“CEO” APPLICATIONS IN MODERN SPORTS MANAGEMENT

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ABSTRACT

Olympic Games, World Cups, Continental Championships, sometimes even local Sportive Organizations of nations arouse a global interest across the world. This interest becomes widespread by means of media as a progress indicator of information technologies. As the number of sports viewers reach to billions, this situation enables rapid increase of earning rates obtained from live transmission, sponsorship, advertisement and sales of licensed goods. Present situation makes the adoption of a commercial and professional viewpoint necessary for the clubs to continue their existence and to strengthen financially. Chief Executive Officers (CEO’s) who develop, execute prospective strategic policies of the company he/she is working for and inspect the things done, and who have characteristics of a theoretician and practitioner, appear as a powerful director type candidate to fill the void in the club administrations. In this study, we tried to establish applicability of CEO’s, with whom we confront in the general business management, within the organizational and commercial administrative mentalities of sports clubs that have part in the sports sector and turned into a business organizations.

Key words: Sports, Sports Management, CEO Applications in Sports Management

1. INTRODUCTION

Small scale business organizations have prospered and increased their trade volume and also organizational volume. Together with this increase in size, necessity of institutionalization has developed, and need of master professionals in the corporate structure became unavoidable. The primary factor of this professional need has been the directors, because directors have been the most efficient factor for the organizations in achieving their objectives, of which commercial and institutional volumes have increased and which have turned into professional structures. It is highly important to realize the objectives specified in order for the organizations to preserve and continue their existence within the sectoral mechanism. Thus, administration fact has a vital importance in achieving these goals. Even though there are different approaches about the explanation of administration, it is not difficult to make a single and common determination in this direction. For Sunay (2009) has emphasized that the person who accomplishes management process related with the whole works and applications by combining efforts of people in order to fulfill the objectives specified in the most efficient and profitable manner; and underlines that director playing a key role also shape the future of the organization since it is aimed to reach the objectives as a basic principle.

Today, organizational structures acquiring international dimensions have removed the country borders together with globalization. Organizational structures reaching gigantic dimensions and multinational companies shape their existence and future with their corporate structures in the global process. Besides achieving success, it is very important to guarantee the success also in future for the foundations, organizations and institutions. Consequently, change of corporate identities and objective priorities caused also a change in the perception of director. Accordingly, besides achieving success in short and medium terms, director is expected to guarantee the existence and success of the organization in long-term. In order to ensure this guarantee, director description pronounced as of the beginning of 2000’s is CEO (Chief Executive Officer). As we mentioned above, multinational and multi-sectoral corporate structure of the organizations has increased the importance of CEO concept, because, in the beginning, it was aimed to establish a global management level by means of CEO concept. As a result of corporate growth and becoming common in the trade branches, this need for this position in new enterprise models increased, and CEO applications were carried into effect in the beginning of 2000’s. CEO is the authority which bears the responsibility to develop vision and strategies, in other words, from which it is expected to establish and manage the triangle consisting of “human-strategy-values” (Bilaloglu, 2008). As Bilaloglu states, CEO is expected to establish a specific vision and mission in compliance with the sector and organization, and to develop strategies accordingly, and to guarantee the future of the organizations and to achieve a sustainable success are among the primary objectives of the organizations by virtue of their foundation objective.

Period we are living in has changed many social unions completely. One of these social unions that has changed is sports. While sports was only an instrument of recreation, it had its share from the globalization trend
exceedingly, and today has transformed into a gigantic sector with its economic volume reaching billion dollars. That is sports has transformed into a “show-business” by the statement of Aksar (2005) that bear different meanings beyond just the sports activities. Besides nature and financial structure of sports, this transformation brought along radical changes in its corporate identity. Hereafter sports clubs transformed into a corporate and primary objective was profit maximization based on success. Achievement of these objectives was possible by means of serious institutional structuring. As it is in multinational companies, professional management and administrative mentality were integrated into the sports management and long-term corporate plans and objectives were determined. It became impossible to administrate such big budgets and institutional structuring on a volunteer basis and with an understanding of an association. Need of professional directors in the sports management has emerged and director model who can predict the future, develop strategies has become unavoidable. Thus top level professional director phenomenon, with today’s expression CEO, has become obligatory from the viewpoint of sports management, because today sports clubs have got out of association structuring that pursues only sportive goals, and transformed into companies with gigantic budgets that go to public and are traded in the at the exchange. Profit maximization and projection of prospective sportive and financial success, and CEO’s determining visions and missions in compliance with the sports sector and developing strategies in this direction are directly compatible with the objectives of today’s sports managements. In this context, it is obvious that CEO applications in the sports management are inevitable by considering the sectoral differences and perceptions.

In this direction, we will try to underline today’s director model by laying emphasize on the CEO concept in the first section of our study and to address specifications that distinguish CEO concept from the conventional director model. Then, we will mention to the financial and organizational change sports underwent which became a sector on its own and supports many other secondary sectors, and we will try to underline the feasibility of CEO applications in terms of institutional and financial perspectives.

2. DIRECTOR MODEL OF 21ST CENTURY: CEO

2.1. CEO Concept

Foundations, organizations and institutions predicting their future and making plans and determining objectives in this direction are directly proportionate to the attributes of the top level directors. In this context CEO (Chief Executive Officer) shape the future of organizations by means of the strategies they determine. Process of strategy planning is to make preferences that shall support and carry further institutions and societies in long term. Thus, what is expected from a CEO is that he/she guarantees the future of the organization, because strategic preferences imply creation of more customer value and to earn profit at bound rate. In this context “CEO thinks and acts to achieve competitive superiority and aims to maintain this superiority and he/she tries to influence others to think and act in the same manner” (Batlas, 2004: 7). Based on this description, strategic efforts carry individuals and institutions a step forward, and provide the most efficient return in long term. Individual taking an active role in this efficient return is the (fit and proper person) director model, who can think strategically, and perform permanent moves by predicting the future.

CEO is the individual who can combine forward-thinking vision and strategic preferences. His/her distinguishing feature is that he/she uses leadership weapons such as vision, strategy, financial policy, market orientation, goods and services, corporate culture to make his/her organization different than its competitors and maintain its strong position. With this aim, he/she has to correlate short-term consequences and long term view, and to employ a wide perspective.

In this direction, Ulgan and Mizre (2004), describe CEO as the person, who can create the required strategic changes at the required periods by means of his/her capacities to see the future, to create vision, to be flexible and to strengthen the other people; and they underline this person also has the ability to influence feelings, opinions and behaviors of other people he/she is working with meaningfully. CEO comes into prominence by his/her feature of developing personal guiding and fixed policies and also influencing his/her environment. Reinganum (1985) points out there is an opinion that CEO has an important influence on the organization, and underlines that he/she shall affect the benefits the organization shall obtain by means of the role he/she plays and behaviors he/she exhibits.

Wang (2002) has made a description of CEO in detail, and underline that CEO is the person who is a vision constructor, and provides motivation, makes analyses, accomplishes his/her duty, and determines the direction organization shall follow; and he states that CEO decides to which sectors organization shall enter by which strategies, the policies to be utilized against its competitors in the sector, actions to be taken in order to become distinct. It is extremely important for CEO to influence others to provide sustainability within the organization, and to maintain reliance of the institutions and as a consequence to identify persistent, realizable objectives for the organization in terms of the vision he/she determined. Hambrick and Fukutomi (1991) have discussed the concept of CEO that is expressed by various descriptions from a unique viewpoint and defined CEO as follows: “CEO is the person who has traditional management skills and can reflect these to the organization, and can coordinate behaviors in an appropriate and consistent model; and who brings in vision and innovations to the organization and establishes and settles these in the organization”. Vision and strategic thinking skills observed as a common statement in the descriptions of CEO shapes the future of the organization. Additionally, it is obvious that he/she is a director model who combines sectoral proficiency with healthy future forecasts without being detached from the traditional governance techniques, and he/she applies, imposes and enforces this proficiency.

2.2. Functional Characteristics of CEO

Nowadays rapid changes in the social structure and demands cause organizations to encounter various problems. Rapid changes observed in the globalization and information technologies necessitate existence of
directors efficient in modernization. Organizations have to follow developments and changes closely for modernizations, thus they realize this by means of CEO’s in today’s context. Organizations may not abandon a part of the past unless they comprehend that repetition of past does not guarantee the success in future. In this direction, vision is the process of evaluating, defining, describing and sharing of all activities that are planned to be performed in future. CEO is the person who guides this functional operation (Hamel and Parahalad, 1996). Vision has an indispensable significance for CEO, since it portrays a future for the organization. Besides, this cause lies behind the emergence of CEO concept and applications.

Characteristics and functions of CEO’s are fairly important for the organizations to accommodate themselves to the period in which everything changes and improves very rapidly and to shape their future. Merhi (2002) mentions that CEO should set forth and design the strategic changes in line with the vision determined, provide the required flexibility and strengthens the others in the transition period, and points out that he should be multifunctional by nature, should enable conversion by means of others and should create the potential to extend across functional horizons.

Today the most important factor for the organizations is to guarantee their future. Determination of a realistic and feasible vision compatible with the sector and organization stands for the map of the future, because only short and medium term plans shall fail to carry the organization into the future.

At this juncture CEO has the function to shape the future of the organization. Wang (2002) states that CEO should follow social, economic and technological trends while creating a vision, and he/she should select the information required for the organization and specify the objectives in line with the vision. Besides planning and programming, CEO should be responsive both to the other members of the organization and to his/her environment. He/she should be sensitive especially to the going-on in his/her environment in order to closely follow the developments. He shall take notice of limitations concerning the physical environment and social and cultural environment and should lay a healthy bridge between them, thus in this way the harmony between the vision and mission shall be strengthened (Conger and Others, 1997). This harmony is fairly important for the steps to be taken by the organization towards its objectives, and it also plays a distinctive role related with the reliance of other members to the objectives determined. Thus, Tait (1996) points out that awareness CEO shows to the requirements of members is extremely important in order for him to transfer his vision to his/her tracers loud and clear. Awareness to the environment and members in the organizational structure can be reflected as an institutional principle. Apart from this, when we try to evaluate functionality of CEO and his /her effects on the organization, personal understanding of CEO about taking risks has a significant decisiveness in application although it reminds traditional director model. When things don’t go well or when personal initiative is decisive, personal risks CEO shall take will provide motivation both to the members and the organization. In this connection, Conger and Others (1997) underline that when COE takes personal risks and makes sacrifices for the benefit of the organization he is affiliated and organization members he is leading, this situation increases the trust in CEO and also triggers the sense of loyalty and the efforts personnel show to fulfill the vision.

When we consider its effects on the organization and members of the organization, CEO is a step further than the traditional director model, and has a direct influence by his/her existence and behaviors. Since he/she shall direct the activities of the organization by establishing and executing all actions and applications, he/she has to make a perfect impact on the perception, because CEO constitutes a probable role model for the tracers. As the tracers perceive their CEO more attractive, efficient and successful; they model passionate reactions of their leader, his/her attitudes towards the organization, his/her expectations taking into consideration the relation between the efficient performance and desired consequences. In this case, tracers do not differentiate between CEO, mission-vision, they attach themselves with enthusiasm, and believe that they can make contributions at a greater extent and show higher performance (Fiol and Others, 1999). From this viewpoint, unity in opinions and actions shall be an additional profit for CEO and organization. A performance higher then the expected contribution shall improve sense of trust between CEO and other personnel, and also reinforce the feeling of succeeding more goals between CEO and personnel in long term. CEO, who is not perceived only as a director, but also as an additional factor in fulfilling objectives in line with the vision, shall lead other organizations in the sector institutionally.

House (1999) has stated about the importance of influence of CEO on the organization members: CEO may constitute a more meaningful enthusiasm among the working group by creating an attractive vision about the future, and he/she causes sense of excitement. Clear statement of mission and vision by CEO shall cause tracers to attach themselves further to the group mission and to focus on objectives more and more. On the other hand, CEO should convey his/her high expectations to his/her tracers, and make the tracers feel that he/she relies on their ability of attaining the objectives.

In brief, CEO’s are persons who depict the future that shall lead the organization to success and lead the personnel to believe in this future; labor over together with them in the direction of vision and mission determined; provide high motivation of personnel and maximize their performance; create powerful organizational culture and disseminate it organization-wide; and they are aware of the requirement of development and change while executing all of these (Tekin, 2007). CEO’s, being the primary factor for the existence and success of organizations in the future, are a source of reliability and motivation both for the organizations and also for the personnel.

3. INDUSTRIAL REVOLUTION IN SPORTS

Communal life culture and social structure gradually gained different qualifications as a result of industrialization, development of service industry, information age and rapid urbanization. Facts such as moral, culture, life philosophy and economic welfare shape the social trends. Contemporary societies regard sports as an
inseparable part of social life, underdeveloped societies could not understand the importance of sports and they ignored it. Today, approaches of societies to the sports reflect general structure of these societies. In fact, sports is considered as a criterion of development (Yetim, 2000). Various factors play role in the changes observed in the interpersonal perception. Some of these factors are conditions of the period, policy and economy. Recently, sports is also utilized efficiently in guidance of society, and it is an instrument that is frequently referred to draw the borders of social expectations and life-style.

This change in the function of sports is not a spontaneous situation. Social changes and transformations societies undergo one by one have occurred by means of certain influences. Rapid progress experienced in globalization and information technologies are the leading initiators of this change. Imamoglu (1992) underlines that change observed in the sports organizations may occur in line with the political and economic systems adopted by the nations as it is in most of the organizations, and it may also be shaped by means of new requirements and changes; whereas Balci (1999) points out that all economic and social changes of modern world are observed in sports organizations. The most important social change took place in the working hours and conditions, because technological mobility and manufacturing techniques based on information technology have improved the conditions of office life. Thus, persons have more spare time, and tend towards to various engagements to fill the social life gap formed apart from the professional life. Activities such as culture, art, movies have constituted common engagement areas of people from different social strataums. Sports was incorporated into these engagement areas after 1980's. As the awareness of society increased, need of sports in terms of health is fully understood by the society together with the spare time management. People tended towards sportive applications to make use of their free time, and expenditures made in this direction have increased as a consequence. Ekeren and Imamoglu (1998) emphasize that this tendency has resulted in birth of sports economy, and point out that as the economy of spare time increases in size the share of sports in this economy also increases. Additionally, they underline that sports marketing techniques having a social attribute and offered in sports organizations are also improved as the spare time requirements of various social strataums are determined. Individuals from each social stratum tending towards sports contributed to the emergence of a different economic source, and also initiated determination of requirements that may be requested to make use of their spare time. Cerrahoglu and Imamoglu (2000), considering this situation from a different angle, point out that sports is integrated with money as a result of developments such as spare time activities gaining wide currency, advertisement being permitted in sports after 1980's, marketing of publication rights of sports clubs, sponsorship, forcing sports clubs and federations to realize structural changes, etc.; and they mention that all these developments prove us sports economy shall have rich proceeds in future. It is an undeniable fact that perceptual changes observed in the society and modernist approaches of the period gave acceleration to the advancement of sports as an industry. This conversion period was shaped in line with the tendencies of the people, and took its present shape together with the persons involved in sports being responsive to these demands and changes occurred.

Today cash flow in volumes of billion dollars is realized in the market expressed as sports industry. Present market conditions carry a lot of weight with sports besides the business corporations. Apart from the amateur spirit of sports, sports clubs tending towards to profit-oriented corporate models are developing policies and creating alternative income items in order to receive the biggest share from this industry. Sports clubs, which prefer institutional structuring giving significance to the financial turnover of sportive applications, incorporate specialists in their field. Today, sports and economy are complementary components, in fact they are indispensable for each other. Today, sporters compete for economic, social and prestige advantages of sports contrary to the laurel crown and virtue of masculinity of their predecessor colleagues (Bicer, 1994). When it is discussed only in terms of sporters, this new financial situation may not give the required results, because initial public offering policies by incorporating summarize financial orientation of sports clubs in the best way. Profit oriented economic structuring period based on sportive success has revolutionized the basic mechanism of sports, and differentiated the priorities.

Today primary function of sports industry is to generate sports activities. Teams and leagues are organized with this aim. Secondary function of sports industry is the commercial approaches concerning the sports activities, such as food and beverage sale in the games, stadiums, gymnasiums and product sale around these constructions (Erdoğan, 2001). As we have mentioned before, sports industry, as an industry branch where a budget reaching billions of dollars rules, adopts different strategies and makes moves in its sector and raises its profit maximization each passing day. As it is true for all other industry branches, national boundaries are removed in sports, and it has become one of the most profitable fields of global trade network. In such an economical environment and period where commercial concerns come to the forefront, conventional association understanding and management model based on voluntariness became impossible.

Professional managerial staff specialized in their field is a factor having critical importance for the national and international corporations. Profit-oriented organizations are in the search of making difference with their modern institutional structuring. It is one of the basic objectives of the commercial organizations to take share from the global trading volume as much as possible; in fact it is their primary objective. Today sports clubs turned into profit-oriented organizations and have rebuilt their institutional structuring. Management models guiding corporate structures always carry organizations a step further. Today, besides corporations CEO's became compulsory also for sports clubs in order to fulfill these objectives. Sports management has been conducted by conventional association logic, however economical rationality has forced clubs to search for different management techniques. As a result of this search, CEO's have become a preferable, even required director model in the sports sector as a model making difference in the management.
4. CEO APPLICATIONS IN SPORTS MANAGEMENT

Policies of profit maximization in line with the performance are the most important objective of sports managements besides sportive applications. Institutional structures are reorganized just like corporations, and manager models are determined in this direction. Since sports is performed in an international platform by its nature, it operated by means of a global tracing mechanism. In this connection CEO’s, executing management policies, perform activities in accordance with the sector, and take steps specific to the club management. CEO, who will realize the change, thinks intuitively and globally, and watches wide horizons beyond his/her immediate surroundings (Brengelmann, 1995). He/she presents an adequate vision in the sports sector, and defines the culture and determines effective norm and values for the organization or the group. He/she encourages the club staff, and coaches them in line of the common objectives (Bloch and Whiteley, 2005). Functionality of CEO’s in the sports management is that they should not overlook sectoral discrepancies, and they should take steps in this context by defining the sportive culture.

In spite of the fact that sports sector started to function with the logic of commercial enterprises, it contains a significant difference in itself. That is commitment factor rather than the quality of the goods or services purchased by the commercial activities. Likewise, the important issue in the consumption realized within the sports sector is not satisfaction, rather sense of belonging directs this consumption. CEO has to pursue this discrepancy, and has to assist realization of goods and services in line with the objectives without ignoring commercial concerns. Brengelmann (1995) points out that CEO should develop strategies in compliance with the sports sector by taking the risks besides presuming prospective events. CEO should take into consideration sense of belonging and expectations of club management and fan groups while developing the required strategies. Otherwise, different consumption patterns may give misleading results for the sports sector.

In the first section of our study, we mentioned that vision developed by CEO’s to guide the organization is extremely important. In the same way, determination of vision is very important for the sports management both in the club level and in the federation level, because by its nature sports has a structure that continuously changes, develops and adapts itself. Bender (2006) remarks that CEO is a leader for the organization, and he is a mentor who takes the opportunities nobody sees and guides the personnel. The vision determined by CEO is guiding the CEO in this period. The vision is extremely important in terms of sports management, because since sportive activities have a great significance for the related country, they direct different perceptions both in terms of sportive purposes, and also in terms of that country. With regards to the importance of this situation, it causes active and variable status of the sports management to defy stereotyped conceptions and to widen horizons by developing new concepts.

Sports management is very close to the logic of management of a commercial enterprise both at the club level and also at the federation level. Today trade concerns such as corporate marketing strategies, advertisement, promotion, goods and services reaching more people, realization of profit motive in the current economic system, are also observed in sports organizations.

Internal and external audits are necessary for the organizations realized within the sports management just as the organizations made in other sectors. At first CEO should make an internal situation evaluation and reveal strengths and weaknesses of the organization. Then he/she should establish the status of the organization against the opposing teams or federations, opportunities and threats in the market by making an external condition analysis (Ekmekcioglu, 2008). With reference to the information we gave in the first section on the subject of CEO being responsive to his/her environment, CEO’s responsiveness to the changes and developments in the environment specific to the sports management shall shape the future of the organization.

We have stated that CEO should create a specific vision in the sports management by considering sectoral differences. Today, marketing strategies have a critical significance in terms of both sports management and club finance. Club income which was previously restricted by income of match days, is now spread on a large spectrum. There are various income items licensed product sale, live transmission incomes, ticket and match day incomes being the leading ones. Administration and increasing the volume of these incomes shall be realized in the light of strategies to be determined by CEO. As we have expressed before, change and development existing in the nature of sports are also present in the CEO applications. Sports management is a field where different trends are compulsory together with the information technology. Especially continuous innovation is inevitable especially in the fields of public relations and marketing. CEO should take distinctive steps to reply to these innovations and get ahead of the competitor clubs or federations. Understanding of continuous progression instead of maintaining the current situation is in fact the most important difference that sets CEO apart from the traditional director model. In relation to that, Conger and Others (1997) underline that CEO is in tendency to create a change atmosphere by continuously chasing for innovations on behalf of his organization, that is he does not want to maintain the status quo.

Sports have made difference by itself with the aid of its distinctive structure in its own sector. CEO is expected to develop new approaches in the management by considering this difference. Aksar (2005) points out that sports moves on in a different course in comparison to the other industrial trade branches with its attribute that directs our lives and determines our consumption patterns. CEO should take steps to make difference in perception in the sports sector by showing distinctive approaches other than the conventional management model. However, the most important issue about this subject is the factor that determines the direction of the consumption curve. That is commitment factor. For example, you can not sell uniform or another product of Y club to the fan of X club.

The segment addressed here is the club of which you are the manager? After all it is the most important difference that separates sports from other sectors. CEO is expected to handle this difference with great care and determine a vision accordingly. We mentioned before that vision shapes the future of the organization.

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Another important issue discussed among the sports management in the recent period is branding. Brand is one of the primary objectives within the vision determined by CEO. Since branding means goods and services shall reach more people, it is the field where the influence of CEO is perceived most, because brand phenomenon is a primary factor directing consumption by means of the positive perception it will create. CEO should be aware of the fact that branding is the most important step to be taken in the direction of the vision determined by means of an approach that pays regard to the conditions of sports sector.

5. CONCLUSION

Concept of leadership or governorship has been pronounced since the establishment of the first social structure. These social structures, growing day by day, getting more complicated and requiring more expertise paved the way for emergence of different director models. This director model, with its latest name, CEO, acts with the mission of revealing differences and determining the vision. As we mentioned in the beginning, sports is one of the leading institutions of the social structures. Radical changes were seen in its quality and quantity by the evolution observed in the course of time. Right after these changes, sports management was shaped with a different mission. Especially incorporation and public offering applications becoming widespread in the sports clubs have transformed them into commercial establishments. Thus, this change is completed by CEO’s being incorporated into the corporate structuring.

CEO’s, who can see the future and create vision in this direction, have taken various steps to make difference in the sports management; because sports clubs have referred CEO’s and incorporated them into their strong institutional structuring in order to be one step further than their competitors together with the economic concerns and profit objective coming to the forefront. The aim is to create a strong vision and try to guarantee their financial structure and future. CEO’s, who are presented as the source of the applications that take the organization to a step further and make a difference between its competitors, become an inseparable part of sports management every passing day where sectoral differences come to forefront. CEO shapes the future of the organization and plays an efficient role in guiding various perceptions to a single objective in corporation terms in order to have a powerful public relations work, a wide marketing network, and continuity in the sector and to have a strong future as the club or federation. Sports managements, which has shifted towards to the profit-oriented management model even though it is not a commercial establishment thoroughly, has made it inevitable for CEO’s to constitute an efficient role model; and has covered a serious ground to realize the vision determined by CEO’s in order to foresee and shape a strong future. Sports management, meeting the requirements of today’s global economic conditions, has taken its place in the modern age, and has inclined towards to the applications shaping its future in the direction of policies CEO’s established.

As a consequence, CEO came to the forefront as an indispensable component of sports management. CEO’s, expected to realize extremely advantageous applications specific both the club and federation, are making contributions for the future of sports clubs and federations. Accordingly, CEO’s should be ranked in the sports management more frequently and more freedom shall be granted in order for him/her to realize the applications he/she planned.

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