event.

'Industry' administrators do believe in spending a certain amount of money on advertising within the organisation, with the objective of highlighting to members new and expanded services and programs. In addition, they spend a considerable quantity of money funding junior development and talent identification programs in schools. This is what one respondent identified as their, 'bounty for the future'.

Sponsorship (promotion)

Chasing and obtaining sponsorship is of little importance to the 'Industry' administrator, because despite the fact that they always want to increase their income, they do not devote much time to actively pursuing sponsors. However, all of the eight 'Industry' respondents had been involved in securing sponsorship in one form or another. Because of the status of their sports, they generally found it relatively easy to acquire small sponsorship deals, and often it was the sponsors who had made the initial approach. As sponsorship money or equipment is what one respondent termed, 'icing on the cake' in terms of necessity for the organisation to function, it receives considerably less attention than the acquisition and maintenance of government subsidisation.

Distribution (place)

'Industry' respondents tend to target internal members for promotions rather than external potential members. There are two reasons for this. Firstly, by targeting current members, they believe they can consolidate their membership and move them onto additional services they are presently not utilising, or are not aware of. With this reasoning, awareness is the key, and without exception, members were reached by direct mail outs. Secondly, they do not target external potential members because they do not know who they are, or how to target them. This is primarily because they do not employ any market research techniques.

Conclusion

'Industry' respondents consider that three fundamental management techniques may be considered 'professional'. They are; first, development planning; second, financial management; and finally, marketing management. Of significant importance is their belief that these professional management practices are unique to sport. However, there is little evidence to corroborate this assertion. Firstly, 'Industry' planning practices align favourably with 'standard' practices employed in commercial business, as explored in chapter two (American Quality Foundation - Ernst & Young, 1992;

Asian Business magazine, 1995; Director Magazine, 1994; Eilon, 1992; Gephart, 1995; McIntyre, 1995; Saratoga Institute, 1993; Witte, 1994). Secondly, 'Industry' financial management practices mirror almost perfectly conventional accounting methods (Hey-Cunningham, 1993; Hoggett & Edwards, 1987; Martin, 1994; Straughn & Chickadel, 1994). Finally, although 'Industry' marketing practices are unique in the sense that they have never previously been conceptually documented, they depart little from a mis-match of customary marketing techniques (Birkett, 1990; Blanchard & Bowes, 1993; Brooks, 1994; Geldard & Sinclair, 1996; Mullin, Hardy, Sutton, 1993; Pitts & Stotlar, 1996; Rossiter, 1987; Schaaf, 1995; Shilbury, Quick & Westerbeek, 1998).

4.5.7 (IV) Generic professional management

Introduction

The final typological category has been named 'Generic' management, and can be conceptualised by the combination of a belief that a set of theoretical best-practices exist, and that sport is a generic form of business. In an organisational context, the 'Generic' administrator operates in a 'Global' organisation, represented by the combination of an external organisational direction and an external industry direction. An external organisational direction translates into a preparedness to focus outside the individual organisation itself, while the external industry direction reflects an ability to study alternate marketplaces and industries. Six of the twenty-nine respondents apply the 'Generic' approach to management, with 'Generic' respondents arguing that professional management practices are common to all businesses. Thus, managing a sporting organisation is like managing any business, because, according to one 'generic' respondent, 'there are certain inescapable decisions that must be made for the good of the business'. As a result of this management worldview, 'Generic' administrators lean toward a rationalist approach to professional management orientation. They are outcome orientated, which means that they make decisions based largely on economic considerations, and hold the results of actions as the priority, rather than the means. In addition, they prefer a competence based approach to professionalism, wherein skills, knowledge and experience are foremost. The 'Generic' respondents in this research were employed exclusively by large sport organisations (five national league clubs and one NSO), with incomes substantially exceeding one million dollars. This income is generated mostly from internal sources and commercial sponsorships, with government income being negligible. Moreover, the balance of power on a day-to-day administrative level is held firmly by paid employees.

The great difference between 'Industry' and 'Generic' administrators is their respective definitions of what their 'job' is. Both agree that there is a common-set of professional management practices, but according to 'Industry' respondents, the 'job' is managing the unique business of sport, whereas 'Generic' respondents view the 'job' as managing any business, as all businesses effectively require a common,

generic management approach. Chart 4.9, following, highlights the features of the 'Generic' management approach.

Chart 4.9 - 'Generic' management
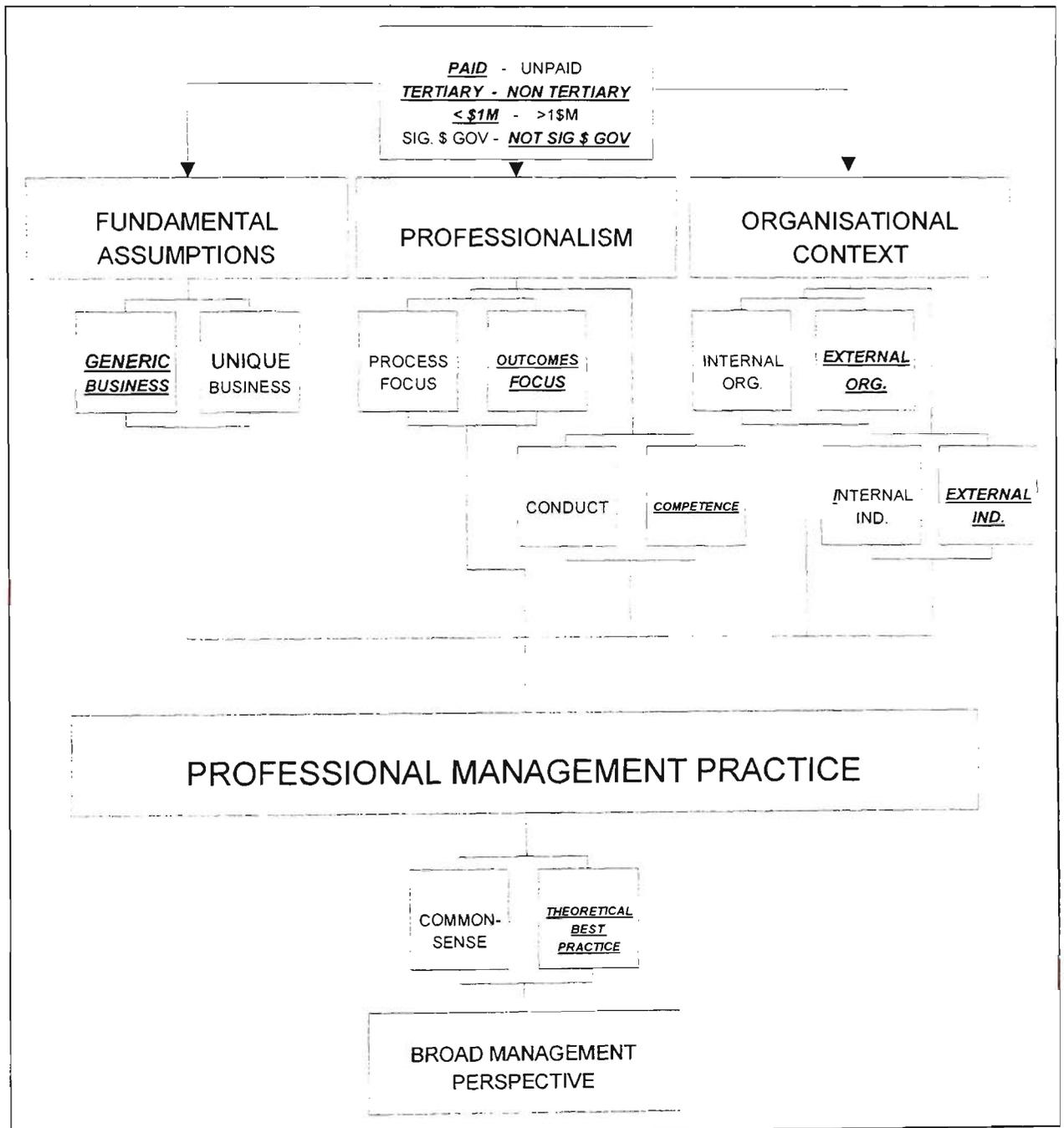
Best practice plus

To the 'Generic' administrator, professional management practices are not simply a 'set' of best-practice management techniques. Professional management practice implies something much broader and systematic; something beyond an ensemble of practices. Rather, professional management practices are an holistic system of operating an organisation to maximise effectiveness and efficiency, and are the route to success. Thus, a simple list of practices are inadequate to describe and appreciate the depth of professional management practice. Moreover, the lists generated in the literature review of Chapter two, would never fully and completely represent the meaning of professional management practice to the 'Generic' administrator. The whole idea of professionalism to the 'Generic' administrator is synonymous with integrity; not so much in an ethical dimension, but in the sense of wholeness. Professional management practices have integrity; they are an integrated system, with every component of that system fulfilling a definitive and irreplaceable role. When a component of the system is absent, the whole unit suffers. This feeling of wholeness only becomes evident during a lengthy discourse with an administrator: long enough to come to appreciate the sense of 'integrity' of their management worldview. Long enough to understand that professional management practices are not just a set of practices, but a methodology for business success, like a religion for the attainment of 'business enlightenment'. This almost spiritual fervour can never be captured by a list of practices, but as one 'Generic' respondent put it, 'to see the path through the minefield of pseudo-management gurus, catchwords and consultants, is to see the path to excellence. And the path to excellence is marked "professional management practice" '.

The 'Generic' approach is not necessarily the 'best' approach, but it is the result of synthesising the knowledge and practices of some of the most experienced and successful administrators in Australia, from some of the largest and best recognised organisations. In addition, each respondent had 'favourite' topics and practices. For example, one respondent with an accounting background provided more detail concerning financial management than the average, while another manager who had

formerly held a marketing position with an international corporation was able to highlight marketing management procedures in considerable depth.

In practical terms, to ask the 'Generic' administrator what professional management practice incorporates, is to ask the question, 'from start to finish, how does one go about managing a business such that the potential for success is maximised?' The following is a broad conceptual summary of 'Generic' respondents' answer. It is illustrated on the next page in Chart 4.10, and is described, explained and analysed sequentially afterwards.

Chart 4.10 - A sequential guide to generic professional management practices
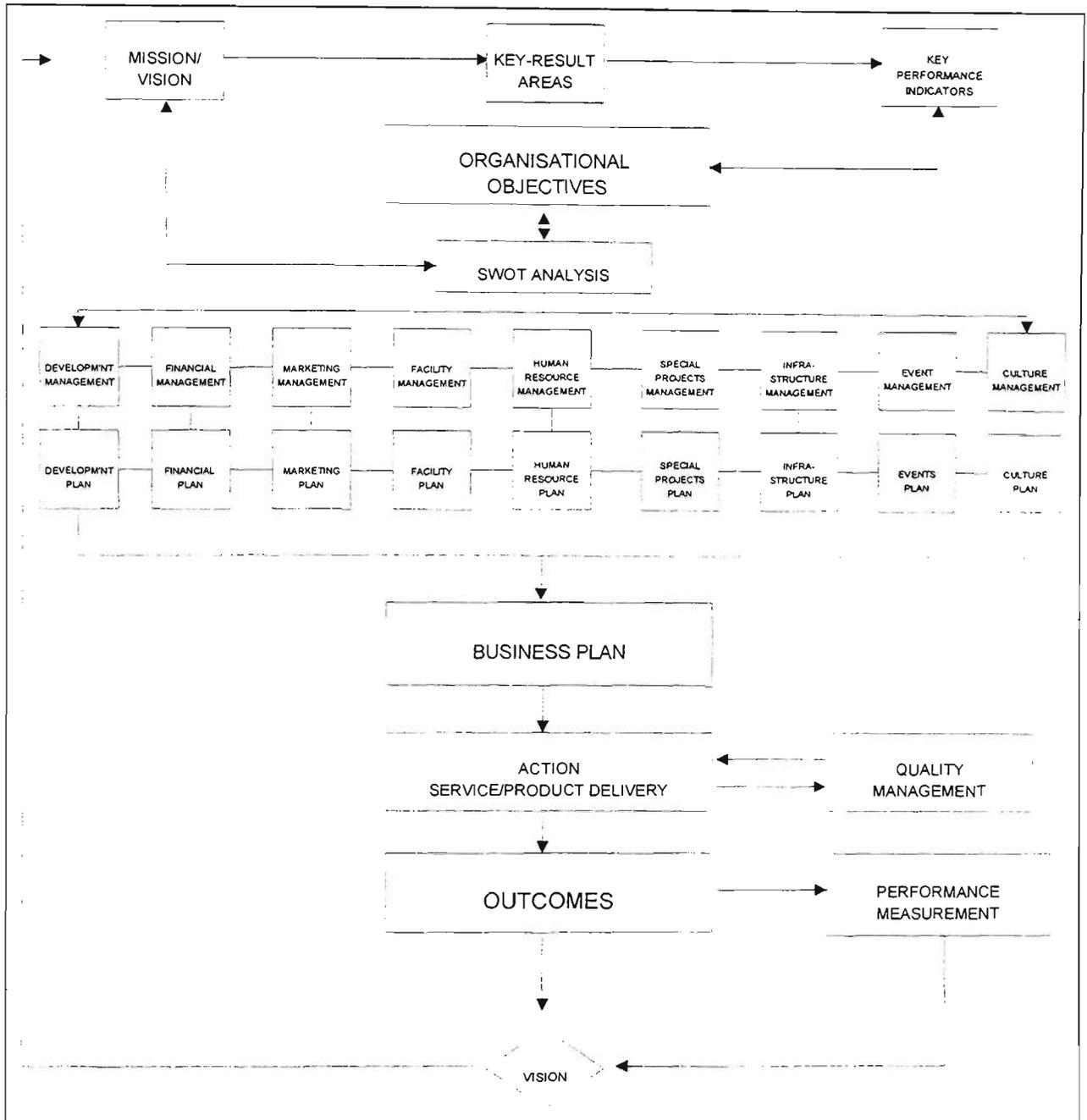
A sequential system for professional management practices

The 'Generic' approach to management has a number of striking features. The most definitive characteristic is that professional management practices are conceptualised as a <u>system</u> to maximise the potential of business success. The definitive characteristic of any system, is that the whole is greater than the sum of its parts.

Unfortunately, in order to academically conceptualise the elements of the 'Generic' system, a reductionist approach is required. It is conceivable that this investigative approach may compromise the integrity of the system as it is applied. 'Generic' administrators may well object to the following mechanistic de-construction of a set of practices and techniques that are never, in practice, used in isolation. In other words, part of the 'Generic' administrator's cognitive framework is that management practices are interrelated. Nevertheless, when fragmented, this system involves over twenty discrete processes, thirteen steps, and the management of nine different but complementary plans.

The system begins with the definition of an organisation's mission and vision, in a similar manner as 'Industry' administrators described. Next, factors critical to success are identified, which have been termed 'key result areas'. Macro performance measures or 'key performance indicators' are then defined, and organisational objectives drafted. Once documented, a SWOT analysis is undertaken in order to consider environmental criteria. 'Generic' respondents emphasised that this stage of the management process is circular and flexible. After the SWOT analysis, the process is repeated to ensure that the 'fit' is 'right'. For example, at this stage, objectives and key result areas may be refined in light of the SWOT results.

Organisational objectives are carried throughout the organisation via nine management areas: first, development management; second, financial management; third, marketing management; fourth, facility management; fifth, human resource management; sixth, special projects management; seventh, infra-structure management; eighth, event management; and finally, culture management. Each of these management areas translates into a plan designed to achieve the long-term organisational goals established in the vision statement. Each of these plans, although moulded by their respective management disciplines, are based on a similar strategic procedure, and ultimately, the individual plans are reunified into a singular composite business plan. The result of the implementation of the business plan is the delivery of the product and/or service originally highlighted in the mission

statement. Services and service delivery procedures are subsequently analysed and examined in order to streamline and eliminate problems by applying quality management techniques. The final outcomes are contemplated in the light of the previously determined performance measures, thus indicating how close the vision is from realisation. To complete the cycle, the mission is reviewed again, and the process repeated.

Step 1: defining the mission

The first step on the road to professional management practice is to define the organisation's mission, which is achieved in the form of a mission statement. The 'Industry' and 'Generic' view of the mission statement is similar, with the 'Generic' idea building directly on the 'Industry' concept. Thus, to review, the following is an excerpt from the 'Industry' definition, described earlier:

> An organisation's mission, 'reveals its purpose and reason for existence'. It is a statement that clearly defines what an organisation was set up to achieve, what general services or products it provides, and for whom it provides them. A mission is typically expressed in an official and documented form named by all eight respondents as a, 'mission statement'. The mission statement is a concise proclamation declaring an organisation's vocation. It ranges in size from 'one sentence', to 'one paragraph'.

'Generic' respondents added to the concept of the mission statement by developing the idea that the mission is a statement of attitude and of outlook. In one respondent's words, 'an organisation's orientation'. They also stressed that the mission should never contain details of measurable targets or outcomes, and that it should set an organisation apart from others in identifying the scope of its operation in both service and customer terms. In this way, a mission statement includes reference to what the organisation is delivering as a service (or product), and who the beneficiaries of those services are. This is achieved by nominating the chief service areas and the primary customers. As another respondent commented, 'the mission is

a flexible and generalised statement that goes beyond the philosophy of the organisation'.

'Generic' respondents nominated three common reasons for the development of a mission statement. The first was to establish a consistent and unified purpose within the organisation, the second, was to facilitate the construction of an appropriate organisational 'atmosphere' (also named both culture and climate), and the third was to provide the correct 'glasses' through which to peer when undertaking the planning process. This way the organisation is, in the words of one 'Generic' respondent, 'less likely to go off the rails', because the purpose of the organisation is central to its future. As a result, the determination of the direction for the future is equally important, and is outlined in the vision statement.

Step 2: defining the vision

The second step is to define an organisation's vision. Identical to the description provided by 'Industry' respondents, 'Generic' respondents reported that the vision of an organisation is manifested in the form of a written statement known as the vision statement. The vision statement represents the image of what an organisation may potentially achieve in fulfilling its mission, and is a statement that reflects the long-term goals of the organisation, embodied within the context of the mission, expressed concisely and powerfully. As mentioned by 'Industry' respondents, it is a statement of where the organisation wants to be in the future. The only noticeable difference between the 'Industry' and 'Generic' perspectives is that 'Generic' respondents were more inclined to set their vision statements further ahead, typically set for achievement in five to seven years.

Step 3: Defining key result areas

Step three involves the definition of key result areas (KRA's), which are those factors that are necessary and pivotal to successful organisational performance. KRA's are the essential elements of product/service delivery management that require close and

constant scrutiny, and include the characteristics and situations that when appropriately managed have a significant impact on the success of the organisation. All 'Generic' respondents used the concept formally, with KRA's documented in their respective strategic plans. Although the concept was applied universally, one respondent used the term 'critical success factors', and another, 'result areas'.

Common examples of KRA's, or critical factors and activities that must intentionally be driven in order for a successful outcome to be achieved, included player recruiting, sponsorship acquisition, injury management, marketing and junior development.

Step 4 & 5: Defining organisational objectives & key performance Indicators

The fourth and fifth steps in the process involve the definition of organisational objectives and key performance indicators (KPI's) to measure those objectives. The term and concept of objectives was ubiquitous, but several terms were used to describe KPI's, including 'performance measurement' and 'corporate performance indicators', although the process and function was common. Organisational objectives were described as 'bite-sized chunks of the vision', and represent a formal method of establishing short to medium term 'landmarks' or 'stepping stones' toward organisational success. The only area of contention was the period within which these objectives should be ideally obtained. 'Generic' respondents were neatly split on this issue, approximately half suggesting that objectives should be set for accomplishment within one-year, while the other half considered time irrelevant to any objective's acquisition. Common organisational objectives included on-field success, promotion of the sport or organisation, membership / participation / spectator numbers and profits.

KPI's are measures of an organisation's performance, and as one respondent indicated, these measures 'should always reflect the organisation's mission and are measurable and time-related objectives'. KPI's are the measurable aspect to organisational objectives. When discussing the importance of KPI's, one respondent

suggested that management without KPI's would, 'be like a sport without a scoring system... football without goal posts', and is indicative of how 'Generic' administrators view the importance of formally measuring their organisation's performance. One prerequisite for performance measurement is the integration of all processes, which is the heart of the 'Generic' management practice ideology. In the words of one respondent:

> *It is essential that the planning system, quality management systems, process-improvement systems, and performance measurement systems are all linked together intrinsically. If they are not, the results will probably include: poor performance from staff and players, maintenance of the status quo, wasted resources, wasted time and effort, and low morale. To ensure success you must have integrated systems - that is what professional management practice is all about!*

Performance measurement is linked with quality management and is related to the transferral of objectives into processes for action, which can be manipulated to enhance service quality and delivery. However, KPI's are measurable levels for an organisation to aim for in broad terms, and must represent the organisation at a gross level. Thus, KPI's provide a <u>macro</u> view of organisational objectives in a specific, measurable and time-related form. For example, if an organisation's objective is to perform successfully 'on the field', the KPI translates this broad ambition into a precisely assessable value allied with a time constraint, such as 'to finish in the top four in the competition in season 1999'.

KPI's link with an organisation's mission and vision as well, since the clear focus of an organisation is its vision, which is systematically achieved through objectives. In order for an organisation to achieve its objectives, the focus for action should be KRA's. However, objectives cannot be translated into action strategies until it is firmly ascertained what strengths, weaknesses, opportunities and threats face the organisation that may affect the realisation off those objectives.

Step 6: The SWOT analysis

The SWOT technique does not vary at all between 'Industry' and 'Generic' respondents in technical definition, and for this reason, the SWOT analysis has not been repeated here. While both groups use the SWOT analysis for the fundamental purpose of analysing the organisational environment and circumstances, the 'Industry' group do not employ KRA's and KPI's, and do not acknowledge a systems approach to management practices. To them, the SWOT analysis is strictly a planning technique, used for development planning insight, whereas in contrast, 'Generic' respondents view the SWOT technique as a component in an holistic and duplicable system, where the concept of 'planning' is inseparable from any other professional management practice. 'Generic' respondents view planning as the glue which binds an organisation together to ensure that unified and unanimous action is taken in a predetermined direction.

'Industry' administrators use the SWOT analysis to obtain an overall 'feeling' for their organisation's strategic positioning, whereas 'Generic' administrators use the technique more specifically. Five out of the six 'Generic' respondents suggested that the SWOT technique is best applied to specific areas to gather a broad understanding of strategic positioning, rather than applying the technique broadly to draw specific data. In the words of one respondent, 'the SWOT method is wasted if it is applied too broadly, without looking at specific areas. It should be conducted in every area'. Thus, the SWOT analysis is conducted for each of the nine management areas proposed. This does not necessarily mean that administrators are looking for specifics, but rather are looking for significant factors in specific areas. 'Generic' respondents argued that undertaking the analysis this way is simpler and more systematic, as the comments of one respondent highlight:

> *My feeling is that the SWOT needs to be done in every management domain or department. So, you apply a SWOT to every part of the organisation. It's too easy to miss parts. The purpose doesn't change, of course: you still want to identify the broad factors, and you do. The difference is that instead of trying to come up with strengths, weaknesses, opportunities and threats off the top of your head, you can have a definite method. You SWOT in finance, in marketing, in*

everything, even the special program areas. It seems longer but it's far easier and far more thorough. Ultimately, you still only identify a handful for each anyway.

The logic underlying this idea is straightforward; the SWOT analysis should identify the organisation's strategic position in a broad and generalised picture. However, where 'Industry' administrators perform the SWOT analysis by simply asking, 'what are the strengths, weaknesses, opportunities and threats facing the organisation?', the 'Generic' administrator asks, 'what are the strengths, weaknesses, opportunities and threats facing the organisation in each management discipline?'. The result, they claim, is a duplicable methodology that can predictably provide a true and accurate picture.

Putting it together

To review the process by way of an example, consider a hypothetical national basketball league club which possesses a mission statement that includes the provision of quality services to members, and a vision statement specifying the intention to be the dominant club in the league within five years. In order to successfully service their customers, the organisation must identify what must 'go right' in the form of key result areas. These key result areas are pivotal to achieving objectives such as on-court success, which can be measured by a performance indicator such as, 'playing in the final series next season', and could include coaching and recruiting, for example. With objectives set as 'stepping-stones' to achieve the vision, an environmental, or SWOT analysis is undertaken, which may uncover strengths or weaknesses inside the organisation, and opportunities or threats outside the organisation, that may be minimised or capitalised upon. As a result, plans in individual management areas need to be developed in order to deal with these strengths, weaknesses, opportunities and threats, to 'maximise' the possibility of successfully achieving objectives.

Step 8: Management areas

Nine management areas were highlighted by 'Generic' respondents (only three out of six mentioned all nine, but each area was highlighted a minimum of four times). They included: first, development management; second, financial management; third, marketing management; fourth, facility management; fifth, human resource management; sixth, special projects management; seventh, infra-structure management; eighth, event management; and finally, culture management (please note that terminology varied). After the SWOT analysis has been completed and each area has been assessed according to its existing strengths and weaknesses and potential opportunities and threats, the management of the area can be conceptualised in terms of a distinct and individualised plan. Each management area, while possessing characteristics unique to their respective management disciplines, are all framed within a similar strategic process. This process was described by one 'Generic' respondent in the following comment:

> *Each part of our organisation fits in with the broader strategic process - the bigger picture. We work on a strategic plan with corporate goals, and each of the managers has an ownership, if you like, of their area of the corporate plan. And we ask them to perform within the confines of the strategic plan, but working with every other department, to achieve certain outcomes every year. So they're corporately driven, they're goal-driven, and they get rewarded accordingly.*

A generic strategic procedure:

Strategic & visionary thinking

Five 'Generic' respondents specified that the administration of any management area within an organisation begins with what they term strategic or visionary (S/V) thinking. S/V thinking involves the ability to assess the marketplace and the internal and external environments in order to clearly 'see the future'. In practical terms, the administrator must be able to constantly anticipate changes while maintaining an understanding of where to take the organisation, and how to get there. As one respondent noted, 'visionary thinking is like an ongoing SWOT analysis that you do in your head'.

Gap analysis

According to 'Generic' respondents, an examination of the difference between the management area (and organisation's) present position, as determined by the SWOT analysis, and the position nominated in the organisational objectives, must be performed. In other words, there is a need to determine the 'gap' between what the organisation wants and what it presently has. All six of 'Generic' respondents highlighted this common sense necessity when questioned on strategy formulation, however, only one called it a 'gap analysis' (while there was no consistent terminology for the process, it was named in accordance with the 'theoretical' term for the process: Argenti, 1992). The purpose of the gap analysis is to 'bridge' the gap between what is wanted and what exists, and may be conceptualised as a formal way of asking the simple question, 'what options are there in moving from A to B'. Once the alternatives have been identified by this simple process, they can be evaluated.

Evaluation of alternatives

Evaluating alternative methods of bridging the gap between the desired outcome and the existing situation, is another common step, although only two of 'Generic' respondents undertook the process in a formal manner. The remaining administrators acknowledged the step, but tended to move through the process rapidly, evaluating alternatives from the start, rather than in one orthodox stage. The choices available depend upon opportunities and threats, available resources, risk and feasibility.

Strategies & activities

Once decisions have been finalised concerning how to achieve broad organisational objectives, the task of converting them into action begins. 'Generic' respondents used varying terminology to describe essentially the same procedure. For the purpose of simplicity (so as not to be confused with previously used terms), these steps have been named strategies and activities. The system works in the same conceptual fashion as a tree diagram: first strategies in each management area are

determined for each organisational objective, and for each strategy, a number of activities are formulated. In this way the implementation process, as one 'Generic' respondent explained, 'takes care of itself', becoming progressively more detailed as the method evolves, until at the activity level the action required is expressed in a simple and action-oriented form. The concept is illustrated in Chart 4.11 following.

Chart 4.11 - Plan implementation
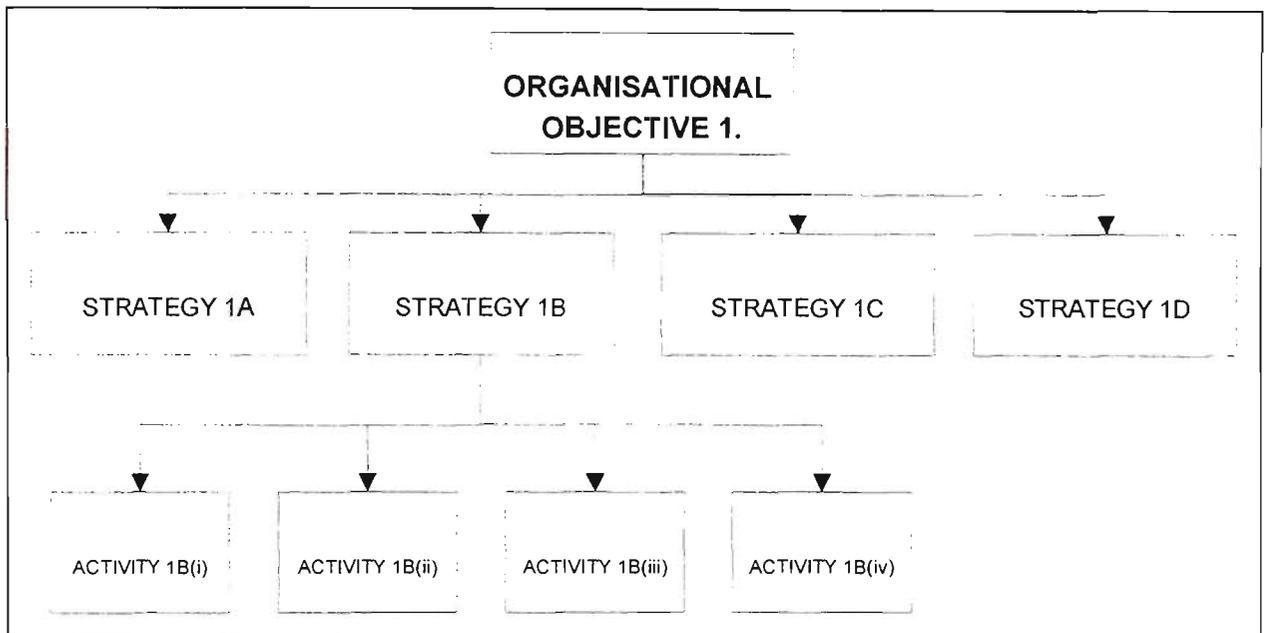
To explain further, consider the following example provided by one respondent: an organisation sets a development plan strategy of improving recruiting to bolster an organisational objective of 'on-field' success. This strategy is supported by several activities, including enlisting former players to become 'freelance talent scouts'.

The above example highlights how organisational objectives can be translated into action, which may be delegated, measured and timed. Respondents stressed the importance of never loosing sight of the 'big picture'. This process is summarised below in the words of one respondent:

Corporately, the organisation has to deliver for coaches, players, umpires and administrators the best possible range of services we can in their area. That sums up our general mission: within that there's some subsets, corporate goals for the organisation over all, and they're of course broken down into further areas where we get specific about which areas and segments we are looking after, and they're broken down into further levels that actually tell you what needs to be done and when.

This process of transforming objectives into activities is intrinsic to the direction of all management areas, providing as one respondent expressed it, 'the rails upon which the organisational train travels'.

Benchmarking

Five out of the six 'Generic' respondents discussed the importance of what they all termed benchmarking, a technique that assists in establishing management area strategies. To benchmark is to use another organisation's level of performance as a direct goal in which to aim, and in practical terms this means that the administrator identifies something specific that another organisation does particularly well, and sets that level of performance as a 'benchmark', or standard with which to compare. In addition, the methods of obtaining that benchmark performance are also studied, in the hope that they can be duplicated. In this sense, benchmarking is also little more than a fancy way of 'copying'.

For example, continuing the theme of recruiting, assume that team A is seeking to improve their recruiting process, as the players they have 'discovered' in the past few years have been inadequately talented. Furthermore, assume that team B is renowned for its ability to acquire young talented players via their recruiting system. In fact, on average they 'discover' five players per year that ultimately play for them. Because team A want to emulate this recruiting success, they set the number of five players as their recruiting benchmark, and upon examination of team B's recruiting process, discover that they utilise former players as talent scouts, thus providing team A with a strategy to accompany their benchmarked goal.

Benchmarking can and should, according to respondents, be undertaken in any of the nine management areas identified, and can be industry specific, as in the case of the above example, or externally generated, with an organisation comparable but superior in the area in question. For example, an opera company may have a highly efficient ticketing system, a carpet cleaning franchise may have a particularly effective customer complaints procedure, and a gymnasium may have a successful marketing strategy that are all worth benchmarking.

Performance measurement

The concept of performance measurement arises throughout the 'Generic' management system. Within the 'Generic' strategic approach, performance measurement can be applied on a micro scale in addition to a macro one; they are generated within each specific management area. For example, in the financial management area, some performance measures revolve around income and expenditure figures, while in the marketing management area they may centre on membership numbers or sponsorship acquisition. Performance measurement is also undertaken in quality management, and is discussed in more detail in later sections. Chart 4.12, following, illustrates the 'Generic' strategic approach within all management areas.

Chart 4.12 - The generic strategic approach


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MISSION ─────────────────────► KEY-RESULT ─────────────────────► KEY
                                AREAS                              PERFORMANCE
                                                                   INDICATORS

                    ORGANISATIONAL PLAN/ ◄──────────────────
                        OBJECTIVES

                         ▼
                    SWOT ANALYSIS
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DEVELOPM'NT MANAGEMENT	FINANCIAL MANAGEMENT	MARKETING MANAGEMENT	FACILITY MANAGEMENT	HUMAN RESOURCE MANAGEMENT	SPECIAL PROJECTS MANAGEMENT	INFRA-STRUCTURE MANAGEMENT	EVENT MANAGEMENT	CULTURE MANAGEMENT
DEVELOPM'NT PLAN	FINANCIAL PLAN	MARKETING PLAN	FACILITY PLAN	HUMAN RESOURCE PLAN	SPECIAL PROJECTS PLAN	INFRA-STRUCTURE PLAN	EVENTS PLAN	CULTURE PLAN

```
                         ▼
                    STRATEGIC
                    THINKING
                         ▼
                    GAP ANALYSIS
                         ▼
                    ALTERNATIVE
                    EVALUATION
                         ▼
                    STRATEGIES ───────► BENCHMARKING
                         ▼
                    ACTIVITIES ◄──────
                         ▼
                    PERFORMANCE
                    MEASUREMENT
                         ▼
                    BUSINESS PLAN
                         ▼
                    VISION
```

A) Development management

A 'playing' approach

Chart 4.13, on the next page, shows the components of development management, and fits loosely between 'development management' and 'development plan', in Chart 4.12. While there are overlaps, each management discipline has unique variables requiring control and regulation, however, the planning process remains generic, once these regulatory matters are appreciated. For example, in development management, team performance is organised and controlled in a different way than the 'marketing mix' is organised and controlled in marketing management, but nonetheless, the process for decision-making is the same; both start with strategic thinking and end with specific activities to be measured. As a result, an understanding of the intrinsic components of development management is a prerequisite for development planning. In the words of one respondent, 'managing to plan is impossible without planning to manage'. Management and planning are inseparable.

Development management as explained by 'Generic' respondents differs considerably from that articulated by 'Industry' respondents, as 'Generic' respondents view development management as the regulation of the actual 'playing' side of the sport. It is indicative of their business approach that they identify the playing ingredient in the management process as only one-ninth of the 'whole' management system. As illustrated in Chart 4.13, on the next page, national league clubs have slightly different management components to NSO's and SSO's. While they share similar components within the management of competitive success, NSO's and SSO's also have the burden of increasing participation rates.

Chart 4.13 - Development management

DEVELOPMENT
MANAGEMENT

NATIONAL
LEAGUE
CLUB

NSO/SSO

TEAM
PERFORMANCE

ELITE
SUCCESS

PARTICIPATION

COACHING | MEDICAL SUPPORT | CONDITIONING | RECRUITING

JUNIOR
DEVELOPMENT

SENIOR
DEVELOPMENT

PERFORMANCE MEASURES | PERFORMANCE MEASURES | PERFORMANCE MEASURES | PERFORMANCE MEASURES

PERFORMANCE
MEASURES

PERFORMANCE
MEASURES

PLAYER
SKILLS

INJURIES &
REHAB.

PLAYER
FITNESS

PLAYER
NATURAL
TALENT

NUMBER OF
JUNIORS

NUMBER OF
COMPETITIONS, CLUBS
AND PLAYERS

WIN/LOSS RECORD;
PREMIERSHIPS; MEDALS;
RANKINGS

PARTICIPATION
RATES

Team performance & elite success

Clubs competing in national league competitions, NSO's and SSO's are interested in maximising the performance of their respective teams and elite competitors. 'Generic' respondents highlighted four common constituents affecting team or elite performance: first, coaching; second, medical support; third, conditioning; and finally, recruiting (or talent identification for NSO/SSO's). Coaching competence is considered pivotal to the performance of athletes, irrespective of whether it is a team or individual sport, with the commonly agreed performance measure for coaches being player/athlete skill. Medical support is also significant, particularly for 'professional' athletes, who in 'Generic' rationalist terms are 'assets' of the sport or club, irrespective of whether they are contractually paid or are the recipient of a sponsorship via elite athlete development bodies such as the Australian Institute of Sport. Medical support comes in the form of injury prevention, management and rehabilitation, and standard performance measures include number of injuries, seriousness and recovery time. Conditioning can involve strength, flexibility, agility, speed and endurance, may be co-ordinated and directed by specialists rather than skills coaches, and is measured in terms of player/athlete fitness. Finally, recruiting or talent identification can play a role in the sustained performance of a team or sport. Performance measures include the 'potential' talent of the players/athletes, and the proportion of players/athletes 'discovered' that are ultimately successful. These performance measures culminate in an absolute performance indicator; overall performance in competition. Team and elite performance are typically measured in terms of win/loss records, titles, premierships, medals and rankings.

Participation

NSO's and SSO's have the added encumbrance of bolstering participation rates in their sports. Aside from special programs, participation is generally managed through junior development and senior competitions. Junior development is generally measured by the specific number of individuals participating, and the senior competitions are typically measured in terms of number and location of competitions and clubs involved.

B) Financial management

Financial management, according to 'Generic' respondents, involves the management of income and expenditure, assets and liabilities, and cash-flow culminating in financial planning in the form of budgeting. Chart 4.14, on the following page, illustrates the components of financial management.

Chart 4.14 - Financial management

- FINANCIAL MANAGEMENT ↔ BUDGETING PROCESS

- PROFIT/LOSS MANAGEMENT
- CASHFLOW MANAGEMENT
- ASSETS/ LIABILITIES MANAGEMENT

- INCOME
- EXPENDITURE

- ASSETS
- DEBTS

- GOVT.
- OPERATIONS
- SPONSORS
- WAGES
- MEMBERS
- SERVICES

- CURRENT
- FIXED
- CURRENT
- DEFFERED

- PROFIT/LOSS STATEMENT
- CASHFLOW STATEMENT
- BALANCE SHEET

- PERFORMANCE MEASURES

- FINANCIAL STABILITY
- PROFITABILITY
- LIQUIDITY
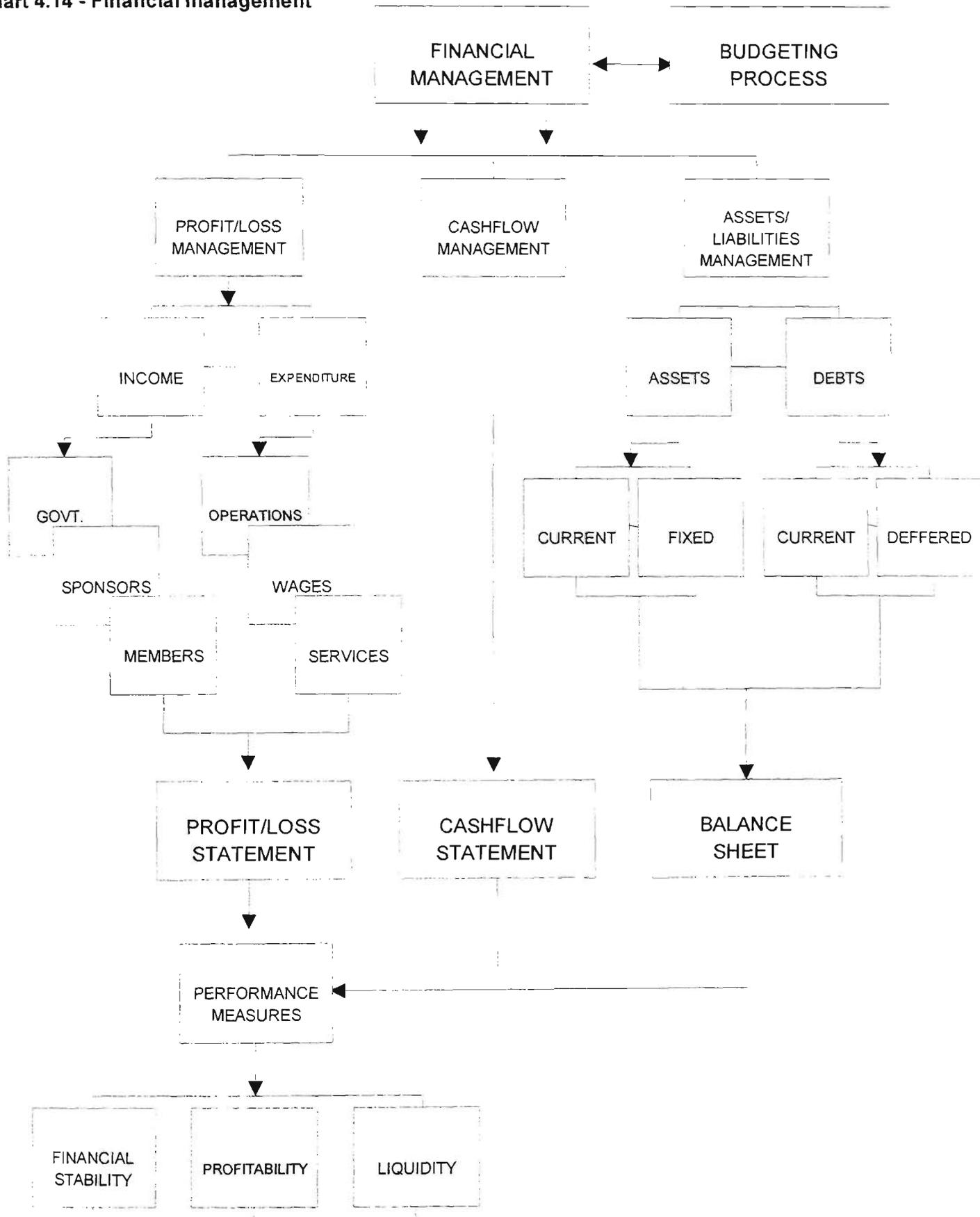
Profit is not a dirty word

Much of the 'Industry' and 'Generic' approach to financial management is similar, but the most significant difference is their respective attitudes toward the acquisition of a budget surplus, or in 'vulgar' terms, a profit. Every 'Generic' respondent maintained that they budgeted for a surplus in 'normal circumstances'. Abnormal circumstances included large capital investments such as the acquisition of facilities, the failure of debtors to pay on time, market fluctuations such as economic recessions where sport consumers' disposable incomes were eroded, sponsorship loss, and the rapid loss of members usually as a result of a serious team/athlete performance slump. While many 'Spot-fire', 'Small-business' and 'Industry' administrators would argue that these 'abnormal' circumstances are not particularly abnormal in sport, it is rare for 'Generic' administrators to declare a balanced budget. Furthermore, it is unthinkable for a 'Generic' administrator to declare a deficit; such a result is considered in the damning words of two respondents, 'economic and financial vandalism', and 'the realm of the incompetent, the infirm, the stupid, the intellectually disadvantaged, or the past player turned manager'.

In general, 'Generic' administrators achieve a 'profit' (they were the only respondents who weren't afraid to use the word), with the objective of reinvesting it back into the organisation. The result, as they see it, is the continual expansion and augmentation of the organisation's relative fiscal position, which they consider paramount to both the long-term survival of the organisation, and its high-level performance.

Profit and loss management

As indicated in Chart 4.14, one of the constituents of financial management is profit and loss management, which includes the control of all incomes and expenditures. Income comes from three predominant sources: first, the government; second, sponsorships; and finally, membership. Government income has been covered in detail in prior sections and comes in the form of grants to NSO's and SSO's, with little provided to 'Generic' respondents in 'Global' organisations. As most of the

income generated by 'Generic'/'Global' organisations is internal, sponsorship tends to be seen as what one respondent called, 'the icing on the cake', although in some organisations this 'icing' is pretty thick; sometimes up to thirty percent of the gross income. Membership, is the largest source of income for 'Generic'/'Global' organisations, which also includes money obtained from the gate receipts of spectators and income generated form miscellaneous activities such as merchandise and raffles.

In a similar way that respondents identified three primary income sources, they identified three primary expenditure categories. First, operational expenses which covers all an organisation buys in order to continue the functioning of the business. This includes facility rental, office equipment, leased equipment, furniture, stationery, travel and utility expenses. Second, those expenses incurred as a result of the payment of wages and salaries of all part and full-time employees. Third, are expenses associated with specific services, which for an NSO or an SSO may take the form of sporting equipment or the rent or lease of playing facilities. For national league clubs, service costs may include promotional items such as posters, and informational services such as newsletters.

Information concerning income and expenditure is expressed in an organisation's profit and loss statement. Details on profit and loss statements for sporting organisations was provided in the financial management section for 'Industry' administrators, and applies equally for the 'Generic' group. The performance measure for the profit and loss status of an organisation is profitability. Respondents provided two quantifiable measures for profitability, both in the form of a ratio: first, gross profit to sales, and second, net profit to sales. In sporting organisations, these can be expressed as gross and net operating surplus to annual income, and is set in terms of a percentage, the higher the percentage, the greater the organisation's profitability. Respondents did not specify 'ideal' ratio ranges.

Cash-flow management

Cash-flow is also described in the financial management section of 'Industry' administrators, and is not explained in detail again here. To recap, however, cash-flow refers to the degree or amount of liquid assets that the organisation deals with, and is highlighted in the cash-flow statement, also described earlier. The common performance measure for cash-flow is financial liquidity, which can also be expressed as a ratio, current assets to current liabilities. The higher the ratio, the greater the liquidity of the organisation's financial resources. According to respondents, an 'ideal' ratio for liquidity was between 2:1 and 5:1. Less than 2:1 indicates a lack of liquid resources, while greater than 5:1 indicates that too much capital is tied up in liquid resources (usually cash).

Assets and liabilities management

Assets and liabilities management includes everything that the organisation owns, and everything that it owes to others. Respondents described assets as either current which means they have high liquidity, or fixed (non-current) which means they have low liquidity. Liabilities (debts) can be either current (short-term) or deferred (long-term), and are described in an organisation's balance sheet. More detail concerning assets and liabilities management can be found in the financial management component of the 'Industry' discussion, as the concepts are identical.

'Generic' respondents' most common performance measure for assets and liabilities was financial stability, which includes liquidity, measured from the cash-flow statement, and long-term viability (also called long-term solvency) which is measured as a debt to asset ratio. Total debt is measured as the sum of all liabilities, long and short term, while total assets includes everything owned by the organisation, and everything owed to the organisation. The higher the ratio, in percentage terms, the higher the financial leverage of the organisation, and the stronger its financial stability. Respondents could not agree on an 'ideal' debt to asset ratio. Several observed that no debt at all is 'ideal', while others suggested that a debt to equity of

1:1 is workable. All agreed that a ratio of less than 1:1 is undesirable and ultimately disastrous.

C) Marketing management

'Generic' respondents described several ingredients for successful marketing management. They argued that the process hinges upon the establishment of a well-constructed 'marketing mix', which depends upon the identification of an appropriate target audience, via market research. The marketing mix itself is determined from the analysis of what was commonly termed, the 'four P's', consisting of product, price, promotion and place. Chart 4.15, on the following page illustrates the ingredients of marketing management.

Chart 4.15 - Marketing management

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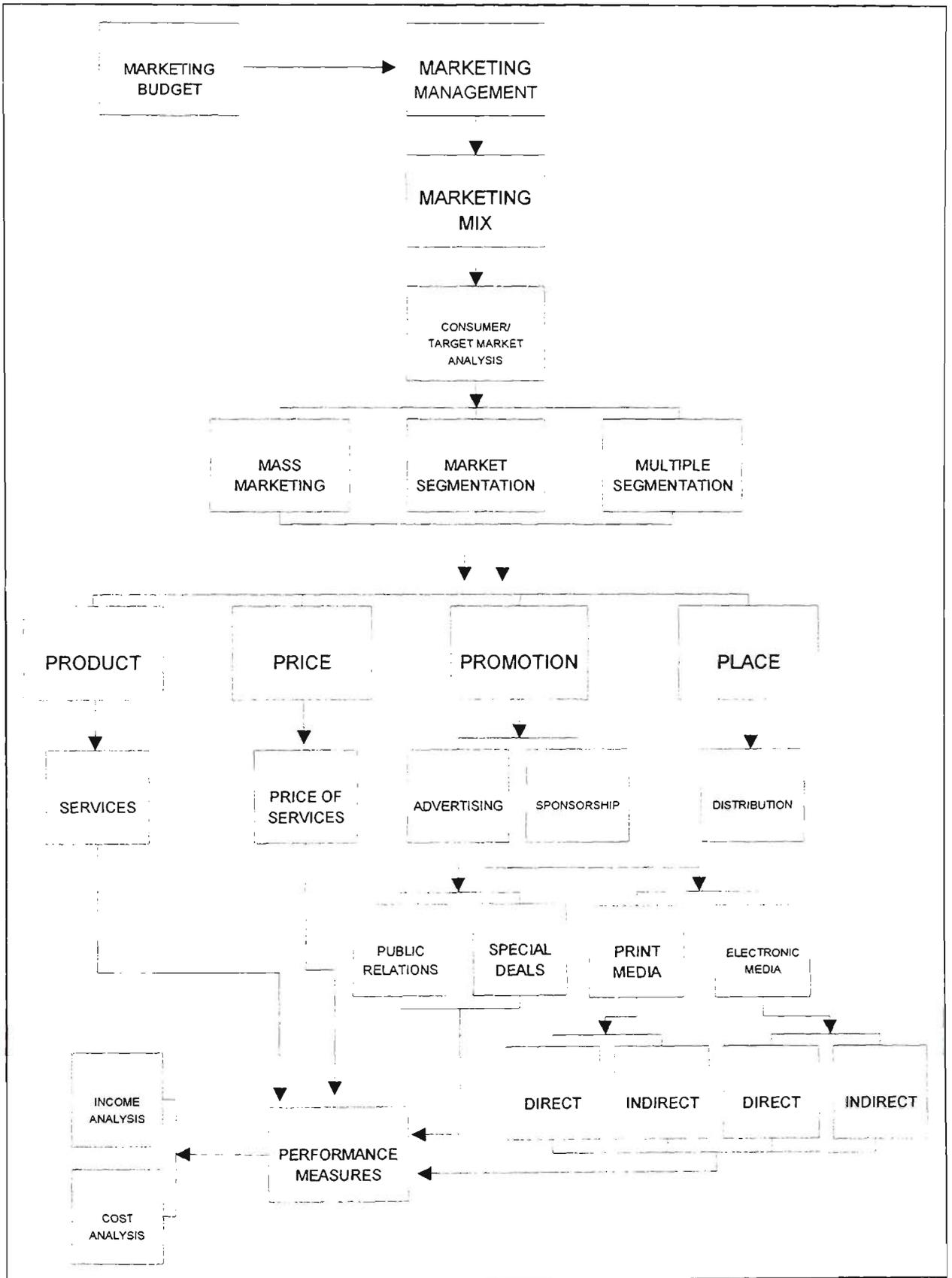
The market

While the term market in an economic sense traditionally refers to a location where buyers and sellers meet, in discussing marketing management, 'Generic' respondents defined the concept of a sport market in terms of the demand made by a certain group of potential buyers for a set of, or a specific service. Not surprisingly, given their predisposition toward a generic business approach to management, they pointed out that the sport market, while unique in its own characteristics, functions within the same operational system as any other market. One respondent described this feeling succinctly: 'The fact is that I would use the same marketing techniques that a marketing department might use to sell a can of baked beans'. Therefore, like any business, sporting organisations must pay particular attention to identifying the correct target market(s) before embarking on any marketing strategies.

Consumer/target market analysis

Respondents noted three central approaches to defining the target market: first, mass marketing; second, market segmentation (also called market separation); and third, multiple segmentation (also called multiple separation). However, before any of these market selection techniques can be applied, the entire base of potential consumers must be established. In other words, before any specific group of sport consumers can be targeted, the question, 'who are (potential) sport consumers?' must be answered. This is achieved by creating a 'demographic profile' of consumers, which includes statistical information concerning the attributes of the population of sport consumers, and can be obtained from several sources. 'Generic' respondents often have the resources to enlist the services of marketing firms and other institutions containing market research publications, such as the Australian Bureau of Statistics, universities and libraries. However, respondents maintained that the most valuable information is always acquired first hand, through what one called 'primary research' such as membership surveys. Often this primary data can be retrieved by marketing companies or marketing specialists (if they're on staff), through direct mail, telemarketing, and 'point of purchase' (or in this case participation) surveys. All six 'Generic' respondents mentioned four factors that determine the sport

consumers' demographic profile: first, age; second, gender; third, occupation; and finally location. Additional factors mentioned by two or less respondents included education, marital status, income and mobility.

Once the entire population of potential and existing sport consumers is defined broadly according to demographic variables such as age and gender, the target market strategy can be determined. The first approach identified was called mass marketing, and was described as the 'old-fashioned way', despite 'the fact that it is still being used by the majority of sporting organisations'. Mass marketing is an approach where the total market is viewed as a single unit, or one mass, aggregate market. This approach does not recognise separate or individualised parts of the market, nor does it seek to acknowledge the potential to classify consumer groups. 'Generic' respondents rarely use this method, and claimed to never use it exclusively.

The second method identified is known as market segmentation, where the marketing plan is targeted at one specific demographic component of consumers. This concentrated approach is popular, as one respondent put it, 'because it identifies one sector of the market and pitches the marketing mix directly at them'. Although relatively inexpensive, respondents cautioned that it is best used by sport organisations that have a defined 'niche', as market segmentation is a narrow method.

The last method identified is also the most used, and is known as multiple segmentation. Multiple segmentation is an approach where the marketing plan is designed to appeal to more than one market segment, and each market segment, or specific group of consumers, is targeted with an individualised marketing mix. Multiple segmentation combines the first two methods described, combining the 'shot-gun' approach of mass marketing with the 'sniper' approach of market segmentation. 'Generic' respondents recommended multiple segmentation as the 'best' approach.

The 'four P's'

The marketing mix consists of what respondent's described as the 'four P's': product, price, promotion and place, and can be determined once the target market has been identified. 'Generic' respondents were the only group to identify the 'central' and traditional themes of the marketing mix, and all of the six respondents in this category described their marketing mix within these four themes. Several also mentioned 'people' as a possible addition, but preferred to discuss it under the heading of human resource management.

Product

Respondents distinguished two main products associated with sporting organisations: primary and secondary products (also named core and peripheral, main and associated, central and extensions, and tangible and intangible). The primary product is the sport itself, and can be viewed from a participation or a spectator perspective. Thus, the primary product that a sport organisation can offer is either watching the sport (or team play the sport), or actually participating in the sport. There are a number of secondary services associated with this primary product, including regulation and co-ordination of the sport/game, safety, convenience, comfort, and facility quality, such as equipment, amenities, and food.

It is the role of the administrator to decide what services should be offered by their organisation. As one respondent noted, this is particularly difficult considering that, 'the very attributes of sport that make it appealing, such as the uncertainty, the opportunity for socialising, the emotion, and the irrationality, all make it more difficult to market'. Nonetheless, the administrator must carefully select what services are to be provided, and to whom.

'Generic' administrators employed by clubs are particularly interested in servicing the corporate sector, which is achieved by offering corporate boxes and 'packages' where companies send executives to watch matches in restaurant style comfort. In addition, 'standard' services designed to generate supplementary income are also

used in abundance, including player dinners, contests, raffles and other fund-raisers. Clubs also offer various, and typically progressive membership levels that entitle members to increased access to services, along with added privileges .

Price

Associated with the product and services provided are its costs, and as a result 'Generic' respondents attempt to value the services they provide to be commensurate with its cost, plus enough to as one respondent put it, 'make it worthwhile'. As sporting organisations are generally not privately owned in Australia, they have a difficult task, attempting to achieve the concomitant objectives of a working surplus and a 'fair' price for their customers, who in many cases are members or 'shareholders' of the organisation. However, 'Generic' respondents pointed out that these pricing difficulties are no different to any other organisation, as all organisations must price their product or service in such a way as to maximise their returns. As one respondent rationalised, if the price in unfair, 'the laws of supply and demand will regulate the price until it satisfies customers'. In short, people will not enter into the transaction unless they believe it is equitable.

'Generic' respondents highlighted four pricing strategies: first, skim; second, penetration; third discount; and finally 'exchange' pricing. Skim pricing was acknowledged but is seldom used, according to 'Generic' respondents, and involves setting a particular product or service at an inflated price when the product or service is held in monopoly. In such a case demand must be inelastic; no matter what the price, consumers will buy it. Three respondents suggested that the purpose of skim pricing is to exploit consumers, and for this reason is overlooked by 'Generic' respondents despite the fact that some of their services are held in monopoly. There are examples of skim pricing in sport, but they tend to be short-term, such as grand finals or special events.

Penetration pricing is the opposite of skim pricing, its purpose to appeal to a large volume of consumers, usually with the objective of getting them 'hooked'. Prices are

set below cost in an attempt to stimulate demand, and again are understood and well-accepted by 'Generic' respondents, although infrequently used. However, one respondent did mention that, 'sport services do have a life-cycle like any other product', and penetration pricing may be effective at the end of a product or services' life cycle.

Discount pricing involves the decrease in price of a service or product in special circumstances, which can range from 'sales' and 'promotions' to 'two for one' offers. Irrespective of the reason, discount pricing is a powerful method of penetration pricing without permanently lowering the price and therefore the value of the product or service. 'Generic' respondents unanimously agreed that discount pricing is used extensively throughout the sport industry, and is typically well received.

Exchange pricing, in contrast to the previous three methods, is somewhat non-traditional, and was only mentioned by one respondent. The concept was developed in an attempt to combat cash-flow problems by engaging in reciprocal trade; exchanging corporate boxes, signage, tickets to events and access to players and athletes for 'everyday' items including furniture and paper, as well as other necessities such as travel, accommodation and advertising. Exchange pricing is little more than bartering, allowing asset rich, cash poor sporting organisations to 'save' their liquid finances.

Promotion

Respondents divided promotion into advertising and sponsorship. As one respondent pointed out, although technically 'incorrect' according to traditional marketing theory, 'Generic' respondents tended to classify publicity and sales promotions under the 'advertising' heading, instead of under categories of their own. Promotions includes anything to do with communicating with the target market, with respondents placing a heavy emphasis on advertising within the promotional mix. Advertisements are messages concerning the organisation's product or service, and can be distributed via a number of different forms, but are generally distributed

through either print or electronic media avenues. Within this classification, advertising can be direct such as direct mail or telemarketing, or indirect such as newspapers, flyers, television and radio. 'Generic' respondents specified that a direct system is most effective because of changing market conditions, as described in the comments of one respondent:

> *There's so much changing in marketing, none of us can sit back. We have to be proactive. We spend a lot of time telemarketing and database marketing. Instead of just blanket promotions, we are doing direct mailing in order to pinpoint the target market. The more specific the more powerful.*

Public relations represents an organisation's overall attempt to generate a positive image concerning their product or services. In addition, sales promotions enhance an organisations ability to sell its products and services, and can include strategies such as give-aways, special deals, raffles, and contests.

The second major component of promotion, according to 'Generic' respondents, is sponsorship. One respondent noted that sponsorship is traditionally included under the 'personal selling' component of promotion, but was not mentioned by any other respondents, although two described the processes involved in personal selling, without mentioning it by name. The acquisition of sponsorship is highly valued, and when it is secured it is rigorously defended through evaluation reports, and any tangible evidence available to convince sponsors of their continued 'value for money'. As on respondent observed, 'if we don't perform, then we're out. So we spend a great deal of time nurturing those sponsorships and the money that comes in'. Furthermore, administrators have to be prepared to sell their sport or club very hard, which in practical terms means offering sponsors something they cannot refuse; creating a win-win scenario, which was noted by one respondent:

> *Yes, we have some guidelines set about as to what we think the sponsor would like. We have a very commercial marketing strategy. We would say to a sponsor, climb on board with us, and we will do this for you. Not I need you're money because I want to do something. We always go in on the basis that, 'look here is the market, I can increase you're market share by ten percent if you climb on*

Associated with this concept of selling sport is the dominant belief that sport sells itself, via the marketing of sport heroes. Four respondents described what one named the 'push-pull' promotional approach, which holds that organisations must promote their sports at both the 'grass-roots' level as well as the elite level. Thus, junior-development programs 'push' up young players into the senior ranks, and successful elite 'heroes', 'pull' participants up to the senior and elite levels. This approach works in both NSO's and SSO's as well as clubs, where more members, and more juniors are required as potential members.

Respondents accentuated the importance of selling heroes as much as physically promoting the playing of the sport. In other words, it is essential to capture the imagination of potential participants, not just their attention, as the following comment illustrates:

> *If you look at the NBA, they don't sell basketball, they sell the Shaq, Jordan, etcetera. And those people, coincidentally sell basketball. We only need to bring up the elite players to assist in the development of the younger players. It's all cyclical. It's an issue of making the sport part of sporting culture. Look at the AFL. Not that many people go to see the teams play, but everyone supports a team. It's part of the culture of the city. Beyond awareness, you can't get away from it. There is nothing worse in Melbourne than September for someone who doesn't like AFL football. Allegiances need to be created. This is extremely difficult.*

Place

Place includes the geographical location of the products and services offered by sport organisations, and the distribution channels through which they are delivered. Generally, as sport services are delivered 'on-site' at specific facilities, there are few

distribution channels to consider. However, the distribution of tickets for events was mentioned, although modern computerised systems take the 'headache' out of traditional seat allocation and booking difficulties. However, respondents emphasised that the location of facilities for the delivery of sport services must be given lengthy consideration.

Performance measures

Performance measures for marketing management are a useful, practical indicator of how the systems approach to professional management practice works. Performance measures are intricately related to the financial management of the organisation, and were categorised into either income analysis or cost analysis. Income analysis is conducted by examining the net income each product or service line has delivered, and the income obtained from each market segment. By doing this, administrators can determine the percentage of their net income that is derived from each service and gain an insight into the effectiveness of their marketing for each target segment. However, respondents pointed out that the weakness of this approach is that it fails to take into account the resources invested in each area. For example, service A may generate twice the income than service B does, but may cost four times as much. To combat this potential inaccuracy, respondents suggested cost analysis, where the profitability of each service and market segment is measured instead of its total revenue.

D) Facility management

The fourth management area highlighted by respondents was facility management, which refers to the practices associated with the rent, lease, ownership, and operation of real estate and venues, for the administration, practice or playing of a sport. 'Generic' respondents discussed four distinct components of facility management: first, playing facilities; second, office facilities; third, training facilities; and finally, social facilities. Facility management is diagrammatically represented in Chart 4.16, following.

Chart 4.16 - Facility management
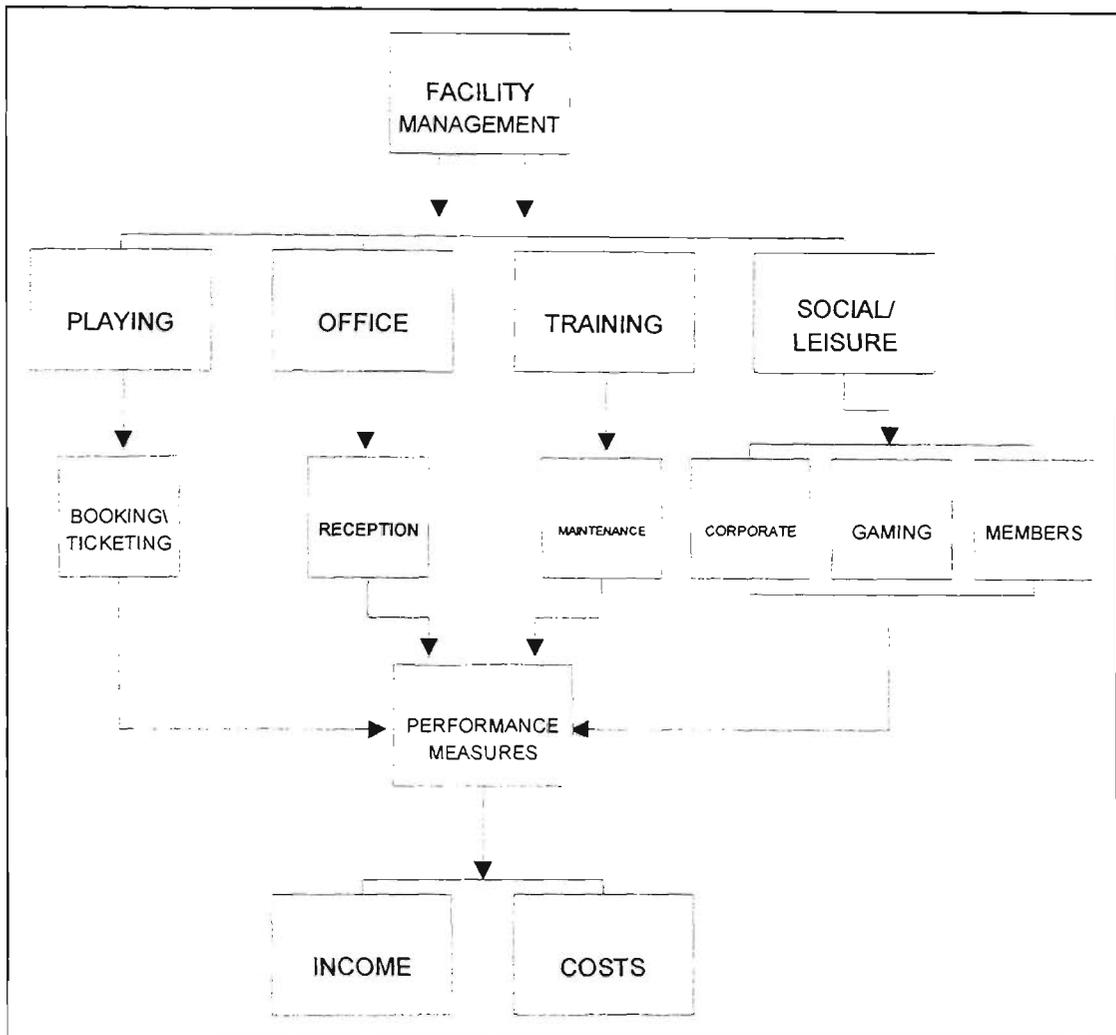
Playing Facilities

Actual playing facilities can vary for clubs in national league competitions, elite athletes and teams competing under the auspices of state or national representation. Large facilities are normally managed independently, and administrators do not often have to concern themselves with logistical management within venues. However, they usually have ticketing systems through which customers can book events and specific seating, which is normally arranged through office reception staff, who use computer software to manage bookings.

Some sport organisations own or lease their own facilities and run all their events at the central location. These organisations, and clubs in smaller competitions use these facilities both as playing and training venues.

Office facilities

All 'Generic' respondents work within comparatively large office structures, which for sport translates to more than thirty employees within the organisation. Office facilities are no different from owned or leased venues in their management practice requirements; administrators must see to the payment of utilities and rent, as well as maintenance. In addition, as office facilities are the 'face' of the organisation, particular attention must be given to the selection and training of appropriate reception officers. This however, comes under the banner of human resource management, but as always in the 'Generic' approach, all management practice areas are interrelated.

Training facilities

The dominant concern for administrators whose organisations lease training facilities, is finding appropriate venues and negotiating their use. Respondents did not provide much detail in this area, arguing that most facility management practices are extensions of other fundamental principles. However, their allegiance to a systems approach to professional management practice necessitates the inclusion of facility management, as a piece of the 'big picture'.

For administrators managing owned training facilities, the dominant interest is on continued maintenance of the venue, where safety and appropriateness are the key issues. Athletes and players must be able to train in safety, in an environment that mirrors actual competition conditions as closely as possible. Furthermore, players and athletes must have access to the appropriate pre and post training equipment and amenities, such as weights and showers/changing rooms, respectively. Maintaining these areas necessitates hiring or finding staff who can undertake a

number of activities, including cleaning, grounds-keeping, equipment maintenance, and can operate essential facility systems, such as lighting, plumbing and power.

Social facilities

Social and leisure facilities were divided into three areas: first, corporate; second, gaming; and finally, members. Corporate social facilities are those provided to companies at playing venues. Gaming facilities, if available (usually limited to clubs), are located at the organisation's headquarters, which normally house both the office and training facility as well, and in addition, members are often provided with special access to social facilities and to playing facilities.

Performance measures

Performance measures for facility management are similar to those used in marketing, which in turn are derived from financial management. The 'systems' approach advocated by 'Generic' respondents presupposes that financial measures are ultimately 'core' indicators, with facility indicators based on two financial measures: income and costs. Income is measured by calculating the net income facilities earn, and is undertaken for playing and social facilities. Similar to marketing management, this net income earned must be examined in light of profitability, which is achieved by calculating the costs involved in maintaining and utilising facilities, and subtracting them from net income, leaving profitability.

While costs can be measured for training and office facilities, they generally create no reciprocal income. Thus, evaluating their management is a more difficult task, and there were no universally suggested measures. Methods used included comparative costing, where operating costs are contrasted with previous years accounting for inflation, player/athlete complaints, coaches' feedback, and 'general' organisational performance and success.

E) Human resource management (HRM)

Respondents agreed that human resource management is the process of achieving organisational objectives via the 'best' use of human resources in an organisation. 'Generic' respondents described five components of human resource management: first, employment; second, wages & salaries; third, employee relations; fourth, training & development; and finally, employee benefits & services. Chart 4.17 illustrates these components.

Chart 4.17 - Human resource management
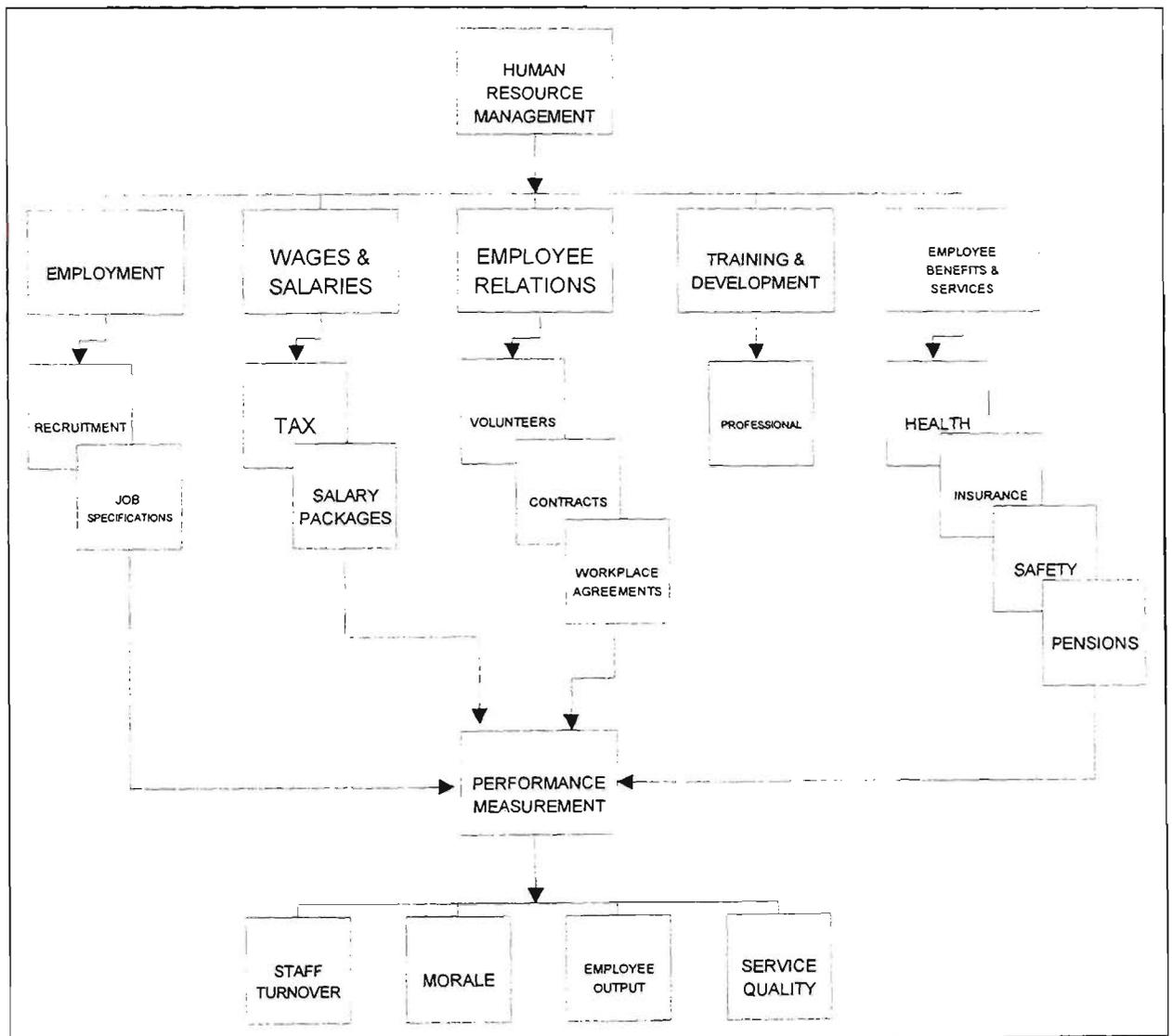
Employment

According to one 'Generic' respondent, 'an organisation is only as effective as its employees are competent' (an example of the rationalist professional management orientation where competence is favoured). Thus, HRM practices necessitate the acquisition of qualified and skilled employees. Recruitment is split between two types of employees: those working within the administration of the organisation and those playing sport in representation of the sport or organisation. Employees involved in the administration of the organisation are hired in the traditional way, via a rigorous process of advertising, resume analysis and interviews. 'Generic' respondents stand out from the other three categories of professional management in both their own, and their preferred employees' backgrounds. 'Generic' respondents tend to come from traditional, commercial business backgrounds, and tend to hire employees with business backgrounds. In fact, four out of the six 'Generic' respondents were hired directly from commercial firms, and estimated that approximately eighty percent of their employees were similarly acquired from the 'commercial business world'. This is the way they like it, as the following comment attests:

> *When I'm looking for someone I don't look necessarily for someone from the sporting world. In fact, I insist on hiring people that aren't looking for the job here because they like the sport. I find that an ambivalence toward this sport is healthy for getting the right employee. So, if I need someone in marketing, then I'll get someone with a marketing background from business. Same with every other area. They simply are better than interested sport lovers.*

'Generic' respondents place a hefty importance on accurate and detailed job specifications, which according to one respondent, forces employees to know, 'precisely what they are expected to do, and how it impacts on the rest of the organisation'. Other components of job specifications include, technical information, decision-making and information processing skills, physical requirements of the job, communication skills, working conditions and work responsibilities.

The player/athlete side of recruitment is not within the domain of 'Generic' administrators, but rather is undertaken through development management by coaches and talent scouts.

Wages & salaries

Employees are compensated for their work time through wages and salaries (respondents used the terms interchangeably, although one noted that they are technically different - wages are cash, whereas salaries can encompass additional features, such as company cars). The management of employees' wages and salaries also relates to financial management, with respondents focusing on two areas of wages and salaries management: tax and packages. While two areas were mentioned, they were closely linked, as the purpose of salary packaging is to minimise tax by taking maximum advantage of tax law. Respondents did not provide details concerning the processes of salary packaging; when they were unable to provide information concerning the specifics of certain practices, they commonly reacted by commenting that administrators need not have all the answers; simply all the questions, as one respondent's comment highlights:

> *How much detail do you want...I can call in my accountants or whoever...but you have to understand, the best managers don't need to know everything. What is important is knowing what you don't know, if you follow me. There are always specialists to do the nitty-gritty. My role is to take the big-picture, to look at this organisations' operations from a macro perspective. A professional approach is a macro approach, where you have to know what has to be done, but you don't have to necessarily do it all yourself.*

Employee relations

In discussing employee relations, 'Generic' respondents mentioned the importance of developing working relationships with volunteers, establishing contracts and negotiating workplace agreements within the boundaries of enterprise bargaining.

All categories of respondents, including 'Generic' respondents emphasised the importance of handling volunteers successfully. Even comparatively wealthy organisations such as those fitting the 'Insular' and 'Global' categories could not function without the assistance of volunteers. One 'Generic' respondent went so far as insisting that, 'the most important ingredient for a sport organisation is to have a dedicated group of volunteers.' Several 'Generic' respondents also argued that finding the appropriate balance between directing and co-ordinating volunteers and still allowing them a sense of ownership of the sport or club, requires considerable communication, skill and, as one respondent commented, '…the sort of cunning hitherto the exclusive domain of politicians and '80's entrepreneurs'. Another respondent emphasised this point:

> *Our job is to provide the volunteers with leadership and guidance and a sense of direction about where the sport ought to be. But you work alongside of them so they must feel they own it. And that sense of ownership is pretty important for volunteers. So that's one art in sport where a manager probably needs some pretty developed human resource management practices.*

Respondents pointed out that their jobs often involve accessing and co-ordinating hundreds of volunteers, although the difficulties associated with managing 'low level' volunteers is only half of the equation. The other half comes from 'above', in the form of the volunteer board or committee, to whom paid administrators report. Despite all that was said concerning what one respondent described as the 'harrowing nature of dealing with volunteer boards', virtually no management practices were described to combat the situation. However, one idea was suggested by two respondents, which involved setting the specific job specifications for the head administrator. In 'normal' circumstances, the head administrator is told by the board precisely what they are responsible for and what they are 'allowed' to do in resolving these responsibilities. However, instead of spending weeks negotiating with boards as to what they are allowed to do (respondents always wanted more power), two respondents suggested that the head administrator should always ask what they aren't allowed to do. This way, the board can quickly determine a handful of practices and situations that are unacceptable to them, such as exceeding the

budget, and appointing employees without board approval. In general, boards find it difficult to generate lengthy lists concerning what shouldn't be done. The result is that everything not mentioned on the 'don'ts' list is assumed as 'carte-blanche' territory, where administrators can act freely.

Administrators also maintained that an understanding of contract negotiation and particularly enterprise bargaining is an essential component of human resource management. They argued that the key to enterprise bargaining is to develop trust between employer and employees, so that a genuine 'win-win' result is obtainable. The same is true of workplace agreements, where specific conditions are negotiated, to ensure employee satisfaction and safety.

Training & development

While 'Generic' respondents stressed the importance of training and re-training programs for employees, they were sketchy in detailing the practices required. However, they did acknowledge that to be effective, training must achieve a number of objectives: first, it must meet individualised needs within an organisational needs analysis, or in other words, training must be for a specific purpose, not just for the sake of it. Second, training objectives must be spelled out, and third, it must be conducted by people who specialise in providing formalised, official and systematic training. Training can either be 'on-the-job', lead by another employee, or 'professional' in orientation, based in universities or higher education institutions such as technical colleges.

Employee benefits & services

Benefits and services are forms of compensation other than wages and salaries. In many cases they are required by law, but otherwise are developed to improve employee satisfaction, attracting and securing employees, and for security purposes. Benefits were described as financial in nature, such as insurance, pensions and

superannuation, whereas services are non-financial, such as health and safety conditions.

Performance measures

Standard performance measures for human resource management were staff turnover, morale, and employee output and service quality. Staff turnover is measured comparatively against both past internal figures, and industry norms (although there were none that respondents could name, but they acknowledged the concept and claimed to measure subjectively against other 'similar' industries). Morale is even more elusive, and is measured qualitatively, by 'feel' and employee output. Service quality is measured partially through qualitative means; general accuracy, economy and competence of the employee, as well as complaints, and partially through quantitative means, especially where employees are directly responsible for certain management areas, and can be statistically measured according to their output.

F) Special projects management

Special projects management includes those programs introduced by organisations that are proposed, mapped out, or in production, but aren't yet considered under another management practices area. While the management practices used are the same as those applied to other management disciplines, 'Generic' respondents cautioned that undertaking a 'special project' is time consuming and precarious, and as one respondent put it, sometimes 'requiring individualised and specifically adapted practices'. This depends on the nature of the project; specifically whether it's a single, 'one off', or an ongoing project, as Chart 4.18, on the next page illustrates.

Chart 4.18 - Special projects management


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                    │  SPECIAL PROJECTS    │
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     └───────────┘          └──────────┘ │  AREAS   │
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SPECIAL PROJECTS MANAGEMENT

NATURE OF PROJECT

SINGLE/ 'ONE OFF'

ONGOING

EVENT M'MENT

INFRA-STRUCTURE

OTHER MANAGEMENT AREAS

CULTURE

DEVELOP-MENT   MARKETING   FINANCIAL   FACILITY   HUMAN RESOURCE

PERFORMANCE MEASURES

MEETING PRE-DEFINED GOALS

303

Content and context

All six 'Generic' respondents highlighted the importance of managing special projects, particularly as vehicles for change management or organisational development and survival. Special projects commonly included the accruement of finances for ventures ranging from venue purchase to organisational survival, as well as recruiting drives, 'grass-roots' development programs, programs for the disadvantaged, and cultural change ventures. According to respondents, special projects warrant an independent management practice area because the context in which special projects are undertaken is different to 'normal'. In other words, while they view the practices themselves used in the management of special projects as similar to ones in other management practice areas, the situation in which they are used can be different. Special projects are a, 'microcosm of management itself', according to one respondent, requiring practices related to infra-structure, marketing, finance, facility, human resource, culture and event management. While the content is essentially the same, they consider the context sufficiently different to require, as one respondent suggested, 'unique action, modified to the specific project, and restricted by environmental and financial variables'. Although this 'context' argument sounds similar to that employed by 'Spot-fire' and 'Insular' administrators to support the view that that sport is a unique form of business, respondents do not see it this way, as the following comment indicates:

> *Context is only irrelevant to the practices needed. That's what I mean when I say sport should be managed like any other business, but that doesn't mean that co-ordinating a particular project won't require a certain acumen that is a unique blend of what we might call 'professional' management practices. In this case what is professional practice in managing a project includes dealing with the context in which it is placed.*

The 'context' of special projects typically includes restricted time, financial resources, human resources and flexibility. Generally, special projects are highly specific in nature and demanding in action. For example, a club may decide it needs to raise one million dollars in four months in order to survive, or an NSO may launch a six-month intensive program to train Olympic bound athletes, as a certain number of

Olympic medals is the only avenue for maintaining commercial or government sponsorship. Such parameters make management exceedingly troublesome, exacting according to one respondent, 'all the professional management practices an administrator can muster, all compressed into a fraction of the time and with exponential pressure'.

Single 'one-off' projects

The above examples are single, 'one-off' projects, and tend to require event management practices. Event management is discussed in a subsequent section.

Ongoing projects

Ongoing projects are eventually subsumed by other management systems, such as marketing management or facility management, with single projects often turning into successful ongoing programs. For example, should a preparation program for the Olympics be successful, then it may be instituted as a permanent fixture.

Performance measures

'Generic' respondents suggested that special projects should be evaluated on the basis of whether they achieve their pre-determined objectives. However, they could not provide any alternative measures, nor could they describe in detail how to go about comparing actual results with pre-defined goals in a quantitative as well as qualitative way.

G) Infra-structure management

Infra-structure management describes the management of the internal mechanisms of the organisation, including the sub-structural composition of an organisation and its inner workings. According to non-'Generic' respondents, infra-structure should theoretically be largely determined by the formal organisational structure in place, however, 'Generic' respondents argued that the opposite should be the case. They reported that factors such as communication, leadership, power, motivation and flexibility are the core of the legal and clerical operational systems, which determine standard policies and procedures, as well as shape the formal organisational structure. This relationship is depicted in Chart 4.19, on the next page.

Chart 4.19 - Infra-structure management

INFRA-STRUCTURE
MANAGEMENT

STRUCTURAL
SYSTEM

| COMM-UNICATION | LEADER-SHIP | POWER | MOTIVATION | FLEXIBILITY |

OPERATIONAL
SYSTEM

LEGAL   CLERICAL

STANDARD
POLICIES &
PROCEDURES

PERFORMANCE
MEASURES

QUALITATIVE
OUTCOMES
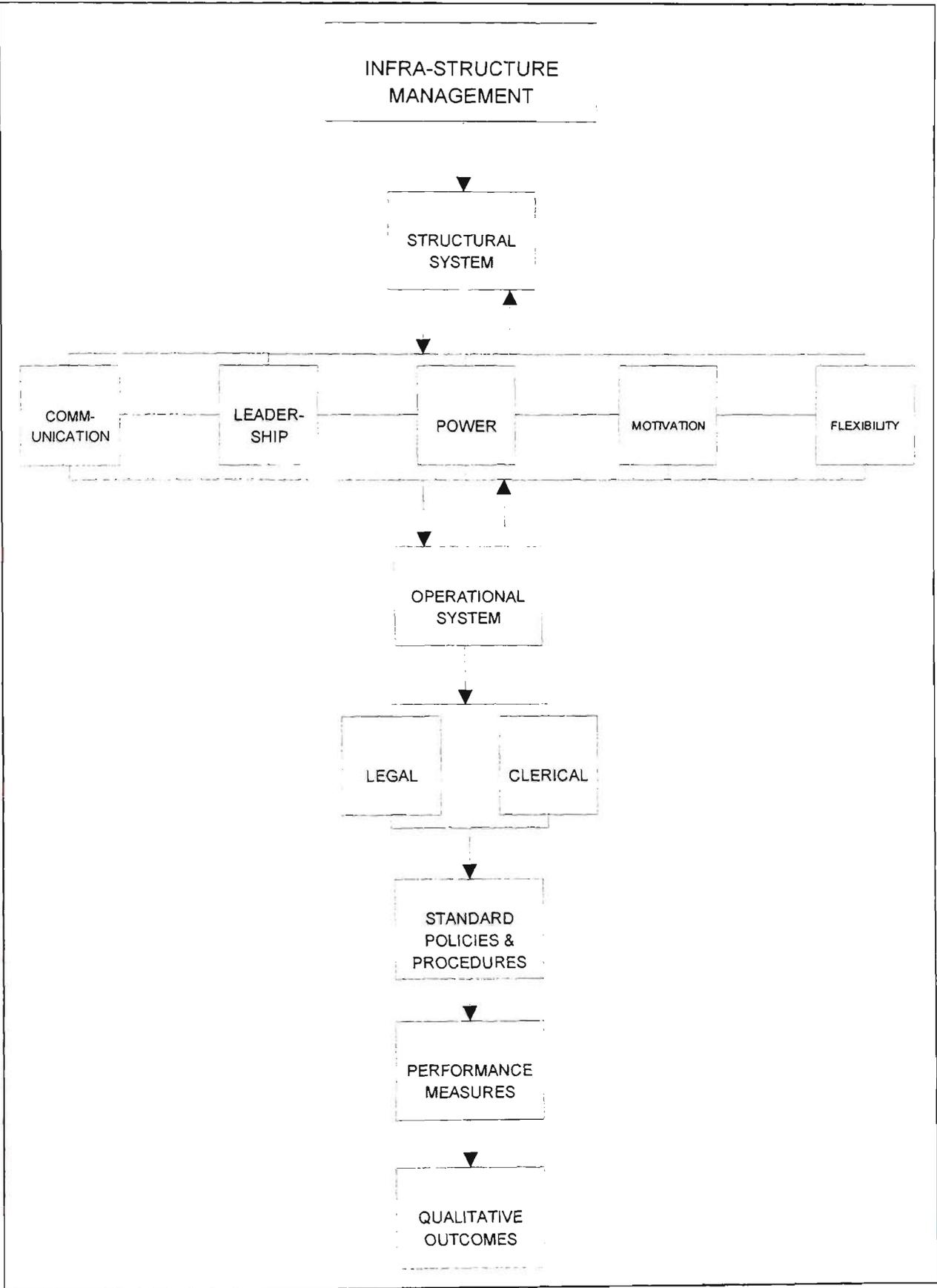
While 'Generic' respondents discussed the ramifications of infra-structure management on professional management practice, they only peripherally acknowledged that infra-structure is dependent on physical and formal organisational structure. The anomaly may be explained by 'Generic' administrators' disposition toward establishing formal structure based on infra-structural necessities. In other words, they prefer to manipulate the inner 'workings' of the organisation before they change the 'official' workings. On a practical level, this translates into a desire to manipulate systems and procedures rapidly and effectively; which are prolonged by formal changes. One respondent made the following comment:

> *When I came here, the marketing department was divided into a sponsorship team, which looked after all corporate functions, and a membership team which was supposed to boost membership. The problem was that they just didn't communicate. It was the old case of the right hand not knowing what the left hand was doing. At first I tried forcing them to meet once a week, but it didn't work. It didn't work because each team was evaluated independently, and secretly they were afraid that they would steal each other's ideas. Anyway it all came to a head when one booked a player's night for members on one night and the other booked a corporate 'meet the players' night for the sponsors on the same night. The upshot of this was that I amalgamated the two teams, put them in an office together, desk to desk. Now they all work on everything and are evaluated as a group. That whole change took about half a day, and has paid dividends. But imagine what a process it would have been to formally change the organisational structure, then discuss it and all that. No, the structure must be determined by what works for us, whereas in many organisations the structure determines how people work.*

The point made by respondents is that operational necessities should be all important, and are important enough to change the formal structure in order to maximise efficiency and effectiveness, which are at the heart of professional management practice.

Infra-structure components

'Generic' respondents suggested five constituents moulding the infra-structure of an organisation, which require direct management. They were: first, communication; second, leadership; third, power; fourth, motivation; and finally, flexibility. Respondents were not heavy on details, however, when discussing these variables they did advocate general preferences in order for each constituent to be maximised for organisational success. Their preferences can be summed up in by one term: the 'contingency approach', which holds that there are no 'best' approaches. All approaches to communication, leadership, power, motivation and flexibility are 'contingent' upon situational variables, and must be developed so as they fit the operational characteristics of the organisation. This contingency approach is consistent with their belief that the infra-structure should determine the formal structure, and in this case, the situation should determine the infra-structure. 'Generic' respondents adhere to a 'grounded' methodology, where their organisational infra-structure is determined by its requirements, rather than by an imposed structure or traditional leanings.

Operational system

There were two essential divisions which respondents considered part of the operating system. The first was the legal system, which was described differently by every respondent, although a common denominator was legality in procedures. Two respondents viewed legality from a player and employee contracts vantage, three saw legality as the operating 'parameters' of the organisation that cannot be transcended, and one subscribed to a type of eclectic legal 'holism', wherein every management area should be mediated by legal process and no operational policies implemented until a legal analysis is undertaken (this final respondent was a lawyer by profession). The second division was the clerical or administrative operations of the organisation, which includes the day-to-day procedures of running the organisation such as paperwork, banking, word-processing, answering phone inquiries, and dealing with customers 'face-to-face'. The combination of the legal and clerical systems provide a basis upon which standard policies and procedures are based.

Standard procedures

One area in which all respondents agreed was the necessity for organisations to establish formal and documented procedures for every conceivable situation. In the words of one respondent, 'if someone was to walk in here and say, how do you manage this place, we could give them our operations manual and they would be able to see exactly what we do'. The need for these guidelines is to ensure that all operational processes are of a consistent quality and can be duplicated by anyone, irrespective of experience and training.

Performance measures

Respondents argued that evaluating the performance of infra-structure characteristics is difficult, if not impossible. Several ways of isolating individual components of infra-structure and measuring their effectiveness or efficiency, were noted, but respondents could only recommend a qualitative and subjective assessment where staff are given the opportunity to participate in discussions concerning infra-structure components such as communication channels and power relationships. All six respondents were united in their distrust of questionnaires and surveys, maintaining that employees rarely fill them out honestly; usually writing what they think employers want to hear. Instead, 'Generic' respondents argued that if they want to know what their employees' think, then they have to talk with them, and establish a meaningful rapport.

H) Event management

Event management is closely aligned with facility and special projects management, however, five out of six 'Generic' respondents rated event management as worthy of status as an independent management discipline. Despite the respondents' belief that event management is important, they failed to itemise specifics. Nevertheless, they did indicate that events require different organisation depending upon their nature; either participation or spectator based, and within these specifications, whether they are ongoing or single events. This is represented in Chart 4.20.

Chart 4.20 - Event management

```
┌─────────────────────┐
│       EVENT         │
│    MANAGEMENT       │
└─────────────────────┘
           ▼
    ┌──────────────┐
    │  NATURE OF   │
    │    EVENT     │
    └──────────────┘
           ▼
┌──────────────┐   ┌──────────────┐
│ PARTICIPATION│   │  SPECTATOR   │
│    BASED     │   │    BASED     │
└──────────────┘   └──────────────┘
           ▼
┌──────────────┐   ┌──────────────┐
│ TOURNAMENT   │   │   SINGLE     │
│  /ONGOING    │   │   EVENT      │
└──────────────┘   └──────────────┘
           ▼
    ┌──────────────┐
    │ PERFORMANCE  │
    │  MEASURES    │
    └──────────────┘
           ▼
┌──────────────┐   ┌──────────────┐
│   SMOOTH-    │   │    GATE      │
│   NESS/      │   │  RECEIPTS    │
│ COMPLAINTS   │   │              │
└──────────────┘   └──────────────┘
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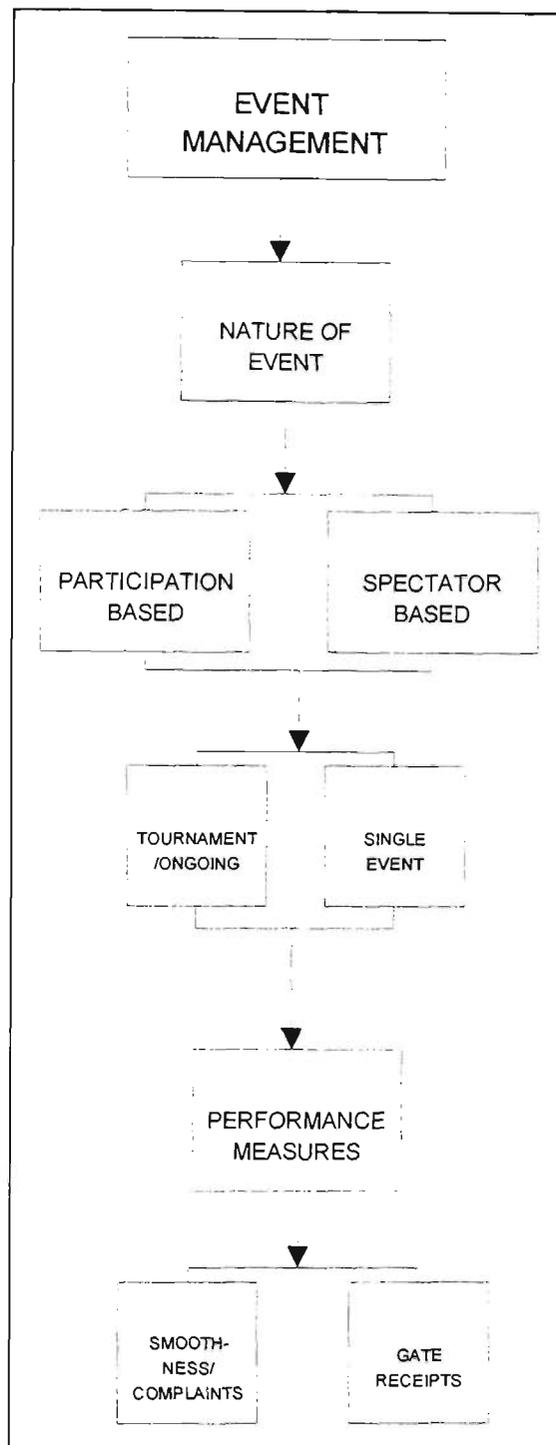
Event nature

Events were classified according to their basic function: participation or spectator based. Participation based events are those organised for the benefit of the participant, and tend to emphasise player facilities and quality equipment, while

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spectator based events are for the benefit of an audience and rely on the entertainment quality of the 'show'. In spectator based events, managers tend to pay particular attention to spectator facilities, including amenities, and other peripheral services, such as pre-game, half-time and post-game entertainment, food availability and quality, parking, comfortable seating, programs and music. This was considered particularly important as the money a sport consumer spends on the ticket for an event is only a small component of the total amount of money they can potentially spend. The implications of this situation are explained by the following comments of one respondent:

> *At the top are places like the tennis centre, where surprisingly people don't mind paying a lot of money for their food and drink because what they get as a package is good quality, good value. Contrast that with a low standard entertainment, like club football, where you go up to a hole in the wall and the lady there with a fag in her mouth will sell you a pie and drink. At this other extreme the facilities are poor. So there's a pressure on events, because if you want people to come back then you must provide them with what they want. They don't want to queue any more. They want to buy a T-shirt or a flag or a cap. All of that is becoming more important. The most entrepreneurial individual I know once told me than in America they do a lot of research on what attracts people to sporting events. They have a lot of big one off events in our sport over there. He told me that their research showed that of the money people pay at the gate, that's typically only one-third of the money they spend on the day. The food, T-shirt, flag, program, book, all these other add-ons are becoming more important, and people don't mind paying for them. But it's got to be quality and well presented. It's got to be attractively packaged and freely available. People will not queue.*

In addition, the administrator must be cognisant of the burdens that ongoing events require. Every respondent mentioned the Olympics as an example of the epitome of ongoing event management, and commented that ongoing tournaments are, 'logistical nightmares'. Single events are easier to organise but leave no margin for error, and because there are no second chances, there must be the appropriate number of spectators and/or participants, and logistical services have to be, 'right first time'. The comments of one respondent highlight this argument:

When you organise an event it is very complicated and precise. You must have documented details that are specific and thorough. I hate to use the word, but it must be professionally put together. It requires strict discipline, and careful planning.

In summary, the 'Generic' approach presupposes that managing an event is a concoction of management practices such as planning, marketing, finance and human resource management. As a result, respondents were vague concerning the specific practices the administration of a successful event requires.

Performance measures

The most common performance measure for a spectator based event is gate receipts, however, as usual, respondents stressed that a cost analysis must be conducted as well, in order to provide 'real' measures. Thus, net profits are the ultimate measure of spectator events. Participation based events are more difficult to measure, as they are predominantly measured on participant satisfaction. Qualitative measures of administrative and organisational 'smoothness' are useful, in addition to the number and severity of complaints.

I) Culture management

The concept of culture or organisational/corporate culture was addressed by all six 'Generic' respondents. They defined culture variously, but certain commonalities were evident: first, culture is a term used to capture an organisation's central philosophy, namely its values and beliefs; second, culture is shared between members of an organisation; and third, culture has an impact on the performance of employees, and subsequently the performance of the organisation as a whole. As a result, 'Generic' respondents consider an awareness and the management of culture important in the 'professional' operation of an organisation.

Six factors were deemed pivotal to culture management with each mentioned by a minimum of three respondents each: first, the history and ownership of an organisation; second, its resources; third, its employees; fourth, its product/services; fifth, its environment; and finally, its objectives. These are depicted in Chart 4.21.

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Chart 4.21 - Culture management

CULTURE MANAGEMENT

| HISTORY/ OWNERSHIP | RESOURCES | EMPLOYEES | PRODUCTS/ SERVICES | ENVIRONMENT | ORGANISATIONAL OBJECTIVES |

- NSO/SSO
- LARGE
- EMPLOYEES
- PARTICIPATION
- GOVERNMENT
- PARTICIPATION

- CLUB
- SMALL
- PLAYERS/ ATHLETES
- SPECTATOR
- LABOR MKT.
- ELITE

- CONSUMERS
- PROFIT

- PUBLIC
- PRIVATE
- INTERNAL GENERATED
- EXTERNAL GENERATED
- SKILLS/ KNOWLEDGE

- ECONOMY
- WEATHER

- GOVERNMENT
- SPONSORS

CORE CULTURE

PERFORMANCE MEASURES

- VALUES/ BELIEFS
- RESULTS

- ORG. PHILOSOPHY

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Another systems approach

Respondents maintained that culture must be managed for several reasons. Firstly, culture can profoundly influence employees' work effectiveness, as it provides a framework for acceptable behaviour and standards. Respondents frequently cited examples of organisations whose cultures emphasise certain values, such as service or excellence. Accordingly, these organisations are renowned for their abilities in customer service and product/service quality, respectively. As a result, they accentuated the importance of developing a culture <u>appropriate</u> to the organisation's mission. For example, one respondent suggested that his organisation had a traditional view that planning in sport was impossible because of its intrinsically dynamic nature. He maintained that he was attempting to change this <u>re</u>-active culture into a <u>pro</u>-active one, where 'vision' is a central value. Similarly, another respondent pointed out that she was unhappy with an apparent apathy from her staff towards satisfying customers' needs, and was endeavouring to construct a 'customer service' value as central to her organisation's culture.

In order to manage and change culture, an understanding of its fundamental 'building blocks' are essential. However, respondents pointed out that while these building blocks are influential in determining culture, they were uncertain exactly how the process worked. For example, where an abundance of resources may manifest certain cultural dispositions in one organisation, they may create entirely different characteristics in others.

History/ownership

An organisation's history is influential on its culture, and is particularly evident in sporting organisations, where traditions, myths and ritualised behaviour are embraced, past memories cherished and frequently relived, and change feared and avoided. The length of time an organisation has existed is critical to its historical emphasis, as older organisations have more entrenched 'philosophies', a point made by one respondent in the following comment:

Certainly my involvement with other sporting administrators shows me that they're pretty well on the same sort of mentality concerning culture: that they're trying to instil within their sport, a more modern approach, which is difficult at times. Certainly in those sports that have been around for 100 years it is almost impossible to break down some of the traditional values that have evolved and are now culturally entrenched.

In addition, the ownership and the type of organisation is significant, as NSO's and SSO's are likely, for example, to have differing cultural compositions to national league clubs, respondents observing that clubs tend to have 'stronger' more pervasive and established cultures than NSO's and SSO's. Ownership of clubs can affect their culture as well, although profit-seeking, privately-owned 'franchises' do not predominate in Australia. Nonetheless, respondents cautioned that the amount of privately-owned franchises will increase in the near future, and predicted that privately-owned clubs will drastically affect the aggregate culture of national sporting leagues and, ultimately the sport industry itself.

Resources

The amount of resources, both human and financial can affect culture in so far as the resource source, either predominantly internally or externally generated is important. Moreover, the composition of externally generated resources, either from government grants or commercial sponsorship, can also influence culture, although respondents did not elucidate this observation.

Employees

'Generic' respondents pointed out that employees play an enormous role in creating, maintaining and changing an organisation's culture. They specified two categories of employees: administrative employees and players. Administrators deal with the organisation's customers, and are judged according to their competence and personality, which in turn affects culture. While administrative employees are influential in the establishment of the office culture of an organisation, respondents

were less clear how players, either from a representative team or club players, can be influential, although there was a consensus from respondents that players have a greater impact than administrative employees. One respondent's comments may explain this belief:

> *A player can demonstrate a club's character in one action, that is viewed by hundreds or thousands of spectators who then take it upon themselves to translate that single action into a stereotype for the team, and the team's character is imposed on the whole organisation. It's the same for umbrella sport organisations. Remember that Korean boxer who won in the Seoul Olympics because it was fixed? Well from that one action, we all say that the South Korean Boxing Federation is corrupt. It works on a National scale, as well. Look at Aussie athletes: they're seen as being tenacious and gutsy, so the whole country is stereotyped as 'battlers'.*

Thus, the skills of players and the knowledge of administrative employees are integral to an organisation's culture. In addition, cultural traits can be imposed from expectations by customers or the general public, or can be internally generated by employees' common actions and beliefs.

Product/services

The actual product and/or services that an organisation provides also can influence culture, according to 'Generic' respondents . This can vary depending on whether the organisation is spectator or participation based, because spectator based organisations emphasise different services than participation based organisations. For example, the primary service delivery component of a spectator based organisation is the quality of the match or game played, whereas the actual match quality of a participation based organisation is incidental. Participation based organisations emphasise the services provided for the competition so that participants can determine their own quality. However, respondents couldn't specify whether participation or spectator based organisations have common cultural attributes, or where organisations promoting both the participation and the spectator components of their sport fit in. However, two respondents did speculate that the

sport itself affects an organisation's culture. For example, they suspected that aggressive sports such as rugby league are more likely to have more aggressive administrative policies, although they could not specify whether that is because the organisation is likely to have former players employed in an administrative capacity, or whether the sport itself influences otherwise placid managers.

Environment

The context in which an organisation operates was another prominent factor affecting culture management. Factors include: the government, in particular their policies concerning the subsidisation of sport and the relative importance of elite success and participation rates; the labour market, namely industrial relations and employee law; the needs and demands of consumers; the economy, specifically the effect on consumer disposable income for leisure and entertainment; and the weather.

Organisational objectives

The final common factor acting upon culture was organisational objectives. For example, organisations seeking elite success may inherently possess different cultural characteristics than those pursuing 'grass-roots' participation, and those seeking profit. Again, no respondents highlighted whether there are typical sets of cultural traits for organisations with certain goals, possibly because they believe that culture cannot be classified on the basis of any one overt and readily observable factor. Rather, culture is a complex organism, and as one respondent put it, 'the whole is greater than the sum of its parts'. In other words, an organisation's culture is more than just the aggregate of its influencing factors.

Performance measures

Ultimately, culture performance is measured by organisational results, with all 'Generic' respondents maintaining that they were able to monitor culture informally.

While they argued that their organisations' dominant values and beliefs are subjectively measurable, no two administrators described similarly how this can be achieved, and none could outline how it is done in any systemised manner. Instead, they tended to base their cultural assessments on their own qualitative interpretation of their organisation's core philosophy.

Culture and the professional management practice typology - a comment

It is worth noting that each of the four classifications of administrators and organisations (based on their approach to professional management practice) shared many common assumptions, beliefs and expectations, and it may not be unreasonable to surmise that they also shared some cultural traits. Beyond the parameters framing the typologies supporting professional management practice, these potential collective attributes are impossible to nominate without further and specific research.

Step 9: Business plan

While the above nine management areas are considered independently, the next step in the 'Generic' management practice methodology involves the synthesis of all these plans into one complete 'business plan'.

To recap, 'Generic' respondents advocate a complete, systems approach to professional management practice. At the core of this system is the management of nine specific areas described in detail in the previous section. Each of these management areas manifests a specific and independent plan, which contribute to the achievement of the organisations' objectives. In accordance with the systems approach, once these individualised plans have been developed, they are subsequently consolidated into one composite business plan, that is simultaneously implemented. The theoretical result is that services are delivered in such a way that the possibility for actualising their objectives are maximised.

Step 10: Product/service delivery

While products and services are continually delivered in an ongoing cyclical process, to conceptualise this process as a linear progression is useful. Therefore, for the purposes of this explanation, the process of product/service delivery has been approached in successive and incremental steps.

Once the products/services are provided, they are studied and analysed to ensure that they are meeting the needs of the customers, and are of sufficient quality. In addition, the processes associated with delivering the products/services are examined formally and methodically to ensure that they maximise efficiency and effectiveness. 'Generic' respondents described this practice as quality management.

*Step 11: Quality management*

All six 'Generic' respondents maintained the importance of what they termed quality management, which is the collection of principles and management practices which place an emphasis on the process of product and service delivery and quality. The guiding premise upon which quality management is based, is that developing and maintaining quality is not costly, but rather the opposite; quality makes money and saves resources. It centres on, as one respondent put it, 'doing the job properly the first time', and aims to satisfy customers, while simultaneously creating a committed and happy work force. Moreover, respondents argued that all products and services have processes involved in their creation and delivery, and that quality management revolves around streamlining these processes.

All six 'Generic' respondents exercised varying levels of interest in and application of quality management practices, and all included quality management in their 'system' of professional management practice. Of the six 'Generic' respondents, three were able to explain, interpret and discuss the 'nitty-gritty' details of quality management, while the remaining three discussed the topic incompletely. In fact, one organisation had recently been asked by the Australian Sports Commission to prepare a paper outlining quality management practices and their application to Australian sporting

organisations, after winning an international quality award for their management of an international event.

As a result of synthesising 'Generic' respondents practices and beliefs concerning quality management, six fundamental steps or components were revealed. They were: first, customer focus; second, prevention; third, decrease inefficiency; fourth, continuous improvement; fifth, employee involvement; and finally, common direction. Quality management is diagrammatically illustrated in Chart 4.22 on the next page.

Chart 4.22 - Quality management

QUALITY MANAGEMENT

CUSTOMER FOCUS → DEFINE CUSTOMERS → DETERMINE CUSTOMER NEEDS → CHANGE SERVICES TO FIT CUSTOMERS

PREVENTION → VISIONARY MANAGEMENT

DECREASE INEFFICIENCY → DEFINE SERVICES → DETERMINE PRIORITES

CONTINUOUS IMPROVEMENT → PROCESS ANALYSIS → PERFORMANCE EVALUATION

EMPLOYEE INVOLVEMENT

COMMON DIRECTION → MISSION → VISION
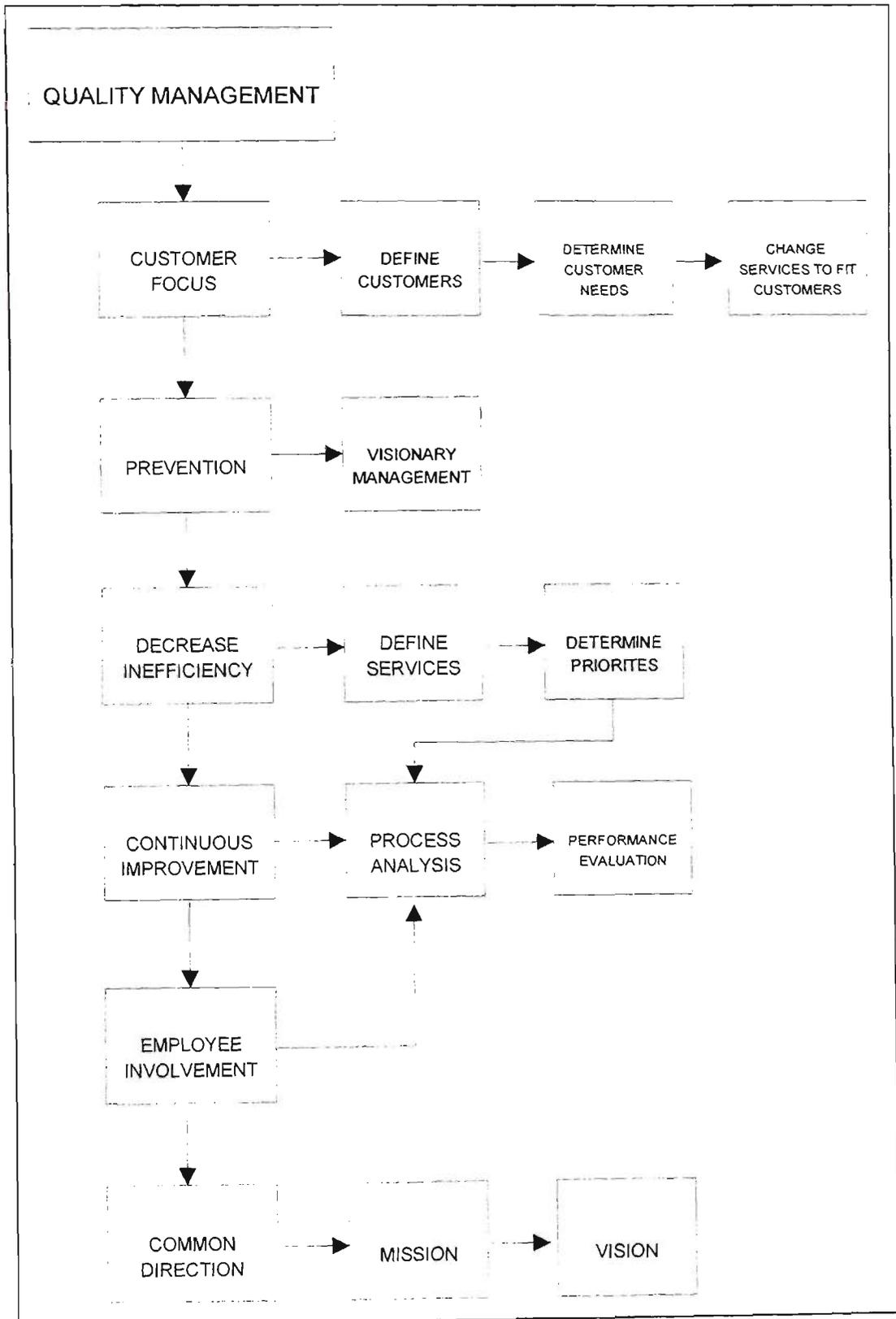
What is quality?

According to 'Generic' respondents, the point of quality management is to deliver a better and continually improving 'quality' of service. Respondents identified five dimensions of quality: first, consistency; second, physical; third, trust; fourth, reaction; and fifth, caring quality. These dimensions were mentioned by respondents as various names and with differing terminology, with none of the six mentioning every dimension, and most noting three or four.

Consistency of quality refers to the ability of an organisation to deliver services that are dependable and reliable, or in other words, can be depended upon to be the same, or at least of a comparable quality every time they are measured. One respondent described this dimension of quality:

> *We provide the service of affiliation, and quality control. We formulate the rules and guidelines for the game, so that there is consistency in the delivered service. In other words, the affiliation guarantees that the product quality is standard and unvariable (sic). Conditions must be the same. No sudden rash changes. It must be the same quality service every time.*

Physical quality relates to the 'actual' quality of the service, for example, it is of no benefit having a consistently poor level of quality. Thus, physical quality measures the obvious, overt and tangible physical aspects of the service or the product, like the desirability of facilities, the standard of coaching or umpiring, or the condition of equipment. Trust quality refers to the degree of faith customers have in the products or services provided. One respondent described it as, 'the ability of the organisations' representatives to convey assurance, confidence and competence so that customers associate reliability and dependability with the organisations' products and services (a common word used to describe trust quality was 'professionalism').

Reaction quality measures an organisation's ability to respond to customers' needs, and is gauged by promptness and responsiveness. Caring quality is the ability of an organisation's employees to foster a sympathetic attitude to their customers via

individualised attention, and mindfulness of details. These dimensions are illustrated in Chart 4.23.

Chart 4.23 - Quality
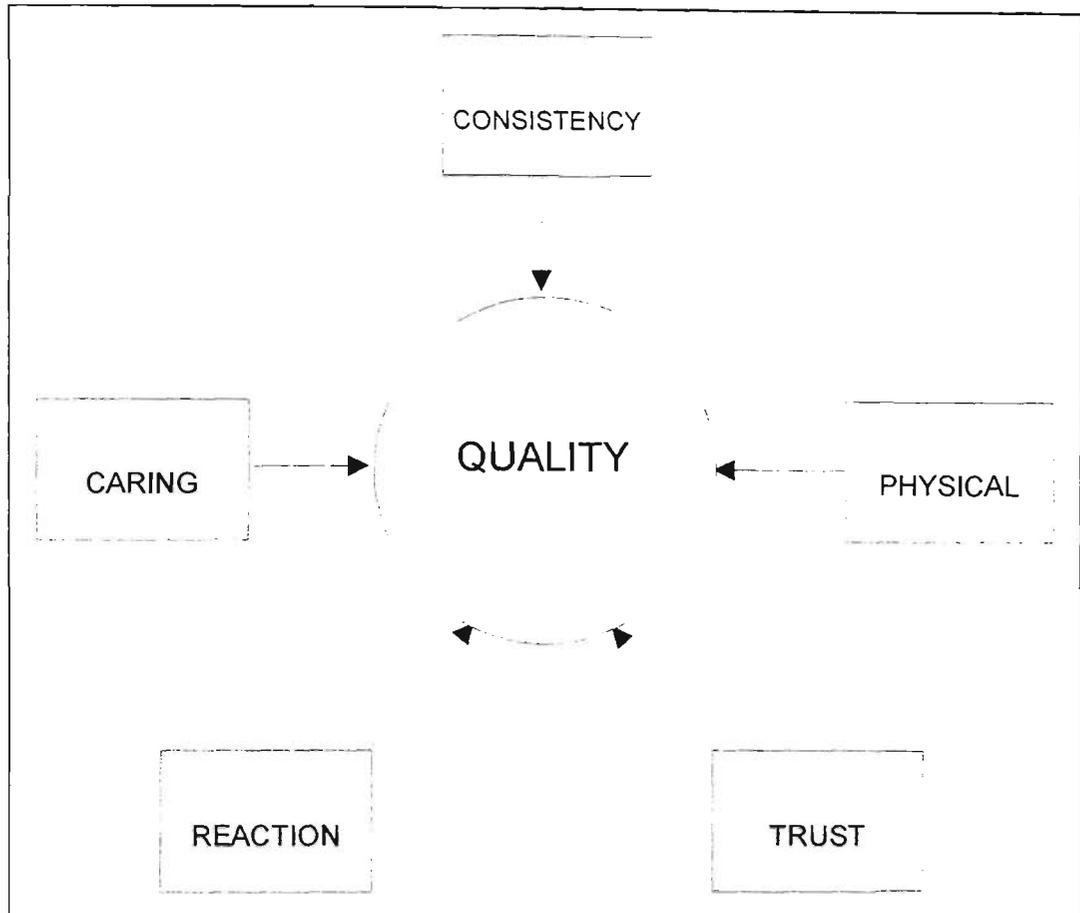
Customer focus

According to respondents, quality management is about acknowledging the significance of the customer, who should be the number one focus and priority of the organisation. An organisation must know and understand the needs and potential needs of their present customers and their potential customers, and these needs must be understood and reflected accurately in the specification and delivery of services. First, before anything can be undertaken, the customers must be defined, secondly, their needs must be determined, and thirdly the services must be changed, modified or enhanced to suit their needs. Although this may sound similar to a marketing approach, where administrators design various marketing techniques

to 'sell' services to different customer segments, in contrast, quality management is not about manipulating the customers (via marketing) to suit the service, but to change the service itself to suit the customer. This whole process can be undertaken by extensive interaction with customers, as explained in the following respondent's comment:

We consistently survey all of our customers, both corporate and members, to determine whether what we've provided has delivered the service that we aimed to. We evaluate the programs via surveys for feedback and by talking to them directly. For example, we have a system where we randomly phone survey one-hundred customers per week. It doesn't take long, but it reveals a lot about our quality, and about whether what we're providing is what customers want. Based on this information, we're continually changing our services.

Prevention

Resources can be saved, and ultimately quality is improved when difficulties in delivering services can be determined and eliminated prior to their manifestation. The further along the process that the fault is discovered, the more costly it is to resolve. Respondents argued that prevention is achieved through visionary management (described in previous sections), where potential problem are identified before they occur.

Decrease inefficiencies

Respondents cited many examples of employees who apparently work very hard, but ultimately add little or nothing to the value of the service. Decreasing inefficiencies is about stopping this because, as one respondent noted, 'only results are paid, not effort'. Often inefficiency or waste can come in the form of several employees doing the same job, unnecessary meetings, handling paperwork more than once, lost opportunities, sloppiness, indolence, poor attitude, wasting time, and not doing the job properly the first time. Variations must be reduced within the system. This is achieved through a clear definition of the product or service delivery process, and an establishment of priorities, which paves the way for continuous improvement.

Continuous improvement

An organisation cannot depend on what one respondent called, 'a fifty-five meter goal on the siren to win'. Product and service delivery must improve incrementally and constantly, and is achieved through efficient and effective work practices, where the day-to-day operation of the organisation can be improved. In essence, it is a, 'work smarter, not harder' approach. This process of improvement is realised through the practice of process analysis, which can determine what areas action should be taken in order to improve quality of product or service delivery. Chart 4.24 depicts the process analysis procedure.

Chart 4.24 - Process analysis
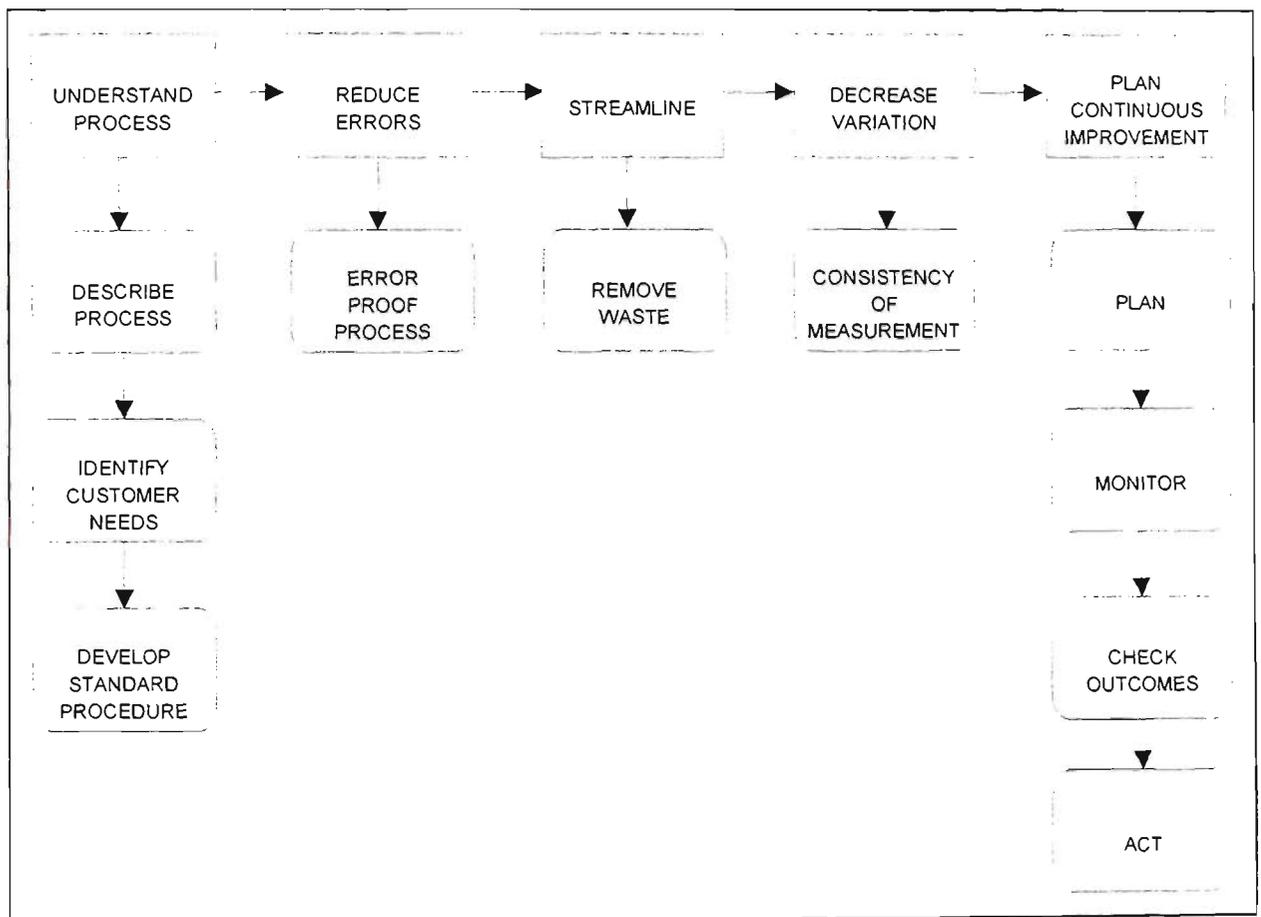
The first step in any analysis is to understand the process. In order to fully comprehend a process, three questions must be answered thoroughly: How does the process presently operate? What is it supposed to accomplish, or in other words, how does the result fit into customer needs? What is the best way known at the moment of carrying out the process?

After the process is described in a step-by-step fashion, it is clear exactly who works on the process, what material and information goes in to it, what skills and knowledge are required, and what happens in between. Identifying customer needs and concerns focuses the organisation on the fact that the purpose of the work is to benefit the customer. Thus, if the process doesn't directly benefit the customer, it should be scrapped. Finally, the development of a standard procedure is the culmination of an intricate understanding of the system. By standardising the process, it becomes duplicable and more easily improved.

The second major step involves eliminating errors, which is based on the simple premise that everyone makes mistakes, but these mistakes can be controlled and often prevented by simple changes to the process. Such actions were described by one respondent as 'error proofing'. After this is undertaken, a streamlining of the process can be implemented, which becomes, as another respondent put it, 'the final refinement' for what should be an efficient process by this third stage. Here processes are tightened and refined, and the 'slack removed'.

The fourth step necessitates variation reduction, which hinges upon the accuracy and consistency of performance measurement, so that data collected is meaningful. In order for this to be accomplished, performance evaluation goals must be carefully identified, operational definitions established, and measurement consistency and stability frequently monitored.

Finally, to complete the cycle, continuous improvement must be planned, where process outcomes are monitored. In other words, an organisation must plan to

continually analyse their processes. Process analysis may be best understood via an example, which one respondent provided:

> *You have to paint pictures about process definitions in order to understand it. I'll give you an example. An employee here made a mistake recently. He paid out too much money in prize money. I said to him, 'what are you going to do about it'. He said that he would try to get the money back. I said, 'no, what are you going to do about it'. He said he would try harder next time. I said, 'no that's not the way to solve the problem'.*

> *You must define a process and one that has checks built into it. The check might simply be the signature of your secretary on the bit of paper, in order to certify that you're doing the job properly. That's a quality check using a process analysis. You would then be concerned that she won't sign it if you haven't done the job right. The last person who deals with it sees that there are six signatures on it, or that person from time to time asks to see the records to see how they've got on. These are all process-driven activities. These things are difficult. Customer service is a good example. If you ring here, every single time you ring here, the phone will be answered the same way. That was not the case when I came here. It may not seem important, but its very important to me.*

Employee involvement

Respondents argued that it is absolutely essential for all employees to involve themselves in the quality management process. This is for two reasons: the first is that no administrator can possibly have a complete understanding of all processes, and as a consequence, employees can provide valuable information concerning quality improvements. Secondly, involvement in the decision-making process is intrinsic to job satisfaction, therefore, involved employees are happier employees.

Common direction

An understanding of the macro organisational direction is essential to a clear understanding and acceptance of common management practices and resulting actions. When all employees are aware of what the organisation is attempting to achieve, they will be encouraged to release the vast store of knowledge they possess about their jobs, and improvements that can be made. In the words of one respondent, 'everyone must be paddling in the same direction'.

Measuring quality

Respondents suggested that quality can be evaluated by finding formal measures for each of the dimensions of quality: consistency, physical, trust, reaction, and caring. While each respondent specified their own measures of quality, they had nothing in common, although, they did highlight some important characteristics of quality management measurements. Performance measures must evaluate the correct and appropriate factors, be widely accepted by those that use them and be detailed, frequently used, accurate, understandable and credible.

Step 12: Outcomes & performance measurement

According to respondents, as products and services are delivered they meet the needs of customers somewhere on a continuum between total success and total failure. However, determining the precise location on this imagined continuum is impossible without performance measures. An organisation without performance measures is, as one respondent observed, 'like a sport without a scoring system: football without goal posts'. It is at this stage that the macro performance measures (objectives and by extension KPI's) are assessed, and it is determined whether the organisation is successfully meeting its mission, and is on the way to realising its vision.

In the early stages of the 'Generic' professional management practice examination, performance measures were discussed in relation to an organisation's KPI's. Throughout the discussion of the 'Generic' system, it has been emphasised that performance measures are an ongoing undertaking for 'Generic' administrators, and that performance measures are used at a micro level as well as a macro one. They believe that planning methods, management areas and quality management are all linked together intrinsically by performance measures. If they are not present, administrators warn that poor performance, maintenance of the status quo, wasted time, effort and resources, and low morale will be inevitable consequences. To ensure that this does not occur, management components must be integrated into one system, via performance measures.

Performance management involves the transferral of objectives into a process, which includes taking action, measuring the effects of that action, improving poor or weak processes and capitalising on good ones. The driving supposition behind performance measurement was summed up in the comments of one respondent: 'If you want to manage performance, you first have to come up with a way of measuring it'. This is especially important given the nature of decision-making, which is based on available information, which in turn comes from systems of feedback. Thus, the measuring system must be effective and accurate, or else decisions will be based on false premises.

Vision comparison & system review

Having reached the conclusion of the 'Generic' professional management practice system, actual results are compared with pre-defined objectives, which ultimately translates into a single question: has the vision been achieved? Irrespective of whether it has or not, it will require revision. 'Generic' respondents suggested that the vision should continually be amended so that it remains a minimum of five years from actualisation. In fact, the entire system must be continually repeated, monitored and re-defined.

Conclusion

'Generic' respondents take a systems view of professional management practice, where discrete but overlapping and interconnecting management disciplines are representative of an holistic process framed within strategic guidelines and a quality management context. 'Generic' respondents are characterised by several striking features. They identify with a macro or 'big picture' view of sport administration. Unlike other groups, 'Generic' administrators concede that they do not need to 'know everything'. Theirs is largely a role of strategic coordination rather than precise activity. Despite this displaced perspective, 'Generic' respondents were the only group to provide details concerning 'micro' performance indicators. Evidently, while they claim to spend much of their time engaged in coordination, this does not

preclude them from functioning on an activity scale as well. In addition, the 'Generic' approach appears preoccupied with profitability analysis, a firm indication of their corporate orientation and acknowledgment of the importance that money plays in elite sport.

Congruent with their commercial business approach, money remains the uncompromising lord and master for the 'Generic' administrator, despite the ostensible importance of athletic victory. Thus, in general, while the 'Generic' path to professionalism is structurally unique and functionally detailed, it can be compared comfortably with the theoretical expectations outlined in common management texts.

The emphasis on a strategic direction has already been noted, and the use of mission and vision statements, objectives and SWOT analysis are fundamentals of strategic planning (American Quality Foundation - Ernst & Young, 1992; Asian Business magazine, 1995; Director Magazine, 1994; Eilon, 1992; Gephart, 1995; McIntyre, 1995; Saratoga Institute, 1993; Witte, 1994). Furthermore, the application of specific result areas, measures of performance, gap analysis, benchmarking and strategic thinking, although sometimes obscured by varying jargon, are also not uncommon in management literature (Ansoff, 1965; Blanchard, 1993; Bryson, 1995; Clemmer, 1996; Collins & Porras, 1991; Drucker, 1990; Evans, 1994; Fackelmann, 1991; Fishman, 1995; Hamel, 1996; Handy, 1988; Haskell, 1995; Higgins & Vincze, 1995; Hill & Jones, 1995; Jacokes, 1996; Jones, 1996; Kuhn, 1995; Limerick, 1990; Loehle, 1995; Massengale, 1995; Nanus, 1996; Nelson, 1995; Mintzberg, 1994; Porter, 1996; Thompson & Strickland, 1996; Weller, 1994; Wheelen & Hunger, 1995).

The concepts outlined by 'Generic' administrators concerning financial management focused on budgeting, the management of the three major financial statements described by most accounting texts and financial ratios (Hey-Cunningham, 1993; Hoggett & Edwards, 1987; Martin, 1994; Straughn & Chickadel, 1994). Noteworthy is their classification of income into government, sponsorship and membership, and

expenditure into operations, wages and services, which matches no conventional accounting model.

Although less detailed than rudimentary marketing sources, the 'Generic' approach to marketing management remains customary (Birkett, 1990; Blanchard & Bowes, 1993; Brooks, 1994; Geldard & Sinclair, 1996; Mullin, Hardy, Sutton, 1993; Pitts & Stotlar, 1996; Rossiter, 1987; Schaaf, 1995; Shilbury, Quick & Westerbeek, 1997). The only apparent deviation from 'standard' categorisation is the emphasis placed on sponsorship, as it was segregated from other forms of personal selling. Noteworthy was the absence of market positioning and differentiation techniques.

Facility management practices were characterised by a unique demarcation between types of facilities, namely, playing, office, training and social, and a disregard for any specific management techniques. In this sense, it is unclear why facility management demanded a prominent place in the 'Generic' approach. Similarly, respondents merely described event management types: participation or spectator, tournament or single-event, rather than highlighted specific practices. It is also unclear why special projects were considered an independent management discipline when it closely resembled event management and encompassed development, marketing, human resource, financial and facility management at its core. These apparent anomalies may only been resolved through additional research.

The 'Generic' approach to infra-structure management emphasised the importance of making form fit function, rather than allowing organisational structure to determine operational relationships. This notion is similar to contemporary views of structure which accentuate flexibility, project teams, decentralisation and delegation (Bridges & Roquemore, 1996; Greenberg & Baron, 1995; Martin, 1994; Morgan, 1993; Osborne & Gaebler, 1992; Peters, 1992; Pinchot & Pinchot, 1993; Slack, 1997). However, infra-structure was not limited to structural characteristics. According to 'Generic' respondents, it also included the management of an odd assortment of behavioural factors such as communication, leadership, power, motivation and flexibility, and operational necessities, conveniently framed within a

situational guise, thereby escaping further explanation. Again more research is needed to unravel this conundrum.

Culture management was another area that featured a strong descriptive element. Respondents left the impression that they understood what affects culture, specifically, history, resources, employees, products and services, the environment and objectives, however they did not communicate an appreciation of how to manage cultural change. Nevertheless, these elements of organisational culture are relatively commonplace in management literature (Barley, 1985; Chapman, 1988; Cooke & Szumal, 1993; Deal & Kennedy, 1982; Gordon & DiTomaso, 1992; Mintzberg & Quinn, 1991; Ott, 1989; Peters & Waterman, 1982; Schwartz & Davis, 1981; Scholtz, 1987; Schneider & Rentsch, 1988; Smith & Stewart, 1995).

Finally, in addition to the strategic dimension, quality management was common to all the management disciplines. The 'Generic' approach advocated six 'principles' of quality management: customer focus, prevention, decrease inefficiencies, continuous improvement, employee involvement and a common direction, all of which can be found in Demings (1982) original fourteen points listed in Chapter two.

It may be reasonable to surmise that this 'Generic' path to professionalism does not encompass all accepted and conventional techniques of management. Although it is possible that some techniques that are considered important by academics, theoreticians or business-people, are in reality not useful to the effective management of sport, it is equally likely that 'Generic' administrators do not possess the 'total' picture. Nevertheless, it is clear that they utilise a system of management practices characterised by a heavy functional orientation, which are mediated and directed via a strategic and quality focus.

Perhaps of greatest significance is that while most of these management techniques are commonly undertaken in the 'commercial business world', they have never before been combined together to describe 'professional management practices'.

CHAPTER 5: CONCLUSION

5.1 Introduction

In concluding this research, it may be useful to once again return to its original aims. The general purpose of this research was to explore the literature on professional management practice and to assess its impact on the beliefs and behaviours of sport administrators in Australia. Within these broad parameters, the specific aims were: first, to identify the management systems which comprise professional management practice; second, to identify those factors that may affect sport administrators' beliefs or application of professional management practice; and finally, to construct a typology of professional management practice used by Australian sport administrators. This chapter seeks to address these issues, and to place their importance within the boundaries of the present body of knowledge.

As the research project progressed, it made sense to address the second specific aim first: that is, to identify any factors that may affect sport administrators' beliefs or application of professional management practice. The first and third specific aims were dealt with concurrently, but after the second.

5.2 Factors affecting the use of professional management practices

Three major factors were found to affect administrators perceptions and uses of professional management practice. The first factor was identified as fundamental assumptions, which covered administrators' views on the relationship between business and sport, and their beliefs concerning the framework in which professional management practices are employed within their own personal experience. The second factor was identified as professionalism, which included administrators' views on the notion of professionalism and its meaning and application to their own choice of management practices in sport. The final factor was identified as contextual forces, which involved the manner in which the organisational and industrial environment affects administrators' use of professional management practices. However, exactly how each factor impacted upon the professional management practices of respondents was not clear until all three factors were combined to construct a typology of professional management practice in sport.

5.2.1 Fundamental assumptions

There were two fundamental and contrasting assumptions from which the management of sport was viewed. The first was that sport is a <u>unique</u> form of business and must be managed taking into account these unique factors, while the second was the presumption that sport is a <u>generic</u> form of business and should be managed in the same way as any other business. These assumptions are illustrated in Chart 5.1.

Chart 5.1 - Fundamental assumptions

```
┌─────────────────────────────────────────────────────────┐
│                    FUNDAMENTAL                           │
│                ASSUMPTIONS ABOUT                         │
│                THE BUSINESS NATURE                       │
│                    OF SPORT                              │
│  ─────────────────────────────────────────────────────  │
│                                                          │
│  ┌──────────┐    ┌──────────────┐    ┌──────────┐       │
│  │ SPORT AS A│    │  SITUATIONAL │    │SPORT AS A │       │
│  │  GENERIC  │    │  APPROACH    │    │  UNIQUE   │       │
│  │ BUSINESS  │    │  - SPORT     │    │ BUSINESS  │       │
│  │           │    │ CAN BE EITHER│    │           │       │
│  └──────────┘    └──────────────┘    └──────────┘       │
└─────────────────────────────────────────────────────────┘
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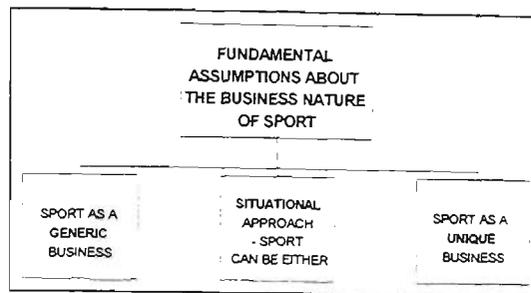
5.2.2 Professionalism and sport

There were two central approaches to the issue of professionalism. These were termed the conduct approach and the competence approach. Both approaches are behaviourally grounded and are illustrated in Chart 5.2, below.

Chart 5.2 - Dimensions of professionalism

```
┌─────────────────────────────────────────────────────────┐
│              DIMENSIONS OF                              │
│              PROFESSIONALISM                            │
│  ─────────────────────────────────────────────────────  │
│                                                          │
│  ┌──────────┐                     ┌──────────────┐      │
│  │ CONDUCT  │                     │ COMPETENCE   │      │
│  │ APPROACH │                     │ APPROACH     │      │
│  └──────────┘                     └──────────────┘      │
└─────────────────────────────────────────────────────────┘
```
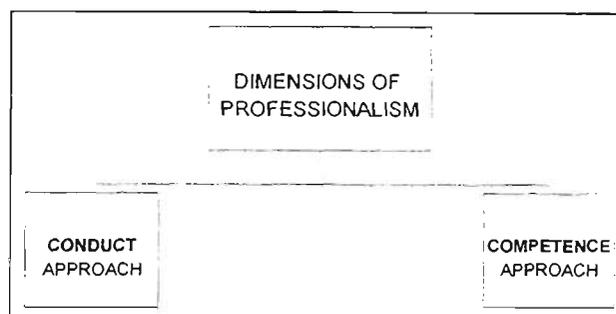
The conduct approach holds 'appropriateness' of behaviour as its central theme, while the competence approach maintains that the 'aptitudes' leading to behaviour are the pivotal factor in professionalism. Professionalism was defined as follows:

> **Professionalism is the commitment to appropriate conduct and competence, wherein ethics, image, service and effort are paramount, and the combination of ability, insight, vision, qualifications and experience culminate in the progressive realisation of excellence.**

Professionalism was also found to be related to management orientation. Management orientation was divided into two major components: first, a process focus, which concerns the course of action taken with an emphasis on inputs rather than outputs; and second, an outcomes focus, which is the natural opposite of the process focus and centres on outputs rather than inputs. Management orientation is illustrated in Chart 5.3.

**Chart 5.3 - Dimensions of management orientation**
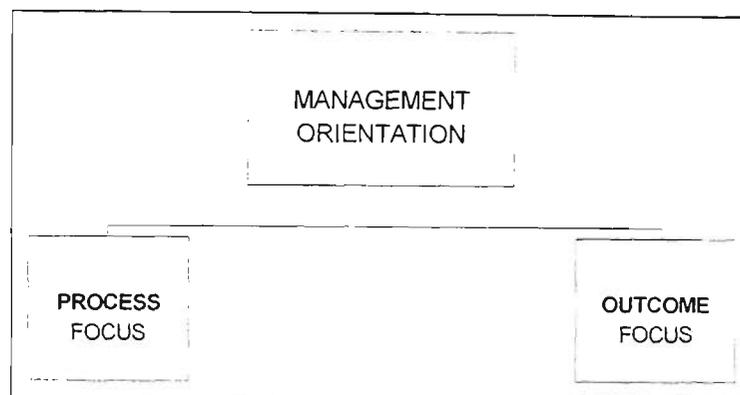
Each of the dimensions of professionalism was found to be connected with the management orientation focus of respondents, and a typology was formed around the concept of professional management orientation. Four categories of professional management orientation were constructed: first, a process/conduct or 'Social' orientation; second, a process/competence or 'Developmental' orientation; third, an outcomes/conduct or 'Utilitarian' orientation; and finally, an outcomes/competence or 'Rationalist' orientation. The 'Social' orientation focuses on the appropriate behaviour of employees and the systems in place that they work within, while the 'Developmental' orientation is similar in that the methods and procedures associated with the operation of the organisation are important, although in contrast it is the operations which are of significance, rather than how they are undertaken. The 'Utilitarian' orientation concentrates on positive results, achieved through appropriate behaviour, and the 'Rationalist' orientation assumes a 'whatever it takes' attitude to successful management, focusing on the abilities, skills and knowledge required to acquire objectives.

When respondents' comments were analysed, it was determined that a particular professional management orientation resulted in a congruent professional management practice. While extreme orientations were associated with extreme practices, the closer the respondent's management orientation was to a balance between the four variables, the more likely they were to employ an holistic approach to professional management practices. The stronger the rationalist orientation, the greater the respondents' use of outcomes focused practices, such as performance measurement, and the stronger the Social orientation, the greater the respondents use of process focused practices, such as process analysis. In addition, when the fundamental assumptions about sport and business were added to the model, it was found that the sport as generic business 'group' were generally Rationalist, while the sport as unique business 'group' were more generally Social. This typology is reproduced in Table 5.1.

Table 5.1 - A typology of professional achievement

PROFESSIONAL MANAGEMENT APPROACH

CONDUCT FOCUS   COMPETENCE FOCUS

PROCESS FOCUS

A   B

MANAGEMENT
FOCUS

C   D

OUTCOMES FOCUS
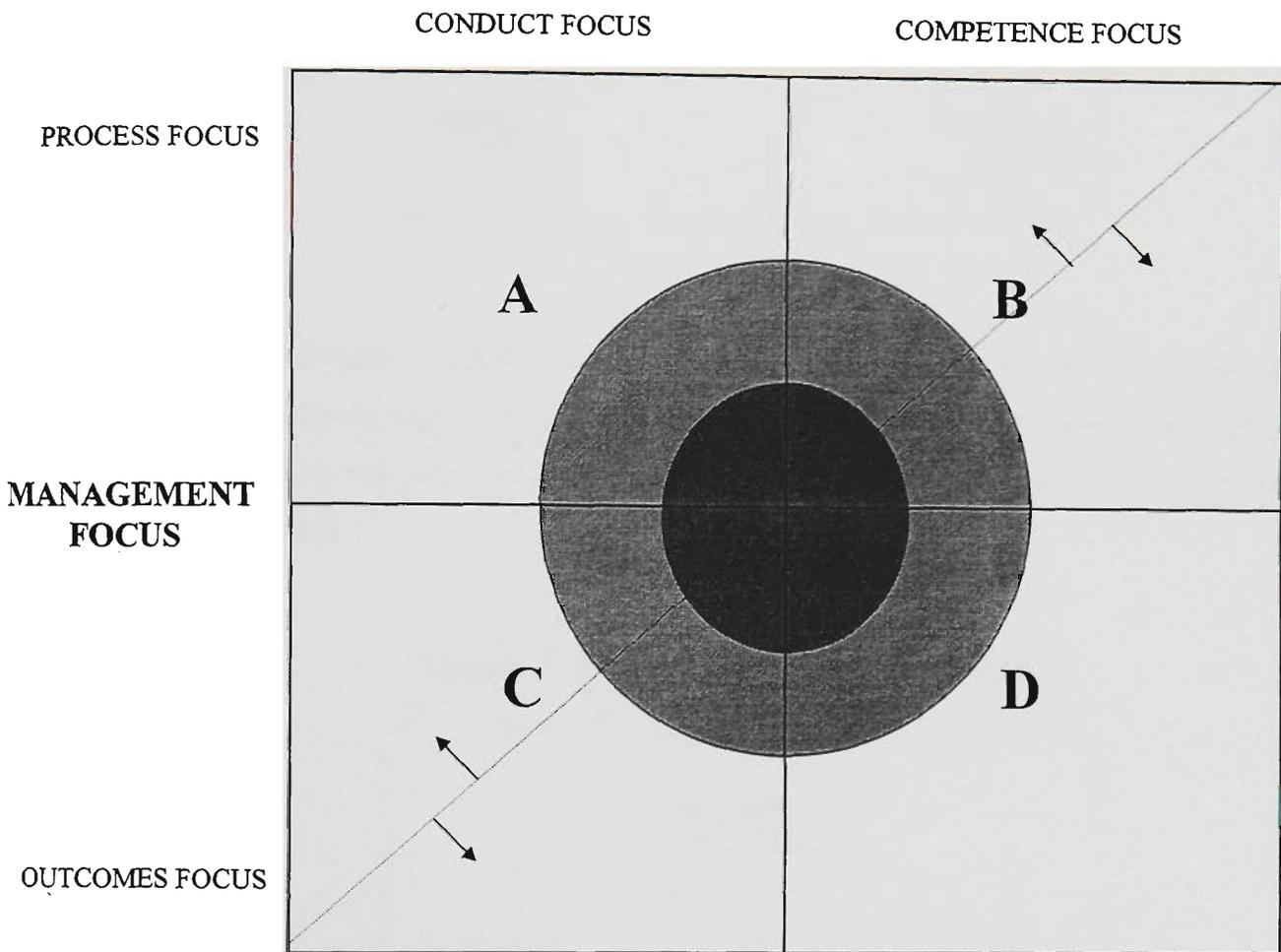
5.2.3 Contextual factors

There were two elements that were used to summarise sport organisations' contextual paradigms. They were organisational direction and industry direction. Organisational direction refers to whether an organisation's focus is inside or outside of their own circumstances, and depends on whether their intention is to confine their analysis to their own club or association, or whether they refer to other similar clubs and associations for guidance. Dimensions of organisational direction are illustrated in Chart 5.4.

Chart 5.4 - Dimensions of organisational direction

```
┌────────────────────────────────────────────────────────┐
│                  ┌──────────────────┐                   │
│                  │  ORGANISATIONAL  │                   │
│                  │    DIRECTION     │                   │
│                  └──────────────────┘                   │
│                                                         │
│  ┌──────────────┐                   ┌──────────────┐    │
│  │  INTERNAL    │                   │  EXTERNAL    │    │
│  │  FOCUS       │                   │  FOCUS       │    │
│  └──────────────┘                   └──────────────┘    │
└────────────────────────────────────────────────────────┘
```
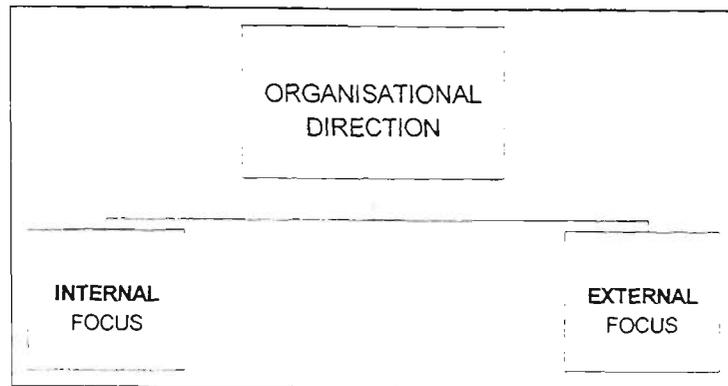
Industry direction considers whether an organisation is concerned exclusively with the industry they are involved in, or whether they look to other organisations outside of the sport industry to learn from. Dimensions of industry direction are contained in Chart 5.5.

Chart 5.5 - Dimensions of industry direction

```
┌────────────────────────────────────────────────────────┐
│                  ┌──────────────────┐                   │
│                  │  INDUSTRY        │                   │
│                  │  DIRECTION       │                   │
│                  └──────────────────┘                   │
│                                                         │
│  ┌──────────────┐                   ┌──────────────┐    │
│  │  INTERNAL    │                   │  EXTERNAL    │    │
│  │  FOCUS       │                   │  FOCUS       │    │
│  └──────────────┘                   └──────────────┘    │
└────────────────────────────────────────────────────────┘
```
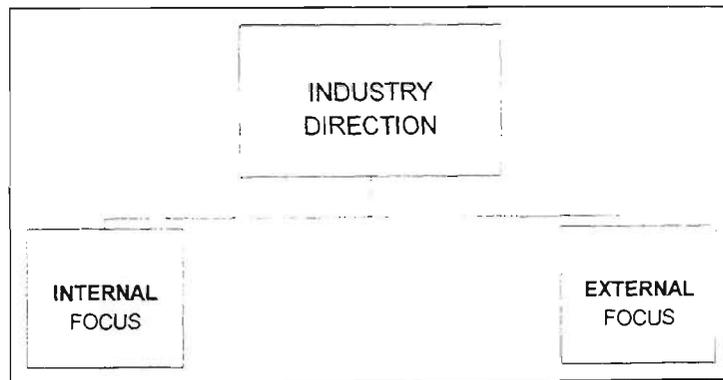
The two continuums of organisational direction and industry direction are combined to create a typology that classifies all organisations into four categories. They were named (with organisational direction first, then industry direction): first internal/internal or 'Introspective' organisations; second, internal/external or 'Expansive' organisations; third, external/internal or 'Insular' organisations; and finally, external/external or 'Global' organisations. The typology is illustrated in Table 5.2.

Table 5.2 - Typology of organisational and industry direction

SPORT INDUSTRY

	INTERNAL FOCUS	EXTERNAL FOCUS
INTERNAL FOCUS	**TYPE I.** 'INTROVERTED'	**TYPE II.** 'EXPANSIVE'
EXTERNAL FOCUS	**TYPE III.** 'INSULAR'	**TYPE IV.** 'GLOBAL'

ORGANISATION

The 'Introverted' organisation is characterised by an isolationist attitude, focuses on the peculiar difficulties of its own structure and function, and makes little attempt to utilise the examples that other non-sporting organisations have set. 'Introverted' organisations are typically highly dependant on external income sources to survive. Like the 'Introverted' organisation, the 'Expansive' organisation is caught up in its own internal uncertainties, however, unlike 'Introverted' organisations, it recognises the place it holds in the 'business community'. With an external organisational direction, the 'Insular' organisation is cognisant of other managerial approaches to sport, and benefits as a result in terms of independence. However, the 'Insular' organisation holds an internal industry focus, leaving it heavily contingent upon

external and therefore unpredictable income sources. 'Global' organisations maintain that all enterprises have something to offer in terms of their management practices, emphasise the importance of research and development, and readily acknowledge the impact of Australia's contemporary market economy on their ability to sustain a long-term enterprise. Each category is summarised in Table 5.3.

Table 5.3 - Administrative direction: An organisational profile

• less than $1m • significant external generation of income • significant government assistance • paid/<u>unpaid</u> ## I. **'INTROVERTED'**	• less than $1m • not significant external generation of income • not significant government assistance • <u>paid</u>/unpaid ## II. **'EXPANSIVE'**
• greater than $1m • significant external generation of income • significant government assistance • <u>paid</u>/unpaid ## III. **'INSULAR'**	• greater than $1m • not significant external generation of income • not significant government assistance • <u>paid</u>/unpaid ## IV. **'GLOBAL'**

5.3 A typology of professional management practice

Respondents were categorised within two gross management perspectives: first, the common-sense approach, which views management as an activity requiring little other than common sense; and second, the theoretical best-practice approach, which holds that in addition to common-sense, there are a 'set' of management best-practices that may be used to maximise an organisations' processes and outcomes. The two management perspectives are illustrated below in Chart 5.6.

Chart 5.6 - Broad management perspective
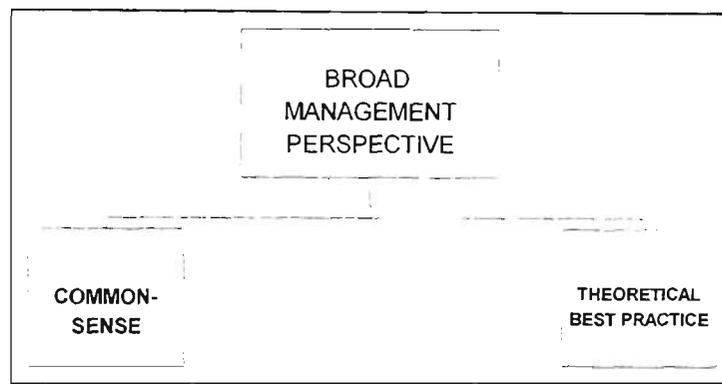
As organisational and industry direction were combined to create a typology to describe organisational approaches to professional management practice, while broad management perspectives were combined with fundamental assumptions to create a typology describing individual approaches to professional management practice.

Four categories were created, which align with the four categories created by organisational and industry direction. These four categories were labelled: first, 'Spot-fire'; second, 'Small-business'; third, 'Industry'; and finally, 'Generic'. The typology of professional management practices in illustrated in Table 5.4.

Table 5.4 - Typology of professional management practices

	(INTERNAL SPORT INDUSTRY FOCUS) SPORT AS A UNIQUE BUSINESS	(EXTERNAL SPORT INDUSTRY FOCUS) SPORT AS A GENERIC BUSINESS
COMMON SENSE **P.M.P.** *(INTERNAL ORG.* *FOCUS)*	**I.** 'SPOT-FIRE' MANAGEMENT *'INTROVERTED'*	**II.** 'SMALL-BUSINESS' MANAGEMENT *'EXPANSIVE'*
MANAGEMENT **PRACTICES** *(EXTERNAL ORG.* *FOCUS)* THEORETICAL B.P.	**III.** INDUSTRY MANAGEMENT *'INSULAR'*	**IV.** GENERIC MANAGEMENT *'GLOBAL'*

The results revealed a diversity of views on the nature of professionalism, what constituted professional practice, and how professionalism in sport differed from professionalism in business. Sports administrators viewed professional management practices along two dimensions: the first dimension revealed their perspectives on sport as a business, while the second signified their perspectives on management theory and training.

In terms of the sport as business perspective, respondents agreed that sport is a business but disagreed as to what form of business sport takes. Opinion was divided into two 'camps'. Some respondents believed that sport is a unique form of business, and should therefore be managed using modified management practices.

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Other respondents believed sport is generic business, and can be managed using the same practices as any other form of business.

Management perspectives can similarly be placed within two extremes that reflect the views of respondents. First, the common-sense approach which views management as an activity requiring nothing other than common sense and necessitating no specific management training or practices. Second, other respondents adopted a theoretical approach, which holds that there are a 'set' of management theories and principles that can be learned, and subsequently used to maximise an organisations' processes and outcomes.

5.3.1 Type 1: 'Spot-fire'

The term 'Spot-fire' is used to describe an approach to management practice that concentrates on trouble-shooting on a 'day-to-day' basis, or even 'crisis' management. Administrators subscribing to this approach attempt to put out 'spot-fire's'. In other words, they focus their attention on the most urgently pressing situation, emergency, difficulty or attention-grabbing condition. They utilise a 'seat of the pants' approach and spend little time planning for future developments.

Sport administrators who employ a 'Spot-fire' approach take a very simple view of good, or best management practice. They make decisions based on common-sense and experience, and shun the idea of theory. They also believe that sport is a unique form of business that cannot be adequately managed by just transposing non-sport related management experiences. This insular and parochial view of sport management means that experience in 'other' work is undervalued.

'Spot-fire' administrators deal with situations as they arise. One 'Spot-fire' informant maintained, for example, that this is a, 'normal occurrence', while another explained that they 'have to deal with serious emergencies every now and then, and in those cases everything is dropped. A thing will arise and take over, and when it happens, whole days are lost putting out the fires'. A concentration on the day-to-day operation of the organisation, therefore, means keeping up with the most pressing areas of responsibility. 'Spot-fire' managers suggested that this compromises their ability to contemplate the future requirements of their organisation. They pointed out that through no fault of their own, they must behave reactively instead of proactively and pre-emptively, a consequence of their so called, 'one man band' element. Frequently 'Spot-fire' administrators are the sole paid employee in their organisation, and have no secretaries to call upon, and no assistants to delegate to, undertaking activities from licking stamps to typing letters

'Spot-fire' practices

The most striking indicator of the 'Spot-fire' category, is the lack of formalised, systematic and documented management techniques. Respondents were vague and imprecise when explaining their principles of professional management practice. This is not surprising given that the 'Spot-fire' approach rejects the need for grounded management principles. Theirs is largely a reactive, extemporaneous approach, that comes in the form of a 'mish-mash' of practices, skills, policies, attitudes, and objectives, all generated from nothing more elaborate than common-sense. Their roles include keeping the board of directors informed, and working towards the goals of the organisation, although they rarely defined how this was achieved. When pressed, they usually noted the importance of providing smooth and effective services. Inevitably, as one respondent commented, it always came down to the, 'common-sense management practices of sport, such as running the office properly'. For the 'Spot-fire' administrator professional management practice involves simply doing the job, and responding to situational demands, which in practical terms includes attending meetings, writing minutes, talking to members and solving their problems. However, despite their scepticism about professional management practice and their observations that, 'you have to be careful you don't get caught up in jargon', and, 'a lot of management practices are overrated', they acknowledged that there are some management practices that are, 'inescapable and professional'. Two practices were declared professional: development planning and budgeting. However, respondents seemed incapable of highlighting the processes associated with either practice, beyond the most fundamental principles. 'Spot-fire' development plans and financial statements were usually simplistically constructed and lacked detail and clarity. Development plans were, in every case, a minimalist assemblage of things to do based on the examples provided by the Australian Sports Commission. Moreover, respondents reported that the development plan was rarely influential in the day-to-day running of the organisation; it just remained on a shelf until it was time to submit another one.

Financial statements were similarly vague and short. On the one hand, the budget was a serious day-to-day concern for the simple reason that if the money ran out, the

organisation would be in desperate trouble. On the other hand, the budget was only formally reviewed bi-annually. Financial statements included a balance sheet detailing assets and liabilities, and an income and expenditure statement, itemising profits and losses. The lack of attention paid to business principles is not surprising given the voluminous task that 'Spot-fire' administrators face

Conclusion

The 'Spot-fire' approach is based on common-sense and re-activity. While the 'Spot-fire' group saw no need to identify any management practices as professional, when pressed, they reluctantly conceded that planning and budgeting were professional management practices. They frequently reported that planning and budgeting were performed for the primary benefit of their government sponsors, who required annual documentation as a condition of financial support. As a result, this approach to sport management has serious limitations.

5.3.2 Type 2: 'Small-business'

'Small-business' administrators have much in common with 'Spot-fire' administrators because they share a common-sense outlook to management practices. However, unlike the 'Spot-fire' administrator, the 'Small-business' administrator believes that sport is a generic form of business. In other words, they believe that any commercial experience is valuable, and that the 'common-sense' gained in business can be transferred to sport. However, their common-sense outlook meant that they concentrated on a contingency or situational approach to management practices instead of a potential best-practices vision.

'Small-business' management practices are therefore frequently spontaneous, rarely documented, and based on, as one respondent put it, 'sensible and practiced policies'. 'Small-business' administrators argued that there is no one best set of management practices, because practices should change depending upon situational necessities. Moreover, all management practices should be grounded in common-sense anyway.

While 'Small-business' respondents were not entirely averse to the concept of formalised management practices, they maintained that, 'every practice has its place, and that place depends on the situation at the time'. Accordingly, best management practices are those which are appropriate to the given situation, and supported by common-sense. As one executive director put it, 'today planning is necessary, tomorrow we take action, and the next day the results will need to be measured'. Thus, the management practices used are signalled by the problem to be resolved, and determining the appropriate practice is a function of experience and common-sense.

Common-sense consequently plays a pivotal role in the determination of management practices for 'Small-business' administrators. While their preparedness to embrace sport as a generic business opens a vista of management practice opportunities, they are restrained by their practical orientation. 'Small-business' operators stressed the importance of mediating every practice with common-sense,

and as one respondent noted, they 'apply a fair degree of common-sense, logic, try to remain unemotional, and be practical, factual and non-judgmental'. However, these common-sense insights means that 'Small-business' administrators frequently ignore theory and research based practices, condemning them as 'catchwords' or 'jargon', much like their 'Spot-fire' counterparts. While their concept of professional management practice is more advanced than their 'Spot-fire' counterparts, it is nevertheless immature and simplistic.

'Small-business' practices

Since 'Small-business' administrators practice their management within a contingency backdrop, their practices are often unpredictable and inconsistent. One respondent observed, 'I suspect we practice some hybrid versions of these theoretical management practices, but I don't know enough about them to call them by their catchword'. Some management practices are universally applied by 'Small-business' administrators chiefly because they are predictably appropriate, such as development planning and financial budgeting. Others such as marketing, training, performance measurement, process analysis and human resource management are used erratically. 'Small-business' respondents rarely take a complete strategy, and nearly always dismiss its theoretical foundations. Being practical people, they instead they use fragments of the techniques that are attainable through common-sense, and that can be used on an impromptu, day-to-day basis.

Conclusion

'Small-business' sport management revolves primarily around a contingency approach to management practice in which general experience is used to guide actions and responses. This experience can be gained from other businesses and organisations, where it is not necessary to 'adapt' the experience to sport. In accordance with their common-sense and 'can-do' viewpoint, no practices were classified as 'professional'. 'Small–business' managers instead identified 'useful' and workable practices including rudimentary forms of planning, budgeting, marketing,

training, performance measurement, process analysis and human resource management. In every case, common-sense and wisdom, rather than theory was seen to be the best way to achieve effective outcomes.

5.3.3 Type 3: 'Industry'

'Industry' administrators are distinguished by their theoretical perspective on management practices. At the same time, they believe that sport is a unique form of business. They consequently conclude that while there is a set of professional management practices, they are specific to sport management, and cannot be transferred from business without serious modification.

'Industry' practices

'Industry' respondents agreed that best-practices do exist, and are relevant to sporting organisations. These 'best-practices' when placed within a management practice backdrop, become professional management practices, and as a result, 'Industry' respondents used the terms best-practice and professional practice interchangeably. Where 'Spot-fire' and 'Small-business' respondents believe that common-sense drives professional management practice, 'Industry' administrators argue that professional management practice in sport is driven by a number of fundamental theories and principles.

According to 'Industry' respondents, professional practice is a misunderstood concept. As one 'Industry' general manager pointed out, 'People take the notion literally and think that it can apply anywhere, but it is not a literal concept'. As a result, 'Industry' respondents claim that some practices that work in standard business scenarios do not work in sport organisations because of their peculiar structure and operation. Examples used to illustrate this point revolve around the 'unique' characteristics of sporting organisations. 'Industry' administrators generally concentrated on planning, finance and marketing practices.

Conclusion

'Industry' administrators consider that development planning, financial management and marketing management comprise professional management practice. They also believe that these professional management practices must be 'tempered' to fit the unique features of sport. However, in reality their practices were not significantly

tailored or modified. First, their 'Industry' planning practices align favourably with 'standard' practices employed in commercial business (American Quality Foundation - Ernst & Young, 1992; Asian Business magazine, 1995; Director Magazine, 1994; Eilon, 1992; Gephart, 1995; Saratoga Institute, 1993). Second, their 'Industry' financial management practices mirror almost perfectly conventional accounting methods (Hey-Cunningham, 1993; Hoggett & Edwards, 1987; Martin, 1994; Straughn & Chickadel, 1994). Finally, 'Industry' marketing practices depart little from customary business marketing techniques (Birkett, 1990; Blanchard & Bowes, 1993; Brooks, 1994; Geldard & Sinclair, 1996; Mullin, Hardy, Sutton, 1993; Pitts & Stotlar, 1996; Rossiter, 1987; Schaaf, 1995; Shilbury, Quick and Westerbeek, 1998).

5.3.4 Type 4: 'Generic'

'Generic' administrators combine the belief that a set of theoretical best-practices exist, with the view sport is a generic form of business. Thus, managing a sporting organisation is like managing any business, because, according to one 'generic' respondent, 'there are certain inescapable decisions that must be made for the good of the business'. To the 'Generic' administrator, professional management practices are not simply a list of useful management functions. Professional management practice implies something much broader and systematic; something beyond an ensemble of practices. Rather, professional management practices represent a holistic system of tools, competencies, and processes to maximise organisational effectiveness.

'Generic' practices

'Generic' respondents take a systems view of professional management practice, where discrete but overlapping and interconnecting management practices are representative of a broad framework operating within strategic and quality guidelines. Management practices covered areas such as development (player), finance, marketing, facility, event, human resource, infra-structure and culture management.

'Generic' management practices are characterised by several striking features. They identify with a macro or 'big picture' view of sport administration. Unlike other groups, 'Generic' administrators concede that they do not need to 'know everything'. Theirs is largely a role of strategic coordination rather than specialised activity. Ironically, 'Generic' respondents were also the only group to highlight 'micro' performance indicators. While they claim to spend much of their time in coordination, this does not preclude them from functioning on an activity scale as well. In addition, the 'Generic' approach is concerned with profitability analysis, a firm indication of their corporate orientation and acknowledgment of the importance of money in elite sport.

Conclusion

Most professional sport management practices highlighted by 'Generic' administrators are based in general business practice. For example, the strategic planning practices described by 'Generic' administrators, although sometimes obscured by jargon, are mirrored in the descriptions of a myriad of business researchers (Ansoff, 1965; Blanchard, 1993; Bryson, 1995; Clemmer, 1996; Collins & Porras, 1991; Drucker, 1990; Evans, 1994; Fackelmann, 1991; Fishman, 1995; Hamel, 1996; Handy, 1988; Haskell, 1995; Higgins & Vincze, 1995; Hill & Jones, 1995; Jacokes, 1996; Jones, 1996; Kuhn, 1995; Limerick, 1990; Loehle, 1995; Massengale, 1995; Nanus, 1996; Nelson, 1995; Mintzberg, 1994; Porter, 1996; Thompson & Strickland, 1996; Weller, 1994; Wheelen & Hunger, 1995). Similarly, the 'Generic' approach to financial management focused on the management of the three major financial statements described by most accounting texts (Hey-Cunningham, 1993; Hoggett & Edwards, 1987; Martin, 1994; Straughn & Chickadel, 1994), and their approach to marketing departs little from the practices explained in conventional marketing texts (Birkett, 1990; Blanchard & Bowes, 1993; Brooks, 1994; Geldard & Sinclair, 1996; Mullin, Hardy, Sutton, 1993; Pitts & Stotlar, 1996; Rossiter, 1987; Schaaf, 1995; Shilbury, Quick & Westerbeek, 1997). Table 5.5 summarises professional management practices.

Table 5.5 - Summary of professional management practices

SPOT FIRE	SMALL-BUSINESS
Key word: *Common-sense*	Key word: *Situational*
Rudimentary: Planning Budgeting	**Rudimentary:** Planning Budgeting Marketing Training Process analysis Performance measurement Human resource management
INDUSTRY	**GENERIC**
Key word: *Sport-specific*	Key word: *Best-practice*
Detailed: Planning Financial management Marketing	**Within strategic & quality management framework:** Development management Financial management Marketing management Facility management Event management Human Resource management Special Projects management Infra-structure management Culture management

5.4 Final implications: A last word

As the forces of commercialisation and commodification have taken a hold on the process and operation of sport in Australia, sport administrators have reacted with attempts to improve the 'professionalism' of their management practices. However, the exact meaning of the term 'professional' has been fraught with ambiguity, while 'professional' management practices have seldom been explored, beyond the implication that they encompass 'superior' methods.

This research has unraveled the meaning of the term 'professional' and has provided the specific constituents of professional management practices. In other words, it has provided a synthesis of 'superior' or professional management practices, which may have implications for the development of sport management educational theory.

As this research provides the foundations for professional management practice, sport administrators and students studying sports administration may benefit from understanding precisely which management practices are commonly employed. Moreover, because the term 'professional' was viewed as being interchangeable with 'best management practice', the results of this research may provide information concerning the 'best' methodology for management success. In addition, administrators may benefit from an appreciation of the impact that quantity of resources and source of resource acquisition have on sport organisations and administrative practices, as well as the importance of remuneration and tertiary training.

This research has highlighted a number of typologies that summarise the supporting structures of professionalism, as well as the specific categories of professional management practice. As these relationships were determined through in-depth qualitative research, some quantitative, positivist research may prove useful to generalise the findings, both within and outside of the sport industry, and to explore the anomalies discussed in Chapter four. For example, the professional management practice typology may apply to not only the sport industry, but also the recreation and leisure industry in addition to the wider business community. Furthermore,

case-study, participant observation style research may also furnish significant details that build on these research finding, providing information on actual rather than the reported practices, and more detail on internal organisational operations supporting management practice. Other research may consider the beliefs and behaviours of administrators in non-executive positions, or may address specific components of professional management practice, which had previously been overlooked or underestimated, such as quality management and culture management. In addition, there is still ambiguity concerning the management of volunteer administrators, which may be further explored via in-depth, qualitative research.

This survey of practicing sport administrators reveals a number of significantly different approaches to the management of sporting organisations. They range from a highly sophisticated integration of theory and practice to a refreshingly simple, but fundamentally flawed management style. The 'clean and simple' approach is clearly the province of the 'Spot-fire' and 'Small-business' administrator, which is grounded in the perception that professional management practice in sport administration is based on a common-sense which values experience over theory and formal training. In contrast, the 'Industry' understanding of professional sport management incorporates a number of generic management principles. However, it considers sport unique and therefore in need of a different management approach. The 'Generic' view of professional management practices is the most comprehensive. It values theory and general management training, which is framed within a strategic and quality management focus.

The survey also suggested that each management type was associated with a particular sport industry structure. At its most basic, there is a close relationship between the 'strength' of professional management practice and the complexity of the sport organisation. 'Spot-fire' administrators tend to be employed by organisations that generate less than one million dollars in turnover, are almost exclusively dependent on government 'handouts', and are operated primarily by volunteers. 'Small-business' administrators are paid, and work for organisations that generate less than one million dollars annually, primarily from internal sources.

Administrators fitting into this 'Industry' framework were employed in organisations characterised by their relatively impressive size, turning over more than one million dollars annually, and where day-to-day operations are the exclusive domain of paid administrators. However, 'Industry' organisations are also typified by their heavy reliance on government finances. 'Generic' respondents were employed exclusively by large sport organisations with incomes substantially exceeding one million dollars. This income is generated mostly from internal sources and commercial sponsorships, with government income being negligible. In addition, the balance of power on a day-to-day administrative level is held firmly by paid employees.

Simple organisational structures are in the main managed by people who believe that there is no substitute for experience and common-sense, and where a 'hands-on' approach is essential to obtain results. On the other hand, complex structures are more frequently managed by people who believe in training and the use of a variety of management models, tools and techniques. Moreover, they believe that these practices can be applied over a variety of enterprises without any modification or major adaptation.

When our results are plotted against the growing commercialisation of sport, it is clear that the future of sport administration lies in a model of 'generic' professionalism. As sport becomes increasingly connected to the world of business, and faces greater competition from other leisure activities, its success will depend upon competent management where visionary leadership, strategic thinking, benchmarking, culture management, quality management and performance measurement are the guiding practices.

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