Self-destroying Processes of Sport Clubs in Germany

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Abstract

Voluntary associations such as sport clubs ideal typically are characterized by a lot of structural particularities when compared to those organizations that dominate modern societies: the large bureaucratic for-profit companies and governmental administrations. However, one of the most interesting of these characteristics appears to be that this features are gradually lost as they grow older and larger. For instance they tend to become more commercial, bureaucratic, professional and oligarchic. This was already identified at the beginning of the century by famous social scientists such as Robert Michels (1912). I am addressing the following question: To what extent are these self-destroying transformations fostered by those operating on behalf of the club?

The question is both of theoretical and practical relevance because 1. I suspect that these transformations are accompanied by considerable negative consequences that should at least be taken into account when trying to manage sport clubs rationally. 2. I suspect that these transformations are not totally avoidable, i.e. they do not - contrary to Michels opinion - follow an iron law of nature and 3. that they are unintentionally and unconsciously fostered by those responsible. In particular I will address the following questions: 1. What do the self-destroying processes of sport clubs look like? 2. What are their negative effects? 3. What are their causes? 4. What can we do to prevent them? Sport clubs are in need of professional managers. However, these must not only be proficient in general business management techniques but also have profound knowledge of the specific organizational features of voluntary associations: their weaknesses but also their strengths and last but not least their inherent self-destroying tendencies.

Sport clubs in Germany are forced to undergo adaptation processes as a result of social processes of change such as the dissolution of social attachments and the individualization and pluralization of lifestyles as well as the commercialization of sports. Parallel to and in combination with these adaptation processes there are, however, also typical transformation processes of sport clubs that are brought about by internal organizational factors. They do not necessarily lead to an improved adaptation but often also have considerable unintended negative results that reduce the survival chances of clubs. In this article I would like to draw attention to these unintended negative consequences of these transformation. Because any rational management has to take into account major unintended effects of decisions just like one has to take into account side effects of medicine.

Voluntary associations such as sport clubs are characterized by a lot of structural particularities when compared to those organizations that dominate modern societies: the large bureaucratic for-profit companies and governmental administrations (Horch, 1994b). However, one of the most interesting of these characteristics appears to be that this features are gradually lost as they grow older and larger. For instance they tend to become more bureaucratic, professional and oligarchic. This was already identified at the beginning of the century by famous social scientists such as Robert Michels (1912), Franz Oppenheimer (1886), Max Weber (1911) and the Webb's (1906).

I would here like to address the following question. To what extent are these self-destroying transformations unintentionally and unconsciously fostered by the volunteer and paid managers of the club? These processes can be termed self-destroying for two reasons. 1. They destroy the self, the identity, the unique characteristics of the organization and 2. they are at least partially fostered by those operating on behalf of the organization themselves.

The question is of practical and theoretical relevance because 1. I suspect that these transformations are accompanied by considerable negative consequences that should at least be taken into account when trying to manage sport clubs rationally. I suspect that these transformations are accompanied by considerable negative consequences that should be taken into account, for example, membership involvement decreases. 2. I suspect these transformations are not avoidable, i.e. they do not contrary to Michels opinion follow an iron law of nature and 3. that they are unintentionally and unconsciously fostered. To uncover these latent dysfunctions is according to Karl Popper (1980, p. 119) one of the central purposes of the social sciences. Two more interesting scientific problems are self dynamic social processes (Mayntz/Nedellmann, 1987) especially vicious circles and social ambivalences especially organizational dilemmas (Merton 1976).

I will mention two well known examples to demonstrate what I mean in a less abstract manner: 1. If insufficient voluntary staff can be found then the chairperson of a sports club could easily make the decision to begin paying staff. However, would not this payment destroy the nonmonetary contribution motives of other volunteers (Etzioni, 1975: neutralization hypothesis)? 2. In order to obtain additional financial funds a sport club can search for public subsidies. However, does this burden the sport club with general socio-political responsibilities and standards that have nothing to do with the original interests of the members, such as health promotion and the integration of foreigners? I would now like to address the following specific questions:
1. What do the self-destroying processes of sport clubs look like?
2. What are their negative effects?
3. What are their causes?
4. What can be done to prevent them?

1. Characteristics and transformations

Before transformations from one type to another can be discussed we must clarify what distinguishes voluntary association from commercial companies. I would like to mention only three central differences.

1.1. Characteristics of voluntary associations

1) Mutual benefit association: The relationship between the members and the association is not based upon the compensation of different interests through an exchange contract such as between owner and customer or employer and employee. The relationship is based instead upon a social contract between individuals with similar interests. In order to achieve these interests these individuals pool resources (Coleman, 1979). This is seen especially clearly in the foundation of a small new sport club. For example when a pub team decides to play soccer in a more organized and systematic fashion and therefore, founds a club there are no managers and no customers; only members. They assume the simultaneous roles of consumers, producers, financiers and decision makers. In exchange for their contributions they receive the right to a share in decisions and a proportion of the services. The later is, however, not determined by contract but decided through internal democratic decisions. In contrast to the exchange contract there is no guarantee that this distribution is equivalent to the contribution made.

2) Nonprofit organization: Voluntary associations do not have a small group of owners controlling the organization and carrying the responsibility for their success and consequently being rewarded with the profit. Sport clubs belong to all members. In this case resources should also be managed economically. The possible "profit" should, however, not end up in the pockets of a select few but rather be reinvested in the mutual aim. Nonprofit organizations are according to Hansmann (1980) defined by a "nondistribution constraint". The difference between for-profit and nonprofit organizations is therefore, not found in the intention of making profit but in the utilization of the profits made.

3) Intermediate structure: The organizational structure of voluntary associations assumes an interesting, contradictory intermediate position between small groups such as friendship groups and bureaucratic organizations (Weber, 1911). Although on the one hand they aim at instrumental specific goals, they also leave plenty of room for diffuse expressive relationships. For example, anyone attending a committee meeting of a sport club for the first time will be surprised by the mixture of objective and personal subject matter.

1.2. Transformations

Three frequently observed important aspects of transformations can be classified according to the above three characteristics:

1) Autonomization of the Organization: In the words of Franz Traxler (1986), one can observe an autonomization of the organization, that is a detachment of the organization from its members. Members become customers through commercialization, that is selective, secure, equivalent services; paid workers replace volunteers through professionalization and members are excluded from decision making by oligarchization.

2) Goal displacement: Goal displacement from difficult to measure material goals to formal aims such as increased membership or budget growth can be observed.

3) Bureaucratization: One can observe a bureaucratization. The precarious intermediate structure is asymmetrically dissolved by becoming more similar to the structure of the dominating for-profit and governmental organizations of our society.

2. Negative consequences

What is so bad about these transformations? Of course they only have practical relevance insofar as there are substantial negative consequences. I would like to draw attention to some economic and social functions of voluntary associations that gradually disappear during the course of these transformations.

2.1. Loss of economic functions

Voluntary associations are inferior to bureaucracies in many ways (see sec-
tion 3.1). However, they also possess economic advantages that they may lose during a transformation.

1) Quality: The quality of a product can change and deteriorate depending upon the type of organization (Tritsch, 1970; Hirsch, 1980). For-profit organizations have to concentrate upon that which can be sold and this may result in the disappearance of background realizations and positive external effects. People may put more trust in nonprofit organizations that they are not cheated with bad quality due to the nondistribution constraint (Hansmann 1980). This is of special importance with human services whose quality is hard to check.

2) Control: Members possess a multitude of control mechanisms: not only do they have the possibility to exit as in any market situation, but they also have a strong voice due to the democratic decision making structure (Hirschman, 1974). From the point of view of the organization these are important feedback mechanisms which commercial firms try to establish through marketing. According to Kotler (1978, p. 53) the key idea of marketing is to turn customers into members. During their commercialization many large German sport clubs are doing the opposite, that is turning their members into customers.

3) Motivation: Volunteer workers have a high degree of internal motivation.

4) Resources: All three of the above mentioned transformations in turn reduce the motivation for volunteering and thus destroy an irreplaceable resource of sport clubs.

5) Legitimization: The commitment and involvement of members is an important legitimization for the quest for outside resources such as subsidies or donations. If it is lost the club is sawing off the branch upon which it is sitting (Horch, 1992). If sport clubs are only doing the same things in the same manner as commercial sport organizations then politicians and voters will at some stage ask themselves why they should continue subsidizing them.

2.2. Social functions

It is, however, not sufficient to assess voluntary associations such as sport clubs purely upon economic criteria, one must also take into account social functions which can be lost in the course of the transformation (Heinemann/Horch, 1981).

1) Identity: Volunteering within the intermediate structures of voluntary associations can provide the individual with a sense of his identity (Dann-}

kelmann, 1975; Heinemann, 1977) which is hardly to find within the uninfluencable large bureaucratic organizations in which one only feels like a cog on the wheel.

2) Integration: Voluntary associations can integrate individuals into society and therefore, counteract the increasing isolation of modern society.

3) Socialization: They can socialize individuals for instance by demonstrating how democracy works.

4) Solidarity: They can maintain and create solidarity.

3. Causes

I am now approaching the fundamental question: What are the causes of these transformations? To what extent can they be referred to as self-destroying processes? As with any changes there can be differentiated: 1. universal social and 2. specific organizational causes and 3. interactions of both. There is no doubt that powerful social changes such as the individualization and pluralization of lifestyles and the fiscal crises of the state are affecting sport clubs. Preorganizational sources of commitment to voluntary associations are evaporated by the dissolution of traditional, homogenous social environments (Streek, 1987). But concerning my question whether self-destroying processes are under way I have to focus on organizational factors. In terms of these a fundamental debate is whether economic or sociological theories explain change.

3.1. Economic theory

According to economic theory (Williamson, 1975) organizations change because people perceive them as ineffective or inefficient. Concerning sport clubs it is not difficult to recount a whole array of efficiency deficits, for example referring to the above mentioned three characteristics of voluntary associations.

1) Associational failure: Association face high decision costs. They are associated with distribution problems because distribution is not regulated by the membership contract. Decisions have to be made about which sport and which group may use the facilities. Further aspects of association failure are inflexibility, insufficient funds, particularization of goals, traditionalism, paternalism and amateurism (Salamon, 1987).
2) Collective goods: Because profit does not exist as an incentive for an effective and efficient production, everything achieved by the club possesses the character of a collective good which opens up the possibility of free-rider behavior along the motto “I’ll leave that to the others”.

3) Organizational dilemmas: There are many organizational dilemmas associated with the intermediate structure. Streeck (1981, p.40) pointed out that “the system problems of voluntary associations can be traced either to the problem of integrating incompatible structural forms into one and the same social entity (for instance volunteer and paid staff) or the fulfilling of contradictory functions through one and the same structure (for instance instrumental and expressive functions).” Robert Merton (1976) thus compared the management of voluntary associations with walking a tightrope.

3.2. Sociological theories

Sociologists do not share the optimistic view of economists that organizations almost automatically become more efficient through adaptation or selection. They refer to the influence of 1. power, 2. social adaptation processes and 3. unintentional consequences of rational action.

1) Power: Sociologists ask: effective for whom? The fundamental hypothesis states that the ruling coalition in an organization utilizes their discretion al freedom of action to secure their power.

2) New institutionalism: An interesting new approach is represented by the new Institutionalism in Organizational Analysis. DiMaggio and Powell (1983) state that today the driving force which makes organizations more similar no longer is selection through competition but other mechanisms which do not necessarily make organizations more efficient at the same time. They distinguish between three such mechanisms: a) Coercive adaptation processes result from governmental demands and are for instance combined with subsidies (Horch, 1994a). These demands relate, for example to the organization procedures such as bookkeeping and report writing, or the education and payment of employees. b) Mimetic adaptation processes result from insecurity concerning goals and techniques. Tais insecurity is decreased by imitating other successful or admired organizations. These processes are for instance transferred by consultants. c) Normative adaptation processes result from professionalization. Career groups such as graduates in business management try to secure their position by developing standards that are conveyed by selection and socialization. Established theories are also capable of influencing behavior. For example March and Simon’s “Incentive Contribution Theory” (1976) and Clson's “Logic of Collective Action” (1968) are now standard knowledge. Both theories however overemphasize the importance of egoistic, material, selective incentives for volunteering despite the overwhelming empirical evidence (Knocke, 1990). If, however, the incentive system of clubs is modified along their guidelines, these theories become self fulfilling prophecies.

3) Unintended consequences of rational behavior: In summary one can obtain the impression that the function of these transformations is to avoid the specific problems of voluntary associations by reverting without reflection to known and proven problem solutions from other dominating organizational types. Many changes result from shortterm attempts to solve urgent problems whose longerterm consequences are not known or not contemplated. They are meant to maintain rather than to change. However, out of the sum of minor steps arise irreversible modifications. Minor modifications can initiate a vicious circle resulting in self-destruction (Horch, 1988). One of the best known of these is that between oligarchy and membership apathy, apathy and oligarchy (Horch, 1988).

4. Solutions

What can be done to counteract these self-destroying processes?

1) Further self-reflection: Logically the first step is to become conscious of possible self-destroying processes. Sport clubs must consciously redefine their identity in accordance with the changing environment but without losing touch with their organizational particularities as self-help groups of people who want to do their sport. Volunteer and paid managers must be aware of what distinguishes a voluntary association from a commercial business.

2) Form many new, small clubs: The conditions under which voluntary associations function have basically been known since Max Weber's analysis of direct democracy (1972, p.169). Voluntary association function better the younger and smaller they are, the more locally restricted they are, the more homogenous the member interests and capabilities are and the less specialized knowledge is required. Within the changing social conditions of modern societies it is now important to develop consequences out of this with a policy which systematically promotes the formation of new small clubs or small new independent sections within large clubs.

3) Federations (large clubs) as a self-help contact service: Volunteering that traditionally arose almost by itself through close relationships in small villages, today requires rational planning. Therefore, clubs require the assistance of professional managers, but as an aid to self-help, not to replace...
volunteer work. Federations (and large clubs) should therefore, regard themselves as self-help contact services offering newly formed clubs (and sections) professional consultation.

4) Professionalization yes, but properly: So sport clubs need professional managers. However, these must not only be proficient in general business management but also know the organizational characteristics of voluntary associations: their weaknesses and threats but also their strengths and opportunities and last but not least their self-destroying tendencies. Because simple poorly considered transfers of structures and recipes from the for-profit sector will certainly lead to the self-destruction of voluntary associations (Klausen, 1995). Traditional sport club structures have to be transformed into rational ones but not according to a commercial but according to an own associational rational. Revealing latent dysfunctions of behavior is one important step to increases the rationality of action. If the side effects of actions are known then they can also be accounted for. Solutions can be actively sought to limit these side effects, decisions can be revised and one will definitely not be taken unaware by these problems. For example, if a sport club treats its members as customers it ought not complain if they also act like customers and are no longer willing to volunteer.

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Notes

1 It is surprising how much scholars from different disciplines and nations working independently on different types of voluntary associations agree on many of the particularities that distinguish this type of organization from others: Horch, 1994a; (Weber, 1972, p. 28; Sills, 1968, p. 362-363; Smith u.a., 1972; Ouchi, 1980; Heinemann/Horch, 1981; Streeck, 1981, p. 24-41; Rothschild/Whitt, 1986; Knoke, 1990, p. 6-9 and Billis, 1991.
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Recall and Recognition of Sport Sponsorship Stimuli: a Study of the Effectiveness of Field and Television Sponsorship

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Abstract

The issue of research is centred around the memory impact of sponsorship on television spectators. Three types of Sports sponsoring are studied: Television sponsorship alone, Field sponsorship alone and the conjunction Television and Field sponsorship. 240 subjects are divided into four groups using the double technique of “matching assessment” and “random assignment” based on an initial measurement of the durable involvement for televised basketball programmes. This measurement is made with the E.P.I. developed by Laurent and Kapferer (1985, 1986).

Each of the groups (n = 60) is shown one of the four Sports reports produced by Canal+ for experimental purposes. A global measurement of memorisation, based on the index developed by Anne and Cheron (1991), is made in a strictly experimental context nonetheless ensuring notable external validity.

The gathering and processing (ANOVA Factorial) of the data reveals highly significant and positive principal effects as a result of Television and sponsorship. However, contrary to what numerous other authors postulate, Television and Field sponsoring do not interact.

In addition to the data relative to the principal advertisers of the event studied, complementary information regarding secondary sponsors (less adequately displayed) is discussed. Key words: sponsorship, recall, recognition, involvement, Sport.

1. Introduction

Faced with the globalisation of the world’s markets and communication networks, with the banalisation of products, the increasing preponderance of “brand equity”, the overabundance of advertisements addressed to increasingly informed consumers and because of the obligation for institutions to proclaim their intentions towards society, companies are confronted with the need to seduce their target groups in a different manner.

In order to present an adaptation of communication which would take account of these new challenges, specialists have, over two decades, researched and developed new techniques. Among these, sponsorship seems to be one of the most obvious opportunities for Marketing communication.

If sponsorship is currently gaining acknowledgement from marketing specialists, it is