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The interrelationship between professionalisation and commercialisation in international sport fédérations

Clausen Josephine

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FACULTE DES SCIENCES SOCIALES ET POLITIQUES INSTITUT DES SCIENCES DU SPORT

The interrelationship between professionalisation and commercialisation in international sport federations

THESE DE DOCTORAT

Présentée à la

Faculté des sciences sociales et politiques de l'Université de Lausanne pour l'obtention du grade de

Docteure ès sciences du sport et de l'éducation physique

par

Josephine Clausen

Directeur de thèse Professeur Emmanuel Bayle

Jury

Professeur Jean-Loup Chappelet
Professeur Siegfried Nagel
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«The interrelationship between professionalisation and commercialisation in international sport federations

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Résumé

Ce travail s'intéresse à la professionnalisation et la commercialisation des fédérations sportives internationales (FIs) partant du constat de l'absence quasi-totale de réflexion académique sur la définition ainsi que les impacts de la professionnalisation et de la commercialisation dans ces dernières. Considérant le nombre croissant d'employés dans ces FIs, des revenus commerciaux parfois importants et des redistributions souvent opaques, l'absence d'études académiques est d'autant plus étonnante.

Le quadruple objectif de cette thèse est de conceptualiser la professionnalisation et la commercialisation dans le contexte des FIs, de décrire l'état actuel de professionnalisation et de commercialisation basé sur l'analyse de 22 FIs olympiques, d'investiguer le lien entre la professionnalisation et la commercialisation, et d'identifier les impacts managériaux de ces deux concepts sur les FIs. Ceci est abordé au moyen de trois questions principales : 1) Qu'est-ce qui favorise et qu'est-ce qui empêche la professionnalisation des FIs ? 2) Quels facteurs influencent la commercialisation des FIs ? 3) Quels sont les impacts managériaux de la professionnalisation et de la commercialisation des FIs ?

La théorie néo-institutionnelle et les études de cas se sont avérées particulièrement utiles pour répondre aux trois questions et ainsi mieux comprendre le fonctionnement actuel des FIs.

Les résultats, obtenus par l'analyse qualitative de contenu et l'analyse quali-quantitative comparée de 34 interviews semi-structurés et de documents, montrent qu'une professionnalisation systémique dans les FIs est actuellement encore limitée à la dimension des individus. En termes de structures et procédures, le manquent fréquent de mécanismes efficaces de contrôle (interne et externe) a contribué à de multiples scandales de gouvernance. Par suite de ces scandales, l'augmentation des pressions institutionnelles et les appels à une régulation accrue des FIs sont à l'origine d'une tendance à la déprofessionnalisation. Une classification des FIs olympiques en quatre types idéaux est proposée: les dominants, les marginalisés, les innovateurs et les traditionalistes. Plusieurs implications managériales liées à la professionnalisation et la commercialisation des FIs sont ensuite discutées.

Summary

Academic reflections on the definitions and impacts of professionalisation and commercialisation in the context of international sport federations (IFs) are literally absent. Considering the growing number of employees in IFs, of commercial revenues and the often opaque redistribution of these revenues, the absence of academic research is all the more surprising. Based on this observation, this thesis focuses on the professionalisation and commercialisation of IFs.

The thesis pursues four main objectives: conceptualise professionalisation and commercialisation in the context of IFs, describe the current state of IFs' professionalisation and commercialisation based on the analysis of 22 Olympic IFs, investigate the interrelationship between professionalisation and commercialisation, and identify the impact of these two concepts on IFs. The objective is addressed by means of three research questions: 1) What are the drivers for and barriers to IFs' professionalisation? 2) Which conditions influence IFs' commercialisation? 3) What are the managerial implications of IFs' professionalisation and commercialisation?

To answer the three research questions and further the understanding of IFs' current functioning, the application of the theory of new institutionalism and conducting multiple case studies have proved to be of significant value.

Data from 34 semi-structured interviews and documents were analysed by means of qualitative content analysis and qualitative comparative analysis. Findings demonstrate that systemic professionalisation in IFs is presently still limited to the dimension of individuals. In terms of structure and procedures, the frequent lack of efficient control mechanisms (internal and external) has contributed to multiple governance scandals. As a consequence of these scandals, an increase of institutional pressure on IFs and calls for stricter regulations entail a trend of deprofessionalisation. A classification of IFs into four ideal types is suggested: the market dominators, the marginalised, the innovators, and the traditionalists. Several managerial implications related to IFs' professionalisation and commercialisation are presented and discussed.

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Statement of contribution

I herewith confirm that, as the principle author of all four publications as well as of the thesis in which the publications are embedded, my contribution includes the following realisations: developed the conception and design, collected, analysed and interpreted all data autonomously, wrote the manuscripts and the thesis, made the corrections required from the reviewers and acted as corresponding author. The overall percentage can be estimated at 85%. The sum of all co-author contributions is 100% less the principle author's stated contribution. As the director of the thesis, Professor Emmanuel Bayle notably supervised the conception, design and development of the publications, the overall thesis, and their evaluation. The remaining co-authors from the publications 1 and 3 contributed by providing critical feedback and thus helped to shape the manuscripts: David Giauque, Kaisa Ruoranen, Torsten Schlesinger, Siegfried Nagel, Grazia Lang and Christoffer Klenk

.

List of abbreviations

AIBA Association Internationale de Boxe Amateur / International Boxing Association

AIMS Alliance of Independent Recognised Members of Sport

AIOWF Association of International Olympic Winter Sports Federations

ARISF Association of IOC Recognised International Sports Federations

ASOIF Association of Summer Olympic International Federations

BWF Badminton World Federation

CC Continental Confederation

CEO Chief Executive Officer

FEI Fédération Equestre Internationale / International Equestrian Federation

FIA Fédération Internationale de l'Automobile / International Automobile Federation

FIAC Fédération Internationale Amateur de Cyclisme / International Amateur Cycling

Federation

FIAS Fédération International de Sambo / Sambo International Federation

FIBA Fédération Internationale de Basketball Amateur / International Basketball Federation

FICP Fédération Internationale de Cyclisme Professionnel / International Professional

Cycling Federation

FIE Fédération Internationale d'Escrime / International Fencing Federation

FIFA Fédération Internationale de Football Association / International Association Football

Federation

FIH Fédération Internationale de Hockey / International Hockey Federation

FINA Fédération Internationale de Natation / International Swimming Federation

FIS Fédération Internationale de Ski / International Ski Federation

FISA Fédération Internationale des Societés d'Aviron / World Rowing

FIVB Fédération Internationale de Volleyball / International Volleyball Federation

GAISF General/Global Association of International Sport Federations

IAAF International Association of Athletics Federation

ICC International Cricket Council

IF International sport federation

IFA International Fistball Association

IFMA International Federation of Muaythai Amateur

IIHF International Ice Hockey Federation

IJF International Judo Federation

IOC International Olympic Committee

ISAF/WS International Sailing Federation / World Sailing

ISSF International Shooting Sport Federation

ISU International Skating Union

ITF International Tennis Federation

ITU International Triathlon Union

IWF International Weightlifting Federation

LACC Lack of Accountability (QCA)

NF National sport federation

NPO Nonprofit organisation

NSO National sport organisation

QCA/csQCA Qualitative Comparative Analysis/crisp-set Qualitative Comparative Analysis

SOCM Social Media Engagement (QCA)

SPEC Specialisation (QCA)

STRAT Strategic Planning (QCA)

UCI Union Cycliste Internationale / International Cycling Union

UWW United World Wrestling

WA World Archery

WADA World Anti-Doping Agency

WCF World Curling Federation

WR World Rugby

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1. Introduction

1.1. Research context, topics and challenges

As a physical activity (e.g. school sport, leisure sport, high performance sport), a social phenomenon (e.g. team sports, sporting events) and an economic marketplace (e.g. broadcasting rights, branding, players' transfers), sport plays an important part in contemporary society. Major sport events such as the Olympic Games and the FIFA World Cup, marathons and even e-sport sport tournaments bring together thousands of fans from all over the world, united in their passion for sport. Because of the growing sport entertainment industry and the increasing economic benefits related herewith (e.g. broadcasting and sponsorship rights), professional athletes have become celebrities, some receiving gigantic salaries, and professional clubs have transformed into commercial brands. In sport, the term "professional" is frequently related to an economic activity as "money changes hands in the production, distribution and consumption of the sport" (Downward & Dawson, 2000, p. 1). In the case of professional athletes, high performance sport often takes the form of a remunerated activity (Leonard & Reyman, 1988). Professional sports leagues are economic entities (or joint ventures) that oversee competition schedules for league teams that, together, generate the league product (Flynn & Gilbert, 2001; Mason, 1999)¹. And professional sport teams are part of professional sport leagues and their economy. An important trend among professional sport teams is the focus on building brand equity (Gladden & Funk, 2001; Ross, 2006; Ross, James, & Vargas, 2006).

One of the reasons for the professionalisation of athletes, sports leagues and sport teams is the massive commodification of sport (Mason, 1999). Commodification means here "the structure and practice of sport are increasingly shaped by a market rationality", resulting in "a direct and undisguised primacy of the profit motive" (Sewart, 1987, p. 172). Professional athletes, teams and sport leagues thus have become lucrative products on a growing market: *athletes* receive salaries and their transfers contribute to clubs' profits; *teams* have become brands and some of them are owned by rich business men (corporate ownership); and *leagues* "sell" the sport event to media companies (broadcasting rights), sponsors (sponsorship rights) and fans (gate revenues, merchandising). Over the last 30 years, scholars regarded the commodification of sport primarily as a negative evolution, entailing for instance corruption (Forster, 2006), a trend of dehumanisation (Sewart, 1987) and a loss of social values (Walsh & Giulianotti, 2001).

As individuals (athletes, paid staff) and the organisation of sport (leagues, events, etc.) become more and more professional and business-oriented, evolutions in international sport federations (henceforth: IFs) indicate similar transformations. For one thing, IFs increasingly resemble corporate organisations. Having started out as purely voluntary organisations, IFs' operations are today more and more in the hands of paid professionals. In the case of Olympic IFs, staff size is, however, very

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¹ Leagues' revenues largely stem from broadcasting rights and are shared amongst teams following different sharing/cross-subsidization systems.

heterogeneous, ranging from <10 (e.g. ISSF – International Shooting Sport Federation) to >450 (e.g. FIFA). The evolution from voluntary to paid work further requires increased coordination (Bayle & Robinson, 2007), resulting, for instance, in departmental structures, hierarchical levels and reporting lines. Depending on the staff size, the IF's structure is more or less sophisticated. A look at World Archery (WA), with 15 staff members one of the smaller Olympic IFs, shows that the federation's office is split into four departments: administration, events, development, communications and marketing². Compared to this, the international volleyball federation (FIVB) with about 65 staff members is divided into 14 departments/units. As many of these departments perform tasks that do not necessarily require a sport specific background (e.g. finances, legal, communication, marketing), more and more professionals from outside sport are being hired. These employees bring specific professional norms into the federations, an evolution that is generally referred to as normative isomorphism (e.g. DiMaggio & Powell, 1983; Toepler & Anheier, 2004). This evolution is particularly reflected in IFs' management characteristics, which, nowadays, include practices such as strategic planning, external financial audits and staff evaluations. In addition, IFs are increasingly bound up with for-profits through strategic partnerships (e.g. sponsorship contracts) and adopt boundary-blurring activities (e.g. bargaining with commercial rights such as broadcasting, sponsorship and event hosting). In some cases, commercial activities allow IFs to gain gargantuan revenues (e.g. FIFA's overall revenue in 2014 amounted to USD 2.1 billion, of which 90.5% stem from commercial revenues³).

These few examples emphasise that both professionalisation and commercialisation strongly influence IFs' current structure, functioning and behaviour. Before turning towards the research questions and objectives, a brief introduction of the concepts of professionalisation and commercialisation seems useful.

1.1.1. Professionalisation

While professionalisation of athletes, clubs and leagues is often analysed from an economic perspective (e.g. Andreff & Szymanski, 2006; Smith & Stewart, 2010), it is also a constraining social norm of our times (Boussard, Demazière, & Milburn, 2010). Beliefs and discourses on professionalisation pressure people and organisations to demonstrate specific competences that can enhance trust and legitimise self-regulation (Evetts, 2009). The evident transformation of sport and sport organisations is at the origin of numerous research studies, at least at the level of national sport federations and clubs. Transformation processes in sport organisations are sometimes referred to as rationalisation (e.g. Kikulis, 2000; Skinner, Stewart, & Edwards, 1999) or bureaucratisation (e.g. (e.g. Bayle, 2010; Slack, 1985; Slack & Hinings, 1994). The most commonly used term, however, appears

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² WA - World Archery. Staff. (2017). Retrieved from: https://worldarchery.org/Staff

³ FIFA financial revenues 2014

to be professionalisation (Amis, Slack, & Hinings, 2002; Kikulis, 2000; Skinner et al., 1999). In the sociology of professions, the definitions and concepts of 'profession', 'professionalism' and 'professionalisation' have received extensive attention (e.g. Abbott, 1988; Crompton, 1990; Evetts, 2003, 2009, 2011, 2014; Freidson, 1994, 2001; Larson, 1977; Stichweh, 1997).

Professions

Etymologically, the term 'profession' derives from the Old French verb 'profiteor', which means 'to profess'. It implies that a person possesses (or claims to possess) certain knowledge, as well as a commitment to specific values. One of the early approaches describes professions as activities that require formal qualification through specific educational training. Universities provided the specific training and faculties "controlled the right of admission to professional practice" (Stichweh, 1997, p. 95). Medicine and law constitute two archetypal professional groups. For communities to be recognised as professions, Larson (1977) argues that occupations need cognitive justifications (i.e. a body of knowledge and techniques, training) and normative justifications (i.e. service orientation and distinctive ethics justifying the privilege of self-regulation). In today's functionally differentiated society, specific educational training and controlled admission are, however, insufficient definition criteria:

If you look to emergent function systems of 20th century society, e.g. tourism, mass communication, sports, there is no possible argument that would allow them to be described as professionalized function systems. Professionalization here means the existence of *one* occupational group defining the system in its identity and combining classical attributes of professions (Stichweh, 1997, p. 97).

And indeed, a look at the profiles of IF-employees reveals a multitude of occupational groups: former athletes, graduated sport managers, lawyers, communication, marketing, business and financial experts, etc. In the concrete case of sport management as a profession, one might ask whether it is actually recognised as an employment category? Is there a market for the knowledge and services of sport managers? Before moving on to the term of professionalism, it is worth taking a brief look at the term 'professional'. 'Professional' not only designates a person of a specific profession, but also a quality. 'Being professional' means that someone is recognised for his/her conduct, demeanour and quality of work. Boussard et al. (2010) also refer to the quality of work as being "dialogic as it supposes recognition by other actors with whom these workers interact in the accomplishment of their activities" (p. 17, free translation from French). A recent study of Ruoranen et al. (2016), in the course of which interviews were conducted in national sport federations (henceforth: NFs), provides a concrete example: "professionalisation is primarily perceived to be a matter of 'professional' attitude" (p. 55).

Professionalism

The concept of professionalism cannot be fixed to a single meaning. As a sociological concept it has "demonstrated changes over time both in its interpretation and function" (Evetts, 2003, p. 411). Broadly speaking, professionalism can be classified into two strands of interpretation: a *normative value system*, including a reaction to normative pressures, and a *controlling ideology*, including organisational professionalism. Past perspectives of professionalism as a normative value system implied a relation of trust between the professional worker as the expert (e.g. plumber, doctor) and the client as the layperson. Through "shared and common educational backgrounds, professional training and vocational experiences, and by membership of professional associations" (Evetts, 2003, p. 401), common identities emerged and created an aura of trust. Today, the appeal of professionalism is, above all, grounded on the principles of accountability, performance, efficacy and profitability. As the accomplishment of these principles can only be recognised by external actors, normative pressures to professionalise from outside the organisation become more important (Boussard et al., 2010).

The discourse of professionalism as a normative value system is further used as a tool to gain clients' trust and to increase legitimacy in the eyes of public authorities to act autonomously. Contrary to the functionalist definition in the early years of the sociology on professions (e.g. Carr-Saunders & Wilson, 1933; Parsons, 1939; Wilensky, 1964), the idea of professionalism/professionalisation is today disseminated as a social norm, an ideology, a discourse that is positively related to increased performance, accountability, expertise and competency. In turn, "the measurements of and attempts to demonstrate professionalism actually increase the demand for explicit accounting of professional competences" (Evetts, 2009, p. 254). Professionalism as a normative value experienced strong criticism during the 1970s and 1980s, decrying professions as "powerful, privileged, self-interested monopolies" (Evetts, 2003, p. 401). The sceptical approach marked the beginning of the approach of professionalism as a controlling ideology. Control means in this case that an occupational group tries to dominate other occupational groups, "manifested by a discourse of control, used increasingly by managers" (Evetts, 2009, p. 248). What Boussard et al. (2010) term as "l'injonction au professionalism⁴" [imperative to professionalise] and Evetts (2011) as "new professionalism" is in fact a transformation in the way of defining, controlling and evaluating work. In organisational professionalism, control is exercised through hierarchical structures of responsibility and decisionmaking, resulting in an increase of standardised procedures. Organisational professionalism strives for greater efficiency and effectiveness. Control techniques employed by managers include performance review, appraisal and target setting, introducing further the notion of competition between individuals.

⁴ By means of multiple case studies in different professional groups, the authors analyse professional dynamics (e.g. resistance, adaptation, mobilisation, inertia) as responses to change mechanisms (e.g. rationalisation) that seek to reduce workers' autonomy (e.g. conditions of employment and status, standardisation and steering of tasks, definition of efficacy and performance, system of values).

Professionalisation

Just as the concepts of profession and professionalism, professionalisation is used in a rather inconsistent manner. Based on the two brief interpretations of 'professionalism' provided above, 'professionalisation' can be the process of occupations achieving recognition as professions through a normative value system (*occupational professionalisation*), the process of implementing managerial controls that put particular emphasis on the evaluation of work results and the definition of performance measures (*organisational professionalisation*) or a rhetoric to gain trust and autonomy (*discourse of professionalism*). For this thesis, organisational professionalisation and the discourse of professionalism are of importance. Do IFs currently experience a process of professionalisation that is triggered by normative pressures? And if so, how do IFs and sport managers react to these pressures? Is there a call for professionalism from within? Is the discourse of professionalism employed by IFs to gain trust and autonomy? One proof for such a discourse being used effectively by the International Olympic Committee (henceforth: IOC) is the support and recognition of the autonomy and independence of sport by the United Nations (UN)⁵.

Professionalisation in sport management

Professionalisation in the context of sport management, and more precisely the management of national sport organisations (henceforth: NSO) and sport governing bodies, has been analysed from various perspectives, including among others: the process of professionalisation in French NFs (Bayle, 2001), the impact of professional staff (Thibault, Slack, & Hinings, 1991), voluntary and paid work in voluntary sport clubs (Seippel, 2002), organisational change from amateurism to professionalism (O'Brien & Slack, 2003; Skinner et al., 1999), professional logic/rationale (Koski & Heikkala, 1998; O'Brien & Slack, 2004), challenges of sport organisations professionalisation (Chantelat, 2001). And yet professionalisation still remains an ill-defined concept in sport management (Dowling, Edwards, & Washington, 2014). In their attempt to grasp the various meanings of professionalisation in sport management literature, Dowling et al. (2014) suggest three classifications. According to their findings, some few scholars relate professionalisation to the hiring of paid staff and the transformation of occupations into professions, hence following the logic of occupational professionalisation (e.g. Robinson, 2003). Most scholars link professionalisation to the implementation of new managerial practices as a direct impact of the arrival of trained professionals, who have specific expertise and experience in various economic domains, thus following the logic of organisational professionalisation (e.g. Ferkins & Shilbury, 2010; Shilbury, Ferkins, & Smythe, 2013; Thibault et al., 1991). Regarding organisational professionalisation, studies particularly focus on sport governance, organisational structure and policy-making. Systemic professionalisation constitutes a final and

⁵ United Nations. (2014). *UN General Assembly. Resolution 69/6: Sport as a means to promote education, health, development and peace.* Retrieved from http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/69/6

broader conceptualisation, considering professionalisation as the result of externally induced changes that concern multiple organisational domains (e.g. O'Brien & Slack, 2003; Skinner et al., 1999).

More recent studies of Nagel et al. (2015) and Ruoranen et al. (2016) suggest conceptual frameworks to analyse the professionalisation of sport organisations with regard to organisational rationalisation and efficiency. While Nagel et al. draw conclusions from extant literature on NSOs to build a multi-level framework to analyse professionalisation, Ruoranen et al. explore the perception of practitioners from NFs regarding professionalisation. **Compared to the relatively abundant research on national sport federations' professionalisation, little, if not to say no, research currently exists on IFs in this regard.** This is rather astonishing, especially as IFs employ more and more paid staff. Between 1999 and 2014, the staff size of UEFA has quadrupled from 96 to 450 staff members and FIFA employs today more than 450 staff members⁶. Furthermore, as administrative bodies of international sport, and contrary to NFs that strive for sporting success at international events in first place, IFs employ less technical experts (e.g. coaches). Instead, they rely on experts from various domains, including finances, communication and marketing. We can therefore assume that processes of both occupational and organisational professionalisation are shaping IFs current structure and functioning.

1.1.2. Commercialisation in and of sport

Another approach to the transformation of sport organisations is to look at the rapid commodification and commercialisation of sport since the 1970s (North America), 1980s (Western Europe) and 1990s (rest of the world) (Andreff & Szymanski, 2006). As 'commercialisation' includes the word 'commerce', it implies that two or more parties trade with each other. Today, sport is undeniably an integral part of the worldwide economy. The rapidly growing economic significance of sport is also at the origin of the emergence of sport economics as a research field. First studies in the 1950s are closely related to the importance of uncertainty of outcome in professional sports leagues and professional sports in general in the North American context. In the introduction of the *Handbook on the economics of sport*, Andreff and Szymanski (2006) note in this regard: "while teams compete on the field, one team could not dominate its competition if the league is to be successful in terms of sales and profit. Unlike in most industries, the firms (clubs) in a sports league must collude to balance the competition" (p. 2). Other topics followed, including the demand for sport, for sporting goods, for sport broadcasting and sponsorship. The growing importance of sports economics as a discipline is further emphasised by the creation of the *International Association of Sport Economists* in 1999, the *Journal of Sports Economics* in 2000, and the admission of articles on sport in mainstream economic

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⁶ 24heures. (2015). *Trois graphiques pour expliquer FIFA et UEFA*. Retrieved from: https://www.24heures.ch/sports/trois-graphiques-expliquer-fifa-uefa/story/31154510

journals. Three of the most salient examples of the commercialisation of sport are the sports goods industry, professional sport teams and mega-sporting events.

The sports goods industry

Since the 1980, the sports goods industry has been a branch of growing complexities and ever increasing revenues (Lipsey, 2006). Over the last three decades, the sporting goods industry evolved into an exploding marketplace. Nike is a perfect example of the explosive growth. In 2017, Forbes estimated the brand value of Nike to mount to USD 29.6 billion, guaranteeing Nike the title of the most valuable sports business brand worldwide⁷. However, as Slack and Parent (2006) point out, "Nike has not always been a large multimillion-dollar organization" (p. 1). Blue Ribbon Sports, which later became Nike, was formed in 1964. In its first year, Blue Ribbon generated modest revenue of USD 8'000. The distribution of running shoes at local and regional track meetings had nothing in common with the Nike stores we know today. But with the increasing popularity of running in the late 1960 and 1970s, revenues bounced up quickly to attend nearly USD 300'000 in 1969 and USD 3.2 million in 1973. Simultaneously to its market volume, Nike's company structure grew, and its organisational design changed from a loosely structured organisation with informal coordination to a formalized management system with standardized operating practices. Despite the sports goods industry facing "a high volatility of demand" (Andreff, 2006, p. 27), store sales in the United States have tripled from USD 15.58 billion in 1992 to USD 46.35 in 2015⁸. Several factors are contributing to this increase, including online shopping and new technologies (e.g. fitness apps). Even though IFs are the governing bodies of international sport, they capitalise little on the sports goods industry (though some IFs have introduced licence fees to produce specific equipment that is in line with the federation's regulations).

Sport teams and athletes

The second example of the commercialisation of sport concerns professional sport teams and athletes. Bill Gerrard (1999) started an article by saying: "Team sports have become big business. The revenue streams are growing exponentially" (p. 273). Thanks to gargantuan revenues from broadcasting rights, sponsorship and merchandising, clubs such as Manchester United have indeed become large companies. And the more media exposure they have, the more they attract big business partners: "We attract leading global companies such as adidas, Aon, and General Motors (Chevrolet) that want access and exposure to our community of followers and association with our brand" (Manchester

⁷ Statista. (2017). *Brand value of sports businesses worldwide*. Retrieved from: https://www.statista.com/statistics/253349/brand-value-of-sports-businesses-worldwide/

⁸ Statista. (2015). *Annual sporting goods store sales in the US since 1992*. Retrieved from: https://www.statista.com/statistics/197704/annual-sporting-goods-store-sales-in-the-us-since-1992/

United)⁹. Social media is adding to the worldwide spread of club-relevant information and interaction between the club, fans and followers. On 30 June 2017, Manchester United counted more than 17.7 million Twitter followers and close to 150 million social connections¹⁰. Its business model is built around three principal sectors: commercial, broadcasting and matchday. In the past, the largest part of income came from matchdays (2006: 43% or £71 million) followed by broadcasting (2006: 29%) and commercial (2006: 28%). Over the years, the business model shifted towards more income from commercial (2017: 48% or £276 million, this being a mean annual growth rate of 17.4%) followed by broadcasting (2017: 33%) and matchdays now occupying the last place (2017: 19%)¹¹. While growing revenues from broadcast rights and sponsorship deals with businesses partners came as a blessing for some teams, it also increased disparities between teams. With an annual budget of £31 million in 2016, Team Sky largely came top of the list of professional cycling teams. Compared to this, the annual budget of Cannondale-Drapac amounted to one-third of Team Sky's budget¹². Research into sports teams frequently encompasses business-related topics such as brand equity (e.g. Ross, 2006) and brand loyalty (e.g. Gladden & Funk, 2001).

In the wake of a growing demand for spectator sport (Simmons, 2006), league revenues increased (notably through broadcasting rights) and were redistributed to players in form of salaries. And even athletes from individual sports could capitalise on the rise of TV spectator sport by becoming a living advertising space when signing sponsorship contracts. At the same time, Vamplew (1988) argues "that sport became commercialised a long time ago" (p. 4), notably starting with gate revenues in the late nineteenth century. As Vamplew further notes, soccer players of the Scottish club Celtics went on strike as early as 1890 to claim higher wages. From this perspective, professional athletes in the sense of paid athletes are indeed not a novelty. In comparison, the sometimes irrationally high salaries of some athletes are a relatively recent evolution. In the 2017 ranking of The World's Highest-Paid Athletes established by Forbes¹³, the accumulated salary of the top-ten athletes amounted to USD 623.7 million. And the top-twenty athletes come from only six different sports: soccer, basketball, tennis, football, golf and auto racing. In football, a key event in the sharp increase of player's salaries and transfer fees was the so-called "Bosman ruling". In 1990, Bosman's employer, the RFC Liege, not only refused to let him change clubs without a transfer fee despite his contract coming to an end; it also drastically cut his wage after the deal had collapsed. Bosman attacked his

⁹ Manchester United. (2018). *About Manchester*. Retrieved from: http://ir.manutd.com/company-information/about-manchester-united.aspx

¹⁰ Idem

¹¹ Manchester United. (2018). *Business Model*. Retrieved from: http://ir.manutd.com/company-information/business-model.aspx

¹² Businessinsider. (2017). Americas 'Moneyball' Tour de France team just made a clever deal that should make it much more competitive against Chris Froome's Sky juggernaut. Retrieved from: http://www.businessinsider.fr/us/oath-cannondale-drapac-digital-media-partner-tour-de-france-cycling-team-2017-7/

¹³ Forbes. (2017). *The World's Highest-Paid Athletes*. Retrieved from: https://www.forbes.com/athletes/list/#tab:overall

club at the *European Court of Justice*. In 1995, the court decided in Bosman's favour. Since then, football players in Europe can change clubs at the end of their contract without a transfer fee. The Bosman ruling is at the origin of football's exploding player salaries and transfer fees, as well as the arrival of players' agents.

Sporting events

The third and final example of how commercialisation has penetrated various aspects of sport relates to sporting events. Scholars have analysed mega-sporting events from a multitude of different perspectives, including their economic impact (e.g. Lee & Taylor, 2005, on the FIFA World Cup), their social impact (e.g. Malfas, Theodoraki, & Houlihan, 2004, on the Olympic Games) and sponsorship (e.g. Crompton, 2004, on sponsorship effectiveness). The evolution of the economic growth of sporting events is often analysed through the example of the Olympic Games, and in particular the value of Olympic broadcast rights: "The summer Olympics in Rome 1960 attracted \$1.2 million TV rights; 40 years later in Sydney, the broadcasting rights sold for \$1332 million (this is equivalent to an annualised growth rate of 19 per cent)" (Andreff & Szymanski, 2006, p. 6). The Olympic Summer and Winter Games as the IOC's "unique 'property' has permitted it to head a flourishing business enterprise since the 1980s, even if its legal status remains that of a non-profit association" (Chappelet, 2006, p. 241). Competition between major TV networks contributed to the growth of the IOC's broadcast rights. The second most important source of income from megasporting events is marketing/sponsorship rights. From 2012 to 2015, FIFA generated about USD 1.5 billion through marketing rights, this being 25.7% of its overall income for the same period¹⁴. For those sports that are being staged in stadiums, ticketing may represent a third source of revenue. Through the 2014 FIFA World Cup, FIFA generated 23% of its 2014 revenue through ticketing 15.

International sport federations

While the economic volume generated through the sports goods industry and sport teams is considerable, these revenues are, for the most part, out of the IF's reach. The only exceptions are licence fees for internationally regulated sports equipment (e.g. balls, rackets) and teams'/athletes' registration with the federation. Meanwhile, as the rights holders of the World Championships (and other international sporting events in most cases), IFs can generate important amounts of revenue through broadcast and sponsorship rights as well as organising fees. The commercialisation of sporting events constitutes in fact one of the most important sources of revenue for IFs, which, like the IOC, are non-profit associations. Hoehn (2006) comments this situation by saying: "Governing bodies fund themselves from membership fees, from competitions they run and increasingly from sponsorship and sale of TV rights" (p. 234). **If sport has become big business, how comes then that**

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¹⁴ FIFA financial statements 2010-2015

¹⁵ FIFA financial statement 2014

no studies exist on the commercialisation of IFs as sports' governing bodies? Several scholars criticise IFs' massive commercialisation. At the same time, no study has yet analysed some of the most evident questions: Which of the IFs' activities are commercial activities? How do IFs commercialise? Which goals does the IF pursue with these activities? What is the impact of commercialisation on IFs' social mission?

A considerable amount of studies on the commercialisation of nonprofit organisations (henceforth: NPO) in general has been published over the last 20 years (e.g. Guo, 2004, 2006; Weisbrod, 1998; Young, 1998). A recurring issue in these studies is whether commercialisation of NPOs "fosters profit-seeking at the expense of social good" (Child, 2010, p. 146). Though commercial ventures in the NPO sector are not new, especially in competitive markets (Tuckman, 1998), Young (1998) queries their handling with regard to the regulation and taxation: "As nonprofit commercial income grows, how much of it should be taxed? If commercial activities can undermine the integrity of nonprofits or divert them from their social missions, what limits are required to maintain tax-exempt status?" (p. 279). Broad mission formulations allow NPOs in their tightrope walk between social mission and commercial activities. Some of the central questions that can be deduced from the general NPO literature on commercialisation are: do commercial activities and initiatives contribute to the NPO's mission? How can appropriate oversight on the use of commercial funds be guaranteed? Does the use of for-profit business techniques favour greater organisational efficiency? Considering growing revenues from commercial rights (e.g. broadcast, sponsorship, organising fees), it is surprising that research on the commercialisation of IFs is literally non-existent.

1.1.3. Challenges

Both the professionalisation and commercialisation of IFs have received little attention in sport management literature. This lack of research is even more surprising as IFs constitute an integral part of the global sport ecosystem. As stipulated in their mission, IFs are responsible for setting up, supervising and sanctioning international sporting rules (e.g. rules on participation, player transfers, doping, etc.), for promoting and developing their sport (e.g. development projects), and for organising their sport (e.g. World Championships, World Cups). Through their role and the multiple connections that result from it, IFs are strongly intertwined with professional sport and the wider sport economy. Consequently, both professionalisation and commercialisation are expected to play a central role in their current functioning.

Though no clear definition of IFs' professionalisation exists to this day, changes to IFs' structure and functioning as described above are indicative of some sort of change process that can be qualified as professionalisation or at least as professionalisation discourse or rhetoric. Simultaneously, increasing reliance on revenues from commercial rights, particularly from sporting events, suggest a

strong commercial focus. In summary, IFs have become both complex organisational structures and global economic actors. And while governance issues dominate the research agenda on international sport governing bodies (e.g. Chappelet, 2011; Chappelet & Kübler-Mabbott, 2008; Chappelet & Mrkonjic, 2013; Forster, 2006, 2016; Geeraert, Mrkonjic, & Chappelet, 2015; Pielke, 2013, 2015), the underlying concepts of professionalisation and commercialisation have been widely ignored.

1.2. Research questions and objectives

Against the background of the above reflections emerges the question of how professionalisation and commercialisation have shaped and shape IFs' structure and functioning. Considering professionalisation and commercialisation as central dynamics in IFs' current transformation, an analysis of their meaning (i.e. definition), occurrence (e.g. drivers, barriers, conditions), interrelationship and implications is presently missing in the sport management literature. At the same time, the constant focus on IFs' governance issues is somewhat misleading. Because of a few analysed IFs, which have in common to generate high revenues and to have been/be involved in governance scandals (e.g. IOC – *International Olympic Committee*, FIFA – *International Association Football Federation*, IAAF - *International Association of Athletics Federation*, FIVB – *International Volleyball Federation*, UCI – *International Cycling Federation*), extant research studies primarily produce a very negative picture of international sport organisations. The focus on governance issues creates in fact a biased picture of the more than 90 IFs as it fails to produce a more comprehensive understanding of their general structure and functioning.

Though research on the professionalisation of NSOs and the commercialisation of NPOs in general is abundant, both concepts are ill-defined and poorly explored in the context of IFs. Despite professionalism being an important social norm today and despite the transformation of the IOC and some IFs into commercial giants, a critical reflection on the interrelationship between professionalisation and commercialisation in IFs is currently lacking. Considering repeated governance scandals that have discredited IFs and increasing pressure from media and public authorities on the one hand, and IFs' strong reliance on the techniques and rhetoric of the corporate world on the other hand, this research gap is even more surprising. The objective of this thesis is therefore to explore the concepts of and interrelationship between IFs' professionalisation and commercialisation as central transformation processes in recent years. Both professionalisation and commercialisation may further contribute to the explanation of recurring governance issues in IFs. To develop a more comprehensive understanding of IFs' professionalisation and commercialisation, this thesis seeks to collect data from a representative sample of IFs, which goes beyond the usual focus on prominent international sport organisations such as IOC, FIFA, FIVB, IAAF and UCI.

To remedy some of the shortcomings mentioned in the research context, this thesis reviews extant literature on the concepts of professionalisation and commercialisation, analyses their

occurrence and discusses their interrelationship and managerial implications. Before reviewing extant literature, a couple of basic questions constitute a useful starting point: Why did IFs emerge in the first place? What were their initial role and characteristics? How are IFs perceived today? What are their current role and characteristics? If we want to understand IFs' current functioning and rationale, we first must understand where they come from. Only if we know the basics of their founding idea and the form and functioning this founding idea produced, we can draw a picture of IFs' current form and functioning. A growing divergence between the original and the actual form of IFs would be a strong indication for important transformations to have taken place. Though I will briefly broach the topic of IFs' emergence as well as their characteristics and legal form as NPOs, the main goal of this thesis is clearly not to trace back the historical evolution of IFs, nor to explain their legal form from a juridical point of view. These questions and reflexions only pave the ground for the main focus of this thesis: the interrelationship between professionalisation and commercialisation in international sport federations. The following research questions will henceforth guide the research:

- 1. What are drivers for and barriers to professionalisation in international sport federations?
- 2. Which conditions particularly influence international sport federations' commercialisation?
- 3. What are the managerial implications of international sport federations' professionalisation and commercialisation?

The term "international sport federations" refers only to those sport organisations that govern their sport at the international level and are recognised by SportAccord, the umbrella organisation for all Olympic, IOC-recognised and non-Olympic international sport federations¹⁶. In what follows, I first outline IFs' emergence and their structure and functioning in the past (2.1) and then give an overview of their current structure and functioning (2.2). In a second step, I look at differences and commonalities between past and present structures and ways of functioning (2.3). I then explain the two key concepts of professionalisation (3.1) and commercialisation (3.2) by referring to extant literature. Based on these concepts and uncovered research gaps (3.3), I develop a conceptual framework (3.4). As this thesis is composed of publications, each publication has its own methodology. However, some common methodological elements are presented in chapter 4. Chapter 5 then provides a summary of the constituting articles (2) and book chapters (2). The first two publications deal with the question of causes of professionalisation in IFs, while the third and fourth publications examine commercialisation as a specific form of professionalisation:

 $^{^{16}}$ SportAccord also counts several multi-sports games' organisers and sport-related associations, but these are beyond the focus of this study.

- 1. Drivers of and Barriers to Professionalization in International Sport Federations (Publication I):

 The first article (Clausen et al., 2017) analyses drivers of and barriers to professionalisation in IFs.

 Parting from the observation of a fast changing and increasingly complex environment, IFs have to face new and complex challenges resulting from internal as well as external factors. While research on NSO is abundant, the question of IFs' organisational change has rarely been subject to comprehensive studies. The conceptual framework we developed is based on the concepts and dynamics of organisational change, the influence of isomorphic pressures and the operationalization of the multi-level framework of Nagel et al. (2015). Data from six case studies was processed and analysed using qualitative content analysis. Findings reveal eleven essential drivers of and five barriers to IFs' professionalisation. Three findings are discussed in detail: (1) professionalisation as a dynamic process with phases of acceleration that vary depending on IFs' size; (2) IFs becoming increasingly business-like; and (3) five causes of particular relevance to IFs' professionalisation process. These are: external pressures, leadership, commercialisation, management practices and organisational culture.
- 2. Bringing a corporate mentality to the governance of sport (Publication II): The second publication (Clausen & Bayle, forthcoming 2018), a book chapter on Hein Verbruggen, the late UCI president (1991-2005), picks up on one specific aspect of the first article: it focuses on the impact of individual key actors and their leadership on IFs' professionalisation process. The chapter provides detailed insights into the career of Hein Verbruggen. His career is significantly linked to the structural and operational professionalisation of the UCI, and the transformation of SportAccord (formerly GAISF for "General Association of International Sport Federations"; now again GAISF but abbreviated for "Global Association of International Sport Federations") to become a self-sufficient service provider to all IFs as well as a multi-sport games organiser. The chapter focuses on Hein Verbruggen as a marketing expert and his entrance into the world of sports, his managerial vision as a businessman and its implementation at the UCI, and his reform of SportAccord to become a service provider to IFs and a multi-sports game organiser. Being a person that strongly divides opinions of contemporaries and media alike, a short overview of some allegations against Hein Verbruggen is given. The chapter concludes with a summary of his main achievements. Information is based on 10 interviews (three of which were held with Hein Verbruggen and seven with former collaborators and contemporary witnesses) and data analysis of documents from the IOC, UCI and SportAccord as well as newspaper articles.
- 3. <u>International sport federations' commercialisation a qualitative comparative analysis</u> (<u>Publication III</u>): Changing from the question of causes of IFs' professionalisation, the third publication (Clausen et al., 2018) addresses the issue of forms that arise from IFs' professionalisation processes. The study on which the article is based constitutes a first attempt to

collect, analyse and compare data on IFs' commercialisation through sporting events. To analyse IFs' event commercialisation, the method of crisp-set qualitative comparative analysis (csQCA) is applied to 22 Olympic IFs. Four conditions of influence are deduced from literature, interviews and documents: strategic planning, specialisation, social media engagement and low accountability. Of the 35 Olympic IFs (including 28 summer and 7 winter Olympic IFs), 22 IFs provide sufficient information to analyse their event commercialisation. The findings reveal a variety of configurations, six of which result in high and five in low commercialisation. They further highlight the importance of specialisation and social media engagement to achieve high levels of commercialisation. At the same time, IFs' increasingly business-like behaviour also brings new issues to the fore such as the risks of mission drift, goal vagueness and governance issues.

4. Major sport events at the centre of international sport federations' resource strategy (Publication IV): The final publication (Clausen & Bayle, 2017) presented in this thesis can be considered as a sub-aspect of the topic of commercialisation as it looks at IFs' major sporting events as a strategic tool within their financing strategy. The book chapter starts with an overview of event types in international sport, followed by a general summary of IFs' main sources of revenue. The analysis of major sport events as a central element of IFs' resource strategy is approached in two steps: first, observed commonalities across several IFs are outlined; and second, four cases exemplifying four different models of revenue generation are presented. Findings of this chapter reveal that observed patterns are likely to be historically funded or emerged as the result of changing environmental circumstances and organisations' internal response strategies to them. At least three aspects make international sport events and their role in IFs' resource strategy an interesting study topic: the constantly growing number and globalisation of sport events, their continuous commercialisation and the lack of research on sport events from the perspective of IFs.

The discussion section is divided into two parts: the discussion of findings related to the three research questions; and the discussion of managerial implications that are deduced from the four publications. The risk of sector bending and mission drift is being discussed more in detail because of its underestimated importance and the current lack of research in sport management literature. In the context of theoretical contributions, I discuss the interrelationship between the concepts of professionalisation and commercialisation, suggesting a continuation of the design archetypes of Kikulis et al. (1992). A second theoretical contribution is the application of the institutional perspective, and notably institutional isomorphism, to analyse the interrelationship between professionalisation and commercialisation in IFs. The conclusion presents additional reflections and thought-provoking questions.

2. General context of International Sport federations

2.1. International sport federations in the past: regulatory bodies with volunteer structures

If we want to understand IFs' current functioning, we need to understand where they come from. Though the creation of IFs has generally evolved from the bottom-up (Ferkins & Van Bottenburg, 2013), the organisation of the first modern Olympic Games in 1896, its fast growing popularity and the rapid expansion of modern sport were certainly additional impulses. How big should a football pitch be? How many players should play in a rugby team? What size should a tennis ball have? These questions may seem ridiculous today. The international standardisation of rules became one of the main responsibilities of IFs. Before the modern Olympic Games, internationally standardised rules were lacking in most sports. As an anecdote: the first draft of football rules established by the British Football Association (formed in 1864) "allowed running with the ball and hacking – kicking the shins of – the player in procession" (Vamplew, 2006). Football is one of the first sports to have been thoroughly regulated. All in all, the advent of the Olympic Games and international sport competitions were a true game changer in terms of sport regulations. To make sport competitions between two or more countries possible (as is the case at the Olympic Games), international rules became indispensable. It is therefore little surprising that many of the Olympic federations were created around the end of the 19th and beginning of the 20th century (Table 1).

Upon their creation and for many decades after, people's involvement in IFs' mission has been first and foremost about passion for the sport and gratuitous participation in its dissemination. At the same time, passion and voluntary work as the cornerstones of IFs' functioning never excluded the pursuit of individual and political interests. These characteristics are coherent with the general NPO literature (e.g. Weisbrod, 1998). Two aspects briefly exemplify why IFs were created as NPOs: one is their structure and the other their mission/role. With regard to the first, IFs started out as pure amateur structures (Inglis, 1997a) with the goal of setting up international sporting rules. In short: some devoted and passionate people sacrificed their time to set up international rules. In their role as regulatory body whose functioning was guaranteed by volunteers, IFs did not seek financial profits in the first place. Hence, in their original form, the effectiveness of IFs as NPOs depended largely on volunteers and the time, skills and experience they put at the IF's disposal (Cornforth, 2001). As a first observation, the structural characteristic of volunteer organisations justifies IFs' creation as NPOs.

Table 1. Examples of IFs' creation

| IF | Year | Creation decided in | Headquarters today |
|------|------|------------------------------------|---------------------------------|
| FIFA | 1904 | Paris (France) ¹⁷ | Zurich (Switzerland) |
| FINA | 1908 | London (England) ¹⁸ | Lausanne (Switzerland) |
| FISA | 1892 | Turin (Italy) ¹⁹ | Lausanne (Switzerland) |
| ISAF | 1907 | Paris (France) ²⁰ | London (England) |
| ISSF | 1907 | Zurich (Switzerland) ²¹ | Munich (Germany) |
| ITF | 1913 | Paris (France) ²² | London (England) |
| IWF | 1905 | Duisburg (Germany) ²³ | Budapest (Hungary) |
| UCI | 1900 | Paris (France) ²⁴ | Aigle (Switzerland) |
| UWW | 1912 | Stockholm (Sweden) ²⁵ | Corsier-sur-Vevey (Switzerland) |
| WR | 1886 | Dublin (Ireland) ²⁶ | Dublin (Ireland) |

FIFA: International Football Federation; FINA: International Swimming Federation, FISA: International Rowing Federation, ISAF: International Sailing Federation, ISSF: International Shooting Sport Federation, ITF: International Tennis Federation, IWF: International Wrestling Federation, UCI: International Cycling Federation, UWW: United World Wrestling, WR: World Rugby

From a mission perspective, IFs' initial assignment was to regulate members' recognition, establish and sanction international rules of the game and organise international competitions. Before the supervision of the rules of the game was conferred to an international governing body, rules initially emerged from the bottom. Indeed, initiatives to establish general regulations for the game and to have an organisation that supervises and sanctions these rules existed well before at national level. Referring to events as far back as 1750, Allison and Tomlison (2017) describe for instance the moulding of English football into a more formalised game, though for very practical reasons: "Rugby School²⁷ purchased an enclosed field ('the Close'), partly to stop its pupils playing games in local graveyards" (p. 11). About a century later, in 1845, three young schoolboys from Rugby wrote down the first rules of what could be described as folk football (as opposed to traditional games restrained to

http://www.sailing.org/worldsailing/about/history.php

¹⁷ FIFA. (2018). *About FIFA*. Retrieved from: http://www.fifa.com/about-fifa/who-we-are/history/index.html

¹⁸ FINA. (2018). *FINA & Aquatics, a bit of history*. Retrieved from: http://www.fina.org/content/fina-aquatics-bit-history

¹⁹ FISA Rule book (2017), p. 10

²⁰ ISAF. (2018). A short history of World Sailing. Retrieved from:

²¹ ISSF. (2018). The ISSF history. Retrieved from: http://www.issf-sports.org/theissf/history.ashx

²² ITF. (2018). *History*. Retrieved from: http://www.itftennis.com/about/organisation/history.aspx

²³ IWF. (2018). Weightlifting history. Retrieved from: http://www.iwf.net/weightlifting_/history/

²⁴ UCI. (2018). *History*. Retrieved from: http://www.uci.ch/inside-uci/about/history/

²⁵ UWW. (2018). *History of United World Wrestling*. Retrieved from:

https://unitedworldwrestling.org/organisation/united-world-wrestling

²⁶ IOC. (2018). Sports. Retrieved from: https://www.olympic.org/world-rugby

²⁷ An ancient school founded in 1567 in the English village of Rugby.

the English society). As a remnant of traditional games of English society, William Arnold, son of the late headmaster of Rugby and member of the rule-making committee, asked the three boys to anchor the norm of "gentlemanly conduct" as a form of modern chivalry in the rules. Hence, sportsmanship and ethical components have been integral parts of the game since the first establishment of rules. Allison (2012) cites a quote of De Coubertin from the year 1887, in which the latter referred to Arnold's notion of Christian gentlemen: "my goal is to teach children to govern themselves which is far better than governing them myself" (p. 24). The idea of self-governance, self-organisation and autonomy were thus among the guiding principles in the creation of IFs. It is therefore little surprising that the first statutes of IFs contained only the very basic rules that were necessary for the organisation of international matches. For instance, the first FIFA statutes, established in its year of creation (1904), determined the following:

[...] the reciprocal and exclusive recognition of the national associations represented and attending; clubs and players were forbidden to play simultaneously for different national associations; recognition by the other associations of a player's suspension announced by an association; and the playing of matches according to the Laws of the Game of the Football Association Ltd. (FIFA – History of FIFA²⁸)

Over time, and beyond their initial role as regulatory bodies, IFs seem to have developed a mission of increasingly social/societal scope. Zintz and Camy (2005) therefore also classify sport federations as "missionary organisations" (p. 31, free translation from French), which justify their existence through their social mission. However, unless someone dusts off IFs' early statutes (and provided that these still exist and access to them is granted), it is difficult to establish at which point in time IFs developed this social anchorage as an additional reason for their existence. At this point in time, no studies exist that have analysed the evolution of IFs' mission statements and actions related or, on the opposite, actions diverging from it. In the meantime, I can only assume that IFs with headquarters in Switzerland have aligned their mission in direct relation to the development of modern NPOs in Switzerland. In fact, since 1912 the Swiss Law legally defines the three types of "modern" nonprofits, which are foundations, associations and co-operations (von Schnurbein & Bethmann, 2015). As stipulated in the Swiss Civil Code, a foundation (Swiss Civil Code, Art. 80-89bis) is a legal entity with segregated funds. The purpose of the funds needs to be specified. Contrary to associations and co-operations, a foundation has no members. The nonprofit form of associations (Swiss Civil Code, Art. 60-79bis) in Switzerland is similar to the Anglo-American voluntary organisation. Being a corporately organised group of persons, a minimum of two persons is necessary to found an

²⁸ FIFA. (2017). *History of FIFA - Foundation*. Retrieved from http://www.fifa.com/about-fifa/who-we-are/history/index.html

association. Associations are not subject to state supervision. The goals of associations have to be non-economic. A <u>co-operation or cooperative</u> (Swiss Code of Obligations, Art. 828) can consist of an unlimited number of persons or commercial enterprises. Their main goal is to collectively promote or safeguard the economic interests defined by its members. Contrary to the association the cooperative has to pursue economic purposes. Von Schnurbein and Bethmann further point towards the rise of distinct organisations in sport, music and education in the aftermath of this new codification. In general, NPOs in Switzerland are assigned the role of public service organisations that fall under the principle of subsidiarity. The Swiss conception of subsidiarity grants NPOs extensive regulatory freedom.

Directly referring to IFs, Pieth (2014) notes: "The laws of Switzerland are such that sports governing bodies, as well as other non-profit organizations, are relatively free from governmental rules and regulations" (p. 3). In addition to this, the Swiss tax system allows for high tax deductions and even exemptions in the case of NPOs. According to Von Schnurbein and Bethmann's (2015) findings, Switzerland counts today about 100'000 NPOs. The IOC was one of the first (if not the first) international sport organisations to choose Lausanne (Switzerland) as the base for its headquarters in 1915. Some additional information on Lausanne and its role in the Olympic Movement is worth mentioning at this point. In 1994, Juan Antonio Samaranch (president of the IOC from 1980 to 2001) designates Lausanne as the Olympic Capital. Since the 1980s and under the impulse of Samaranch, the city of Lausanne and the Canton of Vaud have elaborated favourable conditions (e.g. legal and financial aspects) in close collaboration with the Swiss federal authorities to attract international sport federations. Today, Switzerland is home to more than 60 international sport organisations, of which about 45 are IFs, all of them enjoying the fiscal advantages and a legal frame that is characterised by great liberalism. After having been awarded the symbolic title of "Olympic Capital", Lausanne thus also became the actual administrative capital of world sport (Pinson, 2016). Despite Lausanne's undeniably central role in Olympic and international sport, the city has never hosted any Olympic Games (even though it was five times a candidate). With the 2020 Youth Olympic Games, this will finally come true. In recent years, and seeking a new catalyst for investment and promotion through international sport, the city of Lausanne had to rethink what Pinson (2016) defines as a sports events hosting strategy (SEHS). However, according to the author, Lausanne's SEHS currently still lacks clear objectives and a systematic approach.

One can retain that NPOs based in Switzerland enjoy extensive legal freedom, tax reductions and have been assigned the role of public services. The role of public service providers is further supposed to guide their mission. Minkoff and Powell (2006) argue that NPOs' mission "provides a sense of purpose that energizes and justifies organisational existence" (p. 591), entails inducement and sets guidelines. Inducement means here a calling out to supporters and a means to convince them to invest time, energy, expertise and/or resources into the organisation. The feature of providing

guidelines relates to NPOs' formal characteristics. These include for example the non-distribution constraint (Anheier, 2000; Chang & Tuckman, 1994; Dees & Anderson, 2003), institutional separation from the government, self-governance and voluntary nature (Salamon & Anheier, 1997). Hansmann (1987) suggests three theoretical approaches to describe the role of NPOs: public goods theory, contract failure theory and subsidy theories.

- 1. With regard to the public goods theory and referring to Weisbrod (1977), Hansmann notes that NPOs provide "public goods in amounts supplemental to those provided by the government" (p. 29).
- 2. NPOs also emerge as a result of contract failure. Contract failure describes a situation in which consumers cannot easily evaluate the quantity and quality of produced services, hence resulting in information asymmetry. In cases such as day-care, parents might therefore turn to a nonprofit organisation under nondistribution constraint rather than to a for-profit by fear the latter could provide "inferior services to increase the firm's profit" (p. 29).
- 3. And finally, subsidy theories support the assumption that "subsidies (i.e. tax exemption) are in large part responsible for the proliferation of nonprofit firms" (p. 33).

IFs are to be located in the first theory. By promoting, developing and organising their sport, IFs accommodate a specific demand and fill a gap "that neither the state nor the for-profit organizations are willing to fulfil" (Hall, 1987, p. 3)²⁹.

Meanwhile, and even though the mission of an NPO should function as a compass for its actions, Minkoff and Powell (2006) emphasise that organisations need to adapt to environmental changes and pressures, which may, over time, lead to contingent mission shifts. To return to the topic on IFs' evolving structures and functioning as NPOs, I refer to Minkoff and Powell's call to further investigate NPOs' mission as both a charter (social contract) and a constraint. A staff member from the FIH (International Hockey Federation) aptly points out the current mission dilemma that IFs are in: "What is their [IFs'] role? We have changed their role dramatically. Should it be the same now for the future as it was 20 years ago? What is the purpose of them in a digital driven, fragmented, global world?" (FIH, B2).

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²⁹ Two other purposes noted by Hall are: "to perform public tasks that have been delegated to them by the state" and "to influence the direction of policy in the state, the for-profit, or the nonprofit organizations".

2.2. International Sport Federations today: between social mission and economic rationale³⁰

The citation of the FIH staff member suggests that IFs' current functioning differs considerably from the past, even though their mission statement and the definition of their role as public service providers have remained fairly unchanged. In a more general context, and referring to Salomon et al. (1999), Anheier (2000) observes that "NPOs have become a major economic force" and that "in this process, many non-profit organisations have come to embrace the language, the management practices, even the culture of the business world" (p. 2). This raises several questions. For instance: Have IFs become more business-like? And if so, why and how? How do they manage the "delicate and contradictory interplay of mission focus and commercial imperatives" (Jäger & Beyes, 2010)? And how does the bending towards an increasingly economic rationale impact their structure, their functioning and their mission fulfilment? As I broach the historical evolution of IFs only very superficially, I acknowledge that intermediate steps are less discussed in detail. Particular attention is given instead to the comparison of IFs' initial and current form and functioning.

Congruent with IFs' mission to autonomously regulate international sport, a mission that has been entrusted to them by their members (i.e. NFs), and the social mission that IFs have developed over time, several universal institutions (e.g. United Nations) and regional intergovernmental organisations (e.g. European Union) have recently recognised the "independence and autonomy" of sport. As the following examples demonstrate, these institutions emphasise the role of sport as a vehicle for social action, a carrier of social values and a fundamental human right. Numerous examples exist, some of which are given below:

1) United Nations (UN):

Some UN resolutions since the UN General Assembly Resolution 58/5 entitled "Sport as a means to promote education, health, development and peace"31:

- Resolution 69/6 (A/RES/69/6)³² from 2014: the UN recognises and "supports the independence and autonomy of sport as well as the mission of the International Olympic Committee in leading the Olympic movement" (p. 5).
- Resolution 70/4 (A/RES/70/4)³³ from 2015: "Building a peaceful and better world through sport and the Olympic ideal".

³⁰ Adopted from Jäger and Beyes'(2010): Strategizing in NPOs: A case study on the practice of organizational change between social mission and economic rationale. Voluntas: International Journal of Voluntary and Nonprofit Organizations, 21(1), 82-100.

³¹ United Nations. (2003). UN General Assembly Resolution 58/5: Sport as a means to promote education, health, development and peace. Retrieved from https://www.sportanddev.org/fr/document/un-reports-unresolutions/un-general-assembly-resolution-585-sport-means-promote-health

³² United Nations. (2014). UN General Assembly. Resolution 69/6: Sport as a means to promote education, health, development and peace. Retrieved from

http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/69/6

³³ United Nations. (2015). UN General Assembly, Resolution 70/4: Building a peaceful an better world through sport and the Olympic ideal. Retrieved from http://undocs.org/A/RES/70/4

2000 United Nations Millennium Declaration³⁴:

• Sport as a vehicle to "promote peace and human understanding through sport and the Olympic ideal" (p. 4).

2030 Agenda for Sustainable Development³⁵

• Sport as an important enabler of sustainable development, recognising "the growing contribution of sport to the realization of development and peace" (p. 10).

<u>UNESCO International Charter of Physical Education and Sport (from 1978)³⁶</u>

- Advocates that access to physical activity and sport is a fundamental human right and should be assured and guaranteed for all human beings.
- Places the development of physical activity and sport at the service of human progress and promotes their development.

2) European Union (EU)

European Commission "Sport"

• "The European Union believes that Sport plays a vital role, not only in individual health and fitness, but in shaping our wider European society³⁷"

Lisbon Treaty (2012)³⁸, *Article* 165³⁹

- "The Union shall contribute to the promotion of European sporting issues, while taking account of the specific nature of sport, its structures based on voluntary activity and its social and educational function" (p. 120).
- At the same time, the Lisbon treaty recognises the principle of subsidiarity.
 - o "[T]he main responsibility remains with the Member States and sport federations"⁴⁰.
 - o "Article 165 explicitly excludes the adoption of European Sport legislation⁴¹".

³⁴ United Nations. (2000). *UN General Assembly. Resolution 55/2: United Nations Millennium Declaration*. Retrieved from https://www.eda.admin.ch/dam/deza/en/documents/die-deza/Millenniums-Erklaerung-Vereinte-Nationen-2000 EN.pdf

³⁵ United Nations. (2015). UN General Assembly. Resolution 70/1: Transforming our world: the 2030 Agenda for Sustainable Development. Retrieved from

http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E

³⁶ UNESCO. (1978). *International Charter for Physical Education, Physical Activity and Sport.* Retrieved from http://www.unesco.org/new/en/social-and-human-sciences/themes/physical-education-and-sport/sport-charter

³⁷ European Commission. (2017). *Sport. Societal Role*. Retrieved from

https://ec.europa.eu/sport/policy/societal role en

³⁸ Official title: Consolidated version of the Treaty on the Functioning of the European Union (2012)

³⁹ European Union. (2009). *Lisbon Treaty*. Retrieved from http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:12012E/TXT

⁴⁰ EOC EU Office (2011). Guide to EU Sport Policy, p. 10

Report on an integrated approach to Sport Policy: good governance, accessibility and integrity (European Parliament resolution of 2nd February 2017)⁴²

- Acknowledgment of the specific nature of sport based on voluntary structures.
- Acknowledgements of the educational and societal functions of sport.
- Support for the European sport model including the principle of one federation per sport.

In summary, the main aspects to retain from these examples are:

- the recognition of the autonomy of sport, notably by applying the principle of subsidiarity;
- the social and societal role of sport in promoting education, health, development and peace.

Subsidiarity refers here to both horizontal and vertical decision-making. In the *Encyclopedia of International Sport Studies* (2010), Ian Henry defines subsidiarity in sport as follows: "decisions about sport provisions should be largely local, and where possible be made by voluntary or commercial sector bodies. Government intervention would thus be limited" (p. 1335). The recognition of the independence and autonomy of sport by the UN has been celebrated by the IOC as an important concession and trumpeted as a "historic milestone⁴³" by Thomas Bach, the IOC president. Besides the usual arguments of sport fostering peace and development, the UN does not explain what is exactly meant by "independence" and "autonomy". Bach reasons this autonomy with the universality of sporting rules and calls for responsible autonomy. While he particularly emphasises the role of sport in "education, health, urban planning, cohesion of society and peace-building 44", it remains, again, unclear what is meant by "responsible autonomy". As the following extracts attest, in their statutes/constitution IFs strongly emphasise their social mission and activities in the public sphere, as well as the non-distribution constraint. Through such formulations, IFs can justify their nonprofit status and position themselves as a public good through collective action (for public good theories see e.g. Kingma, 1997; Olson, 2009). Three examples are given below:

⁴¹ EOC EU Office (2011). Guide to EU Sport Policy, p. 10

 $^{^{42}}$ European Olympic Committees. (2017). *Integrated approach to sport policy*. Retrieved from http://www.euoffice.eurolympic.org/blog/european-parliament-adopts-report-%E2%80%9C-integrated-approach-sport-policy%E2%80%9D

⁴³ International Olympic Committee. *United Nations recognises autonomy of sport*. Retrieved from https://www.olympic.org/news/historic-milestone-united-nations-recognises-autonomy-of-sport
⁴⁴ Idem

UCI – International Cycling Union

UCI Constitution (2016)

Among the purposes of the UCI are the goal:

- to promote cycling in all countries of the world and at all levels (Art. 2b);
- to encourage friendship between all members of the cycling world (Art. 2d);
- to promote sportsmanship and fairplay (Art. 2e).

The UCI will carry out its activities in compliance with the principles of the non-profit-making purpose:

• The financial resources shall be used only to pursue the purposes set forth in this Constitution (Art. 3d).

FIFA - Internationale Association Football Federation

FIFA Statutes (2016)

Among the objectives of FIFA are:

- to improve the game of football constantly and promote it globally in the light of its unifying, educational, cultural and humanitarian values, particularly through youth and development programmes (Art. 2a);
- to use its efforts to ensure that the game of football is available to and resourced for all who wish to participate, regardless of gender or age (Art. 2e);
- to promote the development of women's football and the full participation of women at all levels of football governance (Art. 2f);
- to promote integrity, ethics and fair play [...] (Art. 2g).

FIH – International Hockey Federation

FIH Statutes (2016)

Among the fundamental purposes of the FIH are:

• to promote and develop *Hockey* at all levels throughout the world, in accordance with the rights and freedoms of the Olympic Charter, and without discrimination of any kind, such as race, colour, gender, sexual orientation, language, religion, political or other opinion, national or social origin, property, birth or other status (Art. 1.4a).

Meanwhile, and despite many positive affirmations of intergovernmental organisations with regard to IFs' autonomy and social mission, IFs are no longer being considered as operating solely in the public sphere. They have in fact become an important part of the economy. The EU recognises for instance that "Sport is an ever growing sector of the economy that contributes to growth and jobs.

However, there is a need for comparable data to form the basis of evidence-based policy-making and for sustaining the financing of sport, in particular its non-profit structures⁴⁵". Already in the 1980s, Hansmann (1987) examines the income-generating behaviour of some NPOs, eventually leading to an overlapping of nonprofit and for-profit notions (Maier, Meyer, & Steinbereithner, 2014). Dees (2003), for his part, refers to the increase of NPOs' boundary-blurring activities as sector-bending, stating that "traditional sector boundaries are increasingly breaking down" (p. 16).

Other than certain NPOs such as hospitals, nursing homes and day cares, IFs do not face the risk of competition with for-profit organisations that offer similar services as both the IOC and the European Parliament 46 recognise only one federation per sport. This ultimately raises additional questions: Why do IFs increasingly focus on income-generation? How does this focus impact their structure and functioning? And how do IFs manage conflicting rationalities (social mission vs. economic rationale)? Several elements (and which will be discussed later in more detail) have entailed profound changes in sport in general and IFs' behaviour in particular. One major evolution is undeniably the massive and rapid commodification of sport, involving a growing demand for sport spectating (Robinson, 2003) inclusive of broadcasting, sponsorship and event hosting rights, and an increasingly thriving sporting goods industry:

- Between 2012 and 2015, FIFA generated about USD 2.57 billion through the selling of broadcasting rights⁴⁷.
- In 2006, PricewaterhouseCoopers (PwC) estimated the worldwide revenue from sports sponsorship at USD 26.75 billion⁴⁸.
- By 2015, the worldwide revenue from sports sponsorship had reached an incredible USD 45.28 billion⁴⁹.

A quick glance at the sporting goods industry reveals that, in 2016, Forbes calculated the value of Nike, the leading sports business brand, as amounting to USD 27 billion⁵⁰. The question of how the commodification of sport has impacted IFs' structure, functioning and vision remains, for the moment, fairly unanswered. I believe that this research gap and, related herewith, a lack of comprehensive

⁴⁵ European Union. (2011). European dimension in sport. Retrieved from http://eur-lex.europa.eu/legal- content/EN/TXT/?uri=LEGISSUM:ef0025

⁴⁶ European Olympic Committees. (2017). *Integrated approach to sport policy*. Retrieved from http://www.euoffice.eurolympic.org/blog/european-parliament-adopts-report-%E2%80%9C-integratedapproach-sport-policy%E2%80%9D

⁴⁷ FIFA financial statements 2012-2015

⁴⁸ Statista. (2015). Sport sponsorship: total revenue worldwide from 2006 to 2015. Retrieved from https://www.statista.com/statistics/269783/total-worldwide-revenue-from-sports-sponsorship/ ⁴⁹ Idem

⁵⁰ Statista. (2017). Most valuable sports business brands worldwide in 2017. Retrieved from https://www.statista.com/statistics/253349/brand-value-of-sports-businesses-worldwide/

understanding is at the origin of unclear positions that public authorities (at the national and international level) often take with regard to IFs' excessive commercialisation.

In light of an increasing interconnection of IFs' nonprofit nature and their economic activities, Parrish (2003), who bases his findings on the analysis of the sports law and policy in the European Union, defends the position that "[a]s a significant economic activity, sports rules should comply with EU law" (p. 2). A couple of years before, in 1995, the Bosman ruling constituted somewhat of a landmark decision in international sport as it revealed two important evolutions. First, it emphasised the growing involvement of policy and economy in sport. And second, the Bosman ruling strongly "undermined efforts to have sport classified as a social and not commercial pursuit" (Parrish, 2003, p. 3). The efforts have paid off: despite recurring corruption, doping and mismanagement scandals and questions about IFs' capacity to perform responsible autonomy and self-regulation, the UN has recognised the independence and autonomy of sport at its 69th regular session in 2014. Likewise, since February 2017, the European Parliament considers "the specific nature of sport 51" as voluntary structures, and "the autonomy of sport's governing structures 52". It further stresses that:

Sport is not only a growing economic reality, but also a social phenomenon which makes an important contribution to the European Union's strategic objectives, and to social values such as tolerance, solidarity, prosperity, peace, respect for human rights and understanding among nations and cultures. (European Parliament resolution, 2nd February 2017)

Though the European Parliament recognises the economic nature of sport, it is interesting that, in an earlier draft from September 2016, this passage put a much stronger focus on the commercial impact of sport, resulting in the proposal of a cross-sectorial approach in future policy-making:

Sport is not only a social phenomenon. The economic contribution of sports to society is huge and the trend is growing. Sport is an economic driver behind tourism, welfare, the goods industry and increasingly in digital services. More than 7 million Europeans work in the sport sector and the business of sport represents almost 300 billion euros. That is why sport deservers cross-sectorial thinking in policy-making. (Draft Report, 16th September 2016)⁵³

⁵¹ European Parliament. (2017). *An integrated approach to Sport Policy: good governance, accessibility and integrity*. Retrieved from http://www.europarl.europa.eu/sides/getDoc.do?type=REPORT&reference=A8-2016-0381&language=EN#top

⁵² Idem

⁵³ European Parliament. (2016). Draft report on an integrated approach to Sport Policy: good governance, accessibility and integrity. Retrieved from

In the Swiss law (Art. 69b of the Civil Code), NPOs are, since 1st January 2008, obliged to carry out external financial audits as soon as one of the following criteria is met: headcount of more than 50 staff members, turnover of more than CHF 10 million, or balance sheet total of more than CHF 20 million. However, and as the following example shows, this law actually does not result in valuable transparency on opaque commercial activities of some IFs:

FIFA has operated for many years as an unaccountable, opaque and notoriously corrupt organisation; whereas the recent arrests confirm that the fraud and corruption in FIFA are systemic, widespread and persistent rather than involving isolated cases of misconduct, as claimed by former FIFA President Joseph Blatter. (Official Journal of the European Union, 8th December 2015, p. 82)⁵⁴.

These brief examples of policy formulation emphasise the apparent difficulties of capturing the complex nature of IFs in their current form and functioning. Bayle and Robinson (2007) therefore speak aptly of a trend towards hybrid organisations.

2.3. Stagnations and transformations: conclusions from the comparison of international sport federations in the past and today

To understand IFs' current structure and functioning, researchers need to understand their transformation from mainly volunteer-run associations (end of 19th/beginning of 20th century – 1980s) to more and more complex organisations in the hands of paid staff (1990s onwards). A comparison of several aspects across time therefore forms a useful step in the knowledge building of IFs' change and adaptation processes. For this purpose, I compare two periods: IFs' appearance until the 1980s, and 1980s until today. These are obviously only rough periods and my goal is not to provide a detailed analysis of IFs' evolution over a period of about 100 years. Several aspects that exemplify both stagnations and transformations in IFs emerge from readings and interviews: legal frame/form, mission statement, actors, structure, (main) activities and challenges. With regard to the legal frame, the focus is on Switzerland, home to the IOC since 1915 and to about 65 international sport organisations, of which about 45 are international sport federations. Some of these federations moved their headquarters to Lausanne in the 1980s and 1990s (FIVB: 1984, ⁵⁵UCI: 1992⁵⁶; FISA: 1996⁵⁷), and many more followed with the creation of the *Maison du Sport International* (international sport house) in 2006 (home to 29 federations/associations⁵⁸).

⁵⁴ European Union. (2015). *Official Journal of the European Union, C407*. Retrieved from http://eurlex.europa.eu/legal-content/EN/TXT/?uri=OJ%3AC%3A2015%3A407%3ATOC

⁵⁵ FIVB. (2018). *The Federation*. Retrieved from: http://www.fivb.org/EN/FIVB/FIVB_Structure.asp

⁵⁶ UCI. (2018). *History*. Retrieved from: http://www.uci.ch/inside-uci/about/history/

⁵⁷ Circular No. 1 of 1996

⁵⁸ Maison du Sport International: <u>www.msi-lausanne.ch</u>

Table 2. IFs' legal form and frame in the past and today in the Swiss context IFs in the past IFs today Legal form Legal form Nonprofit associations under the laws of the Unchanged. Swiss Civil Code. Legal frame Service organisations that step in to satisfy the Tightened legal frame due to repeated scandals. demand for public goods that is not met by the Several legal modifications were introduced: Article 69b of the Swiss Civil Code⁵⁹: since 1st government. Legal frame January 2008, NPOs have to carry out an Applicable laws: Articles 60 to 79 of the Swiss external financial audit as soon as one of the Civil Code. following criteria is met: o Staff headcount: ≥50 staff Characteristics: Turnover (CHF): ≥10 million o Extensive legal freedom and flexibility. Balance sheet total (CHF): ≥20 million Little constraints in terms of requests for transparency or accountability. Swiss Criminal Code and the law dubbed "Lex FIFA" (RO 2016 1287⁶⁰) to fight bribes paid to Fiscal advantages. private individuals. A revised legislation, enacted in July 2016, allows Swiss prosecutors to "investigate suspected bribes without having to wait a criminal complaint, and even if payoffs do not skew competition"61. Previously, investigations concerning private corruption offenses could only be launched if an organisation, an individual or a group belonging to the organisation in question lodged a complaint⁶². Under the revised law, leaders and top officials of sport organisations

⁵⁹ Droit de la société à responsabilité limitée; adaptation des droits de la société anonyme, de la société coopérative, du registre du commerce et des raisons de commerce

based in Switzerland are considered as

"Politically Exposed Persons". However, the law was not effective at the time of this study.

⁶⁰ Swiss Parliament. (2016). *Disposition pénale incriminant la corruption*. Retrieved from https://www.parlament.ch/fr/ratsbetrieb/suche-curia-vista/geschaeft?AffairId=20140035

⁶¹ Reuters. (2016). *Swiss crack down on bribery as 'Lex FIFA' set to take force*. Retrieved from http://www.reuters.com/article/us-swiss-corruption-idUSKCN0XH1GE

⁶² Swissinfo. (2015). *La 'lex FIFA' fait l'unanimité, ou presque*. Retrieved from http://www.swissinfo.ch/fre/lutte-anti-corruption_la--lex-fifa--fait-l-unanimit%C3%A9--ou-presque/41661780

Tables 2 (above) and 3 (below) reveal several interesting changes as well as stagnations since the appearance of IFs. The comparison of IFs' legal form as nonprofit associations and their mission statement in the past and today reveals certain stagnation. Transformations that become evident from the comparison are: a tightened legal frame, the arrival of new actors, a shift towards new main activities, an increasingly complex organisational structure, and new challenges.

Table 3. IFs' mission statement in the past and today

| IFs in the past | | IFs today |
|-----------------|-------------------------------------------------|------------|
| • | Govern (set up, supervise and sanction | Unchanged. |
| | international rules of the sport), promote | |
| | (worldwide development and promotion of the | |
| | sport, ex. through grassroots, sport facilities | |
| | and development programs), organise (major | |
| | sport events). | |

Note: Based on a comparison of mission statements at FIFA, FIH, FISA, FIVB, UCI and UWW

The link between legal form and mission statement:

The legal form of nonprofit associations confers multiple advantages to IFs and other international sport organisations, including extensive legal freedom and fiscal advantages (Mrkonjic, 2014). If one excludes the top earners among the IFs, this being for example FIFA, UEFA, IOC (all three around annual revenues of CHF 1 billion and more) and perhaps FIA (according to Forbes⁶³, Formula 1 has generated more revenues than FIFA between 1999 and 2015)⁶⁴ at the very top, but also IFs of the size of the UCI and FIS (annual revenues around CHF 30 million), IFs' legal form as nonprofit organisations seems reasonable. In fact, any change to IFs' current legal form, for example due the commercialisation and profits of some very big IFs and sport organisations, would penalise numerous smaller IFs. The legal flexibility and fiscal advantages are crucial to their functioning as many of them largely depend on volunteers and have small revenues that mainly come from member fees. To be in line with Swiss requirements in terms of nonprofit associations, and despite the growing economic rationale of several IFs, the mission statements of several IFs analysed (i.e. FIFA, FIH, FISA, FIVB, UCI, UWW) are nearly identical and have remained pretty much unchanged. In some prominent cases (e.g. FIFA), this raises the question of whether the legal form still primarily aims at fulfilling the organisation's social mission or whether it is rather for reasons of convenience (e.g. legal

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⁶³ Forbes. (2015). *F1 revenue accelerates past FIFA's to \$16.2 billion*. Retrieved from https://www.forbes.com/sites/csylt/2015/05/31/f1-revenue-accelerates-past-fifas-to-16-2-billion/#60dbde6b6d03

⁶⁴ As financial statements are not publicly available, it remains unclear how much of this revenue is actually designated to the FIA as the governing body.

loopholes). Analysing NPOs in general, Dees (1998) demonstrates the mission-activity dilemma that might be true for some IFs as well:

The drive to become more businesslike, however, holds many dangers for nonprofits. In the best of circumstances, nonprofits face organisational and cultural challenges in the pursuit of commercial funding. In the worst, commercial operations can undercut an organisation's social mission (p. 56).

Tightened legal frame:

The two examples given in Table 2, and which demonstrate a tightened legal frame, are recent modifications (Art. 69b: decision in 2005 and coming into effect in 2008; Lex FIFA: decision in 2016, has not come into effect yet). The first example, which constitutes a modification of the Swiss Civil Code with regard to NPOs, takes account of a general trend towards increasing commercial activities, a trend that has been put forward by numerous researchers (e.g. Dart, 2004; Dees, 1998; Dees & Anderson, 2003; Eikenberry & Kluver, 2004; Maier et al., 2014). The second example has been established in direct relation to repeated bribery and corruption scandals in sport⁶⁵. The legislative draft was fuelled by the latest FIFA scandal, which led to the arrest of 14 high FIFA officials in May 2015. These modifications (or supplements) to the Swiss law demonstrate a gaping legal vacuum in terms of commercialisation and marketization of NPOs' services and NPOs' increasing business-orientation and structure.

Table 4. Individuals in IFs in the past and today

| IFs in the past | IFs today | |
|---------------------------------------------|-----------------------------------------------------|--|
| Volunteers with a passion for the sport and | At the strategic level: elected volunteers (though) | |
| who put their time and knowledge at its | some IF-presidents receive salaries today). | |
| disposal. | At the operational level: paid staff with | |
| | technical skills and experiences. | |
| | • Referees/judges: volunteers (only very big | |
| | sports such as football have full-time employed | |
| | referees). | |

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⁶⁵ See for example the motion "Sport. Accusations de corruption et matchs truqués". Retrieved from: https://www.parlament.ch/fr/ratsbetrieb/suche-curia-vista/geschaeft?AffairId=20103919

The arrival of new actors

The second transformation that emerges from the comparison is the arrival of new actors (Table 4). For many decades, IFs were run by volunteers who had a particular passion for the sport and were able and willing to devote their time to the organisation. Today, all Olympic IFs have a professional administration ranging from <10 to >450 paid staff. The hiring of paid experts started at the end of the 1980s and accelerated during the 1990s. For instance, FISA made the position of the Secretary General a paid position in 1989, the UCI hired a General Director in 1992, and IAAF in 1995. A FIS (International Ski Federation) staff member even traces the first paid position back into the 1970s: "I think the first professional Secretary General was probably in the 70s. And even one before that was probably remunerated. I don't think that there was formal remuneration before that" (FIS, I1). Though most IF-presidents probably still receive only allowances, some few receive proper salaries now (e.g. UCI, ITF – International Tennis Federation). This means that even though the position of the president is still subject to an election procedure, it is no longer a volunteer position in the strict sense in all IFs. Another interesting observation is that, perhaps with the exception of the president, the paid professionals do not necessarily come from sport. They are hired for the specific expertise they can bring into an IF due to a formation and/or experience in various domains such as legal, accounting, marketing, communication etc. The arrival of paid experts has a direct influence on IFs' structure, activities and behaviour.

Table 5. IFs' activities in the past and today⁶⁶

| IFs in the past | IFs today | |
|-----------------------------------------------|---------------------------------------------------|--|
| Initially: setting up and supervising | Organisation of major sport events (e.g. bidding) | |
| international rules of the sport and managing | process, defining and allocating rights) | |
| questions of member adherence. | Development projects | |
| Over time: organisation of major sport events | Fight against corruption, doping, betting etc. | |
| such as World Championships. | | |

Shift towards new main activities:

In the years of their creation and after, IFs' main activities were (1) the establishment, supervision and sanctioning of the international rules of the game, and (2) defining and evaluating criteria of member adherence. Over time, IFs developed a third important pillar of activities: that of organising major sport events, generally beginning with the organisation of World Championships. Table 6 provides some examples in terms of the timely occurrence of World Championships. Today, IFs' role is still that of a regulatory body. However, after more than 100 years of existence in the case

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⁶⁶ Information is based on interviews with Hein Verbruggen and an ARISF council member (both conducted in November 2014).

of many IFs, and though new and/or modified rules and regulations are and will always be necessary (e.g. anti-doping, fight against match fixing), the establishment of comprehensive rules and regulations (i.e. sporting rules, statutes/constitution, code of ethics) was perhaps the IF's main activity in the past, but it is no longer their main activity today. Events, on the other hand, have taken a central place in IFs' activities and strategy. In the beginning, World Championships (or World Cups as some IFs name them) pursued the sole purpose of determining the best athletes. Several IFs used the context of the Olympic Games to this end (e.g. IAAF, IIHF – *International Ice Hockey Federation*). During the 1980s and 1990s, IFs began to realise that some of their services, and especially their events, had a commercial value. In a first step, IFs defined what rights had a commercial value. In a second step, they established ownership on those rights. In the following, the rights had to be managed and marketed, which brings us back to the arrival of new actors such as marketing experts. Complexification of activities and networks are more difficult to manage on a volunteer basis.

Table 6. Examples of IFs' first World Championships

| IF | Year | Town (country) | Source | |
|------|--------------------|-------------------------|-----------------------------|--|
| FIH | 1971 | Barcelona (Spain) | FIH website ⁶⁷ | |
| FIFA | 1930 | Uruguay | FIFA website ⁶⁸ | |
| FINA | 1973 | Belgrade (Yugoslavia) | FINA website ⁶⁹ | |
| FIS | 1924 ⁷⁰ | Chamonix (France) | FIS website ⁷¹ | |
| 1.12 | 193172 | Oberhof (Germany) | ris website | |
| FISA | 1962 | Lucerne (Switzerland) | FISA website ⁷³ | |
| FIVB | 1949 | Prague (Czech Republic) | FIVB website ⁷⁴ | |
| IAAF | 1983 ⁷⁵ | Helsinki (Finland) | IAAF website ⁷⁶ | |
| IIHF | 1920 ⁷⁷ | Antwerp (Belgium) | Hockey Canada ⁷⁸ | |
| UCI | 1921 | Copenhagen (Denmark) | UCI website ⁷⁹ | |

⁶⁷ FIH – Internationale Hockey Federation. *Hockey World Cup*. Retrieved from http://www.fih.ch/events/world-cup/#

⁶⁸ FIFA – International Association Football Federation. *World Cup. Archive*. Retrieved from http://www.fifa.com/worldcup/archive/uruguay1930/index.html

⁶⁹ FINA – International Swimming Federation. (2017). *Archives*. Retrieved from http://archives.fina.org/H2O/index.php?option=com content&view=article&id=2205&Itemid=182

⁷⁰ FIS Nordic World Championships (i.e. cross-country and jumping)

⁷¹ FIS – International Ski Federation. (2017). *World Ski Championships*. Retrieved from https://data.fis-ski.com/global-links/statistics/event-overview.html?catcode=WSC§orcode=JP

⁷² FIS Alpine World Championships (i.e. downhill and slalom)

⁷³ FISA – World Rowing. (2017). *World Rowing Championships*. Retrieved from http://www.worldrowing.com/events/1962-world-championships/schedule-results

⁷⁴ FIVB – International Volleyball Federation. (2017). *World Championships*. Retrieved from https://www.fivb.org/TheGame/TheGame_WorldChampionships.htm

⁷⁵ From 1913-1983, the IAAF World Championships were organised in the context of the Olympic Games.

⁷⁶ IAAF – International Association of Athletics Federation. (2017). *IAAF World Championships*. Retrieved from https://www.iaaf.org/competitions/iaaf-world-championships/1st-iaaf-world-championships-in-athletics-3

⁷⁷ Between 1920-1968, all Olympic Ice Hockey Tournaments also counted as World Championships.

⁷⁸ Hockey Canada. (2017). *World Championship*. Retrieved from https://www.hockeycanada.ca/en-ca/team-canada/men/world-championship

The establishment of rights and the arrival of new actors further entailed new strategic foci. With the explosion of broadcasting rights, some IFs sought for instance to capitalise on the growing success of their main sporting events by increasing their frequency. The IAAF is a good example for this strategy: an official of the European Athletics Association⁸⁰ explains that, since 1991, the IAAF organises its World Championships every two years (instead of the previous four-year interval). The central idea behind this change was to double television and sponsor incomes. He further adds that the 1997 World Championships in Athens not only marked the end of IAAF's financial support to the organisers of IAAF World Championships, but that since then organisers have to pay for the acquisition of IAAF World Championship organising rights.

One can distinguish at least two additional activities into which IFs began to invest more human and financial resources: development and fight against doping, match fixing and the like. Different logics can be observed here:

- Events serve the main goal of generating revenues for the IF (business logic).
- The <u>fight against corruption</u>, <u>doping</u>, <u>match fixing</u>, and the like seeks to maintain or re-establish the IF's legitimacy and credibility (*legitimacy logic*).
- IFs' <u>development</u> activities seem to pursue two objectives: one is to fulfil the mission that has been assigned to them by their members (*mission logic*), the other is to grow their sport and hence also the federation's revenues (*business logic*). This raises the question of means and ends. Is the organisation of events and the revenue generated through them a means to develop the sport? Or is the development of the sport a means for some interest groups to make more money?

Increasingly complex organisational structure:

With the arrival of paid experts, IFs' structure has become increasingly complex. While, for many decades, the concept of management seemed to be at odds with nonprofit organisations "whose essence is more associated with voluntarism, philanthropy, compassion and a concern for the public good" (Anheier, 2000), it became an essential element when IFs started to grow. Nowadays, many IFs are divided into distinct departments⁸¹ (e.g. sport and/or events, communication, marketing, legal, financial and human resource department), have organisation charts, and adopt certain techniques from the corporate human resource management (e.g. staff evaluation, job descriptions). Before, elected volunteers carried out all political/strategic and operational tasks (except perhaps refereeing). The structure one can see today in many IFs is three-fold:

⁷⁹ UCI – International Cycling Union. (2017). *History*. Retrieved from http://fr.uci.ch/inside-uci/about/histoire-165083/

⁸⁰ Discussion on 9 December 2015 at the EAA headquarters.

⁸¹ As an example: FIVB counts today ten departments, FIFA nine, FIS eight and UCI seven.

- At the *strategic summit*, we find the elected volunteers (i.e. president, board and commission members).
- Through the hiring of paid experts, an *administrative/operational level* emerged, and whose size depends on the IF's financial capacities and the evolution (e.g. growth) of the sport.
- At the third level, we find what we could call the true *volunteers* and who officiate as judges/referees/commissaires.

Table 7. IFs' structure in the past and today

| in the past IFs today | |
|-----------------------------------------------|------------------------------------------------|
| Mainly political structure: | Operational/administrative structure of |
| o General Assembly (Swiss law: | increasing complexity in addition to political |
| "supreme body"). | structure. |
| o Board (Swiss law: "direction"). | • Progressive implementation of corporate |
| o Commissions. | structures (e.g. several distinct departments, |
| • Very small or no operational/administrative | organisation chart) |
| structure (because no or few paid staff). | Human resource management. |

The structures I am most interested in, and which appear to have evolved considerably, are the political/strategic level and the administrative/operational level. At these levels, fundamental changes occurred as IFs grew and as they had to face new challenges (e.g. tension between volunteers and professional staff in terms of decision-making power and information asymmetry) and opportunities (e.g. new technologies, general commodification of sport). Table 8 summarises these transformations.

New challenges:

In the early years of their existence and until the 1980s, IFs main challenges were (1) the attraction and retention of volunteers that were able and willing to invest their time, and (2) dealing with constraints in terms of financial resources and individuals' capacities, meaning: specific expertise that is necessary to run organisational operations and adapt to the external environment (e.g. legal, business or sporting expertise)⁸². Both aspects were particularly crucial for the maintenance of the federations' activities (i.e. setting up, supervising, sanctioning rules of the sport, organising World Championships) and their future development. The success of an IF in this period was, above all, a question of devoted people who put their time and technical and/or management skills at the disposal of the organisation (Cornforth, 2001). Today, the challenges that IFs have to face appear to be manifold due to an increasingly complex environment. Nagel et al. (2015) see the variety of challenges at the origin of profound organisational change processes in sport federations. According to

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⁸² Information based on an interview with Hein Verbruggen in November 2014.

the authors, challenges include competition between top-level sports, increasing demand for diversified sport activities (e.g. sport for all), limits of voluntarism in meeting growing service demands, and the emergence of new task areas. They further assume that the transformation of actors, structures and processes as well as activities constitutes a process of professionalisation. Referring to Chantelat (2001), Nagel et al. define professionalisation as a process of increased organisational rationalisation, project management and strategic thinking with the goal to increase the federation's efficiency.

Table 8. IFs' challenges in the past and today

| IFs in the past | IFs today | | |
|---------------------------------------------------|-------------------------------------------|--|--|
| • Attracting and retaining volunteers, members, | Competition | | |
| athletes, donors etc. and hence assuring the | o Growing competition between top-level | | |
| IF's future. | sports (e.g. for scarce financial | | |
| • Constraints in terms of financial resources and | resources, visibility, athletes, fans). | | |
| individuals' capacities (e.g. expertise). | • <u>Commercialisation</u> | | |
| | o Need to commercialise to satisfy | | |
| | stakeholders on which the IF depends. | | |
| | o Desire to commercialise to generate | | |
| | more revenue. | | |
| | • <u>Mission</u> | | |
| | o Mission drift and/or sector bending, | | |
| | potentially entailing a loss of (social) | | |
| | values and traditions. | | |
| | o Limits of responsible autonomy in light | | |
| | of commercialisation: the question of | | |
| | means and ends. | | |
| | Management of individuals and processes: | | |
| | o Growing complexity of activities and | | |
| | hence operations. | | |
| | o Management of individuals from | | |
| | different backgrounds and expertise | | |
| | (e.g. relation professional staff and | | |
| | elected board, autonomy, information | | |
| | asymmetry) | | |

Based on general NPO literature and specific literature on sport organisations, I assume that IFs have to face three major challenges: commercialisation and competition for financial resources (Dees, 1998; Enjolras, 2002; O'Brien & Slack, 2004; Tuckman, 1998), the question of mission fulfilment and mission drift (Dees & Anderson, 2003; Ebrahim, Battilana, & Mair, 2014; Minkoff & Powell, 2006), and the management of individuals and processes (Alexander, 2000; Doherty, 1998; Doherty & Chelladurai, 1999) at the headquarters. The comparison of IFs' various characteristics in the past and today clearly suggests that profound organisational changes have occurred and emphasises a dire need to further scholars' and practitioner's understanding of these change processes and dynamics. For this purpose, the following section takes a closer look at two theoretical concepts that are essential for this study: professionalisation and commercialisation.

3. Literature review of key concepts, research gaps and conceptual framework

As the title implies, the concepts of professionalisation and commercialisation as well as their application in sport management literature are central to this thesis. The above comparison between IFs' structure and functioning in the past and today clearly reveals that IFs have undergone profound transformations. Some scholars classify these transformations under the concept professionalisation. The concept of professionalisation only made its entrance into sport management in the late 1980s and early 1990s (Dowling et al., 2014). And despite a rapidly growing number of studies on professionalisation in sport management (e.g. Kikulis et al., 1992; Shilbury & Ferkins, 2011; Thibault et al., 1991), Dowling et al. note that there is a blatant lack in terms of both the definition and the conceptualisation of professionalisation (and thus also of the operationalization) in sport management. The authors argue that, for the advancement of research on professionalisation in sport management, it is essential for scholars to work with clear definitions and concepts of what is actually meant by professionalisation. In an attempt to classify extant literature (general and sportspecific), Dowling et al. suggest three broad categorisations: occupational professionalisation, organisational professionalisation and systemic professionalisation. They conclude that most studies tend to develop definitions and concepts for the category of organisational professionalisation, hence neglecting systemic and occupational professionalisation. Ideally, a broader conceptualisation of professionalisation including all three categories would be preferable. Based on Dowling et al.'s call for a broader conceptualisation, I will first look at each category separately (i.e. occupational, organisational and systemic professionalisation) before providing my own definition of professionalisation in the context of IFs.

Commercialisation, the second concept I will focus on, is a widely discussed topic in general NPO-literature. Overall, the environment for NPOs has become increasingly competitive, complex

and uncertain. As a result, organisations have to manage resources more efficiently and effectively (Froelich, 1999). NPOs' dependence on external funding entails both competition and uncertainty (Heimovics, Herman, & Coughlin, 1993). Studies on NSOs tend to agree with general NPO-literature in that commercialisation is related to both a sector-wide resource shortage in (government) funding (Nagel et al., 2015; O'Brien & Slack, 2004), and strategies of resource diversification employed by organisations in response to financial uncertainty (Wicker, Feiler, & Breuer, 2013). I will focus on four factors that, according to Robinson (2003), gave rise to the commercialisation of sport: a trend towards sport spectating, changing technologies, increasing competition and professionalisation of sports management.

3.1. Professionalisation

3.1.1. Professionalisation in sociology and management literature

In sociology and management, professionalisation is often equated with the terms bureaucratisation or rationalisation. In the word bureaucratisation, bureau indicates the delimitation between the private sphere (home) and the working environment (bureau, office). A name that is inevitably linked to bureaucratisation is Max Weber (1968), who, with his posthumously published treatise "Economy and Society", laid the cornerstone for the sociology of organisations. He provided some of the most influential statements on "the structural rational of contemporary organizations" (Child, 1972a, p. 163). Four of the central characteristics of bureaucracies established by Weber are (1) the organisation's hierarchical order of authority, (2) formalisation of processes through written documents, (3) specialised training and objective qualifications for office, and (4) a management governed by general and impersonal rules. The goal of bureaucracies is to organise human activity in a rationale and efficient manner. It is based on a combination of social control (rational-legal supremacy defined by published rules) and hierarchical structure (functions). The most common examples of bureaucracies are public administrations. Today, the term bureaucratisation is often associated with a negative connotation in the sense of overly controlled and heavy administrations, rigid procedures, dehumanisation and inefficiency. The impersonal character of bureaucracies has its origin in the rational feature of the organisation's division of labour: everything is subordinated to the ultimate goal of organisational efficiency and productivity. The rationale perspective also gave rise to the notion of means and ends (goal orientation), which is dominated by rules, techniques and calculations. In light of multiple definitions regarding professions and professionalisation, another brief delimitation of these terms appears useful.

Professions

Abbott and Meerabeau (1998) note: "the terms 'profession' and 'professional' are confusing and are used in a number of different and potentially contradictory ways" (p. 1). According to them, the most

frequent use of the term profession describes occupational groups practising a recognised profession. Recognised professions convey a certain status, the most typical examples being doctors and lawyers. The authors resume the key features of professions as being "based on a body of knowledge, that the members had specialized skills and competence in the application of this knowledge, and that professional conduct was guided by a code of ethics" (p. 3). Early studies therefore generally considered professionalisation as a question of status differences between occupations, rather than analysing it in the broader context of professional work (Barley & Tolbert, 1991).

Professionalisation

The strategies employed by occupational groups and the steps on the way to recognition are referred to as occupationalisation or occupational professionalisation. According to Barley and Tolbert (1991), occupationalisation occurs when, because of external shifts or internal changes, organisations seek or need to dispose of specialised expertise which, before, they only called upon occasionally or not at all. Two scenarios are possible: either the organisation draws on existing groups of specialized expertise (e.g. legal, accounting or marketing experts), especially if the required skills fall into these categories; or, in case the tasks and responsibilities cannot be located in any existing occupational group, a new occupational group may emerge. However, the occupational process takes time and needs to be accompanied by specific educational setting and/or norms. In another study, and referring to evolutions in America since 1890, Barley (1992) sketches shifts from one major occupational category to another: while at the beginning of the 20th century, agriculture represented the most important employment category (38%), it had been replaced by manufacturing (40%) in the 1940s, giving rise to the category of blue-collar workers; a third shift quickly progressed in the 1980s and which saw the category of white-collar workers grow quickly (56% by 1988), this being workers employed in "managerial, sales, clerical, professional, and technical occupations" (p. 3). These examples of occupational division of labour in 20th-century America demonstrate a growing need for specialised workforce due to increasingly technical tasks.

Another strand of conceptualising professionalisation is to describe it as an organisational change processes that is initiated and shaped by the influx of full-time employees and specialised professionals, who introduce a more managerial and business-like perspective and ultimately impact on the organisation's structure. This change process can be labelled as <u>organisational professionalisation</u>. Contrary to certain researchers who tried to define what a profession is (traits of a profession) and how professions become recognised (occupational professionalisation), thus making professionalisation an endpoint, other researchers consider professionalisation as an ongoing process that changes with time. These researchers reject a generalised professionalisation concept. As one of their representatives, Abbott (1988) perceives professionalisation as processes of heterogeneous and multidirectional but interdependent developments that require a focus on the work itself rather than on structural characteristics only. For instance, the arrival of professionals into previously volunteer-run

organisations or domains using unskilled work forces entails several new managerial dynamics such as organisational goals, responsibilities, standards, conduct, and control mechanisms to achieve these goals in the most efficient way. Within organisational professionalisation, and combining elements of legitimacy and effectiveness in an organisational setting of multiple actors, two recurring areas of investigation emerge: governance and organisational structure. Governance refers to the steering and coordination of interdependent (usually collective) actors based on institutionalised rule systems (Benz, 2004) "in the context of a plurality of views and interests" (Chhotray & Stoker, 2009, p. 6). The Institute on Governance, a Canadian NPO founded in 1990, defines governance as "a process whereby societies or organizations make their important decisions, determine whom they involve in the process and how they render account" (Graham, Amos, & Plumptre, 2003, p. 1). Organisational structure (or design), for its part, most often refers to the three dimensions of complexity/specialisation, formalisation and centralisation (Fredrickson, 1986; Hage & Aiken, 1967; Van de Ven, 1976). Thompson (1967) describes structure as the organisation's specific composition of internal relationships, authority and communication. The three dimensions listed above are expected to impact an organisation's strategic decision making. Reviewing earlier studies, Child (1972b) notes that structural design has predominantly been explained by organisations' size. He concludes that strategic decisions of those who hold the power should also be included in the analysis of structural arrangements. Hall (1967) has equally questioned the relevance of size in determining organisational structure. One of the most significant works on organisational design is certainly Mintzberg's (1979) organisational configurations framework. He uncovers five ideal structural types: simple structure, machine bureaucracy, professional bureaucracy, diversified form and adhocracy.

As the examples and considerations presented above demonstrate, the term professionalisation is employed in various contexts that gave rise to the development of different concepts. I acknowledge that professionalisation in the general sociology and management literature is only broached superficially as the main focus of thesis is on professionalisation in IFs and sport management.

3.1.2. Professionalisation in sport organisations

Several scholars have analysed professionalisation processes in NFs. The goal was mainly to understand NFs' evolution from loosely structured organisations run by volunteers to increasingly rationalised and professional structures. These change processes have sometimes been referred to as rationalisation (Slack & Hinings, 1987) or bureaucratisation (Slack, 1985), but more often as professionalisation (Amis et al., 2002; Kikulis, 2000; Skinner et al., 1999). Despite several studies, the concept of professionalisation in sport management remains fairly vague. In light of insufficient definitions and conceptualisation of professionalisation in sport management, Dowling at al. (2014) have reviewed extant literature in sport management. On the basis of a literature review and the

identification of three broad classifications (occupational, organisational and systemic professionalisation), they suggest the following definition: professionalisation in sport management is "the process by which sport organisations, systems, and the occupation of sport, transforms from a volunteer driven to an increasingly business-like phenomenon" (p. 527). Hence, professionalisation is not understood to be merely a process of occupational professionalisation, the increasing creation of full-time jobs in hitherto volunteer-run structures (Horch & Schütte, 2009; Seippel, 2002), and individual professionalism as some researchers suggest (e.g. Hall, 1968; Wilensky, 1964). Nor is professionalisation understood to be a purely normative process as DiMaggio and Powell argue (1983). However, the influx of professionals in sport organisations undeniably initiates normative processes such as the implementation of new management practices (Ferkins & Shilbury, 2010; Hoye & Cuskelly, 2003a).

3.1.2.1. Occupational professionalisation

Recalling the literature on occupational professionalisation mentioned earlier, one should look for studies in sport management that demonstrate the emergence of transferable skills and the proliferation of objective working standards (Wilensky, 1964). Hall (1968) defines several indicators for this emergence such as specialised training and education programs (e.g. university degree, diploma), professional associations and a code of ethics. Dowling et al. (2014) point out aptly that the concept of occupational professionalisation has been widely ignored in sport management. Though the arrival of full-time employees and the increasing need for specialised work forces are undeniable facts in IFs (see Table 9), and though conflicts between elected volunteers and professional staff have been discussed abundantly in studies on NSOs (e.g. Amis, Slack, & Hinings, 2004b; Chelladurai, 1987; Cuskelly, 1999; Auld & Godbey, 1998; Hoye & Cuskelly, 2003a; Inglis, 1997b; Seippel, 2002), the question of the emergence and recognition of sport management as a profession has hardly been touched upon.

Table 9. Examples demonstrating the increase of paid staff in IFs

| IF | N° of staff - past | N° of staff (2016/2017) | N° of departments (2015) |
|------|-----------------------------|-------------------------|-----------------------------------|
| FIFA | 1975: 13 | >450 | 11 |
| FIH | 2010: 14 | 35 | 5 |
| FISA | 1992: 3 | 19 | 4 |
| UCI | 1992: 3 | 79 | 8 |
| UWW | 2012: 10 | 24 | 6 |

While research on sport management as a profession is not abundant, some examples exist. One is the book chapter "The business of sport" by Robinson (2003). Referring to Chelladurai (2001),

Robinson states that, in 2001, over 200 universities in North America offered educational programs in sport management. Today, more than ten years later, this number is expected to be even higher. Likewise, the existence of numerous rankings of sport master programs (e.g. SportBusiness Postgraduate Course Rankings) emphasises the growing market for sport management education. This, in turn, assumes a growing need for skilled employees in sport organisations. In parallel to the development of educational programs in sport, scientific journals in sport management gradually emerged. As Shilbury and Rentschler (2007) point out, these journals are often related to scholarly associations: The North American Society for Sport Management (NASSM) was established in 1985 and gave rise to the Journal of Sport Management (since 1987); the European Association of Sport Management (EASM) was established in 1992 and gave rise to the European Sport Management Quarterly (since 1994, formerly named European Journal for Sport Management); the Sport Management Association of Australia and New Zealand (SMAANZ) was established in 1998 and gave rise to the Sport Management Review (since 1998); and the Applied Sport Management Association (ASMA) gave rise to the Journal of Applied Sport Management (since 2013). An example of a recently launched journal is the Journal of Global Sport Management (since 2016). In addition to journals that are solely dedicated to sport management, other journals integrate sport management studies. Overall, the establishment of numerous journals focusing on or integrating sport management "is a measure of the level of interest in the field, the growing number of academics, and the increasing need for a body of knowledge to consolidate the field" (Shilbury & Rentschler, 2007).

As mentioned above, the existence of academic journals, scholarly associations and conferences is fundamental for the development of sport management as a professional field and field of study. Pitts et al. (2014) underline the steadily growing body of knowledge in sport business and sport management as follows: "The body of literature in sport management has grown significantly, especially over the past decade. One study reported locating 154 journals that are directly or indirectly related to the study of sport business management" (p. 46). However, as a field of study, sport management is still in its infancy. Shilbury and Rentschler (2007) noticed for instance that sport management journals are still excluded from most rating systems, because "sport management does not fit neatly within management, marketing, sociology, economics or law" (p. 31). The authors provide several reasons for the difficult fit. The most salient one is the need for a multidisciplinary approach, as many sport delivery systems are today composed of both volunteer and professional work forces, hence locating sport management as a discipline as much in the leisure as in the management, business and other related sectors. Shilbury and Rentschler's study is also interesting from the perspective of recognition and legitimacy of sport management as a profession and academic field. Realizing that the lack of rating systems applied to sport management journals is detrimental to the development of the entire research field, the authors evaluate 13 sport management journals by replicating a rating scheme based on four criteria: prestige, contribution to theory, contribution to practice and contribution to teaching. The authors hence provide a multi-dimensional measure to evaluate and compare journal quality.

Despite the interest in sport management as a professional and academic field, little is known about sport managers, their roles and capacities. While board roles and board capacities have been largely analysed, those of professional staff remain fairly unexplored. With regard to international sport organisations, two questions seem to be of major importance to advance researchers understanding of sport management as a professional field: (1) Which jobs exist in sport management? (2) How do individuals qualify for these jobs? Despite the lack of research on sport management as a profession and academic field, one aspect seems to be particularly entrenched in contemporary sport in general: the business approach. Robinson (2003) lists several elements that have led to a commercial approach to the management of all types of sports organisations, including increasing customer expectations of service quality, value for money, and sport entertainment industry, as well as growing competition between sport organisations and technological advances. One can add that the business approach also takes effect in sport management as an educational program. Table 10 demonstrates examples of tuitions for postgraduate courses in sport management.

Table 10. Examples of tuitions for postgraduate courses in sport management

| Course provider | Course | Country | Tuition |
|-----------------------------------|---------------------------------|-------------|------------|
| Ohio University ⁸³ | Master in Sports Administration | USA | USD 48'540 |
| AISTS | Master of Advanced Studies in | Switzerland | CHF 28'000 |
| | Sports Administration and | | |
| | Technology | | |
| The International Centre for | FIFA Master | Switzerland | CHF 25'000 |
| Sport Studies - CIES | | | |
| University of Liverpool | MBA Football Industries | UK | £21'500 |
| Coventry University ⁸⁴ | MSc in Sport Management | UK | £ 10'121 |

What is interesting to mention here is that despite numerous references to sport having become big business, it appears that this is not necessarily reflected in the salaries of administrators working in IFs. While elected volunteers may receive tremendous salaries or "compensations" (e.g. in

⁸⁴ Ranked 1st European postgraduate course by SportBusiness International in 2016 (13th in the international comparison). From: SportBusiness International, N° 224

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⁸³ Ranked 1st postgraduate course worldwide by SportBusiness International in 2017. Retrieved from. https://www.sportbusiness.com/sportbusiness-international/sportbusiness-postgraduate-course-rankings-2017-introduction. Furthermore, Ohio University is the cradle of sport business education. The first postgraduate program in sport administration was established there in 1966. From: SportBusiness International, N° 224

2015, Sepp Blatter was supposed to receive an annual revenue of CHF 3.63 million⁸⁵), which are being kept secret in many cases, IF administrators seem to receive relatively low salaries compared to other sectors. For instance, a starting salary for high school teachers in Switzerland varies between CHF 7'600 and CHF 9'800 per month⁸⁶. In comparison, a starting salary in an IF for someone holding a Masters degree amounts rather to CHF 5'000 to CHF 6'000⁸⁷. If one believes in the reward of skills and expertise, the distribution (and perhaps discrepancies) of salaries/compensations between IFs' elected volunteers and paid staff represents another interesting starting point to evaluate sport management as a profession.

3.1.2.2. Organisational professionalisation

The arrival of professionals inevitably affects the structure and functioning of voluntary nonprofit sport organisations. No matter whether these professionals were trained as sport managers or have acquired expertise in other domains through educational programs (e.g. finance, legal, economy, communication, marketing), they are likely to introduce new modes of operation and new managerial practices. As a consequence, specific professional norms are likely to impact on decision-making processes and programs/policies (Dowling et al., 2014). From this perspective, Mason (2012) argues that changes within sport organisations' structures and processes are the result of normative pressures that are brought into previously amateur structures by professionals, their background, professional education and code of conduct. Mason further awards umbrella organisations a particular importance in the diffusion of professional values and standards within an organisational field. In the following, I refer to the increase of managerial and business-like perspectives through professionals as organisational professionalisation. In reviewing extent literature, I divide studies on NSOs' organisational professionalisation into two broad areas of investigation: *organisational structure* (1) and *governance* (2). After that, I briefly present research on IFs' organisational professionalisation, which mainly focuses on governance (3).

(1) Organisational structure

Several researchers have analysed how the introduction of professionals influences the structural arrangements of NSOs (e.g. Amis & Slack, 2008; Kikulis, Slack, & Hinings, 1989; Papadimitriou, 2002; Thibault et al., 1991). Amis and Slack (2008), for instance, assess structural dimensions of complexity, formalisation and centralisation to provide sport managers with insights

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⁸⁵ The Independent. (2016). *Sepp Blatter salary as FIFA president revealed for first time*. Retrieved from http://www.independent.co.uk/sport/football/international/sepp-blatter-salary-as-fifa-president-revealed-for-first-time-a6936946.html

Watson. (2014). Soviel verdienen Lehrer in der Schweiz. Retrieved from http://www.watson.ch/Schweiz/Best%20of%20watson/520724380-So-viel-verdienen-Lehrer-in-der-Schweiz
 Information based on personal experiences as a former UCI staff member and discussions with former colleagues and friends from other IFs.

that enable them to design and operate their organisations more effectively. Complexity refers in this case to both the horizontal differentiation (i.e. task specialisation, departmentalisation) and the vertical differentiation (i.e. hierarchical levels). By formalising policies (e.g. code of ethics and procedures such as elections and bidding processes), as well as rules and regulations (e.g. statutes and rules of the game), organisations set up mechanisms to co-ordinate internal complexities more efficiently. With regard to centralisation, the authors refer to decision-making power and the question of where this power is located in an organisation. Academics generally speak of centralisation when the decision-making power is concentrated at the level of senior executives (e.g. board), rather than being in the hands of lower-level staff (decentralisation).

In a similar approach and analysing six voluntary sport organisations in Canada, Thibault et al. (1991) replace the term complexity by specialisation, linking it only to individuals' professional expertise and training/education. The authors conclude that the hiring of professional staff increases the organisation's degree of specialisation (mostly in areas dealing with technical aspects) because "professional staff in voluntary organizations are often specifically hired to increase specialisation by developing programs" (p. 89). Thibault et al. further provide two arguments for the increase of formalisation in consequence of the hiring of professionals: first, the set of standards that professionals bring into the organisation and hence the need to clarify their roles accordingly; and second, formalisation as a means for volunteer executives to maintain the control of the organisation by establishing written rules, procedures and guidelines. A correlation between specialisation and formalisation seems likely as specialisation increases organisational complexity and formalisation may help to control this complexity. According to Thibault et al. (1991), the dimension of centralisation changes the least when professionals entered the organisation. They noticed an initial increase (i.e. concentration of decision-making authority at the board level) that is subsequently followed by a decentralisation. While professionals are involved in everyday operations and control the information flow related to these operations, elected volunteers consider themselves as the legitimate holders of decision-making power. By fear of losing this power, they may increase centralisation of decisionmaking when professionals are first hired. However, the authors suggest that, over time and with increasing trust, elected volunteers may award more autonomy to professionals. Overall, Thibault et al. conclude that systems concerned with administrative areas are less subject to increased specialisation and formalisation compared to technical areas.

(2) Governance

Another recurring issue in sport management literature is governance. Through leaders' perception of control and strategy (including its realisation), governance is directly related to the process of organisational professionalisation. Shilbury and Ferkins (2011) relate to sport governance in terms of "due diligence in monitoring performance and conformance" (p. 109). They argue that the growing focus on governance in sport arises from a "culture of increasing accountability" (p. 109).

This focus (both at national and international level) is the result of several developments. For one thing, the hiring of professionals "has resulted in changing board roles and relationships with paid executives" (Ferkins, Shilbury, & McDonald, 2005, p. 2015). In the past, board members of voluntary sport organisations were involved in basically everything from strategy to operations. The hiring of professionals made a redistribution of tasks and redefinition of roles necessary: professionals do not necessarily have the sport background and experience that board members have, while board members do not necessarily have the training, skills and specialised expertise that professionals have to manage and adapt to particular challenges. New and more complex constellations composed of professionals and volunteers thus required new role distinctions.

Parallel to the hiring of professionals, the growing economy of the sport industry and the geopolitical importance of sport (e.g. sporting success at major sport events as a vector of national power, hosting of major sport events) resulted in a rising influence of new actors (e.g. sponsors, government). Both the internal and external evolutions triggered the question of how sport organisations should be governed. Dowling et al. (2014) therefore argue that governance "has emerged as a specific area of inquiry as a consequence of the ongoing, broader professionalisation process evident within sport" (p. 522). In fact, a fair amount of studies exists in sport management that examine NSOs' governance structures and practices of boards. These studies can be divided into several subcategories. The following subcategories shall be briefly touched upon: board roles, shared leadership, board capability and board performance analysed in NSOs.

Board roles: The works of Inglis (1997a, 1997b) are among the first studies on board roles in sport organisations. As a result of a progressive hiring of professional staff in NSOs, Inglis locates the need for defining clear board roles in the emerging system of dual leadership (volunteers/professionals). Hoye and Doherty (2011) pick up on the four main roles of the board identified by Inglis. These are: setting and monitoring the mission, planning and policy development, appointing and monitoring the CEO, and managing external relationships. They conclude that the complexity of governance in the context of sport organisations is still not fully understood and that poor governance is likely to negatively impact organisational performance. In one of his earlier studies, Shilbury (2001) considers strategy, developing financial policies and budgeting as the most important board roles. In a later study, and focusing only on the strategic role of boards, Shilbury and Ferkins (2011) assign boards the role of defining the vision, mission, and strategic planning. As a final example, Yeh and Taylor (2008) acknowledge the growing body of literature on sport governance, but emphasise a gap in the application of theoretical frameworks. They suggest a multi-theoretic approach to help understand and design appropriate board structures.

<u>Shared leadership</u>: Another reoccurring topic in sport management studies is shared leadership (Ferkins & Shilbury, 2015; Inglis, 1997b; Schulz & Auld, 2006; Shilbury, 2001; Shilbury & Ferkins,

2011; Shilbury et al., 2013). Contrary to vertical leadership, shared leadership shifts leadership powers to those with key knowledge, skills and abilities for particular issues. Shared leadership as a concept was first mentioned by Gibb (1954): "Leadership is probably best conceived as a group quality, as a set of functions which must be carried out by the group. This concept of 'distributed leadership' is an important one" (p. 884). Carson et al. (2007) point out two main trends for team designs to shift towards shared leadership: team and task complexity that are difficult to be managed by one single leader, and employees' high level of expertise and desire to apply their knowledge and skills more autonomously. In nonprofit sport organisations, shared leadership has been thematised in relation to growing tensions between elected volunteers and paid professionals with regard to decision-making power. Devoting their time, knowledge and experience gratuitously, elected volunteers tend to consider themselves as the legitimate holders of decision-making power. Meanwhile, the increasingly complex environment of sport organisations requires the involvement of skilled professionals, who, in turn, seek autonomy in areas that fall under their expertise. Shilbury and Ferkins (2011), for instance, claim that "sport organisations in contemporary society are complex entities struggling with the delicate balance between volunteer involvement and professional management by paid staff" (p. 110). At national level, this generally concerns "the balance and influence of power between the executive director and the voluntary board" (p. 118). Other studies have examined leadership dynamics of nonprofit sport boards. Investigating board members' and paid staff's perceived influence, Shilbury (2001) observes a growing influence of paid staff in decision-making while, in the eyes of executive directors, board members should be more strongly involved in strategy formulation. Shared leadership as a result of task complexification, increasing expectations and expenditure of time is also likely to impact strategic decision-making as the traditional role of boards. Ferkins et al. (2005) as well as Schulz and Auld (2006) see in this evolution a potential for blurred roles and role ambiguity.

Board capability: The third topic I put forward and that is frequently analysed in relation to governance in NSOs is board capability (Ferkins & Shilbury, 2010; Ferkins et al., 2005; Shilbury & Ferkins, 2011, 2015; Shilbury et al., 2013). Ferkins and Shilbury (2005) define *performance* (strategic role), *conformance* (monitoring role), *policy* (primary role of the board) and *operations* (primary role of paid management) as the four generic themes to examine and express governance capabilities in sport organisations. Together, these four themes are indicators of the board's role and influence on the organisation's strategic development. The authors express concerns about ownership and control in light of the "growing dominance of management involvement in governance, signalling a potential retreat by volunteer board members who have traditionally been elected to protect the interests of the membership" (p. 217). The four generic themes investigated by Ferkins and Shilbury (2005) reflect elements of corporate governance frameworks such as Tricker's (2015) model of conformance and performance. The model represents one possibility of defining and evaluating boards' capability:

| | Compliance roles | Performance roles |
|-----------------|--------------------------|----------------------|
| Outward looking | Provide accountability | Strategy formulation |
| Inward looking | Monitoring & supervising | Policy making |
| • | Past and present-focused | Future-focused |

Figure 1. Basic board perspectives adapted from Tricker (2015)

In yet another study, Ferkins and Shilbury (2010) apply the lens of boards' strategic capabilities to the context of the national-regional governing relationship. They conclude that a more collaborative partnership between the two entities "by engaging in a power-sharing approach" (p. 252) could improve the strategic capability of the board, as "regional relationships are integral to the overall governing performance" (p. 253). Through a developmental action research study, Ferkins and Shilbury (2015) also investigate collaborative partnerships in a NSO in New Zealand with the goal of enhancing the governance capability of the board. They conclude: "understanding collective board leadership provides important direction for future research in sport governance settings characterised by a federal model, and has the potential to facilitate deeper insights into leadership in governance and governance in leadership" (p. 396).

Board performance: The last subcategory of sport organisations' governance and that I include in this brief review is board performance. Governmental funding, nations' quest for sporting success to receive those funds, and governments' need to evaluate sporting success has resulted in an increasing number of studies measuring general organisational performance (Bayle & Madella, 2002; Bayle & Robinson, 2007; Madella, Bayle, & Tome, 2005; Winand, Rihoux, Qualizza, & Zintz, 2011; Winand, Zintz, Bayle, & Robinson, 2010) and the emergence of managerial practices related to it (O'Boyle, 2015; O'Boyle & Hassan, 2014). Numerous studies at national level also deal with the particular focus on board performance (Ferkins, et al., 2010; Hoye, 2004; Hoye & Auld, 2001; Hoye & Cuskelly, 2003a; Hoye & Doherty, 2011). This focus can be explained by the two performance roles that boards hold and which Tricker (2015) defines as strategy formulation and policy making. Presenting a four-stage model to develop organisational performance, Ferkins et al. (2010) relate performance directly to boards' strategic capability: "Performance is understood to be the forward-looking, strategic role of the board" (p. 605). They notice that the insufficient understanding of boards' involvement in strategy complicates the analysis of board performance. Hoye and Doherty (2011) also highlight the relationship between board effectiveness and organisational performance and suggest the use of

quantitative, qualitative and/or mixed methods designs "to examine and better understand the various correlations of board performance" (p. 282). Taking a slightly different focus, Hoye and Cuskelly (2003a) investigate the relationship between board performance and patterns of board power using the five types of power pattern developed by Murray et al. (1992): CEO-dominated board, chair-dominated board, fragmented power board, power-sharing board, powerless board. Their findings suggest that when the board power pattern is perceived as powerless or fragmented, perceived board performance is lower. Meanwhile, the study sample does not provide sufficient evidence for relationships between chair-led, executive-led and power-sharing-boards and does not explain variation in power patterns, their emergence or their impact on board performance.

(3) International sport federations' organisational professionalisation

The aspect of governance in national nonprofit sport organisations has been an intensively discussed topic for several years already. In recent years, and in light of numerous scandals and public pressures for improvement, studies on governance issues in international sport organisations have also increased significantly (e.g. Alm, 2013; Chappelet & Kübler-Mabbott, 2008; Chappelet & Mrkonjic, 2013; Forster, 2006; Geeraert, 2015a, 2015b; Geeraert, Alm, & Groll, 2014; MacAloon, 2011; Pielke, 2013, 2015; Pieth, 2014; Tomlinson, 2014). Studies on international sport organisations even appear to be exclusively related to corruption, mismanagement, doping and similar scandals that fill the newspaper headlines since the late 1990s. Multiple and repeated scandals in IFs raise questions about their efficiency, willingness and capacity to implement contemporary governance practices. While NFs are generally accountable to public authorities (e.g. government, ministry of sport) on which they depend financially, IFs act more or less like monopolies. I therefore argue that IFs experience less pressure to professionalise and to align with practices of good governance than NFs. Some examples of governance issues in IFs are given below:

1998: IOC

 Salt Lake City bribery scandal resulting in the IOC 2000 Reform Commission and the creation of the IOC Ethics Commission.

1990s – today: FIFA

- The ISL⁸⁸ scandal (late 1990s) in which commissions were paid to FIFA senior officials.
- The Qatargate (2011) on alleged bribes in the electing process for the 2018 and 2022 World Cups.
- The FIFAgate (2015) leading to the arrest of several high ranked FIFA officials accused of money laundry, fraud, corruption etc.

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⁸⁸ ISL (International Sport and Leisure) was a Swiss sports marketing company.

2008: FIVB

Allegations on self-enrichment practices of former FIVB president Ruben Acosta for taking a 10% commission on all sponsor and TV contracts signed on behalf of the FIVB, ultimately leading to Acosta's resignation as IOC member in 2004.

2013: IWF

 Accusations against IWF officials (first and foremost the president) for financial mismanagement, including notably the unaccounted whereabouts of several millions of dollars of Olympic revenues.

2015: UCI

Allegations against former UCI president Hein Verbruggen for covering up positive doping tests
of Lance Armstrong (taken at the Tour de Suisse in 2001) by knowingly providing a backdated
TUE (therapeutic use exemption). The Cycling Independent Reform Commission (CIRC) report
finally cleared Hein Verbruggen and his predecessor Pat McQuaid of outright corruption in 2015
but queries their governance methods and accuses them of preferential treatment in specific cases.

2016: IAAF

 Allegations against IAAF senior officials for extorting money from athletes to cover up failed doping tests and irregularities in the biological passport, leading to the exclusion of all track and field athletes from the 2016 Olympic Games.

In an attempt to respond to urging calls for good governance in international sport, Chappelet and Mrkonjic (2013) suggest an assessment tool which they call Basic Indicators for Better Governance in International Sport (BIBGIS). Based on extant literature and discussions with stakeholders, the authors put forward seven dimensions for better governance, producing a total of 63 indicators. In a similar approach, Geeraert (2015b) presents the Sports Governance Observer, a benchmarking tool for good governance in IFs. He argues that IFs' institutional design does not allow for members of the decision-making body to be adequately monitored and sanctioned. Other studies focus more on single aspects of governance, notably on accountability. Forster (2006), for instance, relates international sport organisations' "apparent lack of accountability towards member organisations and other stakeholders" (p. 79) to a lack of ownership and organisations monopoly position. Investigating governance issues in 35 Olympic sports, Geeraert (2014) provides empirical evidence demonstrating a general lack of accountability in these IFs. Main findings include opaque criteria for the distribution of funding to members, lack of independent ethics commissions and a general lack of term limits for IFpresidents. He concludes that "the far-stretching autonomy of the sports world has had a negative impact on the quality of the self-governance of SGBs [sport governing bodies]" (p. 301) and that increased external pressures to reform are needed to make a difference. Pielke (2015) further argues that "international sport bodies are particularly fertile settings for corruption to take root in and, accordingly, difficult to reform" (p. 35). Similar to Geeraert, Pielke considers external pressures as a necessary means to improve the governance of international sport bodies. He further predicts that if these organisations adopt changes insufficiently, change might be forced upon them.

Though Chappelet and Mrkonjic (2013) highlight the "complexity, uncertainty and evolving nature of the environment" (p. 24) in which international sport organizations operate, past evolutions and elements that have shaped the organisations' characteristics and current functioning have, so far, been investigated fairly little. Tomlinson's (2014) study on FIFA's governance is one of the rare studies examining a federation's changing leadership styles, structures and values over the years. However, the vast majority of studies on governance in international sport organisations place the adoption of standards of good governance (rather than board roles, leadership, capability and performance) at the centre of the governance debate. The following extract from a chapter of Pielke (2015) in the *Global Corruption Report: Sport* demonstrates this focus:

The rapidly increasing financial interests in sport and associated with sport create a fertile setting for corrupt practices to take hold. When they do, the often insular bodies have shown little ability to adopt or enforce the standards of good governance that are increasingly expected around the world (p. 29).

I argue that despite an overwhelming and growing number of governance scandals in IFs, a fundamental and broader analysis of IFs is necessary. Though the prevention of future governance issues is undeniably one of the most urgent priorities in international sport, the question of board structures, roles and processes and how they evolved through changing environmental contexts should also be considered. This might enable researchers to understand the full extent of current governance issues by putting it into the overall context of IFs' transformations. Likewise, governance issues should not be equated with inversed professionalisation. On the contrary: the most sophisticated forms of organisations (e.g. governments, multinational companies) are not immune to corruption. Wherever considerable power and/or money are part of the organisation's functioning, corruption has to be considered as a possible risk.

Overall, and considering the growing economic impact and outcome of international sport, strategic leadership and performance emerge as two central aspects for IFs to take into consideration if they want to be/remain competitive. Boards as the key decision-making body, their strategic capability and performance play a pivotal role in this process. Growing numbers of scandals seem to have diverted research from other essential questions including board selection, evaluation and performance. In their study on corporate governance, strategic boards and challenges to traditional forms of governance models in New Zealand, Ingley and Van der Walt (2001) aptly summarise the dilemma in the general governance debate: "The basic concern is to improve current practice and avoid further embarrassing scandals" (p. 176). "Avoid further embarrassing scandals", this is exactly what scandal-ridden sport organisations try to do. With their main focus being on normative pressures,

I argue that studies on governance structures and practices tend to ignore sport organisations' history and contextual factors. Haigh (2016) notes in this regard: "One tends to hear about sports governance only in the context of its failures. It obscured more general trends of increasing levels of sophistication and professionalism in sports administration" (p. 11). Or with the words of Ferkins et al. (2010): "for many involved in the sport industry, governance has been an invisible process, something that occurs as a matter of course until the organisation runs into difficulty, and only then does the spotlight become more focussed on governance practices" (p. 603). But how can one define good governance practices for IFs without first determining historical and contextual factors that have shaped their current forms of governance (and that have enabled corruption and other forms of mismanagement)? As a result of external pressures related to government funding and sporting success, literature on board roles, capacity and performance at the level of NSOs is fairly rich. This cannot be said of international sport organisations, leaving room for a necessary discussion that should perhaps have preceded that of defining good governance practices in international sport organisations.

3.1.2.3. Systemic professionalisation

After having outlined occupational and organisational professionalisation in the context of sport organisations, I follow Dowling et al.'s (2014) suggestion and circumscribe a third category of professionalisation, which is systemic professionalisation. According to the authors, systemic professionalisation refers to "a process by which an external factor causes some form of field-level change" (p. 524), hence classifying it as a by-product of environmental shifts. Systemic change can thus also be described as a paradigm change: instead of changing only bits and pieces through independent actions and to the degree the necessity (or desire) for their change occurs, systemic change refers to a fundamental change that impacts the whole system. Considering this large scope, Reigeluth (1992) also refers to this approach as radical change. Radical change is difficult to manage and risky in terms of outcome. He concludes that systemic change is the result of paradigm shifts in society, producing new needs. If that is the case, then organisations need to analyse and understand environmental and societal shifts to decide and influence themselves the course of change. Without this background of understanding and in case of important environmental changes, societal shifts and pressures for adaptation, a self-determined change process is difficult to achieve for organisations. Paradigm shifts may occur when there is a change to the dominant logic. A dominant logic is built through shared ideas, beliefs and values (one could also say "organisational culture") of a dominant coalition (one could also say "organisational elite"). Prahalad and Bettis (1986) define the dominant logic as "the way in which managers conceptualize the business and make critical resource allocation decisions - be it in technologies, product development, distribution, advertisement, or in human resource management" (p. 490). Management processes generally relate to various administrative tools such as planning, budgeting and control. The more the activities of an organisation are diversified, the more we are likely to find dominant logics to coexist and influence actors' conduct and, ultimately, the organisation's goals and decisions.

Some of the environmental paradigm shifts of the last decades are globalisation, commercialisation and digitalisation. These shifts seem to affect organisations of the same field in a similar way. O'Brien and Slack (2003) apply this logic to sport organisations, noting that "[All] sport organizations are embedded in organizational fields, and are subject to pressures from key suppliers, resource and product consumers, competitors and regulatory agencies" (p. 419). Picking up on O'Brien and Slack's study, Dowling et al. (2014) therefore consider a "field level examination (hence systemic professionalisation)" (p. 525) to be more appropriate than the analysis of single sport organisations. Systemic professionalisation in sport organisations therefore means shifting logics in the organisational field of sport organisations and which entail fundamental changes to management processes. O'Brien and Slack (2003) analysed communities of actors, exchange processes, forms of capital, and regulatory structures of the English Rugby Union during the transition from amateur to professional status. They conclude that, "as the professional area unfolded, actors shifted their former emphasis on intrinsic forms of cultural and social capital to the pursuance of economic capital" (p. 444). In the case of the English Rugby Union, the success of this transition from amateur to professional status was dependent on at least two elements: the adoption of a new dominant logic by actors of the dominant coalition (this dominant logic stems from general shifts in the environment and society), and the development of clear objectives for the change process. In essence, systemic professionalisation is initiated by external influences (e.g. pressure to adapt to paradigm shifts), while occupational professionalisation and organisational professionalisation are the result of internal change processes (though not exclusively).

Dowling et al. (2014) provide examples of studies that examine organisational change in NSOs with regard to the influence of government-led programs (e.g. Slack & Hinings, 1992). The authors refer to this change process as systemic professionalisation. Based on the literature review, further examples can be added (e.g. Hoye, 2003; Kikulis, Slack, & Hinings, 1995). The sample sizes of the three studies demonstrate the authors' goal to analyse a whole set of organisations (Hoye: 42 Australian NSOs; Kikulis et al., and Slack and Hinings: both 36 Canadian NSOs). For the level of international sport organisations, and in particular IFs, extensive research on organisational professionalisation is rare, not to mention systemic change. While external pressure relating to specific evolutions (e.g. increasing cases of corruption, mismanagement and doping) is growing in recent years, studies that pick up on these evolutions only analyse one or not even a handful of international sport organisations at a time. A general investigation of external field-level pressures and which is based on empirical findings from a representative sample size is currently lacking. Forster (2006), for instance, analyses governance issues in three IFs (other IFs are only briefly touched upon and this in a rather unstructured manner). He concludes that the massive commercialisation of IFs increases self-governance issues. However, the study does not conceptualise commercialisation, nor does it explain

the paradigm shift from volunteer-run and service oriented sport organisations to professional structures in pursuance of commercial capital. In a sense, the phenomenon is pointed at, but it is neither analysed nor conceptualised in a broader context. Another example is the study of Pielke (2013) on repeated governance scandals within FIFA and the global football system, based on a framework using seven mechanisms for the evaluation of accountability in international politics (hierarchical, supervisory, fiscal, legal, market, peer and public reputational accountability). Though findings reveal that reforms are indispensable for FIFA and reference is made to the IOC 2000 Reform as an example, it remains unclear who or what should/could establish, implement and overlook a reform program that leads to increased accountability. Pielke mentions two starting points: the legal environment and public pressure. Both elements are only represented in a descriptive manner but not from a theoretical or systemic perspective. Mallon (2000), for his part, details multiple cases of bribery in relation to the Salt Lake City bid for the 2002 Winter Games. He points out that external pressures (e.g. FBI, media) were needed to initiate change. Still, while the author argues that recommendations of the IOC 2000 Commission are a first step, their effectiveness and impact on the wider Olympic Movement remain to be proven.

Overall, and as the above examples testify, studies on IFs do broach certain phenomena that occur as the result of profound organisational transformations. These phenomena are, in the majority of cases, limited to some sort of management scandal (e.g. corruption, bribery, blackmailing, self-enrichment). The question of field-level changes, their origin and evolution that would explain these phenomena in a broader context, are not subject of discussion. This makes it difficult to grasp whether there is systemic professionalisation in IFs, and if yes which forms it may take. This category of professionalisation is by far the most complex conceptualisation, but also the least investigated in IFs to this date. Assembling aspects of the disparate definitions and conceptualisations of professionalisation in general and in sport management in particular, I suggest the following definition: professionalisation in sport organisations is a dynamic change process (Bayle, 2001) that is initiated and characterised by environmental (external) pressures and organisational (internal) adaptations, progressively shifting sport organisations from an amateur to a professional logic (O'Brien & Slack, 2004), and eventually entailing organisational rationalisation, efficiency and project management (Chantelat, 2001).

3.2. Commercialisation

The massive commercialisation of sport over the last decades, and especially of major sport events, is perhaps one of the most impressive evolutions in international sport. In the introduction of their *Handbook on the economics of sport*, Andreff and Szymanski (2006) note: "The principle driving force behind the expansion of sport economics has been the rapid growth in the economic significance

of sport during the past three decades" (p. 5). Two of the outstanding examples of this evolution are the Olympic Games, a multi-sports event, and football with the FIFA World Cup. In both cases, the enthusiasm of spectators to consume televised sport laid the foundations for the unprecedented explosion of broadcasting rights. The **Olympic Games** have first been telecasted in 1960 (both winter and summer Games). Back then, USA TV (today CBS) paid USD 3.2 million⁸⁹ for the broadcasting rights of the 1960 summer Games. 52 years later, the broadcasting rights for the 2012 London Games were sold for nearly USD 1.2 billion to NBC90. This represents a multiplication factor of 375! In the following years, the technological advancements of broadcasting (e.g. satellite feeds), as well as the creation of heroes and exciting stories reached the living rooms of an ever-growing audience, resulting in skyrocketing broadcasting and sponsorship rights. During the Olympic cycle 1973-76, the revenue of the IOC amounted to USD 14 million (Andreff & Szymanski, 2006). And though commercialisation of the Olympic Games has its origins in the 1960s, it only seriously gathered in speed with the 1984 Los Angeles Games, which were the first to be privately organised. As the 1984 Los Angeles Games immediately generated a surplus of USD 250 million, it is not surprising that, since then, the following Games pursued the same strategy. For the Olympic cycle 1997-2000, the IOC had increased its revenue to reach USD 346 million (Andreff & Szymanski, 2006).

The growing value of broadcasting rights for sport events is also at the origin of the success of the FIFA World Cup. Back in 1978, the FIFA World Cup already generated incredible revenues of EUR 15 million from TV rights. In 2006, revenues from TV amounted to EUR 991 million. And between 2012-2015, revenues from the FIFA World Cup broadcasting rights accounted for 43% of FIFA's overall revenue (USD 5.8 billion⁹¹). In total, 83% of FIFA's revenues between 2012-2015 were generated through the FIFA World Cup alone. Both the Olympic Games and the FIFA World Cups hold monopolies of supply. Other events could be listed here such as the Super Bowl organised by the NFL (National Football League), or the Rugby World Cup organised by WR (World Rugby). The massive demand for their events in terms of TV audience provides these organisations with particular power to negotiate rights and contracts. Two steps were important in this evolution and concentration of power: first, sport organisations had to understand which of their products and services had a commercial value; and second, they had to establish ownership rights on these products (e.g. events). Meanwhile, the growing inflow of revenues from broadcasting also has its downsides. One of the downsides is that the inflow entails strong dependencies on the buyers (i.e. broadcasters), hence limiting sport organisations' margin of action vis-à-vis buyers' pressures and expectations. For instance, having obtained the TV rights and targeting a specific audience (e.g. geographical region and time zone) or play format, a broadcaster might put pressure on an IF to adapt the sporting program to its own requirements. Another downside, and which has been emphasised by some researchers in the

⁸⁹ In today's dollars

⁹⁰ CBS (Columbia Broadcasting System) and NBC (National Broadcasting Company) are American commercial broadcast television networks.

⁹¹ FIFA financial statements 2012-2015

nonprofit sector with regard to commercialisation, is the rise of profit-seeking behaviour at the expense of declining nonprofit values and services, as well as mission drift (e.g. Dees & Anderson, 2003). But before taking a closer look at commercialisation in general NPO-literature and in sport organisations in particular, a basic differentiation should be clarified: the differentiation between commodification and commercialisation in sport.

3.2.1. Commodification and commercialisation in sport

The difference between commodification and commercialisation appears somewhat fuzzy in sport management literature. Some scholars, when referring to the commodification of sport, mean the growing profit from event and broadcasting rights, gate revenues, merchandising etc. (Sewart, 1987; Slack, 2004; Walsh & Giulianotti, 2001). But they also refer to it as the commodification of athletes and team sports: clubs can exchange athletes against money (Ben-Porat, 2009), and clubs themselves, due to increasing revenue streams and financial value, are treated as commodities (Gerrard, 1999). What they all have in common and what makes them a commodity is their exchange value. Gerrard (1999) sees the beginning of sport commodification in teams' need to establish entrance fees so they could pay players' wages: "The advent of the turnstile marked the transformation of sport from a public good to a private commodity" (p. 274). Enjolras (2002), for his part, analysed to which extent sport clubs can transform their activities (e.g. services to members) and properties (e.g. infrastructures) into commercial products and whether the commercialisation results in a crowding out of voluntary work. Why did Enjolras choose to speak of commercialisation rather than commodification? The line between the two concepts is not always obvious in sport management, if not to say confusing. Extant literature and dictionaries provide some definitions that may serve as useful starting points to distinguish the two terms.

Commodity and commodification

In the Oxford Dictionary of English, Stevenson (2010) defines <u>commodity</u> as "a raw material or primary agricultural product that can be bought and sold, such as copper or coffee" (p. 350). Today, not only raw material or primary agricultural products but also ideas, social relationships and individuals can be considered as commodities. Mason (1999) describes the <u>commodification</u> of sport as a shift through which sport becomes "increasingly bound up in the processes of economic production and distribution" (p. 403), notably within the recreation and entertainment industry. From a sociological perspective based on Marx's (1976) theory, commodification means that sport transforms from a *use value* into an *exchange value*, that is: the value something can be sold or traded for. This presupposes that a market to exchange sport as a commodity exists. According to Sewart (1987), commodified sport is equivalent to functionalised sport: sport serves the goal of entertainment, distraction and diversion; in exchange for these, consumers have to pay.

Commercialism, commercialize and commercialisation

In the Oxford Dictionary of English, Stevenson (2010) defines <u>commercialism</u> as the "emphasis on maximizing profits" (p. 349) and the verb <u>commercialise</u> as the action through which individuals or groups "manage or exploit (an organisation, activity, etc.) in a way designed to make a profit" (p. 349). Shifting the focus again on sport, Alain Tomlinson describes <u>commercialisation</u> in the Dictionary of Sports Studies as "[the] process whereby commercialism, and its *raison d'être* of financial profit, becomes the underlying economic basis of sports organization. It can be a gradual process, as in the case of established amateur sports in which the athlete might accept commercial contracts to advertise goods, or when the organizing body negotiates over time with the forces of commercialization" (p. 101). He further notes that commercialism relates to "a system of social and economic organization in which financial profit is valued above any other criterion or consideration" (p. 101).

Based on the definitions provided above, commodification of sport thus relates to a transformation of immaterial, social relationships in sport into economic products, whose value is determined by the market. From a capitalist perspective, the process of commodification is directly linked to the transformation of society into a gigantic marketplace and serves the goal of organisations' and individuals' economic survival. Commercialisation, on the other hand, seems more related to a mindset (profit-seeking, business-oriented) and a growing number of "strong links to commercial enterprises" (Slack, 2004, Prologue xxii). Scholars who have investigated general commercialisation trends within sport clubs (Enjolras, 2002; Gammelsæter, 2010; O'Brien & Slack, 2004; O'Brien & Slack, 2003; Stenling & Fahlén, 2009) indeed tend to focus on the link between sport organisations and commercial enterprises, as well as the increasing for-profit mindset that underlies their actions. For instance, O'Brien and Slack (2003) revealed that the abolition of the international amateur code on rugby clubs not only led to a restructuration of UK rugby clubs into shareholder companies, but also to the arrival of business entrepreneurs pursuing for-profit goals. Overall, the commercialisation of NPOs has been a recurring topic for many years already (e.g. Child, 2010; Guo, 2004, 2006; Toepler, 2004; Tuckman, 1998; Weisbrod, 1998; Young, 1998). As the examples above testify, the commercialisation of sport clubs also caught some attention, though not comparable to the attention it has received in general NPO-literature. Meanwhile, the commercialisation of IFs as the governing bodies of international sport is both ill-defined and little studied. To understand IFs' commercialisation, it is useful to place it in the general context of NPOs' commercialisation.

3.2.2. Commercialisation of nonprofit organisations

Several researchers emphasise that the environment for NPOs has become increasingly competitive, complex and uncertain (e.g. Froelich, 1999). In turn, competition, complexity and uncertainty entail the urging need to manage resources more efficiently and effectively, and to develop new resource strategies. Both competition and uncertainty largely stem from NPOs' dependence on external funding (Heimovics et al., 1993). In light of new resource challenges, Macedo and Carlos Pinho (2006) view NPOs' increasing market orientation as "an adaptive strategy for ensuring that organisations receive the necessary resources for accomplishing their mission and carrying out their activities" (p. 538). The development of a revenue-seeking behaviour appears somewhat contradictory considering the legal form of NPOs. While Froelich (1999) sees revenue-seeking behaviour as a long existing reality among NPOs, other researchers fear that NPOs' increased blending of service-oriented and profit-oriented objectives may lead to goal and mission displacement (e.g. Toepler, 2004). Clotfelter and Ehrlich (2001), for their part, see in NPOs' commercialisation an opportunity for obtaining additional resources to be used for good purposes. On a more neutral stance, Maier et al. (2014) simply define commercialisation as "NPOs' increasing reliance on revenue from sales of goods and services" (p. 71), this being commercial activities. Though commercial activities are not new in the nonprofit sector (Salamon, 1989), the undeniable gathering of pace in recent decades is striking. Froelich (1999) notes in this regard:

A funding approach gaining popularity as an alternative or supplement to traditional sources of nonprofit support involves various forms of commercial activity. [...] In essence, clients and customers have become the primary resource providers in the nonprofit sector, rather than donors or government entities (p. 249).

In turn, increasing dependence on commercial activities implies new political, economic and technological issues. Two major aspects contribute to this dependence: a general decline of private and public contributions (e.g. grants and subsidies, individual and corporate donations) as the traditional cornerstone of NPOs' financial model (Froelich, 1999); and growing competition between nonprofits for scarce funding (Smith, 2010) and with for-profits that offer similar services (Tuckman, 1998). In response, NPOs increasingly seek to diversify their revenue (Carroll & Stater, 2009; Chang & Tuckman, 1994). Analysing the effects of NPOs' various revenue strategies, Froelich (1999) notes that commercial activities constitute the largest and fastest growing revenue source. And yet, despite a strong interest in NPOs commercialisation, "scholars have not agreed on what specifically constitutes commercial revenue, and they variously refer to it as business income, commercial income, commercial share, fee income, earned income, profit-motivated income or program service revenue – often measured in slightly different ways" (Child, 2010, p. 147).

3.2.3. Commercialisation of nonprofit sport organisations

The few studies that broach the topic of commercialisation in NSOs tend to agree with general NPO literature in that commercialisation is related, on the one hand, to a sector-wide resource shortage in (government) funding (Nagel et al., 2015; O'Brien & Slack, 2004) and, on the other hand, to strategies of resource diversification employed by organisations in response to financial uncertainty (Wicker et al., 2013). Referring to both financial uncertainty and new managerial approaches, Robinson (2003) describes sport as "a business that competes for scarce consumer resources, requiring a business approach to its management, utilising professional management techniques" (p. 308). In her study, Robinson notably distinguishes four main factors that gave rise to the commercialisation of sport: a trend towards sport spectating, changing technologies, increasing competition and professionalisation of sports management.

Unlike NFs, IFs never faced the challenge of securing alternative revenues because of declining public contributions. In general, literature on the commercialisation of IFs is scarce. Existing studies rather focus on the consequences of massive commercialisation, such as corruption, bribery and self-enrichment. Studies on growing commercialisation are primarily related to financial excesses within some prominent international sport organisations such as the IOC (Tomlinson, 2005), FIFA (Cornelissen, 2010) or IAAF (Krieger, 2016). In light of such scant research on IFs' commercialisation, I will take a closer look at the four main factors that Robinson (2003) has distinguished as the triggering causes for the commercialisation of sport.

A trend towards sport spectating

Robinson (2003) deduces her conclusion of a growing demand for sport spectating from the massive rise of broadcasting rights in major events such as the Olympic Games. Besides broadcasting rights, she also includes an increase from sponsorship and gate receipts. According to Robinson, the trend towards sport spectating has two consequences: first, considering the inflow of commercial revenues, sport needs to adopt corporate management practices in a similar way as do business ventures; and second, as the principal investors, sponsors', broadcasters' and spectators' expectations increase to the degree that the sums they invest increase.

Changing technologies

Television, one of the ground-breaking developments of entertainment technology, has undeniably altered the access to and consumption of sport over the last decades. Buraimo (2006) circumscribes the 1980s as a period of important technological advancements in broadcasting, which "contributed to the expansion of the market and saw the emergence of new broadcasters who produced and broadcast programmes using the new direct-to-home (DTH) satellite platform" (p. 100). This first innovation was followed by the emergence of digital technology in the 1990s (e.g. digital television broadcasts giving viewers access to several hundreds of television channels, digital computers, mobile

telecommunication, wireless, etc.). Before these evolutions, televised sport programs were limited to a few big events and sports, marginalising many smaller sports (e.g. sports climbing, surfing). A second important innovation is the Internet. Today, most IFs have their own official YouTube channel (e.g. FINA, Planet Canoe, FISA, FEI, UCI, UWW, FIFATV and many other). Other technological innovations in recent years include the use of drones, spider cameras, goal line technology or "ref cam"⁹². However, some recent technologies such as the use of video assisted referees (VDR) still remain controversial (e.g. the time it takes to review a scene). However, examples such as VDR also emphasise that "the subjective nature of human decision making is no longer considered appropriate for such a profitable and professional business as sport" (Robinson, 2003, p. 312).

Increasing competition

According to Robinson (2003), competition mainly comes from other sports and leisure providers. Modern broadcasting technologies not only brought sport spectacles into people's living room, it also offered them a choice between hundreds of channels at only one click (TV or internet). Sports therefore have to compete for visibility at multiple levels. One solution to manage competition is strategic planning.

Professionalisation of sports management

As I already broached this topic under occupational professionalisation (3.1.2.1), I shall only briefly summarise some of the main aspects. The professionalisation of sports management as the fourth factor described by Robinson (2003) refers to improved organisational functioning thanks to the implementation of strategic planning, human resource management and marketing plans. This professionalisation is based on two elements: (1) education and training (e.g. degree programs in sport management, professional associations such as the *European Association for Sport Management*), and (2) academic research into sport management in terms of exploring and publishing best practice regarding organisational design, marketing, sponsorship, human resource management, quality management and ethics. Robinson notes that the development of sport management as an educational domain and a research field has led to the "emergence of a management culture based on the belief that good management practice is the solution to organisational survival" (p. 313). The dominant perception of good management practices appears to be the business-like approach, which is brought in by professional sports managers.

In the above literature review, I focused on professionalisation and commercialisation as the key concepts of this study. The review classifies the concept of professionalisation in sport management into three categories: occupational, organisational, and systemic professionalisation.

⁹² In rugby, the ref cam provides a referee's eye view of the match. The lightweight camera system worn on the side of the referee's head has been in regular use since 2014.

Commercialisation, the second key concept, is probably the most salient evolution in international sport in recent years, and yet it has received little academic attention. Based on the review, relationship(s) between these two concepts emerge. In the following sections, I will first summarise research gaps and then develop the conceptual framework of this study.

3.3. Research gaps

A first observation that strikes the eye when diving into the topic of IFs' professionalisation and commercialisation is the blatant dearth of studies at the international level compared to studies at the national level. Table 11 provides some examples of topics that have been analysed in the context of NFs. A possible explanation for this imbalance is the level of independence and autonomy that differs greatly between IFs and NFs. NFs generally receive important government funding. The sum of the funding is often coupled with the federation's sporting success (i.e. medals won at international sport events such as Olympic Games and World Championships). Using sport as a geopolitical vector, a government is interested in seeing its athletes excel on the international stage. Therefore, for the money the government injects into NFs a return on investment is expected. As the injected money is public money, the pressure is even higher. NFs are therefore subject to strict national scrutiny, generally resulting in high demands for accountability. The latter includes annual activity reports, external financial audits and other evidences the responsible institution (e.g. government, Ministry of Sport) may request. IFs, on the other hand, do not receive government funding (though some exceptions for small funding exist, as is the case with the ISSF - International Shooting Sport Federation 93), but finance themselves through various revenue sources (e.g. event hosting, broadcasting and sponsorship rights, membership fees, etc.). They owe a certain level of accountability to their members (i.e. continental and national federations). However, in light of members' increasing financial dependency on their IF, the question about members' scope of free action and opinion arises. Would members really question or even criticise their IF's due diligence if, at the same time, this very IF is an important source of financial income? Or if the IF is a source of political power for some actors (e.g. board members)? In a nutshell: IFs enjoy large freedom from public institutions and their scrutiny because they are financially independent from government funding. Furthermore, the legal framework for NPOs as it exists in Switzerland is very liberal and puts little pressure of accountability on IFs. And if neither the public authorities nor the members request accountability, who should/could?

Research into government funded NSOs began around the late 1980s. Many studies of the *empirical strand* pursue the aim of understanding particular factors (e.g. board capacity, governance) that are relevant for the organisation's outcome and improvement (e.g. organisational performance,

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⁹³ Every year (at least since 2012), the ISSF annually received between EUR 6'000 and EUR 10'000 of subsidies from the German Ministry of the Interior (source: ISSF financial statements 2012-2015).

medals). Studies from the *conceptual strand*, for their part, try to further researchers' understanding of sport organisations' structure and functioning by analysing various concepts within organisational theories such as professionalisation (Dowling et al., 2014) and professionalism (Evetts, 2014), organisational change (Slack & Hinings, 1987), strategy (Thibault et al., 1993) and effectiveness (Papadimitriou & Taylor, 2000). Looking at studies on international sport organisations, it appears that they only emerged since the year 2000 and in reaction to several scandals that came to the surface at the end of the 1990s. These scandals include notably the Salt Lake City bid scandal involving the IOC (1998), the Festina doping affair involving the UCI (1998), and the ISL scandal involving FIFA (late 1990s).

Table 11. Examples of topics investigated in national sport organisations

| Topic | Examples |
|--------------------------------|-----------------------------------------------------------------|
| Board capacities | Ferkins (2005, 2010a, 2010b, 2012, 2015) |
| Board performance | Hoye (2001, 2003, 2004, 2011) |
| Organisational performance | Bayle (1999); Bayle & Robinson (2007); Bayle & Madella (2002); |
| | De Bosscher (2006); Nowy (2015); O'Boyle (2014, 2015a, 2015b, |
| | 2015c); Papadimitriou (1998, 2002); Winand et al. (2010, 2011); |
| Governance | Hoye (2003a, 2003b, 2007); Shilbury (2011, 2013) |
| Organisational behaviour & HRM | Doherty (1998, 1999) |
| Institutional change/pressures | Edwards et al. (2009); Washington (2004, 2011) |
| Typologies | Kikulis et al. (1989); Thibault et al. (1993); |
| Conceptualisations | Dowling et al. (2014); Evetts (2014); Papadimitriou & Taylor |
| | (2000); Slack & Hinings (1987); Thibault et al. (1993) |

Studies that analyse IFs thus mainly focus on governance issues in relation to particular scandals, including corruption, bribery, doping, etc. (Table 12). As scandals mainly concern some of the prominent (and dominant) international sport organisations (e.g. IOC, FIFA, IAAF, UCI), the sample size of these studies is very small. The lack of both empirical and conceptual research in combination with a focus on governance issues in a handful of IFs creates a biased picture of the more than 90 IFs that do exist. Recent and recurring governance issues and the question of a fair redistribution model of IFs' (gigantic) commercial revenues suggest that both professionalisation and commercialisation are of considerable relevance to understand (and steer) IFs in their present form and functioning. At the same time, neither professionalisation nor commercialisation processes are limited to these prominent IFs. A broader analysis of these two concepts and their interrelationship is expected to reveal new insights.

All in all, the comparison of studies on national and international sport organisations reveals an interesting situation: as a result of government funding and demands for accountability resulting from it, research on NSOs, which dates back to the late 1980s, is fairly comprehensive; as a result of scandals and governance issues related therewith, research on IFs emerged only since the year 2000, is rather partial (main focus on governance issues) and, while focusing on a few prominent IFs, largely ignores the majority of the 92 IFs that exist.

Table 12. Examples of topics investigated in international sport organisations

| Topic | Examples |
|-------------|----------------------------------------------------------------------|
| Governance | Bayle & Rayner (2016); Chappelet & Kübler-Mabbott (2008); Chappelet |
| | (2011, 2013); Chappelet & Mrkonjic (2013); Forster (2006); Geeraert |
| | (2014, 2015); Jennings (2011); Pielke (2013, 2015); Tomlinson (2014) |
| Performance | Chappelet & Bayle (2005) |
| management | |
| Doping | Hanstad (2008); Maennig (2002); Wagner (2010) |

3.4. Conceptual framework

The question of the interrelationship between professionalisation and commercialisation in IFs is also the question of the hen and the egg: what came first? Is IFs' commercialisation the result of their professionalisation? And is commercialisation outside of professional structures even possible? Or is IFs' commercialisation at the origin of a professionalisation process, including for instance the hiring of paid staff? So far, professionalisation and commercialisation have been analysed as coexisting yet distinct concepts in this thesis. Considering them as two central processes that shape IFs' structure and functioning, a critical reflection on their interrelationship hitherto missing. Analysing general NPO-literature, Maier et al. (2014) classify both professionalisation and commercialisation under "becoming business-like", though under two different analytical dimensions. By carrying out a systematic literature review, the authors relate professionalisation to the dimension of *business-like organisation*, defining it as "the conviction that experts should be in charge" (p. 71). And they relate commercialisation to the dimension of *business-like goals*, which "captures NPOs' increasing reliance on revenue from sales of goods and services" (p. 71). Maier et al. further acknowledge that a clear separation between causes and effects of NPOs' business-like behaviour is difficult to establish.

To analyse IFs' professionalisation I refer to a study from Dowling et al. (2014), which proposes a conceptualisation of professionalisation in sport management research. In the literature review, I presented definitions for three categories of professionalisation (i.e. occupational, organisational and systemic professionalisation). A focus on organisational and systemic professionalisation seems

reasonable, as occupational professionalisation constitutes a stand-alone topic. The latter describes a normative evolution that, in the case of sport management, takes the form of legitimising sport management as an academic discipline (Dowling et al., 2014; Robinson, 2003). Within systemic professionalisation, one of the field-level changes caused by an external factor is commercialisation. Following Dowling et al.'s (2014) approach of field-level changes, I consider commercialisation of IFs as a particular form of systemic professionalisation. I further distinguish between two approaches to commercialisation: the output-oriented approach and the managerial approach. In the outputoriented approach, commercialisation implies that organisations increasingly rely on income from commercial activities (Enjolras, 2002). This approach to commercialisation is grounded on a quantitative analysis. The managerial approach, on the other hand, suggests that organisations' strategy increasingly focuses on commercial activities and that the expertise, knowledge and attitudes of managers resemble those of managers in the business world (Dees, 1998). This approach assumes that a strong emphasis on commercial activities may affect the organisation's behaviour. An observation from James (1998) supports this assumption: "When faced with large new opportunities for commercialism, many nonprofits seem quite willing to shed their altruistic cover and assume the values and behavior of for-profits" (p. 285). To uncover commercialisation as a managerial strategy, a qualitative analysis is necessary.

The interrelationship between professionalisation and commercialisation based on extant research studies is summarised in Figures 2 and 3. Figure 2 provides detailed information, while Figure 3 summarises them in order to create a more concise framework. The classifications and form that are analysed in this thesis with relation to IFs are emphasised through bolt framings. The forms of professionalisation can be considered as a continuation of Dowling et al.'s (2014) classification. The commercialisation of IFs is considered as a by-product of environmental shifts during the last decades, including the general commodification of sport, in the course of which sport participation is gradually being replaced by sport consumption. This does not mean that commercialisation is the only form of systemic professionalisation. It appears nevertheless to be one of the most salient forms. Different organisational theories can be used to analyse and explain IFs' transformation, including for instance institutional theories, contingency theory, social theory of action and resource dependence theory. Considering professionalisation as a strategy and a rhetoric/discourse to gain legitimacy and autonomy of self-regulation, the focus of this thesis is first and foremost on institutional theory, and particularly on new institutionalism. From the perspective of institutional theory, organisations compete for resources and institutional legitimacy (Aldrich, 2008). Therefore, resource dependence theory in the context of sport organisations will be briefly outlined.

PROFESSIONALISATION

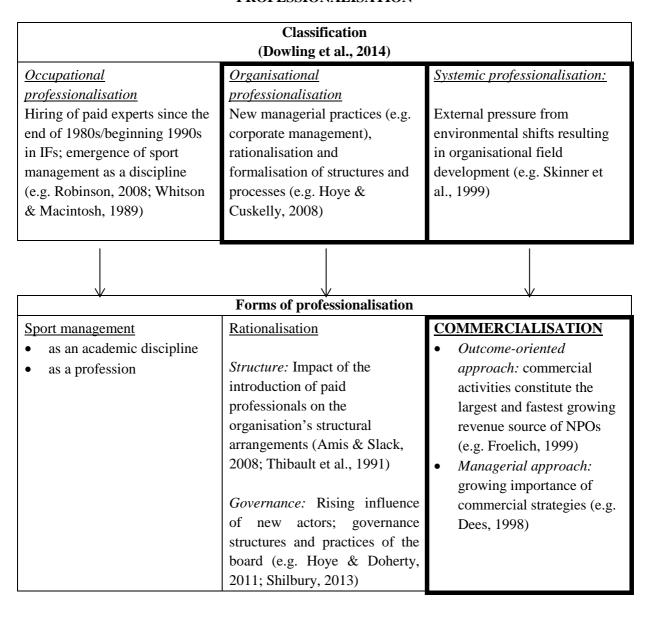


Figure 2. Conceptual Framework – detailed

PROFESSIONALISATION

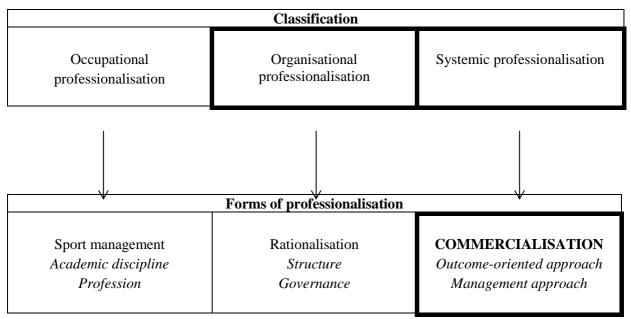


Figure 3. Conceptual framework - simplified

3.4.1. Institutional theory

"Institutional theory is perhaps the dominant approach to understanding organizations" (Greenwood, Oliver, Suddaby, & Sahlin-Andersson, 2008, p. 2). In their competition for resources and legitimacy, institutions strongly influence organisations' activities. As one of the dominant theories in organisational and management literature, institutional theory describes how institutions, their policies and laws shape organisational strategies and structures, even if the influence is not always consciously experienced. Congruently, Scott (1987) speaks of organisational structures evolving "over time through an adaptive, largely unplanned, historically dependent process" (p. 506). Within the institutional theories, new institutionalism offers the advantage of analysing organisations' environmental conditions as well as their (institutional) structure. The new-institutionalist axiom advocates that organisational change leads to structural similarities among very diverse organisations. As fathers of the reformulation of the sociological view on institutions, DiMaggio and Powell (1983) further introduce the notion of organisational fields and isomorphism as organisational field characteristics. They were among the first to conceptualise the paradox of rational actors making "their organizations increasingly similar as they try to change them" (p. 147). To explain this paradox, the authors refer to institutional pressures that organisations have to face. They describe the impact of authority relations with three adaptive mechanisms of institutional change: coercive, mimetic and normative isomorphism.

Coercive isomorphism occurs in reaction to dependence on other organisations, cultural expectations from society and organisations' quest for legitimacy within a same legal environment.

Organisations may perceive these pressures as force, as persuasion or as invitation. Even if changes are ceremonial in first place, they may well be consequential. As hybrid organisations (Bayle, 2015) with both a social mission (e.g. development) and business objectives (e.g. event bids, broadcasting), IFs have to seek legitimacy at two fronts. First, their legal form as NPOs offers IFs the advantages of a fairly liberal legal frame as well as tax reductions (or even exemptions), but it also makes them accountable towards public authorities and other institutions they depend on (e.g. IOC). Second, a growing mingling with business organisations as contractual partners pushes IFs to conform to the expectations of their partners (e.g. return on investment). Regarding the first, public authorities of a country may formulate specific requirements through which NPOs have to demonstrate their legal eligibility. As a form of coercive pressure, political influence from both sides results in increased institutional conformity. In periods of crisis (e.g. governance scandal), coercive pressure from public authorities is expected to increase (see FIFAgate). In the case of Olympic IFs, the IOC exerts additional coercive pressure (e.g. WADA Code, Agenda 2020), especially on IFs that strongly depend on the Olympic revenue and therefore seek alignment with IOC expectations.

Mimetic isomorphism, for its part, is described as an imitation that stems from uncertainty (e.g. environment, goals). In situations of uncertainty, organisations may consciously or unconsciously adopt solutions modelled by prototypical organisations. DiMaggio and Powell (1983) further note: "Models may be diffused unintentionally, indirectly through employee transfer or turnover, or explicitly by organizations such as consulting firms or industry trade associations" (p. 151). In the hope of achieving similar results, IFs imitate business organisations and/or other IFs, which they perceive as being successful. Examples of mimetic pressure are IFs' structure (e.g. departments, hierarchy) and the profile of top managers (increasingly business-oriented profiles). Especially in uncertain and ambiguous situations, less innovative IFs, or those who do not have the necessary resources, are expected to comply with mimetic pressure. Mimetic behaviour hence reduces risks and minimises research costs (Cyert & March, 1963). DiMaggio and Powell (1983) further note that "models may be diffused unintentionally, indirectly through employee transfer or turnover, or explicitly by organizations such as consulting firms" (p. 151).

Normative isomorphism, the third mechanism, is associated with professionalisation in the sense of legitimisation of professions. Here, isomorphic change primarily stems from formal education (e.g. university) and professional networks, creating organisational norms which professional managers and their staff internalise. Professionals bring specific organisational norms with them. In order to consolidate their position, professionals in IFs need to differentiate themselves from volunteers who have run the federation so far. This may entail an increasing divergence of professional and amateur logics. The hiring of managers from outside sport and with a business background is likely to further trigger this trend. Likewise, leaders' management style and the filtering of personnel with similar education and legitimisation shape organisational behaviour as individuals "undergo anticipatory

socialization to common expectations about their personal behaviour" (DiMaggio & Powell, 1983, p. 153).

According to new institutionalism, surviving organisations are believed to adopt techniques, policies, services and products that have been institutionalised. The formal incorporation of institutionalised elements protects organisations against suspicion and investigations (Rojot, 2005). In sport management literature, institutional theory and new institutionalism have received broad approval (e.g. Edwards, Mason, & Washington, 2009; Kikulis, 2000; Kikulis et al., 1992; O'Brien & Slack, 2004; Slack & Hinings, 1994). In their attempt to circumscribe the development of institutional theory and its use in sport management, Washington and Patterson (2011) refer to the five key elements of the original institutional theory (late 1970s/early 1980s) suggested by Greenwood et al. (2008, p. 6):

- 1. Organisations are influenced by their *institutional* and *network* contexts [...];
- 2. Institutional pressures affect all organisations but especially those with unclear technologies and/or difficult to evaluate outputs [...];
- 3. Organisations become *isomorphic* with their institutional context in order to secure social approval (*legitimacy*), which provides survival benefits;
- 4. Because conformity to institutional pressures may be contrary to the dictates of efficiency, conformity may be ceremonial [...];
- 5. Institutionalised practices are typically taken-for granted, widely accepted and resistant to change.

With regard to isomorphism in sport organisations, Slack and Hinings (1994) analysed how the organisational design of 36 NSOs in Canada changed under governmental pressures that arose from the so-called *Quadrennial Planning*, a four-year plan established by Sport Canada. Under the threat of seeing their governmental funds cut back, the 36 sport organisations adopted a more bureaucratic professional design. This example of the professionalisation of Canadian NSOs is also an example of how organisations can gain legitimacy: conformity to the bureaucratic professional design as a social obligation legitimated Canadian NSOs to receive funding they heavily rely on. Several other scholars relate professionalisation to particular external pressures such as government funding (e.g. Edwards et al., 2009; Hoye, 2003), legal requirements (Papadimitriou, 2002) or norms inclunding for instance recommended board processes (Hoye & Cuskelly, 2004).

The theory of new institutionalism constitutes a suitable starting point to analyse IFs under the perspective of competition for resources, institutional legitimacy (e.g. to acquire these resources) and radical change. Due to repeated governance scandals, IFs are under increasing pressure from institutional constituencies - regulatory bodies, the general public, media, sponsors, etc. - and the social forces they exert, including normative expectations, standards, regulations and laws. These pressures are described as social forces. Institutional isomorphism comes as a strategic response to

these pressures. A major challenge for organisations lies in their network of multiple institutional constituents: "With a variety of institutional constituents, organisations confront pressures from multiple and sometimes conflicting source" (O'Brien & Slack, 2004, p. 166). Applying the lens of the institutional theory is therefore also a way to gain insights and a better understanding of the specific environment in which an organisation is embedded and operates. In order to reduce external pressures and control, organisations may, for instance, try to merely generate an aura of trust and good faith. In this case, and if management structures (e.g. formal hierarchy, separation of powers) and procedures (e.g. election process) are not applied consistently in practice, organisations' strategic response becomes mere window dressing (Meyer & Rowan, 1977). An IF may try to gain legitimacy and trustworthiness by formally setting up a control system (regulations, audits, code of conduct, etc.), and at the same time fail (or deliberately avoid) to apply control mechanisms effectively (e.g. repeated governance scandals at FIFA). Nonconformity with institutional pressures is more likely to occur in a context where sanctions are absent or modest. This raises the question of institutions that are presently in a position to pronounce sanctions against IFs. The IOC? Public authorities of the country in which the organisation/IF has its headquarters? The example of the IOC's hesitant reaction in conflictual issues with members (e.g. state organised doping in Russia) queries its role as guardian of sporting and Olympic values. The intervention of the US Justice department in the latest FIFA scandal further suggest that Swiss authorities have not been able to effectively hold Switzerland-based IFs to account. And yet, pressures on IFs seem to increase, coercing them to show stronger conformity with regard to control and evaluation mechanisms (e.g. external financial audits).

3.4.2. Resource dependence theory

According to resource dependence theory, organisations are open systems. As such, they depend on their external environment to survive (Buckley, 1967). Their visible and tangible attractiveness (i.e. efficacy and potential to achieve future goals) influences the way actors of their external environment perceive them and hence their ability to acquire resources. Pfeffer and Salancik (1978) summarise the perspective of resource dependence as follows: "The key to organisational survival is the ability to acquire and maintain resources" (p. 2). Organisations' main rational for action is hence to gain control of resources. These may be scarce or uncertain. As organisations' (financial) survival is directly linked to their external environment, they must constantly analyse this environment in order to adapt to it (Miller & Friesen, 1983).

The evolution of sport organisations from a volunteer-based structure to a professional structure has greatly increased the need for financial resources. Several studies on NSOs have emphasized boards' role in developing financial budgeting (Shilbury, 2001) and raising funds (Inglis, 1997b) thanks to the ability of board members (high profile, network) to liaise with potential stakeholders (Chelladurai, 1987). Though revenue diversification (Carroll & Stater, 2009; Chang & Tuckman,

1994; Froelich, 1999) and particularly commercialisation (Guo, 2006; Toepler, 2004; Tuckman, 1998; Weisbrod, 1998; Young & Salamon, 2002) are frequently discussed topics in NPO-literature, only few studies exist on sport organisations' revenue diversification (Enjolras, 2002; O'Brien & Slack, 2004; Stenling & Fahlén, 2009). So far, the question of how IFs secure financial resources to carry out their mission remains unanswered. At the same time, researchers agree and debate about the skyrocketing commercial revenues of some IFs. Yet, general questions remain unanswered: what exactly are IFs' the revenue sources? How has the acquisition of these revenues evolved? What is IFs' strategy to acquire financial resources? Do they have a strategy? How do IFs use their revenues? Are they being used efficiently? These questions are closely linked to the question of IFs' commercialisation as one of the key concepts analysed in this thesis.

4. Methodology

After briefly explaining the research design (4.1), and though this thesis is built on publications and each publication has its very own methodology, I provide a summary of the basic methodological techniques that are being used to collect and analyse data (4.2 and 4.3). An exploratory study plus seven case studies in IFs of different size form the basis of the data collection. For data analysis I mainly use the approaches of qualitative content analysis and qualitative comparative analysis (QCA). In terms of research gaps, I focus on three major shortcomings: (1) the general lack of both empirical and conceptual research on IFs; (2) the primary focus on governance issues in the few studies that exist on IFs; and (3) the limited number of cases being analysed, this being in general a few prominent IFs (e.g. FIFA, IAAF, UCI). In the following, I will explain why I chose multiple case studies as the main approach to collect data, how I analysed the data and how the two articles and two chapters aim at answering the research questions formulated earlier.

4.1. Research design

In consideration of the general lack of empirical evidence on IFs and Nagel et al.'s (2015) suggestion of carrying out "a simultaneous consideration of different perspectives of professionalisation in a few selected sport organisations (case studies)" (p. 427), I opt for a multiple case study design. The multiple case study approach allows researchers to analyse a contemporary phenomenon within its actual context and to determine an overall pattern of complexity (Yin, 1984). Related to a specific phenomenon (here: professionalisation and commercialisation), case studies typically answer the questions of "why" and/or "how". Data collection is built around multiple sources of evidence. The main sources used in this thesis are: interviews (face-to-face, Skype, and via email), documents (e.g. reports) and archival records (e.g. organisational chart, financial statements, statutes,

rules and regulations). To refine the focus and distinguish relevant aspects of a poorly explored topic, I first carried out an exploratory study. The epistemology and underlying ontology of this thesis are built on an inductive research approach for the analysis of qualitative data.

4.1.1. Exploratory study

The exploratory study consisted of interviews with experts from six umbrella organisations (e.g. IOC, ASOIF) in international sport. Interviews were conducted between September 2014 and January 2015. As the umbrella organisations maintain regular contacts with multiple IFs, they are familiar with the challenges and opportunities IFs have to face. The exploratory study hence enabled a first approach to IFs' transformations, and notably professionalisation, from an IF-external perspective (though several of the interviewees do or have worked in an IF). The purpose was to gather information on interviewees' perception of IFs' professionalisation, causes for and barriers to it and distinctive moments of rupture. In light of scarce research on IFs' transformations, the exploratory study pursued the goal of locating and extracting supporting evidence and tackling "new problems on which little or no previous research has been done" (Brown, 2006, p. 43). All in all, nine semistructured interviews were carried out with representatives of six umbrella organisations in international sport (Table 13). These are: IOC (International Olympic Committee), ASOIF (Association of Summer Olympic International Federations), AIOWF (Association of International Winter Sports Federations), ARISF (Association of IOC Recognised International Sport Federations), SportAccord, and WADA (World Anti-Doping Agency). Three of the interviews were conducted with Hein Verbruggen, who substantially shaped international sport in his functions as UCI president (1991-2005) and as president of SportAccord (2003-2013). The three interviews further served as basis for the book chapter on Hein Verbruggen.

Table 13. Exploratory study: interviews

| IF | Interviews | Interviewees | Year | Duration | Pages |
|------------------------|------------|--------------------|------------|-----------------|-----------------|
| SportAccord 1 Director | | 2014 | 89 minutes | 18 (transcript) | |
| | 3 | Former president | 2015 | 95 minutes | 19 (transcript) |
| | | | 2015 | 60 minutes | 2 (summary) |
| | | | 2015 | 45 minutes | 2 (summary) |
| ASOIF | 1 | Director + Head of | 2014 | 93 minutes | 19 (transcript) |
| AIOWF | 1 | Secretary General | 2014 | 68 minutes | 10 (transcript) |
| ARISF | 1 | Council Member | 2014 | 146 minutes | 18 (transcript) |
| IOC | 1 | Director | 2014 | 43 minutes | 10 (transcript) |
| WADA | 1 | Director | 2014 | 82 minutes | 18 (transcript) |

1. Meaning/understanding of the term professionalisation in reference to sport federations

- a) According to you, what are the characteristics of professionalisation regarding sport federations? Can you give concrete examples?
- b) In general, what would you describe as "unprofessional" regarding sport federations? Can you give concrete examples?
- ⇒ Obtain information about the interviewee's understanding of professionalisation

2. Current situation in international sport federations in terms of professionalisation

- a) From a <u>sporting</u>, <u>administrative</u> and <u>developing</u> point of view, how does a professional federation differ from a less professional/unprofessional one?
- b) Which characteristics/factors make the difference?
- ⇒ Obtain information about different forms/stages of professionalisation in IF
- ⇒ Obtain information on characteristics of (arche)types of professionalisation

3. Factors influencing professionalisation processes

- a) Which factors trigger/initiate professionalisation processes?
- b) Which factors hinder or slow down professionalisation processes?
- c) What role do member organisations (e.g. national federations) play?
- ⇒ Obtain information on causes and barriers for professionalization

4. Consequences due to professionalisation processes in the international sport federations

- a) Which changes/evolutions do you consider as positive and beneficial for the federations?
- b) In general, what kind of evolution do you consider as negative and/or restrictive?
- ⇒ *Obtain information about the consequences of professionalisation*
- ⇒ (Obtain information on the process/dynamics of professionalisation)

5. Stages in the process of professionalisation (first elite sport, then administrative, then development etc.?)

- a) Are there some relevant points in time that should be considered?
- b) Are there steps that are necessary for the follow-up progress?
- ⇒ *Obtain information on the dynamics of professionalisation process*

Together with a PhD student from Bern, who investigates the professionalisation of NFs in Switzerland, an interview guide was established⁹⁴. Using the same interview guide (Table 14), all seven interviewees were asked identical questions. The questions covered interviewees' understanding of the term "professionalisation", their perception of the current situation in IFs regarding professionalisation, factors that trigger or hinder professionalisation and consequences of the professionalisation process. Depending on interviewees' function and experience further questions were added. Seven of the nine interviews were audio-recorded and transcribed verbatim, producing 12 hours of audio recording and 112 pages of single-spaced transcripts. To increase trustworthiness, participants were asked to verify the transcribed interview and indicate corrections and/or complements. These included mainly informal language and sensitive information.

4.1.2. Case studies and case selection

In the absence of comprehensive empirical and conceptual studies on IFs, the exploratory study served as a useful starting point to better define aspects of relevance with regard to IFs' professionalisation process (e.g. commercialisation, leadership, knowledge sharing). In a second step, seven case studies were carried out, including 25 interviews (Table 15). In order to tackle the research gap of limited sampling mentioned earlier, the thesis is built on purposive sampling. For this, three criteria of selection are being used. Firstly, only Olympic IFs are included. One reason for this choice is enhanced comparability, as Olympic IFs experience similar pressures. These pressures include competition with other Olympic IFs to defend their position on the Olympic program and for the Olympic revenue, or pressure from stakeholders that seek a return on investment (e.g. visibility). Secondly, as Switzerland has the highest density of IFs and with the University of Lausanne being based in the Olympic capital, I chose only Olympic IFs for case studies that have their headquarters in Switzerland. Thirdly, and in order to address the research gap of previous studies focusing primarily on a few prominent IFs, I placed great emphasis on selecting IFs of varying organisational size. Table 16 summarises some structural characteristics of the seven cases: year of creation, on the Olympic program since, number of NFs, number of staff members, number of departments, average annual revenue and part of the Olympic revenue.

⁹⁴ The universities of Lausanne and Bern collaborate on a project on the professionalisation sport federations in Switzerland. This project is funded by the Swiss National Science Foundation (SNSF).

Table 15. Case studies - interviews

| UCI | 9 | Chief Executive Officer Business Development Director Executive Office director Communication Manager Officials Manager Sports Services Manager Sport Coordinator Media Operations Coordinator Eurohockey General Secretary | 2015 2015 2015 2015 2015 2015 2015 2015 | 37 minutes 63 minutes 58 minutes 46 minutes 66 minutes 26 minutes Skype | 9 (transcript) 11 (transcript) 12 (transcript) 8 (transcript) 13 (transcript) 5 (transcript) 3 (summary) |
|------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| UCI | 4 | Executive Office director Communication Manager Officials Manager Sports Services Manager Sport Coordinator Media Operations Coordinator | 2015 2015 2015 2015 2015 2015 | 58 minutes 46 minutes 66 minutes 26 minutes Skype | 12 (transcript) 8 (transcript) 13 (transcript) 5 (transcript) |
| UCI | 4 | Communication Manager Officials Manager Sports Services Manager Sport Coordinator Media Operations Coordinator | 2015 2015 2015 2015 2015 | 46 minutes 66 minutes 26 minutes Skype | 8 (transcript) 13 (transcript) 5 (transcript) |
| UCI | 4 | Officials Manager Sports Services Manager Sport Coordinator Media Operations Coordinator | 2015 2015 2015 | 66 minutes 26 minutes Skype | 13 (transcript) 5 (transcript) |
| UCI | 4 | Sports Services Manager Sport Coordinator Media Operations Coordinator | 2015 | 26 minutes Skype | 5 (transcript) |
| UCI | 4 | Sport Coordinator Media Operations Coordinator | 2015 | Skype | |
| UCI | 4 | Media Operations Coordinator | | | 3 (summary) |
| UCI | 4 | • | 2015 | | (Summary) |
| UCI | 4 | Eurohockey General Secretary | | Skype | 2 (summary) |
| UCI | 4 | | 2016 | Phone | 1 (summary) |
| | | President | 2016 | 53 minutes | 11 (transcript) |
| | | Head of Legal Services | 2016 | Phone | 3 (summary) |
| | | Director of Administration | 2015 | 107 minutes | 21 (transcript) |
| | | Sport & Technique Director | 2015 | 89 minutes | 32 (transcript) |
| UWW | 4 | General Secretary + staff member | 2016 | 55 minutes | 14 (transcript) |
| | | Commercial Operations & | 2015 | Email | 7 |
| | | Communications Director | | | |
| | | Consultant | 2015 | Email | 2 |
| | | Project Manager | 2015 | Email | 2 |
| FISA | 3 | President | 2015 | 60 minutes | 14 (transcript) |
| | | Former President | 2015 | 75 minutes | 20 (transcript) |
| | | Executive Director | 2015 | Email | 4 |
| FIS | 2 | Secretary General | 2014 | 68 minutes | 10 (transcript) |
| | | Head of Services | 2017 | Phone | 2 (summary) |
| FIFA | 2 | Former staff member legal department | 2016 | Skype | 3 (summary) |
| | | Former staff member legal department | 2016 | Skype | 2 (summary) |
| FIVB | 1 | General Director + 1 staff member | 2015 | 63 minutes | 13 (transcript) |
| | | (Manager Sports Development) | | | |

Table 16. Structural elements of the seven federations analysed

| IF | Creation | Olympic | NFs | Staff | Departments | Revenue 2012-2015 (2010-2013 for FIS) | |
|------|----------|---------|-----|--------|-------------|---------------------------------------|--------------------------|
| | | since | | (2015) | | Annual average | Of which Olympic revenue |
| FIFA | 1904 | 1900 | 209 | >450 | 9 | USD 1.337bn ⁹⁵ | 0.4% |
| FIH | 1924 | 1928 | 132 | 36 | 5 | CHF 10m ⁹⁶ | 39% |
| FIS | 1924 | 1936 | 128 | 60 | 8 | CHF 30m ⁹⁷ | 34% |
| FISA | 1892 | 1896 | 148 | 19 | 4 | CHF 7.5m ⁹⁸ | 51% |
| FIVB | 1947 | 1964 | 220 | 65-70 | 10 | Not available | Not available |
| UCI | 1900 | 1896 | 174 | 79 | 7 | CHF 36m ⁹⁹ | 15% |
| UWW | 1905 | 1896 | 174 | 24 | 6 | CHF 8.4m ¹⁰⁰ | 40% |

4.2. Data collection

Interviews were carried out between July 2015 and June 2017. With the aim of gathering information on IFs' past and current professionalisation and commercialisation, I tried to diversify the selection of interviewees with regard to their functional and hierarchical position. Except for FIFA, I interviewed at least one person from the IF's direction (e.g. president, secretary general/general director/CEO) and one staff member (e.g. director, manager, coordinator). The disproportionately high number of interviews in the FIH is due to the federation's readiness to provide the amplest information. Saturation was clearly reached in this case. This cannot be said of all IFs analysed here, but access to interviewees and information was sometimes very difficult (e.g. FIFA, FIVB). Interviews were conducted in person (n=14), by phone/Skype (n=7) or, if there was no other option, via email (n=4). In-person interviews were audio-recorded and transcribed verbatim, producing 193 pages of transcript. I acknowledge that email interviews present certain shortcomings. One of the most salient shortcomings is that the asynchronous nature of email responses regarding time and place makes spontaneous answers impossible. Spontaneous answers may however constitute a rich and valuable source of evidence. To mitigate these issues, interviewees who provided answers via email were asked for additional information where necessary.

Besides collecting information through interviews, I analysed documents (e.g. annual reports, financial statements, statutes, rules and regulations, organisation chart) and further information (e.g. website, newsletters) that are either specific to the respective IF or concern IFs in general (e.g. Swiss laws regarding NPOs, IOC Evaluation Criteria 2008 and 2012, Olympic Agenda 2020). Both the IOC Evaluation Criteria and the Olympic Agenda 2020 address current and future aspects of the Olympic

⁹⁵ FIFA annual reports 2012-2015.

⁹⁶ FIH financial statements 2014 and 2016.

⁹⁷ FIS financial statements 2010-2013.

⁹⁸ FISA annual reports 2012-2015.

⁹⁹ UCI annual reports 2012-2015.

¹⁰⁰ UWW financial statements 2012-2015.

Movement. These aspects are of particular relevance for the 35 Olympic IFs. With regard to the IOC Evaluation Criteria: since 2008, the IOC carries out an evaluation after each Olympic Games to determine the contribution of summer IFs to the overall success of the Olympic Games. The 2012 evaluation was composed of 39 criteria covering eight themes. With regard to the Olympic Agenda 2020: the Olympic Agenda 2020 is 'the strategic road map for the future of the Olympic Movement' (IOC, Olympic Agenda 2020), built around 40 recommendations. Table 17 summarises how these documents and electronic information have been used.

Table 17. Documents and their utilisation

| Source | Use |
|------------------------------------|--------------------------------------------------------------------|
| Annual reports of the IF | Strategy, communication |
| Financial statements of the IF | Income, expenses, level of commercialisation |
| Statutes of the IF | Mission statement |
| Rules and regulations of the IF | Term limits, separation of powers, athletes' participation, ethics |
| | commission, election procedure, etc. |
| Organisation chart of the IF | Number of staff members, hierarchical levels, departments |
| Website, newsletter etc. of the IF | Communication, social media engagement, strategy |
| Swiss law | Rights and obligations of IFs as nonprofit associations under |
| | Swiss law |
| IOC Evaluation Criteria | Pressures and expectations of the IOC that may influence IFs' |
| Olympic Agenda 2020 | strategy |

4.3. Data analysis

To analyse collected data, two analytical methods are primarily used: one is qualitative content analysis, and the other is qualitative comparative analysis (QCA). The method of qualitative content analysis is explained in Publication I (*Drivers of and Barriers to Professionalization in International Sport Federations*), while the method and technique of QCA are detailed in Publication III (*International Sport Federations' Commercialisation: A Qualitative Comparative Analysis*). What follows is a very brief summary of both methods.

Qualitative content analysis

Qualitative content analysis is a textual analysis based on systematic reading. Krippendorff (2004) describes it as "a repertoire of methods of research that promise to yield inferences from all kind of verbal, pictorial, symbolic and communication data" (p. 17). Content analysis allows researchers to gain new insights. However, new insights are dependent on the meaning that researchers give the

content. As there is not one single meaning to the same message, two analysts may interpret a message in two different ways. Hence, content is not naturally contained in messages. It depends on the analyst and the context in which the analyst reads and interprets a message. Or, as Graneheim and Lundman (2004) put it: "a text always involves multiple meanings and there is always some degree of interpretation when approaching a text" (p. 106). By analysing written, verbal or visual communication messages, deductive content analysis seeks to enhance the understanding of a specific phenomenon (Krippendorff, 2004) by moving from the general to the specific (Burns & Grove, 2005). To avoid greater levels of abstraction, I focus on manifest (i.e. obvious components) rather than on latent content (i.e. interpretation of the underlying meaning of a text). Written text from transcribed interviews, discussion summaries, emails and secondary documents as described above therefore constitute the primary dataset.

Qualitative comparative analysis (QCA)

Qualitative comparative analysis (QCA) is both a comparative case-oriented research approach and a technique based on set theory and Boolean algebra (Marx, Rihoux, & Ragin, 2014; Ragin, 1987). One of the advantages and novelties of QCA is that it integrates "both qualitative (case-oriented) and quantitative (variable-oriented) techniques" (Rihoux & Ragin, 2008, p. 6). Ragin (1991), who developed the method and technique, describes QCA as an iterative process, a dialog of ideas and evidence. Considering the small and intermediate N-situation (5-50), QCA is not a statistical technique. However, it enables in-depth analysis of cases and cross-case comparison (Legewie, 2013). For data processing, I use the crisp-set QCA (csQCA). csQCA translates base variables into two possible truth-values: true (or present) or false (or absent), generally denoted as 1 and 0. The main strength of QCA as a technique is that it allows the assessment of complex combinations of key factors (independent variables called *conditions*) that are causally relevant to a specific phenomenon (dependent variable called *outcome*). Focusing on causal configurations and context rather than on isolated aspects, the method assumes that organisations demonstrate multiple conjunctures of independent variables that may still lead to the same outcome (equifinality).

Through the four publications, I seek to address some of the research gaps uncovered earlier. Furthermore, I intend to provide first answers to the three research questions formulated at the end of the introduction. Research question 1 on drivers for and barriers to professionalisation in IFs is dealt with in Publication I. This publication, an article, is based on six case studies. Data collection includes 20 semi-structured interviews, which are analysed by using the method of qualitative content analysis. Constituting a deeper immersion into the question of specific drivers and barriers, Publication II, a book chapter on Hein Verbruggen, picks up on the question of leadership and entrepreneurial management. The chapter mainly draws its data from three interviews with Hein Verbruggen himself and secondary documents on the UCI, SportAccord and Hein Verbruggen. These two publications are

grouped under the aspect of <u>causes of professionalisation</u> in IFs. First answers to the research question 2, which asks for conditions that particularly influence IFs' commercialisation, are given in the Publications III and IV. Publication III, again an article, is innovative in at least two respects: firstly, it attempts to analyse all 35 Olympic IFs with regard to their level of commercialisation (even though only 22 IFs provide enough information to be included in the final analysis); and secondly, the use of the method and technique of QCA represents an innovative approach to analyse and compare causal complexity in IFs, rather than looking at isolated aspects. And finally, Publication IV, another book chapter, focuses on IFs' events (e.g. calendar, portfolio) against the background of the federation's financial and commercial strategy. Publications III and IV are grouped under the aspect of <u>forms of IFs' professionalisation</u>. Referring to research question 3, managerial implications of IFs' professionalisation and commercialisation will be debated in the discussion as they are based on the findings of the four publications.

5. Summary of publications

As mentioned in the introduction, this thesis is built on publications. Sections 1 to 4 served as an introduction to the general topic of the interrelationship between professionalisation and commercialisation in IFs. The introductory part included a contextualisation of IFs (i.e. their role, structure and functioning in the past and present), a literature review on key concepts (i.e. professionalisation, commercialisation), a conceptual framework describing the relations between these key concepts, and a brief overview of the main methodological approaches applied. Table 18 now provides a summary of the four publications. The following section is divided into two parts: one on causes of IFs' professionalisation (Publications I and II), and the other on commercialisation as a specific form of professionalisation (Publications III and IV). To briefly introduce the publications, I will provide separate summaries of each publication's main goal, the most important findings, the methodology used and how the publication fits into the general logic of this thesis.

Table 18. Summary of publications

| Title | Type | Journal/Book | Publication |
|---------------------------------------------------------|---------|---------------------|-------------------------|
| Drivers for and barriers to professionalization in | Article | Journal of Global | Published |
| international sport federations | | Sport Management | online 19 th |
| (Publication I) | | | Dec. 2017 |
| Bringing a corporate mentality to the governance of | Chapter | Leading | Accepted |
| sport | | worldwide sport | |
| (Publication II) | | | |
| International sport federations' commercialisation: a | Article | European Sport | Published |
| qualitative comparative analysis | | Management | online 29 th |
| (Publication III) | | Quarterly | Jan. 2018 |
| Major sport events at the centre of international sport | Chapter | Handbook of | Published |
| federations' resource strategy | | International Sport | |
| (Publication IV) | | Business | |

5.1. Causes of professionalisation in international sport federations

The following two publications focus on causes of IFs' professionalisation. While Publication I distinguishes and analyses system-relevant causes of professionalisation on the basis of six case studies, the Publication II adds insights into one particular cause of professionalisation, which is leadership. I will first contextualise the main topic of the publication before summarising key findings and briefly outlining their impact.

5.1.1. Drivers of and barriers to professionalization in international sport federation

Major sport events and their economic repercussions, as well as sport in general (e.g. leagues, salaries) have become increasingly professional over the last decades (Mason, 1999). Surprisingly, IFs as the regulatory bodies of international sport have, so far, not been in the focus of comprehensive studies. Compared to the blatant dearth of general research on the structure and functioning of IFs, NFs have frequently been subject to research, for instance with regard to board composition (Taylor & O'Sullivan, 2009), board functioning (Yeh & Taylor, 2008) and organisational performance (Winand et al., 2013). As "little attention has been paid to GSO [Global Sport Organisations] as a whole" (Croci & Forster, 2004), this article offers a first approach to the topic of IFs' professionalisation. For this purpose, it provides a brief literature review on professionalisation of sport organisations. It further uses the conceptual framework proposed by Nagel et al. (2015) to analyse causes and dynamics of IFs' professionalisation. The article focuses on drivers of and barriers to IFs' professionalisation. We were not only interested in causes of IFs' professionalisation, but also in the

question of whether professionalisation processes occur according to specific dynamics and if so what triggers these dynamics. Though IFs' development from mainly volunteer-run and purely regulatory organisations towards more and more professional organisations is undeniable, we do expect IFs' change patterns to vary.

In the context of the evolution in international sport and the increasing number of actors having a stake in it (e.g. sponsors), Nagel et al. (2015) assume that sport organisations consciously or unconsciously adopt the concept of professionalisation as a useful strategy to adapt to the various challenges they have to face. The main objective of this article is therefore to determine factors that trigger or hinder IFs' professionalisation. Due to its density of international sport federations (45), we chose Switzerland as our geographical setting. This density has several reasons. On the one hand, IFs are attracted by the network and closeness to the Olympic movement (home to the IOC and numerous Olympic IFs). On the other hand, the advantageous legal frame, which is characterised by great simplicity, easiness and liberalism (Pieth, 2014), as well as the political and economic environment in Switzerland promise stability and extensive freedom. In return, Switzerland profits from the economic impact these organisations generate and the image they convey (e.g. worldwide visibility through events and meetings). Data were collected by means of six case studies (i.e. FIFA, FIH, FISA, FIVB, UCI, and UWW). Overall, 20 semi-structured interviews were conducted. Interviews were processed and analysed by using the qualitative content analysis. The analysis of IFs' professionalisation is largely based on the work of DiMaggio and Powell (1983), who describe the impact of authority relations with three adaptive mechanisms of institutional change: coercive, mimetic and normative isomorphism.

The article uncovers eleven causes of professionalisation deemed essential. These are: (1) pressure from stakeholders in sport and society, (2) Olympic revenue share (with the exception of FIFA, as the Olympic revenue share only constitutes 0.4% of its overall revenue), (3) competition with other IFs, (4) management practices, (5) paid experts from within and outside sport, (6) commercialisation, (7) board efficiency, (8) leadership, (9) organisational culture, (10) financial support and development of members, and (11) knowledge sharing. Three particular findings related to IFs' current dynamics of professionalisation are discussed in more detail: professionalisation as a dynamic process with phases of acceleration that vary depending on IFs' size; IFs' becoming increasingly business-like through isomorphic changes; and five causes of particular relevance to IFs' current professionalisation process (i.e. external pressures, leadership, commercialisation, management practices and organisational culture).

Findings suggest that, depending on the IF's size, dynamics of professionalisation are more or less homogenous. We propose that each IF goes through an individual professionalisation process due to the unpredictable nature of changes in the economic, political and institutional environment and their varying impact on IFs. Nevertheless, depending on their size, IFs appear to be affected in different ways by certain dynamics. In the 1990s, the Olympic revenue mainly triggered professionalisation in

the three IFs of our sample that count less than 40 staff members (i.e. FIH, FISA, UWW). Only now do these IFs focus on commercialisation, entailing a new dynamic phase of professionalisation. Meanwhile the three IFs of our sample with more than 60 staff members (i.e. FIFA, FIVB, UCI) already entered a phase of commercialisation in the 1990s. In the aftermath of scandals related to various governance issues (e.g. corruption, bribery, fight against doping), phase two is now characterised by pressures from stakeholders in sport and society. This phase shows a tendency to result in the implementation of increased management practices. Referring to Dees and Anderson's (2003) term of *sector-bending*, we further argue that IFs' increasing interaction with and financial dependence on business-oriented organisations results in IFs becoming increasingly business-like. Explanations to the particular relevance of five of the eleven causes also fall into the category of isomorphic change. Both the role of external pressures and leadership in phases of radical change can be interpreted as the result of coercive pressures. Compared to this, mimetic pressures, under which we list commercialisation (i.e. selling of services and products) and management practices (e.g. strategic planning), and normative pressures, to which we count organisational culture, rather seem to result in incremental change.

The main contribution of this article is certainly the unprecedented analysis of several IFs of varying size with regard to the evolution of their structure and functioning in the context of professionalisation. As the literature review of the article underlines and as we have pointed out earlier, studies on IFs are not only scarce, but they are very limited in their focus (i.e. scandals and general governance issues in some prominent IFs). Structures of growing complexity (e.g. headcount, departments, activities, partnerships, power structure relations) further make it difficult for researchers to collect valuable and trustable information. The main contribution for the continuation of this study is the uncovering of a set of causes that characterise IFs' professionalisation and which researchers can now analyse in more detail. On the basis of these findings, Publication II picks up on the aspect of leadership, while the third publication focuses on commercialisation. As this first publication has demonstrated, both leadership and commercialisation have been uncovered as causes of particular relevance for the professionalisation process of the six IFs under investigation.

5.1.2. Bringing a corporate mentality to the governance of sport

The second publication, a book chapter on Hein Verbruggen, seeks to further develop one of the causes of IFs' professionalisation that have been identified in the first publication: leadership. The career of Hein Verbruggen serves as a rich example regarding important influencers in international sport. Over the last two decades, Hein Verbruggen has been among the very influential but also very controversial persons in international sports. Coming from the business world rather than having a sports background, his career in international sport was all but predictable. His business and marketing background considerably influenced his vision and leadership skills, which he invested into the

development of international sport: from 1991 to 2005, he was president of the UCI, and from 2004 to 2013 of SportAccord. He changed the UCI from a nearly bankrupt federation into a prosperous organisation. And he transformed SportAccord to become an important service provider to all IFs.

Hein Verbruggen never concealed his admiration for multinational companies, their structure and their pursuit of efficiency. Throughout his presidencies he therefore tried to implement practices from the corporate world into international sports, to move them from amateur structures to professionally organised service providers and to make them self-sufficient economic actors. Hein Verbruggen died on 14 June 2017. For the two years preceding his death, and exemplifying controversies surrounding his personality, he led a lonesome battle against allegations of mismanagement in connection with the Lance Armstrong doping case. During the 2013 presidential election campaign for the UCI presidency, Brian Cookson (UCI president from 2013 to 2017) largely nourished and exploited these allegations to discredit his opponent Pat McQuaid (UCI president from 2005-2013) as an extended arm of Hein Verbruggen's reign. An independent report into these allegations, commissioned by Cookson himself, could not find evidence for corrupt practices being initiated by either Hein Verbruggen or his predecessor Pat McQuaid. However, the damage was done and Hein Verbruggen's multiple achievements for cycling and international sport were overshadowed by the latest events. This chapter is not about allegations against Hein Verbruggen, but about how he shaped the UCI and SportAccord with his pragmatic marketing and management vision. To grasp Hein Verbruggen's impact on international sport from a leadership perspective, we take a look at his career, his various stages as a sports manager, his achievements and legacy, as well as controversies surrounding his leadership.

Hein Verbruggen can be considered a true game changer in international sport. Part of it takes its origin in his strong belief in business principles. We try to look behind the scenes and understand how the business world has shaped his leadership style and nourished his endeavour to lead international sports organisations towards more professionalisation. As Amis et al. (2004b) note, it lies in the nature of sport to be "vulnerable to conflict developing among different factions" (p. 183). This is even more the case when change is the chosen strategy. By choosing change, Hein Verbruggen had to manage strategic goals, the uncertainty of achieving these goals, and individuals' general reluctance to change. He had to navigate between accommodating interests of different groups and being consistent regarding the goals set. In order to demonstrate Hein Verbruggen's efforts to professionalise international sports, the focus of this chapter is on his influence on two particular sport organisations: firstly, the implementation of business management practices to professionalise the UCI's structure and functioning; and secondly, the transformation of SportAccord to become a service provider to all IFs, as well as a multisport games organiser.

With regard to the first one, an essential step in the professionalisation of the UCI under Hein Verbruggen was the dissolution of two additional international cycling federations in 1992: FICP (Fédération Internationale de Cyclisme Professionnel) and FIAC (Fédération Internationale Amateur

de Cyclisme). Both federations were remnants of the IOC's amateur code under Avery Brundage. After a quasi-total paralysis that lasted for 27 years, the UCI finally became the sole international cycling body. A second important step was the creation of the ProTour (today: WorldTour), as it shifted the control over the international cycling calendar from the race organisers to the UCI. Today, the international cycling calendar and the commercialisation of the UCI Road World Championships constitute the main pillars of the UCI's economic model and its viability. The second sport organisation Hein Verbruggen shaped from within is SportAccord. Some of his biggest achievements are certainly the creation of the SportAccord Convention (an annual meeting of all IFs with the IOC and SportAccord's most important source of revenue), the development of services offered to all IFs (e.g. Doping Free Unit), and the organisation of global multi-sports Games (e.g. Mind Games, Beach Games, Martial Art Games) that gave visibility to non-Olympic sports. A last point we put forward in this chapter concerns allegations against Hein Verbruggen, notably in relation to doping. Rather than taking position, we provide some reflections on the perception of doping over time, ranging from scientific miracle (beginning of 20th century), to health-threatening products (since the 1960s) and finally to morally illicit practices (today).

Briefly expanding on the question of leadership, the story of Hein Verbruggen outlined in this chapter also reflects a specific "zeitgeist". Autocratic power, non-existent or poorly developed checks and balances, a lack of efficient mechanisms to fight against doping and corruption, and waning credibility as a result of scandals mark a period that began in the 1980s. Interestingly, here cited deficiencies often went hand in hand with growing financial resources and IFs' commercialisation. And perhaps the massive commercialisation process had never occurred had the zeitgeist been different? Many of today's big IFs were in fact run by powerful (and sometimes autocratic) leaders, who led their IF into the era of commercialisation. Besides Hein Verbruggen, other examples are the IAAF presidents Primo Nebiolo (1981-1999) and Lamine Diack (1999-2015), FIVB president Ruben Acosta (1984-2008), and FIFA president Sepp Blatter (1998-2015). From a pure profit perspective, one could say that all of these presidents have achieved their mission: their IFs are today highly visible and self-sufficient. During most of their reign, these presidents were praised for their achievements (many of them being measured in financial results). However, from today's perspective, all five presidents had or have to face allegations and/or court cases related to governance issues such as corruption and self-enrichment. A paradox? Perhaps rather a shift of priorities. With the increase of scandals in and around highly commercialised IFs, the priorities began to shift. The same leaders who had commercialised their federation were now shoved into a disdained corner, seeing in them the root of many current problems in international sports, notably governance issues. Could anyone have foreseen the scandals? Perhaps yes. Where a lot of money is at stake and, at the same time, control mechanisms are weak or absent, personal interests, and with them greed and unscrupulousness, are not far away. Who or what could have prevented these scandals? As long as IFs enjoy nearly unrestricted autonomy thanks to their status as nonprofit associations in many countries (e.g. Switzerland, Monaco, Ireland), this is the tricky question that needs to be resolved. So far, no institution or organisation is either willing or capable of playing the watchdog. WADA plays this role for one of many aspects, which is doping. The IOC, for its part, wants to have great Games (and revenues), but does not seem to want to take responsibility for the wrongdoings of IFs or their members (i.e. CC, NFs, athletes). This became particularly evident in the forerun of the 2016 Olympic Games: rather than the IOC pronouncing the exclusion of Russian athletes in relation to state-sponsored doping revealed by the McLaren report, the IOC shuffled off all responsibility to the IFs. Was this decision based on the IOC's political interests or on other motivations? I do not know. But the question that remains to be answered is: which institution could be powerful and unbiased enough to take on this role?

5.2. Forms of professionalisation in international sport federations

While the first two publications pursued the goal of shedding some light on causes for IFs' professionalisation, the following two publications focus on a specific form of professionalisation, which is commercialisation. The distinction between causes and forms of professionalisation draws on the multilevel framework of Nagel et al. (2015). In their attempt to conceptualise the professionalisation of sport organisations, the authors establish a multilevel framework on the basis of international literature within and outside the context of sport. However, I do not strictly follow this framework. For instance, the authors do not clarify how to determine broad concepts (or as they call it: forms) of professionalisation. Though they suggest different dimensions to be analysed (activities, individuals, structures and processes), it is not clear how these dimensions can be related to or produce broader concepts (what is exactly meant by broader concept?). Overall, the idea of forms of professionalisation remains vague. The study does not advance specific considerations and theoretical concepts on forms but only on causes and consequences. I have therefore chosen a slightly different approach. My first step was to define professionalisation in sport federations and identify essential causes of professionalisation (Publication I). In a second step, I analysed whether specific concepts or phenomena emerge and that can be related to IFs' professionalisation. One of the most salient evolutions in international sport is commercialisation. The difficulty is to decide whether commercialisation is a cause, a form or rather a consequence of professionalisation. It is the question of the hen and the egg. In Publication I, we refer to commercialisation as a cause of professionalisation. The reader may now wonder why, in the following publication, we consider commercialisation as being a form of professionalisation. The answer is as short as simple: depending on the perspective, commercialisation can be considered as a cause (e.g. the influx of money through commercialisation enables the hiring of paid staff, and the increase of paid staff requires a more formalised structure and functioning), a form (e.g. some IFs can be easily commercialised due to various factors, while other IFs have to adopt alternative strategies) or a consequence (e.g. commercialisation as a by-product of professionalisation). In the following two publications, we refer to commercialisation as a particular form of systemic professionalisation. With the qualitative comparative analysis (QCA) we use an innovative technique and method. An introduction to the method of QCA and the choice of cases analysed seems useful.

5.2.1. International sport federations' commercialisation: a qualitative comparative analysis

5.2.1.1. Qualitative comparative analysis in a nutshell

Qualitative comparative analysis (QCA) is a systematic cross-case comparative method. With his book The Comparative Method (1987), Charles Ragin can be considered as the founding father of QCA. The method and technique of QCA integrates key strength of both the qualitative and the quantitative approach (Berg-Schlosser, De Meur, Rihoux, & Ragin, 2009). QCA is a particularly useful approach if researchers want to analyse complex causal patterns, or if they seek to uncover regularities of medium- to large-N designs while doing justice to case specificities. As I already briefly indicated in the method section, QCA is both a comparative case-oriented research approach and a technique based on set theory and Boolean algebra (Marx et al., 2014; Ragin, 1987). Considering each case, a complex and distinct configuration of independent variables (called "conditions" in QCA terminology) and one dependent variable (called "outcome" in QCA terminology), QCA fulfils the characteristic of being a case-sensitive approach. Research based on QCA requires a good knowledge of each case, something that Ragin calls "intimacy" with the cases. The variable-oriented approach of QCA, which is based on the idea of multiple conjunctural causations, further allows researchers to demonstrate and analyse causal complexity within and across cases. Two essential consequences are related to multiple conjunctural causation: the first is equifinality, meaning that several configurations (in the sense of combinations of conditions) or causal paths can lead to the same phenomenon (in QCA terminology: outcome); the second is that the same condition may influence the outcome in various ways, depending on the context of the respective case. Context and conjuncture sensitivity hence result in several causal models and researchers have to determine the number and character of these models rather than establishing one explanatory model.

After having briefly summarised the case-sensitive (qualitative) approach, the question of the quantitative approach of QCA remains to be explained. With the comparative method that became QCA, Ragin sought to fill a gap for small and medium-N research designs (3 to 50 cases). By defining a limited number of independent variables to be specifically analysed in each case, the advantage of QCA compared to case-oriented studies is that its analytical approach can be replicated for more than a handful of cases. Three particular features are at the basis of the analytic-formalised approach of QCA: Boolean algebra, set logic and minimisation algebra. **Boolean algebra** is a branch of algebra that uses the truth-values "true" and "false", which are generally denoted as 1 and 0. Applied to QCA

it means that each variable is marked as 1 (true) or 0 (false). The denotation depends on the calibration threshold the researcher defines. The basic operations of Boolean algebra are conjunction (*and*), disjunction (*or*) and negation (*not*). What is interesting to note here is that the absence of a causal condition (negation) may still have a triggering influence on the outcome, rather than being considered as inconsequential.

The **set logic** or the set-theoretical perspective refers to a formalised analysis of data-set observations. Sets are logical constructs and cases can be located in or outside these constructs. Cases are analysed with regard to their membership in sets (i.e. conditions and outcome). As we use the crisp-set QCA (csQCA), membership is dichotomous (1 = fully in or 0 = fully out). The set relations that QCA looks at are *sufficiency* and *necessity* of conditions. In order to empirically determine whether a condition is sufficient or necessary, QCA uses consistency and coverage as parameters of fit. **Minimisation algebra** in QCA, for its part, uses specific software that calculate the shortest possible (parsimonious) expression for those paths (configurations) that are sufficient for the outcome. The combination of the three features (Boolean algebra, set logic, minimisation algebra) enables the identification of parsimonious causal regularities. These are expressions "with the fewest possible conditions within the whole set of conditions that are considered in the analysis" (Rihoux & Marx, 2013, p. 168).

While the initial technique of QCA was of purely dichotomous nature (i.e. csQCA), researchers now count two other techniques: multivalue QCA (mvQCA) and fuzzy-set QCA (fsQCA). Rather than using binary (or dichotomous) data as in csQCA, mvQCA suggests the use of multiple-category conditions, which are represented by natural numbers (0, 1, 2, 3 etc.). And finally, measuring the degree of a condition, fsQCA introduces scores that can have every possible value on a continuum between 0.0 and 1.0, hence allowing a more fine-grained assessment of the data. Despite the introduction of varying degrees of membership (fsQCA) and multiple-category conditions (mvQCA), the three techniques use the same steps to analyse data. First, the researcher establishes a raw data table. Each line of the raw data table indicates the empirical data that corresponds to the respective case and variables (conditions and outcome). In a second step, the raw data table is transformed into a data table by using the truth-values 1 and 0 of Boolean algebra. Before that, researchers have to define the criteria for set membership. This is done by setting up a logical calibration threshold. A clearly dichotomous threshold is for instance data that produces only "fully in" or "fully out" memberships (e.g.: Does the IF have a strategic plan? Answer: yes/no). The data table hence displays case-specific combinations of conditions in relation to an outcome by using Boolean algebra and set logic. Several observed cases may correspond to the same combination of conditions and an outcome. By grouping these cases together, the software produces a synthesis of the data table. This synthesis is called truth table. Once researchers have established the truth table (and solved contradictory configurations), they can proceed with the Boolean or logical minimisation. For this purpose, they have to choose a software that uses an algorithm to perform minimisation (we use Tosmana). The goal of Boolean/logical minimisation is to find minimal solutions for a given phenomenon (outcome). It excludes for instance redundant conditions. The following example includes two observed configurations. A is redundant. The shortened expression for both configurations is thus:

Table 19. Example of logical minimisation

| Configuration 1 | $A[0]*B[1]*C[1] \to D[1]$ |
|-----------------|-----------------------------------|
| Configuration 2 | $A[1]*B[1]*C[1] \rightarrow D[1]$ |
| Minimisation | $B[1]*C[1] \rightarrow D[1]$ |

Based on the minimal formula, researchers are left with the task of interpreting prime implicants and the links of causality between them. A last analytical specificity is worth mentioning at this point: despite the fact of being an analytical tool and even though we use QCA in its most basic contribution, which is to summarise, explore and compare data, QCA relies strongly on theoretical input. Not only the selection of variables, but also the definition of calibration thresholds must be theoretically justified.

In a retrospective, Rihoux and Marx (2013) reflect on the development of QCA over 25 years since its emergence (1987-2012). Though the aim of the method largely remained the same, the technique of QCA has expanded considerably to become more and more sophisticated. The wider diffusion of QCA only peaked off in recent years, entering new fields of research such as medical sciences and management.

5.2.1.2. Selection of cases

The third publication seeks to analyse IFs' level of commercialisation and factors that contribute to this commercialisation. Several criteria were taken into consideration when choosing the cases for this study. In general, QCA is suggested for medium- to large-N research designs (\geq 10). With regard to sample size, Marx and Dusa (2011) suggest the following formula: $N \geq 2^{C}$ (C stands for the number of conditions). By adding up the IFs from the four umbrella organisations defined by SportAccord (i.e. ASOIF, AIOWF, ARISF and AIMS), we count some 92 IFs. Through a review of literature, interviews and secondary documents, we have further identified four independent variables (conditions) of relevance for IFs' commercialisation. Our research design should hence be composed of minimum 16 IFs (24). Among the 92 IFs, important differences can be observed in terms of disclosure of financial statements. For the evaluation of IFs' commercial revenues, it is essential that their financial statements are available to us. As a result of IOC requests (IOC, 2012) since at least 2010, a larger number of published financial statements can be found among Olympic IFs. We hence constructed our study population (i.e. IFs) by defining two membership criteria: availability of

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 $^{^{101}}$ IOC Code of Ethics and other texts / Good governance / Art. 4.3

information and comparability. Since the IOC calls upon Olympic IFs to regularly publish their financial statements on their website, we only include Olympic IFs. Another argument to include only Olympic IFs in a first study is comparability: Olympic IFs evolve in a similar competitive environment, including efforts to ensure/increase Olympic revenue, pressures from the IOC and visibility through the Olympic Games. In short, our study population includes IFs that are a) Olympic and b) disclose their financial statements.

Through the focus on Olympic IFs, we could already reduce our research design to 35 cases (28 summer Olympic IFs and 7 winter Olympic IFs). Taking a closer look at each of the 35 IFs, it turns out that only 22 of them published their financial statements for the period of investigation. The period of investigation is the last completed Olympic cycle (i.e. 2010-2013 for winter Olympic IFs, 2012-2015 for summer Olympic IFs). Of the 22 Olympic IFs that published their financial statements for the given period, only 10 IFs published them for all four years. The choice of looking at the last completed Olympic cycle provides several advantages. For instance, the Olympic revenue share that is allocated after each Olympic Games for the following Olympic cycle is, in most cases, not divided into four equal parts. Hence, in case of incomplete financial statements, we were faced with the problem of a biased picture. In order to reduce data inconsistencies, we applied normalisation rules to Olympic IFs for which financial statements were not available for the entire Olympic cycle. We first added up the IF's incomes for the years for which financial statements are available, not including Olympic revenue (Sum A). As the 2012-2015 Olympic revenue allocated to the summer Olympic IFs is known to us, we multiplied a quarter of this revenue by the number of years for which the IF's financial statements are available (Sum B). Finally, we added up Sum A and Sum B. As the 2010-2013 Olympic revenue allocated to the Olympic winter IFs is not known to us, we could not apply normalisation rules in these cases. A third and final advantage of analysing IFs' over a four-year period is cyclical fluctuation related to IFs' flagship events. While some IFs organise World Championships on an annual basis, others follow a biennial or even quadrennial scheme. With major events being an important source of income for many IFs, an analysis of only one or two financial years would therefore produce an incomplete picture.

5.2.1.3. Main findings

Literature review

In order to understand nonprofit sport organisations' revenue streams, we carried out a literature review on the commercialisation of NPOs in general (e.g. Froelich, 1999; Maier et al., 2014) and of sport organisations in particular (e.g. O'Brien & Slack, 2004; Wicker & Breuer, 2011; Wicker et al., 2013). Based on the literature review, the study highlights an important difference between NFs and IFs: while in the past NFs (and NPOs in general) received important parts of their revenue from government funding and donations, this does not hold true for IFs. Contrary to other NPOs, IFs have

never been seriously confronted with an important decline of public funding and private donations, which would have entailed growing financial uncertainty. In the past, member fees from NFs and sponsorship contracts rather than public contributions constituted the main source of IFs' revenues. Therefore, we can say that IFs did not experience a significant income gap as the result of declining public contributions and public funding. Against this background, IFs' commercialisation does not constitute a necessary solution to compensate a significant revenue shortage. This raises the question of what has triggered IFs' commercialisation instead. Though existing studies do not provide answers to this question, we suggest several possible answers in the literature review including: worldwide commodification of sport, growing demand for televised sport spectacles, sport as an advertising space for businesses of any kind, and competition between sports regarding broadcasting, sponsorship as well as attraction and retention of fans and athletes.

Two explanatory approaches emerge from these driving forces. For one thing, they increase the desire of IFs (especially those governing very popular sports such as football and athletics) to capitalise on the massive commodification of sport. On the other hand, expectations from multiple stakeholders regarding the activities and services of IFs are increasing and fuel competition between IFs. Seen from this angle, commercialisation of IFs' can be considered as an *adaptive strategy* (*Maier et al.*, 2014; Toepler, 2004; Tuckman, 1998) that pursues the goal of mission accomplishment in an increasingly competitive environment (Macedo & Carlos Pinho, 2006). In light of these evolutions, especially smaller IFs come under pressure to commercialise in order to keep up with bigger IFs. While most studies on commercialisation in NPOs seek to understand why and how NPOs began to commercialise, our main goal is first to determine which conditions impact IFs' commercialisation, and second, to empirically uncover configurations (i.e. combinations of conditions) that favour high levels of commercialisation.

QCA analysis and findings

Based on the literature review, various documents (e.g. IF statutes and regulations, reports, IF websites, web articles) and interviews in international sport organisations (e.g. ASOIF, FIS, FISA, UCI, UWW), nine conditions of potential relevance for IFs' commercialisation are detected: (1) financial independence from the Olympic revenue share, (2) social/digital media, (3) media coverage, (4) specialisation, (5) strategy/goal orientation, (6) governance/accountability, (7) popularity of the sport, (8) capacity of innovation, and (9) revenue diversification. Sufficient information could only be collected for four of the nine conditions. These are: specialisation (indicator: headcount), strategic planning (indicator: publicly available strategic plan covering minimum three years), social media engagement (indicator: Facebook, Twitter and Instagram followers) and low accountability (indicator: levels of transparency, evaluation, representation, complaints and responses). Data collection was thwarted by the difficulty to access information from several IFs, especially financial information. Overall, from the 35 Olympic IFs we initially wanted to analyse, we could gather sufficient

information on 22 of them. By using the QCA technique, we can assess the four conditions in relation to the outcome. To evaluate IFs' level of commercialisation as the outcome, we measured the part of revenues from commercial activities in their overall revenue. For this purpose, we studied IFs' financial statements. Based on Enjolra's (2002) study, an IF is considered to achieve high levels of commercialisation if revenues from commercial activities represent 50% or more of its overall revenue.

Using crisp-set QCA (csQCA), we translated base variables (called *raw data*) into two possible truth-values: true (or present) or false (or absent), generally denoted as 1 and 0. As binary conditions allow two possible answers, they split "the logical space into two equal parts" (Rihoux & Ragin, 2008). The number of possible configurations for our study (4 conditions) is thus 16 (2⁴). The QCA analysis reveals seven configurations that lead to high levels of commercialisation (including 13 IFs), and five configurations that lead to low levels of commercialisation (including the remaining nine IFs). This leaves four "logical remainders", which are logically possible combinations of conditions that have not been observed empirically. The necessity analysis reveals only one truly necessary condition according to the widely accepted consistency threshold of 0.9 (Maggetti & Levi-Faur, 2013). The necessary condition that we are referring to is the absence of specialisation (~SPEC) in the outcome of low commercialisation. If we lower the consistency threshold to 0.75, a threshold that Ragin (2006) suggests as the lowest boundary, the presence of specialisation (SPEC) and social media engagement (SOCM) in the outcome of high commercialisation can be equally considered as necessary conditions.

Further proceeding to so-called Boolean minimization, we obtain three parsimonious solutions leading to high levels of commercialisation and two leading to low levels of commercialisation. Supporting findings from the necessity analysis, the condition "specialisation" plays a major role in IFs' level of commercialisation. Its presence accounts for 77% of membership in configurations leading to high commercialisation, and all cases resulting in low commercialisation show low specialisation. Though not to the same extent as high specialisation, high social media engagement is also a strong indicator for IFs' level of commercialisation, whereas strategic planning and lack of accountability are of secondary importance.

Discussion

While most studies on commercialisation in NPOs try to explain *why* commercialisation occurred, the aim of this study was to collect and analyse data on a maximum of Olympic IFs to approach the question of *how* they commercialise. Which factors are relevant in achieving high levels of commercialisation? How do they combine to result in high commercialisation? The QCA analysis of 22 Olympic IFs provides four starting points:

(1) Firstly, high specialisation (SPEC) appears to be a key condition in the outcome of high commercialisation. We explain the importance of specialisation with growing workload and work

requirements in terms of skills and complexity of tasks (Amis et al., 2004b). These evolutions are closely related to the importance that sport events occupy in today's society (in 2015, Tour de France attracted up to 15 million spectators along the roads¹⁰²) and economy (in 2015, the average cost of a 30-second ad spot during NBA [National Basketball Association] finals amounted to USD 540'000¹⁰³).

- (2) Secondly, the analysis of necessity reveals a relatively high importance of the presence of social media engagement (SOCM) to achieve high commercialisation. We argue that digital and especially social media constitute cost-efficient marketing relationship tools. Through interactions with their community, sport organisations can strengthen brand awareness, image and fan loyalty (Coulter, Bruhn, Schoenmueller, & Schäfer, 2012). Unlike traditional media, the cost-effective use of social media gives IFs with smaller budgets the opportunity to rival with bigger IFs. IFs increasingly leverage social media as a marketing tool to create a fan base that, in turn, attracts business partners.
- (3) Thirdly, and contrary to specialisation and social media engagement, strategic planning (STRAT) and lack of accountability (LACC) show relatively low overlaps with the outcome of high commercialisation (respectively 46% and 31%). We first take a quick look at IFs' accountability. Several studies, such as Geeraert's (2015b) Sports Governance Observer, showed that good governance, including accountability, is quite difficult to measure in IFs. This is partly related to the capacity of organisations to demonstrate formal change (e.g. governance reform), even though informal practice undermining these changes may remain in place, unnoticed by the external observer. The evaluation of IFs' accountability is based on formal information. In the aftermath of several governance scandals, it is possible that IFs only formally adopt practices of good governance. In any case, both this study's findings and researchers' increasing focus on IFs' governing issues (e.g. Kihl, Skinner, & Engelberg, 2016; Maennig, 2002; Mason, Thibault, & Misener, 2006; Tomlinson, 2014) manifest a dire need for a more solid understanding of the relation between IFs' commercialisation and their existing/potential governance issues. With regard to strategic planning, we put forward the hypothesis that IFs prefer to maintain goal vagueness (rather than fixing goals) to get a maximum of very different stakeholders committed to the federation and its activities. This finding is rather surprising as we expected IFs to establish clear goals in order to satisfy business partners who expect a return on investment.
- (4) A final observation concerns the increasingly business-like behaviour of IFs: 13 out of the 22 IFs analysed in this study achieve high levels of commercialisation. While studies on NPOs recognise increasing isomorphism between NPOs and businesses (Maier et al., 2014), studies on sport organisations with a similar focus are presently lacking. Only a few studies on IFs refer to isomorphic

¹⁰³ Statista. (2017). *NBA finals: cost of a TV commercial 2013-2015*. Retrieved from https://www.statista.com/statistics/616373/nba-finals-cost-tv-commercial/

¹⁰² The National. (2015). *Tour de France: Cycle of sporting profitability*. Retrieved from https://www.thenational.ae/business/tour-de-france-cycle-of-sporting-profitability-1.41883

changes (Phelps & Kent, 2010; Wagner, 2010) in relation to business-like behaviour. Considering the immense revenues some IFs generate through their events, this lack is all the more astonishing.

Implications

This study proposes several novelties. It represents a first immersion into the multi-facetted organisational functioning of IFs with regard to commercialisation, one of the most salient topics. Though scholars increasingly turn the magnifying glass on IFs to finger point excesses related to commercialisation, the range of international sport organisations analysed remains, so far, very limited. Scandals such as corruption within the IOC (Chappelet, 2011; MacAloon, 2011), doping in cycling (Wagner, 2010), or repeated governance issues within dominant IFs such as FIFA (Bayle & Rayner, 2016; Pielke, 2013) and IAAF (Forster, 2006) are easy prey for those who see the mutation of sport organisations to business-like entities with a critical eye. However, the focus on this relatively small group of IFs compared to the total number of IFs that are part of the Olympic movement (more than 90) produces a biased picture. By looking at 22 Olympic IFs (35 initially), this study provides a first analysis and comparison of small, mid-sized and big IFs.

A second novelty is the use of the method and technique of QCA. The popularity of QCA only broadens since 2012. However, Winand (Winand et al., 2011; Winand et al., 2013; Winand & Zintz, 2013) seems so far to be the only scholar having published studies based on QCA in sport management. QCA is both a research approach and a data analysis technique based on set theory and Boolean algebra (Marx et al., 2014; Ragin, 1987). To explore, analyse and interpret the complexity of IFs' functioning in terms of revenue generation, QCA constitutes a useful research method and data analysis technique.

And finally, the study draws attention to the potential dangers of IFs' increasing focus on commercial activities. Besides governance issues that appear to ferment hidden from the public eye (thanks to the relative freedom IFs enjoy as NPOs), we particularly point out the danger of mission-drift.

5.2.2. Major sport events at the centre of international sport federations' resource strategy

The forth publication, another book chapter, focuses only on major sport events as IFs' fastest growing revenue stream during the past two decades. In light of the immense public interest in major sport events (e.g. Olympic Games, football, rugby and cricket World Cups) and the possible leverage effect this may have on IFs in terms of revenues, the chapter seeks to uncover IFs' resource acquisition patterns. Does the pattern reflect historical conditions? How do changes in the environment affect IFs' resource acquisition? And how do IFs respond to both historical conditions and environmental changes? What resource acquisition strategy do they adopt?

The chapter begins with outlining three aspects that make sport events an interesting starting point to analyse IFs' financial resource strategy. First, the constantly growing number and globalisation of sport events: in 2013, the summer Olympic IFs organised 2162 sport events; a country like Qatar that, a couple of years ago, no one related to international sport hosted a total of 85 international sport events in 2016; and even Mongolia hosted 16. Second, the massive commercialisation of sport events, especially thanks to a sprouting economy including broadcasting and sponsorship rights. And third, the lack of research on sport events from the perspective of IFs, prompting us to raise two central questions: (1) which elements constitute IFs' main sources of income and expenses? And (2), which financial and strategic role do sport events occupy in IFs' economic model? In the course of the chapter, we provide an overview of event types in international sport, a general summary of IFs' main sources of revenue, and observed commonalities across several IFs with regard to their resource acquisition strategy. And finally, four cases exemplify different models of revenue generation: FIFA for the "One-mega-event-model", UCI for the "Fee-collector-model", FIH for the "Mixed-model", and FISA for the "Olympic-dependence-model".

Main findings

At the international level, we could distinguish four main types of sport events: World Championships, international circuits, promotional sport-for-all events and international multi-sport games. IFs generally own the first three event types and are participants in the fourth type. Being the owners of the first three types empowers them to decide on the event allocation and to capitalise on commercial rights such as TV and sponsor rights. Regarding IFs' main sources of revenue, some important changes can be observed since the early years of IFs: until the 1980s, basically all functions within IFs were non-remunerated. Back then, affiliation fees from members (i.e. NFs), small sponsorship contracts and, in some cases, donations constituted IFs' main revenue streams. With the sport broadcasting industry quickly picking up speed in the 1980s, the distribution of broadcasting revenues from the Games to the IFs, the growing interest of sponsors to showcase their products through sport, and fierce competition between IFs for these sources of revenue, two main financial pillars emerged: (1) events, and (2) Olympic revenue. A look at the revenues of 18 Olympic IFs shows that half of them generated 50% or more through their events. Meanwhile, for some IFs the Olympic revenue constitutes the main source of revenue (e.g. ISSF: 85%, WA: 63%).

In the attempt to compare the functioning and economic models of IFs, the chapter further presents emerging commonalities and suggests an analytical model. Emerging commonalities include event ownership and event rights (e.g. property rights on World Championships, sanctioning of events that are not the IF's property), financial cycles around events (i.e. income from and reinvestment into events), and dependence on and competition around the Olympic revenue. Our approach to analyse IFs economic model is twofold: for one thing, we look at IFs' economic model (expenditures, sources of income); and second, we establish a basic event portfolio of four IFs. For the analysis of IFs'

economic model, we selected six main variables: three on the income side (events, Olympic revenue, fees) and three on the expenditure side (events, administration, development). In terms of IFs' event portfolio, we base our analysis on four variables: creation of the IF (year), size (number of paid staff), events (number and periodicity), and flagship event(s) and/or discipline(s).

The four patterns we present are an exploratory approach. As an example of the *One-mega-event*model, FIFA generated 83% of its 2012-2015 overall revenue through the FIFA World Cup. In 2014, the selling of broadcasting rights represented the most lucrative source (35.4%), followed by those of marketing rights (22.2%). In the case of FIFA, the success of this model is closely tied to the popularity of football and an elaborated strategy around FIFA's commercial rights and limited risktaking. The risk of the one-mega-event-model consists in its high dependence on a single event. The UCI, as an example of the Fee-collector-model, receives important revenues from calendar and licence fees. The UCI tries to counter-balance the fact that it basically holds no commercial rights for cycling's most prestigious races (e.g. Tour de France, Giro d'Italia). From 2015 to 2016, an important increase (31%) for UCI WorldTour races could be observed. The challenge of this model lies in the necessary balance between the attractiveness of the IF's main product and buyers' interest and financial capacity to pay the fixed fees. The Mixed-model, exemplified by the FIH, produces a fairly stable situation as it spreads IFs' financial risks across several sources of income. Even though the downfall of one source of income might not inevitably cause the collapse of the IF's economic model, it requires a continuous analysis of the federation's environment, a quick adaptation to changes and a drive to explore new market opportunities. And finally, IFs like FISA and that show characteristics of the Olympic-dependence-model are probably the most vulnerable IFs. Not only do they have little influence on total earnings, but their dependence also forces them to align a maximum with requirements and expectations of the IOC as the main funding entity.

Conclusion

Findings emphasise the pivotal role that IFs' sport events and event portfolio play today in their strategic orientation and revenue streams. Without event revenues, IFs will have difficulties to carry out their historical mission (regulate, promote, develop their sport) and the activities they have developed over the years (e.g. events, development programs) and to finance the structures necessary for their maintenance. A remaining question that goes hand in hand with the growth of IFs' event revenues is the aspect of profit redistribution. Contributing considerably to the IF's event profit, stakeholders (e.g. NFs, teams, clubs, athletes, organisers) might claim their part in the profit redistribution. To avoid frictions with main stakeholders, building compromises becomes more and more important for IFs.

6. Discussion

The four publications of this thesis suggest that, over the last three decades, IFs have undergone important transformations towards professionalisation of structures and processes at the administrative level and commercialisation of their activities. Through these transformations, IFs have become global key actors not only from a sporting, but also from a social, economic and geopolitical point of view. As a result of a growing focus on rationalisation, performance-orientation and business-like functioning, the original volunteer-structure and logic of many IFs gradually yields new forms. These forms are generally modelled after business enterprises. Numerous studies exist that broach the issue of change in NSOs, often referred to as professionalisation (Chantelat, 2001; Dowling et al., 2014). However, research on IFs' professionalisation and commercialisation is fairly sparse. Studies are limited to those discussing governance shortcomings in dominant international sport organisations such as the IOC and FIFA (MacAloon, 2011; Pielke, 2013), or those suggesting solutions to these shortcomings (Chappelet, 2011; Chappelet & Mrkonjic, 2013). Furthermore, little is known about the interrelationship between IFs' professionalisation and commercialisation. The four publications of this thesis provide some answers, raise new questions and emphasise persisting ones.

In the following sections, I first come back to the initial research questions 1 and 2 and findings from the four publications related herewith (6.1 and 6.2.). Based on these findings and further readings, I suggest some reflections on the interrelationship between professionalisation and commercialisation in IFs (6.3). Findings further pave the ground for the distinction of specific characteristics. From the combination of these characteristics emerge at least four ideal types, which I present and describe (6.4). Expanding a little further on findings, it seemed appropriate to take a particular focus on managerial implications of IFs' professionalisation and commercialisation (6.5). Within section 6.5, some reflections regarding research question 3 are provided (6.5.2). Looking back at the research accomplished, I finally present contributions of and limitations to this thesis (6.6). Based on the four publications, the following two sections discuss findings related to the research questions 1 and 2. The research questions formulated in the introduction are:

Table 20. Overview of research questions

| Research question 1 | What are drivers for and barriers to professionalisation in international |
|---------------------|---------------------------------------------------------------------------|
| | sport federations? |
| Research question 2 | Which conditions particularly influence international sport federations' |
| | commercialisation? |
| Research question 3 | What are the managerial implications of international sport federations' |
| | professionalisation? |

As a reminder, the order of the publications is:

Table 21. Overview of publications

| Publication I | Drivers of and Barriers to Professionalization in International Sport Federations |
|-----------------|-------------------------------------------------------------------------------------------|
| Publication II | Bringing a corporate mentality to the governance of sport |
| Publication III | International sport federations' commercialisation: a qualitative comparative analysis |
| Publication IV | Major Sport Events at the Centre of International Sport Federations' Resource Strategy |

6.1. Discussing drivers for and barriers to international sport federations' professionalisation

IFs' professionalisation process is non-linear. Certain drivers have an accelerating effect.

Research question 1 focused on causes (drivers, barriers) of IFs' professionalisation. To get to the bottom of this first research question, publications I and II provided some useful starting points. The article on *Drivers for and Barriers to Professionalization in International Sport Federations* demonstrates that professionalisation is non-linear, evincing moments of acceleration and deceleration. To distinguish patterns in the dynamics of IFs' professionalisation, we conducted six case studies in IFs of different sizes and analysed findings by using the institutional theory, in particular DiMaggio and Powell's (1983) concept of organisational isomorphism. Findings suggest that dynamics of IFs' professionalisation vary depending on the federation's size (size refers here to the federation's staff headcount). While for the IFs with less than 40 staff members (i.e. FIH, FISA, UWW) the distribution of the first Olympic revenue (1992) constituted an important impetus for their professionalisation process, IFs with more than 60 staff members (i.e. FIFA, FIVB, UCI) were, by that time, already engaged in commercialising their activities and services. In the following, these two starting points entailed different dynamics of professionalisation.

Overall, three main phases of professionalisation emerged for IFs with less than 40 staff: the first one (1990s), and as mentioned above, was mainly triggered by the Olympic revenue; the second (roughly between 2000-2010) was strongly marked by competition between IFs (e.g. for Olympic revenue) and pressures from stakeholders in sport and society (e.g. IOC, sponsors); and the third phase (since 2010) is, above all, organised around management aspects (e.g. leadership, corporate management practices, expertise). As a fourth phase, we mention the tendency towards

commercialisation, which constitutes a goal in all three IFs analysed. The advent of the Olympic revenue, as an external driver, clearly represented a catalyst. Meanwhile, internal drivers that currently shape the professionalisation of these IFs rather entail incremental change.

With regard to the three IFs with more than 60 staff members, two main phases could be distinguished. The first one (1990s-2010), and which saw an important growth of these IFs, includes four important drivers: commercialisation, paid experts from within and outside sport, leadership and development through sport (e.g. Football for Hope). Back then, commercialisation of these IFs remained relatively unchallenged even though federations' functioning increasingly resembled business organisations. Over the last years, however, pressures from sport and society have grown. These pressures (e.g. calls for more control and ethical leadership) come as a response to growing governance issues and repeated scandals of systemic dimension (e.g. FIFAgate, IAAF doping scandals, corruption related to Olympic bids and Olympic organising committees). Being under high scrutiny because of these scandals, there now seems to be a tendency across bigger IFs to demonstrate improved governance and management practices. However, we argue in Publication III and in the discussion that caution should be exercised when evaluating IFs' formal implementation of practices of good governance. Formal adoption and accurate application are two different things.

Even though six case studies do not allow for generalisation, it seems that coercive pressures entail radical change in all six cases, while mimetic and normative pressures rather result in incremental change. This observation is congruent with findings from Amis et al. (2004a). Investigating on the interplay between organisational context and organisational action, Greenwood and Hinings (1996) further support the observation that pace of change may vary between organisations of the same institutional sector: "both the incidence of and the pace by which such change occurs will vary within sectors because organizations vary in their internal organizational dynamics" (p. 1023). A current aspect with strong potential for radical change in international sport are pressures from public authorities, media and stakeholders in light of a long list of governance scandals in some IFs. According to Greenwood and Hinings (1996), radical change involves a transformation from "one template-in-use to another" (p. 1026). The question is here: have IFs already undergone a transformation regarding practices of good governance? Perhaps some IFs did, though probably at varying degrees. But as long as the same IFs continue to be caught in scandals, systemic change towards better governance obviously did not happened. Repeated scandals in a federation like FIFA raise the question whether formally adopted reforms are not perhaps eroded by embedded norms (e.g. lack of checks and balances), which, directly or indirectly, enabled the scandal(s). IFs under pressure of legal persecution, withdrawal of sponsors etc. are likely to formally adopt change in order to accommodate institutional expectations. And this even if expectations are totally unrelated or opposed to the performance accomplishment the organisation seeks. This behaviour is what DiMaggio and Powell (1983) refer to as the quest for legitimacy. Or as Greenwood and Hinings (1996) put it, it shows "how organizational behaviours are responses not solely to market pressures, but also to institutional pressures" (p. 1025).

Another element that may cause radical change according to findings from the first publication is leadership. During the period investigated, several IFs have undergone important or even radical change after the arrival of a new key actor. Based on findings, I argue that there is no ideal type of leadership as IFs' organisational context may vary considerably:

- <u>UWW</u>: In 2013, the UWW was under imminent threat of being removed from the Olympic programme. According to a UWW staff member, the federation before 2013 lacked credibility, transparency and ambition. The task of the newly elected president was therefore to turn the ship around and make sure UWW remains an Olympic sport. The importance the president played in these changes is emphasised in the following citation: "The UWW President has played a key role in the overall success of the reforms for the UWW. His vision has helped to push through the raft of changes and kept the momentum high" (UWW, G3).
- <u>FIH:</u> The arrival of a new CEO in 2010 triggered an important change dynamic, including the creation of a ten-year strategic plan (Hockey Revolution 2014-2024), a new sporting format (Hockey5, a short form version of hockey), and a considerable growth of the administrative staff (from 14 in 2010 to 36 in 2015).
- <u>UCI</u>: In the case of the UCI, the next months will tell whether the new president (elected in September 2017) prepares for a radical change or not. In general, in an election that opposes two candidates, one of which being the incumbent president, it is likely that, in case the incumbent president loses the election, the new president will make sweeping changes. The changes do not need to be radical, but they need to testify a break with the former direction. Everything else would make a change in president redundant.
- <u>FIFA</u>: FIFA still has to prove not only that it has the capacity to undertake radical change (which is needed at least in terms of governance principles), but also that those involved in initiating and steering change have the willingness to properly put reforms into operation. Capacity means in this context leaders' ability to manage the transformation process. This requires an understanding of the new organisational form the organisation is aiming for, skills and competencies that are necessary for the functioning of the new form, and a competent management to implement change successfully.

Pointing out some drivers that may have an accelerating effect on the process (e.g. external pressure, leaders), findings from the six case studies suggest that professionalisation processes are non-linear.

IFs change isomorphically to resemble organisations on which they depend for resources and to increase their legitimacy in the eyes of regulators and the public.

The second finding also leans on neo-institutionalism. Two approaches appear particularly relevant: firstly, DiMaggio and Powell's (1983) observation of organisations seeking to become isomorphic with their contextual environment; and secondly, Deephouse's (1996) investigation into increased organisational legitimacy conferred by regulator (*regulatory endorsement*) and media (*public endorsement*) as a consequence of strategic isomorphism. Scholars relate the convergence of NPOs with business organisations to different concepts. Based on the analysis of a single organisation setting, Dart (2004), one of the first scholars who tried to define the phenomenon of NPOs' business-like behaviour, suggests for example three meanings: business-like organisation, business-like goals and business-like rhetoric. Through a systematic literature review and applying Dart's distinction, Maier et al. (2014) provide evidence for each of the three meanings. Being primarily interested in NPOs' structure and functioning, a brief look at the first two meanings (i.e. business-like behaviour and goals) shall suffice here.

Business-like behaviour: One of Maier et al.'s (2014) key findings is that various concepts contribute to the perception of NPOs' core and support processes as being business-like. These include for instance managerialisation and corporatisation. In sport management literature, managerialisation is often explained as a result of normative pressures, based on the shift from amateur to professional structures (Dowling et al., 2014; Ferkins & Shilbury, 2015). Corporatisation, in the sense of changes to NPOs' governance structure, is rather the result of coercive pressures. Revenue generation through commercial activities can be considered as an essential activity of IFs to pursue mission-related goals (e.g. cross-subsidising non-profitable activities such as development). At the same time, and especially as commercial revenues increase, this type of revenue generation requires increased accountability and has a critical side to it, which is the risk of corruption. To increase accountability and limit corruption, coercive pressures (e.g. from public authorities) may push for the implementation of principles of good governance.

<u>Business-like goals:</u> These are summarised by the concepts of commercialisation, meaning an "increasing reliance on revenues from sales of goods and services" (Maier et al., 2014, p. 71), and conversion (i.e. changing the legal status from non-profit to for-profit). While conversion is irrelevant in the case of IFs, commercialisation has been addressed in detail in the Publication III, uncovering IFs' growing focus on commercial activities. The remaining question at this point of time is: is IFs' commercialisation mainly serving mission related goals, or is commercialisation rather entailing a mission-drift? This question will be discussed in section 6.5.2.

Several interviewees emphasise IFs' growing resemblance with the structures and functioning of business firms (e.g. departments, hierarchical levels, management practices), hence confirming findings from general NPO-literature. One interviewee sees the origin of IFs' business-like behaviour in leadership:

We see more and more people arrive in sport that do not necessarily know the sport, but that are businessmen. And I think sport today is somewhere between two logics: some federations work mainly with people who come from the sport, such as former athletes or people having worked for a national federation. Because these people can obviously provide new elements and a true knowledge of the sport. And other federations work a lot more with a business vision, hiring people with high profiles, well formed, well organised, but who know little about the sport. We see the emergence of a group of businessmen who are very outcome-oriented (WADA, A4, free translation from French).

Applying DiMaggio and Powell's (1983) concepts of institutional isomorphism, the more IFs liaise with and depend on business organisations to carry out their activities, the more business those organisations "can coerce the weaker party to adopt its practices in order to accommodate the stronger party's needs" (p. 154). A representative of SportAccord confirms this hypothesis saying that the fact of "not having or having a choice influences the majority of the working activity and decisions that are taking place inside the organisation, inside the executive body of the organisation" (SportAccord, A1). Not having a choice refers in this context to a dependence on external revenues.

Another observation is that IFs do not only become isomorphic with business organisations, but also with each other. One explanation for increasing similarities between IFs relates to education and training programs in sport management as well as the hiring of experts from established domains (e.g. finance, legal, marketing). The educational background of staff members, whether from sport management or other domains that IFs increasingly call on, brings shared professional norms and values into the organisation (Mason, 2012). In other words: the hiring of professional staff from within and outside sport triggers isomorphism between IFs. A good example for this convergence is the increase in cross-sectoral expertise: "We've got ex-hockey players and then we've got people from other industries like myself. And this gives a really good balance in terms of skills that we can all bring to the table" (FIH, B1).

Besides changing isomorphically to resemble organisations on which they depend financially, findings also suggest that IFs seek strategic isomorphism to increase their legitimacy vis-à-vis regulators and the general public. Analysing the link between isomorphism and legitimacy in commercial banks, Deephouse (1996) comes to the following conclusion: "Organizations that conform to the strategies used by other organizations are recognised by regulators and the general public as being more legitimate than those that deviate from normal behaviour" (p. 1033). Deephouse further

establishes a correlation between larger and older banks and lower levels of media endorsement. He explains this correlation with higher public expectations for larger banks due to their strong influence on and visibility in the community. The same seems to hold true for IFs: while scandals with FIFA, IAAF or UCI are attracting large media attention and negative press, federations such as BWF and IWF nearly go unnoticed by the general public. In another study on US commercial banks, Deephouse and Carter (2005) analyse the relationship between legitimacy and reputation. Supported by empirical findings, they conclude that "higher financial performance increases reputation, but does not increase the legitimacy of high performing banks" (p. 329). It could be interesting to analyse the legitimacy/reputation relationship in IFs.

Overall, findings propose that IFs change isomorphically a) to resemble organisations on which they depend financially, and b) to increase their institutional legitimacy. However, a more fine-grained analysis is necessary to determine which organisational parts of IFs are most affected.

6.2. Discussing conditions that influence international sport federations' commercialisation

Due to the increasing demand for sport spectating, IFs commercialise especially through their sporting events.

Research question 2 focused on commercialisation as a specific form of IFs' professionalisation. Though the phenomenon of NPOs' commercialisation has been widely discussed in general NPO literature (Guo, 2004, 2006; Toepler, 2004; Tuckman, 1998; Weisbrod, 1998; Young, 1998; Young & Salamon, 2002), and to a much smaller degree in NSOs (Enjolras, 2002; O'Brien & Slack, 2004), IFs' commercialisation has, so far, not been subject of comprehensive studies. In light of the spectacular revenue growth of some IFs and potentially related governance issues (Forster, 2006), the absence of studies on IFs' commercialisation is all the more surprising. Findings of both Publication III and IV suggest that, due to the increasing demand for sport spectating, IFs commercialise particularly through their sporting events (e.g. 13 out of 22 IFs studied generate 50% or more of their revenue through their sporting events). This also consolidates Bayle's (2015) belief that IFs' events constitute the "heart of their economic model" (p. 109).

Publication III provides several arguments for the importance of sport events in IFs' economic model. These include the increasing demand for sport spectating, the general growth of the broadcasting industry and its economic effects on IFs. Solberg (2004) argues that the growth of the sport broadcasting industry is the result of particular developments in the market: "It was the liberalisation of European Broadcasting in the mid-1980s that paved the way for astronomical price rises for the most attractive products" (p. 372). Solberg further argues that IFs, as the "sellers of sports rights" (p. 372), have in fact learnt to exploit the demand for televised sport to their advantage: as

more and more sport got diffused on TV, IFs' revenues from broadcasting rights increased. The rivalry among global broadcasting companies to acquire television rights for mega-sport events further played into the hands of IFs. Sport events have thus become auctioned products of IFs, whose price level ultimately depends on the attractiveness and the entertainment potential of the sport itself. Sports with highly demanded broadcasting rights also attract sponsors more easily. Beyond the control of IFs, certain market dynamics (e.g. liberalisation of European Broadcasting) were hence beneficial for some IFs in that it rapidly increased their revenue.

This brings in a second argument: while sports with a large fan and athlete base facilitate these IFs to sell broadcasting rights, other sports are less visible to the public eye and thus less sought after by broadcasters and sponsors. This imbalance naturally produces pressure on less marketed IFs to follow the example of highly commercialised ones. One can speak here of both coercive pressures (e.g. sponsors expecting a return on investment, otherwise they might decide to sponsor another sport) and mimetic pressures (e.g. IFs aspiring to the economic model of IFs they perceive as economically successful). As pointed out in Publication III, IFs' activities that are related to member services (e.g. affiliation, licence and calendar fees) are not suitable for commercialisation. A cost increase in these activities would be against IFs' principles of non-discrimination and risks to entail a crowding out effect of small NFs, athletes and events in the long term. Therefore, the only activities IFs can truly commercialise are their events. Publication IV further consolidates the conclusion that major sport events and the economy around them have become an important variable in IFs' financial resource strategy.

High specialisation and a strong focus on modern communication technologies are characteristic of highly commercialised IFs.

Though publication III particularly supports the finding mentioned above, additional research is needed for further consolidation. For one thing, "specialisation" is only referred to in terms of staff headcount. Even though a high staff headcount is likely to entail an increased need for coordination, formalisation of rules and standardisation of procedures, it might be interesting to see whether a more complex analysis of "specialisation" leads to the same results. Additional indicators for IFs' specialisation could include number of departments¹⁰⁴, hierarchical levels, educational background of staff members and officials (e.g. university degrees), number of training programs an IF organises internally or enables staff members to attend externally. Due to their increasing complexity, including a growing number of stakeholders and growing staff headcount, we argued that specialisation is an important factor for IFs to perform effective business operations.

¹⁰⁴ Some smaller IFs have many departments. However, some only consist of two persons. Therefore, researchers should define a minimum size of departments to consider them as such.

The complex and knowledge-based economy IFs operate in today links specialisation closely to human resource management (HRM). Taylor and Ho (2005) have analysed the response of both Australian amateur and professional sport organisations to governmental and global convergence pressures regarding HRM practices. They conclude that "few sport organisations have adopted a formal HRM strategy and HR practices are widely variable across organisations" (p. 110). In some regards, this still holds true for IFs, even though federations such as FIFA and UEFA employ more than 450 staff members. For instance, the election of volunteers on the basis of their political influence rather than on their expertise is an indicator for HR processes not being equally applied to both professionals and volunteers. In fact, theses volunteers (e.g. board members) are *elected* and not *selected*. In order to partly remedy this imbalance and also because elected volunteers take the most important decisions, the FIH has started what they call a *board evaluation* and a *nomination assessment*:

There is two things: there is whole board evaluation which is how the board is, how it functions, what are we good at, what are we not good at, and where can we make improvements? Then there is an individual competencies assessment where we can identify the overall strengths and weaknesses. The board evaluation guides our nominations process because we will put out a demand for certain competencies. So certain competencies will be viewed favourably, let's put it that way, in order to keep the board strong. When we do a call for nominations, we would put out the fact saying that anybody with sport law or legal expertise would be regarded favourably. Of course, we can't control that, because ultimately it is a democratic process. But we'd like to think that the NAs [national associations], when they put forward a candidate, will take these things into consideration (FIH, B5).

Representing a good example of planned HRM, the FIH further establishes job specifications (which is by far not the case for all IFs), has a performance evaluation system through which professional and personal objectives are fixed annually, and a staff development budget (e.g. to attend workshops and seminars, language courses). Compared to this, it is indeed surprising that a highly commercialised IF such as FIFA does not establish clear job descriptions, as a staff member indicates. This shows that organisational size based on federations' staff headcount is not sufficiently satisfying as an indicator for organisational specialisation. The condition "specialisation" as it is used in Publication III should rather have been termed "size".

Studies further show that the use of modern communication technologies such as social media (Twitter, Facebook, Instagram) represents a cost-effective marketing and relationship tool (e.g. Abeza, O'Reilly, & Reid, 2013). As such, social media can be used by all IFs equally, whether they have big

or small budgets. Some IFs with low levels of commercialisation show indeed high social media engagement (e.g. WA - World Archery, UWW - United World Wrestling), while other IFs with high levels of commercialisation show low social media engagement (e.g. BWF - Badminton World Federation, ITF - International Tennis Federation). One assumption is that, especially for smaller IFs, social media is an efficient means to raise brand awareness and evaluate fan engagement and satisfaction. The following comment from a FIH staff member supports this assumption:

The feedback we rely on a lot is on social media because of the comments that people post. So, every Friday we run a story called 'Hockey Project' from around the world. And there are loads of great hockey projects going on. And we are getting a lot of good feedback from fans who enjoy reading these stories. And then we can see instant feedback on Facebook and Twitter. (FIH, B1)

Even though the phenomenon of social media is still a relatively new one, it is already deeply entrenched in most societies around the globe. In 2012, 87% of the Fortune 100 Best Companies (i.e. the world's top 100 companies across Europe, USA, Asia-Pacific and Latin America) used at least one social media platform with Twitter being the most popular one (Tsimonis & Dimitriadis, 2014). In 2016, the most popular social media platform was LinkedIn with 97% of the Fortune 500 companies using it¹⁰⁵. Tsimonis and Dimitridas further observe that, compared to traditional media, social media not only generate content, but also "forge relationships with existing as well as new customers and form communities that interactively collaborate" (p. 329). From the creation of brand communities through social media, at least three opportunities emerge for IFs: first, IFs can attract the interest of businesses partners that want to be associated with the brand (marketing through sport); second, IFs can reach out more easily to the community, spread information and thus increase fan loyalty (marketing the sport); third, and as already mentioned above, IFs can evaluate the satisfaction of fans and athletes by analysing their comments (e.g. instant reactions) and shape their communication and marketing strategy accordingly (marketing analysis). In sum, social media engagement is not sufficient or even necessary for IFs to achieve high commercialisation. However, as an additional marketing tool that allows extensive coverage of a sport, social media can facilitate commercialisation. Being an inexpensive and efficient marketing tool, particularly smaller IFs can use social media to raise brand awareness and create fan loyalty. Based on Narain and Ofrin's (2012) reflections on the role of modern technology in public health and personal reflections on the specific case of IFs, the main challenges for IFs regarding today's social media use seem to be:

1. How to handle the rapid growth of technology and the difficulty of keeping pace with it?

¹⁰⁵ Statista. (2016). *Most popular social networks used by Fortune 500 companies used in 2016*. Retrieved from: https://www.statista.com/statistics/626872/fortune-500-corporate-social-media-usage/

- 2. How to reach communities in countries where the infrastructure or connectivity is weak or does not even exist?
- 3. How to optimise the use of social media in order to best serve the federation's marketing objectives and general strategy?
- 4. How to avoid excessive commercial influence that might lead to user withdrawal?

With regard to marketing through social media, IFs need to hire professionals that have certain skills. These professionals are indeed increasingly sought after and have a very clear profile. As an example, a job description of the NFL (National Football League) for a Social Content Coordinator posted in 2017 reads as follows:

This individual must have a passion for and comprehensive understanding of the NFL, its Clubs and Players, and football as a whole. A thirst for pop-culture, sports, entertainment and music and the ability to excite fans through content across all digital formats are essential. The successful candidate will have experience at a professional sports or news organization, superior news judgment, and be obsessed with figuring out what people are sharing, liking, recommending, and talking about online. (NFL Career Site, 3 October 2017)

Highly commercialised IFs do not necessarily adopt long-term strategic planning as a means to secure financial resources.

Empirical findings presented in Publication III reveal that, among the 13 IFs with high levels of commercialisation, only six have an official strategic plan in place (i.e. BWF, FIFA, FIH, ISU, ITF, WR), and only FIFA, FIH and WR have a long-term strategic plan (10-year plan). The first essential question is: what are IFs' motives to develop a strategic plan? Looking first at some of the bigger IFs, World Rugby (WR) is one of the rare IFs that have developed a strategic plan already before 2010. The federation clearly refers to its strategic plan in terms of **growth orientation**:

At the very heart of this growth was the ground-breaking 2004 World Rugby Strategic Plan. For the first time the game's governing body had a <u>blueprint for growth</u> that would enable the sport to be truly global and reach out to new audiences and participants around the world while maintaining the values that bind the sport together. (World Rugby¹⁰⁶)

 $^{^{106}\} WR-World\ Rugby.\ (2017).\ \textit{Strategic plan}.\ Retrieved\ from\ \underline{https://www.worldrugby.org/strategic-plan}$

FIFA (FIFA 2.0) and ITF (ITF 2024), on the other hand, only presented their first-ever strategic plan in 2016. ITF president David Haggerty provides the following argument for developing a strategic plan: "It has been important to create a structure to allow us to become a more efficient and effective organisation, and give us more opportunity to realise our primary goal of developing, growing and promoting tennis around the world 107". In short, the target of ITF is organisational efficiency and effectiveness. This brings us to FIFA as the third example of commercially successful IFs with a strategic plan. In the foreword of the document that outlines FIFA's 2016-2026 strategy, Gianni Infantino proclaims: "[...] FIFA continues its work to regain trust with its partners and stakeholders. These are exciting times for a new FIFA, for a FIFA 2.0 that is energised to build an organisation that is truly football-centric". After the motives of growth (WR) and organisational efficiency (ITF), a third motive for developing an official strategic plan emerges: the motive of rebuilding trust, credibility and legitimacy, thus coinciding with the observations and conclusions of Deephouse (1996). The development of a strategic plan to regain legitimacy can also be found among smaller IFs that have come under pressure. Wrestling (UWW), a relatively small IF, employed a similar pattern as FIFA: to be reinstated on the Olympic program, UWW had to demonstrate its willingness to lead change and make wrestling more attractive for stakeholders (1). Another important aspect in the new strategy of UWW is to conclude responsible sponsorship deals (2).

- (1) The [World Wrestling] plan began in 2013. It was defined due to the lack of a strategic plan from the previous leadership. The threat to be permanently removed from the Olympic Programme was incentive enough to put in place many reforms. (UWW, G2)
- (2) The focus at this stage is the recruitment of sponsors and signing partnerships that benefit the federation and the sport. Each sponsor will be assessed biannually to compare the benefits the federation receives compared to the return on investment of the sponsors. (UWW, G2)

The FIH seems to have given yet another focus to its strategic plan called "Hockey Revolution" (2014-2024). As the interview excerpt below reveals, the federation's main objective is **development**. Therefore, their strategy is built around the aspects of engaging and empowering members:

We have something that underpins our whole strategy which we call <u>engage and</u> <u>empower</u>. It's based around a whole development program, running education in particular, providing resources, providing assistance to really get them [national

¹⁰⁷ ITF – International Tennis Federation. (2016). *News: ITF announces long-term strategic plan*. Retrieved from http://www.itftennis.com/news/231617.aspx

associations] to be more professional and make small steps. And that made a massive difference, just by putting a simple plan in place. (FIH, B7)

Seeing only few IFs develop strategic plans, and generally as the result of institutional pressures, raises the question of where the apparently still widespread reluctance among IFs to establish and communicate a strategic plan comes from. What might be the pitfalls of strategic planning? Many factors are relevant for a strategic plan to be a) developed in accordance with the organisation's needs and context, and b) successfully implemented. Regarding the development of a strategic plan, Mintzberg (1994) emphasises that "strategy making needs to function beyond the boxes, to encourage the informal learning that produces new perspectives and new combinations" (p. 109). In other words: the formal application of techniques may actually impede strategic thinking. Mintzberg points out further fallacies related to strategic planning:

- 1. <u>The fallacy of prediction:</u> the organisational environment is characterised by discontinuity. Accurate prediction is hence nearly impossible. It takes visionaries to create intuitive rather than calculated strategies.
- 2. The fallacy of detachment: strategic planning is often considered to be a set of conscious decisions based on hard data (e.g. market research reports). However, a strategy can also emerge in form of a convergent pattern, for instance through a process of learning. In other words: managers need to integrate both hard and soft data. Therefore, they need to immerse themselves into daily details.
- 3. <u>The fallacy of formalisation:</u> the adoption of formal planning may prevent the emergence of viable patterns, as formal systems cannot process soft data the way human brains can.

Developing a strategic plan is far from being easy. As a FIH staff member said: "We feel we have a good strategy. But you know, a strategy is only something written on a piece of paper. It's the execution of that which is difficult" (FIH, B7). This brings us to a final question, one that has also been discussed in Publication III: why should IFs actually have a strategic plan? One line of argumentation is that a strategic plan is essential for at least two reasons: (1) to keep up with a complex, fast-changing external environment and adopt adequate solutions to often unpredictable and ill-structured problems; (2) to obtain legitimacy in the eyes of business partners and stakeholders by formalising how they seek to accommodate their expectations. Regarding the first argument, one can refer to Thibault et al. (1993): "in order to anticipate changes and challenges in their environment, sport organizations must formulate strategies" (p. 25). Considering the importance of strategy and its centrality in organisational theory, the authors further express their astonishment regarding the lack of research into nonprofit sport organisations' strategy. Today, more than 20 years later, this observation still holds true for most IFs. The second argument for IFs to develop a strategic plan is what Bryson

(2011) terms as "enhanced organisational legitimacy" (p. 16). Through goal-orientation and by satisfying their stakeholders, IFs justify their existence and maintain stakeholders' interest to be committed to the IF.

A strategic plan must be adapted to the organisation's context and its success depends on the willingness of participants to engage in strategic planning. However, there is no guarantee for success: "a strategic plan is simply a deliberative, disciplined approach to helping key decision makers in organizations figure out what they should be doing, how, and why" (Bryson, 2011, p. 19). Some scholars even go further and claim that any strategic plan an organisation or company develops will be insufficient, as it "can't develop models of the increasingly complex environment in which they operate" (Camillus, 2008, p. 98). Camillus further argues that a very formal strategic plan using standard techniques may even prevent fresh ideas to be generated. Considering the fact that standard responses may not be sufficient in certain situations, the generation of fresh ideas, creativity and intuition becomes essential. Especially traditional strategy making is considered to be rigid, not enough innovative, creative or original (Mason, 2007). Stone and Brush (1996) further point out the conflict between needs for commitment and demands for legitimacy. One explanation for NPOs and IFs is ambiguous rationales (non-profit vs. business objectives). To overcome the strategy dilemma, Camillus advises companies to use social-planning processes: "Companies must go beyond obtaining facts and opinions from stakeholders; they should involve them in finding ways to manage the problem. Getting a variety of opinions helps companies develop novel perspectives. It also strengthens collective intelligence" (p. 102).

In IFs, the decision-making power to establish the federation's strategy lies with the board. Access to the board is still widely limited to those who hold an official position in one of the member federations (e.g. presidents of NFs) or have a proven track record in the sport and/or its administration. Athletes' representatives are only slowly getting to be involved in the decision-making process. And still: some IFs note that they have an athlete representative on the board. However, this does not necessarily mean the athlete representative has a voting right. In several big IFs, athlete representatives have indeed no voting right (e.g. FIFA, FINA, UCI, WR). Other stakeholders such as event organisers, sponsors or partners are totally absent in the strategy-making process. In light of increasing pressure from and influence of stakeholders, it might be worth for IFs to consider a broader involvement of stakeholders in strategy development. Some IFs even seem to rely on the vision of one charismatic leader (president, general director) rather than engaging in a formal and collective process of strategy formulation and planning. This may be the case in IFs with very powerful and/or longstanding leaders (e.g. FIFA under Sepp Blatter). If the leader is intuitive, creative and takes into consideration both hard data (e.g. facts and figures) and soft data (e.g. qualitative observations), there may actually be no need for a formal strategic plan. However, it is very unlikely that one single person can gather and process all information produced in an organisation. Hence, it will be difficult for him/her to induce the commitment necessary for effective strategy implementation. I therefore argue

that strategic planning is, in any case, beneficial for an IF as it ideally brings together a maximum of key actors to discuss and envision the future of the organisation and engages them to participate in the implementation of the strategic plan.

6.3. The interrelationship between professionalisation and commercialisation

So far, professionalisation and commercialisation of IFs have been dealt with as separate concepts in this thesis. However, findings from the four publications and further reflections suggest an interrelationship between the two concepts. The dimensions that are affected by a transformation process are congruent with Nagel et al.'s (2015) conceptual framework regarding forms of professionalisation: individuals, structures and processes, activities. Though IFs' transformation depends on varying organisation-internal as well as external factors, in their general strategic orientation all IFs analysed in this thesis seek to hire more professional staff and to increase revenues from commercial activities. As commercialisation requires specific expert knowledge and considerable time investment, the hiring of professional staff and commercialisation are directly related. While the traditional structure of IFs as purely voluntary organisations does not mean that volunteers have no expert knowledge, they may neither have the specific expert knowledge nor the time that are needed to increase revenues from commercial activities 108. Based on this observation, it occurs that the professionalisation of individuals at the operational level precedes the process of commercialisation, meaning the transformation of activities with the aim of increasing commercial revenues. A third transformation refers to structures and processes, which appears to be a coin with two sides: for one thing, the federation-internal impetus for better governance, increased credibility and greater efficiency may result in a professionalisation of structures and processes; on the other hand, external claims from regulators (e.g. governments, ministries, international supervisory authorities) and the general public (e.g. media) for increased accountability and control to counteract repeated governance scandals in IFs may result in a deprofessionalisation of structures and processes. Deprofessionalisation means here a loss of professional autonomy (Boussard et al., 2010). Compared to the professionalisation of individuals, the professionalisation of structures and processes is much more difficult to determine. In response to general social pressure to demonstrate professionalism, IFs may simply adopt rhetoric of professionalism. Whether IFs' behaviour is actually in line with the image this rhetoric conveys is often difficult to tell for the researcher.

<u>Professionalisation of individuals:</u> Contrary to the definition we have provided in Publication I (Clausen et al., 2017), overall findings, ongoing reflections and recent discussions suggest that, at this point in time, professionalisation in IFs relates, first and foremost, to the professionalisation of

¹⁰⁸ A questionnaire sent in 2015 to board and commission members of four IFs and resulting in 37 valid answers reveals that 41% invest less than 5h into federation-related work, and another 27% between 5-10h.

individuals at the operational level. Thanks to specific educational training (e.g. university degree), competences and experience, employees bring particular professional norms into the IFs. As Ferkins and Shilbury (2010) as well as Hoye and Cuskelly (2003b) note, the hiring of professionals in sport organisations initiates normative processes such as new modes of operation and introduces new managerial skills. The hiring of paid experts further leads to a more balanced workload: while the professionals carry out managerial and operational tasks they are qualified for, the board can focus on strategic aspects. At the same time, tensions around power relations may emerge between the board and the staff. Likewise, an increasing headcount, cultural mix and different working norms and methods lead to growing organisational complexity and constitute possible management challenges.

Commercialisation (activities): Commercialisation is related to the dimension of activities. In the case of bigger IFs, massive commercialisation is directly linked to the rise of broadcasting rights and the attractiveness of the sport for sponsors and broadcasters. In the absence of such a natural impetus, smaller IFs may seek commercialisation by hiring business experts and adopting a strategic plan. For commercialisation to occur, an IF first needs to hire professionals. IFs' goals in increasing their revenues through commercialisation are increased self-sufficiency and having more financial resources for the development of the sport. The list of risks includes an increase of governance issues, efficient but unethical leadership, mission drift, insufficient legal frame and loss of the IF's nonprofit values and traditions. In light risks and repeated governance scandals in the wake of growing commercial revenues, one may question IFs' capacity of self-regulation and their privilege of autonomy. One may also question the role of social values and mission, which are all fundamental characteristics of their nonprofit form. Perhaps more regulation and control are necessary in the future to control IFs' acquisition and use of commercial revenues?

<u>Professionalisation of structures and processes:</u> In many cases, both presidential and board elections are still a matter of politics rather than of competences in first place. Obviously, one cannot generalise. But political ties still appear to be very important, and sometimes more important than actual knowledge and the contribution of this knowledge to the federation's strategy and development. A former UCI director said in this context: "How do you want XY to understand what it means to ride in a peloton? The riders know, and the sport directors know. [...] This is where you realize that it's not the members of the Management Committee [board] who have that knowledge" (free translation from French). The same interviewee further questions whether sport and the development of sport are really at the forefront of board members' concerns:

What they forgot is that we are an international sport federation with sport. There is not just politics. [...] The sport is the main value. It's about developing the calendar, the situation of the [national] federations, the development of the clubs. [...] They [members

of the Management Committee] have their personal interests. They are all political friends. It's all about business. (Free translation from French)

In a similar vein and with a particular focus on competences and politics, Hein Verbruggen commented in 2015:

If I look at these 80 presidents of the international [sporty] federations that I know, and you can add all the national Olympic committees and the IOC and so on, then there is not one of them who has been elected on the basis of capacity. So, they are all a political choice. Now, you might be lucky and say: "I found somebody who is also doing a very good job". I don't say anything different. There are very many capable people around there.

The question of competences is also reflected in the next example. As board members of IFs not only have different cultural backgrounds but also speak different languages, it is important to decide on one (or several) common language(s). One former IF-president therefore established the rule that each board member should at least speak one of the federation's two official languages, this being French and English. This rule is crucial, because all files and reports of the federation are written in English and French. In 2015, the reality was somewhat different: "They don't speak the same language. How do you want them to understand each other" (former IF-president)? During the board meeting, spoken language was translated into five languages, but not the files and reports. This meant: documents sent in advance to board members, so they could prepare the meeting were probably not understood by all of them. Speaking the same language is important in many ways: to discuss and decide on matters that touch the federation's strategy and governance; for board members to defend their point of view based on the understanding of shared information; and to transmit information further down the system (from the presidents of the continental federations that are present at the board meeting to the national federations, and from there to the clubs, teams and athletes).

While structures and processes inherited from the past seem to persist, it does not mean that IFs are ignorant or sit around twiddling their thumbs. The FIH provides one such example where a federation seeks to adapt to its changing environment by changing its structure. In 2010, the FIH carried out an internal governance review. At the 2010 FIH Congress, it was decided that the executive board would be reduced from 28 to 16 members and a permanent CEO position was created. "They made a very clear decision at that point that they are going to move away from that older system into a newer and more efficient one" (FIH, B5). Four years later, during the 2014 Congress, the FIH tested a so-called "nomination assessment", which was carried out by the *Nomination Assessment Panel* composed of three independent members that were appointed by the board. This nomination assessment is based on two evaluations: an overall and an individual board evaluation. The first one

seeks to answer how the board functions as a whole, which competencies it has, which competencies it potentially might lose (e.g. retirement of members), what it is good/not so good at and which improvements can be made. The individual board evaluation, for its part, tries to identify the strength and weaknesses of each board member. These evaluations guide the federation's nomination process, for example if a board member with legal expertise is needed:

When we do a call for nominations, we would put out the fact saying that anybody with sport law or legal expertise would be regarded favourably. Of course, we can't control that because, ultimately, it is a democratic process. But we would like to think that the national associations, when they put forward a candidate, will take these things into consideration. (FIH, B5)

As forward thinking as this nomination assessment may be, it is also limited by what the interviewee refers to as the "democratic process": elected volunteers (e.g. the presidents of national federations) elect the IF-president and board members, who are also volunteers (at least in most IFs). Some actually make their choice based on candidates' competences, others based on friendly solidarity with candidates, and others based on strategic alliances (e.g. promised or expected favours/advantages). With the structures and processes currently in place in IFs, it is nearly impossible to guarantee that competence overrules political interests. Challenges in defining and determining individuals' competences and success reside in the difficulty to a) measure IFs' and performance and b) IFs' general goal-vagueness¹⁰⁹.

All these observations reinforce the impression that the professionalisation of IFs' structures and processes consists of isolated actions rather than constituting a systemic transformation, as we have seen in the cases of professionalisation of individuals and of commercialisation. A major difficulty in determining the actual level of professionalism of IFs' structures and processes resides in possible discrepancies between formal information that a researcher can obtain and the reality. It is for instance very improbable that a person from within an IF would admit that his/her own department/federation is not professional. These persons are part of a collective, they represent a team and they are generally bound to their collective by a sense of solidarity. Admitting that the structures and processes of their department/federation are not professional would be both a betrayal of the collective they are themselves part of and, at the same time, discredit their own work. Simultaneously, the reality of governance structures and political powers in IFs may create unease amongst professionals. Having a specific perception of their work, which is influenced by their educational background, professional ethics and personal convictions, professionals may face a dilemma: they might oppose to certain

¹⁰⁹ Hein Verbruggen: "At Nestle, the highest governing body is the general assembly of shareholders. They all have the bloody same objective: money, profit, return on investment. So they know that, when they select a board and a CEO, they take the guy of which they believe he is the best to give them the profit. Because the objective is very clear."

(political) decisions that are in contrast with their professional ethos and/or personal convictions; and yet, they may not be in a position to change existing structures and processes, even if these are inefficient or even unethical. This dilemma is evident in cases where individuals quit the IF they had been working for, no matter if their departure was voluntarily or involuntarily. Three interviews with former staff members of two different IFs show that, once the person is no longer bound to the collective, he/she speaks openly about the federation's deficiencies. At the moment of the first discussion, one interviewee was very positive about the advancements of his IF regarding transparency and accountability. In a second discussion, the same interviewee, who had left the federation in the meantime, was very critical about the federation's actual reluctance to change, notably with regard to enhancing transparency and accountability. The person openly denounces practices of favouritism at the highest level and sees in the elaboration of the strategic plan only a façade, as there is no actual implementation of strategic goals.

By demonstrating corporate management practices such as enhanced control mechanisms and strategic planning, IFs may strengthen their legitimacy, credibility and stakeholders' trust in them. However, the above example shows that a process of professionalisation towards better governance, increased transparency and efficiency can also be orchestrated by an IF, serving as an empty rhetoric and a mere façade to distract the critical eye of public authorities, media etc. Or as O'Brien (2015) puts it in the *Law and Financial Markets Review*: "Without strong normative foundations there is a risk that building an argument for reform through the rhetoric of professionalisation or accountability alone will produce a Potemkin façade, privileging the symbolic over the truly transformative" (p. 173). The same can be said for IFs.

<u>Deprofessionalisation of structures and processes:</u> Though no coherent regulatory framework exists today for IFs, they are undeniably under increasing pressure to demonstrate professionalisation. Due to repeated governance scandals, collusion and various allegations, the pressure on IFs to professionalise is perhaps stronger than is the case for other types of organisations. Professionalisation becomes in fact a vector of legitimacy and credibility, justifying IFs' autonomous self-regulation. As noted earlier, the UN "supports the independence and autonomy of sport as well as the mission of the International Olympic Committee in leading the Olympic movement" (p. 5)¹¹⁰. Even if it does not explicitly award autonomy to international sport governing bodies, the UN resolution nurtures a belief that actually falls into a grey zone: the (responsible) autonomy of international sport governing bodies. But is such autonomy really justified? Awarding organisations the autonomy of self-regulation also implies that these organisations are believed to have the capacities of governing themselves in a context of limited external interference and control. In a recent article, and referring to recurring issues such as doping,

¹¹⁰ United Nations. (2014). *UN General Assembly. Resolution 69/6: Sport as a means to promote education, health, development and peace.* Retrieved from http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/69/6

match-fixing, hooliganism and corruption in sport, Chappelet (2017) argues that international sport "requires a wider international legal framework, developed through cooperation between government authorities and the sports sector" (p. 1). Claims for better governance through increased external control on and accountability of IFs constitute possible evolutions in this direction. Chappelet (2017) further notes that "setting out principles or guidelines is insufficient without an effective method for evaluating the governance of individual sport organizations" (p. 2/3). This raises some basic questions: who should carry out these evaluations? Which measures/sanctions can/should be taken in case of non-compliance? And who should decide on them?

No matter whether a supervisory authority for IFs will emerge one day, repeated calls for stronger institutional surveillance (e.g. from media, politicians) and isolated external interferences (e.g. Lex FIFA) are already about to put greater institutional pressure on IFs. They may in fact entail stepwise limitation of IFs' organisational autonomy. Boussard et al. (2010) refer to this process as the "decline of professional autonomy" (p. 168, free translation from French). Using a similar line of argumentation, Ritzer and Walczac (1988), when analysing changes to the medical profession, described the increase of external control and the prevalence of "formally rational structures" (p. 6) as deprofessionalisation. Like other sociologists (e.g. Freidson, 1983; Haug, 1973, 1975), Ritzer and Walczac refer to deprofessionalisation as the waning distinctiveness, monopoly of knowledge and autonomy of recognised professions. Frequently analysed professions include physicians, lawyers and teachers. Applied to sport organisations, the following observations can be made: educational programs in sport management (e.g. AISTS, FIFA Master) constantly increase; several sport management associations exist across the globe (e.g. EASM, NASSM, SMAANZ); and academic journals were created (e.g. European Sport Management Quarterly, Sport Management Review, Journal of Global Sport Management). In consideration of these evolutions, it can be said that sport management has reached a certain degree of professionalisation in the academic realm. At the same time, if professionals from occupations outside sport management (e.g. lawyers, economists, marketing and communication experts) can become sport managers, what exactly is the field of competence for those who have studied sport management? And has sport management as a profession reached the level of credentialism, meaning that practitioners control a) the content and standards of sport management as an educational program, b) the knowledge that is necessary for the practice as a sport manager and c) how this knowledge should be acquired? Though many practitioners seem to intervene as experts in educational programs of sport management, it presently remains to be proven whether they actually control content, standards and knowledge. Personally, I got the impression that the control of all three is still fairly ill-defined.

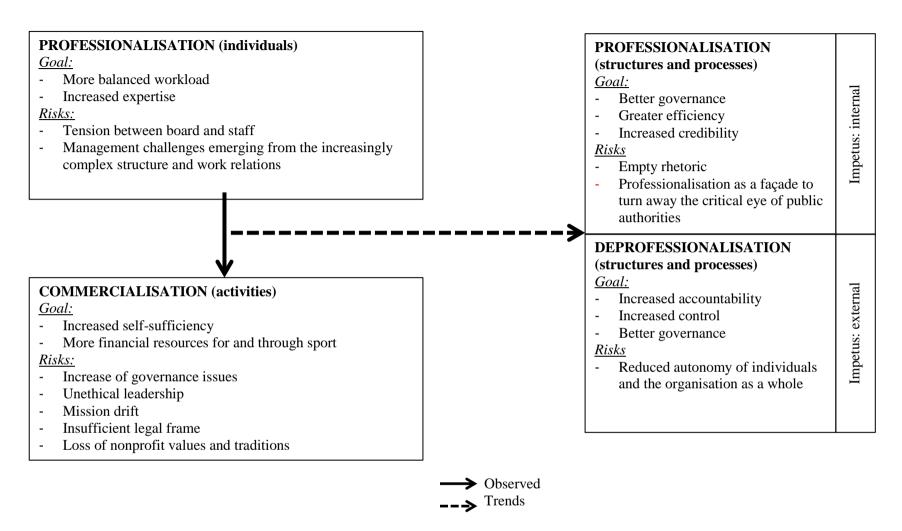


Figure 4. The interrelationship between professionalisation and commercialisation in international sport federations

With regard to sport management as a profession, it can be argued whether it has ever reached full recognition as a profession and/or whether sport management already experiences a process of deprofessionalisation. It is not the aim of this thesis to answer these questions. The term *deprofessionalisation* is rather used in relation to a possible decline and erosion of IFs' autonomy as self-regulating organisations. Through a mix of certified professions that constitute their labour force, IFs may increase their image as professional organisations. But it does not mean that overall organisational structures and processes have become more professional. Repeated governance scandals at the highest decision-making level are compelling reasons against such beliefs. As a consequence, calls for increased control become louder. Figure 4 presented above summarises the interrelationship between professionalisation of individuals, commercialisation of activities and professionalisation/deprofessionalisation of structures and processes.

6.4. The emergence of ideal types

Typologies and taxonomies have a long tradition in organisational theories, including the strategic typology of Miles & Snow (1978) to examine organisational adaptation, and Mintzberg's (1979) typology on organisational structure. Many scholars have adopted and adapted these typologies. In sport management, Kikulis et al. (1992) applied Mintzberg's (1979) configurational approach to 36 Canadian NFs and Theodoraki and Henry (1994) to 34 English NFs; Thibault et al. (1993) applied Miles and Snow's (1978) strategic typology to 32 Canadian NFs. Other typologies (and taxonomies ¹¹¹) in sport management include Winand et al.'s (2013) analysis of NFs' level and capacity of innovation, Bayle and Madella's (2002) establishment of a typology of six performance profiles based on statistical analyses of 40 French NSOs, and Kikulis et al.'s (1989) organisational taxonomy, which measures, scales and compares the specialisation, standardisation and centralisation of Canadian NFs.

Based on data collected in the context of the four publications of this thesis, several characteristics are on offer to analyse structure and strategy patterns of 22 Olympic IFs and to identify ideal types. For this purpose, three dimensions serve the analysis of IFs' **structure**: (1) size, (2) commercialisation, and (3) solidarity/redistribution model. IFs' headcount in 2016 or 2017 (depending on the information available) is used as an indicator for size. The scale used here is based on actually observed headcounts rather than on official classifications for enterprises (e.g. EU classification¹¹²) or extant studies on NSOs (e.g. Bayle & Robinson, 2007). Taken from Publication III and based on the analysis of IFs' financial statements, the percentage of commercial revenues in IFs' overall revenue 2012-2015 is used to determine their level of commercialisation. Also based on IFs' financial

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¹¹¹ *Typologies* are based on dimensions that represent concepts rather than empirical cases, they are descriptive rather than explanatory, they are more general, they are mental constructs and they follow the notion of conceptual ideal types. *Taxonomies* are classifications based on empirically observable and measurable characteristics. Despite this distinction, the terms are often used as synonyms.

¹¹² Medium-sized: headcount <250 & turnover ≤ EUR 50 millions; small: headcount <50 & turnover ≤ EUR 10 millions; micro: headcount <10 & turnover ≤ EUR 2 millions. European Commission. (2017)

statements, their financial support to member organisations (NFs, CCs) and athletes can be calculated. This gives an idea of IFs' solidarity and redistribution model.

Four dimensions serve the analysis of IFs' strategy: (1) image/reputation, (2) strategic plan, (3) communication, and (4) accountability. Image and reputation refer to IFs' involvement in scandals related to corruption, doping, match-fixing etc. The period investigated covers the years 2005-2017 and evidence is based on media articles. With regard to strategic planning, two conditions are being used: first, the strategic plan has to be publicly available; and second, it needs to be effective at the time of investigation (2017) and cover minimum three years. As communication through social media has gained in importance as a strategic and efficient marketing tool, IFs' social media engagement is evaluated based on a ranking established by Redtorch¹¹³ for the period February 2016 – February 2017. The ranking includes all 35 Olympic sports. Finally, and in light of growing institutional pressures on IFs (e.g. due to scandals, media scrutiny, IOC requirements), accountability is considered here as a strategic element to regain or maintain trust, credibility and legitimacy as self-regulating bodies. The qualitative evaluation of IFs' level of accountability is mainly based on four elements proposed by Chappelet (2011) and which pick up on the accountability definition proposed by One World Trust in their Global Accountability Framework: transparency, participation, evaluation, complaints and responses. Term limits is added as a fifth element, notably because the IOC encourages IFs to introduce term limits in order to strengthen good governance and transparency. Table 22 summarises the dimensions, the indicators and the scales used.

¹¹³ REDTORCH. (2017). Sport on Social 2017. Retrieved from: http://www.redtorch.co/download-sport-on-social-2017

Table 22. Ideal types: dimensions and indicators used

| | DIMENSIONS | INDICATORS | SCALE |
|-----------|---------------------------------|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| STRUCTURE | Size | Number of staff members in | Very small: <10 Small: 10-30 Medium: 31-50 Big: 51-100 Very big: >100 |
| | Commercialisation | Revenues from commercial activities | Very weak: <10% Weak: 10-30% Moderate: 31-50% Strong: 51-74% Very strong: 75-100% |
| | Solidarity/redistribution model | Financial support to members | Very low: <5% Low: 5-10% Moderate: 10-15% High: 16-24% Very high: ≥25 |
| | Image/reputation | Scandals | None: goodRare: tarnishedRepeated: bad |
| X | Communication | Social media engagement | Strong: upper 50%Weak: lower 50% |
| STRATEGY | Accountability | Transparency Participation Evaluation Complaints and responses Term limits | 0/5: very low 1/5: rather low 2/5: low 3/5: rather high 4/5: high 5/5: very high |
| | Strategic plan | Strategic plan | • Yes • No |

Findings of 22 Olympic IFs are presented in a synoptic table (Table 23). As some information is either difficult to access (e.g. financial statements) or difficult to evaluate (e.g. image, communication), this table should be interpreted as an approximate approach and a qualitative investigation. The table emphasises important structural differences between IFs in terms of size (between 7 staff members in the case of ISSF and >450 in the case of FIFA), level of commercialisation (between 2% in the case of ISSF and 97% in the case of WR) and solidarity/redistribution model (between 2% in the cases of FEI and FINA and 41% in the case of WR). It further shows that only eight out of 22 Olympic IFs had a publicly available strategic plan in place in 2017, of which only three are long-term strategic plans (i.e. 10 years). With the exception of the FEI, all IFs with a very strong level of commercialisation (\geq 75%: BWF, FIFA, ITF, WR) have a strategic plan. But they were also repeatedly involved in scandals.

Table 23. Ideal types: synopsis of 22 international sport federations

| | STRUCTURE | | | STRATEGY | | | |
|------|----------------------|----------------------------------|---------------------------|--------------------|---------------|----------------|----------------|
| | Size | Commercialisation ¹¹⁴ | Solidarity ¹¹⁵ | Image/reputation | Communication | Accountability | Strategic plan |
| BWF | Medium (30) | Very strong (78%) | High (20%) | Bad ¹¹⁶ | Weak | Rather high | 2016-2020 |
| FEI | Big (85) | Very strong (78%) | Very low (2%) | Good | Strong | Very high | - |
| FIE | Small (14) | Weak (3%) | Very high (32%) | Good | Weak | Rather low | - |
| FIFA | Huge (>450) | Very strong (88%) | High (18%) | Bad ¹¹⁷ | Strong | High | 2016-2026 |
| FIH | Medium (34) | Strong (56%) | Moderate (15%) | Good | Weak | High | 2014-2024 |
| FINA | Medium (33) | Strong (70%) | Very low (2%) | Bad ¹¹⁸ | Strong | Rather low | - |
| FIS | Big (60) | Strong (57%) | Very high (25%) | Good | Strong | High | - |
| FISA | Small (17) | Moderate (37%) | Moderate (10%) | Good | Weak | Rather high | - |
| IIHF | Medium (<i>30</i>) | Strong (56%) | ? | Good | Strong | Rather high | - |
| IJF | Small (15) | Strong (64%) | Moderate (14%) | Tarnished | Strong | Low | - |
| ISAF | Small (25) | Weak (13%) | Low (6%) | Good | Weak | Rather low | - |
| ISSF | Very small (7) | Weak (2%) | Very low (4%) | Tarnished | Weak | Rather high | - |
| ISU | Small (17) | Strong (63%) | High (22%) | Good | Strong | High | 2014-2018 |
| ITF | Big (80) | Very strong (75%) | High (17%) | Bad ¹¹⁹ | Weak | High | 2016-2024 |
| ITTF | Small (26) | Moderate (50%) | High (19%) | Good | Strong | Rather low | - |
| ITU | Small (20) | Moderate (40%) | High (17%) | Good | Weak | Rather low | 2014-2017 |
| IWF | Small (<20) | Weak (17%) | Very high (26%) | Tarnished | Weak | Very low | - |
| UCI | Big (79) | Strong (70%) | Moderate (13%) | Bad ¹²⁰ | Strong | High | - |
| UWW | Small (24) | Weak (29%) | High (23%) | Tarnished | Strong | Rather high | - |
| WA | Small (14) | Moderate (31%) | Low (6%) | Good | Strong | Rather high | - |
| WCF | Small (12) | Weak (20%) | Moderate (10%) | Tarnished | Weak | High | 2015-2018 |
| WR | Big (75) | Very strong (97%) | Very high (41%) | Bad ¹²¹ | Strong | Rather low | 2010-2020 |

¹¹⁴ Due to incomplete financial statements between 2012-2015 in the case of some IFs, some numbers are approximate.

¹¹⁵ Idem

http://doi.org/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/10.1016/j.com/1

¹²⁰ UCI: repeated allegations of doping cover up

WR: repeated scandals on doping, match-fixing, corruption

Based on the synoptic table and further case-specific knowledge, at least four ideal types emerge: the market dominator, the marginalised, the innovator and the traditionalist.

Type 1: the market dominator (e.g. FIBA, FIFA, FIVB, IAAF, ITF, UCI, WR)

• Size: big to very big

• Economic model: very strong

• Solidarity: high/very high

Image: often bad

• Communication and technology: strong social media engagement, strong R&D

• Accountability: rather high

• Strategy: long-term strategy

IFs of the type market dominator govern popular and global sports that are easy to practice (e.g. football, basketball, cycling, track and field). Federations are big (51-100) to very big (>100) in terms of staff headcount and have a complex organisational structure with distinct functional entities (departments). High revenues from commercial activities originate from ownership rights on major sport events/tournaments (e.g. broadcasting, marketing, ticketing). Thanks to high commercial revenues, these IFs can strongly invest into the development of their member federations and thus further globalise their sport and create new market opportunities. As the example of FIFA shows, important funding to members can, however, also cover up other motives such as vote buying (e.g. for presidential elections, event bids). Due to high commercial revenues and individuals' personal interests related herewith, IFs are more prone to scandals. This type of IFs generally governs very popular sports that enjoy strong visibility, have a large community and a loyal fan base. Strong social media engagement is an important relationship and marketing tool for these IFs, especially if they try to revamp a scandal-ridden image by producing positive news feeds. With the goal of constantly growing the sports community, of improving fan experience and of being at the cutting edge, market dominators are strongly investing into research and development and employ or commission qualified experts for this purpose (e.g. market analysis, product development, new technologies). To maintain, regain and/or strengthen their legitimacy, credibility and stakeholders' trust in them, the market dominators are eager to demonstrate high accountability and publish long-term strategic plans.

Type 2: the marginalised (e.g. FIE, FISA, ISAF)

• Size: small

• Economic model: weak/moderate

• Solidarity: low/moderate

• *Image:* rather good

Communication and technology: rather weak social media engagement, few R&D

• Accountability: varies

• Strategy: vague

Compared to the market dominators, the **marginalised** are at the far end of the spectrum. Sports of this category are often expensive in terms of equipment (e.g. rowing, sailing) and demand very specific training facilities. The structure of the IF is rather small with only few functional entities (departments). Revenues from commercial activities are low to moderate and IFs are therefore highly dependent on external funding such as Olympic revenue or donations. An important part of the expenses flows into administrative tasks at the headquarters. Therefore, financial support to members is rather small, also because equipment is very expensive, and the sport can only be practiced within specific sport facilities. The image of these federations is rather good, and scandals are rare. At the same time, and because of restricted practicability (i.e. equipment costs, facilities), sports of this category tend to attract less media attention and have comparatively small sporting and fan communities¹²². Social media engagement of these federations through social media is accordingly weak. The same applies to research and development: due to a combination of limited staff headcount, scarce financial resources and the generally high costs of the sport equipment that is necessary to practice the sport, research and development are restricted. The accountability of these federations varies. Some show high levels of accountability. A possible explanation is their desire to demonstrate alignment with IOC requirements and thus consolidate their position in the Olympic movement. Others show low levels of accountability. A possible explanation is that public pressure and media scrutiny on these IFs are fairly low. The strategy of the marginalised is generally vague, either because of a lack of human and financial resources to establish and implement a strategy, or because of reluctance to (radical) change and/or the incapacity of managing it.

¹²² Though exceptions clearly exist: e.g. FIA thanks to Formula 1.

Type 3: the innovator (e.g. FIH, FIS, UWW)

• Size: small/medium/big

• Economic model: moderate/strong

• Solidarity: high/very high

• *Image:* rather good

• Communication and technology: strong social media engagement, strong R&D

• Accountability: high

• Strategy: mid-/long-term strategy

Innovators have medium or big structures and generate moderate to high revenues through commercial activities. With the goal of growing their sports community and fan base, these federations put strong focus on the support and development of their members. Such development offers new market opportunities and increases IFs' attractiveness for business partners. Few scandals can be observed in this category of federations, contributing to a relatively good image. In their efforts towards growing their sports community and fan base, innovators are very active on social media and use these as a cost-efficient marketing and relationship tool. Social media is employed as an important vector to strengthen brand awareness, image, and fan loyalty, but also to improve the federation's services based on instant feedback from the social audience. In addition, by growing their community, these IFs may eventually drain visibility from dominant sports. Just as in the case of market dominators, continuous analysis of the direct environment through research and development are very important in these sports in order to increase fan and spectator experience and identify new trends. Innovators demonstrate high levels of accountability. Seeking greater commercialisation, federations need to satisfy (potential) sponsors and partners. At the same time, they may still be relatively dependent on the Olympic revenue and therefore display alignment with IOC requirements to strengthen their legitimacy within the Olympic movement. To emphasise their aspirations, IFs of the type innovator develop mid- or even long-term strategies as part of their dynamic change policy.

Type 4: the traditionalist (e.g. IWF, ISSF, WCF)

• Size: small

• *Economic model:* weak/moderate

• Solidarity: low/moderate

• *Image:* tarnished

• Communication and technology: rather weak social media engagement, few R&D

Accountability: varies

• Strategy: vague

IFs of the category of traditionalists are rather small structures with a weak economic model due to low revenues from commercial activities and a very high dependency on external funding, notably the Olympic revenue. Expenses are mainly used for administrative operations. As a consequence, limited financial support is provided to members. The image of these federations is often tarnished due to scandals such as financial mismanagement and allegations against elected officials, insufficient regulations and improper governance practices. Scandals are often the result of outdated and deficient governance structures and processes. Traditionalists tend to have a rather weak social media engagement compared to other IFs, which is also related to their relatively small sporting community and fan base. They also focus less on research and development than on maintaining a status quo. Just as in the case of the marginalised, levels of accountability vary across these federations. To demonstrate alignment with IOC requirements and consolidate their position in the Olympic movement, some IFs are eager to demonstrate high levels of accountability. But as public pressure and media scrutiny on them are fairly low, others show low levels of accountability. In light of their reluctance to or incapacity of managing (radical) change, the strategy of this type of IFs is rather vague or even inexistent. In turn, they attach particular importance to the preservation of traditions and values and are therefore less dynamic.

The four types presented here obviously only present ideal types. Being integrated and dynamic entities and by definition, ideal types rarely show a perfect fit with organisations' reality. IFs that are indicated as examples above match at least with five of the seven dimensions. Contrary to the typology of Miles and Snow (1978), the here suggested typology does not seek to portray patterns of IFs' adaptive behaviour and adaptive process, nor should types be considered as purely structural configurations in the sense of Mintzberg (1979) or be linked to managerial theories. At this stage, the types merely constitute an attempt to classify discussed findings and observations along lines of similarity. And though this classification does not allow drawing concrete conclusions, certain correlations seem to emerge between the types: the *market dominators* and the *marginalised* are diametrically opposed, and so are the *traditionalists* and *the innovators*. The market dominators and the traditionalists differ in nearly all dimensions, whereas traditionalists and innovators mainly differ

with regard to their strategy and dynamic. While innovators seek rapid and efficient adaptation to environmental changes and constraints, traditionalists are reluctant to change. Figure 4 demonstrates the correlations just mentioned.

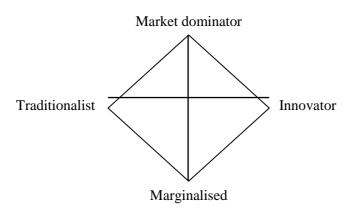


Figure 5. Correlations between the four ideal types

Rather than linking the typology to managerial theories (also because the current state of research does not allow for such conclusions), the next section will focus on some (potential) managerial implications that emerge from the findings of this thesis and further reflexions.

6.5. Discussing managerial implications of international sport federations' professionalisation and commercialisation

After the discussion of findings related to research questions 1 and 2, the interrelationship between professionalisation and commercialisation and the suggestion of a typology, the third and final research question remains to be discussed.

Research question 3: What are the managerial implications of international sport federations' professionalisation and commercialisation?

As outlined in the first part of this thesis, IFs have undergone important transformations since their creation. Many IFs have evolved from a purely volunteer-run structure to complex organisations run by professionals. They are also increasingly interlaced with a multitude of stakeholders with often varying interests. As a reminder, IFs' main activity in the past was to establish, oversee and sanction rules of the game and of membership (early years). As a second activity, and with the main goal of determining the best athletes, IFs began to organise World Championships. Today, the organisation of major sport events such as World Championships is a core business of basically all Olympic IFs. This

activity requires professional and specialised workforces both in technical (sport) and economic domains (e.g. marketing, communication, finance). Organisational changes that occurred in NSOs over the last decades have been widely analysed and referred to as rationalisation (Slack & Hinings, 1987) or bureaucratisation (Slack, 1985), but more often as professionalisation (Amis et al., 2002; Clausen et al., 2017; Kikulis, 2000; Nagel et al., 2015; Ruoranen et al., 2016; Skinner et al., 1999). The thesis further demonstrated that, while the activities and structure of IFs have changed considerably, other aspects have remained surprisingly unchanged. This includes notably IFs' mission statement and legal form.

Despite a growing interest of scholars to analyse transformations in sport organisations and the emergence of sport management as a recognised professional field, research on IFs is fairly sparse and results in a biased and incomplete picture of their structure and functioning. Considering the increasing presence of sport at the social, political and economic levels, it is all the more astonishing that IFs as that the international governing bodies of sport have received so little attention in the academic field. Even though a growing number of studies on various governance issues within a few IFs have emerged, comprehensive studies analysing several IFs of different size are literally nonexistent. Most studies focus indeed on the same international sport organisations (e.g. IOC, FIFA, IAAF, FIVB, UCI) and the same problematic (e.g. corruption, doping). While governance issues dominate the research agenda on IFs, professionalisation and commercialisation as the driving forces behind IFs' transformations have been insufficiently investigated and comprehensive understanding is therefore lacking. Previous studies on IFs further tend to generalise observations from IFs with large revenues. If researchers and sport managers want to gain a better understanding IFs' current structure and functioning and the variety that exists between them, they need to understand the driving forces that are behind IFs' actions. For a comprehensive understanding of IFs' professionalisation and commercialisation as well as related managerial implications the incomplete and simplified generalisation neither provides sufficient empirical relevance, nor is it doing justice to the majority of the 92 IFs. This thesis therefore seeks to remedy some of these research gaps, notably by:

- Adding to the limited scope on governance issues and doping an analysis of the concepts of and the relationship between professionalisation and commercialisation in IFs.
- Analysing 22 Olympic IFs of different size and context with regard to professionalisation and commercialisation rather than focusing on a few dominant IFs.

Table 24. Overview of main findings and managerial implications

| | | | Findings | | Managerial implications | |
|-----------------|----|---|------------------------------------------------|-----|------------------------------------------------|--|
| | • | | IFs are very heterogeneous in terms of size, | | | |
| | | | structure, and budgets | 1. | Heterogeneity | |
| | | • | IFs professionalisation process is non-linear | 1. | Heterogenetry | |
| I | | | and closely linked to IFs' size | | | |
| PUBLICATION I | | • | IFs become increasingly business-oriented | 2. | Sector bending and mission drift | |
| CAJ | | • | Five causes of particular influence emerge: | 3. | Growing number, diversity and expectations | |
| BLI | | | o External pressures | | of stakeholders | |
| PU | | | o Leadership | 4. | Need for efficient but also ethical leadership | |
| | | | o Commercialisation | 5. | Growing pressure for IFs to commercialise | |
| | | | Management practices | 6. | Corporate management practices | |
| | | | o Organisational culture | 7. | Reluctance to change | |
| Z | | • | Importance of leadership to bring about change | | Need for efficient but also ethical leadership | |
| TIO | | | | | (see point 4) | |
| PUBLICATION | П | • | Growing business approach of nonprofit IFs | | Sector bending and mission drift (see point 2) | |
|)BL | | | | | | |
| M | | • | Weighted voting | 8. | Political governance | |
| | | • | Important revenues from commercial activities | 9. | Development of and through sport | |
| | | • | Size/specialisation is a key success factor in | | Growing pressure for IFs to commercialise | |
| ш | | | achieving high levels of commercialisation | | (see point 5) | |
| INC | | • | The use of social media shows high overlaps | 10. | Social media use | |
| PUBLICATION III | | | with high commercialisation | | | |
| IC. | | • | IFs prefer goal vagueness to a clearly defined | 11. | Conflicting rationales: goal ambiguity vs. | |
| UBI | | | strategic plan | | business objectives | |
| P | | • | The actual impact of commercialisation on IFs' | | Sector bending and mission drift (see point 2) | |
| | | | governance remains unclear | | Increase of governance issues | |
| | | | | | Lack of an appropriate legal frame | |
| Z | | • | Main revenue streams of Olympic IFs: events | 14. | Major sport events: the question of saturation | |
| PUBLICATION | | | and Olympic revenue | | and consumption | |
| | IV | | | 15. | Growing uncertainty of event outcomes: the | |
| UBI | | | | | question of attractiveness and the need to | |
| P | | | | | diversify revenues | |

In Publications I and II, we have uncovered several relevant drivers of and barriers to IFs' professionalisation. Publications III and IV, for their part, focus on commercialisation as a particular form of IFs' professionalisation. Based on these articles and the immersion in the field that was required for the research, a number of managerial implications related to IFs' professionalisation and

commercialisation are being deduced. Table 24 above provides an overview of findings from the four publications and 15 related managerial implications. I first discuss various implications before taking a closer look at one particular implication, which is the risk of mission drift. To discuss managerial implications, I draw on existing literature and on findings from the four publications. Publications are listed in the order of their occurrence:

- 1. Drivers of and barriers to professionalization in international sport federations
- 2. Bringing a corporate mentality to the governance of sport
- 3. International sport federations' commercialisation: a qualitative comparative analysis
- 4. Major sport events at the centre of international sport federations' resource strategy

6.5.1. Various managerial implications

6.5.1.1. Heterogeneity

It should not come as a surprise that IFs analysed in this thesis are of very different size (from <10 to >450 staff), structure (from 0 to 10 or more departments, from flat hierarchy to multiple hierarchical levels) and revenues (from less than CHF 5 million to more than CHF 1 billion of annual revenue, not counting non-Olympic IFs). Depending on IFs' size, the processes of professionalisation and commercialisation vary considerably. The differences between IFs as well as variation in their process of professionalisation have been discussed in detail in the Publication I. In light of IFs' diversity, it is impossible to pronounce universal recommendations or think of them in terms of "one model fits all". In sport management, several scholars have therefore used the contingency approach to explain the two-way interaction between organisations' structure and performance, or between organisational constraints and strategy. Papadimitriou (2002), for example, draws on contingency-oriented theorists (e.g. Hage & Aiken, 1967; Lawrence & Lorsch, 1967; Pugh, Hickson, Hinings, & Turner, 1968) to analyse the effect of structure on the performance of Greek sport organisations: "As organizations grow in size and develop resource dependencies on other agencies they tend to develop a certain type of internal structure characterized by division of labour, separation of roles and functions and formulation of rules and regulations." (p. 207). Berret and Slack (2001), for their part, apply the contingency approach to analyse the strategic nature of sponsorship acquisition in Canadian NSOs: "The different environmental constraints and opportunities faced by NSOs dictate that different strategic approaches are necessary for the success of their sponsorship programs" (p. 38). In summary, due to differences in size, structure and environmental constraints, IFs need to develop different strategies that respond to their particular context. The best fit between structure and strategy of one IF may be actually impracticable for or even detrimental to another IF. Hence, there is not one best way (or one organisational model) that can serve as reference for all IFs. The ideal types suggested in section 6.4 constitute an attempt to classify IFs according to specific characteristics.

6.5.1.2. Growing number, diversity and expectations of stakeholders

At least two types of stakeholders should be distinguished in the context of IFs: those that have a stake in the economic success of the IF (e.g. business partners), and those that have a stake in the sport itself (e.g. national and continental federations, athletes, clubs, teams, fans). Over the years, both types of stakeholders have continuously grown in terms of numbers. Different explanations exist for these evolutions:

- Members: The worldwide development of their sport is part of IFs' mission, e.g.: "The purposes of the UCI are [...] to promote cycling in all the countries of the world and at all levels" (UCI Constitution, Article 2b). Furthermore, through its evaluation criteria, the IOC exerts pressure on IFs to have a high number of members. "The IOC looks very closely at the number of nations that practice rowing. You speak of pressure from the IOC: yes, of course there is pressure from the IOC. And not only from the IOC, but from all sports that want to enter the Olympic program" (FISA, F2, free translation from French). As a result, the number of NFs constantly grows.
- Members, fans and business partners: A general globalisation of markets entails the desire and
 possibilities to tap into new markets. Smith and Stewart (2010) call this evolution a "two-edged
 sword" (p. 11): it allows sport organisations to make commercial progress, but it also fractures
 traditions that constitute the core of sport organisations' initial form and the reason for their appeal
 to fans.
- <u>Business partners:</u> The growing interest of businesses to partner up with IFs and showcase their products is accompanied by IFs' quest for new sources of revenue: "The federation has recently defined a sponsorship structure that was approved at the 2015 Las Vegas World Championships. The focus at this stage is the recruitment of sponsors and signing partnerships that benefit the federation and the sport" (UWW, G2).

The growing number and diversity of stakeholders bears several challenges. With regard to those having a stake in the sport itself, the challenge revolves mainly around cultural differences. Some IFs now have more than 200 members (NFs). This means 200 different cultures. As a consequence, cultural differences render it more difficult to reach a common agreement or find a common denominator, especially in the case of sensitive topics. Hein Verbruggen used a very visual comparison regarding IFs' members: "It's like a bucket full of frogs which all go in different directions". With regard to business partners, the challenge IFs have to face is more related to dependencies: "As our ambitions grow, our level of dependency will increase as we will need to align

with partners that can dedicate resources in order to deliver our objectives" (UWW, G2). Berrett and Slack (2001) see a dilemma in the increasing number of alliances with business partners as sport organisations have to become more responsive to the needs of business partners and "continue to pursue goals in accordance with wishes of members" (p. 23). This raises several questions for future research: How can IFs best respond to both members' expectations (mission-related) and those of business partners (contract-related)? What are the risks of business partners' choice not being aligned with the fulfilling of the IF's mission in first place?

6.5.1.3. Need for efficient and ethical leadership

Over the last two decades, various scandals in a handful of IFs have repeatedly occupied the headlines of newspapers. Scandals generally include one or several high officials of the IF in question. It is therefore only appropriate to speak of "governance scandals". But how is it possible that so much criminality is happening if not under their eyes then at least without leaders being aware of it or denouncing it? In the past, the success of an IF-president was measured against his/her efficiency. In fact, presidents like Sepp Blatter (FIFA), Hein Verbruggen (UCI), Primo Nebiolo (IAAF) and Ruben Acosta (FIVB) were all celebrated for their achievements of commercialising their sport and making their IF self-sufficient. After the uncovering of governance scandals, these former presidents showed little understanding of why everyone was now criticising them for what they have done in the past, if this was what they were celebrated for back then:

I took up a bankrupt federation and when I left there were a cycling centre, all paid for, and CHF 14 million capital, reserves. [...] Very often they say: 'you did a good job and you made a federation'. I know that, but it was not that difficult. There was nothing. [...] I've been 14 years president. And thanks to that I have all these Armstrong problems now. Otherwise I wouldn't have had that. (Hein Verbruggen)

This raises the question if and how past actions can be judged when applying recent standards that were not requested back then. Against current standards, and in view of repeated governance scandals, today's leaders not only have to be efficient, but they also have to demonstrate ethical leadership. Antonakis (2006) therefore implies that systemic change towards good governance is very much a question of leadership: "It is important that leaders understand how they are legitimized because [...] leaders must reflect the collective aspirations of their constituencies (follower) [...] in order to influence them towards a common goal" (p. 4). According to Antonakis, it is equally important that supervisory authorities understand leaders, because "[only] when we understand leaders will we be able to control them" (p. 4). Several scholars promote the concept of ethical leadership (e.g. Arnaud, 2010; Mayer, 2014; Victor & Cullen, 1988). Arnaud even suggests an *Ethical Climate index*

based on Rest's (1984, 1986) four-component model of ethical decision-making: "For individuals to engage in ethical acts, they must engage in four basic psychological processes: moral sensitivity, moral judgment, moral motivation, and moral character" (p. 347).

Applied to IFs, the challenge lies above all in their ability to understand and manage the normative system of their organisation in order to guide the ethical behaviour of leaders and employees alike. A particular challenge for leaders who take over the presidency of an IF that has been discredited through scandals is to restore credibility. In the case of FIFA and Gianni Infantino (who succeeded Sepp Blatter at the head of FIFA in 2015), this has not worked out yet after his first year as president: "Most fans don't believe Gianni Infantino's first year has won back trust in FIFA. [...] 98 per cent are concerned about corruption at FIFA¹²³" (Transparency International).

6.5.1.4. Growing pressure to commercialise

Some IFs/sports have engaged very early in a commercialisation process and, over the years, quasi-monopolised the market. Examples are football/soccer, American football and basketball. The reasons for their fast commercialisation may, however, differ considerably. While the appeal of football is anchored in its tradition of being a working-class sport and its global spread, the success of American football (or rather NFL) is closely related to its campus culture, and basketball easily attracts players, fans and sponsors that share or want to be associated to the lifestyle around it (e.g. hip-hop culture: music, urban youth culture, clothes). In other words: tradition, education and lifestyle have acted as facilitators for these sports to become increasingly commercial. Other sports are less fortunate in this regard (e.g. sports needing expensive equipment such as rowing or sports with environmental constraints such as winter sports), or their leaders have been less visionary. The explosion of broadcasting rights, growing numbers of major sport events and the desire of businesses to partner up with highly visible sports has moved IFs from being monopolies to being monopolies competing with each other for financial resources. This puts especially smaller and less commercialised IFs under pressure. A FIH staff member expresses his concern on the ever-growing dominance of football:

A lot of these Olympic sports really are not commercial organisations. And therefore, they are problematic to match with commercial companies. [...] The dominance of football is a problem. [...] Who stops football? Why does football want to be like that? Why do the people that run football want everybody in the world to play football and

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¹²³ Transparency International. (2017). *Most fans don't believe Gianni Infantino's first year has won back trust in FIFA*. Retrieved from

https://www.transparency.org/news/pressrelease/most fans dont believe gianni infantinos first year has won back_trust_in_f

nobody would play anything else? [...] Football just keeps taking more and more. This means that every other sport gets less and less. (FIH, B2)

At the same time, it seems that growing pressure to commercialise may also trigger creativity in terms of sponsor acquisition. The FIH, for instance, has developed a new hockey format (Hockey5), which is based on a research asking commercial partners what they want: "You design a product, and you design it with the idea of being a commercial product, suiting the needs of what commercial partners want on the ground" (FIH, B2). Wrestling pursues yet another strategy: "Looking towards the future we are looking at some of the traditional categories such as timepiece, automobile and airline, as well as more partners from niches to the wrestling community and fan base" (UWW, G2). However, to find solutions and conclude partnerships, smaller IFs may have to invest a large part of their annual budget into marketing: "[Sponsor acquisition] is an activity that requires competencies and expertise. This explains why communication and marketing are key departments in the organisation of FISA from the salary side" (FISA, F2, free translation from French). Regardless of the IF's size and budget, the main product they all try to sell is their World Championships (or World Cup as some call it). This leads to another interesting question for future research studies: *How can small IFs persist against big IFs that take more and more of the global market share?*

6.5.1.5. Corporate management practices

Around the late 1980s, IFs began to hire professional staff, marking the beginning of a shift from amateur to professional structures. Generally, the first paid person in the IF was the secretary general (e.g. FISA: 1989, UCI: 1992), whose title was often changed to general director, executive director or, more recently, CEO. Before that, IFs' activities were rather inexpensive as they were carried out by volunteers: "UCI didn't need any more money because what did they have? They had a little office. So, what do you need the money for?" (Hein Verbruggen). Until then, tasks and projects were mainly divided between commissions. As IFs' activities and services expanded and the interest in televised sport grew, the increasing workload and need for expertise required the hiring of specialised and fulltime workforces:

When I became president of the UCI there was absolutely nothing. There was a secretary general from Poland. A wonderful man but he was 79 years old. [...] From the very moment that we had revenues, I started to professionalise. [...] I had a general manager, a legal director, a financial director and under the general manager came all the departments." (Hein Verbruggen)

With the hiring of paid staff, the role of commissions changed and became more that of advisory groups. At the same time, occupational professionalisation within IFs' administrative structure triggered some important evolutions in terms of management. Some of these changes were consciously implemented (Hein Verbruggen: "I simply started to apply the principles of management that I learned with M&M/Mars".), others happened naturally. Contrary to NSOs that have created many technical positions (e.g. coaches) in order to increase their chances of winning medals at international sport events and receive more money from their government, job positions in IFs show considerable differences. IFs' focus is three-fold: manage its sport (i.e. rules, regulations, sanctions), promote its sport (e.g. attract new NFs, athletes, fans, partners) and organise its sport (e.g. World Championships). Evolutions such as increasing rule violations (e.g. doping, match fixing), competition for athletes and fans and the importance of major sport events to generate revenues (e.g. broadcasting and sponsorship rights) required the hiring of specialised workforces from very different domains: legal affairs, finances, communication, marketing, business, human resource management etc. As all these professionals have different educational backgrounds and bring specific professional norms into the organisation, organisational complexity is likely to increase. Several scholars analysing organisational change refer to this evolution as workforce diversity (e.g. Boyett & Conn, 1992; Greenwood & Hinings, 1996). In sport management, O'Brien and Slack (2003) investigated how professionalisation for reasons of efficiency impact institutionalised amateur practices in a rugby club. They conclude that "new professional values are being institutionalised" (p. 39-40).

Another interesting observation in recent years is the tendency towards appointing a General Director with a professional background outside sport, notably in domains such as legal affairs (UCI), business (FIVB, UCI) and international relations (FIFA). This evolution translates a growing demand and need for business competencies at the staff level. It is also not surprising that people with a background in corporate organisations implement management practices they are familiar with. Corporate management practices that are being implemented in IFs include for instance strategic planning, external audits, job descriptions, staff evaluation and staff development. Coming back to the study of O'Brien and Slack (2003), one may wonder what impact the institutionalisation of professionalisation and the simultaneous deinstitutionalisation of amateur values has on IFs' core values and traditions. Organisational core values and traditions of IFs have only been broached briefly (e.g. in Publication I). Deeper immersion into this question is needed.

6.5.1.6. Reluctance to change

Traditions and values are part of IFs' identity. As mentioned in the beginning of this thesis, the emergence of IFs is the result of strong beliefs and of individuals who devoted their time to sport. At the same time, not only the context of IFs has changed, their administrative structure and main activities (and one could even argue in some cases: their priorities) have changed too. While IFs'

administrative structure and activities have evolved considerably to accommodate growing expectations from stakeholders and capitalise on the worldwide commodification of sport, a reluctance to change can be observed among elected volunteers. Contrary to elected volunteers, paid staff may be interested in the sport, but they also come for the salary. Volunteers, on the other hand, claim that they give their time only for the love of the sport. They hence consider themselves as the legitimate decision makers. In the past, these elected volunteers would in fact take all decisions based on their own judgement and/or personal interests. However, times have changed. Some IFs have become highly commercialised and multiple governance scandals have shaken the world of international sport. These scandals reveal that several of the high-ranking officials in international sport have used the system in place to pursue self-interested objectives. And even for those who have not infringed any rules, the idea of profiting a maximum from the system within the legal limits seems widespread:

I went with him [Cheikh Tamim, today Emir of Qatar] to Salt Lake City to introduce him to the people from the IOC that I knew. [...] He won the elections [to become IOC member] with 76% of the votes. He was quite happy. This is why he said to me: you stay with me. Whatever you ask me, I will accept it. So, I asked for an enormous salary, half a million per year. I asked for a house, a car, a bodyguard, a driver, two nannies and travels all paid for, so my family could visit me. I stayed from 2001 to 2008. (ARISF, A6, free translation from French)

The above example reveals how much the individual profit through sport may guide individuals' decisions. This brings me to a paradox: on the one hand, elected officials insist on amateur values; on the other hand, several examples show that it is rather the elected officials who profit from the pervasive effects of sports' commercialisation and lack of checks and balances, accountability and transparency. Another interesting observation is: while the turnover at staff level is rather high, some board members serve for decades. This could be a sign for elected officials being more satisfied with their situation then staff members. And if they are satisfied, why should they change anything?

6.5.1.7. Political governance

Here presented assumptions on the emergence of political governance are based on Ian Henry's three features of governance: systemic governance (i.e. mutual adjustment between stakeholders), good corporate governance (i.e. adoption of principles to fight corporate governance failure), and political governance. Henry (2004) defines political governance as "the process by which governments or governing bodies seek to steer the sports system to achieve desired outcomes by moral pressure" (p. 26). According to Henry, different tools may be used for this purpose: *moral persuasion, financial*

incentives and *direct regulation*. Several examples of political governance as a steering policy in international sport can be found with regard to IFs:

- Switzerland attracts IFs through *financial incentives* such as tax reduction/exemption and a very liberal legal frame (Chappelet & Mrkonjic, 2013).
- The IOC creates competition between IFs through the Olympic revenue share, hence also using the tool of *financial incentive*. Through its Code of Ethics and the Olympic Agenda 2020, the IOC also uses the tool of *moral persuasion*. As these are only guidelines and do not entail sanctions in case of non-respect, one cannot speak of direct regulations.
- In December 2014, the Swiss Parliament has approved new legislative provisions to fight money laundering in sport. These provisions are often referred to as "Lex FIFA". Lex FIFA includes that high-ranking managers and officials of Olympic IFs will be regarded as "politically exposed persons", a status which allows the Swiss Confederation to control their finances. For example, in case of a doubtful transaction on their account, the bank is authorised to block the account and alert the federal authorities without informing the account holder. A possible shortcoming is that continental confederations (e.g. UEFA) are not included in this law. At this point in time, the provisions still have to be transferred into the Swiss Penal Code. Once they are transferred into the Swiss Penal Code, this would be an example of a direct regulation.

By adopting the notion of "political control centre" (Mayntz, 2003), one can equally adopt the term "political governance" to IFs. As the governing bodies of sport, IFs have developed their own governance systems. The governance system may vary considerably from one IF to the other. All IFs have autonomous NFs as members, but not all IFs have autonomous continental confederations (CC). There are at least three possible scenarios:

- 1. NFs are members of the CC, and the CC is a member of the IF. Properly speaking, the IF does not have NFs in this case. NFs are only affiliated through their CC (e.g. IJF before Marius Vizer became president).
- 2. The NFs are members of both the CC and the IF (e.g. FIFA/UEFA).
- 3. The IF has no CCs. The NFs are members of the IF, and the IF appoints a subsidiary board (e.g. continental representatives) for the continental management and that serve as liaison between the board and the NFs (e.g. FIBA, UWW, FISA).

There are diverging views on the need and use of CCs among sport managers. Two examples emphasise this divergence. The first example is the view of Hein Verbruggen, former UCI president. His approach to CCs was to limit their power as much as possible: "I've been aiming very clearly to

reduce the power of the continental confederations. Most of the time they are a burden. [...] You don't need a continental federation. In so far, you can use a continental federation to bring in the continental colour". While Hein Verbruggen seemed to have a strong control over the CCs, the situation looked slightly different under Brian Cookson. Several internal staff members and external actors have voiced their concerns about Cookson's weak leadership and the strong influence of the UCI General Director. As the presidents of the CCs sit on the UCI board, Cookson needed their backing. Before the 2015 board meeting, everything looked like the board members (among them all 5 continental presidents) wanted to get rid of the general director. According to a former staff member, Cookson could only ward off the risk of losing his steersman by giving more money to the CCs. Coming from a former UCI staff member, the comment should, however, be taken with care:

Mr Cookson decided to pay the confederations, to give more money to them. To me this is active corruption. [...] I heard something like CHF 200'000 per confederation. 1 million! And this is the UCI we are speaking about. That's a lot of money. That's two months of salaries. (UCI, C2, free translation from French)

The second example concerns the FIH. Here one rather finds a climate of collaboration and empowerment: "The continental federations have a big role. Their main role is to support the national federations. Let's face it like this: the big countries don't need a lot of support. They are self-sufficient. You need to get their support" (FIH, B7). In this constellation, the CCs are the FIH's point of contact with their NFs and are "integral to our structure. [...] We have very good relationships with them" (FIH, B8). The FIH's goal is to make each CC their extended arm in that particular region. In 2015, about 20% of the FIH's revenues went to their CCs. Part of the annual funding to the CCs is destined for a professional position. Considering these two very different positions, it would be interesting to analyse how increased political governance could positively influence the functioning of IFs (e.g. moral persuasion, financial incentives, direct regulation).

6.5.1.8. Development of and through sport

The increase of revenues from commercial activities opens NPOs to the possibility to do more social good through philanthropic initiatives (Dees & Anderson, 2003). Under point 2.2, I have already discussed that, in recent years, the notion of sport as a social good has been emphasised by several intergovernmental organisations, including the UN (e.g. peace, human understanding, sustainable development) and the EU (e.g. health, education). Crabbe (2009) further reports that the idea of sport "to do social good has increasingly come to prominence on social policy agendas, [...] but also within sports management and marketing strategies" (p. 177). In parallel, a growing number of studies in sport management now analyse sport organisations from the perspective of corporate social

responsibility (Babiak & Wolfe, 2009; Bayle, Chappelet, François, & Maltèse, 2011; Godfrey, 2009) and development through sport (Gould & Carson, 2008; Skinner, Zakus, & Cowell, 2008).

Through their sport events, IFs are at the origin of unprecedented social gatherings. The economic success of these events can, in turn, be used to finance worldwide development programs (e.g. IAAF Regional Development Centres, FIFA Football for Hope) through which federations transmit social values such as fair play, peace, tolerance and gender equity. Examples taken from two IFs demonstrate that the redistribution of IFs' profits varies considerably.

- FIH: With CHF 10.5 million of annual revenues (2012-2015), the FIH has a relatively small budget considered to other IFs. One of the federation's main strategic goals is to engage and empower its members. In 2015, the FIH provided about 20% of its budget to various development projects, the most important ones being FIH Hockey Academy and the Targeted Assistance Programmes (TAP). The FIH Hockey Academy is a series of online educational programs developed in partnership with World Academy of Sport (a company that delivers tailored learning programs for sports). The education area comprises game topics (technical education) and governance topics (management education), but also leadership programs with a post-graduate certificate. To reach out globally, the FIH tries to spread its programmes through its CCs. In the case of TAPs, it is the responsibility of CCs to identify which of their national associations needs support in a specific area. The approval through the FIH is based on criteria that relate to the Hockey Revolution Strategy. Once approved, the funding for a specific project comes in addition to the annual funding the CC receives. An important aspect of this additional funding is external co-funding. From past experience, the FIH has learnt that sustainable projects need to be supported by "someone who has an interest in it, who is local and will be there for a long time to be involved in it" (FIH, B8).
- <u>FIFA</u>: The second example is FIFA. As one of the rare (if not the only) IFs that generate average annual revenues of more than USD 1 billion, one would imagine that FIFA redistributes an important share of its profits to its members and/or development programs. FIFA itself claims to have invested more than 71% directly into football. However, if one breaks down the 2012-2015 expenses, it turns out that only 18% were directly invested into development, while 41% were invested into the FIFA World Cup and 12% into other FIFA events and FIFA Club Protection¹²⁴. FIFA would now certainly argue that, without the success of the FIFA World Cup, the federation would not be able to provide the money it currently does to its members. Considering IFs as service organisations to their members, the question that could be raised here is: *What would be a fair redistribution model?*

¹²⁴ Based on FIFA's financial statements 2012-2015.

6.5.1.9. Social media use

Relating to Publication 3 on IFs' commercialisation, I have already discussed the cost-efficient use of social media as a marketing and relationship tool. The question is now: what implications does the rise of social media (or Web 2.0, as it is often termed) have for IFs' marketing strategy? I refer here to Constandinides and Fountain (2008): "Web 2.0 has a substantial effect on consumer behaviour and has contributed to an unprecedented customer empowerment. The consequences are far reaching, affecting not only the area of technology development but also the domains of business strategy and marketing" (p. 231). The challenge for IFs is therefore to seize the potential of social media as a marketing and relationship tool. One of the principle innovations of online applications such as social media (and contrary to traditional producer-user relations) is that they allow user participation (e.g. content contribution, content editing). Several advantages emerge from the aspect of user participation for IFs. For instance, IFs can listen to their social audience (e.g. instant feedback) in order to improve their services: "The feedback we rely on a lot is on social media because of the comments that people post" (FIH, B1). Another advantage is the access to information of niche products. If one considers sport as the main product of IFs, then it becomes evident that, through traditional media, smaller and less televised sports have difficulties to drain visibility from dominant sports. Now, with Web 2.0 online applications such as social media, blogs and forums, sport fans of smaller sports "can create substantial aggregated demand for products and services not belonging to the mainstream of 'hit' categories" (Constantinides & Fountain, 2008). Social media further allow a three-way communication in that companies can interact with their customers, but customers can also interact with each other.

The social media buzz an IF or its sport creates can be either positive or negative. Ideally, the news feeds and comments consist of positive information provided by both the IF and social media users (e.g. events, stories). However, negative headlines and comments can also quickly reach the connected community through social media. One advantage for IFs is that, in both cases, they can use information received through social media as a yardstick against which they can measure their organisational performance and external perception. IFs can also use the collective intelligence and creativity that emerge from social media feeds for their own development. Another possibility for IFs is to integrate messages from professional athletes on the IF's social media sites. This strategy may be more efficient in attracting the attention of the younger generation than publicities created by traditional media agencies. And not only of the younger generation: it also provides journalists with free and instant access to topics that a sports community cares about. These examples show that multiple ways exist for IFs to make the best use of social media as a cost-efficient marketing and relationship tool. However, IFs have varying resources to analyse and adopt new marketing tools. A big IF such as FIFA employs about 60 marketing specialists, "covering a wide range of expertise

within the sports business industry¹²⁵". At the same time, the creation of the positions of Social Media Manager and Social Media Coordinator is still rather recent. In 2015, FIFA's Social Media Manager wrote in this regard:

In March 2013, I became FIFA's Social Media Manager. In fact, I was the only member of the team! Now I'm looking for our third member. [...] The role of Digital and Social Media is becoming ever more core to FIFA's daily business. This person will play a big role in driving the organisation forward¹²⁶.

FIFA's goal for the future is now to build fan loyalty: "The next stage of our social evolution is going to be working out how to engage with those people on a more regular basis. Our goal is to build a consistent presence with this content rather than just dipping their toes in every four years for the World Cup¹²⁷" (FIFA Social Media Manager). At the same time, for a scandal shaken IF like FIFA, social media are also an opportunity to feed their community with more positive news: "If you read the papers there may be times when you see negative representations about FIFA, but the truth is that we have people working hard on positive projects all over the globe and we want to get the word out about those things too¹²⁸" (FIFA Social Media Manager).

On the other hand, a small or mid-sized IF may have less financial resources to employ a large number of staff members only dedicated to social media. Nevertheless, the relatively inexpensive use of social media offers big and small IFs alike the opportunity to exploit social media as a marketing tool. According to a FIS staff member, the federation considered social media very early as a valuable communication channel. Especially in new disciplines such as Snowboard, Freestyle and Slopestyle, and which attract younger people, social media are very important and widespread. FIS pursues a differentiated social media strategy: for each discipline, FIS employs a Media Coordinator. These coordinators follow the entire season live on site and therefore know the public. This period is in general rather short and social media activity very intense. The Media Coordinators therefore work on a freelance basis. In a similar way, FIH contracts media officers for the time of their events: "they write the match report and they facilitate what we call the 'mixed-zone', so the press can choose their quotes. And they do all the social media for our events, pictures for Instagram etc." (FIH, B1).

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¹²⁵ FIFA – International Association Football Federation. (2017). *Marketing*. Retrieved from http://www.fifa.com/about-fifa/marketing/index.html

¹²⁶ LinkedIn.(2015). *Social Media Manager*. Retrieved from https://www.linkedin.com/pulse/wanted-new-social-media-manager-alex-stone/

¹²⁷ Audiense. (2015). Interview with Alex Stone, FIFA's Social Media Manager. Retrieved from https://audiense.com/interview-case-study-how-fifa-filled-a-global-social-media-world-cup-stadium-with-one-billion-fans/

¹²⁸ Idem

6.5.1.10. Conflicting rationales: goal ambiguity vs. business objectives

The article on IFs' commercialisation revealed that relatively few IFs work with an official strategic plan. While this seems rather surprising at first sight, we found a reasonable argument in what Stone and Brush (1996) call "the dilemma of meeting needs for commitment and demands for legitimacy". Meeting needs for commitment refers to the multiple (and sometimes conflicting) constituencies whose expectations NPOs have to accommodate to a level that convinces them to commit to the organisation. The risk of satisfying the demands of one constituency might be that other constituencies no longer sufficiently identify with the organisation. Meeting demands for legitimacy, on the other hand, refers to accommodating expectations from those who provide NPOs with financial resources (e.g. business partners, government). These actors/institutions are likely to demand structured planning and clear objectives that demonstrate their money is well invested and creates some sort of return on investment. As a trade-off between these two poles, many NPOs tend to keep their goals vague. In fact, goal vagueness and ambiguity appears to be inherent to NPOs and public organisations (Chun & Rainey, 2005), including IFs. Chun and Rainey suggest four dimensions to measure goal ambiguity: mission comprehension ambiguity, directive goal ambiguity, evaluative goal ambiguity and priority goal ambiguity. The four dimensions are briefly outline below:

- Mission comprehension ambiguity: Mission statements aim at enhancing an organisation's legitimacy and hence increase the chance of members' commitment. An organisation's mission statement can be considered as being clear if there is little leeway for interpretation. The keywords that best sum up IFs' mission are govern, promote, develop and organise their sport. These terms are generally explained in IFs' statutes. These days, one may wonder to which extent IFs' decisions and actions actually reflect their official mission. How much importance is given to each of the four key functions? And how can IFs' mission alignment be measured? As discussed at the beginning of this thesis, IFs' mission statements have remained fairly unchanged despite considerable evolutions regarding their activities. Especially the mission of development bears the risk of being alienated. Are the IF's profits a means to develop the sport, or is the development of the sport a means to generate more profits? And if the latter, for whom or what exactly?
- Directive goal ambiguity: This dimension refers to organisations' degree of translating their mission into directives or guidelines that result in clear actions. Chun and Rainey argue that high directive goal ambiguity allows for more organisational autonomy. This is perhaps the dimension that is the least ambiguous regarding IFs. The only exception is perhaps directives and guidelines for development. What would be a fair redistribution model and how could it be anchored through directives and guidelines?
- Evaluative goal ambiguity: The third dimension seeks to evaluate the progress towards the achievement of organisational goals that are in line with the organisation's mission. The measure of this dimension depends very much on the availability of objective performance indicators. The

lack of objective and measurable performance indicators demonstrates interpretative leeway and hence evaluative goal ambiguity. Objective, tangible and result-oriented performance indicators are often used in strategic plans. As most IFs have no strategic plan, I conclude that evaluative goal ambiguity is relatively high among IFs.

• Priority goal ambiguity: The final dimension "refers to the level of leeway in deciding on priorities among multiple goals" (Chun & Rainey, p. 535). This means that organisations have to decide on a goal hierarchy. The spectrum of multiple and sometimes diverging demands and needs among IFs' members makes it difficult for IFs to fix a goal hierarchy. In light of a continuously growing number of linkages with business organisations, I further put forth the assumption that IFs' goal hierarchy is increasingly influenced by business objectives. In smaller IFs, the quest for entering or staying on the Olympic program may be a priority, resulting in a strong alignment with IOC requirements (e.g. FISA, UWW). In bigger and scandal-shaken IFs, the priority may be to rebuild trust and credibility, resulting in a focus on actions that are expected to demonstrate a commitment to reform (e.g. FIFA).

Though sponsors and partners do not necessarily pursue the same goals as IFs, some questions emerge: to which extent does IFs' goal ambiguity impede or favour its business objectives? With regard to *evaluative goal ambiguity*, business partners have their own performance indicators, and which may be totally unrelated to IFs' goals. A sponsor may be interested in the number of website visits, the size of the TV audience or the number of tickets sold. Business partners use sport for their own purposes and regardless of IFs' mission. This raises the question of "convenience marriage": does the IF use the revenues from business partners to pursue first and foremost mission-related goals? And to which extent do IFs fix priorities based on pressures/expectations from business partners (return on investment) rather than on members' needs (*priority goal ambiguity*)?

6.5.1.11. Increase of governance issues

As mentioned at numerous occasions in this thesis, media and researchers seem to be particularly interested in IFs' governance issues. But is this an indicator for increasing governance issues in IFs? By way of illustration, and using Taylor and Francis Online, I have conducted a comparison on the hit ratio for the terms *corruption, *development project and *development program in relation to *sport and *international sport (the terms appear anywhere in the article, not specifically in the title):

Table 25. Hit ratio comparison of the terms *corruption and *development in sport

| Search terms | No filter | Filter: Sports and Leisure |
|---------------------------------------------|-----------|----------------------------|
| *corruption + *sport | 14'273 | 1'719 |
| *corruption + *international sport | 270 | 160 |
| *development project + *sport | 739 | 234 |
| *development project + *international sport | 21 | 13 |
| *development program + *sport | 1'950 | 728 |
| *development program + *international sport | 92 | 55 |

Note: Information has been extracted on 8 October 2017.

Table 25 shows that, even combined, the research for studies including the terms *development project and *development program in combination with *international sport and which have been published in Sports and Leisure journals (n = 88) remains far behind studies including the term *corruption in combination with *international sport and which have been published in Sports and Leisure journals (n = 160). The hit ratio for *corruption in combination with *sport and without using the filter "Sports and Leisure" is even more impressive (n = 14'273). This is only a very plain example, but it supports my general observation of research studies strongly focusing on governance issues when it comes to IFs. Though corruption in sport can be traced back to ancient times, several questions arise from this assessment: first, is there a proven increase in governance issues in IFs? Second, if there is a proven increase, is this evolution due to IFs' growing professionalisation and commercialisation? And third, if there is no proven increase, can we expect an increase in the future due to IFs' growing professionalisation and commercialisation?

I do not have an answer to the above questions. However, I would argue that one of IFs' biggest weaknesses is actors' tendency to adopt opportunistic behaviours (Mason et al., 2006). In line with the principle-agent problem that Mason et al. apply in their study, one could replace "actors" by "agents". In the context of IFs, high-ranking officials taking the main decisions are the agents, and stakeholders (e.g. members, athletes) are the principles. Two interrelated conditions contribute to the increase in agents' opportunistic behaviour: IFs' commercialisation and IFs' autonomy. Over the last decades, the network that IF-officials have developed with business partners has grown considerably. In some IFs, the network has grown to a size where both a clear overview and control of these connections have become difficult. And yet, information gets leaked or investigators uncover corrupt machinations on the basis of overwhelming evidence. A very recent example is the arrest of Carlos Nuzman, former president of the Rio 2016 Organising Committee and president of the Brazilian Olympic Committee. A lawyer by profession, Nuzman has been arrested "for alleged involvement in a vote-buying scandal

connected to Rio's successful bid for the Olympic and Paralympic Games eight years ago ¹²⁹". Numerous other scandals related to governance issues could be listed at this point. However, rather than joining the indignation chorus, I would like to point out an often-forgotten fact: scholars generally only analyse IFs with large revenues. For example, the 2015 indictment against high-ranking FIFA officials "related to an alleged bribery and kickback scheme involving 150 million US dollars" (Henne, 2015). Compared to the 92 IFs that do exist, the number of IFs that have been analysed so far with regard to governance issues remains, however, relatively small. Scholars such as Forster (Forster, 2006, 2016; Forster & Pope, 2004) contribute to the creation of a biased picture by drawing general conclusions from a very small number of international sport organisations. A main driver in channelling scholars' focus is the influence of mass media. Nevertheless, I argue that it is insubstantial to assume that IFs in general tend to be corrupt because FIFA & Co have shown time and time again corrupt behaviours.

At the same time, one should not relate corruption to big money and big IFs only. Transparency International lists 32 different forms of corruption. Some of the 32 forms may appear mainly in relation to big sums of money (e.g. beneficial ownership secrecy, base erosion and profit shifting, money laundering, nominee). Others, however, may appear already when only small sums or even no direct money is involved. Here, the list of Transparency International includes forms such as nepotism (i.e. "someone in an official position exploits his or her power and authority to provide a job or favour to a family member or friend, even though he or she may not be qualified or deserving" 130), conflict of interests (i.e. individuals "choosing between the duties and demands of their position and their own private interests" or patronage (i.e. "form of favouritism in which a person is selected, regardless of qualifications or entitlement, for a job or government benefit because of affiliations or connections" 132). In international sport, the question of good (or better) governance is a much-debated topic (Chappelet, 2011; Chappelet & Kübler-Mabbott, 2008; Chappelet & Mrkonjic, 2013; Forster, 2006, 2016; Geeraert et al., 2015; Maennig, 2002; Pielke, 2013, 2015). However, both the lack of research on less commercialised sports and the fact that corruption has multiple facets reinforces my view that the question of governance issues still only produces a very fragmented and biased picture. In Publication III, we also evoked the Sports Governance Observer Index developed by Play the Game (Geeraert, 2015b) and the difficulty to obtain substantial information from IFs on the basis of which an evaluation could be conducted. The question I would like to raise at this point is therefore: Should IFs'

¹²⁹ Inside the Games. (2017). *Corruption charges against Carlos Nuzman*. Retrieved from https://www.insidethegames.biz/articles/1056298/nuzman-resigns-from-rio-2016-and-brazilian-olympic-committee-positions-to-focus-on-clearing-name

¹³⁰ Transparency International. (2017). *Corruption: nepotism*. Retrieved from https://www.transparency.org/glossary/term/nepotism

¹³¹ Transparency International. (2017). *Corruption: conflict of interests*. Retrieved from https://www.transparency.org/glossary/term/conflict of interests

¹³² Transparency International. (2017). *Corruption: patronage*. Retrieved from https://www.transparency.org/glossary/term/patronage

governance be monitored externally? And if so, who could/should monitor IFs and on the basis of which evaluation criteria?

6.5.1.12. Lack of an appropriate legal frame

Under point 2.3, the questions of the legal frame that applies to IFs based in Switzerland and the (few) efforts that have been made to tighten this frame have already been touched upon. To supplement what has already been said, recent motions (May 2017)¹³³ that have been discussed at the Swiss National Council demonstrate the ambivalent positions regarding IFs' increasing commercialisation. The content of these motions and the decisions that have been taken are briefly summarised hereafter:

- In May 2017, the Swiss National Council rejected three motions that challenged and aimed at
 changing the current legal form of IFs based in Switzerland. The main argument for these motions
 was that the mingling of non-profit mission and economic objectives results in increasingly
 opaque activities.
- One proposal suggested to separate the IF's commercial activities and bundle them in a
 corporation. This should only apply to IFs with high revenue (though it remains unclear what a
 "high revenue" is).
- A similar motion suggested changing the legal form of IFs with high revenues from nonprofit associations to corporations.
- A third proposal went even further, requiring an effective regulation and supervision of IFs, arguing that the limits of self-organisation have long been reached.
- The majority of the members of the Swiss National Council rejected all three motions. The main argument for rejecting the proposals was: audit requirements do already exist for IFs of a certain (financial) size.

Those who have followed the FIFAgate know that external audits are certainly already a step into the right direction, but that informal practices and mechanisms cannot be captured with them. A lot of the details that were revealed by the Swiss public prosecutor and the US Attorney General in 2015 actually touch on information that the auditor (in this case KPMG) would not have access to:

The auditors would have been reviewing FIFA's organisational finances, rather than any private individual transactions made between FIFA officials such as those that are now being investigated. In that sense, it's not clear to me that they [KPMG] would have seen

¹³³ Swiss Parliament. (2017). *Legal form of international sport federations*. Retrieved from https://www.parlament.ch/de/services/news/Seiten/2017/20170503185827079194158159041_bsd203.aspx

the transactions that are now being questioned. Of course: unless these transactions were made through the FIFA accounts to these individuals. (FIFA, H1)

Numerous other examples have taught us that a lot of decisions guided by self-interests and seeking self-enrichment have happened under the cloak of IFs' self-regulation and their claim of nonintervention. As monopolistic organisations (Forster, 2006, 2016), IFs create and apply their own laws. Their autonomy is further supported by intergovernmental organisations such as the United Nations (UN) and the European Union. In a draft document from 2014 entitled "Arrangement for Cooperation between the European Commission and the Union of European Football Associations¹³⁴", it says under point 2.7: "Financial stability, transparency and better governance within sport can be pursued through responsible self-regulation" (p. 3). The term "responsible selfregulation" relates to the recognition of the autonomy of sport through the UN in November 2014. About a year before, IOC president Thomas Bach had advocated the need for sport's autonomy: "Sport [is] truly the only area of human existence which has achieved universal law. But to apply this universal law worldwide, sport has to enjoy responsible autonomy. Politics must respect this sporting autonomy 135". The IOC was very delighted about the UN acknowledgement. Since then, several scandals within the Olympic Movement (e.g. FIFAgate, Russian doping affaire) and within the IOC itself (e.g. corruption allegations against Carlos Nuzman) came to the surface. A headline from 7 October 2017 on the news page Inside the Games stated: "IOC members raise concerns over reputational damage to Olympic Movement following corruption allegations 136". In light of these evolutions, the following questions emerge: What exactly should we understand by "responsible selfregulation"? Where are the limits of IFs' responsible self-regulation? Personally, I believe that one of the main challenges to IFs' responsible self-regulation resides in their governance structure, though, officially, this structure is democratic in the sense that it gives members a voting right. The problem is that member representatives (e.g. NF presidents) are often guided by personal interests, which do not necessarily translate the interests of those they are supposed to represent (e.g. athletes). In the worst case, they result in corruption (e.g. vote buying, favouritism).

 $^{^{134}}$ European Commission. (2014). Responsible self-regulation. Retrieved from $\underline{ \text{http://ec.europa.eu/transparency/regdoc/rep/3/2014/EN/3-2014-7378-EN-F1-1-ANNEX-1.Pdf}$

¹³⁵ International Olympic Committee. *United Nations recognises autonomy of sport*. Retrieved from https://www.olympic.org/news/historic-milestone-united-nations-recognises-autonomy-of-sport

¹³⁶ Inside the Games. (2017). *Reputational damage to Olympic Movement*. Retrieved from https://www.insidethegames.biz/articles/1056254/ioc-members-raise-concerns-over-reputational-damage-to-olympic-movement-following-corruption-allegations

6.5.1.13. Major sport events – the question of saturation and consumption

A study of ASOIF demonstrates the increase of major sport events over the last four decades: while in 1975 the 25 summer Olympic IFs organised 160 international sport events, this number had grown to 2162 by 2013. Starting in the 1960s, and particularly gathering speed since the 1980s, the economy of and around major sport events has been constantly rising, mainly because of broadcasting rights. For the 1960 Olympic Games, the IOC sold the broadcasting rights for USD 3.2 million. Representing a multiplying factor of 312 over a period of 48 years, the broadcasting rights for the 2008 Olympic Games were sold for nearly USD 1 billion! And the American network NBC paid USD 7.5 billion for the Olympic rights until 2032. Another example is FIFA: over a period of 20 years, revenues from broadcasting rights for the FIFA World Cup have multiplied by 22. And "global broadcasting rights for the Tour de France probably amount to about EUR 50 million a year" (Andreff, 2016). Several other major sport events (and with them the event owners) have reached levels of profitability that exemplify the exponential growth of revenues, especially through the selling of broadcasting rights. It is therefore little surprising that big and small IFs seek to expand their event portfolio and reach out to new markets to stage their events. Nowadays, sport events constitute in fact the heart of IFs' economic model (Bayle, 2015).

However, a recent study of PwC (*PwC's Sports Survey 2017*) reveals that the sporting economy may have reached its peak and be actually on the decline. The study is based on an online questionnaire that was completed by 189 different stakeholders in the sports industry (e.g. IFs, clubs and leagues, broadcasters and media companies). It appears that broadcasters in particular were very pessimistic regarding the future growth of sport. For them, OTT solutions represent the biggest threat. OTT stands for over-the-top content, meaning content (e.g. audio, video) that is transmitted through the Internet. IFs therefore have to adapt to possible evolutions of viewer behaviours. Related herewith, the bargaining of broadcasting rights may change considerably in the future if the content is accessible for free on the Internet. At the same time, OTT solutions also offer a number of possible advantages. First, "the traditional model of rights payments to sport might now extend to other possibilities, such as revenue sharing approach" (Turner, 2017, p. 53). Second, smaller and so far less mediatised sports have the possibility to reach out to a wider audience through OTT (e.g. YouTube channels). On the other hand, the latter further increases the number of sport events in media. Additional questions to look into in the future should therefore be: *Is there a point of market saturation for major sport events? Will fans get tired of an overabundance of sport events and turn to other pastimes?*

6.5.1.14. Growing uncertainty of event outcomes: the question of event attractiveness and the need to diversify revenues

Increasing reluctance of host cities to organise the Olympic Games, previously a highly competitive event, is interpreted by several as the looming decline of the Games' attractiveness. After the withdrawals of Boston, Hamburg and Rome, Budapest was the fourth candidate to pull out of the 2024 summer Olympic Games bidding. The main opposition comes from the population, the taxpayers, who fear the gargantuan costs of organising the Games. In the case of Boston, the powerful opposition campaign argued that "the economic benefits touted by the International Olympic Committee (IOC) were overstated" 137. Withdrawals from the 2022 winter Olympic Games (Oslo, Stockholm, Lviv and Krakow) seem to confirm a growing opposition. And the estimated USD 35-40 million debt of the Rio Olympics organisers and sport venues lying in ruins one year after the Games is only nourishing the opposition. Other sports such as cycling seem to struggle as well to find organisers. The bid for organising the 2016 UCI Road World Championships, the federation's cash cow event, went to the highest bidder at that time: Qatar. A former UCI sports director sees the risk in the event now being over-priced and less attractive (because less affordable) for organisers: "It will be very difficult in the future to maintain similar revenue streams" (UCI, C1, free translation from French). In times of declining bids and increasing event costs, IFs whose economic model evolves around one major event are particularly vulnerable. Declining revenues in this event or lack of bids risk to unbalance the IF's entire economic model.

Research on financial capacity in NPOs (e.g. Carroll & Stater, 2009; Chang & Tuckman, 1994; Froelich, 1999) and NSOs (e.g. Millar & Doherty, 2016; Vos et al., 2011; Wicker et al., 2013) evince that environmental uncertainty and uncertainty of outcomes increasingly push these organisations to adopt a strategy of revenue diversification. Revenue diversification in NPOs is not new. In nonprofit literature, revenue diversification has already been considered for a long time as being essential for NPOs to carry out their mission: "Nonprofit organizations must rely on a variety of activities and resource providers to support their mission related work" (Froelich, 1999, p. 247). Meanwhile, revenues from commercial activities are often considered as controversial (Tuckman, 1998; Weisbrod, 1998) due to a possible mission dilution and drift. As mentioned before, IFs increasingly rely on revenues from the commercialisation of their events. The FIFA World Cup alone represented 83% of FIFA's overall income between 2012-2015. And Publication III demonstrated that out of 22 Olympic IFs analysed, 13 generated 50% or more through their events. However, as PwC's *Sports Survey 2017* emphasises, people involved in the sports industry predict that, in the near future, sport might become one of the most disruptive industries.

To further explore the question of growing uncertainty of event outcomes and revenue diversification, the analysis should not be restricted to pressures from external partners only but

¹³⁷ The Guardian. (2015). *Hosting the Olympics*. Retrieved from: https://www.theguardian.com/sport/shortcuts/2015/nov/30/hosting-olympics-hamburg-drop-out-2024-games

include IFs' general environmental context instead. For future studies, it would be interesting to analyse whether IFs with low levels of event commercialisation are affected in the same way as IFs with high levels of commercialisation. I hypothesise that less commercialised IFs naturally tend to adopt revenue diversification strategies. However, IFs' possibilities for revenue diversification remain very small. An increase in service fees may, for instance, entail a crowding out effect of members who are either unwilling or unable to pay higher fees. So far, the biggest potential for revenue diversification still lies in IFs' sporting events, either by increasing the attractiveness of their flagship event or by diversifying their event portfolio in order to have several smaller but profitable events (many IF-events are not profitable and cross-subsidised by the IF's flagship event). Based on above reflections, the following question emerges: Which strategies do IFs adopt to diversify their revenues?

6.5.2. Sector bending and mission drift

In light of numerous governance issues in some IFs and increasing commercialisation across IFs, I decided to elaborate a bit more on the question of IFs' possible sector bending and mission drift. Considering mission drift as one of the major challenges IFs have to face, this section mainly discusses possible indicators for IFs' mission drift and suggests some useful starting points to further investigate the topic. There is little doubt that sport has reached the status of being a global entertainment industry, generating important economic incomes and assembling millions of people. Seemingly regardless of this evolution, the way IFs like to present themselves is to emphasise first and foremost their importance as carriers of social and educational values, and their role as facilitators of peace and development. Since the late 1990s, numerous scandals (see 3.1.2.2) have raised outrage and scepticism among regulators and the general public (media, fans, sponsors). IFs' evolution and their growing focus on (sometimes extremely) profitable activities while continuing to enjoy and claim nonprofit status are worth taking a closer look. Is there a conflict in IFs generating enormous amounts of profits? How should the profits be best invested? And who decides on it? To start with, Table 26 provides examples of nine IFs of different size and their expenditure characteristics. One of the patterns this table enables to uncover is that important parts of IFs' expenditure seem to be absorbed by administrative costs. IFs with very high revenues (here: FIFA and ICC) constitute the only exceptions. Conversely, IFs with high revenues invest heavily into events. Based on these observations, the questions of IFs' administrative size and level of event commercialisation are expected to play a crucial role in federations' profit redistribution patterns. Overall, most IFs can be classified as small or medium-sized enterprises according to the classification of the EU¹³⁸. Large IFs such as FIFA are exceptions.

 $^{^{138}}$ Medium-sized: headcount <250 & turnover \leq EUR 50 millions; small: headcount <50 & turnover \leq EUR 10 millions; micro: headcount <10 & turnover \leq EUR 2 millions.

Table 26. Characteristics of in nine IFs

| IF | Staff size | Development | Administration | Events | Revenue (period) |
|---------------------|------------|-------------|----------------|--------|----------------------|
| FIAS ¹³⁹ | <10 | 0% | 49% | 45% | USD 7.5m (2012-2015) |
| FIFA | >450 | 18% | 18% | 53% | USD 5.8b (2012-2015) |
| FIH | about 35 | 15% | 54% | 21.5% | USD 31m (2013-2015) |
| FIS | about 60 | 25% | 57% | 18% | USD 122m (2012-2015) |
| ICC ¹⁴⁰ | - | 1% | 29% | 70% | USD 935m (2012-2015) |
| IFA ¹⁴¹ | <10 | 25% | 44% | 23% | USD 0.2m (2011-2014) |
| IFMA ¹⁴² | <10 | 11% | 40% | 10% | USD 3.1m (2013-2015) |
| UCI | about 80 | 12.5% | 52% | 25.5% | USD 156m (2012-2015) |
| WCF | about 12 | 10% | 71% | 12% | USD 29m (2012-2015) |

Note: numbers are based on the analysis of IFs' financial statements for the period indicated. The currencies originally used (CHF and EUR) have been converted into USD based on the exchange rate of the 31 December 2014/2015: 1 CHF on 31 December 2015 = 1.006361 USD; 1 EUR on 31 December 2014 = 0.812139 USD. Results are rounded up (≥ 5) or down (< 5) to the nearest whole number.

Since the Salt Lake City scandal and the Festina Affair, both emerging in 1998, studies on corruption (Jennings, 2011; Maennig, 2002), the IOC's long-standing culture of bidding improperties (Dichter, 2016), doping (Hanstad, 2008; Laser, 2015), IFs' general governance problems (Forster, 2006; Geeraert, 2015b; Geeraert et al., 2014; Tomlinson, 2014) and reform strategies to solve these problems (Chappelet, 2011; Geeraert et al., 2015; MacAloon, 2011; Mason et al., 2006; Pielke, 2013) constitute the main research on IFs. The seemingly ever growing dimension of sport scandals is further emphasised through actions taken by public institutions (e.g. European Parliament: *Anti-corruption measures in EU-sports policy*), reports established by non-governmental organisations (e.g. Transparency International: *Global Corruption Report: Sport*) and the organisation of international conferences on these issues (e.g. *Play the Game*). In order to give some impressions of the complex structures into which IFs have evolved since their creation, both in terms of individual and organisational logics, a brief glance at three scandals is provided: (1) the Salt Lake City bid scandal and (2) the Festina affair as the dominant sporting scandals in 1998 and which, in a sense, marked the beginning of the era of investigations into IFs' irregularities; and (3) Volleygate, a less mediatised scandal about Ruben Acosta's personal enrichment as FIVB president.

¹³⁹ FIAS – Sambo International Federation

¹⁴⁰ ICC – International Cricket Council

¹⁴¹ IFA – International Fistball Association

¹⁴² IFMA – International Federation of Muaythai Amateur

Salt Lake City bid scandal (IOC)

Allegations around the awarding of the 2002 Winter Olympic Games to Salt Lake City "were especially damaging for the IOC when it was publicized that several IOC members had received lavish gifts and favors in exchange for votes" (Mason et al., 2006, p. 53). To influence IOC votes for the Salt Lake City Candidature to host the 2002 Winter Olympic Games, the Salt Lake City Candidature Committee allegedly offered cash payments, free medical care, real estate deals and other gifts that were accepted by about 30 IOC members. Though accepting gifts was considered unethical, none of the persons involved was actually convicted. However, the scandal plunged the IOC into a deep governance and image crisis. By entering the search terms *Olympics and *corruption into the database Lexis-Nexis, Mason et al. (2006) found more than 600 newspaper articles published in 2001 alone. It seems that the public opinion, media and the pressure from sponsors forced the IOC to carry out far-reaching governance reforms, notably regarding accountability. Ten years after the IOC's reform, Chappelet (2011) uses the Global Accountability Framework, a four-dimensional model including transparency, participation, evaluation and complaints and response, to analyse the actual implementation of the accountability concept at the IOC. Even though the IOC's accountability has progressed since 1999, Chappelet points out some persisting shortcomings such as the lack of independence of the Ethics Commission¹⁴³ and of a "fully fledged monitoring organisation" (p. 328). In 2008, One World Trust, a British independent think tank, even concluded that the IOC was the least transparent organisation among 30 international organisations analysed in the report.

Festina Affair (UCI)

Corruption scandals such as the Salt Lake City bid scandal reveal a profound agency problem in terms of conflicts of interest (Mason et al., 2006), a concern that, in fact, many NPOs encounter. Doping can be regarded as a specific type of corruption (Kihl et al., 2016), most often related to high performance sports, even though the estimated number of unrecorded cases in amateur sports is expected to be fairly high (Kayser, Mauron, & Miah, 2007). In 1998, the credibility of the UCI as cycling's governing body was, for its part, shaken by the Festina doping affair. The affair resulted in an atmosphere of general suspicion against the UCI as the recognised author, guardian and executive power of international cycling rules. The scandal unfolded thanks to a routine border check of a Festina team car at the border of Belgium and France during the 1998 Tour de France. Large amounts of performance enhancing drugs were seized. Riders protested against inspections of team cars and hotel rooms. The incident led to a number of doping investigations in cycling teams, entailing several doping confessions from riders and revealing deeply entrenched doping practices across the peloton. Since the Festina Affair and other doping cases, cycling and the UCI suffer from severe and repeated

¹⁴³ The statutes of the Ethics Commission stipulate that a majority of its 8 members has to be from outside the IOC in order to be truly independent. This has not been respected since 1999 (J.-L. Chappelet, 2011). At the beginning of 2017, the composition is 4:4 (source: https://www.olympic.org/ethics-commission).

damages to their image based on a general suspicion of systematic doping among cyclists (Dresen, Kläber, & Dietz, 2014), critics of insufficient mechanics of doping prevention (Hill, 2016) and questions about the effectiveness of sanctions inflicted by the UCI (2015 CIRC Report).

Volleygate (FIVB)

The leadership of Ruben Acosta at the FIVB (1984-2008) is perhaps more a story of individual greed than of systematic corruption. The Oxford Dictionary defines *corruption* as "Dishonest or fraudulent conduct by those in power, typically involving bribery¹⁴⁴" and *greed* as "Intense and selfish desire for something, especially wealth, power, or food¹⁴⁵". His position as autocratic leader eventually allowed Acosta to run the FIVB as a family company and to extend his influence at a maximum to his own advantage. Between 2000 and 2008, and thanks to a rule passed by the FIVB Congress and "by which FIVB representatives could cash in 10 percent of contracts that they signed on behalf of the FIVB¹⁴⁶", the personal commissions Acosta took on FIVB contracts amounted to USD 33 million. This represents more than USD 4 million per year between 2000 and 2008. The rule was actually all to Acosta's favour as, according to the FIVB statutes back then, only the FIVB president was enacted to sign contracts on behalf of the FIVB. As the FIVB never accepted the jurisdiction of the Court of Arbitration for Sport (CAS) throughout the reign of Acosta, the FIVB president could not be judged by it during his presidency.

Many more (and more recent) examples could be cited here such as the FIFAgate or the embroilment of IAAF in alleged kickbacks related to bidding processes and bribed governance elections. The FIFAgate is probably one of the most emblematic IF-scandals in recent times as it uncovered a remarkably engrained reluctance to profound and necessary change despite repeated problems of mismanagement. Previous scandals at FIFA include Mohamed Bin Haman's ban from all international and national football activities for having bribed FIFA officials in return for their votes for Qatar to host the 2022 FIFA World Cup (2011), as well as the "incomplete and erroneous¹⁴⁷" publishing of Garcia's report into FIFA's corruption allegations (2014). The FIFAgate imploded in May 2015 as a result of exposed corruption practices within FIFA such as "racketeering, wire fraud and money laundering conspiracies¹⁴⁸" (US Department of Justice, 3 December 2015) revealed by whistle-blowers, media investigations and police inquiries. It culminated in the arrest of nine high

https://en.oxforddictionaries.com/definition/corruption

¹⁴⁴ Oxford Dictionaries. (2017). *Definition: corruption*. Retrieved from

¹⁴⁵ Oxford Dictionaries. (2017). *Definition: greed*. Retrieved from

https://en.oxforddictionaries.com/definition/greed

¹⁴⁶ Play the Games. (2014). *On the FIVB scandal*. Retrieved from http://www.playthegame.org/fileadmin/documents/FAV-FIVB-summary by Play the Game-2014update.pdf

¹⁴⁷ The Guardian. (2014). FIFA ethics report. Retrieved from

https://www.theguardian.com/football/2014/nov/13/farce-fifa-michael-garcia-erroneous-ethics-report

¹⁴⁸ The United States Department of Justice. (2015). FIFAgate. Retrieved from

https://www.justice.gov/opa/pr/sixteen-additional-fifa-officials-indicted-racketeering-conspiracy-and-corruption

FIFA officials and five affiliated corporate executives during and in the aftermath of the FIFA Congress in May 2015.

The above examples all relate to IFs that have strongly commercialised since the 1980s. It would, however, be too simplistic to conclude that commercial IFs are more likely to develop governance issues. ASOIF is currently carrying out a governance assessment of the 28 summer Olympic IFs (one part as self-assessment, one part as assessment through ASOIF). From this governance assessment, two remarkable findings stick out: first, the assessment reveals that FIFA, despite repeated governance scandals, achieved the highest score in terms of practices of good governance; second, the assessment reveals that, of the 28 IFs, only two have assessed themselves less positively than ASOIF (while AIBA largely overrated itself). These two IFs are FIH and FISA. Taking first a closer look at the case of FIFA, the essential question, and which has already been raised in Publication III is: to what extent can formally adopted practices of good governance capture the organisation-internal accuracy with which these practices are being executed? The comment of a former FIFA staff member from the legal department, saying that it is impossible for an external auditor to uncover improper private individual transactions, shows that formal practices are already good but perhaps not sufficient. This may actually hold true for any other nonprofit or for-profit organisation. However, two things may complicate the situation in IFs: change of mind-set, for example through education, and sanctions. It is very likely that improper mechanisms that are being revealed through investigations have existed for decades in IFs and/or are even part of the IF's culture. On the other hand, some smaller IFs scored very low in ASOIF's governance assessment. What if the financial sums involved in these IFs are just too small for anyone to make a scandal of it? And in case the IF one day generates large revenues and the mechanisms continue, perhaps there will be a scandal? At the moment, IFs also know that a breach of IOC guidelines has barely any consequence. Some general challenges emerge:

- Changing the mind-set of long-standing officials to make them apply practices of good governance.
- Form/sensitise future officials through education regarding good governance.
- Determine to what extent IFs' autonomy and lack of sanctions impede the efficient application of practices of good governance.

The cases of FIH and FISA reveal a particularly interesting behaviour. These two federations assessed themselves less positively than ASOIF did. What triggers a federation's high expectations and a (overly) critical approach towards its own standards of good governance? A possible explanation can be found in literature: Amis et al. (2002) argue that transition is more easily accepted if the organisation is composed of members whose values are consistent with the prescribed changes. The authors observed that successful change "will depend on how closely the values held by

individuals within an organization coincide with the changes being proposed" (p. 461). According to them, a key role in leading change lies with the federation's most influential members. Based on Amis et al.'s findings, one would assume that, if the individuals' commitment remains the same, FIH and FISA are likely to improve their governance practices quickly. On the other hand, in IFs where governance issues persist, it is likely that the prescribed changes meet resistance among influential members. This resistance either slows down the change process and reform or even results in organisational inertia. As a recommendation to managers of these IFs, I refer to Burns (2004): "An important managerial task will, therefore, be to identify sources of inertia, assess the skill mix within their organisation and, most of all, consider whether their own managerial attitudes and styles are appropriate" (p. 304).

The above-described challenges raise the question of mission drift and sector bending as a result of IFs' increasing commercialisation. As mentioned before, several scholars note that revenue diversification through commercial activities is all but new in the nonprofit sector (Child, 2010; Dees & Anderson, 2003; Froelich, 1999). With growing environmental complexity and financial uncertainty due to cutbacks in governmental funding, revenue diversification constitutes in fact a useful strategy for NPOs to stabilise financial revenues that are necessary for them to carry out their mission. Simultaneously, for-profits also entered the nonprofit sector by providing services that were traditionally covered by non-profits. Dees and Anderson (2003) refer to this evolution as boundaryblurring of traditional sectors or sector-bending: "Sector-bending refers to a wide variety of approaches, activities, and relationships that are blurring the distinctions between nonprofit and forprofit organizations, either because they are behaving more similarly, operating in the same realms, or both" (p. 16). If it is the NPO behaving more similarly to for-profits, scholars also speak of businesslike behaviour (Cornforth, 2003; Hwang & Powell, 2009; Maier et al., 2014). As already mentioned in Publication III, Dees and Anderson (2003) define sector-bending around four broad dimensions: imitation (i.e. growing adoption of strategies, concepts and practices of the business-world), interaction (i.e. increasing interaction between nonprofits and for-profits as competitors, contractors and collaborators), intermingling (i.e. occurrence of hybrid organisations, meaning with both nonprofit and for-profit components) and *industry creation* (i.e. new sector-blurring fields of practice). Though NPOs' mingling with commercial activities generally raises many concerns (Anheier, 2000; DiMaggio & Powell, 1983; Weisbrod, 1998), Dees and Anderson also put forward potential benefits. Three of them are explained and challenged hereafter:

• More effective and appropriate resource allocation: for instance, for-profits serving those willing and able to pay, and NPOs focusing on those needing philanthropic subsidies; commercial revenues enable NPOs to have a greater pool to provide social goods; use of appropriate business tools may improve NPOs' effectiveness.

Indeed, IFs generally argue that high commercial revenues benefit their wider system. However, as already mentioned earlier, FIFA claims to invest 71% of its expenses into football, 53% of which are, however, directly reinvested into the FIFA events and only 18% into development projects. One may ask whether more of the revenue could/should be distributed to the members and development projects? And if so, why is it currently not the case? Of course, the revenue distribution should not put the IF's economic model at risk. The question is more whether a federation like FIFA really distributes a maximum to its members and to the development of its sport.

 More sustainable solutions: for instance, seeking systemic and sustainable solutions; use of business tools to achieve goals.

A potential weakness in this argument relates to the risk of social goals being gradually replaced by business goals. For instance, the structure and functioning of IFs with highly commercial events increasingly resembles business organisations. As a result of IFs' commercialisation, departments such as marketing, communication and events have grown substantially. Compared to this, the department of development remains relatively small, if it exists at all, and the concept of corporate social responsibility is still fairly unknown to or being ignored by IFs.

• <u>Increased accountability:</u> for instance, increased accountability through market discipline and customer relationship.

Voices claiming more transparency and accountability from IFs do indeed get louder. However, changes to IFs' current nonprofit status, which enables them to enjoy considerable legal freedom and flexibility, seem to meet more opposition than consent (see the three motions rejected by the Swiss National Council in May 2017). Being NPOs, the rules of the market do not fully apply to IFs and therefore have no influence on increasing their accountability.

Besides potential benefits of NPOs' sector-bending, Dees and Anderson (2003) also note that the merging of social goals and business activities harbours certain risks. One risk is a decline of social values through the use of market mechanisms, including mission drift. The term mission drift echoes the concern of NPOs losing sight of their social mission, their existential purpose and values inherent to this purpose when giving priority to commercial activities (Ebrahim et al., 2014). Referring to Weisbrod (2004), Jones (2007) defines mission drift as "a diversion of time, energy and money away from a nonprofit's mission" (p. 300). While it is legitimate for NPOs to turn towards commercial activities in order to generate revenues that allow them to carry out their mission, individuals' diverse and sometimes conflicting personal interests may enforce a mission drift. To avoid mission drift,

NPOs' governance should monitor commercial revenues as well as the relationship between resources that are invested into social activities and those that are invested in commercial ones. Taking the example of FIFA, one may question whether the proportion of 53% investment into FIFA events (2012-2015) against 18% investment into development can be considered as a fair redistribution of revenues. The UCI is another example: by charging higher fees for teams and event organisers with the purpose of increasing revenues (see Publication IV), the federation negatively contributed to the precarious situation of the main sporting actors, namely athletes and event organisers. A final question therefore emerges: *How can IFs' alignment with the mission that has been entrusted to them by their members be measured?*

6.6. Contributions and limitations

This thesis pursues the goal of immersing into IFs as organisations that attract a lot of media attention but have, so far, mainly been investigated under the aspects of governance issues. For this purpose, the thesis focuses on the concepts of and interrelationship between professionalisation and commercialisation in the context of IFs. Investigating concepts of professionalisation and commercialisation, the thesis makes useful contributions to the sport management literature. Besides having raised three research questions and provided answers to them, the thesis further proposes a typology (though undoubtedly a typology in its infancy), develops managerial implications of professionalisation and commercialisation in IFs as well as several thought-provoking questions. Findings can be organised around three broad contributions: empirical contributions, theoretical contributions, and managerial contributions.

6.6.1. Empirical contributions

While studies on NSOs have analysed and compared fairly large numbers of cases, only a handful of IFs have been in the focus of separate scholarly studies. Table 27 exemplifies the striking difference in terms of sample size:

Table 27. Comparison of cases analysed at national and international level

| National sport organisations | | International sport organisations | | |
|------------------------------|----------------|-----------------------------------|---------------------|--|
| Author(s) | N° | Author(s) | N° | |
| Kikulis et al. (1992; 1995) | 36 (Canada) | Chappelet (2014) | 1 (IOC) | |
| Amis et al. (2004b), | 36 (Canada) | Krieger (2016) | 1 (IAAF) | |
| Hinings and Slack (1987) | 36 (Canada) | Tomlinson (2014) | 1 (FIFA) | |
| Inglis (1997a) | 41 (Canada) | Forster (2006) | 3 (FIFA, IOC, IAAF) | |
| Shilbury (2001) | 28 (Australia) | Pielke (2013) | 1 (FIFA) | |
| Hoye (2003) | 42 (Australia) | Wagner (2010) | 1 (UCI) | |
| Bayle and Madella (2002) | 40 (France) | Hanstad (2008) | 1 (FIS) | |
| Theodoraki and Henry (1994) | 34 (England) | Phelps (2010) | 1 (ITU) | |
| Winand (2010) | 27 (Belgium) | | | |

This comparison implies already that empirical evidence on IFs is very scarce (only five different international sport organisations figure in Table 27) and therefore does not allow for generalisation. As mentioned at several occasions, most of the international sport organisations listed above (with the exception of ITU) have been investigated in relation to specific governance scandals. This being said, the empirical contribution of this thesis and its publications is to have analysed a total of 22 IFs (six IFs in the Publication I, one in the Publication II, 22 in the Publication III, 18 briefly and four in detail in the Publication IV). The staff size of the analysed IFs varies greatly (<10 to >450), as do their revenues (annual revenues 2012-2015 between <CHF 10 million and USD 1.5 billion). This represents an important difference to most studies on IFs that focus mainly on some prominent and dominant IFs. By systematically gathering extensive data on several IFs regarding causes and consequences of professionalization as well as conditions of commercialisation, this thesis allows to analyse commonalities, compare IFs and draw first data-driven conclusions. Furthermore, rather than adding another study on mediatised governance issues, this thesis focuses on the concepts of professionalisation and commercialisation and provides information on IFs' structure (e.g. staff size), and functioning (e.g. processes, strategy, economic model).

6.6.2. Theoretical contributions

The main theoretical contributions of this thesis are the conceptualisation of professionalisation and commercialisation in the context of IFs, the use of institutional theories to explain IFs' transformation and the attempt to distinguish ideal types based on findings from the four publications.

<u>Conceptualisation:</u> The concepts of professionalisation and commercialisation are central to current transformation processes in IFs. Though various aspects of professionalisation have been analysed in the context of NSOs, attempts to conceptualise professionalisation are fairly recent (e.g. Dowling et

al., 2014; Nagel et al., 2015; Ruoranen et al., 2016). Meanwhile, investigations of IFs' professionalisation have been largely ignored despite evident evolutions in this direction. Commercialisation, on the other hand, has received little academic attention in both national and international sport organisations. And yet, several scholars (and the media) easily link IFs' governance scandals to their commercialisation. In light of a lack of empirical data and yet an obvious influence of professionalisation and commercialisation processes on IFs' current structure and functioning, concepts, empirical findings related to these concepts, as well as further research questions that emerged from the inductive research design of this thesis were discussed. The conceptualisation of IFs' professionalisation and commercialisation therefore constitutes a first theoretical contribution. Both concepts have been discussed extensively in the literature review and in Publications I and III. In addition, considerations on the interrelationship between professionalisation and commercialisation in IFs have been provided in the discussion (6.3).

Institutional theories: This thesis strongly leans on the application of institutional theories and especially on new institutionalism. Findings clearly show that IFs yield to institutional pressures, notably when this enables them to improve their (damaged) image and increase their legitimacy in the eyes of regulators and the general public. The risk is, however, that reforms/changes are a mere façade behind which processes (and governance issues related herewith) remain untackled. Such a façade allows IFs to divert the critical eye on them. However, in light of IFs continuing to enjoy "responsible self-regulation" (e.g. great legal freedom and relatively little pressure for proper accountability) while the list of governance scandals gets longer, the question of the effectiveness of institutional pressures remains to be answered. Drawing on the DiMaggio and Powell's (1983) concept of isomorphism, Publication I demonstrates that external (and often coercive) pressures from regulators (e.g. public authorities) and the general public (e.g. media) are likely to have an accelerating effect, while change as a result of internal factors, mimetic and normative pressures (e.g. management practices, organisational culture, leadership) follows a slower pace. Leadership appears to have both an accelerating and a decelerating effect. For instance, a change in president or general director is often accompanied by far-reaching changes, especially if there was external pressure for a change in leadership (e.g. FIFA, UCI, UWW). For successful change to occur, a systematic and well-thought out approach is required. As Gill (2002) notes, comprehensive change "must be well managed – it must be planned, organised, directed and controlled – it also requires effective leadership to introduce change successfully: it is leadership that makes the difference" (p. 307). Findings from Publication I further suggest that, in the long term, the accelerating effect of a new leader slows down and gives way to a slower phase of systematically managed change.

<u>Ideal types:</u> Based on findings from the four publications, three dimensions related to IFs' structure and four related to their strategy were used to see whether particular characteristics can be

distinguished and whether combinations of characteristics reveal the emergence of ideal types. The dimensions related to structure are: size, commercialisation and solidarity/redistribution model. The four dimensions related to strategy are: image/reputation, communication, accountability and strategic plan. Constituting only a first attempt of classifying findings, I suggest four ideal types: the market dominator, the marginalised, the innovator, and the traditionalist. In line with Kikulis et al. (1992), who developed design archetypes for NSOs (Kitchen Table, Boardroom, Executive Office), a unitary view on professionalization and commercialisation would level variations between IFs. Referring to Miller and Friesen (1984), Kikulis et al. note in this regards: "the incentive for organizational analysis and specifically the analysis of change, is to look for patterns of reality in organizations around which to develop an understanding of the order that exists within the context of variety and complexity of organizations" (p. 344). The design archetypes developed by Kikulis for Olympic NFs could equally be applied to IFs. Many NFs receive important funding from their government. Though IFs generally do not receive governmental funding, many Olympic IFs depend on the Olympic revenue share. The strategic focus of many Olympic NFs is on performance sport as international sporting success in the form of medals is directly linked to government funding. Here as well, a parallel can be drawn with regard to Olympic IFs: Olympic IFs need success in the sense of popularity (e.g. spectator and viewer numbers, tickets sold, sponsorship deals, global spread of the sport) to stay on the Olympic program. As mentioned earlier, through a list of evaluation criteria the IOC establishes a ranking on the basis of which IFs' inclusion in the Olympic program is evaluated and their part of the Olympic revenue share is determined. The ideal types suggested in this thesis propose a continuation of the design archetypes of Kikulis. All Olympic IFs analysed in this thesis do in fact show characteristics of the Executive Office. The question is rather: what comes after the Executive Office? And which structure/strategy patterns emerge or can be determined? The ideal types presented in section 6.4 are only a first attempt of classifying empirical findings. Nevertheless, they might constitute a possible starting point to analyse dynamics of change in IFs.

6.6.3. Managerial contributions

Against the background of a fast changing and complex environment, the thesis provides numerous insights into the challenges and opportunities that IFs currently have to face: the uncovering of drivers of and barriers to IFs' professionalisation through the comparison of several IFs may help raise sport managers' awareness about triggering and hindering factors; concrete examples of and a deeper immersion into the leadership of several key actors may further enhance sport managers' understanding of how sport organisations transformed from loose structures run by volunteers to become complex organisations that increasingly resemble business organizations; and based on findings from the four publications, 15 managerial implications are briefly discussed: (1) heterogeneity, (2) growing number, diversity and expectations of stakeholders, (3) need for efficient

and ethical leadership, (4) growing pressure to commercialise, (5) corporate management practices, (6) reluctance to change, (7) political governance, (8) development of and through sport, (9) social media use, (10) conflicting rationales (goal ambiguity vs. business objectives), (11) increase of governance issues, (12) lack of an appropriate legal frame, (13) major sport events, (14) growing uncertainty of event outcomes and (15) sector bending and mission drift. Though findings show overlaps with general NPO-literature and studies on NSOs, they only represent a first attempt of data collection and data analysis with regard to IFs' professionalisation and commercialisation. Therefore, no recommendations have been established.

A final observation, which perhaps did not receive sufficient attention in this thesis, emerged from interviews: in terms of human resource management (HRM), IFs generally do not use specific strategies to attract, further and/o maintain employees. There seems in fact to be no need for IFs to develop a strategy to attract employees as they receive enough applications (see earlier quote on the FIH receiving minimum 250 applications for each open position with applicants being often overqualified). Because of the images of sport that are conveyed by the media, sport federations attract especially younger persons. However, the staff turnover in IFs appears to be fairly high¹⁴⁹. One of the reasons might be lacking prospects regarding individuals' professional development and insufficient incentives to maintain employees. Possible explanations are: firstly, IFs are mainly conducting administrative tasks and these tasks change only slowly if any, hence allowing little leeway for development; secondly, and maybe unlike other professions and organisations, there seems to be no real career plan in sport administration and only few IFs support employee training; and thirdly, for many IFs human resource management and employees' development and training is not a priority, also because employees are relatively easy to replace. Meanwhile, a tendency towards an increasing need for very specialised workforce emerges as the result of two evolutions: IFs' growing mingling with for-profit organisations and their expectations; and the replacement of external consultants through the hiring of in-house experts (e.g. social media, business development and strategy). It will be interesting to see how the increasing overlaps between IFs, business organisations and business practices will impact IFs' human resource management in the future. The high staff turnover could further be used as a useful indicator for staff satisfaction. In terms of HRM, questions of interest for future research could be:

- What are the characteristics of employees in IFs compared to those working in private or public organisations?
- What attracts IFs' employees? Is it mainly the sport or is it because of specific values?

¹⁴⁹ "They [AIBA] have a turnover as I have never seen it before, not even outside the sports movement. The person responsible for anti-doping may change four times in one year with absolutely no knowledge transfer" (WADA, A4, free translation from French).

• What will be the consequences of educational paths dedicated specifically to sport professions on IFs' future development and change?

6.6.4. Limitations

Throughout the four articles, specific research limitations were addressed. However, before turning to the specific limitations, some particular challenges and one general limitation are worth mentioning. The first challenge was the general lack of empirical findings on IFs from previous studies. While studies on NSOs are abundant, relatively few studies exist on IFs. Of these, most apply a very restricted focus on governance issues in a handful of very prominent and dominant IFs (and the IOC). The lack of existing studies on IFs made it difficult to compare with and build on findings from previous research (e.g. confirm, reject). The second challenge was the difficulty to access IFs and information on them. IFs are known to be very closed systems and often do not like to be investigated. Taking up contact with IFs and getting through to the right persons is often very difficult, unless researchers already have a contact in the IF. A limitation that applies to all four publications is that only analysed Olympic IFs were analysed. The choice stems from the fact that information on Olympic IFs (especially financial information) is easier to access. For future studies it might be useful to extend the scope to non-Olympic IFs. This would allow researcher to control whether first findings can be further consolidated and whether new elements that have either not been observed so far or not been sufficiently treated emerge. Though non-Olympic IFs may compete with other IFs for inclusion on the Olympic program, they do not receive Olympic revenue. They are therefore expected to develop different strategies compared to Olympic IFs (e.g. financial resources). Also related to the question of accessibility is the choice of IFs for in-depth case studies. All IFs in which interviews were conducted are based in Switzerland. The question of concrete impacts of regulatory constraints on IFs has only been broached through isolated examples in the general context. It becomes, however, evident that IFs enjoy extensive legal freedom and fiscal advantages in Switzerland. The closeness to the Olympic movement, synergies between IFs and the stable social, political and economic environment are good arguments for settling in Switzerland. A broader analysis including IFs outside Switzerland might answer the question of the motives, advantages and disadvantages for IFs to have their headquarters in a specific country. In the following, main limitations emphasised in the four publications are briefly summarised.

• <u>Publication I:</u> Findings of the article only provide a simplified picture of major drivers. They do not reflect the detailed analyses of IF-specific dynamics and intensity of causes. To further investigate the intensity of drivers for and barriers to IFs' professionalisation, a purposive selection of IFs for single cases studies might be useful. Criteria for a purposive selection

could be, for instance, size (staff headcount), winter/summer sport, team/individual sport, commercialisation and popularity. Also, the small sample size (n=6) does not allow for generalisation.

- <u>Publication II:</u> Biographic studies such as this book chapter bear the risk of establishing a
 biased picture. We consciously tried to work with this risk by integrating opinions from
 various contemporaries. However, we cannot exclude that the picture remains biased to some
 degree.
- Publication III: A first limitation of this article concerns the period of investigation for which data were collected. In fact, the periods of investigation for the outcome and the conditions are not fully congruent. While the outcome is backward looking (2010-2013 and 2012-2015), the conditions are based on recent data (2015-2017). Lacking access to information before the year 2015, while at the same needing the last completed Olympic cycle as financial time frame, another setup was not possible. A longitudinal study (e.g. annual collection of specific information) could remedy this situation. And second, the csQCA approach masks finer distinctions because of its dichotomous nature. The application of a fuzzy-set QCA represents a possible solution.
- <u>Publication IV:</u> Finally, as in the case of Publication I, findings from this book chapter do not allow for generalisation and only represent a first exploratory approach. For a more solid classification, the analytical model should be applied to a larger sample.

Beyond the limitations encountered through the four publications, more general limitations to the overall thesis are worth mentioning. Regarding IFs' professionalisation and commercialisation, the thesis focuses only on the perception and experiences of individuals from within the sport movement. No interviews were conducted with regulators, business partners (e.g. sponsors), fans or random persons unrelated to sport. However, in comparison with other organisations, IFs undeniably reveal some very obvious characteristics, which most strike people who have worked outside sport before. The example of interviewees from the FIH and WADA, who have both previously worked outside the sport movement, reveal that a larger investigation could be of interest.

- "Another thing I'm surprised about is how small they [IFs] are. What small businesses they are. You can start a Start-up, and I did a Start-up business, and I have as many people working there within two years as there are here. So how comes sport federations are so small?" (FIH, B2)
- "What surprised me a lot is the small size and small structure that most international federations have. [...] Some of these very small structures govern huge sports". (WADA, A4, free translation from French)

In line with the weak embedding of IFs into a larger organisational and social context, a comparison of IFs with organisations from other fields (e.g. health, education, children and youth) constitutes an interesting research approach. Such a comparison might uncover the extent to which IFs differ from or resemble other public and private organisations. Furthermore, little evidence based on observation was gathered for this thesis. The observations that do exist mainly stem from the candidates' past experience in one of the analysed IFs. To mitigate issues of bias, particularly strong statements (positive or negative) were double-checked whenever possible (e.g. by consulting further documents). Apart from these observations, the study mainly relies on evidence from interviewees and documents. For future studies, it might be useful for researchers to seek deeper immersion into IFs (e.g. attending meetings) in order to see first-hand the mechanisms that are at work within the organisation. And finally, additional variables to look at and that were not in the initial focus of this study but emerged as interesting starting points for future studies are:

- *Conflict management* (e.g. between board members, board members and staff, staff members), which is important to enhance organisational learning and effectiveness.
- *Innovation* (e.g. creativity, capacity to generate and foster innovative ideas), which enables IFs to create and sustain a competitive advantage and to adapt to a continuously changing and challenging environment.
- Socio-educational background of both professional staff and board members across several IFs, which allows researchers to identify general trends.
- Factors of motivation (e.g. employees' and board members' work satisfaction, incentives), which need to be taken more into consideration by IFs' human resource management if they want to put an end to high turnover and knowledge drain.
- *Performance measurement* as a means to analyse whether IFs prioritise mission fulfilment (e.g. development of and through sport, profit redistribution to members) rather than making financial profits that do not necessarily serve the IF's mission.

7. Conclusion and future research

Focusing on international sport federations (IFs), the aim of this thesis was to define and analyse the concepts of professionalization and commercialisation as main drivers in their transformation over the past three decades, as well as the interrelationship between these two concepts. Compared to national sport organisations (NSOs), relatively little empirical and systematic research exists on IFs. This comes a bit as a surprise as international sport and IFs as their governing bodies are extremely mediatised. By focusing primarily on governance issues in a handful of dominant and prominent international sport organisations (e.g. IOC, FIFA, IAAF, UCI), previous studies do not allow for a more comprehensive understanding of IFs' structure and functioning and their evolution over time. Drawing conclusions from a handful of IFs and assuming that these hold true for some 92 IFs is neither empirically convincing, nor is it doing justice to the IFs that have not been analysed. In light of these research gaps and the complexity of both IFs' structure and transformations, this thesis and its four constituting publications should be considered as an exploratory approach. A lot remains to be done if we want to understand IFs' mechanisms and evolution and provide assistance to the challenges they face. Based on the findings of this thesis, I cannot claim to have produced concrete solutions. Nevertheless, by addressing some questions and raising new, sometimes critical and thoughtprovoking ones, this thesis seeks to encourage further research and discussions on a topic that is far from being sufficiently investigated and grasped. Understanding IFs' functioning and transformations against the background of historical, economic, social and political influences is, however, crucial to lead change and reforms where they are needed.

The structure of the thesis, including the arrangement of the four publications, is based on the conceptual framework of Nagel et al. (2015). The authors suggest analysing sport federations' professionalisation from three dimensions and at three levels. The three dimensions are causes, forms and consequences of sport federations' professionalisation, and the three levels are external level (e.g. government, business partners, media), the federation itself, and the federation's internal level (federations' members). In the first two publications, we focused on causes. While the first publication takes a broad approach to causes by investigating general drivers of and barriers to professionalisation based on six case studies, the second publication concentrates on one particular driver, which is "leadership". As a specific form of IFs' professionalisation, the concept of commercialisation constitutes the core of the third publication. Just as in the approach to causes of professionalisation, Publication IV elaborates on a specific element of IFs' commercialisation, which is "sporting events". Rather than speaking of consequences, managerial implications of IFs' professionalisation and commercialisation are broached in the discussion.

In the introductory part of this thesis, IFs' evolution from regulatory bodies run by volunteers to increasingly complex structures in the hands of paid professionals is briefly outlined. The questions that guided the analysis in this phase of research were: Why did IFs emerge in the first place? What

were their initial role and characteristics? How are IFs perceived today? What are their current role and characteristics? Before assessing IFs' current structure and functioning, it seemed essential to first understand where IFs come from, at least broadly. A brief comparison of their structure and functioning in the past and today reveals that IFs have undergone important transformations. Surprisingly, and despite far-reaching changes to their structure (e.g. hiring of paid staff), activities (e.g. focus on sporting events) and revenue generation (e.g. commercialisation), IFs' form, mission and legal frame have remained fairly unchanged. In line with Nagel et al. (2015), transformations in IFs appear to be the result of their adaptation to an increasingly complex environment (e.g. growing number of constituencies, legal frame), new and intricate challenges (e.g. growing workload and need for expertise) and opportunities (e.g. revenue generation through sporting events) resulting from it. In the discussion, the initial research questions and related findings are summarised and further discussed, followed by an analysis of the interrelationship between professionalisation and commercialisation. Findings could further be classified into strategy/structure patterns, resulting in the proposal of four ideal types. Overall, 15 managerial implications of IFs' professionalisation and commercialisation were deduced from the four publications, further readings and reflections. Considering it as one of IFs' major challenges, particular attention was paid to the risk of sector bending and mission drift. Overall, this thesis, limitations to it and additional aspects that emerged through them offer a rich basis for further research. Some of them are listed hereafter:

- Extend the research scope to non-Olympic IFs
- Analyse IFs with headquarters outside Switzerland and compare them with existing findings
- Carry out single case studies of purposive samples based on existing findings
- Compare IFs with organisations from other organisational fields
- Analyse IFs' innovation capacity
- Analyse employees' socio-educational background and motivations

Besides aspects listed above, some additional and thought-provoking questions can be raised. These questions might equally serve as starting points for future research studies, and, in addition, challenge sport managers in their approach to certain topics. The questions can be classified into three broad areas: (1) mission, values and identity, (2) commercialisation and (3) control and regulation.

<u>Mission, values and identity:</u> At several occasions, it was pointed out that, since their creation, the role and also the focus of IFs have changed considerably. Starting out as purely regulatory bodies (e.g. rules of the game, statutes), IFs gradually became event organisers (e.g. World Championships) with a social mission (e.g. development). Findings suggest that an increasing risk resides in the role and mission of IFs being undermined by profit-orientation and commercial activities. IFs tend to defend

commercial activities with the argument of reinvesting profits into services to their members. However, no study has yet analysed whether the redistributions model that IFs adopt are fair or not. Likewise, the hiring of businessmen from outside sport into key positions bears another risk, which is that IFs' core values and traditions are being marginalised (Amis et al., 2002; D. O'Brien & T. Slack, 2004). With regard to IFs' mission, values and identity, a first set of research questions for future studies could therefore be:

- What impacts have professionalisation and commercialisation on IFs' core values and traditions? How does it affect IFs' identity?
- Does increasing commercialisation influence IFs' mission fulfilment?
- How can IFs best respond to both members' expectations (mission-related) and those of business partners (contract-related)?
- How can IFs' mission alignment be measured?

Research studies into these questions could include interviews with elected volunteers and staff members, asking for their perception of what constitutes the IF's identity and mission as well as traditions and values related to them. Are individuals' perceptions of the federation's mission congruent with the mission stipulated in the IF's statutes? In a second step, the IF's mission could be measured against the actions the federation takes. Are the federation's actions congruent with its mission?

<u>Commercialisation</u>: Commercialisation is another much discussed topic of this thesis. Even though commercialisation is frequently regarded as beneficial in general NPO-literature (Carroll & Stater, 2009) for reasons of self-sufficiency and the financing of mission-related activities, it is eyed rather critically in the context of IFs (e.g. Forster, 2006). Especially in the case of IFs with highly profitable events, commercialisation is considered as the root of the evil, entailing corruption, bribery and self-interested decisions. Commercialisation of IFs has therefore become an ambivalent topic: while it is necessary and useful, it is also regarded as highly suspicious. Rather than focusing on specific governance scandals as several scholars have done before and based on the insights gained through this thesis, a stronger focus on the question of IFs' commercialisation seems appropriate. Three different approaches lend themselves for future investigations: profit sharing, market capacity and organisational survival.

- <u>Profit sharing:</u> What would be a fair profit redistribution model?
- <u>Market capacity:</u> With all sports seeking to grow their sport events, is there a point of market saturation? Will fans get tired of an overabundance of sport events and turn to

other pastimes?

• Organisational survival: Which strategies do IFs adopt to diversify their revenues? How can small IFs persist against big IFs that take more and more of the global market share?

The question of a fair redistribution model could be approached through an investigation among member federations. The question of market capacity, on the other hand, requires the analysis of fan and spectator behaviours over the last years as well as interviews among these groups. And to answer the question of organisational survival, a study with smaller IFs as the focus group could be conducted.

Control and regulation: Commercialisation is closely related to the questions of control and regulation. As discussed earlier, the autonomy of the IOC and the Olympic movement has been recognised by both the UN and the EU. In addition, and thanks to their nonprofit status in most countries, IFs enjoy extensive legal freedom (Chappelet & Mrkonjic, 2013). The combination of IFs' increasing profit-orientation and generation, the recognition of their autonomy at intergovernmental level, and extensive legal freedom seems to have opened the door for all sorts of governance issues (e.g. corruption, bribery, blackmailing, nepotism, money laundry, etc.). Another triggering factor are historically insufficient internal control mechanisms (e.g. checks and balances). One could hypothesise that these insufficiencies are partly the result of a deeply entrenched amateur culture among longstanding officials (e.g. board members) and their desire to keep a maximum of control over the IF. Their reluctance to change therefore reflects a lack of personal interests in adopting change. Several interviewees voice in fact their concern that being on the board (or a commission) is often considered as a privilege and maintaining this position becomes more important than conducting necessary changes, denouncing breaches to the rules or flawed mechanisms of self-regulation. In a recent newspaper article, Bayle (2017) argues that the IOC president, in collaboration with public authorities, is currently best positioned to impose governance and regulation reforms on international sport. In light of these reflexions, the following research questions could initiate future investigations:

- What exactly should we understand by "responsible self-regulation"? Where are the limits of IFs' responsible self-regulation?
- Should IFs' governance be monitored externally? If so, who could/should monitor IFs and on the basis of which evaluation criteria?
- To which extent can formally adopted practices of good governance capture the organisationinternal accuracy with which these practices are executed?

Though the strong focus of extant studies on IFs' governance, and particularly on governance issues,

has been criticised at several occasions in this theses, I have to acknowledge that, like in a circular motion, many research questions into IFs' structure and functioning lead back to the question of governance. This is partly due to the fact that governance issues have been and remain a salient topic in international sport, perhaps even the most urgent one at the moment. It is also due to the fact that information on as well as from IFs frequently revolves around the question of governance. As researchers depend on the information they can gather, the strong attention of regulators and the general public on governance issues pressures IFs to seek legitimisation in this regard. Information from IFs is therefore often related to governance. In any case, it is both impossible and would have been naïve to pretend that the governance aspect could be excluded from this thesis to only focus on professionalisation and commercialisation. Professionalisation (or lack of professionalisation) and commercialisation are in fact integral elements of IFs' governance. However, as mentioned earlier, a focus on governance issues without understanding the driving forces behind them, including notably professionalisation and commercialisation, creates a biased and incomplete picture of IFs.

A final evolution is worth mentioning here, an evolution that might well be an isolated case or, on the contrary, a herald of a general trend that, sooner or later, might trickle down through the entire international sport system. This evolution is the decreasing public interest in hosting the Olympic Games. It seems that, over past decades, some sport events, and notably the Olympic Games, have been blown up to a size that weighs heavy on both organising committees and taxpayers. Local organising committees have to correct initial cost estimations and face the problem of massive cost overruns and unpaid creditors (e.g. 2016 Rio Organising Committee¹⁵⁰). Fewer tickets are being sold ahead of the Games (Pyeongchang¹⁵¹), raising concerns about empty seats and loss of earnings. And venues remain vacant and gradually fall into ruins right after the event (e.g. Athens, Rio¹⁵²). In countries where citizens are given the choice, Olympic bids are increasingly being turned down through public referendums and lack of local support (summer Games: e.g. Boston, Hamburg, Budapest; winter Games: e.g. Munich, St. Moritz-Davos, Innsbruck). Nowadays, citizens mainly perceive the Games as a cost factor that outweighs an eventual collective well-being through the Games. In fact, while hosting the Games provides many lucrative deals for construction companies and new transport infrastructures certainly benefit the entire population, it crowds out direct (and perhaps more efficient) public investments into social welfare. Referring to previous studies, Pinson (2016) points out the growing viewpoint "that non-mega sports events have a higher potential than mega sports events to grow the social capital of people within the host community" (p. 836). Cities

¹⁵⁰ ESPN. (2017). The debts of the 2016 Rio Games. Retrieved from

 $[\]underline{http://www.espn.com/espn/feature/story/_/id/20292414/the-reality-post-olympic-rio}$

¹⁵¹ Inside the Games. (2017). 2018 Winter Olympics: ticket sales. Retrieved from https://www.insidethegames.biz/articles/1056413/pyeongchang-2018-still-sold-only-303-per-cent-of-tickets-for-winter-olympics-and-less-than-five-per-cent-for-paralympics

¹⁵² ESPN. (2017). *The debts of the 2016 Rio Games*. Retrieved from http://www.espn.com/espn/feature/story/_/id/20292414/the-reality-post-olympic-rio

and regions that maintain their bids increasingly come from countries known for human rights violations and dictatorship (Beijing/China, Almaty/Kazakhstan). For the moment, the image problem mainly concerns mega sport events such as the Olympic Games. But other sports might well become victims of a globally deteriorating image of international sport (e.g. corruption, doping) and major sport events (e.g. Olympic Games, FIFA World Cup). This image, it seems, is strongly linked to the commercialisation of international sport and IFs and the question of mission, values and goals. The privatisation of benefits and the shifting of costs to taxpayers lead give rise to a final question that future studies might want to take into consideration: Who benefits the most from current trends in international sport and IFs and who is losing?

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10. The four publications of this thesis

Publication I

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Publication III

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Drivers of and Barriers to Professionalization in International **Sport Federations**

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ABSTRACT

In a changing and complex environment, international sport federations (IFs) have to face new challenges. These challenges can hinder IFs' professionalization processes. researchers have examined organizational change professionalization of national sport federations (NFs) and clubs, studies on IFs are rare. Considering professionalization as an important element of IFs' change processes in recent years, the study attempts to fill this gap. The conceptual framework is based on the concepts and dynamics of organizational change, the influence of isomorphic pressures and the operationalization of a multi-level framework. Data from six case studies was analyzed by means of qualitative content analysis. Findings reveal multiple causes of IFs' professionalization. Three particular findings are discussed: professionalization as a dynamic process with phases of acceleration that vary depending on IFs' size; IFs' becoming increasingly business-like through isomorphic changes; and five causes of particular relevance to IFs' current professionalization process.

国际单项体育联合会专业化进程的驱动和阻碍因素

随着发展环境的迅速变化和日益复杂化, 国际单项体育联合会(IFs) 正面新的复杂挑战。这些挑战可能对IFs的专业化进程起到促进或 阻碍作用。尽管已有研究者对组织变革与国家单项体育协会 (NFs) 以及俱乐部的专业化进程进行了研究, 但很少有针对IFs的类似研 究。此外, 对体育组织专业化的定义与认识尚不明确。本研究将 专业化作为IFs近几年来变革过程中的一个重要因素, 以填补这方 面研究的空白。本研究的概念框架主要基于组织变革的概念和动 态变化、同构压力的影响以及多层次框架的可操作化, 旨在对IFs 专业化的影响因素进行分析。采用定性内容分析的方法, 对6家IFs 的案例研究数据进行处理和分析, 研究结果发现IFs专业化的11个 基本影响因素。本文对3项研究结果进行了详细阐述:专业化是 个动态过程, 该过程包含若干加速阶段, 而具体的加速阶段取决于 IFs的规模;通过同构变革, IFs的运作已日趋商业化;与IFs当前专业化 进程最为相关的5个因素是外部压力、领导力、商业化、管理实 践和组织文化。

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关键词 非营利性组织; 国际单项 体育联合会;专业化;组织 变革; 同构压力

1. Introduction

In the course of the commercialization of international sport (e.g. broadcasting, sponsorship, branding, growth of major sport events) and due to increasing expectations and pressures from various interest groups, international sport federations (IF) have undergone important organizational changes in recent years. Scholars have analyzed and emphasized different elements and processes of organizational change in sport organizations. At the national level (national sport federations, clubs), existing studies have enhanced scholars' understanding of aspects such as occupational professionalization (Dowling, Edwards, & Washington, 2014; Horch & Schütte, 2009; Seippel, 2002), board composition (Taylor & O'Sullivan, 2009), functioning (Yeh & Taylor, 2008) and organizational performance (Bayle & Madella, 2002; Winand, Rihoux, Robinson, & Zintz, 2013). With regard to IFs, isolated phenomena such as governance deficiencies (Chappelet, 2011; Forster, 2006), major sport events (Parent & Séguin, 2008), globalization and commercialization of sport (Forster & Pope, 2004), and scandals on doping (Hanstad, 2008) and corruption (Chappelet & Kübler-Mabbott, 2008; Mason, Thibault, & Misener, 2006) form the main body of literature. Considering professionalization as a process towards increased rationalization and organizational efficiency (Chantelat, 2001), little is actually known about the factors and dynamics that influence this change process in IFs because 'little attention has been paid to GSO [Global Sport Organizations] as a whole' (Croci & Forster, 2004). This lack results in an incomplete understanding of IFs, often reduced to governance issues following the revelation of scandals (Jennings, 2011; MacAloon, 2011; Pielke, 2013). Dowling et al.'s (2014) and Nagel, Schlesinger, Bayle, and Giauque's (2015) calls for a systemic approach to sport federations' professionalization emphasize this gap. An enhanced understanding of IFs' professionalization as a dynamic process and interaction of triggering and hindering factors might help sport managers to understand and predict change processes more efficiently. The central questions addressed in this study are therefore: What are essential drivers of and barriers to IFs' professionalization? Can we distinguish particular dynamics of professionalization?

The study addresses these questions by first reviewing literature on professionalization and organizational changes in sport organizations. Following this, we develop a conceptual framework to analyze causes (drivers, barriers) and dynamics of professionalization in sport organizations. Data was collected through a multiple-case study design including six IFs. For data processing and analysis we used the qualitative content analysis. In the results section we present drivers and barriers as well as dynamics of professionalization. These are further explained and linked to the conceptual framework in the discussion. We conclude with a summary of main findings and suggestions of future research questions.

2. Previous Research on Professionalization and Organizational Changes in Sport Organizations

Based on existing studies, we define professionalization of non-profit sport organizations as a dynamic process towards a more rationalized functioning, driven by the objectives of enhancing the organization's performance and ensuring its service role towards its members. Being increasingly influenced by for-profit organizations, we argue that this process entails a transformation of sport organizations from volunteer-driven to more business-oriented logics. Studies and definitions of professionalization that we base this definition on pursue different foci and lines of argumentation, three of which are presented here for their relevance in the context of sport management (Dowling et al., 2014): occupational, organizational and systemic professionalization.

Occupational professionalization (also referred to as professionalism) is a process designating a transformation through which occupations and professions are progressively measured against normative values (Abbott, 1991; Evetts, 2011; Hall, 1968). Brint (1996) speaks of a 'shift from social trustee professionalism to expert professionalism' (p. 11). In non-profit sport organizations, this process is characterized by an increased hiring of paid staff (Seippel, 2002; Thibault, Slack, & Hinings, 1991; Thiel, Meier, & Cachay, 2006). For Evetts (2014), modern professionalism does not only signify normative values such as occupational procedures, controlling, education and training, but also a discourse applied by managers to describe procedures of accountability and good governance. Using Evetts' definition of professionalism, we may question IFs' current level of professionalism as both their accountability and good governance repeatedly gave rise to critical studies (Alm, 2013; Chappelet, 2011; Forster, 2006; Geeraert, Alm, & Groll, 2014; MacAloon, 2011).

Another strand of research in sport management investigates professionalization as an organizational transformation, which results in more bureaucratization (Bayle, 2010; Slack, 1985; Slack & Hinings, 1994), rationalization (Kikulis, 2000; Skinner, Stewart, & Edwards, 1999), efficiency (Chantelat, 2001; Dowling et al., 2014) and effectiveness (Papadimitriou & Taylor, 2000). A general decrease in funding to non-profit organizations (Alexander, 2000; Levine & Zahradnik, 2012) in combination with an increasing demand for sport as a social good and entertainment (Borland & MacDonald, 2003) has significantly triggered competition between sport organizations for additional financial resources (Nagel et al., 2015). In their quest for efficiency and effectiveness, IFs increasingly adopt for-profit business methods and structures (Dowling et al., 2014; Ferkins & Shilbury, 2015; Shilbury & Ferkins, 2011).

Besides looking at occupational and organizational professionalization, Dowling et al. (2014) suggest systemic professionalization as a third classification. The authors describe systemic professionalization as 'a by-product of environmental shifts' (p. 525). In view of researchers' understanding of current and future developments in sport management, they attribute a particular significance to this approach. Following Dowling et al.' (2014) call for a systemic approach, Nagel et al. (2015) developed a multi-level framework to analyze the influence of internal and external factors on causes, forms and consequences of professionalization in sport federations. The perspective of systemic professionalization appears to be of particular interest for our study as it allows us to determine whether professionalization processes are rather the result of internal or of external causes.

In the absence of substantial research on causes of professionalization in IFs, we drew on change literature on national sport organizations (NSO) that cover various organization-internal and external topics. Examples at the internal level include for instance the hiring of paid managers and staff and their influence on the structure and dynamics of formerly voluntary organizations (Horch & Schütte, 2009), rationalization processes (Chantelat, 2001; Slack & Hinings, 1987) and decision-making structures (Kikulis, Slack, & Hinings, 1992; Thibault et al., 1991). Based on extensive data collection from multiple NSOs, several scholars put forth typologies to describe and predict their structure-strategy patterns: Kikulis et al.'s (1992), Kikulis, Slack, and Hinings (1995) analyses of the impact

of paid managers on decision-making structures resulted in the deduction of three design archetypes (kitchen-table, board room, executive office); and Thibault et al.'s (1991) investigation on NSOs' long-term strategic planning brought forward four strategic types (enhancers, innovators, refiners, explorers).

At the same time, organizations' survival and development also depend on their capacity to respond to external changes and pressures (Miller & Friesen, 1983). The adaptation of NSOs to environmental pressures from stakeholders (e.g. sponsors) and demands for organizational performance has been researched mainly with respect to changing governance designs. Shilbury and Ferkins (2011) saw in NSOs' adoption of established governance functions (e.g. performance, conformance) an indicator for their degree of professionalization. Acknowledging the complexity of NSOs' governance, Hoye and Doherty (2011), for their part, warned against the negative impact of poor governance structures on organizational performance.

Though some studies applied a configurational approach to analyze NSOs' organizational performance (Bayle & Madella, 2002; Winand et al., 2013) and organizational change (Kikulis et al., 1992; Theodoraki & Henry, 1994), the predominant research focus is on internal actors, especially boards. Boards have received a particular attention as they are regarded as the driving force of NSOs' performance (Ferkins, Shilbury, & McDonald, 2005; Hoye & Auld, 2001; Inglis, 1997; Papadimitriou & Taylor, 2000; Shilbury, 2001). In accordance with Cornforth (2011), we argue that the narrow focus on boards hampers a comprehensive understanding of sport organizations' functioning.

In sum, the lack of general research on and a systemic approach to IFs' professionalization not only creates an incomplete picture dominated by few IFs (e.g. FIFA, IAAF, UCI). It also impedes the development of concrete solutions to current issues. Solutions to current issues in IFs cannot be reduced to governance and some related aspects observed in a few federations only. On the contrary, they require an analysis of professionalization processes in IFs of different size and the knowledge production of underlying causes. The following conceptual and methodological procedures attempt to remedy the lack of a systemic approach to IFs' professionalization and the dominance of a few IFs.

Conceptual Framework

IFs' professionalization is the result of general organizational changes in non-profit sport organizations. In this study, we are particularly interested in causes that trigger or hinder the transformation of sport organizations from primarily volunteer-run and loosely structured organizations into increasingly complex and rationalized organizations managed by professionals. We are further interested in the dynamics of this process and seek an answer to whether professionalization is the result of radical or incremental changes or both. Institutional theories provide a useful ground to analyze dynamics of IFs' organizational change.

Institutional perspectives are not only interested in processes of power, but especially in authority and power relations between an organization and a superordinate unit. Authority relations may imply imposition of rules and requirements based on coercion or voluntarily induced structural changes. According to new institutionalism, institutional signs from policies, laws, and professions influence how organizations behave, even if the influence is not consciously experienced. Congruently, Scott (1987) speaks of organizational

structures evolving 'over time through an adaptive, largely unplanned, historically dependent process' (p. 506). We base our analysis of IFs' dynamics of professionalization on the work of DiMaggio and Powell (1983), who describe the impact of authority relations with three adaptive mechanisms of institutional change: coercive, mimetic and normative isomorphism. Coercive isomorphism occurs in reaction to political influence and organizations' quest for legitimacy within a same legal environment. This external pressure may be perceived by organizations as 'force, persuasion of invitation to join in collusion' (p. 150). Mimetic isomorphism, for its part, is described as an imitation that stems from uncertainty (e.g. environment, goals). In situations of uncertainty, organizations may consciously or unconsciously adopt solutions modelled by prototypical organizations. These prototypical organizations are generally 'similar organizations in their field that they perceive to be more legitimate or successful' (p. 152). Homogeneity is often the result of limited solution and model variety. Normative isomorphism, the third mechanism, is associated with professionalization in the sense of legitimization of professions. Here, isomorphic change primarily stems from formal education (e.g. university) and professional networks, creating organizational norms which professional managers and their staff internalize. The hiring of individuals from similar organizations, training/education institutions and certain skill-requirements are expected to encourage normative isomorphism. This 'filtering of personnel' (p. 152) results in common expectations regarding personnel behavior. The authors emphasize that none of the three mechanisms is a guarantor for increased organizational efficiency. However, they constitute helpful tools to establish and predict typologies of homogenous structure, process and behavior.

Within change literature, some scholars argue that radical change creates a positive momentum (Miller & Chen, 1994), some that evolutionary change is more effective (Quinn, 1980) and others observed a mix of both radical and incremental change (Child & Smith, 1987). Amis, Slack, and Hinings (2004) analyzed 36 Olympic NFs in Canada over a 12-year period with regard to pace, sequence and linearity of change. The authors come to the conclusion that initial bursts of change should ideally be followed by restrained progress in order to be more substantive and enduring. Furthermore, the authors observe that changing the decision-making system proved to be most difficult and that NFs differ in pace, sequence and linearity of change. Following Amis et al.'s (2004) observation, we suppose that dynamics of change vary across IFs and that certain organizational change processes require incremental change (e.g. mimetic and normative changes), while others are best achieved through radical change (e.g. coercive pressures). Applied to our initial research questions of drivers, barriers and dynamics of IFs' professionalization, we put forward two research propositions (RP):

RP1: IFs' professionalization process has elements of both radical and incremental change. At specific moments in time, certain drivers may have a particularly accelerating effect.

RP2: The more an IF depends on resources from business partners, the greater the extent to which it will change isomorphically to resemble the organizations on which it depends for resources.

To find answers to our research propositions, we apply the multi-level framework of Nagel et al. (2015) (Figure 1). The framework is based on a review of current international

External environment

Expectations and resources of stakeholders in sport and society

Umbrella federations Government and sport policy Business partners and media

Sport federation

IF-specific structure and culture

Growing requirements
Size, sports
Financial resources
Strategic capability of board
Decision-making structures
Individual key actors
Role of paid managing
director

Internal environment

Expectations of member organisations

Regional federations Clubs

Figure 1. Causes of professionalisation in sport federations according to Nagel et al.'s (2015) multi-level framework.

literature and concepts of professionalization in sport federations. Suggesting a systemic approach, the framework applies the social theory of action to focus on three levels of organizational relations: the external environment, that is, stakeholders in sport and society; the sport federation, that is, the federation itself; and the internal environment, that is, the federation's member organizations. Though the framework suggests the investigation of causes, forms and consequences of sport organizations' professionalization, we only focus on causes in this study.

4. Method

4.1. Case Study Design

Lacking empirical evidence on causes of IFs' professionalization and in order to allow elements to emerge and investigate their respective importance, the nature of this study is qualitative and exploratory. To gather empirical data, we carried out a qualitative content analysis based on multiple case studies. By means of 20 semi-structured interviews for which the replication logic was used, we collected evidence of six IFs based in Switzerland. Interviews were conducted with staff members and persons from the IF's direction. Of the interviewees, 17 were male and four female (two interviews were conducted with two persons at the same time). Important moments of change reported by interviewees date back into the 1990s. Some of the interviewees have been with the IF for many years (up to 35 years) and were thus able to provide longitudinal information. However, and with the goal to uncover current causes of professionalization, the main focus is limited to the period between 2008, marking the first ranking of IFs based on the IOC Evaluation criteria, and 2016. A review of secondary sources of information complements data obtained from interviews.

4.2. Selection of Cases

In an approach of purposive sampling, three criteria were used to select the six cases: environmental context, geographical concentration of IFs and size. Regarding the first

criterion and with the objective of enhancing comparability, we focused on Olympic IFs with headquarters in the same country, hence encountering a similar legal, political and economic context. Secondly, we chose IFs with headquarters in Switzerland, as Switzerland is the country with the highest concentration of IFs (about 45 at the time of investigation). Selecting IFs with headquarters in different countries would have made face-to-face interviews much more difficult and costly. The choice of a country with high concentration of IFs further allows a purposive sampling in terms of selecting IFs of varying organizational size. The following six IFs were chosen for case studies (we use the IOC-terminology in English): International Association Football Federation (FIFA), International Hockey Federation (FIH), International Rowing Federation (FISA), International Volleyball Federation (FIVB), International Cycling Federation (UCI) and United World Wrestling (UWW). All six federations represent summer Olympic sports and are non-profit associations under the Swiss Civil Code (Articles 60–79).

4.3. Data Collection

Data collection began in September 2014 and ended in July 2016. A total of 20 semi-structured interviews with staff members (current and former), persons from the IFs' direction, a representative of ASOIF (Association of Summer Olympic International Federations) were conducted in-person (n = 14), by telephone (n = 3) or by email (n = 3). The ASOIF representative was included because of his overall view and in-depth knowledge of the evolution and current situation of the 28 summer Olympic IFs. With the aim of gathering information on IFs' past and current causes of professionalization, we tried to diversify the selection of interviewees with regard to their functional and hierarchical position. With the exception of FIFA, we interviewed minimum one person from the direction having strategic influence and insights, and one staff member at the operational level (Table 1).

To ensure trustworthiness, the same interview guide was used for these interviews (Annex 1). In the case of UWW, the selection was extended to an external consultant and an IOC staff member. Having identified the temporary exclusion of UWW from the

Table 1. Interviews carried out between 2015 and 2016.

| IF | Interview | # of Interviews |
|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Association of Summer Olympic International Federations (ASOIF) | 1 person from the ASOIF direction and 1 staff member | 1 |
| International Association Football Federation (FIFA) | 2 former FIFA staff members | 2 |
| International Hockey Federation (FIH) | 1 person from the FIH direction, 1 person from the direction of the European Hockey Federation and 3 FIH staff members | 5 |
| International Rowing Federation (FISA) | 1 person from the FISA direction, 1 person from the past FISA direction and 1 FISA staff member | 3 |
| International Volleyball Federation (FIVB) | 1 person from the FIVB direction and 1 FIVB staff member | 1 |
| International Cycling Federation (UCI) | 1 person from the UCI direction, 1 UCI staff member and 2 former UCI staff members | 4 |
| United World Wrestling (UWW) | 1 person from the UWW direction together with 1 UWW staff member, 1 UWW staff member, 1 UWW consultant and 1 IOC member | 4 |
| Total | | 20 |

Olympic Program (February-September 2013) as the most important driver of the federation's recent professionalization dynamic, we deemed it useful to integrate these interviews.

Though interview questions were closely tied to Nagel et al.'s (2015) framework, we opted for semi-structured interviews to allow a broadening of the information spectrum. In-person interviews lasted between 30 and 120 min, were recorded, transcribed verbatim and resulted in 185 single-spaced pages of data. Interviews conducted by telephone were summarized producing nine single-spaced pages. In order to increase trustworthiness, participants were invited to check the transcription/summary. Changes made to the transcripts/summaries by participants primarily concerned sensitive information and informal language. Responses by email produced 11 single-spaced pages. We acknowledge that email interviews present certain shortcomings. For instance, the asynchronous nature of email responses regarding time and place makes spontaneous answers impossible, though they are a rich and valuable source of evidence.

Secondary documents from the IFs comprise annual reports, financial statements, statutes, regulations, organization charts and selected external documents. While statutes and regulations for all six IFs are accessible on the IFs' website, annual reports, financial statements and organization charts are only partially available and very heterogeneous in form and length. For instance, both FIFA and UCI publish extensive annual reports (around 130 pages) including financial statements, while the FIVB publishes neither annual reports nor financial statements. None of the IFs publishes organization charts of the administrative staff and we only received two upon request (UCI, UWW). External documents on IFs primarily focus on the IOC Evaluation Criteria (2008, 2012) and the Olympic Agenda 2020 published in 2014. Both documents address current and future expectations within the Olympic Movement and which the 28 summer Olympic IFs have to face. The 2012 IOC Evaluation Criteria is composed of 39 criteria covering eight themes to determine the contribution of summer IFs to the overall success of the Olympic Games. Since 2008, the IOC carries out this evaluation after each Olympic Games. The Olympic Agenda 2020, for its part, is 'the strategic road map for the future of the Olympic Movement' (IOC, Olympic Agenda 2020), built around 40 recommendations.

4.4. Data Analysis

In view of the narrow framework of Nagel et al. (2015), we chose a deductive approach based on qualitative content analysis. As a method of analyzing written, verbal or visual communication messages (Cole, 1988), deductive content analysis seeks to enhance the understanding of a specific phenomenon (Krippendorff, 1980) by moving from the general to the specific (Burns & Grove, 1993). Our unit of analysis primarily consists of written material from transcribed interviews, telephone summaries and emails on IFs' professionalization. Using the terminology of Graneheim and Lundman (2004), we identified themes, categories, subcategories, meaning units and codes. Themes and categories are deduced from Nagel et al.'s (2015) framework. To define subcategories, our first analytical step was therefore to condense the written material by establishing meaning units, that is, textual units such as words, sentences or paragraphs (Krippendorff, 2004). Graneheim and Lundman (2004) describe condensation as 'a process of shortening while still preserving the core' (p. 106). To achieve condensation, several reading cycles were carried

Table 2. Example of the content analysis process.

| Meaning units | Condensed meaning units | Codes |
|-------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------------|
| With hockey we probably have to improve that commercial value. | Improve commercial value | Commercial value |
| Most sports struggle to attract commercial partners. | Attract commercial partners | Commercial partners |
| The event creates an economy around it. | Event creates an economy | Event economy |
| We are much more commercially focused than we were in the past. | Commercially focused | Commercial strategy |
| We have adapted our strategy to the emerging and fast growing economies around the world. | Adapted our strategy to emerging and growing economies | |
| Subcategory | Commercialization | |
| Category | Financial resources | |
| Theme | IF-specific structure and culture | |

out and written material progressively classified into meaning units. These meaning units were further condensed (condensed meaning units) before abstracting them into codes (Baxter, 1991). The grouping of substantively similar codes enabled us to define subcategories. Table 2 exemplifies this process.

A complete presentation of processed data would be too space consuming. As a compromise, Table 3 shows an example of condensed meaning units, codes, subcategories and level of influence. Units are sorted according to whether they were referred to and/or interpreted as having a triggering (Drivers) or hindering (Barriers) influence on the IF's professionalization and with regard to their temporal occurrence (Period).

We extended our data collection and analysis by integrating aforementioned secondary documents. Data from secondary documents was used first and foremost to consolidate

Table 3. Example of the FIH: condensed meaning units, codes, subcategories and level.

| - | Period | Condensed meaning units | Codes | Subcategories | Level |
|----------|----------------|--------------------------------------------------------|--------------------------|--------------------------------------------|----------|
| Drivers | Before 2010 | Value an IF is bringing to the Olympic Games | Olympic value | Competition with other IFs | External |
| | | 55% from the Olympic revenue share in 2004 | Revenue | Olympic revenue share | External |
| | Since 2010 | New and dynamic CEO | CEO, leader | Leadership | Internal |
| | | Benchmarking across sports and Olympic organizations | Benchmarking | Competition with other IFs | External |
| | | 34% from the Olympic revenue share (2012–2015) | Revenue | Olympic revenue share | External |
| | | First long term strategic plan (2014–2024) | Strategic plan, strategy | Management practices | Internal |
| | | First long term strategic plan (2014–2024) | Experts, hiring | Paid experts from within and outside sport | Internal |
| | | Development of Hockey5 as a commercial product | Commercial product | Commercialization | Internal |
| Barriers | Before 2010 | Few sponsor and event incomes | Sponsors, income | (Difficult) Commercialization | External |
| | | Board muddled with operational decisions | Board roles | (Insufficient) Board efficiency | Internal |
| | | No strategic vision and strategic plan | Strategic plan, strategy | (Insufficient) Management practices | Internal |
| | Since 2010 | No critical mass of strong national federations | National federations | (Low) Financial support and development | Internal |
| | | Not having what commercial partners are looking for | Commercial partners | (Difficult) Commercialization | Internal |

and contextualize written evidence extracted from interviews, phone calls and emails. In the event of relevant meaning units (e.g. confirmation, affirmation, mitigation of interviewees' statements), we proceeded in the same way as we did with written interview material. We acknowledge that the internal environment as proposed by Nagel et al. (2015) was not specifically analyzed with regard to members' expectations. Considering the high number and global spread of IF-members (up to 222 NFs in the case of ITTF), such analysis proved to be very complicated from a logistical point of view. On the other hand, we uncovered additional causes: competitive environment (competition with other IFs), and empowerment of member organizations (financial support and development, knowledge transfer).

5. Findings

A first observation we can deduce from data is the heterogeneity of the six IFs with regard to size (number of staff, NFs and Continental Confederations, henceforth: CC), operational structure (departments) and financial resources (revenue). Differences are summarized in Table 4.

Moreover, qualitative content analysis enabled us to identify causes and dynamics of IFs' professionalization. Eleven subcategories of causes were uncovered for having an essential influence on the professionalization of the six IFs analyzed in this study. Subcategories could further be divided into drivers (n = 11) and barriers (n = 5) at the three levels of analysis (Table 5), this being external environment, sport federations and internal environment. The approach of semi-structured interviews and integration of secondary information further revealed two additional themes (competitive environment and empowerment of member organizations), corresponding categories and subcategories. Table 5 also shows that we have found no solid subcategories for two categories. In the case of decision-making structure, a shift of decision-making power towards professional staff emerged from interviews. However, the aspect of formal versus actual decision-making power appears to be a sensitive topic and information is difficult to access. In the absence of substantial information, we decided to omit this aspect. The second category concerns expectations from member organizations. Both regional federations and clubs may influence NFs, but they revealed insufficient relevance in the context of IFs.

| Table 4. Structural elements of the six federations analyz | ed. |
|-------------------------------------------------------------------|-----|
|-------------------------------------------------------------------|-----|

| | | | | | | Revenue and part of Olympic revenue share 2012–2015 | |
|------|----------|---------------|-------|--------------|-------------|-----------------------------------------------------|-----------------------|
| | | | NF/CC | | | Annual average | Olympic revenue share |
| IF | Creation | Olympic Sport | | Staff | Departments | | |
| FIFA | 1904 | Since 1900 | 209/6 | >450 (2015) | 9 | USD 1.337bn ^a | 0.4% |
| FIH | 1924 | Since 1928 | 132/5 | 36 (2015) | 5 | CHF 10m ^b | 39% |
| FISA | 1892 | Since 1896 | 148/0 | 19 (2015) | 4 | CHF 7.5m ^c | 51% |
| FIVB | 1947 | Since 1964 | 220/6 | 65-70 (2015) | 10 | Not available | Not available |
| UCI | 1900 | Since 1896 | 174/5 | 79 (2014) | 7 | CHF 36m ^d | 15% |
| UWW | 1905 | Since 1896 | 174/0 | 24 (2015) | 6 | CHF 8.4m ^e | 40% |

^aFIFA annual reports 2012–2015, ^bFIH financial statements 2014 and 2016, ^cFISA annual reports 2012–2015, ^dUCI annual reports 2012–2015, eUWW financial statements 2012–2015; Revenues are referred to in the currency in which financial statements are published and for the years available between 2012 and 2015. The period has been chosen as it represents the latest completed Olympic cycle on the basis of which IFs' dependence on the Olympic revenue share could be established.

Table 5. Subcategories, drivers and barriers identified through content analysis.

| Level | Themes | Categories | Subcategories | Driver | Barrie |
|-------------------------|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------|--------------------------------------------------|--------------|--------------|
| External environment | Expectations and resources of stakeholders in sport and society | Umbrella federations Government and sport policy Business partners and media | Pressure from stakeholders in sport and society | √ | |
| | | | 2. Olympic revenue share | √ | |
| | Competitive environment | International federations | 3. Competition with other IFs | √ | |
| Sport federations | IF-specific structure and culture | Growing requirements | 4. Management practices | \checkmark | ✓ |
| | | Size, sports | 5. Paid experts from within and outside sport | \checkmark | ✓ |
| | | Financial resources | 6. Commercialization | \checkmark | \checkmark |
| | | Strategic capability of the board Decision-making structure | 7. Board efficiency | √ | |
| | | Individual key actors Role of paid managing director | 8. Leadership | √ | ✓ |
| | | Organizational values | 9. Organizational culture | √ | ✓ |
| Internal environment | Expectations of member organizations | Regional federations, clubs | 10. | | |
| | Empowerment of member organizations | Continental Confederations | 11. Financial support and development of members | √ | |
| | | National Federations | 12. Knowledge sharing | ✓ | |
| Total | | | | 11 | 5 |

5.1. External Environment

At the external environment, three subcategories emerge that can all be classified as drivers: pressures from stakeholders in sport and society, Olympic revenue share and competition with other IFs.

5.1.1. Pressure from Stakeholders in Sport and Society

Since the late 1990s, IFs have to face a significant increase in regulatory requirements. In 1998, the Salt Lake City bidding scandal, which involved bribery, fraud and racketeering committed by members of the IOC, plunged the IOC into a deep governance crisis. Having regained its legitimacy by profoundly reforming its governance in 2000, and having developed a highly successful economic model, the IOC exerts today important pressures on IFs. Those that do not meet the IOC's expectations risk being downgraded in the Olympic ranking (first carried out in 2008) or even excluded from the Olympic Programme. Both could result in a major loss of earnings and visibility for the federation. UWW and FISA are particularly concerned by this threat: '[If FISA] doesn't move today, we are at risk. Because not being an Olympic sport destroys all the rest' (FISA president); 'We [UWW] rely on it [IOC revenue share] a 100%!' (UWW Secretary General). Apart from this, especially scandal-shaken IFs experience increasing media pressure, which is also 'stressful for the staff' (former FIFA staff member). The same interviewee emphasizes the growing pressure of public authorities on IFs, considering this new element as 'probably the most effective element of brining change'.

5.1.2. Olympic Revenue Share

The Olympic revenue share (ORS), which is a reward for an IF's contribution to the overall economic success of the Olympic Games, is a vital financial resource for many Olympic federations. In the first revenue share (1992), USD 37.6 million (Olympic Marketing Fact File 2014, p. 9), mostly earned from broadcasting rights, were equally divided between the 25 Olympic summer federations (USD 1.5 million/IF) to cover a four-year period. Since then, the skyrocketing revenues from broadcasting rights have ensured constant growth in the ORS. They reached a record figure of USD 519 million (Olympic Marketing Fact File 2014, p. 9) after the 2012 London Games. Overall, financial resources obtained from the ORS help federations pursue and develop their sporting, administrative and social activities. According to a person from the ASOIF direction, some IFs even decide that 'any money coming from the Olympic Games must be only used for development and distributed to the continents'. Despite the generally beneficial effect of the ORS, some IFs are more dependent on it than others. While the ORS represented only 0.4% of FIFA's overall revenue during the period 2012-2015, it amounts to 51% in the case of FISA. A decrease in the ORS is likely to affect a federation like FISA more than a federation with lower dependency. An interviewee from the FISA direction recognizes the need to diversify sources of revenue: 'As an Olympic sport we profit from the Olympic Games' broadcasting rights. But we cannot function solely on these financial resources'. Overall, the financial support through the ORS positively influences IFs' capacities for organizational development, while their ambition to reduce dependencies on the ORS by diversifying income sources triggers federations' quest for increased efficiency.

5.1.3. Competition with Other IFs

Besides being an important source of revenue for many IFs, the ORS also entails a growing competition between sport federations. This competition is reflected in a ranking established by the IOC: based on a set of evaluation criteria, the IOC assigns Olympic summer IFs to one of five groups (A-E) and defines a sum that is awarded to members according to their group membership. In the case of the 2012 IOC Evaluation Criteria, promotion from group B to group A would more than double an IF's revenue share (from USD 22 million to USD 47 million according to Reuters). It is therefore little surprising that moving 'volleyball from category 2 [B] to category 1 [A] in the ranking of the IOC' (FIVB staff member) is a pivotal element in the FIVB's strategy 2016-2020. At the same time, IFs compete for other financial resources (sponsors, broadcasters) as well as fans and athletes: 'we all do benchmarking across sports and across Olympic organizations' (person from the FIH direction). Like the Olympic Games, televised sport is an important marketing opportunity for IFs as the visibility facilitates the linkage with commercial partners, fans and athletes. To convince stakeholders, more and more IFs therefore increasingly analyze their environments and try to adapt to changes and demands.

5.2. Sport Federations

Six subcategories with a triggering and/or hindering influence on IFs' professionalization could be distinguished at the sport federation level: management practices, paid experts from within and outside sport, commercialization, board efficiency, leadership, and organizational culture.

5.2.1. Management Practices

All six IFs progressively introduced management practices, several of them adapted from the corporate world. Many of these practices are designed to facilitate, optimize and evaluate the IF's performance (e.g. strategic planning, job description, staff evaluation). Strategic planning is used as a tool to envision, implement and achieve future goals: 'we have a clear vision of the future. So our vision is to be the number one family sport entertaining the world. So we are moving the entire organization to look for that vision' (person from the FIVB direction). Other practices such as ethics commissions and financial audits are rather following the logic of demonstrating the IFs' commitment to transparency and conformity. However, in case of deficient accountability mechanisms the actual effectiveness of an ethics commission and financial audits may be questioned and an abuse of deficient structures and procedures constitutes a barrier to IFs' professionalization. For instance, in some cases external audits may not be sufficient to uncover corruption as the following example shows: 'The auditors would have been reviewing FIFA's organizational finances rather than any private individual transactions made between FIFA officials such as those that are now being investigated' (former FIFA staff member).

5.2.2. Paid Experts from Within and Outside Sport

Despite large variations with regard to revenues, all six IFs have expanded their organizational structure in terms of workforce, though at varying speed and with varying results. The hiring of paid staff to carry out tasks that demand special know-how (e.g. legal, communication, finances, marketing) has in turn increased the need for well-defined hierarchical structures and processes. On a long-term basis, a growing staff entails the need for multiple adaptations: 'we went from four persons [in 1992] to 79 persons [in 2015]. We had to professionalise many things: human resources, formation, logistics' (former UCI staff member). Thanks to their special know-how, experts are an important element in the IF's continuous adaptation to a changing environment. IFs with little financial resources risk having difficulties to keep up with IFs that are capable of employing highly specialized experts.

5.2.3. Commercialization

Since the 1980s, IFs realized that 'some of the things they had, their events, had some commercial value' (person of the ASOIF direction). Ever since, IFs have increasingly commercialized their activities, though with various degrees of success. For IFs as non-profits, profit orientation is not a contradiction per se. On the contrary, IFs need to generate revenues in order to finance their activities such as administration, development or organization of World Championships. For many IFs, revenues from membership fees and donations, their main sources of income in the past, are no longer sufficient. Competition between Olympic IFs and their quest to consolidate their position on the Olympic program increase this tendency. And as long as IFs use profits to finance their activities and reinvest into their system (e.g. development of members), commercialization constitutes a powerful driver. Or as a person from the FIH direction puts it: 'the more we grow, the more resources we can start pushing down'.

5.2.4. Board Efficiency

Boards, a topic largely analyzed in the context of NFs (e.g. boards' power, strategic capability, effectiveness and performance, roles of the board), represent an obvious research gap in IFs. This is even more surprising as an emerging shift in decision-making structures seems to influence the role of the board. IFs' strategic decisions are generally taken during board meetings, which take place two or three times a year. Over time, the six IFs have introduced solutions to overcome the challenge of such slow decision-making processes. One solution is a shift of decision-making power from the board, as the highest decision-making authority, to the president (or general director in some IFs) in specific circumstances to accelerate the decision-making process when necessary. Another example of increasing or ensuring board efficiency is what the FIH calls 'board evaluation'. Recognizing the need to evaluate and eventually readjust the role of the board in order to ensure its efficiency, the FIH carries out a two-fold board evaluation since 2014. As an FIH staff member explains, the board is first assessed as a whole asking 'how the board is, how it functions, what are we good at, what not and where can we make improvements'. This overall assessment is followed by 'an individual competencies assessment where we can identify the strengths and weaknesses'. Overall and individual board evaluations then 'guide our nominations process because we will put out a demand for certain competencies [...] when we do a call for nominations'.

5.2.5. Leadership

In light of increasing external pressures and growing public scrutiny, IFs have to make proof of sound governance practices that legitimize their autonomy on the one hand, and their funding and other financial sources on the other hand. In the cases of UCI, FIVB, UWW and FIFA, recent changes in leadership were made to correct previous leadership issues. In all four cases, external pressures were at the origin, including allegations of corruption (FIFA, FIVB), insufficient fight against doping (UCI), and the risk of being excluded from the Olympic Games for not fulfilling IOC requirements (UWW). The arrival of a new president represents a moment of rupture, bringing along a belief in new dynamic and positive changes. Even though the FIH has been free of serious leadership issues, the federation demonstrated its willingness to embrace change. The FIH's current stability is above all the result of an anticipated internal governance review in 2010, revealing that the FIH Executive Board members 'were not playing the role they should be playing in modern days' (person of the FIH direction). As a consequence, important adjustments were made such as reducing the board size and hiring an experienced and dynamic CEO.

As well as being a driver of professionalization, leadership can also be a barrier. This is especially the case if key actors (individuals or groups) are motivated by personal rather than organizational interests. Some IF-presidents have been negatively associated with long-term presidencies resulting for instance in self-enrichment (FIVB) and systemic corruption (FIFA). And despite the IOC recommendation of a maximum term for president (12 years) to avoid leader monopolies, three of the six IFs examined still had not introduced term limits in 2016 (i.e. FISA, UCI, UWW). In 2015, the IOC tried to make term limits mandatory for all Olympic IFs. The attempt failed as a majority of IFs voted against it during the IF Forum organized by SportAccord Convention (informal discussion with an IOC staff member).

5.2.6. Organizational Culture

Organizational culture can be both a strong barrier and a powerful driver to IFs' professionalization. The amateur culture carried by passionate individuals significantly shaped IFs' structure. With IFs' turning increasingly towards business logics, the amateur culture is frequently considered as being out-dated and hindering to the federation's business objectives. Growing business objectives and commercialization bear the risk of deviating the IF from its actual mission, which is to serve its members by developing, promoting and organizing its sport. Or as an FIH staff member puts it: 'should they [IFs] even be about money? Is it strange for sports to connect with a brand that may not be related'. Repeated scandals including corruption, self-enrichment and bribery in recent years account for this risk of direction change. On the other hand, these scandals also raise leaders' awareness with regard to new expectations that the organization and individuals have to internalize: 'in the modern world, greatest standards of transparency are expected, highest standards of integrity and a greater level of clarity in terms of decision-making processes' (person from the UCI direction). Therefore, organizational culture also appears to play a decisive role in making adaptive change happen. Especially as a new generation of sport managers is emerging, trained through new education programs ('we have FIFA Master and AISTS graduates here', FIH staff member) and aware of previous scandals.

5.3. Internal Environment

Our analysis revealed two subcategories in the internal environment, both classified as drivers of IFs' professionalization: (1) financial support and development of members, and (2) knowledge sharing.

5.3.1. Financial Support and Development

Financial support to member federations and for development projects varies greatly depending on IFs' financial situation. In 2015, the FIH invested 20% of its budget in development projects, whereas FIFA claims to have injected more than USD 3.869 billion directly into football between 2011-2014, meaning 72% of its revenues during this period. Some IFs even anchor development programmes into their strategic plans. One of the FIH's strategic priorities, for instance, is to engage and empower its member federations to become more self-sufficient: 'we want sustainable programmes. And the only way you get sustainable programmes is to get someone who has an interest in it, who is local and will be there for a long time to be involved in it' (FIH staff member). The UWW, for its part, has appointed a Development Officer for each of its continental confederations in order to help them develop and implement the UWW's strategic plan.

5.3.2. Knowledge Sharing

Some IFs have created platforms to help their members share knowledge and experiences. For example, since 2013, the UCI runs the Sharing Platform seminars. Through these seminars, NFs can learn from each other and strengthen networks with NFs from neighboring parts of the world. In the case of hockey, the FIH provides members with technical and management courses through the FIH Hockey Academy, a series of online educational programs. The FIH further benefits from the experience of its strongest NFs: 'The way we work with the larger ones is that we try to utilise their resources as much as we

can. I mean in a lot of cases much has already been developed by these top nations' (FIH staff member).

5.3.3. Dynamic Phases of Professionalization

Taking a closer look at the temporal occurrence of drivers, findings suggest that the six IFs go through different dynamic phases of professionalization. Table 6 indicates these dynamic phases, drivers and their level of influence.

In the three IFs with less than 40 paid staff members (FIH, FISA, UWW) we can roughly distinguish three phases since the 1990s. The first phase (1990s) is marked by the advent of the Olympic revenue share, which was distributed for the first time in 1992, giving especially smaller IFs a considerable financial thrust. In the second phase (around 2000–2010), two main drivers stand out: competition with other IFs (notably for the Olympic revenue share and commercial revenues) and pressures from stakeholders in sport and society (notably through the IOC evaluation criteria and expectations of business partners in terms of return on investment). Since 2010, and in reaction to external pressures, IFs increasingly adjust their structures, processes and activities at the internal level (e.g. leadership, management practices, paid staff). A tendency with regard to the current focus of the three IFs emerges from interviews. This tendency evolves around IFs' goal to increase revenues through the commercialization of their activities (notably of events).

In the three IFs with more than 60 paid staff members (FIFA, FIVB, UCI) we can roughly distinguish two main phases of professionalization since the 1990s. The first phase (1990s–2010) is marked by strong commercialization, hiring of paid staff and long-standing presidencies: Hein Verbruggen at the UCI (1991–2005, but whose influence continued until 2008), Ruben Acosta at FIVB (1984–2008) and Sepp Blatter at FIFA (1998–2015). Though a clear-cut delimitation is not possible, a second phase can be located around 2010 and onwards. In this phase, pressures from stakeholders in sport and society represent the main driver, notably following scandals. Here as well, a tendency with

Table 6. Dynamic phases of six IFs, drivers and their level of influence.

| | <u>, , , , , , , , , , , , , , , , , , , </u> | | | | | | |
|---------|-----------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------|----------------------|--|--|--|
| | FIH, FISA, UWW (<40 staff members) | | | | | | |
| Phase | Phase 1: 1990s | Phase 2: 2000-2010 | Phase 3: since 2010 | Phase 4: tendency | | | |
| Drivers | Olympic revenue share | Competition with other Ifs Pressure from stakeholders in sport and society | Leadership Management practices | Commercialization | | | |
| | | | Paid experts from within | | | | |
| | e | | and outside sport | | | | |
| Level | External | | Internal | Internal | | | |
| | FIFA, FIVB, UCI (>60 staff members) | | | | | | |
| Phase | Phase 1 (1990s-2010) | | Phase 2 (since 2010) | Phase 3: tendency | | | |
| Drivers | Commercialization | | Pressure from stakeholders in sport and society | Management practices | | | |
| | Paid experts from within and outside sport | | Leadership | · | | | |
| | Leadership | | | | | | |
| | Financial support and development | | | | | | |
| Level | Internal | | External | Internal | | | |

regard to the current focus of the three IFs emerges from interviews. External pressures seem to push the three IFs to consider and/or implement large-scale and more transparent management practices.

6. Discussion

Findings support the relevance of themes and categories proposed in Nagel et al.'s (2015) conceptual framework. However, to operationalize the framework for IFs, a more differentiated approach seemed preferable. As outlined in the conceptual framework, IFs' professionalization is understood in this study as a dynamic process (Amis et al., 2004; Bayle, 2000). In accordance with Amis at al. (2004), we notice that this process is non-linear due to the unpredictable nature of changes in the political-economic and/or institutional environment and their varying influence on federations. For the time being, we draw three main conclusions from dynamic phases observed in six IFs and illustrated in Table 6: (1) dynamic phases of professionalization vary according to IFs' size; (2) professionalization influenced by external pressures is likely to be followed by a slower phase of internally-driven professionalization; and (3) IFs become increasingly business-oriented and commercialized.

Conclusions (1) and (2) underpin our first research proposition on professionalization processes being accelerated at specific moments in time. As Nagel et al. (2015) expected, competition between sports for scarce financial resources (e.g. Olympic revenue share) and external pressures (e.g. scandals, sponsors' expected return on investment) trigger professionalization. In both examples, financial resources and the question of means and ends (Anheier, 2000) play an essential role. As a means, financial resources produce competition. As an end, especially in case of massive commercialization, they may raise external pressures and question IFs' legitimacy as autonomous non-profit organizations. Geeraert, Mrkonjic, and Chappelet (2015) see in IFs' quest for legitimacy a 'counterstrategy' against threats such as losing their autonomy. In accordance with DiMaggio and Powell (1983), we notice that IFs enter a phase of slower pace when implementing substantive and enduring incremental changes at the internal level (e.g. management practices) in reaction to radical change (e.g. external pressures).

Conclusion (3) supports our second research proposition on IFs changing isomorphically (DiMaggio & Powell, 1983) to resemble business-oriented organizations on which they depend in terms of financial resources. In their pursuit of financial resources to maintain and/or grow their activities, all six IFs experience what Dees and Anderson (2003) call 'sector-bending'. Dees and Anderson define four types of behavior that are typical for this process: imitation, interaction, intermingling and industry creation. Imitation includes the adoption of 'strategies, concepts and practices of the business world' (p. 17). Interaction refers to a blurring that originates from collaboration, competition and partnerships between the for-profit and non-profit sectors. Intermingling sees the emergence of hybrid organizations, with both non-profit and for-profit components. The for-profit component usually serves the goal of revenue generation. And finally, industry creation constitutes a new sector-blurring field, 'populated by for-profit, nonprofit and hybrid organizations looking to harness market forces for social goods' (p. 18). All four types of behavior can be found in the IFs analyzed.

Overall, five causes (subcategories) appear to be of particular relevance to IFs' current professionalization process. These are external pressures, leadership, commercialization, management practices and organizational culture. Referring to the work of DiMaggio and Powell (1983), we argue that explanations can be found in isomorphic pressures. It appears that phases of radical change in IFs are often the result of coercive pressures resulting from an ever-growing number of actors of sometimes diverging interests. In her multiple constituency approach to organizational effectiveness of Hellenic NFs, one of Papadimitriou's (2000) conclusions is that sport organizations have to 'identify and reconcile the multiple demands of their interest groups' (p. 43) to be effective. This supports the hypothesis of Nagel et al. (2015) suggesting that sport organizations' professionalization is a response to 'pressure from the sport system, their competitors, sponsors, media, etc.' (p. 424). A change in leadership can also be source of radical change, especially in relation to and following governance issues (e.g. corruption). As Antonakis (2006) points out, the uncovering of system inefficiencies increases the need for 'effective but also ethical leadership'. New IF-presidents are increasingly being measured against capacities such as domain relevant expertise, values, moral conviction and trustability. 'Through their actions on subordinate leaders and followers and on organizational systems' (p. 7), Antonakis considers leaders as essential for organizational adaptation to take place.

On the other hand, mimetic and normative isomorphism in IFs rather seems to result in incremental change. In our study, mimetic pressures and isomorphism can be found in the subcategories of commercialization and management practices. While scholars tend to criticize IFs' trend towards commercialization and business objectives (Croci & Forster, 2004; Forster, 2006; Katwala, 2000), two interrelated aspects are important in order to understand IFs' commercialization from a more comprehensive perspective. First, IFs need financial resources in order to carry out their mission. In the past, their main sources of income were membership fees and donations. Second, IFs' response to a general decrease in the funding of non-profits and the simultaneously growing demand for sport spectating (Robinson, 2003) is to organize more sport events. From an operational perspective, IFs' organization becomes difficult with only membership fees and donations, especially in the case of fast-growing sports. Using for-profits as models, commercialization and management practices are closely related to organizational effectiveness and performance, concepts that several scholars have studied in NFs (Bayle & Madella, 2002; Winand et al., 2013). In their study on pressures on the UK voluntary sport sector, Nichols et al. (2005) emphasize the need to analyze whether the introduction of new management practices, as a response to external pressures, enhances organizations' effectiveness. These concepts are fairly unexplored in IFs. Findings suggest that the implementation of management practices such as strategic planning, job descriptions and staff evaluation help IFs improve their organizational performance. However, the challenge seems to lie in the alignment of performance objectives the IF aims at and the IF's mission. Bayle (2000) identifies six types of performance for NFs (sporting, economic and financial, organizational, internal social, media and societal). In the advent of IFs' focus on commercialization, they risk to emphasize the organization's economic and financial performance to the detriment of other performances.

Organizational culture, for its part, can be classified under normative isomorphism. As a new generation of sport managers emerges, we are likely to see a progressive change in terms of individuals' behavior for two interrelated reasons. First, a growing program of education and training in sport management (Chelladurai, 2005; Robinson, 2003) brings forth individuals with targeted know-how. In addition, an increase of experts from outside sport can be observed as IFs become more specialized (e.g. lawyers, accountants, marketing and communication experts). Second, repeated scandals in IFs entail external pressures to replace discredited leaders by ethical leadership. In the future, a generation of new sport managers may bring along a more ethical mind-set, marked by previous scandals and formed through education and training programs.

7. Conclusion and Perspectives

Research on IFs is still scarcely developed and existing studies mainly focus on governance issues in a few prominent sport organizations such as IOC and FIFA (Chappelet & Kübler-Mabbott, 2008; Forster, 2006). By looking at six summer Olympic IFs of different size, this study suggests a systemic approach to the question of causes and dynamics of IFs' professionalization processes. Based on Nagel et al.'s multi-level framework (2015) and themes and categories suggested in it, we identified eleven subcategories by carrying out a qualitative content analysis. We further classified these subcategories into eleven drivers of and five barriers to professionalization. Drivers and barriers uncovered in this study come as a proposal to researchers and sport managers to analyze, understand and predict IFs' professionalization as a systemic change process. Three particular findings stand out: first, professionalization is a dynamic process with phases of acceleration that vary depending on IFs' size; second, professionalization triggered by external pressures entails phases of slower and internally-driven professionalization; and third, IFs become increasingly business-oriented and commercialized.

At this state, our research makes three main contributions to the study of professionalization within sport organizations and raises a number of new research questions. First, our review of literature and applicable theories revealed abundant studies on national federations and clubs, but little research on IFs' systemic professionalization. Hence, answers remain to be found to the question: *How does the professionalization of an IF affect its member federations and vice-versa?*

Our second contribution is empirical, as the qualitative content analysis allows a first direct comparison of several IFs of different size regarding drivers of and barriers to professionalization. A detailed assessment of respective impacts of drivers and barriers on the professionalization process could help sport managers develop adaptive strategies: How can researchers measure and assess the intensity and impact of drivers of and barriers to professionalization on IFs?

Third, our findings support the research proposition that IFs' activities and management practices tend to become more business oriented. In addition, the hiring of professionals by IFs results in existing managerial practices being modified or replaced by new practices (Dowling et al., 2014). These new practices enable IFs to move away from a system based on trust to a system based on expertise in which much greater importance is given to accountability and strategic planning (Evetts, 2011). Given this context: *How do increasing business logics affect IFs' mission and functioning in the long term?*

Besides above research questions, the following limitations of this study emphasize the lack of systemic research on IFs' professionalization. First, we did not discuss the intensity at which drivers and barriers may trigger or hinder an IF's individual dynamic of

professionalization. Findings represented in Table 6 provide a simplified picture of major drivers. They do not reflect the detailed analysis of IF-specific dynamics and intensity of causes. Meanwhile, Table 4 exemplifies the underlying and more fine-grained analysis on which Table 6 is based upon. However, to further investigate the intensity of drivers and barriers and their impact on IFs' professionalization processes we recommend studies of single cases. Second, all six IFs of this study are summer Olympic federations. Though causes found in the empirical cases correspond largely with those of NFs and the multilevel framework, the relatively small sample and specific context do not allow for generalization. Future studies should examine a greater number of both non-Olympic and winter/ summer Olympic federations, as these may face different problems and hence adopt different solutions. Also, the impact of different geographical settings on IFs' professionalization should be considered. And third, we did not analyze decision-making structures as access to topics such as actual power relations within IFs turned out to be very difficult. Isolated examples give rise to the assumption that formal decision-making structures (e.g. statutes) may differ considerably from actual decision-making power. Shifts in the decision-making power bear the risk of blurring the roles and of professionals getting muddled in politics. Ideally, future studies should find ways to analyze if decision-making powers differ from formal structures and if so, whether discrepancies are anchored in the past or the result of recent changes, and how these effect the organization's functioning.

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Bringing a corporate mentality to the governance of sport

Clausen, J. & Bayle, E.

"C'est un vrai politique, patient quand il le faut, presque brutal quand il le faut aussi." (Jean-Marie Leblanc, former Tour de France Director, 2005)¹

"There are very good and professional people in the international sport federations. But if you look at the structure and organisation of them it simply cannot be good." (Hein Verbruggen, November 2014)

The link between international sport federations (IFs) and business is still a recent phenomenon, a tandem of mutual benefit that has evolved over the last three decades. Before this, by their very nature, IFs with their social mission and business as an economic activity constituted two completely distinct worlds. The former promoting, above all, pastimes and a forum for social encounters; the latter being profit- and outcome-oriented, optimised by strategic planning, performance management and quality controls. With increasing public interest in sport spectating (Robinson, 2003) and the explosion of broadcasting rights in the 1990s, the worlds of sport and business began to converge under the doctrine of performance and effectiveness (Barbusse, 2002). Through the merging of the traditionally diverging logics of non-profit sport organisations and business corporations, IFs have become hybrid constructs (Bayle, Chappelet, François, & Maltèse, 2011). These transformations have introduced a new group of actors: sport managers. For these actors, the business world, with its rules, constraints and expectations, has become the point of reference (Barbusse, 2002). For transformations to take place, it is indispensable to have people who envisage, introduce and lead change (Amis, Slack, & Hinings, 2004). Hein Verbruggen was such a person.

A businessman at heart and by conviction, Hein Verbruggen brought new perspectives into the world of cycling and international sport. His leadership, pragmatic marketing and management approach, which have profoundly shaped international cycling and the Union Cycliste Internationale (UCI) as its international governing body, were not without controversy. Some describe Hein Verbruggen as a person with "opportunistic behaviour and decisions driven by money" (former president of a national cycling federation) having an "oversized ego" (former UCI staff member), and allegations from riders (e.g. Floyd Landis, Paul Kimmage), the media (e.g. BBC) and a report commissioned by the UCI, publicly accused Hein Verbruggen of wrongdoings.

A chapter about Hein Verbruggen could tell many different stories: the story of the visionary UCI President; the story of an IOC member and President of SportAccord; or the story of Hein Verbruggen as a highly controversial figure in cycling who was confronted by allegations of complicity and laxity

in the fight against doping. Rather than sketching a complete picture of Hein Verbruggen as a person, this chapter seeks to outline his main influences on the international sporting world through interviews with him and by impartially gathering impressions from former employees, contemporary witnesses and relevant documents (e.g. newspaper articles, reports). In particular it focuses on two developments on which Hein Verbruggen had a significant influence: the professionalisation of structures and processes at the UCI by applying corporate management knowledge and practices; and the transformation of GAISF (General Association of International Sports Federations, renamed SportAccord between March 2009 and April 2017) to become a service provider to IFs and a multisport games organiser. This chapter is the story of Hein Verbruggen's strong belief in, and reliance on, corporate management principles. It is the story of how he introduced these principles to sport, adapted them to its reality and how these principles have left a legacy in the world of international sport. It is also the story of the ambivalent spirit of IFs since the 1990s: on the one hand, there are all-powerful presidents, a lack of transparency, doping and corruption scandals and waning credibility; on the other hand, major sport events bring together thousands of people from all over the world and event revenues allow IFs to finance development projects.

The chapter will focus on Hein Verbruggen the marketing expert and his entry into the world of sports, his managerial vision as a businessman and its implementation at the UCI and his reform of GAISF to become a service provider to IFs and a multi-sport games organiser. As a person who strongly divides opinion, a short overview of some of the allegations against him is also given. The chapter concludes with a summary of Hein Verbruggen's main achievements. Information is based on ten interviews – three of which were with Hein Verbruggen and seven with former employees and contemporary witnesses – as well as newspaper articles and a data analysis of IOC, UCI and GAISF documents.

1. The marketing expert who became a key leader in international sport

Born on 21 June 1941 in Helmond, a city in the province of North Brabant (Netherlands), Hein Verbruggen grew up in a region where cycling and enthusiasm for cycling have a long tradition. However, he had very little to do with cycling in his younger years, besides perhaps occasions on which his father took him to watch a local cycling race. Education was highly valued in the Verbruggen family. Hein Verbruggen completed his studies at the Nijenrode Business School in 1964 and started his first job as Regional Sales Manager for Carnation Belgium the same year, where he "received a very good training in sales" (HV, April 2015). Following this first professional experience at Carnation (1964-1968), Verbruggen's move to M&M/Mars was, above all, motivated by his desire to enter the marketing sector. He was hired as a Product Manager (1969), a job that had a significant impact on his later philosophy and vision. From the age of 28, his understanding of business,

marketing, management and strategic planning was largely formed during his years with M&M/Mars, a company he described as "one of the best companies in the world" (HV, November 2014). Many of the skills he acquired during this time served him well when occupying pivotal positions in the world of sports. His strong identification with the Mars principles of "quality, responsibility, ethics and efficiency" (HV, April 2015) became his point of reference. But how did Hein Verbruggen get into the world of cycling, a world that, at that time, was still the reserve of individuals closely involved with cycling and/or who had an emotional attachment to the sport?

1.1. The Mars-Flandria sponsorship deal

At first sight, Hein Verbruggen's entry into the world of sport could be considered as a mere coincidence: looking for new possibilities to advertise M&M/Mars' products in a fast-growing international food market, the young sales manager convinced his employer to sponsor a cycling team, proving a subtle instinct for business, strategic alliances and marketing opportunities. Firstly, sport creates emotional links and can improve the image of a product by simple association with the emotional experience of the sport, an event, athletes, etc. Secondly, in the 1970s and 1980s, sport was discovered to be an ideal platform to promote products. It became a new advertising tool, marking the beginnings of sport sponsorship. And thirdly, the particular circumstances of the law in Belgium made sport events and teams/athletes ideal partners for the advertising industry: in the 1970s, Belgium was one of few countries (along with Scandinavia) where commercial advertising was banned on radio and television. Verbruggen opened a new door for M&M/Mars to promote their products by signing a twoyear sponsorship contract with a Belgium cycling team in 1970 (Mars-Flandria). Sponsorship from outside the world of cycling was still relatively new at this time. Until the mid-1950s, sponsorship and the organisation of cycle races were strictly limited to cycling manufacturers and newspapers. However, with the increasing popularity of cycling events and the professionalisation of athletes, bicycle manufacturers were unable to finance the sport alone. In 1954, Italian cyclist Fiorenzo Magni became an emblem of this change in cycling: his bike company, Ganna, was unable to continue financing his team. Magni turned to the German cosmetic company Nivea and signed a contract with them as team title sponsor. For the first time in cycling history, a brand outside the world of cycling became the sponsor of a cycling team².

In 1975, persuaded by one of the Mars-Flandria riders, Hein Verbruggen became actively involved in cycling as a member of the professional cycling committee of the Royal Dutch Cycling Union (KNWU). From this time on, he began to shape the sport from the inside. Just four years later, in 1979, he became a board member of the Fédération Internationale du Cyclisme Professionnel (FICP), then Vice-President of FICP in 1982 and President in 1984. In 1991 he was elected President of the UCI. Verbruggen's career path illustrates how rapidly he grew into the role of a major actor in international cycling and in sport in general. This chapter studies the following contributions of

Verbruggen: his pragmatic management approach triggering the professionalisation of the UCI and the creation of a support base for all IFs in the Olympic movement through the services provided by GAISF.

2. A pragmatic management approach: the example of the UCI

"If you look around in the world, for me the best management system you can find is in the multi-nationals" (HV, November 2014).

Hein Verbruggen was at the head of the UCI for 14 years. When elected President in 1991, the Geneva-based UCI headquarters (transferred from Paris to Geneva in 1969) consisted of two people: a Polish Secretary General aged 79 and his assistant. When Hein Verbruggen left the UCI in 2005, the federation employed 55 staff members, had its headquarters in a new velodrome in Aigle and enjoyed a stable financial and patrimonial situation: "I took up a bankrupt federation and when I left there were a cycling centre, all paid for, and 14 millions [CHF] of reserves," (HV, November 2014). Hein Verbruggen has shaped international cycling in many ways. The focus will, however, be limited to two particular achievements that reflect his management style, his fine sense of policy and his relentless pursuit of improved organisational performance. The first of these achievements was the dissolution of the Fédération Internationale de Cyclisme Professionnel (FICP) and the Fédération Internationale Amateur de Cyclisme (FIAC), finally conferring the UCI with the role of the sole international representative for the governance, promotion and development of cycling worldwide. The second achievement was the creation of the UCI ProTour, now known as the UCI WorldTour.

2.1. Reversing the effects of the amateur code

As a member of the Dutch national cycling federation since 1975, Hein Verbruggen first participated in a FICP/FIAC Congress in 1978 (Munich). He immediately presented himself as candidate for one of three vacant FICP posts and was elected at the following FICP Congress held in Maastricht on 20 August 1979. His election allowed him to attend the UCI Congress (Geneva, 30 November 1979). When Verbruggen was elected to the board of the Luxembourg-based FICP in 1979, there was still a long way to go before the FICP and the FIAC would be dissolved. Both federations were formally under the direction of the UCI but in reality the UCI had no influence. A closer look at the historical evolution of the Olympic Games is required to understand why the UCI, as the international governing body of cycling, was flanked by two additional international federations – FICP and FIAC – of which only the FIAC was recognised by the IOC

The 1964 amateur code excluded from the Olympic Games those athletes:

"who have participated for money, or who have converted prizes into money or, without permission of the National Federation within the Rules of the International Federation concerned, have received prizes exceeding 50 Dollars in value, and those who have received presents which can be converted into money or other material advantages".

In 1965, the IOC under the presidency of Avery Brundage obliged both the UCI and FIFA to split into amateur and professional branches, a separation that other IFs had already undertaken. As stated in the minutes of the 63rd meeting of the IOC (1965), "the I.O.C. decided to eliminate the sports whose federations govern professional sport and amateur sport at the same time⁴". As a result, the UCI established the amateur association FIAC and the professional association FICP. It was not until 1981 that the re-admission of professional athletes to the Olympic Games was accepted by the IOC Congress (Baden-Baden, Germany). By 1984, the Olympic Games were effectively open to professional athletes.

However, having conceded to the pressure of the IOC, the UCI was caught in the crossfire of the two rival federations for the next 27 years. The UCI Management Committee comprised 50% FIAC members and 50% FICP members. The two-bloc arrangement was symbolic of the time: while communist countries from the Eastern bloc dominated the FIAC, the FICP was characterised by a capitalist mindset. "Everything they [FIAC] said, we [FICP] said no. And everything we said, they said no," (HV, November 2014). In this 50/50 deadlock, the UCI President could steer a vote in one or other direction by his casting vote. It also meant that decisions supported by the majority were rare. This situation virtually paralysed the development of the UCI for 27 years. And it was only with the UCI's official recognition by the IOC in 1993 that professional cyclists could finally participate again in the Olympic Games, the first being the 1996 Games in Atlanta. Verbruggen's efforts were key to the reintegration of the UCI into the Olympic Movement and the concentration of decision-making powers within the UCI as the sole governing body.

How did the situation unfold? In 1984, the FICP sought a new president to complete the mandate of the deceased Josy Esch. Two candidates stood for election: Hein Verbruggen and Germain Simon (France). Verbruggen was elected FICP President on 28 November 1984. Six years later (July 1990), the UCI found itself without a president after the death of Louis Puig (Spain). Verbruggen stood for the post and was elected on 29 November 1991 at the UCI Congress in Berlin. With the division into three international federations (FIAC, FICP, UCI) of which only the FIAC was recognised by the IOC, the UCI was clearly not in a position to promote the sport it represented as the international governing

body. The dissolution of the FIAC and the FICP therefore became Hein Verbruggen's first objective as the newly elected UCI President.

Two events facilitated the unification. On the one hand, the separation of amateurs and professionals became superfluous from a sporting point of view due to the abolition of the amateur code (1981). On the other hand, the end of the Cold War and the demise of the Union of Soviet Socialist Republics (USSR) in 1989 simplified the destruction of the "iron curtain" in cycling. The path was clear for the rapprochement of the FIAC and FICP blocs. With the support of Juan Antonio Samaranch (IOC President from 1980 to 2001), Hein Verbruggen succeeded in his first mission: in 1992, the decision to dissolve the FIAC and FICP was passed by the UCI Congress (Orlando, USA). The decision was finalised in August 1993, leading to the reintegration of the UCI into the Olympic Movement in the same year. Instead of FIAC and FICP, two new councils were created - the Amateur and Professional Councils – but these only existed for a short time. During the 1996 UCI Congress (Lugano, 11 August), the two councils were abolished. The Professional Council was subsequently replaced by two commissions: the Road Elite Commission and the Road Commission. Four years later, in order to better respond to the growing popularity and success of professional cycling, the UCI announced the creation of the Professional Cycling Council (PCC) at the 2000 UCI Congress (Sint Michielsgestel, 28 January). This Council still exists today and is, among other things, responsible for carrying out the technical and administrative organisation of the UCI WorldTour, drawing up the WorldTour calendar and drafting regulations specific to UCI WorldTour Teams. The events leading to the creation of the PCC demonstrate the UCI's strong focus on road cycling.

2.2. The creation of the ProTour: a means to control the international cycling calendar

Cycling lives on the myths of seemingly insurmountable challenges such as the first cycling race in 1891, from Paris to Brest and back over a total of 1300km, mostly on rough cobbled roads. Since then, and because of its potential to attract and fascinate people, cycling has always been exploited by different pressure groups: "Historically, sport has always been organised in function of something else. This makes sport in general very vulnerable, and cycling in particular as cycling teams have no political backing and very little regional embedding" (HV, May 2015). The creation of the Tour de France is a perfect example of the instrumentalisation of cycling by press groups:

Historical flashback: the creation of the Tour de France and its success

At the end of the 19th century, *Le Vélo* was the only daily sports magazine. Its Chief Editor, Pierre Giffard, supported Dreyfus⁵ to the extreme discontent of the cycling and car industries. Nevertheless, the cycling and car industries had gained visibility through advertising in the magazine. In 1900, when the industrialists created their own daily sports magazine, *L'Auto-Vélo*, printed on yellow paper, a dispute broke out about naming rights. As *Le Vélo* had reserved the rights for "vélo", *L'Auto-Vélo* finally had to accept legal defeat three years later and rename its magazine *L'Auto*. In the same year, in response to the prospect of losing considerable marketing opportunities, *L'Auto* launched a new strategy to increase its readership: organising the biggest cycling race ever seen – the Tour de France. The success of the first Tour de France (1903) afforded *L'Auto* a considerable advantage over its competitor and *Le Vélo* withdrew its magazine the following year. The yellow paper upon which *L'Auto* was printed became the distinctive colour of the Tour de France leader's jersey.

Today, the mythical Tour de France is organised by ASO (Amaury Sport Organisation). The Tour not only has a long tradition, it also generates significant revenues. Tour de France net earnings in 2014 totalled approximately EUR 35 million (Aubel, 2015). In 2013, 12 million spectators lined the roads for the stages of the Tour de France, a total of EUR 2.2 million prize money was distributed, 4,500 people were involved in the daily organisation of the event, 35,000 beds were booked by the organisation during the Tour's three weeks, 1,700 journalists were accredited and the Tour was broadcast to 195 countries, representing a total of 3.5 billion spectators worldwide⁶. It is beyond doubt that an organisation like ASO does not need the UCI to make its economic model work. On the contrary, the UCI has often been an unwanted presence, imposing rules on an event that was created just three years after the UCI itself (1900), an event that has given rise to myths and stories of glory and defeat, and that has an economic impact like no other cycle race in the world. So far, neither Hein Verbruggen nor his successors have managed to control ASO as much as they would have liked. In 2014, 56 out of 154 race days on the WorldTour calendar were organised by ASO (Aubel, 2015), giving the organiser considerable visibility and power.

In the years following the dissolution of the FICP and the FIAC, Hein Verbruggen concentrated his efforts on strengthening the UCI's influence on cycling events which, up until then, had been under the control of private commercial organisers, professional teams, broadcasters, sponsors, etc. This lack of control not only weakened the UCI's decision-making role, but also its financial capacities. Verbruggen was convinced that an IF has to control its international event calendar in order to govern its sport. During his time as a member of the FICP, he recognised the overwhelming power of some race organisers, notably the "Société du Tour de France" (now known as ASO), the organiser of the Tour de France. The international cycling calendar in this era was literally in the hands of Félix Lévitan, Director of the Tour de France from 1962-1987: "ASO, or rather the Sport Director Felix

Lévitan, took the decisions, the UCI merely approved them without opposition, reducing its own rights and power to an all-time low" (HV, November 2014).

Very quickly, Verbruggen realised that race owners were rather opposed to his vision for developing cycling. "The cycling calendar was to 70% France, Spain, Italy and Belgium. And these federations didn't want to change. Every new race that came in was a big fight," (HV, November 2014). By introducing the ProTour as a UCI-owned circuit, he initiated a dynamic offensive against the all-powerful race organisers. Launched in 2005 during his last year as UCI President, the ProTour brought together the 18 strongest cycling teams at the most popular cycle races. Participation was no longer a question of good contacts with the organiser (as was previously common practice), but was instead based on a team ranking that had its origin in the French classification system. Baulking against the curtailment of their so far unlimited rights to choose teams and dates, a power battle arose between ASO and the UCI. This struggle continued even after the UCI ProTour had been launched in 2005, culminating in 2008 when ASO declared that it would quit the UCI calendar and organise its races independently. Having joined forces with other major organisers such as RCS (Giro d'Italia) and Unipublic (Vuelta a España), ASO once again demonstrated its powerful position. In the end, the IOC had to intervene as a mediator to break the deadlock.

According to Verbruggen, the ProTour was pursuing a strategy of stabilising teams' financial situations by guaranteeing top-level participation. "The weak situation of teams was at the basis of the ProTour creation because teams are very vulnerable. We wanted to open new sources of revenues for the teams and bind sponsors via participation guarantees," (HV, April 2015). A process of the professionalisation and globalisation of cycle races and teams followed the creation of the ProTour. Nowadays, race organisers have to follow a precise, very strict organisation guide, the implementation of which is controlled by professional UCI technical delegates. In addition, commissaires officiating at WorldTour races are specifically trained and WorldTeams, in order to receive their licence, have to prove their compliance with financial, ethical and sporting criteria defined by the UCI. Nevertheless, the economy of the system continues to be very fragile. Teams still rely entirely on their main sponsors, there is no redistribution of TV rights to the teams and athletes receive poor prize money compared to other top professional sports such as tennis (in 2015, number one player Novak Djokovic earned USD 21.6 million⁷ in prize money alone) and golf (for the 2015 PGA⁸ Championship, a total of USD 10 million was distributed to the top 21 players, the winner getting USD 1.8 million⁹). Even for the UCI, the UCI WorldTour has not been very profitable, sometimes even returning a deficit: in 2013, high legal costs (CHF 718,000) and expenses for meetings (CHF 812,000) led to a WorldTour loss of CHF 96,000 (UCI Annual Report 2013). In 2014, the UCI WorldTour generated modest revenue of CHF 240,000 (UCI Annual Report 2014). Furthermore, cycling fans, potential sponsors and partners do not display much recognition of the "UCI WorldTour" brand whereas they are highly aware of the

three biggest races of the WorldTour: the Tour de France, Giro d'Italia and Vuelta a España¹⁰. The continuing reform of men's professional road cycling, with implementation planned for 2017-2019, in conjunction with the opposition of key stakeholders (e.g. race organisers, teams), emphasises the ongoing struggle between the UCI as the governing body of international cycling and stakeholders' individual needs and interests.

2.3. Hein Verbruggen's achievements as UCI President

Hein Verbruggen's legacy to cycling and the UCI results from a well-thought out and well-conducted transformation of a traditional, volunteer-run and slightly dusty sport federation into a dynamic, professional and trendsetting federation. According to Verbruggen, one of his most important achievements is hardly mentioned: the reform of professional riders' working conditions by introducing social protection measures through an agreement between the UCI and economic partners (in particular social insurance guarantees and minimum salaries for road cyclists), signed in Lisbon on 12 October 2001. Before this, "riders were slaves, often paid in kind, not in cash. And the UCI Rulebook of a meagre seven to eight pages didn't contain any social protection for riders," (HV, April 2015). Today, the major challenges of guaranteeing viable working conditions for professional cyclists are still considerable as significant (budgetary) differences exist amongst teams and short-term sponsor agreements undeniably introduce uncertainty.

Another important change of paradigm under Hein Verbruggen was the creation of the ProTour (now known as the WorldTour). Even though the ProTour didn't entirely wrest the overwhelming power from race organisers such as ASO, it is today a solid component of the international road cycling calendar, bringing together the world's best road cycling teams and delighting millions of fans on the roadside and in front of the television. Critics claimed that the new series format embodies several disadvantages: teams are mainly racing for points (as these allow them to participate in major races) and riders have to accumulate a questionable amount of race days; the stars and figureheads have disappeared behind the "team" product while, at the same time, this product is extremely fragile and dependent on short-term sponsorship contracts. Twelve years after launching the ProTour (2005), race organisers and cycling teams are voicing significant dissent to the ongoing *Reform of Men's Professional Cycling*, which was supposed to be finalised by 2017. The criticisms come from several sides. WorldTour teams, for example, do not see their sporting needs reflected in the reform as race days are set to increase, contrary to an initial agreement.

Hein Verbruggen also promoted the commercialisation of the UCI World Championships and UCI World Cups. Cycling World Championships and World Cups now guarantee the UCI a major source of income, mainly through the sale of sponsorship and TV rights. Verbruggen marketed these rights at

"a time where it was still rare to buy and/or sell TV rights" (former UCI staff member, March 2015). When contracting TV rights with the European Broadcasting Union (EBU) in the early nineties, the UCI immediately harvested some ten million Swiss francs. The contract with EBU included the commercialisation of all UCI World Championships with broadcasting guarantees, as well as penalties should the contract not be respected. A beneficial side effect of this TV deal was that it allowed the UCI to attract new international sponsors such as Tissot and Shimano, generating considerable additional income.

From an administrative perspective, staff numbers at the UCI gradually increased in line with the changes initiated by Verbruggen: three paid staff members in 1991, five in 1993, 20 in 1997 and 55 in 2005 (not including the staff of the World Cycling Centre). As a consequence of this increase, the UCI headquarters moved to its new home, the World Cycling Centre (WCC) in Aigle, Switzerland, inaugurated on 14 April 2002. Since this time, the WCC has been a driving force in the worldwide development of cycling (e.g. coaching and mechanics' courses, athletes' training).

As UCI President, Hein Verbruggen was a strong, forward-thinking leader who was calculating and tireless in the pursuit of his objectives. The evolution of the UCI, its professionalisation and the globalisation of cycling are in many ways the result of his vision and the implementation of this vision. However, Hein Verbruggen admitted, with a note of self-criticism, that his last term as UCI President lacked the motivation with which, hitherto, he had restructured and developed the UCI to become one of the biggest international sport federations: "I was fed up after 10 years and I had to stay another 4 years because Samaranch told me: 'You should not only build it [World Cycling Centre], but you should also run it.' And that was just 4 years too much. I didn't do the job at the level as I did before because my motivation was gone," (HV, November 2014).

Hein Verbruggen retired as UCI President in 2005, becoming a UCI Honorary President and co-opted member of the UCI Management Committee until 2008. The move to become a co-opted member was unusual for an honorary president as the latter role typically means quitting all executive functions. Some interpreted this situation as Verbruggen's desire to cling on to power. But it was also a tactical move undertaken in light of his ambitions regarding the IOC: only individuals occupying an executive function in an IF can be elected as IOC representatives. Hein Verbruggen became an IOC member in 1996. To remain an IOC member and continue his work on the *Coordination Commission for the Games of the XXIX Olympiad in Beijing in 2008* (2001-2008), to which he had been elected as Chairman in November 2001, he had to occupy an executive function within an IF. And the UCI Constitution offered a solution: according to Article 47, the UCI Management Committee, comprising 15 members at this time, could co-opt two additional members. Verbruggen was co-opted as a member of the UCI Management Committee in 2005, immediately after the election of his successor Pat

McQuaid. He was also named UCI Vice-President of International Relations due to his numerous contacts with, and functions within, the IOC (President, Chairman and active member of various commissions), SportAccord (President from 2004-2013) and ASOIF, the Association of Summer Olympic International Federations (Vice-President from 2000-2003).

3. GAISF/SportAccord

"Under the Presidency of Verbruggen the organisation has been able to move forward in a way that perhaps would not have been possible under any other President" (former SportAccord staff member, March 2013).

Though Hein Verbruggen relinquished his function as UCI President in 2005, it was clearly not to take a break or retire from international sports. In 2004, as GAISF Vice-President, he replaced Un-Yong Kim to become acting President. Kim was forced to resign over allegations of bribery and illegally acquiring public money intended for the World Taekwondo Federation (WTF) over which he presided. After three years as acting President, Verbruggen was officially elected GAISF President in 2007. Established in 1967, GAISF represents all IFs. However, its role as a link between IFs and the IOC and as a platform for exchange and the defence of IFs' common interests dates back to the 1920s.

The collective representation of International Sport Federations

Through the Conseil National des Sports (CNS), which brought together the leaders of the principal sport federations, France actively organised a counter-power to the IOC by promoting initiatives to organise collective world championships. In 1918, the CNS established the conditions for the creation of international groups, the equivalent of today's IFs. This project could have resulted in France assuming a hegemonic position within each IF and in a Comité International des Sport (CIS). Aware of the threat to the Olympic movement, Pierre de Coubertin, with the help of some international leaders and IOC members, interrupted this attempt. As an alternative he established a Permanent Office of International Sports Federations in 1921, with headquarters in Paris (Grosset & Attali, 2009). The office organised regular meetings between Olympic federations and the IOC, facilitating dialogue. However, non-Olympic federations were excluded. Having no representation vis-à-vis the IOC and no platform for exchange between federations to defend their common interests, 26 federations came together in Lausanne in 1967 to create the General Assembly of International Sports Federations, replacing the Permanent Office of International Sports Federations. The Assembly was rebranded the General Association of International Sports Federations (GAISF) in 1976 and became SportAccord in 2009. In April 2017, it was renamed the Global Association of International Sports Federations, hence adopting its former acronym GAISF.

Hein Verbruggen became a leading figure in international sport through his position at GAISF. However, he came close to turning his back on GAISF in 2004: "GAISF didn't do anything. Nothing. We had two meetings per year that never lasted longer than 59 minutes. I was wondering what I was doing there!" (HV, November 2014). The inactivity of GAISF does not come as much of a surprise if one takes a closer look at the power structures of international sport in the late 1980s and through the 1990s. Under Juan Antonio Samaranch, Avery Brundage's concerns about the Olympic Games' losing Coubertin's values of amateurism were quickly thrown overboard and an accelerating commercialisation of the Games and international sports in general began. Before 1984, organising the Olympic Games was regarded as a financial risk that consumed considerable public funds. This changed with the 1984 Los Angeles Games. A private group under the direction of Peter Ueberroth (President and General Manager of the 1984 Los Angeles Olympic Organising Committee) organised the Games through a combination of corporate sponsorships, private fundraising and television deals. For the first time, the Games were not sponsored by a government, yet they generated a considerable profit of USD 250 million¹¹. Nowadays, this strategy is common practice.

The huge success of the Los Angeles Games opened up new financial opportunities for the IOC. However, athletes remained the main element in attracting spectators, sponsors and broadcasters to invest in the Games. The IOC itself does not have direct control of athletes; athletes are registered with their national sport federations who, in turn, are affiliated to their IF or continental federation. In other words: to organise the Games and monetise its increasing popularity by selling broadcasting and sponsorship rights, the IOC depends on the IFs and their athletes. Though Samaranch knew this, he did not want to afford the IFs too much power and freedom of action. What Samaranch needed was an organisation to control the IFs. Supporting a person such as Un-Yong Kim to head the GAISF, with his dreams of becoming IOC President one day, was an astute move by Samaranch. Kim's efforts to consolidate his position as a future candidate for the IOC presidency made him easily influenced; it seems clear that he followed Samaranch's instructions. To Hein Verbruggen, in turn, the inactivity of GAISF was a thorn in his side: "We were trying to put some life in this organisation and he [Kim] just wanted to keep us down and low," (HV, November 2014). Kim's and Verbruggen's presidency strongly contrasted with each other.

3.1. SportAccord: a service provider to international sport federations

"The [international sport] federations are poorly organised. It's not always a matter of competences. It's often the lack of resources, financial but also human resources. So I thought that we should have an organisation, SportAccord, to help the international sport federations" (HV, November 2014).

Once he became GAISF President, Hein Verbruggen quickly set up various departments. From his time as UCI President he knew the problems and challenges that IFs have to face only too well. One major challenge was the lack of consensus. With between 150 and 200 member federations (i.e. national sport federations) and each member being primarily interested in improving its own situation, Verbruggen commented: "it's like a bucket full of frogs which all go in different directions" (November 2014). According to Verbruggen, the almost impossible mission of gathering members' objectives into shared goals is at the root of organisational and structural problems in international sport. In addition, rising expectations from stakeholders and spectators, the commercialisation of sport events and competition between top-level sports to be accepted (or remain) on the Olympic Programme exposes IFs to severe pressure. Considering the growing need for specific competencies and expertise (e.g. anti-doping), the old structure of a volunteer-run association had reached its limits. At the same time, many IFs were not in a financial position to hire experts. Against this background, GAISF gradually assumed the role of a service provider for IFs. Verbruggen set up different departments to encourage and facilitate knowledge sharing among members and provide resources and expertise in relevant areas such as anti-doping, integrity, good governance, social responsibility and digital media.

In 2009, GAISF became SportAccord. By this time, its services no longer solely supported IFs, but also the IOC. The IOC divides IFs into four categories: summer Olympic IFs (ASOIF - Association of Summer Olympic International Federations), winter Olympic IFs (AIOWF - Association of International Olympic Winter Sports Federations), IOC-recognised IFs (ARISF - Association of Recognised International Sport Federations) and non-recognised IFs (AIMS - Alliance of Independent Recognised Members of Sport). All are members of SportAccord. For a non-recognised IF to be recognised, the federation has to fulfil a number of criteria. Officially, the power to recognise an IF lies with the IOC. But as the federation first has to be a member of SportAccord, the initial due diligence of verifying whether the IF is in compliance with IOC criteria falls to SportAccord. This makes SportAccord an important pillar of the IOC's recognition policy.

Over the years, IFs' efforts to become recognised posed a new but basic question: what is a sport? Under Verbruggen, SportAccord established a set of criteria to define what a sport is, a task that not even the IOC has ever undertaken. The full list of criteria is given below:

List of criteria to define what is a sport

- "The sport proposed should include an element of competition" (thus excluding e.g. yoga or Pilates).
- "The sport should not rely on any element of 'luck' specifically integrated into the sport" (such as e.g. horse racing).
- "The sport should not be judged to pose an undue risk to the health and safety of its athletes or participants" (such as e.g. base-jumping).
- "The sport proposed should in no way be harmful to any living creature" (thus excluding e.g. fishing).
- The sport should not rely on equipment that is provided by a single supplier.

To be recognised by the IOC, IFs further need to prove the existence of an anti-doping policy compliant with the WADA Code, regularly stage World and Continental Championships, exhibit independent governance structures and "the sport it governs must be practised and organised in more than 50 countries worldwide" Even though IFs' recognition by the IOC is officially governed by the Olympic Charter (Rules 26 and 27), the actual evaluation is conducted by SportAccord. The IOC, on the other hand, through its "Evaluation criteria for sports and disciplines", carries out an assessment of the contributions of Olympic IFs to the overall success of the Olympic Games (number of tickets sold, number of spectators, TV audience, etc.).

3.2. SportAccord Convention

In an environment where Samaranch was pursuing maximum control over the IFs and where GAISF President Kim sought to increase his own influence within the IOC, even if this meant thwarting suggestions and initiatives from IFs, new and innovative ideas were not a priority for GAISF. But this did not stop Verbruggen trying. As the IOC has to meet its four associations (i.e. ASOIF, AIOWF, ARISF, AIMS) at least once a year, he suggested organising an annual meeting over several days, bringing together all IFs. Thus the idea of the SportAccord Convention was born. Despite the successful first organisation of the SportAccord Convention in 2003, Kim continued to vehemently reject Verbruggen's initiative, almost causing him to give up. But with Kim's forced departure in 2004, the SportAccord Convention lost its harshest critic and Verbruggen became acting GAISF President in the same year. Emphasising the significance he assigned the SportAccord Convention, Verbruggen rapidly created a separate structure for the convention, owned 50% by GAISF, 30% by ASOIF and 20% by AIOWF. Since 2003, the SportAccord Convention has been an annual must for IFs. Over several days, it brings together about 2,000 delegates, key decision-makers from sport governing bodies and the sports industry. It constitutes a platform for connecting, exchanging

knowledge and participating in shaping the world of international sport. Today, revenues from the SportAccord Convention represent the most important source of GAISF income.

Hein Verbruggen stepped down as SportAccord President in 2013. Under Marius Vizer, Hein Verbruggen's successor at the head of SportAccord, the convention was rebranded as *SportAccord Convention World Sport & Business Summit*, thus accentuating Vizer's goal of further converging the world of sport and the world of business. However, his idea of organising joint World Championships every four years did not receive a favourable response from the IOC. Joint World Championships would strongly resemble the Olympic Games, with the difference that all IFs, Olympic or non-Olympic, IOC-recognised or not, could participate. For the first time since 2003, and as the result of growing discrepancies between Vizer's objectives and the IOC, the IOC did not hold an Executive Board meeting at the 2015 SportAccord Convention (Sochi). The subliminal conflict between the IOC and SportAccord exploded into a crisis when, in his opening speech and in the presence of IOC President Thomas Bach, Marius Vizer openly decried the IOC as being "expired, outdated, wrong, unfair and not at all transparent¹³". Lacking the support of its members (20 SportAccord members cut ties or suspended membership in the aftermath of the 2015 Convention), Vizer ultimately stepped down from his position as SportAccord President in May 2015. Since this time, SportAccord's structure has been considerably reduced and the organisation of multi-sport games entirely.

3.3. SportAccord: organiser of global multi-sport games

Supporting IFs to professionalise against a background of growing external expectation and financial pressures was Hein Verbruggen's first objective upon becoming GAISF President. Affording IFs, in particular small IFs, a certain visibility was another. The Olympic Games are one of the world's most important international sport events. At the time of writing this chapter, 35 of the 92 IFs that are full members of GAISF are on the Olympic programme (28 summer + 7 winter). Recognising the potential of the 57 sports that are not, and perhaps never will be, on the Olympic programme, Verbruggen had the idea of grouping sports together to organise multi-sport games: "Amongst the 92 federations I had 14 or 15 martial arts. So I had Martial Arts Games. I had 4 or 5 federations that were mind games, bridge, chess and so on. So I created the Mind Games," (HV, November 2014). Thanks to Verbruggen's close relationship with Jacques Rogge (IOC President 2001-2013), the IOC supported the idea at the time. The economic model of the multi-sport games was similar to the Olympic Games: SportAccord owned the rights and appointed a local organiser who paid an organising fee (approximately CHF 3 million for the Martial Art Games and CHF 1.2 million for the Mind Games). SportAccord coordinated the development of the games together with its member IFs. Under the auspices of SportAccord, the SportAccord multi-sport games gave non-Olympic sports and disciplines worldwide exposure. Since 2010, two World Combat Games (2010 in Beijing, 2013 in St. Petersburg) and four World Mind Games (2011-2014 in Beijing) have taken place. The first edition of the World Urban Games were scheduled for 2016 and the World Beach Games for 2017. However, not everyone welcomed this evolution: "Some people in the IOC wondered if it was the role of international sport federations to organise games," (HV, November 2014). The concept of SportAccord multi-sports games ground to a sudden halt with Marius Vizer's opening speech at the 2015 SportAccord Convention and his replacement as SportAccord President shortly after.

Verbruggen insisted that, under his presidency, SportAccord was not seeking to rival the Olympic Games, nor was it meant to be a counter-power to the IOC. He considered SportAccord primarily as a service provider to the IFs and the multi-sport games as a means of affording visibility to IFs that will perhaps never be included on the Olympic Programme. While his goal for SportAccord was to be financially independent of the IOC through the organisation of the SportAccord Convention and the multi-sport games, he recognised the need to work closely with the IOC for the benefit of the federations: "If you want to be a service operator to the federations, if you want to do something for them, you can't do it without the IOC, without a close cooperation between SportAccord and the IOC," (HV, May 2015). The immediate dropping of multi-sport games and other services (except anti-doping) and the return to its former acronym (GAISF) in 2017 under the new president demonstrate the current priorities of GAISF: maximum alignment with IOC requirements and minimum conflict, even if this means diminishing services to IFs.

4. Allegations against Hein Verbruggen

While his time as UCI President passed generally uncontested and was rather evaluated in relation to the UCI's growing prosperity and structure, rumours and allegations came to the surface after Hein Verbruggen relinquished the UCI presidency in 2005. In 2008, a BBC investigation into UCI finances pointed a finger at payments made to the UCI nearly two decades earlier. The investigation focused on payments of USD 3 million to the UCI in the 1990s by a Japanese cycling event organiser. These payments coincided with the admission of the keirin into the Olympic programme. Keirin racing is one of the most popular disciplines for betting in Japan, "commanding tens of millions of dollars in gambling revenue every year" 14. The disclosure of the payment fed rumours that keirin racing had bought its way into the Olympic Games and spawned allegations against the UCI for having accepted money in exchange for their support. Voted onto the Olympic Programme in 1996, keirin made its first appearance at the 2000 Olympic Games. However, although rumours persisted for some time, the BBC could not offer definitive proof of bribery. According to Verbruggen, "the whole thing was an idea of the IOC, who suggested the UCI to arrange a deal with the keirin organiser, including a payment to support UCI projects," (HV, March 2015).

After the keirin accusations, other allegations against Hein Verbruggen followed. In 2010, Floyd Landis claimed that cycling's governing body, and Hein Verbruggen and his successor Pat McQuaid respectively, had helped cover up a positive test by Lance Armstrong at the 2001 Tour de Suisse. The UCI brought a case against Landis who was found guilty of defamation by a Swiss court in 2012. And in 2011, both Hein Verbruggen and Pat McQuaid launched suits against Paul Kimmage, a journalist and former rider, for defamation. The Court of Arbitration for Sport (CAS) gave its verdict in May 2016, ruling that Kimmage should pay CHF 12,000 in defamation damages to Verbruggen and barred him from claiming that the latter "knowingly tolerated doping, concealed test results, is dishonest, does not behave responsibly, did not apply the same rules to everyone, did not pursue Lance Armstrong after he had been provided with a backdated certificate".

Finally, the Cycling Independent Reform Commission (CIRC) report, published in March 2015 after a year-long investigation by an independent UCI Commission, cleared Pat McQuaid and Hein Verbruggen of outright corruption, but queried their governance methods and accused them of preferential treatment in specific cases. The CIRC Report states that Verbruggen ran the UCI "in an autocratic manner without appropriate checks and balances". Verbruggen undeniably governed the UCI with a strong executive power, himself overseeing internal, external and political issues and taking decisions "almost unchallenged". And he knew how to deploy his charm and use arguments to get people to act as he desired.

All these allegations underline the picture of Hein Verbruggen as a highly controversial figure. A lot of people who worked with him describe him as a charismatic, professional and tireless visionary who transformed the UCI, international cycling and sport in general: "Not many had the capacities of Hein Verbruggen to manage politics and business. He has an exceptional capacity to approach people and always find support" (former UCI employee, March 2015). Meanwhile, his opponents, including former cyclists and leading administrators in cycling (e.g. former UCI President Brian Cookson) and anti-doping (e.g. Richard Pound), criticised him repeatedly for his management style and alleged wrongdoings related to doping practices in cycling. This chapter has no intention of taking a position regarding the above allegations. Meanwhile, with doping allegations being a dominant and recurring topic in the last years of Verbruggen's life, the following section suggests an alternative view of doping based on the general perception and evolution of, and motives for, the fight against doping in sport. While the issues of the perception and evolution of the fight against doping are perhaps less publicly discussed, they strongly influence the current discourse on doping in cycling.

4.1. An alternative perspective on doping

At the beginning of the 20th century, the use of performance-enhancing drugs was more often considered a scientific miracle than an immoral, fraudulent or even health-threatening practice. It was only in the 1960s that a number of interrelated rumours and events began to change the perception of doping. A first rumour theorised that, during World War II, German soldiers were given steroids to create "hyper-masculinised, ultra-aggressive combat soldiers" (Beamish & Ritchie, 2005). The second rumour was that athletes from communist countries had been consciously given steroids during the Cold War to boost performance in international sporting competitions and hence symbolically emphasise the power of the Eastern Bloc. The spectacular success of Eastern Bloc athletes together with a growing awareness of the health risks of using performance-enhancing drugs led to a change in the perception of doping. And with the death of Tom Simpson on Mont Ventoux in front of spectators and the TV audience, doping suddenly also had a face in cycling. Simpson died on 13 July 1967 from a combination of amphetamines (found in his jersey pocket), immense physical effort and heat. He has since become the emblematic figure of doping in cycling.

In the following years, doping bans were, above all, dominated by considerations about the riders' health. However, it wasn't until the 1990s with the rise of EPO and the Festina Affair that doping was considered morally unacceptable. While for decades conventional doping and its relatively predictable impact on performance seemed to be widely accepted among cyclists, the emergence of EPO unhinged the entire system. The performance increase through EPO was without precedent. Cyclists were alarmed as an equality of opportunity was no longer a question of chemical substances but of sophisticated, expensive medical procedures. In 1995, the UCI, under the presidency of Hein Verbruggen, commissioned a Lausanne-based laboratory to develop a procedure to detect EPO. But even this could not prevent the negative effects that the Festina Affair would have on the perception of cycling. The image of a sport engrained with doping persists to this day as much as the question of who is to blame.

As described above, the perception of doping has changed over the decades: from first being considered as a scientific achievement, then as a health-threatening product and finally as a morally illicit practice. Today, and more than in any other sport, the fight against doping in cycling seems to be exploited not only for moral arguments but also as a political tool under the guise of which individuals or groups of individuals pursue personal interests. With the general commercialisation of sport since the 1980s (Robinson, 2003), there is more than just the practice of sport and the athletes themselves at stake. As the market value of sport has grown, so have the interests and investments of various actors including the media, sponsors and sport officials. In this context, doping represents an economic threat to sports in general and a detriment to the image of international sport federations in particular. Perhaps the important question is not "Whose fault is doping in cycling?" but "What dimensions other

than moral principles should/could be taken into consideration in the fight against doping?" How about actors' economic motives (e.g. threat of losing sponsorship money because of doping scandals) and key individuals' political objectives (e.g. election campaigns in which the fight against doping sells well)? To this we can also add Aubel's (2013) sociological perspective, which focuses on cyclists' working environments (e.g. team structure, functional and economic model, physical preparation conditions and the employment framework offered to riders) and the question of elements that trigger doping practices and how the working environment should be modelled to prevent them.

A recent paper by Kayser and Tolleneer (2017) in the Journal of Medical Ethics discusses yet another interesting perspective. It picks up on the debate of two diametrically opposed discourses on ethics and doping. The first discourse "defends strict prohibition enforced by surveillance and punitive repression" (p.1), but is practically impossible to meet in terms of technology and surveillance; the second "finds anti-doping illogical and calls for the liberalisation of doping" (p.1), but is likely to encourage excessive drug use by some athletes. Thus considering both discourses as non-realisable idealistic goals and raising the question of the possible aggravating effects of anti-doping policies, the authors adopt a systemic analysis to debate ethical aspects of relaxed anti-doping rules accompanied by harm-reduction measures. Kayser and Tolleneer acknowledge the incompleteness of their analysis (e.g. not taking athletes' decision-making capacities into account). However, their critical questions on the ethics of doping, situated at the interface of two extreme discourses, put forward the experimental dimension of their idea, rather than moralising a topic with an immensely complex and ambivalent past (scientific miracle, superhuman strength, humans as war machines) and the current problem of assessing often intangible parameters including "limits to testing technology and surveillance density" (p. 1).

5. Conclusion

Hein Verbruggen undeniably divides opinions; he has as many supporters as opponents. Verbruggen has been celebrated as the person who made the UCI a successful, professional IF. Yet he has been attacked with serious allegations regarding his leadership style and approach to the fight against doping. The aim of this chapter is not to provide a complete picture of Hein Verbruggen as a person or comment on the different allegations, but rather to identify his impact on the organisational and functional structure of sport organisations during his time at the UCI and GAISF as well as his ability to implement corporate principles in sport organisations and to explore new ideas. His legacy is twofold: with regard to his time as UCI President, Verbruggen professionalised the administrative structure. He also triggered globalisation and the worldwide marketing of cycling by concentrating regulatory power in the UCI. "He came from business and it is his achievement that cycling professionalised" (former UCI employee, March 2015). Hein Verbruggen had a vision and his

pragmatic, charismatic management became the guarantor of this vision. At the same time, critics reproach him for a failure to effectively combat cycling's internal ethical problems, such as widespread, organised doping practices and the associated dangers (athletes' health, fair-play, sporting ethics, etc.), in order to favour the sporting spectacle and financial profits and to create mythical champions such as Lance Armstrong. The image of Hein Verbruggen as a powerful, almost invincible president evokes other strong leaders from the same period such as Primo Nebiolo (IAAF President from 1981 until his death in 1999), Ruben Acosta (FIVB President from 1984 to 2008) or Sepp Blatter (FIFA President from 1998 to 2015). These federations (UCI, IAAF, FIVB, FIFA) have in common that they were all coordinated by strong executive presidents who were committed to capitalising on sporting events, hence laying the foundation for the commercialisation of their federations. Hein Verbruggen was a guiding hand as President of the UCI and GAISF, surrounded by capable helpers thanks to his "fine sense for people, their motivation and their competencies" (former UCI staff member, 2005). Many who worked closely with him over the years described him as a tirelessly dedicated visionary, a good listener, always available, a perfectionist. His opponents accuse him of corruption and autocratic management. Hein Verbruggen died on 14 June 2017 at the age of 75.

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Notes:

- 1. Jean-Marie Leblanc, former Tour de France Director, about Hein Verbruggen in 2005. Free translation from French: "He's a true politician, patient if necessary, but also almost brutal if necessary". Source: "Le president", a book offered to Hein Verbruggen by the UCI at the end of his presidency in 2005.
- 2. Source: http://www.theguardian.com/sport/2012/oct/24/fiorenzo-magni
- 3. Source: 1964 Olympic Charter Eligibility Rules of the IOC
- 4. Source: Minutes of the 63rd meeting of the IOC
- 5. Dreyfus affair: in 1894, French artillery officer Alfred Dreyfus was accused of revealing French military secrets to the German Embassy in Paris. Two years later, investigations by the counter-espionage service found evidence of Dreyfus' innocence. However, instead of admitting a judicial error, the army used falsified documents to accuse Dreyfus of additional charges. Under the pressure of activists (e.g. Émile Zola), the affair became a political and judicial scandal, dividing French society into supporters of Dreyfus and those who condemned him. Accusations against Dreyfus were finally found to be baseless and he was exonerated in 1906.
- 6. Source: http://lifestyle.boursorama.com/article/le-tour-de-france-en-dix-chiffres-insolites a828/1
- 7. Source: www.atpworldtour.com/en/media/rankings-and-stats
- 8. PGA: Professional Golfers' Association
- 9. Source: http://www.cbssports.com/golf/news/2015-pga-championship-prize-money-every-golfers-payout-from-10m-pool/
- 10. Source: http://www.cyclingnews.com/features/opinion-the-uci-worldtour-is-a-failing-brand
- 11. Source: Official Report of the Games of the XXIIIrd Olympiad Los Angeles, 1984
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- 13. Source: http://playthegame.org/news/news-articles/2015/0044_sportaccord-president-vizer-steps-down-after-row-with-ioc/
- 14. Source: http://www.playthegame.org/news/news-articles/2008/cycling-event-alleged-to-have-bought-olympic-acceptance-from-uci/
- 15. <u>Source: http://www.insidethegames.biz/index.php/articles/1037889/former-uci-president-verbruggen-wins-defamation-case-against-journalist-kimmage-in-swiss-courts</u>
- 16. Sources: CIRCReport2015 Neutral.pdf, p. 8
- 17 Idem

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International sport federations' commercialisation: a qualitative comparative analysis

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ABSTRACT

Research question: This study examines the conditions and configurations that particularly influence International Federations' (IFs) commercialisation.

Research method: Crisp-set qualitative comparative analysis (csQCA) is used to determine the conditions that are related to an IFs' commercialisation. Sixteen interviews were conducted in six Olympic IFs and one international sport umbrella organisation.

Results and findings: The findings reveal a variety of high and low commercialisation configurations. Specialisation is a key condition in both high and low commercialisation, and social media engagement is central in high commercialisation. Strategic planning and low accountability have low degrees of overlap with high commercialisation outcomes. With 13 out of 22 IFs achieving high levels of commercialisation, the findings demonstrate that IFs are increasingly developing business-like behaviours.

Implications: The findings highlight the importance of specialisation and social media engagement to achieve high commercialisation. However, when IFs assume a monetisation agenda, there are associated risks such as stakeholder legitimacy, mission drift, goal vagueness and adherence to good governance principles.

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Introduction

Contemporary International Sport Federations (IFs) are not only custodians of their sport's policies, rules and regulations, but they also manage business activities such as major international sport events (Clausen & Bayle, 2017) and commercial contracts (Cornelissen, 2010). The changing nature of sport can be seen in national sport federations (NFs) through to sport clubs (Girginov & Sandanski, 2008; Skinner, Stewart, & Edwards, 1999). Research on IFs has examined athletes' involvement in policy-making (Thibault, Kihl, & Babiak, 2010), stakeholder engagement in major events (Parent & Séguin, 2007) and, more recently, social media communication (Belot, Winand, &

Kolyperas, 2016). Corruption within the International Olympic Committee (IOC) (Chappelet, 2011; MacAloon, 2011), doping in cycling (Wagner, 2010) and governance issues within wealthy IFs such as the International football federation (FIFA) (Bayle & Rayner, 2016; Pielke, 2013) create global headlines and have dominated the IF research agenda.

General trends in nonprofit organisations (NPOs) such as marketisation, commercialisation and commodification of services and activities (Maier, Meyer, & Steinbereithner, 2016) have been linked to a process of professionalisation in sport (Nagel, Schlesinger, Bayle, & Giauque, 2015; O'Brien & Slack, 2004) that is evidenced in rationalisation (e.g. rules, workflow) and the adoption of corporate management practices (e.g. strategic planning) to enhance organisational effectiveness and efficiency (Chantelat, 2001; Dowling, Edwards, & Washington, 2014).

This study seeks to explore the commercialisation of IF's sporting events by analysing various factors of influence (conditions) and their underlying configurations (combination of conditions). The research question is: which conditions and configurations influence IFs' commercialisation? Through identifying, analysing and discussing conditions and configurations, an explanatory model for IFs' pathways towards high commercialisation is proposed. As commercialisation in international sport has focused on cash rich organisations such as FIFA and the IOC, we are particularly interested to see if and how smaller IFs achieve commercialisation. In examining if commercialisation is a viable strategy to diversify revenue, we assess IFs' capacity to achieve self-sufficiency in times of increasing competition for scarce resources. The study draws on research on commercialisation in NPOs (Abeza, O'Reilly, & Reid, 2013; Bryson, 1988) and sport organisations in particular (Bayle & Robinson, 2007; Forster, 2006); internal documents (e.g. IF statutes and regulations) and interviews with IF employees.

Commercialisation of nonprofit organisations

The environment for NPOs has become increasingly competitive, complex and uncertain, thus entailing the need to manage resources more efficiently and effectively (Froelich, 1999; Maier et al., 2016; Young, 1998). NPOs' increasing market orientation can be seen as 'an adaptive strategy for ensuring that organisations receive the necessary resources for accomplishing their mission and carrying out their activities' (Macedo & Carlos Pinho, 2006, p. 538). Others fear that NPOs' increased blending of service-oriented and profit-oriented objectives may lead to goal and mission displacement (Dees & Anderson, 2003; Toepler, 2004; Weisbrod, 1998). On one hand, there is a risk of mission displacement and loss of values; on the other hand is the prospect of self-sufficiency, reduced uncertainty and greater efficiency and effectiveness in an increasingly complex, challenging environment (Toepler, 2004) with commercialisation as an opportunity for obtaining additional resources to be used for good purposes (Clotfelter & Ehrlich, 2001).

While commercial ventures are not new in the NPO sector, the dramatic acceleration in recent decades is striking and sits within a context of political, economic and technological issues. Two major aspects contribute to this evolution: declining private and public grants and subsidies, as well as individual and corporate donations (Smith, 2016), the traditional cornerstones of NPOs' financial model (Froelich, 1999); and, as a result of the first, growing competition between nonprofits for scarce funding (Smith, 2010) and with for-

profits that offer similar services (Coghlan & Noakes, 2012). In response, over the past 20+ years, NPOs have increasingly sought to diversify their revenue (Carroll & Stater, 2009; Chang & Tuckman, 1994). In sport management literature, several studies conclude that decreasing private donations and public funding trigger national sport organisations' commercialisation (Berrett & Slack, 2001; Houlihan, 1997; Nagel et al., 2015).

Commercialisation of nonprofit sport organisations

In sync with the NPO literature, studies of national sport organisations note that commercialisation is related to a sector-wide resource shortage in (government) funding (Nagel et al., 2015; O'Brien & Slack, 2004) and strategies of resource diversification employed in response to financial uncertainty (Wicker, Feiler, & Breuer, 2013). Considering the consequences of both financial uncertainty and new managerial approaches, Robinson (2003) described sport as 'a business that competes for scarce consumer resources, requiring a business approach to its management, utilising professional management techniques' (p. 308). Robinson distinguishes four factors that have given rise to the commercialisation of sport: a trend towards sport spectating, changing technologies, increasing competition and professionalisation of sport management.

Amis, Slack and Hinings' (2004) research provided evidence that sport organisations are compelled to professionalise and commercialise in order to adapt to an increasingly complex and competitive environment. Professionalisation has led to increases in the level of specialisation and the hiring of paid staff (Kikulis, 2000; Thibault, Slack, & Hinings, 1991). It is assumed that sport organisations with more paid staff, greater functional division of labour and formalised procedures can commercialise more easily as the expert knowledge of paid staff allows them to adapt more readily to environmental changes. Analysing the performance of French national sport organisations, Bayle and Robinson (2007) relate the staff headcount to four phases of professionalisation: first restructuring (5-10 staff), functional specialisation (15-40 staff), coordination (>40 staff) and professionalisation of the network (>100 staff).

While NPO's and national/state sport organisations have had to respond to environmental financial uncertainty, and notably a decline of public contributions, IFs have not experienced a significant income gap. On the contrary, the initial member contributionbased funding model was augmented by commercial activities. The concept of IFs' commercialisation can be linked to their professionalisation and internationalisation (Forster & Pope, 2004), while revenues through commercial activities are mainly related to sport events, including broadcasting and sponsorship rights (Li, MacIntosh, & Bravo, 2012; Slack, 2004). The sport event has become an exchange currency that offers businesses 'increased awareness, image enhancement, product trial or sales opportunities' (Crompton, 2004, p. 268).

Bayle (2015) describes IFs' events as 'the heart of their economic model' (p. 109). Revenue from hosting fees, broadcasting and sponsorship rights allow IFs to finance their operational activities (e.g. administration), build up reserves and increase their self-sufficiency. While the initial arguments behind commercialising IFs' events were to ensure a federation's economic stability and to increase its development activities, Krieger (2016) claims that, in the case of the International Association of Athletics Federation (IAAF), as early as 1977 'the technical development initiatives served as a tool to

justify the commercialisation of the IAAF and athletic sport' (p. 1345). Forty years later, the development argument is still being used to justify commercialisation, especially by rich IFs. Though FIFA emphasises that it aims to 'share the success of the FIFA World Cup with our member associations' (FIFA, 2016), IFs' commercialisation has been linked to excessive and negative effects such as corruption, fraud and bribery (Geeraert, 2015; Pielke, 2013). The lack of accountability mechanisms is particularly related to commercially successful sport organisations (Forster, 2006; Pielke, 2013) such as the IOC (Tomlinson, 2005) and FIFA (Cornelissen, 2010).

Based on previous research, we classify the commercialisation of IFs' sporting events as an adaptive strategy (Maier et al., 2016; Toepler, 2004; Tuckman, 1998) that both pursues the goal of mission accomplishment in an increasingly competitive environment (Macedo & Carlos Pinho, 2006), and seeks to capitalise on the constantly growing commodification of sport worldwide (Hargreaves, 2002; Slack, 2014). Our main goal is to determine how IFs commercialise and which conditions impact their commercialisation. Moreover, by using the method of qualitative comparative analysis (QCA) we seek to empirically uncover configurations (i.e. combinations of conditions) that favour high levels of commercialisation. Our approach is informed by literature on commercialisation in the NPO sector (e.g. strategic planning) and in nonprofit sport organisations in particular (e.g. professionalisation, broadcasting, social media), as well as data sources described below.

The method and technique of qualitative comparative analysis (QCA)

QCA is particularly deployed in sociology and political science (Thiem & Dusa, 2013). Management scholars used QCA to determine the performance of various organisational aspects such as strategy (Greckhamer, Misangyi, Elms, & Lacey, 2008), high-tech considerations (Schneider, Schulze-Bentrop, & Paunescu, 2010) and innovation (Ganter & Hecker, 2014). Winand, Rihoux, Qualizza, and Zintz (2011), Winand, Rihoux, Robinson, and Zintz (2013), and Winand and Zintz (2013) used QCA in analysing the performance of Belgian NFs, and Pinson (2017) in heritage sporting events. Dichotomous crisp-set QCA, as we use in this study, is particularly suitable for the analysis of causal complexity in small N-samples, that is, for less than 30–40 cases (Rihoux, 2006). Our study includes 35 cases.

QCA is both a comparative case-oriented research approach and a technique based on set theory and Boolean algebra (Marx, Rihoux, & Ragin, 2014; Ragin, 1987). As a research approach, it integrates 'the best features of the case-oriented approach with the best features of the variable-oriented approach' (Ragin, 1987). Instead of being limited to a small number of hermeneutic in-depth case studies as in the traditional case-study approach, QCA allows researchers to explore and summarise the data of several cases and test hypotheses (Berg-Schlosser, De Meur, Rihoux, & Ragin, 2008; Ragin & Rihoux, 2004). The main strength of QCA as a research technique is that it enables the assessment of complex combinations of key factors (independent variables, called *conditions*) that are causally relevant to a specific phenomenon (dependent variable, called *outcome*). Focusing on causal configurations and context rather than on isolated aspects, the method assumes that organisations demonstrate multiple conjunctures of independent variables that may still lead to the same outcome (equifinality). Based on the idea that a complex phenomenon cannot be fully understood by examining isolated causal conditions but calls

instead for a systemic and holistic approach (Fiss, 2007), QCA allows for causal complexity. Due to the context-specific notion of causality and the use of relatively small samples, QCA findings cannot be statistically generalised.

To assess the influence of several conditions on the phenomenon of IFs' commercialisation, we used the technique of crisp-set QCA (csQCA). csQCA translates base variables (called raw data) into two possible truth-values: true (or present) or false (or absent), generally denoted as 1 and 0. We used two software programmes to analyse conditions and configurations. Tosmana (Cronqvist, 2011) transforms the raw data into a dichotomous data table called truth table. The truth table may produce five types of outcome: configurations with the outcome value [1], configurations with the outcome value [0], contradictory configurations ('C'), logical remainders ('R') and cases for which the outcome is unknown. Contradictory configurations are those that lead 'to a [0] outcome in some observed cases, but to a [1] outcome for other observed cases', while logical remainders are 'logically possible combinations of conditions that have not been observed among the empirical cases' (Rihoux & Ragin, 2008).

The second software fs/QCA (Ragin & Davey, 2009) enables us to further analyse the truth table and carry out a necessity analysis for conditions, which is similar to the idea of significance in statistical models (Legewie, 2013). A condition is deemed necessary if it must be present for a certain outcome to occur. Two empirical measures of fit should be reported here: consistency and coverage. Consistency assesses the degree of necessity of a causal condition for a specific outcome to occur. Ranging from 0 to 1, a score of 1 indicates perfect consistency, a score of 0, no consistency (Ragin, 2006). While Ragin (2008) sets the cut-off point for consistency at 0.75, Schneider and Wagemann (2010) note that 'in the case of necessary conditions, the consistency value should be set much higher' (p. 10). Maggetti and Levi-Faur (2013) suggest a consistency score should be above 0.90 or 0.95. However, they also advise against applying thresholds in a mechanical way, pointing out that hypothesis testing calls for higher consistency compared to exploratory analysis. Consistency should also be evaluated for the solution term(s), indicating the degree to which a solution term represents a subset of an outcome (Marx et al., 2014).

Looking at the second measure of fit, coverage determines the empirical relevance of consistency values (Ragin, 2006). Coverage values need to be large enough to exclude triviality. Legewie (2013) sets the lowest boundary for coverage at >0.5. For both consistency and coverage measures, choices are research specific and hence need to be substantiated with arguments (Schneider & Wagemann, 2010).

We used Tosmana for so-called Boolean minimisation, an operation that produces parsimonious solutions (called minimal formula) of identified causal regularities. In the process of Boolean minimisation, causal conditions that are redundant for an outcome to occur are removed, hence transforming long, complex expressions into shorter ones. Let us take two cases that both lead to the same outcome and differ in only one causal condition: $A^*B^*C \to D$ and $A^*C \to D$. In this example, B can be removed, as it is irrelevant for the outcome. As perfect causal symmetry is unlikely to occur in social phenomena (Rihoux & De Meur, 2009), the Boolean minimisation has to be carried out for both configurations leading to a [1] and a [0] outcome.

Before assessing conditions, researchers must first assess the outcome. In what follows, we describe how the commercialisation of Olympic IFs is measured, explain how conditions are selected and assessed and, finally, set forth how we collected data. The analysis focuses on Olympic IFs for two reasons: firstly, for QCA studies it is advisable to compare 'cases that share a sufficient number of features and that operate within sufficiently comparable contexts' (Rihoux, 2006); secondly, the IOC requires Olympic IFs to publish annual financial statements which are essential for our evaluation of their commercial revenues.

Measurement of the commercialisation of Olympic IFs

IFs' commercialisation is evaluated by analysing the contribution of event revenue (i.e. hosting fees, broadcasting and sponsorship rights) to the federation's overall income. Membership and licence fees are not considered as commercial revenues in this study. Fees are generally kept low to allow the membership base to grow rather than maximising profits through it. Although exceptions may exist, an increase in revenues from these fees is more likely to be related to the growing community of a sport than to commercialisation of the fees. We examined financial statements from 2012–2015 (summer Olympic IFs), and 2010–2013 (winter Olympic IFs). These periods correspond to the last completed summer and winter Olympic cycles. Notably, this period afforded good data as the IOC Code of Ethics set out since 2010 that Olympic IFs should audit and disclose financial statements on an annual basis. The aim of this requirement is to increase pressure on IFs to use their Olympic revenue only for Olympic purposes.

Furthermore, and as most IFs do not divide Olympic revenue into four equal annual years, incomplete financial statements during an Olympic cycle could result in a biased picture of IFs' financial situation. In order to reduce data inconsistencies, we apply normalisation rules¹ to IFs for which financial statements are not available for the entire Olympic cycle. In addition, as IFs organise their flagship events (e.g. World Championships) on an annual, biennial or quadrennial basis, commercial revenue from events may be subject to cyclical fluctuations and a focus on one or two financial years is likely to produce an incomplete picture.

As we are particularly interested in configurations that lead to high levels of commercialisation, defining and justifying a threshold for high commercialisation based on theoretical considerations is required. Studies that distinguish levels of commercialisation for NPOs are limited. Enjolras (2002) analysed Norwegian voluntary sport clubs to see whether commercialisation through competitions, renting of infrastructure facilities, ancillary activities and sponsors was \geq 50%. In the case of IFs, commercialisation mainly relates to sport event revenues (i.e. competitions and sponsors). Infrastructure facilities income and ancillary activities (e.g. lotteries, cafeteria) are irrelevant for Olympic IFs. Besides commercial revenues, all Olympic IFs receive revenue from the IOC and annual affiliation fees from members. Supported by the example of Enjolras, we set the threshold for high commercialisation at \geq 50% income from commercial revenues.

Defining and assessing conditions for commercialisation

After having determined the outcome, we need to define and assess causal conditions of potential empirical and theoretical relevance to IFs' commercialisation. We should note that the periods of investigation for the outcome and the conditions are not fully congruent. While the outcome is historical (2010–2013 and 2012–2015), the conditions are based

on recent data (2015–2017). Most IFs only publish their financial statements one to two years after the end of the fiscal year as these are approved by the IF's congress, which, in several cases, only meets every two years (e.g. FIH - International Hockey Federation, FIS - International Ski Federation). The levels of commercialisation we could calculate for the 22 IFs that publish financial statements represent averages. We selected a period where data were available for the maximum possible number of the 35 Olympic IFs, accessing information from the IFs' websites and in public documents. We assumed that IFs' average level of commercialisation is representative of the period of analyses. Securing a large contract or losing an important sponsor cannot be fully captured due to the time lag. Nevertheless, we are confident that this limit does not undermine our research results.

Conditions were deduced from multiple sources such as scholarly articles (literature review), documents (e.g. IF statutes, IOC Evaluation Criteria, web articles) and interviews with representatives from an umbrella organisation in international sport (Association of Summer Olympic International Federations - ASOIF) and IFs. Nine conditions emerged (Table 1) and due to the objections we rejected certain conditions.

The remaining four conditions emerged from the literature – strategic planning (Stone & Brush, 1996), specialisation (Bayle & Robinson, 2007), use of social media (Abeza et al., 2013; Belot et al., 2016) and low accountability (Chappelet, 2011; Forster, 2006) - and were reinforced through interviews and further readings of documents (e.g. IOC Evaluation Criteria, Olympic Agenda 2020, reports, web articles). Considering the lack of models capable of explaining NPOs' levels of commercialisation, these conditions suggest a starting point for future research rather than claiming to be exhaustive.

Strategic planning (STRAT)

Strategic planning is considered a tool to envision, implement and achieve future goals, and is designed to provide structured processes that facilitate important decisions and actions (Bryson, 1988). An effective strategy formulation depends on 'the consistency across rhetoric (what people say), choices (what people decide and are willing to pay for) and actions (what people do)' (Bryson, 1988, p. 77). A key objective of NPOs' strategic plan is resource acquisition (Stone & Brush, 1996). Business partners may have various motivations to tie up with an IF (e.g. visibility, image, culture). However, they all presumably seek return on investment. We, therefore, assume that IFs establish a clear strategic plan with which profit-oriented stakeholders can identify and to which they want to affiliate. A strategic plan is considered here as a tool for IFs both to attract and maintain business partners and manage their expectations, but also to promote and develop the sport. We, therefore, investigate whether the IFs have a strategic plan in 2016 that covers a minimum of three years. If a strategic plan ends in 2016, we examine whether the IF has a subsequent plan for 2017 and a minimum of three subsequent years. As the threshold, we use the presence [1] or absence [0] of such a strategic plan.

Specialisation (SPEC)

IFs' specialisation is evaluated using Bayle and Robinson's (2007) classification of professionalisation: first restructuring (5-10 staff), functional specialisation (15-40 staff), coordination (>40 staff) and professionalisation of the network (>100 staff). Coordination is characterised by 'an increase in the level of support staff, and the hiring of marketing experts and management and coordination staff (p. 262). Using the coordination phase

Table 1. Initial list of conditions for IFs' commercialisation.

| Conditions | Source | Indicators | Applicability |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial independence from the Olympic revenue share (ORS) | Interview (ASOIF) | Part of the ORS in the overall revenue (average dependence of summer Olympic IFs on the ORS according to ASOIF: about 40%) | Findings of a first analysis showed that the condition was sufficient to achieve high commercialisation. As in the case of decreasing private donations and public funding in general NPO literature, we believe this view is too simplistic. |
| Social/digital media | Literature (Abeza et al., 2013; Belot et al., 2016) + IOC Evaluation Criteria + interview (e.g. UWW) | Social media engagement (i.e. Facebook, Twitter, Instagram) | Yes |
| Media coverage | IOC Evaluation Criteria | No. of media accreditations at the World Championships | Numbers are only available for 2012 and before. |
| Specialisation | Literature (Bayle & Robinson, 2007) | Headcount, departments, hierarchical levels | Yes |
| Strategy/goal orientation | Literature (Stone & Brush, 1996) + IOC Evaluation Criteria + interviews (e.g. FIH, FIS) | Strategic plan | Yes |
| Governance/ accountability | Literature (Chappelet, 2011) + reports + web articles + IOC Evaluation Criteria + Olympic Agenda 2020 | Transparency, evaluation, representation, complaints and responses | Yes |
| Popularity of the sport | Interviews (e.g. FIH, FISA) | No. of licence holders | Most IFs do not know the number of licence holders as these are registered with their NFs. |
| Capacity of innovation | Literature (e.g. Ratten, 2016; Wemmer & Koenigstorfer, 2016; Winand, Qualizza, Vos, Scheerder, & Zintz, 2013) | Introduction of new activities and services and their benefits | Very time-intensive research. The general lack of research on this topic requires a study of its own. |
| Revenue diversification | Literature (Carroll & Stater, 2009) | No. of cash sponsors and their part in the overall revenue | Information is not available. |

as a threshold allows us to differentiate IFs into high (≥40 staff, [1]) and low (<40, [0]) specialisation based on headcounts from 2016. This condition is termed 'specialisation' in reference to Bayle and Robinson's classification stage of 'coordination'. We assume that increased delegation of operational tasks to experts facilitates IFs' commercialisation.

Social media engagement (SOCM)

Capable of creating high levels of social interaction (Smith & Stewart, 2010), sport organisations focus increasingly on relationship marketing (Abeza et al., 2013) to attract and retain fans, business partners, media and customers/consumers. Social media represent a cost-effective relationship tool to engage sport fans (Abeza et al., 2013; Belot et al., 2016). IFs' social media engagement is evaluated on the basis of the report *Sport on Social 2017* published by REDTORCH (2017), a data-driven communications agency. The report provides an analysis of Olympic IFs official account followers and the number of interactions each account (i.e. Facebook, Twitter, Instagram and YouTube) had from February 2016 to February 2017. We split IFs into those with a higher social media engagement ([1]) being ranked in the top 50%, and those with a lower social

media engagement ([0]) being ranked in the lower 50%. The International Triathlon Union (ITU) was 18/35 and could be classified either with the top 50% or the lower 50%. As the ITU did not achieve a top 10 position in any of the four social media channels, it is classified with the lower 50%. Other thresholds such as a minimum of two top 10 positions were also tested. However, these were rejected as they led to contradictory configurations.

Low accountability (LACC)

Five accountability dimensions were determined. Transparency, participation, evaluation and complaints and responses were based on the accountability definition of the One World Trust and its Global Accountability Framework (Chappelet, 2011). Transparency, is 'reliable financial information' (Chappelet, 2011, p. 321), thus we use annual financial statements for at least the last three years of the respective Olympic cycle. Participation is defined as 'stakeholders participation in its [IOC's] decisions' (p. 322). Our proxy measure is whether athletes have a voting right in the decision-making body (i.e. board), and whether this right is anchored in the IF's statutes/constitution. The dimension of evaluation encompasses 'official and public reports' (p. 325) and is measured by regularly published reports or detailed meeting documents. Finally, complaints and responses and the question of whether IFs have an ethics commission or equivalent body is referred to under 'ethics commission' (p. 325). We added the dimension of presidential term limits in statutes/constitution as the IOC has encouraged IFs to introduce term limits to strengthen good governance and transparency.

We use a six-point scale with the categories being 'very low' for 0/5 dimensions, 'low' for 1/5 dimensions, 'rather low' for 2/5 dimensions, 'rather high' for 3/5 dimensions, 'high' for 4/5 dimensions and 'very high' for 5/5. A score of [1] signals the presence of low accountability (very low, low, rather low) and a score of [0] indicates the opposite (rather high, high, very high accountability). Detailed research findings are available from the corresponding author upon request.

Data collection

Measuring IFs' level of commercialisation is exclusively based on financial statements and reports published by the 35 Olympic IFs (winter Olympic IFs: 2010-2013, summer Olympic IFs: 2012-2015). The selection and assessment of conditions is premised on scholarly articles, documents and interviews. Secondary literature includes IOC documents (e.g. IOC Evaluation Criteria, Olympic Agenda 2020), IFs' statutes and regulations (e.g. to determine IFs' accountability in terms of participation, complaints and term limits) and other public documents from IFs (e.g. minutes from board and congress meetings, annual reports, strategic plans), reports (e.g. Action for good governance in international sport organisations/Play the Game, Sports governance observer/Play the Game), websites (e.g. to determine number of staff) and web articles (e.g. from Inside the Games).

A total of 16 interviews were conducted with 6 IFs (i.e. FIFA, FIH, FIS, FISA, UCI, UWW) and 1 umbrella organisation (i.e. ASOIF). We used existing contacts to approach several IFs of varying size, all based in Switzerland. The interviews were essential in the selection of conditions and provided examples of individuals' actual experiences and opinions. With the exception of FIFA, at least one interview was with a strategic level and an operational level



employee. The women (4) and men (12) interviewed had served 3 to 35 years in their IF. Interviews were conducted face-to-face (10), by phone (3) and by email (3), the latter participants were asked for additional and explanatory information where necessary. Face-to-face interviews lasted between 30 and 105 minutes, were audio-recorded, transcribed verbatim (13 in English, three in French) and anonymised (A1-F1). To increase trustworthiness, interviewees were asked to confirm the transcribed interview. The changes requested concerned informal language and sensitive information.

Findings

Thirteen of the 35 Olympic IFs did not publish any financial statements for the period investigated (indicated as 'no public financial statement' in Table 2), while 10 IFs published all financial statements for the respective period. IFs for which the outcome could not be measured due to lack of available financial statements are excluded from the analyses. Among the 22 cases, 13 achieved high commercialisation (COMM), meaning commercial activities (≥50%) outweigh revenues from the Olympic revenue and member affiliation fees and nine cases show lower levels of commercialisation. In one exceptional case (i.e. FIE), private donations represent the main source of income. The raw data table integrates the four conditions associated with the given outcome of high or low event commercialisation.

Using Boolean algorithms, the dichotomous data of csQCA and by transforming the raw data from the 22 IFs into dichotomous data, the truth table reveals five configurations resulting in high commercialisation ([1]), three resulting in low commercialisation ([0]) and two contradictory configurations ([C]). Contradictory configurations are quite frequent in csQCA, and require deeper immersion into the cases (Rihoux & De Meur, 2009). By changing the threshold for specialisation to \geq 30 staff instead of \geq 40, the contradictions can be resolved. A possible explanation is that IFs mainly employ administrative staff with the goal of increasing organisational efficiency and efficacy, while NFs employ many coaches to further the nation's sporting success. Therefore, a smaller headcount in IFs can still be indicative of the phase of *coordination*. The adaptation of the initial threshold is supported as the new threshold, which affects four IFs (i.e. BWF, FIH, FINA, IIHF), does not entail new contradictory configurations. Based on these arguments and using the new threshold, the truth table is now void of contradictions (Table 3).

Binary conditions allow two possible answers, hence splitting 'the logical space into two equal parts' (Rihoux & Ragin, 2008): 1 or 0. The number of possible configurations for our study (4 conditions) is thus $16(2^4)$. The truth table only indicates observed configurations (n = 11), excluding logical remainders (n = 5). At the extremes are two IFs (FISA, ISSF) with low commercialisation ([0]) and a [0] value in all four conditions, and one IF (WR) with high commercialisation ([1]) and a [1] value in all four conditions. The tilde (\sim) signifies logical negation. As the necessity analysis demonstrates (Table 4), only ~SPEC can be considered as a necessary condition according to Maggetti and Levi-Faur (2013) and Legewie (2013): referring to cases that achieve low levels of commercialisation (~COMM), ~SPEC shows perfect consistency (1) and a coverage large enough to exclude triviality (0.75). Using Ragin's (2006, 2008) consistency threshold of 0.75, even though this is below the recommended 0.90, one can argue that two other conditions are necessary to

Table 2. Raw data table (35 IFs).

| International sport federation (IOC terminology) | STRAT | SPEC | SOCM | LACC | COMM |
|----------------------------------------------------------|-----------------|-------|------|------|-------------------------------|
| AIBA – International Boxing Association | _ | _ | _ | _ | No public financial statement |
| BWF – Badminton World Federation | Yes (2016-2020) | 30 | Low | No | 78% (2012–2015) |
| FEI – International Equestrian Federation | No | 85 | High | No | 78% (2012–2015) |
| FIBA – International Basketball Federation | _ | _ | _ | _ | No public financial statement |
| FIE – International Fencing Federation | No | 14 | Low | Yes | 3% (2013–2014) |
| FIFA – International Association Football Federation | Yes (2016–2026) | 450 | High | No | 88% (2012–2015) |
| FIG – International Gymnastics Federation | _ | _ | _ | _ | No public financial statement |
| FIH – International Hockey Federation | Yes (2014–2024) | 34 | Low | No | 56% (2013–2015) |
| FIL – International Luge Federations | _ | _ | _ | _ | No public financial statement |
| FINA – International Swimming Federation | No | 33 | High | Yes | 70% (2014–2015) |
| FIS – International Ski Federation | No | 60 | High | No | 57% (2010–2013) |
| FISA – World Rowing | No | 17 | Low | No | 37% (2012–2015) |
| FIVB – International Volleyball Federation | _ | _ | _ | _ | No public financial statement |
| IAAF – International Association of Athletics Federation | _ | _ | _ | _ | No public financial statement |
| IBU – International Biathlon Union | _ | _ | _ | _ | No public financial statement |
| IBSF – International Bobsleigh and Skeleton Federation | _ | _ | _ | _ | No public financial statement |
| ICF – International Canoe Federation | _ | _ | _ | _ | No public financial statement |
| IGF – International Golf Federation | _ | _ | _ | _ | No public financial statement |
| IIHF – International Ice Hockey Federation | No | 30 | High | No | 56% |
| IHF – International Handball Federation | _ | _ | _ | _ | No public financial statement |
| IJF – International Judo Federation | No | 15 | High | Yes | 64% (2012–2014) |
| ISAF – World Sailing | No | 25 | Low | Yes | 13% (2012–2013) |
| ISSF – International Shooting Sport Federation | No | 7 | Low | No | 2% (2012–2015) |
| ISU – International Skating Union | Yes (2014–2018) | 17 | High | No | 63% (2013–2015) |
| ITF – International Tennis Federation | Yes (2016–2024) | >80 | Low | Yes | 75% (2012–2015) |
| ITTF – International Table Tennis Federation | No | 26 | High | Yes | 50% (2012–2014) |
| ITU – International Triathlon Union | Yes (2014–2017) | 20 | Low | Yes | 40% (2013–2015) |
| IWF – International Weightlifting Federation | No | 13-19 | Low | Yes | 17% (2013–2014) |
| UCI – International Cycling Union | No | 79 | High | No | 70% (2012–2015) |
| UIPM – International Modern Pentathlon Union | _ | _ | _ | _ | No public financial statement |
| UWW – United World Wrestling | No | 24 | High | No | 29% (2014–2015) |
| WA – World Archery Federation | No | 14 | High | No | 31% (2012–2014) |
| WCF – World Curling Federation | Yes (2015–2018) | 12 | Low | No | 20% (2012–2015) |
| WR – World Rugby | Yes (2010–2020) | 75 | High | Yes | 97% (2012–2015) |
| WTF – World Taekwondo Federation | | _ | _ | _ | No public financial statement |

Notes: STRAT, strategic planning; SPEC, specialisation; SOCM, social media engagement; LACC, low accountability; COMM, commercialisation.

Table 3. Truth table without contradictions.

| Federation | STRAT | SPEC | SOCM | LACC | COMM |
|---------------------|-------|------|------|------|------|
| FISA, ISSF | 0 | 0 | 0 | 0 | 0 |
| WCF | 1 | 0 | 0 | 0 | 0 |
| FIE, ISAF, IWF | 0 | 0 | 0 | 1 | 0 |
| UWW, WA | 0 | 0 | 1 | 0 | 0 |
| ITU | 1 | 0 | 0 | 1 | 0 |
| BWF, FIH, ITF | 1 | 1 | 0 | 0 | 1 |
| ISU | 1 | 0 | 1 | 0 | 1 |
| IJF, ITTF | 0 | 0 | 1 | 1 | 1 |
| FEI, FIS, IIHF, UCI | 0 | 1 | 1 | 0 | 1 |
| FIFA | 1 | 1 | 1 | 0 | 1 |
| FINA | 0 | 1 | 1 | 1 | 1 |
| WR | 1 | 1 | 1 | 1 | 1 |

Notes: STRAT, strategic planning; SPEC, specialisation; SOCM, social media engagement; LACC, low accountability; COMM, commercialisation.

achieve high levels of commercialisation: SPEC with a consistency score of 0.77, especially considering its coverage (1.00), and SOCM, likewise with a consistency score of 0.77 but lower coverage (0.83).

In this study, the Boolean minimisation for high commercialisation produces three terms that together build the descriptive formula. The minimisation formula for low commercialisation produces two terms (Table 5). The first formula reads as follows: configurations of the present sample that demonstrate high specialisation, or high social media engagement in combination with either low accountability or a strategic planning, achieve high levels of commercialisation (COMM). The second formula reads: configurations of the present sample that demonstrate either low specialisation in combination with low social media engagement, or low specialisation in combination with high accountability and absence of a strategic planning, result in low levels of commercialisation (~COMM). With fs/QCA software we can further assess the raw and unique coverage of the solutions, as well as combined solution coverage and consistency. Raw coverage assesses the empirical relevance of cases that cover a given path (Marx et al., 2014), while unique coverage 'indicates how much a path uniquely covers' (Thomann, 2015). Finally, solution coverage indicates how much (percentage) the configurations combined account for the membership in a given outcome (Fiss, 2011). Table 5 underlines the importance of SPEC (77%) to achieve high levels of commercialisation. It also reveals that the combination of ~SPEC and ~SOCM accounts for 78% of membership in the low commercialisation outcome.

Table 4. Necessity analysis.

| | COMM | | ~CO | MM |
|--------|-------------|----------|-------------|----------|
| | Consistency | Coverage | Consistency | Coverage |
| STRAT | 0.46 | 0.75 | 0.22 | 0.25 |
| ~STRAT | 0.54 | 0.50 | 0.78 | 0.50 |
| SPEC | 0.77 | 1.00 | 0.00 | 0.00 |
| ~SPEC | 0.23 | 0.25 | 1.00 | 0.75 |
| SOCM | 0.77 | 0.83 | 0.22 | 0.17 |
| ~SOCM | 0.23 | 0.30 | 0.78 | 0.70 |
| LACC | 0.31 | 0.50 | 0.44 | 0.50 |
| ~LACC | 0.69 | 0.64 | 0.56 | 0.36 |



| Table 5. Analysis of intermediate solution |
|---------------------------------------------------|
|---------------------------------------------------|

| High commercialisation | on (COMM) | | | |
|------------------------|----------------------------------------------------|----------------------|---------------|---------|
| | SPEC + | SOCM*LACC + | SOCM*STRAT | → COMM |
| Single case coverage | BWF, FIH, ITF, FEI, FIFA, FIS, IIHF, UCI, FINA, WR | FINA, IJF, ITTF, WR | ISU, FIFA, WR | |
| Consistency | 1 | 1 | 1 | |
| Raw coverage | 0.769 | 0.308 | 0.231 | |
| Unique coverage | 3 | | 0.077 | |
| | | Solution consistency | : | 1 |
| | | Solution coverage: | | 1 |
| Low commercialisation | on (~COMM) | | | |
| | ~SPEC*~SOCM + | ~STRAT*~SPEC*~L | 4 <i>CC</i> | → ~COMM |
| Single case coverage | FIE, ISAF, IWF, FISA, ISSF, ITU, WCF | FISA, ISSF, UWW, WA | | |
| Consistency 1 | | 1 | | |
| Raw coverage 0.778 | | 0.444 | | |
| Unique coverage | 0.556 | 0.222 | | |
| | | Solution consistency | : | 1 |
| | | Solution coverage: | | 1 |

Discussion

Findings from 22 Olympic IFs provide a useful starting point in terms of pathways to high commercialisation. At least three observations can be made from the QCA analysis: firstly, high specialisation (SPEC) is a key condition for the outcome of high commercialisation; secondly, social media engagement (SOCM) correlates with high commercialisation; thirdly, strategic planning (46%) and lack of accountability (31%) show relatively minor overlaps with the outcome of high commercialisation.

Specialisation in national sport organisations has been related to increasing workloads and growing work requirements in terms of skills and complexity of tasks (Amis, Slack, & Hinings, 2004; Thibault et al., 1991). At the international level, the increasing demand for, and revenues from, major sporting events are evidenced by a progressive hiring of paid staff. However, the cases of ISU, IJF and ITTF show that high event commercialisation is not just related to the number of paid staff. ISU, IJF and ITTF still achieve high event commercialisation through high social media engagement in combination with either a strategic plan (ISU) or low accountability (IJF, ITTF). Specialisation of roles and specialisation due to growing organisational size both contribute to an IFs' levels of commercialisation.

An IF conducting commercial activities through social media states that 'the digital communication gives federations the ability to create a value proposition. We have millions of people that like [our sport]. If we can connect them somehow through social media tools, then this [community] becomes a valuable commercial product' (A1). Through interactions with their community, sport organisations can strengthen brand awareness, image and fan loyalty (Coulter, Bruhn, Schoenmueller, & Schäfer, 2012).

With respect to the third observation, the relatively small degree of overlap of strategic planning and lack of accountability with the outcome of high event commercialisation calls for further investigation. Forster's (2006) contention that commercialisation has increased IFs' governance issues could be linked to the finding that some of the highly commercialised IFs show low accountability (i.e. FINA, WR, IJF, ITTF), but many do not. Meanwhile, recurring external pressures related to scandals may well have given rise to an increased implementation of accountability measures. As FIFA displays a

high level of accountability in our findings, doubts may be raised about the accuracy of this conclusion. A report published by Play the Game (2015) attributed a high governance index to FIFA, even though several high-ranking FIFA officials had just been arrested for corruption. This example emphasises the difficulty of distinguishing between formally implemented measures of good governance (facade), and truly effective measures (reform). Future research could examine the relation between IFs' commercialisation and their existing/potential governance issues.

The low relevance of strategic planning (only six out of 13 IFs have a strategic plan) is rather surprising. Allison and Kaye (2011) refer to nonprofits' strategic planning as a means to confront business issues such as revenue generation, risk management and cost control, all aspects which IFs face. Talking to a member of the FIH management, this rationale seems to hold true for their case:

How do you future-proof your business? What is the business model going to be in 10, 15 years' time? Marketing and sponsorship are changing. It used to be focussed on television. Now it's moving towards digital. The model will change and you have to be aware of that and adapt. (A3)

Analysing planning practices of nonprofit and entrepreneurial organisations, Stone and Brush (1996) provide a possible explanation for the current situation: the dilemma of meeting needs for commitment and demands for legitimacy. The former refers to the need for informal interaction to develop shared perceptions in a context of multiple constituencies and diverging interests. The latter refers to demands for goal-oriented action and the use of formal systems that accompany acquired legitimacy. Clearly defined goals might prevent certain constituencies from committing themselves to participate in the organisation. The example of FIS, which is in the process of developing a strategic plan, exemplifies this dilemma: 'The biggest challenge concerns differences between national federations regarding needs and expectations. Sport, and perhaps the desire for more money, is the only common denominator' (C2). At the same time, to satisfy legitimacy demands from resource suppliers, IFs must demonstrate managerial practices such as formalisation and clear goal setting. Caught between the two pressures, many IFs seemingly prefer to keep their goals vague and adaptable to the individual expectations of various constituencies.

A final finding is IFs' apparent business-like behaviour (13 out of 22 IFs analysed demonstrate high event commercialisation). Businesses seek profit maximisation, distribution of profits is based on exchange, goals are specific and clear, and actors' motivation is material; member-serving NPOs, on the other hand, seek member benefit maximisation, distribution of profits is based on solidarity, goals are complex and diffuse and actors' motivation is solidaristic (Toepler & Anheier, 2004)). Maier et al. (2016) observe increasing isomorphism between NPOs and businesses through the arrival of new actors who pursue their own goals and interests rather than collective goals (Toepler & Anheier, 2004), competition for scarce resources (Maier et al., 2016) or new strategic management approaches (Tuckman, 1998). A few recent studies (Phelps & Kent, 2010; Wagner, 2010) have provided research on isomorphism between IFs and businesses.

We argue that IFs' increasing business-like behaviour has several origins, notably the professionalisation and internationalisation of sport, as well as growing commodification and financial uncertainty. The desire and capacity of some IFs to capitalise on commodification has resulted in growing competition. Responses to financial uncertainty due to growing competition can create additional complexity. In turn, growing complexity requires multi-faceted managerial approaches including management of (resource) dependencies (Toepler & Anheier, 2004) and the capacity to interact with those that control resources (Froelich, 1999). Despite growing complexity and the growth of commercial revenues, the mission and goals of IFs are unchanged (i.e. to regulate, develop, promote and organise their sport). At the same time, IFs' profit redistribution models and the benefits to stakeholders remain opaque or undisclosed.

Implications and limitations

In terms of commercialisation, this study on 22 Olympic IFs found that a headcount of 30 staff or more presents a critical mass to achieve high event commercialisation. Implications for organisational complexity (e.g. standardisation, formalisation, centralisation) and other related aspects (e.g. strategic capability, leadership) require further research and elaboration. IFs with fewer than 30 staff but with high event commercialisation have witnessed high social media engagement. This suggests that a strong social media presence could help IFs with smaller budgets to grow their sport's community, create brand awareness and attract business partners.

The research indicates that NPOs may face a dilemma in meeting needs for commitment and demands for legitimacy in a context of multiple constituencies. With increasing resources from business partners who seek a return on investment, IFs need to demonstrate goal orientation to satisfy their business partners. At the same time, IFs are beholden first and foremost to their members (NFs), who may have diverging goals and expectations. Only one-third of the analysed IFs had published a strategic plan, suggesting goal vagueness, at least within the public domain. The phenomenon of goal vagueness leads to a fundamental question: to what extent does IFs' use of market mechanisms serve mission-related purposes for the largest possible number of members, and to what extent do a few actors exploit it to satisfy self-interests? Recurring scandals in some IFs reveal two challenges in this regard: the need for improved governance and possible mission drift or sector bending.

With regard to mission drift, Olympic IFs increasingly have to demonstrate improved control, transparency and accountability mechanisms in order to maintain or regain their legitimacy and autonomy as governing bodies. Governance issues and corruption together with growing commercialisation require good governance procedures. To avoid a mission drift, IFs need to consider whether market pressures, business operations and a commercial culture are pulling their organisation 'away from their original social mission' (Dees & Anderson, 2003). Future studies could, therefore, develop a more comprehensive understanding of IFs' commercialisation, investigating both negative (e.g. mission drift, increased governance issues) and positive impacts (e.g. increased rationalisation, professionalisation, self-sufficiency).

Limitations to this study include only analysing Olympic IFs for which financial statements were available. To obtain more information from IFs in the future, use could be made of the umbrella organisations ASOIF, AIOWF (Association of International Olympic Winter Sports Federations), ARISF (Association of IOC Recognised International Sport Federations), AIMS (Alliance of Independent Recognised Members of Sport), SportAccord or even the IOC. This could eventually increase pressure on IFs to be more responsive. Future studies could also extend the scope to non-Olympic IFs. This should enable improved comparisons across IFs and would potentially consolidate and extend the findings of this study. The use of differing periods of investigation regarding the outcome and conditions was mentioned earlier, and is a limitation of the research.

The sample size did not allow for an in-depth analysis of IFs' revenues and expenses. A general difficulty here is that many IFs do not provide detailed information. For instance, the IJF spent 41% of its 2012–2014 expenses (about € 15.2 million²) on 'travelling expenses'. Despite this significant expenditure, there is no detailed information. The csQCA method further masks finer distinctions because of its dichotomous nature. For future studies, the application of a fuzzy-set QCA (fsQCA) represents a possible solution. By using scores on a continuum between 0.0 and 1.0, fsQCA produces more nuanced results. Another constraint related to the QCA method is the static time perspective. Rihoux (2003) notes that the QCA method 'does not allow one to include the time dimension and hence does not deal with process' (p. 340). As Rihoux and Ragin (2008) emphasise, the QCA method 'is a tool to enhance our comparative knowledge about cases in small- and intermediate-N research design' (p. 65). Furthermore, the strategy of using logical remainders in conjunction with Boolean minimisation algorithms has raised some criticism (Markoff, 1990; Romme, 1995) as it introduces cases that have not been observed only because they are logically possible. Although our study clearly has some shortcomings, to our knowledge, no study to date has compared IFs' on commercialisation. IFs' commercialisation is an ill-defined and often stigmatised concept. By using QCA as an innovative research method to analyse 22 Olympic IFs, this study enhances our comparative knowledge regarding the impact of conditions facilitating high commercialisation. The study further points out the need to investigate both the positive and negative impacts of IFs' commercialisation.

Notes

- 1. We first added up the IF's incomes for the years for which financial statements are available, not including Olympic revenue (Sum A). As the 2012-2015 Olympic revenue allocated to the summer Olympic IFs is known to us, we multiplied a quarter of this by the number of years for which the IF's financial statements are available (Sum B). Finally, we added up Sum A and Sum B. As the 2010–2013 Olympic revenue allocated to the Olympic winter IFs is not known to us, we cannot apply normalisation rules in these cases.
- 2. We converted the currency used in the IJF's financial reports (i.e. Swiss francs) into Euros based on the exchange rate of 31 July 2014 (CHF 1 = EUR 0.82195).

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4

MAJOR SPORT EVENTS AT THE CENTRE OF INTERNATIONAL SPORT FEDERATIONS' RESOURCE STRATEGY

Josephine Clausen and Emmanuel Bayle

Introduction – From regulating to commercializing sport events

The stakes have moved up considerably, customers expect events to be international, to be bigger and better than previously and everything is geared towards achieving the bottom line.

Emery 2010, p. 166

One hundred years ago, International Sport Federations (ISFs) came into existence for a practical reason - to organize and regulate international sports. The first modern Olympic Games (OG) in 1896 (Athens) made international rules indispensable and the growing success of the Games made major sport events more and more attractive. The historical function of ISFs can be compared to that of a government (Hoehn, 2006): they exert a legislative role by establishing rules, a judicial role by monitoring and enforcing these rules, and an executive role by organizing major sport events such as World Championships. Since their creation, ISFs have undergone important structural and functional evolution. Starting out as volunteer-run associations, IFs employ today up to 450 or more staff members at their headquarters (i.e. FIFA, UEFA). In literature, these evolutions are often categorized as organizational change. On one hand, they stem from internal needs for rationalization and efficiency (Chantelat, 2001; Dowling, Edwards & Washington, 2014) such as the hiring of paid managers, whose specialized background and expertise entails internal formalization and standardization procedures. On the other hand, they are the result of an adaption to external changes. ISFs have to adapt to an increasingly complex and competitive environment, including growing numbers of interest groups with varying and sometimes diverging expectations. In response to these pressures, ISFs invent different solutions. Looking at major sport events is one possible approach to investigating ISFs' strategic resource acquisition patterns. The findings reveal that observed patterns are either historically funded or emerge/have emerged as the result of changing environmental circumstances and organizations' internal response strategies to them.

For the analysis of ISFs' resource strategies, three aspects make international sport events an interesting starting point: (1) their constantly growing number and globalization, (2) their

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continuous commercialization, and (3) the lack of research on sport events from the perspective of ISFs. All three points are briefly outlined below:

- The growing number and globalization of sport events: In 1975, the ISFs of the 25 sports represented at the OG counted 160 international events, these being World Championships, World Cups, Grand Prix, World Tours and so on. Within 38 years, this number rose to 2,162 events in 2013 (source: the Association of Summer Olympic International Federations (ASOIF)). Initially, the World Championships represented the sole and most important event of ISFs, crowning the best athletes of the sport. With the abolition of the Olympic amateur code in 1981, World Championships and their like became more attractive for top athletes (seeking prize money) which, in turn, lured spectators (seeking entertainment), broadcasters and sponsors (seeking a return on investment). Progressively, ISFs recognized their commercial value, began to define which rights had value (e.g. event hosting, event bidding, logo/naming rights, broadcasting and so on) and established ownership of these rights. Once event formats and rights had been established, many ISFs turned towards new countries in search of additional market opportunities and the global spread and development of their sport. Countries previously unknown for sport events entered the stage: in 2016, Qatar, a peninsula primarily covered with sand, hosted 85 major international sport events, and even Mongolia hosted 16 (e.g. Motocross World Championships, Sumo World Championships, international biathlon competition). Sport is no longer just a physical activity and social meeting point. It has become an economic product and an increasing number of actors from various levels try to leverage its financial potential.
- The commercialization of sport events: Since the 1980s, the galloping commercialization of broadcasting and sponsorship rights linked to the sprouting economy around major sport events (e.g. Olympic Games), and increasing competition between top-level sports, have pushed ISFs to embrace strategic thinking and planning. For some ISFs, being on the Olympic Programme has become a financial comfort zone, but also a highly competitive affair. Through the first Olympic revenue distribution in 1992, totalling US\$ 37.6 million, each of the 25 ISFs on the Olympic summer programme at that time received US\$ 1.5 million. Over the years, the revenue share did not stop increasing, reaching a record high of US\$ 526 million after the London 2012 Games (source: ASOIF). Although the financial windfall of the OG is uncontestably a blessing for ISFs, it can also result in a quandary. On the one hand, ISFs need to attract sponsors, investors and partners in order to finance a growing number of activities (strategic and operational) and defend their Olympic status (IOC evaluation criteria). Hence, ISFs have to be responsive to stakeholders' needs, wishes and expectations. On the other hand, ISFs need to stay true to their core values and missions and advocate their members' needs, wishes and expectations (Berrett & Slack, 2001). Navigating between these two poles, ISFs adopt different approaches to satisfy one side or the other. Strategic planning, including the setting of goals, an action plan to achieve these goals, and the mobilization and allocation of resources to execute the action plan, has become a valuable tool for sport federations, be it at the national (Shilbury & Ferkins, 2011) or international level (Nagel et al., 2015). Events appear to play a pivotal role in ISFs' strategy in terms of resource acquisition. Today, the success of an ISF's economic model largely depends on its capacity to commercialize its major events (e.g. broadcasting and sponsor rights, organizing fees).
- 3. Lack of research: Despite the exponential growth of international major sport events, little research exists on major sport events from the perspective of ISFs. Taking the perspective

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of the organizing committee (e.g. Parent, 2008), previous studies primarily focus on event management (e.g. Leopkey & Parent, 2016; Parent & Smith-Swan 2013) and organization as well as commercialization (Lee & Taylor, 2005; Szymanski, 2003; Malfas, Theodoraki & Houlihan, 2004). In light of these evolutions, two central and so far unexplored questions emerge: which elements constitute ISFs' main sources of income and expenses? Which financial and strategic role do sport events occupy in ISFs' economic model?

This chapter starts with an overview of event types in international sport, followed by a general summary of ISFs' main sources of revenue. The main question of major sport events as a central element of ISFs' resource strategy is examined by applying a two-fold approach: first, observed commonalities across several ISFs are outlined; second, four cases exemplifying four different models of revenue generation are presented: FIFA as the international football federation, the FIH as the international hockey federation, FISA as the international rowing federation and the UCI as the international cycling federation. The evaluation of the four federations is based on an analytical model presented beforehand.

Federations' resource strategies through major sport events

Today, two major actors govern sport at a global level: the International Olympic Committee (IOC) organizing the OG every four years (Chappelet 2008) and ISFs regulating international sport and organizing World Championships and World Cups (Arcioni & Bayle, 2012). While the regulation, promotion and organization of their sport used to be ISFs' core mission and the reason for their emergence, sport events have taken centre stage, especially with regard to resource acquisition. This evolution results in a seemingly contradictory hybridity: established as associative non-profit structures, ISFs have developed a strong commercial orientation. Although these two rationales appear to be diametrically opposed, they are also complementary, as generating financial income is vital for the development and continuity of ISFs' activities (Bayle, 2000). ISFs partially or entirely delegate the organization of their events to an event organizer (for example, national federation, region, government). The delegation of organizing responsibilities, financial charges and profits depends on the type and appeal of the event. It is therefore important to first distinguish different types of events and event ownership.

Event types

Considering events as the central element of federations' sporting, economic, societal and organizational performance, Bayle distinguishes (2015) different types of sport events owned and/or organized by sport federations (international and national). Adapted to ISFs, four event types can be emphasized: World Championships, international circuits, promotional sport-for-all events and international multi-sport games. ISFs generally own the first three event types and are participants in the fourth type. Being the owners of the first three types empowers them to decide on the event allocation and to capitalize on commercial rights such as TV and sponsorship rights. ISFs usually concede ticketing and domestic sponsorship rights to the organizer, this being a national sport federation (NSF), region or private organizer. In this constellation, the ISF is in a position of power, especially if the event is very successful and attracts a number of potential organizers competing for the allocation.

1. World Championships: Often the flagship event of an ISF, these major one-off events may be held at differing periodicity depending on the ISF (e.g. the UCI and FISA every year,

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FIFA and the FIH every four years). The ISF decides on the event allocation, often through a bidding process. Divided into men, women and, for some sports, mixed competitions (e.g. tennis, badminton), World Championships are organized for different age categories (e.g. Junior, Under 23, Elite, Masters).

- 2. International circuits: International circuits is a collective term for World Cups, World Tours, World Series, Grand Prix events and their like. ISFs generally own the circuit but not the events composing the circuit. Depending on the various aspects (e.g. the balance of power between the ISF and event organizers, historical reasons), events may be registered on the ISF calendar (e.g. Diamond League in athletics), constitute private professional circuits outside the full control of the ISF (e.g. ATP World Tour in tennis or PGA Championship in golf) or belong to a national sport federation (e.g. Australian Open, US Open) or a private organizer (e.g. Tour de France). In some sports, the international circuit, or even single events of it, are more powerful than the ISF's major event (e.g. tennis with Grand Slam, Tour de France in cycling).
- 3. Promotional sport-for-all events: Less focusing on competition, mass-participation events or international sport festivals are an opportunity for an ISF to promote its sport and reach out towards unexploited markets.
- 4. International multi-sport games: Although ISFs are only participants in these events (e.g. the Olympic Games, the Commonwealth Games, the Asian Games, university games, etc.), international multi-sport games can be of high sporting, strategic and economic importance as they convey visibility which, in turn, increases the attractiveness of a sport for sponsors, athletes and fans.

Although different event types may co-exist, ISFs' deliberate creation of an event portfolio that is tailored to their needs and strategy is a rather recent evolution. Event portfolio means in this case a deliberate pattern of events owned, organized and/or controlled by the ISF. The event portfolio has an impact not only on the federation's image, but also on its sporting, economic, societal and organizational performance. It is therefore hardly surprising that events occupy today a pivotal role in ISFs' strategy and resource acquisition. Within the event portfolio, events may be of different importance, creating a certain hierarchy. We assume that the economic value of events is determined by their importance.

Main sources of revenue

Unlike NSFs, ISFs are not dependent on government funding. Until the 1980s, ISFs functioned mainly thanks to the time and knowledge investment of a few passionate volunteers. At that time, ISFs' boards were almost entirely composed of individuals with a background in the respective sport (e.g. former athletes or presidents of a NSF). Especially in the early years of a federation, this prerequisite was inevitable as rules had to be established, requiring an extensive understanding of the sport. All functions within the ISF were then non-remunerated. Affiliation fees from NSFs and small sponsorship contracts were therefore sufficient to fund and maintain the ISFs' activities. This changed rapidly with the commercialization of major sport events and most of all the OG. Sponsors began to use sport events to showcase their products and ISFs began to compete for their financial resources. Two main sources of financial income arose from this situation for ISFs: (1) revenue from federations' own events and (2) the Olympic revenue.

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Events

Looking at the last completed summer Olympic cycle (2012–2015), nine out of 18 summer Olympic ISFs for which information is available generated 50 per cent or more of their revenue through their events.

To a large extent, this situation is the result of a growing interest in televised sport and the rise of an international broadcasting industry. Television brought sport from the restricted reach of fields and stadiums into the living rooms of thousands of people. While the first FIFA World Cup (Uruguay, 1930) was attended by some 430,000 spectators in the stadiums, the 2014 FIFA World Cup (Brazil) counted 3.4 million spectators and another 26.3 billion TV viewers! The demand for televised sport has attracted not only media and sponsors, it has also increased the need for expert knowledge within federations in order to respond to stakeholders' expectations and produce attractive events. Profound organizational changes were needed to adapt to this new situation. The growth in size and number of events, a question of both the popularity of the sport and the ISFs' ability to capitalize on this popularity, is generally accompanied by a diversification and complexification of ISFs' activities. As a consequence, voluntary positions are no longer sufficient to carry out ISFs' administrative tasks and organize major sport events implying multiple stakeholders. Since the end of the 1980s and the beginning of the 1990s, ISFs have progressively hired paid Secretary Generals (e.g. FISA in 1989, the UCI in 1992), followed by a steadily increasing number of paid staff (especially in the ISFs with fast-growing events). FIFA has increased its staff from about 250 in 2003 to more than 450 in 2014, the UCI from three in 1991 to 79 in 2014 and even a smaller federation such as the FIH has more than doubled its staff within a relatively short time (2010-2015) from 14 to 35.

Table 4.1 Revenues from ISF events and Olympic revenue

| Federation (IOC terminology) | Period analysed | Revenues from ISF events (% of overall revenue) | Olympic revenue (% of overall revenue) |
|------------------------------------------------------|-----------------|-------------------------------------------------------|----------------------------------------------|
| BWF – Badminton Word Federation | 2012–15 | 78% | 21% |
| FEI – International Equestrian Federation | 2012-15 | 78% | 9% |
| FIE - International Fencing Federation | 2012-13 | 3% | 29% |
| FIFA - International Association Football Federation | 2012-15 | 88% | 0.4% |
| FIH – International Hockey Federation | 2013-15 | 56% | 32% |
| FINA – International Swimming Federation | 2014-15 | 70% | 21% |
| FISA - International Rowing Federation | 2012-15 | 37% | 52% |
| IJF – International Judo Federation | 2012-14 | 64% | 23% |
| ISAF – World Sailing | 2012-13 | 13% | 61% |
| ISSF – International Shooting Sport Federation | 2012-15 | 2% | 85% |
| ITF - International Tennis Federation | 2012-15 | 75% | 10% |
| ITTF – International Table Tennis Federation | 2012-14 | 50% | 31% |
| ITU – International Triathlon Union | 2013-15 | 40% | 56% |
| IWF - International Weightlifting Federation | 2013-14 | 17% | 56% |
| UCI - International Cycling Union | 2012-15 | 70% | 14% |
| UWW - United World Wrestling | 2012-15 | 29% | 40% |
| WA – World Archery | 2012-14 | 31% | 63% |
| WR – World Rugby | 2012-15 | 97% | 0% |

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Olympic revenue

The Olympic revenue share is closely related to the general evolution of broadcasting rights. For the 1960 Olympic Games (Rome), USA TV (today CBS) paid US\$3.2 million (in today's dollars) for the broadcasting rights. Forty-eight years later, the broadcasting rights for the 2012 London Games were sold for nearly US\$1.2 billion to NBC, a multiplication factor of more than 300! In a sense, the commercialization of and profit generated by the OG began with the 1984 Los Angeles Games. Under the direction of Peter Ueberroth (president and general manager of the Los Angeles Olympic Organizing Committee), the 1984 Games were the first to be privately organized and immediately generated a surplus of US\$250 million. The following Games pursued the same strategy and with success. In 1992, the IOC distributed for the first time a part of the Games' proceeds to the ISFs: a total of US\$37.6 million was equally divided between the 25 ISFs that figured on the Olympic Programme (US\$1.5 million/ISF). Twenty years later, a total of US\$526 million was divided between the 28 ISFs that were involved in the Olympic Programme of the 2012 London Games, this being US\$19 million on average per ISF. Meanwhile, the IOC had introduced the Evaluation Criteria for Sports and Disciplines in 2004: based on the evaluation criteria, 30 per cent of the additional surplus of the OG dedicated to the ISFs is subsequently allocated, depending on the ISFs' contribution to the overall economic success of the Games (e.g. tickets sold, TV audience). After the 2012 London Games, the IAAF (athletics) was awarded the highest share - about US\$47 million for a four-year period. The prospect of a higher share if outperforming other sports has entailed strong competition between Olympic ISFs as well as non-Olympic ISFs who seek to enter the Olympic Programme. The benefit of being an Olympic sport impacts at both the international and the national level: on the one hand, it contributes to the financing of ISFs' activities; on the other hand, governments tend to support NSFs of Olympic sports more generously with funds to increase their chances of beating other countries at OG, making sport a geopolitical tool.

In summary, ISFs' resource acquisition has changed drastically due to the explosion of broadcasting rights, the interest of sponsors in showcasing their products through televised sport events and the skyrocketing profitability of the Olympic Games. While affiliation from member fees and smaller sponsor contracts constituted the main source of income for many decades, the demand for televised sport spectacles has brought forth a new and more businessoriented rationality. Nevertheless, the spread between ISFs with high revenues and ISFs with low revenues is immense: while FIFA generated a comfortable US\$2.096 billion in 2014, half of the non-Olympic, but recognized, ISFs function with less than €200,000 per year (source: Association of IOC-recognized International Sport Federations (ARISF)). The mission-based goal of ISFs is to finance the development of their sport, for example by crosssubsidizing unprofitable events (as is the case with 11 out of the 12 FIFA events), supporting national development programmes (e.g. FIH Targeted Assistance Programme) or helping to improve members' functioning (e.g. UCI Sharing Platform). In this context, federations' events and economic models should be a means to develop their sport. In order to understand and predict why some ISFs have more successful economic models than others, four Olympic ISFs of different sizes are analysed more closely. The main focus is on ISFs' events and their role in the federations' economic model.

International Sport Federations' economic model and the role of major sport events

It is very difficult to compare the functioning and economic models of ISFs for various reasons, such as accessibility to, as well as transparency and exhaustiveness of documents.

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ISFs' organizational structure (e.g. bodies, departments, organizational complexity), functioning (e.g. organizational performance, behaviour and learning) and culture (traditions, values) play a significant role here. Initially, events such as World Championships were not created for financial reasons, but to determine the best athletes. This chapter does not claim to produce a comprehensive understanding of the development of ISFs' events over time. However, it tries to identify emerging commonalities regarding ISFs' economic models and the role of major sport events in it. Following this, the chapter proposes an analytical model and four exemplary cases to which this model has been applied.

Emerging commonalities

Despite limited comparability, a few emerging commonalities could be noticed between the federations in terms of event-related resource acquisition.

Event ownership and event rights

ISFs generally claim ownership over a minimum of one, often two, event types. These are World Championships (in some sports called World Cup) and international circuits (e.g. World Tour, World Cup, Grand Prix), both being major one-off competitions. ISFs also tend to sanction international events that are not their property. The ISF may register these events free of charge or against a calendar or organizer fee. In the case of the UCI, the calendar, licence and affiliation fees constitute 17 per cent of the federation's overall financial income (2012–2015: 40 per cent if the organizing fees are added). However, the claiming of property rights is only profitable if there are enough buyers. Then again, the more buyers that compete for the rights acquisition, the more the federation can raise the price. Risks inherent to this situation are excessive prices that stakeholders are not willing or able to pay, and unsatisfactory returns on investment for stakeholders.

Financial cycles around events

If one or several major events form the ISF's principal source of income, the federation has an interest in ensuring they function well. Financial cycles around ISFs' major events can be observed, meaning that important parts of the revenue from federations' flagship events are reinvested in the events. In the case of FIFA, the flagship event (the FIFA World Cup) is organized every four years. In 2014, FIFA generated 91 per cent of its overall income from the 2014 FIFA World Cup (e.g. 35 per cent from broadcasting rights, 23 per cent from ticketing and 22 per cent from marketing rights). In the same year, FIFA invested 42 per cent of all its expenses in the same event including, for instance, TV production (19 per cent) and prize money (18 per cent). On average, FIFA invested 53 per cent in events during 2012–2015, 41 per cent in the FIFA World Cup alone. In the case of the UCI, 25.5 per cent was invested in events during the same period.

Olympic revenue dependence

While the Olympic revenue share may be irrelevant in the budget of a very big federation such as FIFA (0.4 per cent), it is vital for many small federations such as ISSF (shooting) (85 per cent). Federations with high Olympic revenue dependence run the risk of not being self-sustainable without that money. For the last summer Olympic cycle (2012–2015), the

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average dependence of the 18 summer Olympic federations for which financial statements are available was about 33.5 per cent. It is of no surprise that Olympic sports, and especially those that are highly dependent on the Olympic revenue share, are making every effort to defend their place on the Olympic Programme.

Although the focus of this section is on ISFs' economic models, its impact on the wider system including continental and national federations is worth mentioning: ISFs generating important revenue through their own events are expected to invest larger parts of their expenses externally (i.e. primarily on events and development) and ISFs with average or low event profitability invest internally (i.e. primarily on operations, administration and governance). The following examples support this assumption: FIFA invested 71 per cent externally and 18 per cent internally (2012–2015), contrary to the FIH, which invested 37 per cent externally and 61 per cent internally (2013–2015) and FISA, which invested 31.5 per cent externally and 68 per cent internally (2012–2015).

Analytical model

For the purpose of illustration, data on event revenue were collected from 18 summer Olympic federations. In addition, four exemplary ISFs were selected for a more fine-grained analysis: FIFA, the UCI, the FIH and FISA. Data stem from externally audited financial statements and financial reports, event regulations, bidding documents, organizer guides, face-to-face interviews (n=15) with ISF officials and staff members from FIFA, the FIH, FISA and the UCI, as well as representatives of umbrella organizations, i.e. the Association of Summer Olympic International Federations (ASOIF), the Association of IOC Recognized International Sport Federations (ARISF), and SportAccord. We admit that data collection was complicated by the lack of available documents as well as by the varying exhaustiveness of documents (e.g. financial reports varied between seven and 156 pages). This undeniably impeded the data analysis and made direct comparability of ISFs more difficult. Findings should therefore be considered as approximate values rather than definite numbers.

Besides the described commonalities, ISFs' resource acquisitions through events are very difficult to classify for reasons already mentioned. A closer look at four Olympic summer federations of differing size illustrates the variety of income solutions adopted by them and the role that events play in these solutions. In an attempt to establish a replicable model of analysis, the authors selected several key variables. Some of these key variables are based on Chantelat's (2001) typology, which distinguishes between three kinds of expenditure in amateur sport clubs – sporting, social and economic expenditures. Chantelat calls the combination of the three kinds of expenditure the "production of sport clubs". Concluding from the analysis of 238 French amateur sport clubs, he determines six socio-economic patterns. These patterns emphasize the diversity of economic logics that characterizes amateur sport clubs. Adapted to ISFs, and in order to further our understanding of their financial flows and the part of their major sport events in them, a two-fold approach was adopted: first, by looking at ISFs' economic model (expenditures, sources of income) and, second, by establishing a basic event portfolio for each of the four ISFs analysed.

For the analysis of ISFs' economic model, six main variables were selected, three on the income side and three on the expenditure side. In the four models detailed on the following pages, the ISFs' main source of income and main expenditure are emphasized in bold letters.

While studies at club level mainly use the financial flow analysis to provide a tool capable of defining political subsidies to clubs (Chantelat, 2001), this chapter places ISFs' events at

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Table 4.2 Main variables for analysing ISFs' economic model

| Income | Expenditure | |
|--------------------------------------------|-----------------------------------------------------|--|
| Events (e.g.TV and sponsor rights) | Events | |
| Olympic revenue share | Administration (including governance and operations | |
| Fees (e.g. membership, licences, calendar) | Development | |

the centre of investigation. Following Bayle's (2015) perspective, which sees ISFs' major sport events at "the heart of their economic model", events are classified here as economic products. The main elements of event incomes are organizing rights, TV rights and sponsorship rights. A second variable is that of Olympic revenue share. The greater proportion of income is constituted by Olympic revenue share, the less the ISFs are self-sufficient. A final variable on the income side analyses fees of various natures (e.g. membership, licences, calendar). Historically, fees constituted ISFs' main source of income. With the increase and complexity of ISFs' activities and the hiring of paid staff to ensure and develop these activities, ISFs have needed to turn towards new sources of income. Today, the external financing of ISFs is common practice. However, in some federations the share of income from fees seems to remain relatively important.

On the expenditure side, expenses dedicated to events, administration and development are examined. Event expenses allow us to analyse whether the event balance sheet is even, whether events are profitable or whether they represent a costly activity for the ISF. A look at federations' administration expenses allows us to determine the remaining funds the ISF has at its disposal to finance activities other than administration. To complete the analysis of their economic model, their development expenses are examined. Development expenses should represent an important part. Using Chantelat's terms, the finality of ISFs as non-profit associations is, above all, supposed to be "extra-economic", meaning that the ISF is a corporate actor that should not seek financial gains for its headquarters as a priority, but redistribute a maximum of its gains to its members and the development of its sport. We expect ISFs with high income to redistribute larger parts into development than ISFs with lower income. We further assume that ISFs with high income from events, but low investment in development, follow an entrepreneurial logic rather than associative goals. Horch (2001) calls this process "auto-destruction", a process through which non-profit sport organizations lose their core values and identity.

With regard to ISFs' event portfolio, we base our analysis on four variables:

- Creation of the ISF (year)
- Size (number of paid staff)
- ISF events (number, periodicity)
- Flagship (event, discipline)

We assume that the age of an ISF might play a role in the presence of traditional (and sometimes mythical) events. Historically established events are not necessarily owned by the ISFs (e.g. the Tour de France in cycling, Wimbledon in tennis). To capitalize on these events, federations need to establish ownership rights. Depending on the power structures between the ISF and event organizers, strong negotiation skills are required. The second variable is that of size in terms of paid staff. Kikulis (2000), as well as Thibault, Slack and

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Hinings (1991), equate the increased presence of paid staff with an increase in specialization as the workload can be divided more efficiently. The central variable here looks at ISF events, and notably the number of ISF events and their periodicity. These two elements are useful indicators for analysing whether an ISF is focusing rather on one or two events or whether it seeks to diversify its event portfolio even further. The focus on one event might signify that this event is particularly successful and therefore absorbs an important part of the federation's resources. At the same time, reliance on one event bears a major risk: the implosion of the financial system if the event does not attain the expected objectives (e.g. event cancellation, lack of/waning public interest). On the other hand, an event portfolio with many events bears the risk of image delusion which, in turn, is likely to impact the events' attractiveness for sponsors, TV broadcasters and fans. The fourth and final variable of the event portfolio examines the ISF's flagship, this being an event or a discipline. Indicators for this variable are the federations' own assessment, generally to be found on the ISF's website, and the income through this flagship.

Classification of economic models - a first attempt

The presentation of the following four cases constitutes an exploratory approach to the question of ISFs' economic model and the role of major sport events in it. This approach can be classified as a socio-economic rather than a managerial approach. In light of this relatively small sample, the validity of the analytical model and its variables discussed above, as well as findings presented hereafter, could be tested in the future by using a larger sample.

FIFA - One-mega-event model

The economic model of FIFA revolves around a single competition: the FIFA World Cup, a high profit mega-event generating 83 per cent of FIFA's overall revenue during the period 2012–2015. Compared to this, the remaining 11 FIFA World Cups are of insignificant economic impact. If we take a closer look at FIFA's income from 2014, about 91 per cent was generated through events, this being about US\$1.9 billion. Of this 91 per cent, 90.4 per cent was generated through the FIFA World Cup alone. The detailed sources of income are as follows: broadcasting rights (35.4 per cent), ticketing (23 per cent), marketing rights (22.2 per cent), hospitality rights (5.3 per cent), licensing rights (2.5 per cent), other (2.6 per cent). The success of FIFA's economic model is grounded on two main elements. One is football's popularity. Football is probably one of the world's most popular sports. A large-scale FIFA survey from 2007 concluded that football counts 265 million players and 5 million referees worldwide, this being 4 per cent of the world's population at that time (source: Big Count, FIFA Magazine, July 2007). The other element is a close-knit strategy around the FIFA World Cup including commercial rights and limited risk-taking, as the following examples from the FIFA World Cup Regulations 2014 demonstrate:

Commercial rights: FIFA has established rights to the event's most profitable elements – "financial rights, audiovisual and radio recording, reproduction and broadcasting rights, multimedia rights, marketing and promotional rights" (Art. 15).

Limited risk-taking: FIFA takes no responsibility regarding damages relating to the organization and course of the FIFA World Cup, for either the preliminary or the final competition (Art. 2.3 and 27). Even though "[all] revenue from the exploitation of the commercial rights for the preliminary competition matches belongs to the host association" (Arts 24.1 and 24.4), the latter also has to cover expenses for insufficient financial outcomes of these matches.

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Table 4.3 FIFA as an example of the one-mega-event model

| Creation | 1904 | |
|---------------------------|---------------------------------------------------------|--|
| Size | · Very big federation (>450 staff members in 2015) | |
| FIFA events | 1 major sport event format | |
| | 11 FIFA World Cups | |
| | 1 Confederations Cup | |
| Flagship event/discipline | FIFA World Cup (since 1930; quadrennial) | |
| | 83% of FIFA's overall 2012–2015 revenue | |
| Revenue (2012–2015) | US\$5,826 billion of which | |
| | Events: 88% of which | |
| | FIFA World Cup: 83% | |
| | TV and marketing rights: 68% (incl. FIFA World Cup) | |
| | Other: 12% of which | |
| | Financial income: 6.5% | |
| | Olympic revenue: 0.4% | |
| | Other operating income: 5.1% | |
| Expenses (2012–2015) | US\$5,757 billion of which | |
| | Events: 53% of which | |
| | FIFA World Cup: 41% | |
| | Development: 18% | |
| | Administration, operations and governance: 18% of which | |
| | Administration: 7% | |
| | Financial expenses: 6% | |
| | Governance: 5% | |
| | Other: 11% | |

The risk of the one-mega-event model consists of its high dependence on a single mega-event. FIFA's economic model around the FIFA World Cup functions as long as the federation finds buyers for its commercial rights, notably broadcasting and marketing rights, which represented together 68 per cent of FIFA's 2012–2015 income. Based on the FIFA example, we establish the hypothesis that ISFs with the characteristics of the one-mega-event model tend to be large in size, have a very profitable flagship event, high expenditure on their flagship events and moderate internal expenditure. Low administration costs in the case of FIFA (7 per cent) are notably related to a transfer of responsibility to the organizer.

UCI - The fee-collector model

The UCI model is built on two main pillars: (1) the UCI Road World Championships as the UCI's flagship event, and (2) calendar, licence and affiliation fees.

1. During the period 2012-2015, the UCI generated about 29 per cent through the UCI Road World Championships alone. The UCI establishes a contract with each World Championship and World Cup organizer individually. Depending on the organizer's capacity to commercialize marketing rights locally, the organizer buys between 30 and 60 per cent of the marketing rights from the UCI. Generally, these rights are negotiated in conjunction with the hosting fee of the event. However, the UCI WorldTour, with

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Table 4.4 UCI as an example of the fee-collector model

| Creation | 1900 |
|---------------------------|-----------------------------------------------------------|
| Size * | Big federation (79 staff members in 2015) |
| UCI events | 2 major sport event formats |
| | 7 World Championships (annual) |
| | 14 World Cups (annual) |
| Flagship event/discipline | Flagship discipline: Road cycling |
| | Flagship event: UCI Road World Championships (since 1921) |
| | 42% of UCI's overall 2012–2015 revenue |
| Revenue (2012–2015) | CHF155.74 million of which |
| | Events: 54% of which |
| | UCI Road World Championships: approx. 29% |
| | Organizing fees: 23% |
| | Fees (calendar, licences, affiliation): 17% |
| | Olympic revenue: 14% |
| | Other: 15% |
| Expenses (2012–2015) | CHF132.427 million of which |
| | Administration, operations & governance: 52% of which |
| | Personnel expenses: 26% |
| 2.5 | Governance: 20.5% |
| | Fees & Consultancy: 5.5% |
| | Events: 25.5% |
| | Development & training: 12.5% |
| | Other: 10% |

cycling's most prestigious races (e.g. the Tour de France, the Giro d'Italia), escapes this rule. Besides communication rights, the UCI holds no commercial rights for these races. This explains the meagre income of CHF 240,000 for the UCI from the 2014 UCI WorldTour.

To counterbalance the historical arrangement of cycling's most prestigious races, the UCI, under the presidency of Hein Verbruggen (1991-2005), claimed control over the international cycling calendar, which used to be in the hands of the biggest cycling organizers. Today, calendar fees vary depending on the discipline and the race classification. The yearly registration of about 1,500 races on the UCI international calendar (all disciplines confounded) constitutes an important pillar in the UCI's economic model. They contributed 11% to the UCI's overall income in 2014. What is more, the official document labelled "Road - Calendar Fees" indicates that the UCI has increased the 2016 calendar fee by 31 per cent for UCI WorldTour races, from €24,369 for one-day races in 2015 to €31,923 in 2016). A similar strategy has been applied to teams with an increase of team licence fees in 2016. Team licence fees depend on the discipline and the tier that teams are in. The fee of €85,500 for the registration of a UCI WorldTour team in 2016 constitutes an increase of 11 per cent from 2015 to 2016. During the period from 2012 to 2015, organizer, affiliation, calendar and licence fees together represented 40 per cent of the UCI's overall revenue (23 per cent from organizer fees, 17 per cent from calendar, licence and affiliation fees).

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The risk of this model lies in the need to keep the balance between the attractiveness of the ISF's main product and buyers' interest and financial capacity to pay the fixed fees. In the case of the UCI, the economic model is two-fold. On the one hand, it is based on the UCI Road World Championships as its flagship event. A successful financial return through this event requires a product sufficiently attractive for an organizer to pay the hosting fees in addition to the marketing rights owned by the UCI. On the other hand, the UCI's economic model is based on income from calendar and team licence fees. This supposes two things: first, that a stable number of cycling race organizers are able to produce profitable (or at least break-even) events; and, second, that sponsors behind cycling teams see a value big enough for them to financially support these, which, in turn, allows the team to register on the UCI calendar and participate in the races with a competitive set of riders. Currently, cycling teams suffer from the lack of sponsors willing to finance them on a long-term basis and at an amount that allows the team to cover increasing costs including UCI licence fees, travel costs or the team's entourage (e.g. sport director, medical and performance staff, etc.).

The main risks of the fee-collector model hence consist of a mismatch between the price level fixed by the ISF and the effective appeal of its product(s). Excessive pricing may entail precarious situations among the main fee payers. The strategy of the federation therefore needs to take into consideration not only its own financial needs, but also the capacity of its main actors to absorb higher fees while maintaining their activities. Based on the example of the UCI, we establish the hypothesis that the fee-collector model occurs perhaps more often in federations with very old event traditions. These traditional and historical events are sometimes more popular than the federation's events and financially independent of the latter. This makes it particularly difficult and delicate for the ISF to establish and impose ownership rights that allow them to capitalize on these prestigious events, which are outside the federation's property. Due to the important part of fees in the economic model and the need to administer these fees, administration expenses are assumed to be relatively high (e.g. the UCI: 52 per cent).

FIH - The mixed model

In the period from 2013 to 2014, the FIH's income was based on a resource mix including 32 per cent from Olympic revenue, 30 per cent from sponsors and 26 per cent from events, including TV rights and hosting fees. A majority of the FIH's expenses were spent internally (54 per cent), 22 per cent on events and 15 per cent on development. Although the FIH was previously "the sole owner of the media and marketing rights and all other commercial rights relating to the events that it organises" (FIH General Regulations, Art. 8.3.1), hosting fees were only introduced for the first time in 2015. Currently, the FIH splits commercial rights equally with the host organizations. According to the FIH business development director, this model "works if you have big events and big television", which is not the case for the FIH. In combination with a relatively high percentage of Olympic revenue, similarly structured ISFs, if they want to maintain and develop their activities, have to be creative and proactive. After the arrival of a new CEO in 2010, the FIH brought forward a number of potential solutions towards a more dynamic and sustainable model. The new action plan reposes on several pillars: a young and highly educated staff (in 2015, 74 per cent of the staff members held a university degree); the hiring of experts from inside and outside hockey/ sport (marketing, communication, business); a long-term strategic plan (Hockey Revolution 2014-2024); and the creation of a new sporting format (Hockey5, a short-version form of hockey) capable of attracting new sponsors, spectators and athletes by showcasing field

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Table 4.5 FIH as an example of the mixed model

| Creation | 1927 |
|---------------------------|---------------------------------------------------------|
| Size | * Middle-sized federation (35 staff members in 2015) |
| FIH events | 3 major sport event formats |
| | FIH World Cups (Junior, Indoor, Men/Women) |
| | Hockey World League |
| | Champions Trophy |
| Flagship event/discipline | FIH World Cup (since 1971; quadrennial) |
| Revenue (2013–2015) | CHF30.4 million of which |
| | Olympic revenue share: 32% |
| | Sponsors: 30% |
| | Events: 26% of which |
| | TV rights: 24% |
| | Hosting fees (since 2015): 2% |
| | Fees (licences, affiliations): 10% |
| | Other: 2% |
| Expenses (2013–2015) | CHF30.1 million of which |
| | Administration, operations and governance: 61% of which |
| | Administration & operations: 44% |
| | Marketing & communication: 10% |
| | Governance: 7% |
| | Events: 22% of which |
| | TV costs: 18% |
| | Development: 15% |
| | Other: 2% |

hockey as an entertaining, young and urban sport while remaining true to its values of being a family and gender-equal sport.

The mixed model produces a fairly stable situation as it spreads ISFs' financial risks across several sources of income. However, in the specific case of the FIH, the relatively important Olympic revenue represents a risk as the federation has little influence on future redistribution modalities. An increase in TV rights (currently at 24 per cent) and the advent of hosting fees (currently at 2 per cent) might mitigate fluctuations in Olympic revenue. Based on the example of the FIH, we establish the hypothesis that ISFs with mixed-model characteristics tend to be dynamic organizational structures with a strong focus on strategic thinking and anticipation. Although the downfall of one source of income might not inevitably cause the collapse of the ISF's economic model, it requires a continuous analysis of the federation's environment, quick adaptation to change and a drive to explore new market opportunities as these diminish the risk of potential future shortcomings. Even in case of moderate incomes, we expect ISFs of the mixed model to invest a relatively significant share in development as successful member federations extend the ISFs' radius of action (e.g. events, athletes) and appeal (e.g. sponsors, broadcasting).

FISA – The Olympic-dependence model

During the period 2012–2015, FISA obtained 52 per cent of its funding from its Olympic revenue. For the most part, revenue was used to finance the federation's administration costs

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Table 4.6 FISA as an example of the Olympic-dependence model

| Creation | 1892 |
|---------------------------|---------------------------------------------------------|
| Size • | Small federation (about 19 staff members in 2015) |
| FISA events | 5 major sport event formats |
| | World Rowing Championships (annual) |
| | European Rowing Championships (since 1893; annual) |
| | World Rowing Cups (annual) |
| | World Rowing Tour (annual) |
| | World Rowing Masters Regatta (annual) |
| Flagship event/discipline | World Rowing Championships (since 1962) |
| Revenue (2012–2015) | CHF30.2 million of which |
| | Olympic revenue share: 52% |
| | Events: 37% |
| | Other: 11% |
| Expenses (2012–2015) | CHF30.1 million of which |
| | Administration, operations and governance: 68% of which |
| | Marketing & communication: 19% |
| | Events: 22% |
| | Development: 9.5% |
| | Other: 0.5% |

(68 per cent). There may be different reasons for this dependence, such as human resources (17 staff members in 2015) and low visibility. The higher an ISF's headcount, the more the organizational structure and functioning are likely to be specialized and coordinated, hence triggering higher performance. In the specific case of FISA, the promotion of rowing is difficult as it is an expensive sport in terms of equipment and facilities. In view of FISA's dependence, staying on the Olympic Programme is the federation's top priority: "[The] Olympic Games are a big machine. A lot of people, a lot of sports want to enter. [If FISA] doesn't move today, we are at risk. Because not being an Olympic sport destroys all the rest" (FISA President). The constantly growing prestige of the OG adds another pressure as desire to enter the Olympic Programme has increased competition between sports. In light of limited athlete capacity at the Games (around 10,500), the high number of rowing athletes raises some critics. With 550 athletes, rowing has the third highest number of athletes at the Games. Compared to this, triathlon only counts 96 athletes. Reducing the number of rowing athletes might allow other sports to enter the Games, but would weaken the position of FISA.

ISFs that function according to the Olympic-dependence model are under continuous pressure to defend their position on the Olympic Programme. The dependence makes them particularly vulnerable, as the slightest decrease in the attribution of the Olympic revenue share jeopardizes their economic model. Furthermore, dependence limits their scope of action. Aligning with IOC requirements and expectations ultimately becomes the safest pathway for them to ward off the discontent of the IOC and potential revenue reductions related herewith. However, IOC evaluation criteria and expectations can also be considered as a precious guide for federations in establishing a strategic plan that, ideally, results in more professionalization and organizational performance. Based on the example of FISA, we establish the hypothesis that ISFs with the characteristics of the Olympic-dependence model invest less in development as large parts of their revenue are consumed by administrative costs.

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Conclusion and perspectives

In light of the small sample size, findings obviously cannot be generalized. The analysis is therefore limited to specific risks and challenges encountered by the four ISFs as well as some hypotheses. Nevertheless, it becomes evident that events are a necessary prerequisite for federations to attract sponsors and potential buyers of broadcasting and commercial rights. Without them, federations can no longer carry out either their historical mission or the activities they have developed over the years and the structures necessary for their maintenance (e.g. promotion and development of a sport at the grassroots level). This necessity is emphasized by the increase in major sport events and the evolution from volunteer-run structures towards more professionalized entities with an increasing business focus. The organization of attractive events requires sound expertise at various levels including sport, marketing, communication, administration (which can be summarized under the concept of specialization), written rules, policies and procedures (which can be summarized under the concept the concept of formalization), strategic planning and performance evaluations (which can be summarized under the concept of rationalization), and an adapted decision-making structure (which can be centralized or decentralized).

In summary, the event portfolio has become a central part of ISFs' strategic and functional model. Whether this model follows a clearly defined strategy or whether it is the result of historical evolution and environmental circumstances depends on the federation itself. At the same time, each model can change rapidly and for various reasons. The arrival of a new key decision-maker (e.g. president, general director, etc.) may for instance influence the federation's strategy. Overall, federations have to face a number of new and complex challenges related to the growing importance of, and demand for, major sport events. One of them is the question of profit redistribution. Contributing considerably to the event profit, stakeholders (i.e. NSF, teams, clubs, athletes, organizers) might claim their part in profit redistribution. To avoid friction with main stakeholders, building compromises becomes indispensable for ISFs. Another challenge is that ISFs have to manage their dependence on events. Unforeseen elements such as event cancellation, security matters, the decreasing appeal of the event/sport, the concurrence of other sports, new events, and so on, may put their economic model at risk. Based on these observations, a couple of starting points for future research on the importance of major sport events in ISFs' strategic planning are proposed:

- 1. The question of ISFs' event portfolio as a strategic tool.
- 2. The question of ISFs' event ownership rights and organizing mode,
- 3. The question of ISFs' redistribution model of event profits.

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