

## Management of sports clubs in the town based on the principles of cooperation

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### Suggested Citation:

Varmus, M. & Kubina, M. (2018). Management of sports clubs in the town based on the principles of cooperation. *Global Journal of Business, Economics and Management: Current Issues*. 8(2), 38–42.

Received from December 10, 2017; revised from May 05, 2018; accepted from July, 02, 2018.

Selection and peer review under responsibility of Prof. Dr.Cetin Bektas, Gaziosmanpasa University, Turkey.

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### Abstract

In Slovakia, there are many sports clubs that are civic associations. Within towns, they are often considered as a separate entity. Management of these sports clubs in the town is very specific. A town wants to have an influence on these clubs, especially when the clubs are supported by municipal finance. In this paper, we deal with the possible management of clubs in the town within the cooperation principle. We identified the main advantages, disadvantages and points that are important for well-established cluster of sports clubs in the town.

**Keywords:** Sport, club, cooperation, town, management.

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## 1. Introduction

This paper deals with a possible cooperative approach to managing sports clubs in the town. In Slovakia, there is a very wide spectrum of types of sports clubs. Many clubs are of towns shareholders but on the other hand, many clubs are private. Both ways have own pluses and minuses but as Li, Horfacre and Mahony (2001) said a case can also be made for the State's involvement in sport on the grounds that sport is often a public or collective good. According to Hoyer, Smith, Nicholson, Stewart and Westerbeek (2012), public good is those where all persons consume the same good. For example, a decision to visit a beach or identify with a winning team or athlete will not prevent others from doing the same. Indeed, the experience may be enhanced by others being in proximity.

The paper is focused on clubs that are under influence of towns, and so the town has a power to manage them. The basic question is what is the main mission of this kind of sports clubs? The towns' sports club has to create room for professional, amateur sport and for the public as well. There are other subjects that are very important in sports strategy of the town: schools and leisure-time organisations.

As a possibility for effective management of town's sports clubs, a cooperative approach can be considered. According to Vodak, Soviar and Lendel (2014), the cooperation management is an effective and a pragmatic management of cooperative relations between independent organisations or individuals for the purpose of raising their competitiveness. Lafleur (2005) understands cooperation management as a way the management and development of cooperation are conducted in a competitive setting. Brown (1998) leans to this opinion by his thesis, that cooperation management is a partnership between government and industry. According to Lendel (2012), successful can only be those organisations that invest their funds in innovation and research. Performance management should also be linked to an organisation's key stakeholders (Atkinson, Waterhouse & Well, 1997; Bryson, 2004; Carter, 2011).

Hoyer et al. (2012) defined sports industry as comprising three distinct but interrelated industries: the state or public sector; the nonprofit or voluntary sector and the professional or commercial sector. These sectors do not operate in isolation and often engage in a range of collaborative projects, funding arrangements, joint commercial ventures and other business relationships.

As can be seen, the management of sport needs rules and the active participation of stakeholders. Cooperation offers a tremendous competitive advantage because the clubs are mutually protected against outside influences and can use win-win strategy. Clubs within the city would not act against each other as competitors but as an alternative.

## 2. Research—current situation in Slovakia

In Slovakia, there are 138 towns and 2,933 villages. In all the towns and in most of the villages, there is some sports club. Most of the sports clubs in Slovakia are independent of towns influence but most of them are financially supported by towns. Research was preferably made on the base of available documents and interviews. During research, we tried to focus on selected town and villages in Slovakia which have organised structure of sports club's management and show the opinions of sports clubs managers and representatives of towns. We found out that 52 towns have experience with cluster principle of managing sports clubs, but only 12 has clearly established the cluster principle of managing clubs.

We discovered that towns, where were established cooperation principle of managing the clubs, are very satisfied with the system. Towns help to make contracts with business entities to lease advertising space and the promotion of culture, sports, social welfare and environmental protection. They coordinate with schools and use website and marketing places to promote a sports event in the town.

On the other hand, we tried to find out why fewer towns are with this system of managing clubs. Answers and opinions of clubs managers and representatives of towns are mentioned in the following Table 1 as advantages and disadvantages of this system.

**Table 1. Advantages and disadvantages of cooperative management of sports clubs**

Advantages	Disadvantages
– Existing network of sports facilities owned by the city	– Difficulty in redistributing of funds
– Promotion of sport by the local government and entrepreneurs	– Corruption, lobbying and sport as a business
– Multi-source funding of clubs	– Preference over other popular sports
– Joint marketing communications of clubs	– Increase the dependence on clubs
– Simpler contracting with businesses	– The legislative requirements
– Jointly established the concept of development	
– A common vision, strategy and objectives	
– Coordinated cooperation of individual sports and leisure subjects in town	
– Joint organisation of sporting events	

The biggest barriers during implantations were defined as follows:

- *Lack of finances*—the absence of a general sponsor
- *Dissatisfaction of citizens*—the unresolved question of their own players
- *Lack of transparency in management*—the lack of media coverage
- *Lack of public control*—executive and control authority of common sports organisation was appointed by the Mayor of town
- *Ineffective marketing management*
- *The absence of statutes and responsibilities*

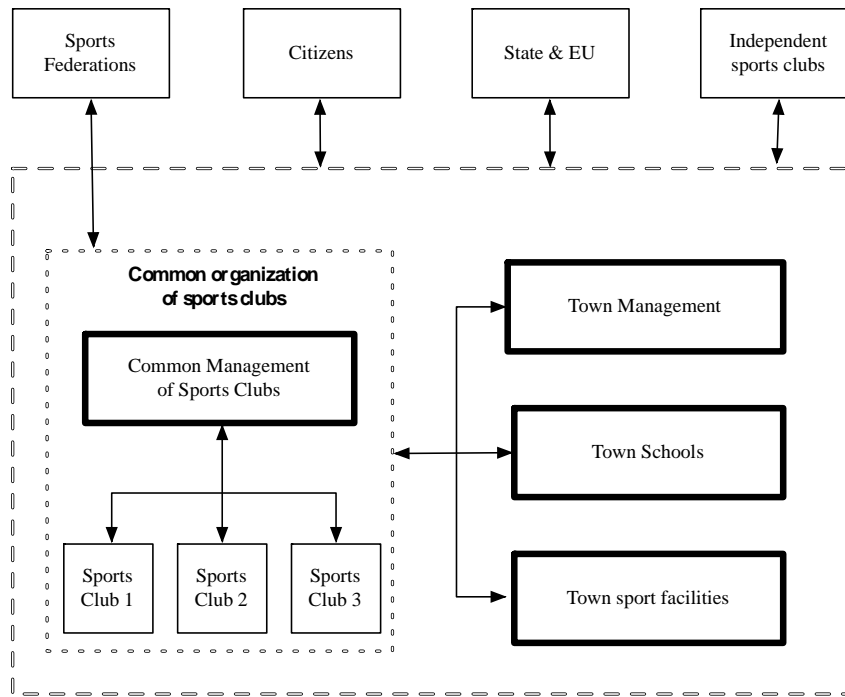
There existed many clubs that want to have autonomy even when they lost money from the town. They often do not believe in the system and they do not have the will to cooperate with others and share own knowledge. Other clubs, even in other sport, understand as competitors.

### 3. Cooperation management of sports clubs in a town

It is clear that to establish a cluster principle of managing sports clubs is not easy and has to meet key factors and rules. We tried to define the following key factors that are very important for smooth implementation.

The main stakeholders of cooperation management of sport are shown in Figure 1. The key subject is a *Common organisation of sports clubs*. This organisation joins and *coordinates* the clubs, town management, schools and use of sports facilities for clubs and public. Also, it provides *marketing support* for individual clubs and co-organises sports events. The organisation must meet the following key factors:

- *clear vision* and developed a *strategy* for the development of sport,
- *statutes, regulations, rights and responsibilities* of clubs and officials,
- *clear rules* for the all *financial flows* in a cluster,
- *control system*.



**Figure 1. Main stakeholders of cooperation management of sport in a town**

Funding for sports clubs is always a sensitive issue. There is a primary question of what is most important for a town. Has a professional club that is a leader in the league or has a club that has a primary goal to provide sport for the public, children, respectively. The system of cooperation management of clubs allows both but it must be defined with the clear rules of funding. The most important criteria should be *results in a professional league* or other events, *a number of members* in the club and possible *use of the club's facilities* by citizens of the town.

#### 4. Conclusions

Cooperation approach to managing sports clubs in towns has a big potential. Especially in smaller towns where there are small clubs that need managerial and marketing support. Correct funding of clubs can bring transparency and more money to clubs. The established rules must be known and kept. We believe that if this cooperation works, then we can bring more citizen, children and sponsors to the sport. As is mentioned in the literature, the strategic alliances may be short or long-term and may involve all or some departments of partner organisations (Varadarajan & Cunningham, 1995). According to Devine, Boyle and Boyd (2011), key individuals play a fundamental role in coordinating alliances and as defined by Milne, Iyer and Gooding-Williams (1996), establishing trust and commitment between partners. The sport has a big power, and as commented by Kennelly and Tohhey (2014), sports organisations can play a role in maximising the tourism outcomes of major events and also, suggests that smaller-scale, 'bottom-up' cross-sector alliances can contribute to maximising tourism outcomes of major sports events.

This paper was made on personal knowledge of authors who conducted research and it brought to view on this problem. We understand that there still exist many other questions on that need to find out answers during the next research.

## Acknowledgements

This article is the outcome of the projects: Diagnostics of Specifics and Determinants in Strategic Management of Sports Organisations: VEGA 1/0617/16. The research of the online reputational management of subjects was operating in the automotive sector: APVV-15-0511.

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