Problematika současného sportovního managementu v České republice

The Issue of the Current Sport Management in the Czech Republic

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ABSTRAKT

Článek se zabývá problematikou současného sportovního managementu v souvislosti s výraznými změnami probíhajícími ve sportovním prostředí ČR. Autorka se mimo jiné opírá o výsledky výzkumného šetření, jehož cílem bylo zmapovat hlavní problémy současného sportovního managementu. Šetření proběhlo v letech 2009 – 2011. Používanými metodami jsou metody kvalitativní zpracování dat - kvalitativní analýza, metoda dotazování, konkrétně individuální rozhovor. Počet respondentů 139 – manažeři sportovních klubů a organizací ČR.

Klíčová slova: Sportovní management; Změny ve financování sportu v ČR; Sportovní manažer v praxi.

ABSTRACT

The article deals with the issues of the present-day sports management in connection with significant changes taking place in the sports environment within the Czech Republic. Besides other things, the author relies on the results of the research aiming at mapping the main problems of the present-day sports management. The research was carried out from 2009 to 2011. The methods which were applied were the methods of qualitative data processing – qualitative analysis, case study and questioning method, specifically an individual interview. There were 139 respondents, managers of sports clubs and organizations within the Czech Republic.

Key words: Sports management; Changes in financing sport in the Czech Republic; Sports manager in practice.

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Sport, sports management at the beginning of the 21st century

The economy of every advanced state creates conditions for the development of sport and vice versa, sport is instrumental in developing national economy.

At the beginning of the 21st century sport has become one of the most noteworthy phenomena of the present period of the evolution of mankind. Sport as a part of physical culture is characterized both by its specific characteristics, and its position and functions in relation to other areas of social life. Numerous links between sport and other scientific

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disciplines, characterized by formative effect, are reflected in state policy, they influence education and art as well as physical and psychological development of an individual. Sport plays a considerable part in satisfying needs of individuals and at the same time it attracts attention and interest of general public.

There is a number of factors influencing the present development and socially-economic significance of sport. These factors include e.g.:

- rise in new types of sports and movement activities,
- variedness and range of population engaging in sport and movement activities,
- rational management of leisure time by the contemporary population, sport is becoming an important leisure time activity,
- rise in the awareness of sport as a part of healthy lifestyle,
- rise in competition with companies and facilities offering the same or similar movement activities,
- rise in production of goods related to sport,
- establishing new sports venues and sports facilities, maintaining the existing ones,
- rise in new production technologies for goods related to sport,
- increasing the importance of service as a sports product,
- development of marketing in sport connected with the development of sport advertising,
- rise in individual forms of sponsoring in sport,
- rise in mass media interest in sport and sports environment,
- rise in the number of journals, magazines and publications, from professional to popular ones,
- rise in the possibilities of education in sport,
- rise in the number of job vacancies created by sport,
- development of sport as sphere of activity for entrepreneurial activities,
- development of tourism, travelling
- globalization of sport [4].

The issue of the contemporary sport management was the main topic of the survey, which was done in the period of 2009 – 2011. Altogether 139 sports managers from the Czech Republic took part in the research survey. The respondents were asked to give thorough description of the biggest problems they personally deal with while practising their profession. According to those who were interviewed, the current problem number one in manager's work is ensuring sufficient funds necessary for meeting mainly sport aims of the club.

Unfortunately, financial flows to the area of sport are steadily decreasing. There is a change in lottery Act which formerly imposed a duty to contribute a certain percentage directly to sport environment on organizations holding lottery. Since 2013 the contribution from lottery and similar games has been remitted to municipal councils and local boards and those should support physical education and sport in their region. Sports managers have to adjust to these changes and respond to them flexibly.

As far as supporting sport is concerned, the Czech Republic ranks among the last places within EU states. The situation is worse only in Bulgaria a Malta (see chart 1). In general, all those who have something to do with the present-day sports environment in the Czech Republic complain of money shortage. It is the same with the area of sport management of sporting organizations and sports clubs.
The interviews with the sports managers

The aim of the research was to select those problems that are emphasized by the managers of big as well as small sports clubs and organizations. To achieve the specified aim, the questioning method was applied, specifically individual interview. The main method applied in the research was questioning method, specifically individual semistructured interview with 9 open-ended and 3 closed questions. The interviews with the managers took place in the environment of a sports club or organization, the interviewee usually being the main manager or a representative of the club top management. The length of the interview did not exceed 60 minutes. The students from the Faculty of Economics of the VŠB-TU Ostrava were also involved in the research in the role of interviewers.

The total number of respondents from all over the Czech Republic who took part in the research was 139. The answers of the managers of sports clubs and organizations to closed questions were processed by standard statistic data selection procedure, the answers to open-ended questions were subsequently categorised during evaluation.

Respondents: the research took place from 2009 – 2011 and 139 respondents, 121 men and 18 women took part in it. 8 women out of 18 were managers of sports clubs (dancing sport, athletics, figure skating), the others were in charge of facilities offering gym activities like aerobics, fitness and wellness programmes, relaxation.

43 sports managers out of the interviewed 139 were managers of sport clubs participating in top competitions in the Czech Republic, 74 were managers of the clubs involved in performance competitions and 22 managers of the sport facilities offering sport and physical
education services, especially sale, choice of exercise (aerobics, fitness bodybuilding),
training and courses of physical activities. In view of popularity of individual sports in the
Czech Republic, the highest percentage of the research participants comprised managers of
football clubs (25.2 %), then 15.1 % of managers of ice hockey clubs, 7.2 % consisted of
managers of floorball clubs, 5.0 % managers of basketball clubs and the same percentage (i.e.
5.0%) managers of tennis clubs. 15.8 of the respondents were managers of sport facilities
offering physical education and sports services. The remaining part of the approached
managers (26.6 %) represented other sports – handball, figure skating, dancing, rowing,
bodybuilding, golf, weightlifting, martial arts, canoeing, swimming, volleyball, basketball,
skiing, snowboarding, cycling.

As regards the length of practice the sports managers performed their profession for, we
can summarize like this: the most frequently stated length of practice was 1 to 5 years (28.1
%), 22.6 % stated 10-15 years of practice, 14.8 % 16 – 20 years of practice and 9.4 % had
more than 21 years of practice in the field.

We asked the respondents to specify the most important activities of a sport manager. Most
respondents agreed on the fact that the most important activities in the area of sport
management are all activities leading to acquiring financial means essential for successful
functioning of a sports club (organization). They mentioned activities of a manager in the area
of marketing strategy and cooperation with sponsors including acquiring sponsors, and
activities that lead to acquiring grants and subsidies from regions, cities and municipalities.
The answers included a fact that sport manager should be able to deal with finances
thoughtfully, economic efficiency in his/her actions is essential. The interviewed managers
further stressed that all activities connected with complex coordination of management of
the club focused on meeting its sport goals, suitable strategy leading to good base for
sportsmen and coaches, creating the best possible conditions for subsequent meeting sport
goals, for increasing sport performance are significant.

Similarly, all the activities of a manager connected with meeting individual managerial
functions – organizing, planning, leading people, choosing co-workers, check were highly
emphasized. Accent was also put on activities leading to creating good interpersonal
relationships both within internal environment of the sports club and in public
(communication with sponsors, with municipality representatives, with sport union of a
particular sport). The respondents further stresses all activities of a manager necessary for
ensuring optimum training conditions (for sportsmen and trainers), including looking for
talents. A sport manager must ensure the formal aspect of the sport activity of a club
(registration, applications for competitions), good-quality training conditions (rentals of sports
venues or repairs or maintenance of the existing ones), material supplies, securing tools and
implements, sports equipment. According to the respondents, sport manager must have basic
knowledge of economics, especially management and marketing, of law and revenue statutes,
but also corresponding language skills. Without this knowledge he could hardly perform
activities connected with ensuring the income part of the budget, preparing sponsor or
promotional contracts, record keeping and other club agenda.

We were also interested how many sponsors the interviewed managers of sports clubs and
organizations cooperate with and how this cooperation is developing. Over one half of the
respondents (53.90 %) stated that they cooperate with smaller sponsors, mostly the
sportsmens’ relatives, trainers or the main manager’s close acquaintances. 29.6 % of the
respondents cooperates with one main sponsor and a few smaller side ones. 10.70 % of the
respondents cooperates only with one, maximally two big sponsors. 5.8 % of the respondents
do not cooperate with any sponsor (these were mostly small sports facilities). We wanted to
know if the relationship sponsor x the sponsored was in any way affected by the economic
crisis. 40.1% of the respondents identically confirmed that their club was strongly affected by the crisis, they were forced to lower all costs. They pointed out that lack of finances even resulted in decreasing the standard of the club sport results. 33.3% of the interviewed managers experienced considerable decrease of sponsoring companies which encountered economic difficulties themselves and literally overnight stopped contributing to sports clubs for their functioning. 15.4% of the respondents confirmed that the municipalities also decreased their subsidies of the sports clubs or increased the rental for their sports grounds it originally rented for a symbolic price. Only 7.20% of the respondents stated that the crisis has not considerably affected them, that permanent sponsors they have strong bond with have not stopped their sponsorship activity. Sponsors mostly have not left football and ice-hockey sports clubs participating in top competitions.

One of other issues concerned communal sphere – i.e. whether the municipalities contribute to sports activity in their region. 32.0% of the respondents answered that the municipality contributes fundamentally for the operation of the sports club. The respondents stressed that without this support that represents more than one half of the total income of the club they would not be able to do the sport. 24.8% of the respondents answered that they get considerable contributions from the municipal sphere, but only for sports activity of children and youth. 15.2% of the interviewed managers of sports clubs admitted support from the municipality, but only in the form of rental of sports grounds at low price. Sometimes the municipalities contribute to buy sports material necessary for doing a particular sports branch. 14.0% of the respondents claimed that the contributions (subsidies, grants) from the municipalities represent up to one third of entire sports club income. 7.8% of the sports club managers get contributions from the municipality only exceptionally and 5.2% of sports clubs get no contributions from the communal sphere.

The main problems of the contemporary sports management

Most of 139 of the interviewed sports managers agreed on the fact that number one problem the managers have to solve every day is acquiring finances necessary for ensuring the operation of the sports club, especially ensuring meeting its sports aims. This issue is closely connected with the cooperation with sponsors, keeping the sponsor and acquiring new ones. The problem was intensified by the economic crisis which naturally affected also the area of sport and consequently mostly small sponsors left the sports environment. The development of sponsoring in sport in the Czech Republic is further impeded by insufficient legislation, revenue statutes amendment is missing so that the sponsors have higher advantages. The managers also complained of the fact that football and ice-hockey and naturally also top level of competitions are more appealing for sponsors than other sports.

Acquiring sponsors has been hindered by recent corruption and doping scandals which damaged sport as such. A negative role is also played by troublesome spectators who damage good reputation of a sports club. According to respondents, another problem is the fact that there are still not enough sports ground, the existing ones often deteriorate and there are not enough finances to repair them. Besides, the rentals for using sports grounds are increasing. Some sports managers complained that the state and sport unions do not support sport sufficiently. Part of the respondents called attention to the fact that the municipalities do not support all the clubs and sports equally, it often happens at the expense of football and ice-hockey. Some of the interviewed managers also stated that the problem of the present-day management is connected with the fact that they are often not successful in applications for subsidies and grants and the banks do not want to give credit to sports clubs and organizations.
The managers claim that children and youth are not inclined to go in for sports and they are not encouraged to do that in their families. Passive lifestyle of families, and thus of children, prevails, including spending spare time in a passive way. Youth competitions are not filled because of children’s reluctance to do sports.

The respondents stated that a big problem of the present-day sport management if the fact that sport management is an area which is still developing and which has not gained prestige and respectable position in contemporary society. It is also due to the fact that there is not enough sport managers with higher education. At present, generations are changing, the older ones have more experience from practice, but lack professional knowledge, mainly from the area of general management and marketing, while the younger ones, coming after graduating from a higher education institution are full of energy, active, they have wholesome self-confidence, but they lack practical experience. A new generation of sport managers, unlike the previous one, is not afraid of entrepreneurship in sport, it comes with new possibilities and ideas for acquiring additional financial sources. The generation clash, negative interpersonal relationships, bad communication, corruption, incorrect human relationships, but also inefficient use of human resources and commercialization of sport are other problems of present-day sport management. Due to connections, the positions of sport managers are often occupied by people without experience, education in the given area, without moral qualities and even without positive attitude to sport. The interviewed managers stated that in the area of sport management we still considerably fall behind the world.

If the respondents emphasized lack of funds, which appeared to be the essential problem of the present-day sport management in the Czech Republic, they only commented on one – albeit principal form of acquiring funds - sponsoring. The fact is that advertising for business entities is the main source of income for sports clubs and organizations, or rather their business activity. Present-day sport cannot survive without sponsors. Sports clubs in competitions of Premier League (football, ice-hockey) with legal personality of citizen association depend on sponsors to a considerable extent.

It is interesting that the interviewed sport manager neither more referred to other sources of acquiring funds from supplementary activities (leasing agreements, selling promotional items, pubs and restaurants etc.), nor they emphasized the importance of income from membership or entrance fee, etc.

The present-day sports environment is unconceivable without sponsors as well as without daily work of volunteers. Volunteers’ work presents hidden economic source for sports clubs and organizations – it is hard to imagine amateur sport or holding sports events of all kind without it. Even though none of the interviewed sport managers mentioned this fact.

Changes in financing sport in the Czech Republic

From the state budget of the Ministry of Education, Youth and Sports, 3 billion CZK come to the area of sport. It would be desirable if these funds could be redistributed not only within the area of professional sport, but if they were used in larger extent to support sport for the general public, especially children and youth.

For over ten years, gamble runners were considerably advantaged compared to other entrepreneurs. Instead of taxes, they paid levies to purposes beneficial to the public which they were allowed to distribute as they saw fit. From 2006 to 2011, the distribution of contributions by lottery companies to purposes beneficial to the public proceeded as follows:
### Statistics of Beneficiaries

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (CZK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>2.42 bil.</td>
</tr>
<tr>
<td>2007</td>
<td>2.72 bil.</td>
</tr>
<tr>
<td>2008</td>
<td>3.46 bil.</td>
</tr>
<tr>
<td>2009</td>
<td>3.36 bil.</td>
</tr>
<tr>
<td>2010</td>
<td>3.69 bil.</td>
</tr>
<tr>
<td>2011</td>
<td>3.46 bil.</td>
</tr>
</tbody>
</table>

Source: The Ministry of Finance of the Czech Republic

After 1 January 2013 and the amendment of the lottery law, gambling have lost this advantage. The Ministry of Finance has published the statistics of the beneficiaries for 2011. In the list of beneficiaries sharing 3.46 billion CZK, there was an increase in the number of citizens associations and charitable trusts, which, unlike foundations, do not have to publish any data and these data are often very difficult to find. Out of the sum of 3.46 bil. CZK, 60% went to the sports environment.

**Who distributes most money** for purposes beneficial to the public (in millions CZK).

- **Sazka betting office**: 413,0
- **Synot Tip**: 360,8
- **Bonver Win**: 257,5
- **Tipsport**: 191,9
- **Auto Games**: 152,7
- **Helvet Group**: 136,0
- **Merkur Casino**: 114,2
- **Admiral Global Betting**: 106,6

Source: the Ministry of Finance of the Czech Republic

Great deficit in financing sport was noted after the fall of Sazka company. At present, new systems of financing Czech sport are being searched. It is estimated that Sazka would not be able to contribute to sport anyway at least for the next 10 years, because such period would be necessary for paying debts incurred by building Sazka Arena in Prague. On the other hand, the fall of Sazka paradoxically enabled movement in the area of financing sport. Amendment of the lottery law has been prepared for approval; according to this amendment, the finances from Sazka and other lottery companies (cca 2 billion), which formerly went to (often not in a very transparent way) directly to sports clubs, will be sent to municipality budgets now. They will be further redistributed to clubs and organizations. The municipal representatives should be aware of this situation and distribute financial levies from this new source to those areas of sport where they are needed most. It is the local authority who should support the development of sport in its region.

The fall of Sazka is closely connected with the collapse of the Czech Union of Physical Education, an umbrella organization of Czech sport. On 1 January 2013, this function should be taken over by the Czech Olympic Committee including a number of duties resulting from it. According to the minister of finance supporting the amendment of the lottery law, there could be other changes in financing sport. Levies by lottery companies amount to 20% at present. It is considered that 5% would be paid directly to the Czech Olympic Committee, which amounts to 0.5 billion CZK and 1.5 billion would be paid to municipality budgets. It is necessary that the amendment of the lottery law is approved as soon as possible and that it is included in the new Act on Supporting Sport which will enact the Czech Olympic Committee as the top authority of the Czech sport. It depends of the functionaries of the Czech Olympic Committee how they handle the supplementary financial means. One thing is certain: it is important to support not only professional sport, but also sport activities of children and youth. It is necessary to invest in building new sports facilities and repairing the existing ones,
so that the general public, including families with children could play sport. Wide range of children engaged in sport makes it easier to generate the elite and to select the most talented ones from it.

Conclusions

The interviews with the sport managers yielded valuable facts and statistic data that helped to meet the aims of the research, i.e. select the most serious problems of the present-day sport management. The respondents were asked to give thorough description of their biggest problems they personally deal with while practising their profession. Their answers to some of the questions proved the validity of general managerial theories in practice. The interviewed described a number of activities a sport manager has to do. They most often agreed on the fact that these include all the activities leading to ensuring finances necessary for successful functioning of the sports club, then the activities connected with discharge of all the basic managerial functions.

According to those who were interviewed, the current problem number one is ensuring sufficient funds necessary for meeting mainly sport aims of the club. At present it is very difficult to get a new sponsor, but also to keep the existing one. The communication with sponsors becomes artistry. The respondents agreed on the fact that they often use their contacts and acquaintances when looking for new sponsors. They claimed that sponsors for football and ice-hockey clubs are easier to find than for most other sports. Sponsors prefer big sports clubs participating in higher competitions, because the advertising services of these clubs is more interesting and varied for them.

According to the interviewed managers, an important role in acquiring sponsors is also played by the region. On the other hand, some respondents complained that the more funds is provided by a sponsor of the club, the more he tends to interfere in sport activities of the club, the more s/he wants to influence player and coaching base, tends to express his/her opinion concerning the performance of the whole team. This situation is often stressful for the club managers and it is closely connected with their art of communication with sponsors as well as coaches and players.

Sports clubs cooperating with only one sponsor were more endangered at the time of economic crises. If the sponsor encountered financial problems, s/he could not contribute to the club functioning. Most respondents therefore suggested cooperation with more sponsors. They suggested creating a certain “sponsor pool” consisting of more companies, preferably long-time sponsors from various business branches. According to the respondents’ opinions, a sponsor is entitled to know the situation of the club, what is good, what sort of problems there are. Equally, sports club should be interested in the company that sponsors it. The interviewed managers agreed on the fact that the term “partner” suits better that “sponsor”, because it expresses the present-day relationship among both parties in a better way.

At the time of the economic crisis, the sport managers had to deal with big problems when sponsors literally overnight stopped contributing to sports clubs and had to solve their own financial problems. Besides, at that time subsidies from the municipalities started to decrease as well. In general, the respondents did not complain about cooperation with the municipality sphere. They even claimed that they would not be even able to continue in their activity without the municipality support.

As far as acquiring sponsors is concerned, according to the respondents it is a problem that tax policy of the state has not been adjusted yet so that those companies contributing to sport
have higher advantage. Another problem selected by the managers is lack of educated professionals who are well acquainted with sport environment, specialists for the practice of the profession of a sport manager. The respondents claimed that sport management has not gained a “respectable” position in the Czech Republic yet, that is why this profession does not have a corresponding prestige. According to their assertion and experience, in this respect we fall behind the world.

The most significant problem of the present-day sport management univocally proved to be lack of finances and acquiring additional financial sources necessary for ensuring successful operation of the sports club. These facts are subordinate to all activities of a sport manager. It can also be stated that a big problem of the present-day sport management is lack of economically educated sport managers, i.e. professionals who could apply their theoretic knowledge of management and marketing in their everyday practice. Not only innate qualities and abilities, but also the acquired ones play a very important role for the profession of a manager, as well as a sport manager.

In proportion to new kinds of sport that appear, the quality of the area of physical education and sport is improving, as the population is more and more interested in healthy lifestyle and more and more those who are interested get the opportunity to go in for sports, sport begins to be generally understood as an important social-economic institution, the significance of sport as a product increases, various forms of entrepreneurship in sport are expanding, profits rise, sport management and marketing improves. Globalization in sport proceeds very fast and higher and higher demands are placed on sport managers. The worldwide trend suggests that also in the Czech Republic there will be increase in job opportunities for graduates with the qualifications of a “sport manager”.

If number one problem for the present-day sports manager is acquiring supplementary funds necessary for ensuring optimum functioning of a sports club, all the changes in financing sport that are planned for the near future both within the province of the Ministry of Education, Youth and Sports and the Ministry of Finance, can, but, unfortunately, may not help the existing dismal situation in the area of Czech sport.

However, sports managers have to adjust to these changes and respond to them flexibly. It will be necessary to find ways how to acquire funds coming to the municipality budgets from betting, gambling and lotteries.

We have no choice but to believe that the municipal representatives will distribute supplementary funds fairly and with consideration and that it will enable to support the development of sport in the given region. Likewise, the Czech Olympic Committee should use the authority taken over from the Czech Union of Physical Education for the development of sport (not only professional) all over the Czech Republic.

References


