# Chapter 76 A Democratic Approach to Strategic Management in Sport Organizations

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# **ABSTRACT**

The purpose of this chapter is to provide the reader with an understanding and working knowledge of a democratic management approach to sport organizations. Referenced narrative is supplemented by case studies, critical thinking questions, and defined terms that support the discussion of democratic management theory from the organizational mission development to implementation strategies. A range of strategic management approaches featuring a democratic approach for various types of sport organizations centers on influences of diversity, the sporting community and member input, voting as a cornerstone, fostering a culture of mutual sharing, managerial transparency, willful employee commitment and engagement, and threats to democratic management such as commercialism. Challenges to democratic management including maintaining a moral focus, its time intensive nature, and balancing stakeholder wants with adherence to the democratic process are addressed.

### INTRODUCTION

In this chapter a democratic approach to strategic management of sport organizations will be discussed. Based on their review of several strategic management definitions, Butnaru and Balcan (2012) stated that:

Strategic management represents a complex concept, with multiple connotations, being a new form of management, based on strategy, where the

emphasis is on its formulation, implementation, and continuous evaluation, while managers try to assure the lasting performances of the organization. (p. 430)

Formulation, implementation, and continuous evaluation are adequate in serving as a broad guide to the strategic management process of sport organizations and can be refined by sport managers, to meet the varying missions across sport organizations.

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Prior to focusing exclusively on sport organizations and their strategic management from a democratic standpoint, a brief history of democratic management and how it aligns with the longstanding political democracy of western cultures is in order. Western culture government provides a snapshot of the principles of democracy from a broad societal perspective helpful in understanding the same principles from a sport organization perspective. Input from the sport organization's stakeholders, known as the sporting community, is a primary tenet of a democratic approach to strategic management of sport organizations and is the basis for this chapter's discussion. Strategic thinking calls for input from the sporting community to develop a strategic plan that supports basic organizational components including the organizational mission, policy development, and day-to-day decision making. Throughout the implementation of a strategic plan, the sport organization's performance is assessed, providing feedback to make mission based changes if necessary. The notion of collective happiness of the sporting community goes hand in hand with a democratic approach and is used as a measure to help the sport manager arrive at decisions that will bring about the most amount of long-term happiness among the sporting community.

As stated by Kanter (1981) not every problem of an organization can be solved through a democratic approach to management. There is no singular approach to management that is perfect. The democratic approach to strategic management is discussed and offered not as a flawless approach that makes all problems disappear, but as the preferred/most effective approach to the strategic management of sport organizations. Discussion is grounded in literature including and beyond sport organization management literature that extends across industries, not the least of which is business. Support for a democratic approach to strategic management remains strong and continues to be a management style of popular choice for many reasons that will be presented in this chapter. (As a note: In the interest of concise writing, various phrases such as "democratic management" are used throughout this chapter to represent the more formal phrase "democratic approach to strategic management.")

The current, most significant challenge in the strategic management of sport organizations, in the opinion of the 2013 president of the North American Society of Sport Management (NASSM) R.E. Baker, is meeting mission driven organizational goals in a way that satisfies multiple organizational stakeholders, e.g., leaders and members, with varying needs while at the same time meeting, in a balanced fashion, the challenges brought on by internal and external environmental influences, e.g., legal, political, and cross cultural (personal communication, June 25, 2013). Given the wide range of influences that drive sport organizations, seeking input from these many influences is a democratic approach that supports a proactive effort to satisfy, to the highest degree possible, these influences that inevitably shape the sport organization.

# USING PROFESSIONAL SPORT TO HELP UNDERSTAND STRATEGIC MANAGEMENT

Form a learning standpoint, professional sport in the United States serves as a good business model to help understand strategic management as defined by Hosseini, Chashmi, & Baboli (2011): "Strategic management is a field that deals with the major intended and emergent initiatives taken by general managers on behalf of owners, involving utilization of resources, to enhance the performance of firms in their external environments" (p. 2375). Often, professional sport's organizational hierarchy begins with private ownership followed by a president and/or general manager, which is congruent with the labels used by the strategic management definition provided by Hosseini et al.

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