New Nonprofit Management?
A study that investigates the corporatization within nonprofit sports associations

Institution of Business Administration
Management & Organization
Bachelor Thesis
Spring 2015
Authors: Johanna Jarlman (920114-3105)
Julia Ek (920318-1061)
Supervisor: Sara Brorström
1 Table of contents

1 TABLE OF CONTENTS ................................................................................................. 2

2 ABSTRACT .................................................................................................................. 3

3 INTRODUCTION ........................................................................................................ 4
  3.1 BACKGROUND ..................................................................................................... 4
  3.2 PROBLEM DISCUSSION ....................................................................................... 5
  3.3 OVERALL PURPOSE AND RESEARCH QUESTIONS ......................................... 6

4 FRAME OF REFERENCE ............................................................................................. 7
  4.1 THE ORGANIZATIONAL FORM ......................................................................... 7
    4.1.1 The nonprofit association ............................................................................. 7
    4.1.2 The for-profit corporate .............................................................................. 8
  4.2 CORPORATIZATION ............................................................................................ 9
    4.2.1 A definition ................................................................................................ 9
  4.3 THE TRANSFER OF IDEAS .............................................................................. 12
    4.3.1 Theory of translation ................................................................................ 12
    4.3.2 Theory of receptivity ............................................................................... 13
    4.3.3 New Institutional theory ......................................................................... 14

5 METHOD .................................................................................................................. 15
  5.1 METHODOLOGY ............................................................................................... 15
  5.2 SELECTION OF CASES AND INTERVIEWEES ................................................. 16
    5.2.1 Validity ...................................................................................................... 18
    5.2.2 Generalizability ....................................................................................... 19
  5.3 COLLECTION OF DATA .................................................................................... 20
    5.3.1 Ethical considerations ............................................................................. 21
  5.4 ANALYSIS OF DATA ........................................................................................ 22
  5.5 REVIEW OF SOURCES .................................................................................... 22

6 RESULTS .................................................................................................................. 23
  6.1 GYMNASTICS ..................................................................................................... 23
    6.1.1 ABGS (Askim-Billdal Gymnastikskola) ..................................................... 23
    6.1.2 Motus Salto ............................................................................................... 25
  6.2 SOCCER ............................................................................................................. 26
    6.2.1 IFK Göteborg (Idrottsföreningen Kamraterna Göteborg) ....................... 26
    6.2.2 BK Häcken (Bollklubben Häcken) ............................................................ 28
  6.3 ATHLETICS ....................................................................................................... 29
    6.3.1 SAIK (Sävedalens Allmänna Idrottsklubb) .............................................. 29
    6.3.2 MAIK (Mölnals Allmänna Idrottsklubb) .................................................. 31

7 ANALYSIS ............................................................................................................... 32
  7.1 PRACTICAL EXAMPLES .................................................................................... 34
  7.2 THE TRANSFER OF IDEAS ............................................................................. 36
    7.2.1 Difference in translation ......................................................................... 36
    7.2.2 Difference in receptivity ....................................................................... 38

8 DISCUSSION/CONCLUSION .................................................................................... 40
  8.1 FURTHER STUDIES ......................................................................................... 43

9 IMPLICATIONS ........................................................................................................ 44

10 REFERENCES .......................................................................................................... 45

11 APPENDIX ............................................................................................................... 51
2 Abstract

Today the nonprofit sports associations in Sweden need to deal with new conditions and social changes occurring in society, many of which idealize business-like structures and strategies. This thesis surveys and analyzes the organization of six chosen nonprofit sports associations within soccer, gymnastics and athletics. The purpose is to see which, how and to what extent tools and strategies from the corporate world are being incorporated into their structure and operation and also discuss if and why there are differences between the levels of corporatization. This study is based on an interpretive framework and therefore conducted using a qualitative method with interviews. A theoretically based interview guide was compiled and through this, interviews were held with the Head of Board of each association.

The results show that the characteristics of corporatization observed in this study can be found in various ways and to different extents in the six cases. All of the business-like characteristics are incorporated/existing in at least two different associations, with decentralization and management by objectives/financial control systems being the most common. They also show that the soccer associations have a greater level of incorporation of these features compared to the gymnastics and athletics associations. To explain why there are differences in level of incorporation of the studied characteristics we used the theory of translation, the theory of reception and New Institutional theory as a base. The conclusion drawn by using these theories was that the context, identity as well as the level of consideration to the social environment are important factors for if and how corporate features are contextualized and received in nonprofit sports associations in Sweden. This thesis can be used as an extension to previous study regarding the corporatization within the nonprofit sphere.

Keywords: management, corporatization, nonprofit, sports association, NPM, translation, receptivity, New Institutional theory
3 Introduction

First off a short introduction will be held presenting the background, a further problem discussion, as well as the overall purpose.

3.1 Background

Sports associations constitute an important part of nonprofit organizations in the Swedish modern society. These organizations are operated by the concept of being nonprofit and are highly dependent on voluntary input (Forsell & Ivarsson Westerberg 2008). The goal of sports associations is to welcome anyone who wants to be a part of the organization and to give the possibility for everyone to practice sports (Riksidrottsförbundet 2015). Alongside with this goal, social changes and new conditions are forcing sports associations to adjust the way in which they organize and function (Riksidrottsförbundet 2013). Today’s society does not look like it used to and it is now up to the sports associations to keep up with the accelerating changes (Andreasen & Kotler 2008). The Swedish Sports Confederation (Riksidrottsförbundet 2015) has defined these changes and refers to them as major social trends;

- **An older and more heterogenic population;** the older generation is increasing while the young population is decreasing. As a result the public resources have to be divided differently, whereas sports association do not get as much resources as they used to (Riksidrottsförbundet, 2013).
- **Individualization;** conforming organizations with the individual in mind rather than the collective (Nationalencyklopedin 2015).
- **Commercialization;** making something an object for gaining profits (Nationalencyklopedin 2015).
- **Professionalization;** the process in which a working unit is dedicated the features and distinctive competence of a certain profession (Nationalencyklopedin 2015).
- **New ways of communicating;** the importance of visibility and availability, whereas social media plays a big role (Riksidrottsförbundet 2013).

Petersson (2002 & 2004) is on the same track by also mentioning commercialization, especially among sports associations active on elite level, and professionalization as
characteristic features of modern sports associations. He also points at globalization as yet another social phenomenon that needs to be taken into account when looking at what challenges sports associations are facing, also focusing on the new ways of communicating. When borders and lines between countries and organizations are fading the conditions will change, forcing sports associations to adjust. According to Auld and Godbey (1998) sports associations have become more professionalized and created a more structured administration, which in turn is a sign of corporatization (Forsell & Ivarsson Westerberg 2008). Pettersson (2002) also claims that sports associations, as a result of a growing commercialization, are becoming more business-like in the way they function by making the sport a product. Furthermore, Ritchie, Swami and Weinberg (1999) point at a growing competition between nonprofit associations forcing them to differentiate from their competitors, which in extension also leads to more business-like and professional associations (Bennett 1999; Courtney 2002; Einarsson 2008). Consequently, the nonprofit associations are put to the test, forced to deal with new conditions and social changes that challenge their organizational form as well as the core values they originally stand for (Riksidrottsförbundet 2013).

3.2 Problem discussion

As previous research indicates, sports associations are forced to become more business-like as a result of new social conditions (Auld & Godbey 1998; Claeye & Jackson 2012; Pettersson 2002). Corporatization has more or less already turned into an established term, mostly used to explain the organizational and structural changes within the public sector (Nationalencyklopedin 2015). This is often referred to as New Public Management, which is an umbrella term for the transformation and corporatization of public organizations (Røvik 2008). The term corporatization has been characterized in various different ways but the core characteristics are often described through new forms of governance and the incorporation of business-like strategies and goals (Jönsson 1997; Södergren 1997). Since it has been established that also sports associations go through some sort of corporatization, the question is not whether characteristics of the term corporatization can be found within the nonprofit sphere, rather how, to what extent, as well as possible differences between the level of incorporation. Maybe the corporatization is the solution as to how sports associations shall
survive these new conditions and social changes. If so, will there be a new trend called New Nonprofit Management?

3.3 Overall purpose and research questions

The overall purpose of this thesis is to survey and analyze the organization of six chosen sports associations, within the sports; gymnastics, soccer and athletics and to see which, how and to what extent tools and strategies from the corporate world are being incorporated into their structure and operation. We will also investigate further whether differences can be found between the associations, regarding the level of incorporation, and if so explain the reason why. In order to do so, we have formulated the following research questions:

**RQ 1:** Which business-like characteristics have extended to nonprofit sports associations, with focus on athletics, soccer and gymnastics, and how have they been incorporated?

**RQ 2:** Is there a difference regarding the level of incorporation between the associations and if so, why?
4 Frame of reference

In this section we will present the theories that are relevant for this study in order to explain and understand our results. First we will introduce the organizational forms treated in this study, followed by a further presentation regarding the term corporatization, and finally different theories regarding the transfer of ideas.

4.1 The organizational form

Our organizational society consists of various types and forms of organizations. New theories and trends regarding how to run your business and how to structure your organization are constantly formed and published in hopes of finding new and better ways of being successful (Røvik 2008). But even though a constant circulation and implementation of new ideas and solutions creates new organizational forms, there are a few that together constitute the base of how organizations are structured. Henceforth, what we refer to when talking about organizational forms are the most common and used ones in today’s society; corporation; including various types, association; including the economic and the nonprofit type, foundation and the administration organization within the public sector (Hemström & Giertz 2014; Røvik 2008). We will furthermore look closer and describe two of these; the nonprofit association and the for-profit corporate.

4.1.1 The nonprofit association

This type of organizational form belongs to the voluntary sector and constitutes an important role within the civil society. Hemström and Giertz (2014) define three different types of nonprofit associations:

1. Associations that run a non-economic organization in favor of the members’ economic interest,
2. Associations that run a non-economic organization in favor of the voluntary interest,
3. Associations that run an organization in favor of the voluntary interest.
Among these the second type is described as the “pure” version of nonprofit associations. Organizations such as religious societies, sports associations and political parties among others are found within this category with the purpose of, not making profits, but favoring the voluntary interest (Hemström & Giertz 2014). This way of defining nonprofit associations is similar to how Sjöstrand (1993) portrays it. According to him nonprofit associations are organizations of people associating because of their similar ideals and norms. He then continues on by saying that the nonprofit associations, based on this, are ruled by norms, in comparison to corporates, which are ruled by capital. Yet again we have the non-economic and voluntary aspect.

Furthermore, memberships, interests of a collective and voluntarism all are characteristics of an association. Forsell and Ivarsson Westerberg (2008) discuss these characteristics and describe how they distinguish from features of other organizational forms. What particularly differ associations from others, with the exception of charity associations, is that the members both own/control the organization at the same time as they comprise the target. This means that the association is in a position where it can never require payment or tax for the services it offers. It also means that the members have to contribute to the association in order for it to survive (Forsell & Ivarsson Westerberg 2008).

4.1.2 The for-profit corporate

This type of organization is found within the sphere/network called the market which is defined by people wanting to exchange products and services (Forsell & Ivarsson Westerberg 2008; Sjöstrand 1993). The corporate is in fact the most common and typical form of organization within the market sphere (Forsell & Ivarsson Westerberg 2008). Today, you can find several types of for-profit corporates on the market, such as stock companies, partnerships and sole proprietorship, but the general definition of a corporate remains more or less the same for all of them;

"An organization where human and material resources are coordinated to produce commodities and services. " (Nationalencyklopedin 2015)
Just like the description above indicates, the purpose of a corporate is to produce, either if it is commodities or services. Forsell and Ivarsson Westerberg (2008) take it one step further by saying that the reason for producing mainly is to gain profits. Whether the corporate is profitable or not depends on various factors, both internal and external. Since the market consists of many different players this mean that the profitability lays in the hands of all of the actors on the market, such as buyers (customers and consumers), sellers and suppliers, and not only the corporates’. Bahmani, Galindo and Méndez (2010) claim that the central purpose of a corporate is, not only to gain profits, but to maximize its profits and compares that ideology to the nonprofit associations’ whose interest rather is to maximize the utility.

Furthermore, a for-profit corporate is mainly financed by the profits that it makes. This means that some kind of payment for the products and services produced is required in order for the corporate to gain profits (Forsell & Ivarsson Westerberg 2008). The requirement of profitability usually comes from the owner,-s who also are the carriers of the risks (Hemström & Giertz 2014).

4.2 Corporatization

4.2.1 A definition

The traditional term ‘organization’ is materialized in three fields: private corporations, the public sector and nonprofit organizations (Røvik 2008). Throughout history these fields have all in different periods been role models for the design of the ideal organization. Since the 1970s the business and corporate ideas have become dominant, accelerating even more in the new millennium to a level where the business logics have won over the others. Røvik chooses to call this trend ‘economism’, referring to the view that all organizations should be designed with the corporates as the ideal. The most studied expression of economism is the phenomenon called New Public Management, or NPM (Røvik 2008). It is a term first used by Christopher Hood (1991) that has to do with the transfer of business-inspired ideas to the public sector. The term NPM is quite loose and multifaceted and the reforms exist in a ‘shopping basket’ of elements (Hood 1991). It can be seen as the growing awareness within public sector of a need to acquire and develop management skills and attitudes more
traditionally associated with the corporate and production sectors of the economy (Windrum 2008).

It is however important to highlight that the term corporatization does not only include NPM and the public sector. It has also created a more aggressive climate in corporations and can also have an effect on the adoption of corporate features in nonprofit organizations although this has not been studied to the same extent (Røvik 2008).

*Twenty years ago, management was a dirty word for those involved in nonprofit organizations. It meant business, and nonprofits prided themselves on being free of the taint of commercialism and above such sordid considerations as the bottom line. Now most of them have learned that nonprofits need management even more than business does, precisely because they lack the discipline of the bottom line. The nonprofits are, of course, still dedicated to "doing good". But they also realize that good intentions are no substitute for organization and leadership, for accountability, performance, and results.*

– Drucker (1989)

The NPM phenomenon explains the corporatization in the public sector, while there is no set term for describing the corporatization in the nonprofit sector and no exact features that are expected to be involved in that process. When examining the business-like characteristics within nonprofit sports associations, the frequently studied corporate characteristics found within the research of NPM will therefore be used, and are presented below.

**Decentralized form of governance**

One of many modern phenomena in terms of administrative control principles has been the decentralization of formal organizational structures (Södergren 1997), but also within NPM it is considered a common reform (Almqvist 2006; Jenssen 2002; Røvik 2008). Pettersen (2005) also mentions a division of the public administration into independent units as one of the major trends in the process of becoming more modern. Decentralization is a term commonly defined as the notion of authority being spread out from a smaller to a larger number of actors (Nationalencyklopedin 2015; Pollitt 2005). It is frequently described with a focus on restructuring of organizations and on the formal delegation of decision-making, authority and responsibilities (Södergren 1992). Södergren (1997) has identified some ingredients including
a breakdown of less transparent entities, far-reaching delegation and division of responsibility among organizational units to mention a few.

**Performance-oriented reward systems**
Reward management is a tool, strategy or process designed to encourage continual outstanding performance (Armstrong 2012). It is also mentioned as an internal reform and characteristic within the research of NPM (Forssell 2002; Røvik 2008). Employees receive a base pay or salary, based on the importance of their position, value placed on their skills, and experience, plus variable pay that is a measure of the quality of their performance. That variable pay is given only when performance justifies it, taking the form of a “bonus” (Stone 2002). It is also known as ‘merit pay’, pay related to performance, competency or contribution. Reward systems in general are however not just about pay and employee benefits. It is equally concerned with non-financial rewards such as recognition, learning and development opportunities and increased job responsibility but to be counted as performance-based these must also be given based on performance in a systematic way (Armstrong 2012).

**Management by objectives and financial control systems**
Organizational changes are often motivated by the aspiration for better management and control over operations and finances (Jönsson 1997). Management by objectives is derived from performance models and techniques from the private sector and is a tool that allows allocation and delegation of resources (Talbot 2005). Södergren (1997) as well as Bowerman (1998) point at the importance of performing management by objectives when decentralizing the governance. Furthermore Røvik (2008) also mentions the tool of having clear objectives as one of the characteristics of NPM. The organizations members should know the objectives of the organization and strive to achieve them (Drucker 1954). The objectives should be broken down to fit in different levels and there should be a common thread connecting them. When using management by objectives only the goals should be indicated, while the means used to achieve them is up to the different departments (Frenckner 1989).

**Evaluation systems**
Evaluation can be defined as a systematic retrospective assessment of implementation, achievements, and outcomes. It is a tool often used when decentralizing the administration as a part of the process in following-up the delegated tasks (Almqvist 2006) and overall an important tool within New Public Management (Almqvist 2006; Røvik 2008). Systematic
means that there should be a transparent methodology as a basis for evaluation. Assessment means that there must be more than a survey, it should also determine if something goes good or bad based on values, criteria and standards (Vedung 1997). We live in a time where most social arrangements can be questioned. Evaluation is a set of approaches, models, and methods, which help organize this sort of questioning (Dahler-Larsen 2005).

**Outsourcing**
Contracting out is mentioned as an important strategic choice in the reconstruction of public organizations (Almqvist 2006). The term outsourcing is also mentioned numerous times in the literature within the research area of NPM (Almqvist 2006; Røvik 2008; Windrum 2008). Outsourcing is an approach within contract management, which means signing contracts with external providers (Walsh 1995). It is about disregarding your own production units and aiming to outsource the operation to an external producer. The reason may be that you do not have the resources to perform a task, and it may be natural to let another with the right resources and skills perform it (Almqvist 2006).

**Competition exposure**
The role of nonprofit organizations has evolved from a voluntary/civic model to a more competitive/market stage (Andreasen & Kotler 2008), which is similar to the changes seen within the public sphere where the ideas behind NPM include an entering of competition from the private sector (Busch & Gustafsson 2005). Consequently competitive challenges become one of the biggest they face today (Andreasen & Kotler 2008).

4.3 The transfer of ideas

In the search of theories regarding the transfer of ideas the following theories were selected. We believe these will provide us with enough knowledge to explain and understand why possible differences exist between the levels of corporatization.

4.3.1 Theory of translation

In today's modern society that is constantly aiming for efficiency, ideas about how organizations should be designed, managed and controlled are very common (Røvik 2008). Physical distance is becoming less significant, which means that the ideas become more
present and the changes that occur in widely different parts of the world may be quite similar. This is possible due to progress in communication where things, people and ideas travel more and quicker (Czarniawska & Sevón 2005; Røvik 2008). However, these recipes have ambiguous effects and the impact they really have in practice is uncertain. Frequently, they are presented as "trends" that are both time-consuming and costly, while some believe that they are important strategic tools that can produce clear performance improvements. There is considerable variation between different organizations and sectors, both in terms of the ability to adopt new solutions and to document the possible effects of the introduction (Røvik 2008).

When it comes to nonprofits, not all are equally exposed to and influenced by management professionals. Depending on the set of influences and the mediating organizational characteristics, managerial practices will be rejected, instituted, or translated in different ways (Powell, Gammal, & Simard 2005).

The transfer of ideas can be linked to decontextualization, when knowledge leaves an organization, and contextualization, when knowledge enters an organization and is applied there in a new context. These aspects of the transfer can with an overall concept be called "translation". It is a holistic theory with a pragmatic focus on the transfer of knowledge. It means that it is possible to transfer knowledge between organizations regarding new ideas and recipes but also that a kind of transformation or change is needed, where some adjustments are made to fit different types of organizations (Røvik 2008). A thing moved from one place to another cannot emerge unchanged (Czarniawska & Sevón 2005). In the process of travel, ideas are frequently edited, translated, and cobbled together from various sources for personal use (Czarniawska & Sevón 1996; Sahlin-Andersson & Engwall 2002). Both those seeking to be imitated and those imitating translate ideas and practices to fit their own wishes and the specific circumstances in which they operate (Hedmo, Sahlin-Andersson & Wedlin 2005).

4.3.2 Theory of receptivity

When it comes to receptivity and resistance of managerial practices in nonprofit organizations there are patterns that can characterize the organizations in five groups (Powell, Gammal & Simard 2005):
• The enthusiastic adopter, an organization that actively seeks out new business models and best practices;
• The converted innocent, that wakes up to discover its *modus operandi* has undergone a marked transformation;
• The engaged translator, an organization intent on putting its own stamp on new business tools;
• The reluctant conformer, an organization forced to consider new practices, only to find itself rebuffed by the very proponents that urged the effort;
• The active resistor; determined to remain distinctive and willing to reject fashionable ideas in order to hew to its historical mission.

Furthermore depending on the organizations willingness to receive and incorporate circulating trends and ideas, it can accordingly be placed in either one of these groups (Powell, Gammal & Simard 2005).

### 4.3.3 New Institutional theory

According to Eriksson-Zetterquist (2009) and Røvik (2008), this approach focuses on the organizational structures and processes, which Røvik (2008) would name as the typical features of the “formal organization”, that are found within and in-between different areas and trades but also across borders and countries. The aim of New Institutionalists is to find explanations to this homogeneity within “the world of organizations.” Røvik (2008) continues on by saying that New Institutional theory shows that there are certain norms and recipes that modern organizations need to live up to in order for them to become accepted and legitimized. Consequently, organizations have to adopt and adjust to these often inconsistent but also shifting recipes of how to structure and operate an organization (Colywas & Powell 2006; Ruef & Scott 1998). In other words, what New Institutional theory does is taking the ideas behind institutionalism one step further by implicating that organizations need to approach and relate to these so called institutions, including norms and recipes of progress and innovation, in order for them to receive legitimacy and to survive (DiMaggio 1983).
5 Method

This chapter shows the first steps of this research. With a critical perspective the chosen methodology will be presented.

5.1 Methodology

When conducting scientific research one of the two main paradigms, positivism and interpretivism, usually constitute a guide or a framework as to how the research should be conducted. These are so-called research paradigms, described by Collis and Hussey (1997) as paradigms “based on people’s philosophies and their assumptions about the world and the nature of knowledge”. Positivism heritages from the natural science, based on the assumption that people are objective and rational, and that reality is independent of us. On the other hand we have interpretivism, a paradigm that adopts a sociologic perspective and rests on the assumption that our reality is subjective and colored by the context. Furthermore, Collis and Hussey (1997) have made a table that shows the approaches within each paradigm.

Table 2. Approaches within the two main paradigms (Collis & Hussey 1997).

<table>
<thead>
<tr>
<th>Positivism</th>
<th>Interpretivism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantitative</td>
<td>Qualitative</td>
</tr>
<tr>
<td>Objective</td>
<td>Subjective</td>
</tr>
<tr>
<td>Scientific</td>
<td>Humanist</td>
</tr>
<tr>
<td>Traditionalist</td>
<td>Phenomenological</td>
</tr>
</tbody>
</table>

Based on these approaches, we adopted the framework of interpretivism onto our research. The reason for this was our aim to explore the complexity of a social construction, the sport association, and to place ourselves in the subjective reality of the people we were to investigate, which is also the purpose of a qualitative method (Holme & Solvang 1996). In other words a qualitative research method was used in hopes of creating a deeper understanding of the structural and organizational changes sports associations are going through. It is furthermore appropriate to choose a qualitative method if there is a desire, not to analyze statistical data or to quantify the result as in the case of quantitative methods, but to
collect nominal data and emphasize on the quality and depth of a social phenomenon (Collis & Hussey 1997). To collect the nominal data we used a number of case studies in order to explore our chosen phenomenon. By using case studies we would, not only explore, but also get a better understanding of sports associations in general and their contexts (Yin 2003). Case studies are also considered a good method of collecting data if your aim is to answer questions such as why, how and with what result a decision or a set of decisions were implemented (Yin 2009), which is in alignment with what we aim to do.

The purpose of our research is to describe sports associations by using theories regarding corporatization and the translations of ideas and to draw parallels between these and the empirical findings, which is why we decided on performing explanatory case studies. In comparison to other types of case studies the objective of an explanatory case study is to use existing theories to understand and explain what is happening (Scapens 1990).

So far, we have based our research on the framework of an interpretative paradigm and used qualitative data collected through explanatory case studies. Next question was which method to use when collecting nominal and descriptive data from our cases. There are plenty of ways to collect data, but since we wanted to base our research on primary data (Collis & Hussey 1997) and with quality and depth explore our chosen sports associations we decided on performing interviews. Yin (2009) describes the strength of an interview to be that it is “targeted; focuses directly on case study topics and insightful; provides perceived causal inferences and explanations”. Since we wanted to do just that, target and get an insight of the operative and administrative activity of our cases, we found interviews to be the best way of collecting our data.

5.2 Selection of cases and interviewees

The purpose of qualitative methods is not to make a statistical generalization or representation, nonetheless the selection of interviewees is still crucial (Holme & Solvang 1996). According to Holme and Solvang (1996) the selection of cases/interviewees should be made systematic based on certain criteria that are strategically defined. With this in mind we started to come up with a strategy and criteria for how we were to select our cases and interviewees. First up was deciding on what sports we should include in our research. To do
this we used the criterion that they had to be one of the major sports in Sweden looking at amount of members. To get a hold of the information regarding which sports were the major ones we contacted the Swedish Sports Confederation in order to get the statistics (Riksidrottsförbundet 2014). In order to get a sufficient number of interviewees and organizations we then decided on including three of the major sports in Sweden, which according to the received statistics from the end of 2013 included;

1. Soccer
2. Athletics
3. Gymnastics

The sports we chose to study were not the three absolute largest sports, although we felt they were the most suitable and comparable, and all included in the top six. Golf was the sport with the largest amount of members in 2013. However, we did not feel that golf exists in the same culture as the others and is also more of a hobby activity. After that, soccer and athletics were found, while fourth and fifth place were taken by ‘korpen’ and equestrian sport, both slightly larger than gymnastics found in sixth place. ‘Korpen’ was not chosen because it is built around wellness training for adults, consequently not having an elite section. The last choice between equestrian sport and gymnastics was made based on our own interest whereas one of us had a personal connection to the sport, in combination with the fact that it seemed, just like soccer and athletics, to be a sport reaching a broader social class.

Furthermore, the sports associations/cases were chosen based on following criteria:

1. The sports association has to have activities on two levels; Advanced/elite and beginner/intermediate
2. The sports association has to be based in one of the three biggest cities in Sweden; Gothenburg, Stockholm or Malmö

We strategically chose to contact associations located in the big cities of Sweden, although since we both live in Gothenburg we preferred that most of the associations were located there for convenience reasons. The choice of the biggest cities in Sweden was made since most associations with an elite level are based in the area around urban cities. It was also
important for us that the association had two levels, both since previous research has shown that it is usually the associations with an advanced/elite level that face challenges and go through corporatizations (Petersson 2002 & 2004) but also since we felt it would contribute with a greater depth to the research and the analysis of its findings.

We then selected two associations within each sport, which were contacted either by mail or through phone. This gave us a total of six cases, selecting one representative from each. We wanted the representatives to have a crucial position within the association and to be well conversant in the organization. Based on that criterion we chose the Head of Board within each association as representatives for the chosen organizations. In total, this gave us a number of six cases/sports associations:

**Sports:**
- **Soccer**
  - 1. BK Häcken (Base: Gothenburg)
  - 2. IFK Göteborg (Base: Gothenburg)
- **Gymnastics**
  - 3. Motus Salto (Base: Malmö)
  - 4. ABGS (Base: Gothenburg)
- **Athletics**
  - 5. SAIK (Base: Gothenburg)
  - 6. MAIK (Base: Gothenburg)

### 5.2.1 Validity

A high validity is much more common when an interpretative perspective is adopted than when using quantitative data (Collis & Hussey 1997). But for that sake it does not mean that you as a researcher do not have to put any effort into the selection of cases or/and interviewees for the validity to be high. According to Holme and Solvang (1996) the reason for doing a qualitative research is to get a hold of objects/interviewees that can give you a better and nuanced picture of the phenomenon you are studying. Since the meaning of validity
is “the extent to which the research findings accurately reflect the phenomena under study” (Collis & Hussey 1997) we had to make sure that our chosen interviewees could provide us with such findings. What we aimed to do was to get a nuanced and fair picture of the chosen sports associations. By using six different interviewees, all of them with a crucial position within the association who were well conversant in the organization and the operative as well as the administrative activities of it, we believe that our findings will provide us with accurately reflections and descriptions of the sports associations. Also, by selecting interviewees who were well intertwined and conversant in the organizations, we maintained closeness to the sports associations, which according to Holme and Solvang (1996) is important for the validity to be high.

Discussing the validity of the research one has to consider the fact that bias can occur when using case studies with interviews as method, both due to erroneous interpretations of the questions but also due to angled responses (Yin 2009). It is important to remember that some level of subjectivity is inevitable when performing interviews (Yin 2009) as well as the researcher possibly affecting the outcome (Collis & Hussey 1997) due to poorly articulated questions. The latter is controllable while the level of subjectivity has to be taken into account as possible bias, which in case of occurrence would slightly lower the validity. Also, since this study is written in English, while the interviews were conducted in Swedish, we are conscious of that there is a risk of losing exact meanings and formulations in the translation. However, this was something we worked with throughout the process in order to avoid.

5.2.2 Generalizability

According to Collis and Hussey (1997) generalizing research means coming up with conclusions about one thing while studying something else. Often when doing quantitative research and statistics a sample is used to generalize a population, but it is also possible, when doing qualitative research, to generalize one setting to another similar one (Gummesson 1991). When it comes to the latter it is all about choosing cases that are able to capture interactions and characteristics of the phenomenon under study (Normann 1970). The question in our case is whether our chosen cases and interviewees are able to give us such findings, enabling a generalization from the chosen settings/sports associations to others.
By choosing six of the biggest sports associations within three different sports, all located in the bigger cities of Sweden, we hope to cover the main characteristics and changes there are to be found within similar sports associations. Nonetheless are we aware of that characteristics may differ when looking at big associations comparing to smaller ones. The conditions and requirements may look different, which consequently shape them differently. We are also aware of that the decision of only including associations located in two of the biggest cities of Sweden might limit the generalizability. Another awareness of ours is that the environment may differ even between these cities, however the structure and conditions within larger cities are more or less similar and we therefore draw the conclusion that they are comparable. Since we only include two of the biggest associations within three different sports in Sweden in our research, we cannot generalize the result to other sports and their associations. However, it is likely that the patterns and characteristics will be the same or at least similar to the ones we found, if looking at associations with similar contexts as the ones found in this study.

5.3 Collection of data

As mentioned before, interviews were used to collect the qualitative data. The reason for choosing interviews as method for the collection of data was our aim to get a nuanced and descriptive picture of the sports associations under study. When doing an interview the researcher should create a frame within which the conversation should be kept but let the interviewee affect the development of the conversation (Holme & Solvang 1996). Holme and Solvang (1996) also mention how important it is for the researcher to be aware of which factors are important and to prepare some kind of manual before the interview. Based on this we created a manual to ensure ourselves that all the factors we felt were important got included in the interviews.

The questions used included open, closed, probe but also hypothetical such. Some were included in the manual that was prepared before hand while others evolved during the interview. Collis and Hussey (1997) summarize each type of question in a table similar to the one below, which were also the definitions used when the manual was created.
<table>
<thead>
<tr>
<th>Type of question</th>
<th>Useful for</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open question</td>
<td>Most openings to explore and gather broad information</td>
</tr>
<tr>
<td>Closed question</td>
<td>Getting factual information</td>
</tr>
<tr>
<td>Probes</td>
<td>Establishing sequence of events or gathering details</td>
</tr>
<tr>
<td>Hypothetical question</td>
<td>Encouraging broader thinking</td>
</tr>
</tbody>
</table>

Thus, all interviews were recorded and transcribed in order for us to get as correct descriptions as possible. It would also make the rest of the research easier as we had all the interviews accurately transcribed. All of the interviews were held with physical attendance with the duration of approximately one hour. The place of meeting was always decided by the interviewee in order for him/her to feel as comfortable as possible. During five out of six interviews both of us were present while in the final interview only one of us had the possibility to be present.

5.3.1 Ethical considerations

When conducting our research we realized that ethical consideration could not be ignored in order for our study to have integrity. The ethical principles mentioned below are by Bryman and Bell (2015) seen as the main areas of ethical concern. First, considerations were made to avoid harm to participants, in this case focusing on the level of confidentiality required by the participants. We asked all interviewees to which level they wished to be anonymous, promising to honor these requests. All interviewees gave permission to name the association and their role as Head of Board, even saying that we could include their names if needed. The next consideration made was surrounding informed consent. All interviewees were informed about the reason and objectives of the study, receiving enough information to make an informed decision regarding their participation. We also asked if it was okay to record the interviews, whereby everybody agreed. Thirdly, we took their privacy into consideration, only asking questions that revolved around the association, without unnecessary personal questions since this was irrelevant for the study. The final consideration is that of deception, which we
handled by explaining the background of the study and opening up for questions, showing we had no hidden agenda.

5.4 Analysis of data

There are several guidelines for the analysis of qualitative data and the following that we have used can all be found in Bryman and Bell (2015). We used an abductive research strategy, a mixture between deductive and inductive. Our strategy was mainly deductive since we from the start used theory to guide the collection and analysis of data. However, in order to keep an open mind we brought in other theories that were based on the answers received in the interviews, showing inductive reasoning, mostly in order to answer our second RQ of why the associations turned out to differ in their levels of corporatization, as this was not something we knew would happen before conducting our interviews. In order to structure the large amount of data received from six interviews, we used coding, breaking our data down into different fragments or categories. We tried to ease this process by, already from the beginning, forming our interview questions in a logical manner, with some connection to the categories we had hoped to create later on. We are aware that coding can be criticized as creating fragmented data but in order to avoid this as far as possible we coded as soon as the transcriptions were finished, maintaining a feel for the social setting and surrounding context.

5.5 Review of sources

Bryman and Bell (2015) say that it is crucial to identify and read key books and articles written in the field of interest. In order to do so, we have used various search methods to find relevant sources. We used the Gothenburg University Library database to find books and e-books. We also used various databases such as Libris and Google Scholar to find publications and articles surrounding our subjects. Typical keywords used in our searches were ‘corporatization’, ‘NPM’, ‘nonprofit’, sports associations’ etc. To assure the quality of our sources we have used either published or peer reviewed works, while some are taken from official websites such as Nationalencyklopedin and the website for the Swedish Sports Confederation. Bryman and Bell (2015) also note the importance of being critical toward the sources used. We have had a particularly more hesitant approach to the sources from the Swedish Sports Confederation, as there is a risk that they may convey a biased picture.
However, because of the subject chosen we do not find any reason for them to convey false information whereof we still consider them to be a reliable source. We were also more hesitant to using older sources but in some cases decided this was justified to explain terms or processes that felt appropriate for this thesis, in cases where the ideas were coherent with those of more recent research, or when being of fundamental importance to the field of study.

6 Results

In this part we present the findings from the interviews held with the Head of Board of each association. In order to ease the reading we have structured the responses in the same order as the business-like characteristics were brought up in the frame of reference.

The last part of the interview questions focused on the identity of the association, which hasn’t been considered a business-like characteristic, rather an interesting aspect considerable in the further discussion. We will place the answers to this part of the research under the number 7 as an extension to the findings of the business-like characteristics. We will therefore have the following structure of the result:

1. Decentralized form of governance
2. Performance-oriented reward systems
3. Management by objectives and financial control systems
4. Evaluation systems
5. Outsourcing
6. Competition exposure
7. Identity of the association

6.1 Gymnastics

6.1.1 ABGS (Askim-Bilddal Gymnastikskola)

1. The role as Head of Board includes being the cohesive link for the overall activity of the board. Her work does not involve any operative activity. Instead they have a sports board consisting of activity leaders controlling this part of the association, which according to her
have a lot of power and influence over what shall be done. Overall the association consists of the board, the sports board and activity leaders on different levels. As an extension to the board they also have a market group that works with sponsorship and the café activity. Beside the voluntary workers they have two employed on full time and a secretary. She also says that a mix of competence within the board is necessary in order to remain professional, mentioning the need of an economist as an example.

2. Concerning performance-oriented reward systems they do not work with such. Although a smaller compensation is given to the voluntary workers while the employed are given a wage. They also try to enhance the motivation by arranging social activities and offering education.

3. ABGS work with quantitative result and activity goals as well as budgets. Their aim is also to apply soft objectives such as CSI, which is short for customer satisfaction index. Our interviewee says herself that the board works more and more like a corporate board, which consequently requires an increasing transparency when it comes to finances and the way in which the board operates. Furthermore ABGS uses catchwords such as “Gymnastics your entire life”, which means offering gymnastics for all ages, regardless of physical or mental capacity.

4. The Board evaluates the performance of the activity leaders in order to ensure that they follow the guidelines and goals of the association.

5. Aside from using contracts when employing, they place the responsibility of arrangements and competitions as well as technique on external parties. She does not want to mention this as outsourcing rather hiring services through contracts.

6. According to our interviewee ABGS does not face any significant competition. She does mention though that it is hard to recruit young leaders and that this is something they constantly try to get better with.

7. Our interviewee identifies the association as a nonprofit based organization. She is clear when she says that ABGS is not a profit gaining enterprise. It is an association run by voluntary input with soft values rather than economic.
6.1.2 Motus Salto

1. In the past, dealing with daily operative tasks was the job of the Head of Board. In 2007 however they hired a secretary with a sports management education to take over that type of work, which in turn relieved him of those tasks and made it more about strategy and progress. Motus Salto has four competitive disciplines with men’s and women’s Artistic Gymnastics (MAG and WAG), Teamgym, and Tricking. On the MAG side they have three employed coaches, and WAG and Teamgym each have an employed coach. There is also an employed head coach for the children’s groups. The board consists of six people, divided in two groups. One works with economy/administration and one builds an “operational team” together with the head coach of each discipline. The aim is that the head coaches solve operational problems among themselves, and if not possible they bring it to the ‘operational team’.

2. The majority of the activity leaders in the association are voluntary, although they receive a small compensation. They pay young leaders a bit more per hour than the general voluntary leaders, to attract them to “flip gymnasts instead of flip burgers” for the same wage. The employed coaches are paid quite sparingly, considering it is their profession, but he says that they reward them by getting to travel with their gymnasts.

3. According to our interviewee, the structure in associations is often inadequate. There is a lot of desire but without structure the performance delivery will be unstable. In 2005 a plan was formed, realizing that to reach the top you must have an organized and supporting organization. The work they started then is what they are seeing results from today. They have grown from 200 to 1300 members and he says that was one of the goals: to create volume to be able to finance the elite. They use budgets in order make sure ends meet, each discipline also having their own. They focus on results and liquidity and at every board meeting discuss the numbers and keep the economy transparent.

4. The evaluation is not very structured. With 70-80 activity leaders they have not had the time to evaluate each person and their corresponding group, although they have that ambition. However, they do have development talks more often with those coaches who are employed. Apart from that there is a continuous and daily dialogue where potential problems are brought
up more informally. He says that ultimately what matters is having a responsive management rather than following a paper with an evaluation.

5. Today they have outsourced their economy to a professional accounting firm. With a turnover of 3.5 million they needed to know things were done right and it took too much energy from the board.

6. There is some competition from commercial gyms and group training, and sometimes they are lured to take after them too much. “When we talk about our members as customers I believe we have crossed a line”, he points out. However Motus Salto only has one adult training group so the direct competition is not significant there. The association concept is popular and there is a line of children wanting to join. There is a competitor there in ‘Little Gym’, an American franchise concept, but it is expensive and does not lead to competition so most still come to the associations as a first choice.

7. The interviewee believes that there are things from the corporate world that the nonprofit sector could benefit from but also lessons that could go the other way. He explains that at the end of the year when looking at the result the most important factor is not to make a profit, but to end at +/- 0, since that means they have given back value to their members. Commercializing the whole organization is not possible, as they want people to be passionate about the sport and spend time on it even without a huge salary. He is clear when saying that they have a strong nonprofit identity, but with a professional touch, as too much corporatization will risk losing the heart and soul of the organization.

6.2 Soccer

6.2.1 IFK Göteborg (Idrottsföreningen Kamraterna Göteborg)

1. The board is responsible for the strategically questions and as Head of Board our interviewee has to make sure that the strategies are being realized. When it comes to the structure they have an operative part, which is divided into four big divisions; Sports, Market, Sales and Economy. These are more or less working independently but within the given budgets and with a Club Director in the top. The administrative part consists of the board, which in turn is
divided into different areas such as Economy, Market & Sales and Soccer. Beside the board and the operative management they have one group working with the safety and another with facilities. Most people within the board consist of people who have a profession relevant to their position within the association. Also the operative divisions consist of people with good knowledge in order for the organization to remain professional. By demanding competence among the people working, the responsibility can be divided between the divisions. According to our interviewee IFK Göteborg operates more or less like a medium sized corporate, demanding a professionalization within all areas. The 66 employed underpin that statement.

2. Beside the wage/compensation given to the employed and voluntary workers they use a performance based reward system for the club director, who is in responsible for all the divisions, and the elite players. This is something they would like to incorporate in the board and Sales division as well. Furthermore the contracts are negotiated individually and not collective as they used to be.

3. Each division has budgets and economic goals that conform the objectives of their work, which could also be considered an economic control system.

4. In order to evaluate the association the board monitors the work of the divisions to find gaps and address problems. They also use some financial ratios such as sales potential, wage expenses and net income a sponsor, in order to follow-up on the operative activity.

5. Most parts of the association are run internally but some of them are outsourced. Among these the operation of the IT system, parts of the Sales division and maintenance of the facilities are to be found. In order to ensure the quality and goals of these parts they use clear contracts.

6. Even though soccer associations are decreasing in number he feels as if there is a steady flow of new activities that interest youth today, which in a way become their competition. Our interviewee also claims that they are running a commercial business on the elite level, where soccer becomes a product and watching a game an experience. Consequently they also have to compete with the entertainment industry, since people nowadays chose between going to the movies and watching a game.
7. According to our interviewee, IFK Göteborg is corporatized in the way it functions, mostly because they are selling a product, soccer, and the experience that comes with it. Not to forget they only have 200 youths on beginner/intermediate level, which is not much for being a soccer association. Our interviewee says himself that the focus is on the elite level and that identity of the organization is more business-like than of a nonprofit association.

6.2.2 **BK Häcken** (Bollklubben Häcken)

1. As Head of Board his job is to secure the future of BK Häcken by creating guidelines as to how the association should be operated. He also mentions the board as a controlling unit as well as the unit where investments are being evaluated. The board of BK Häcken is divided into different areas; Soccer, Sales, Market, Economy and Gothia Cup, while the operative part is divided into divisions, which more or less looks like the head areas of the board. Beside having certain goals and budgets they work independently and the one in charge is responsible for his/her own division. Soccer associations on elite level are part of something called SEF, short for Swedish Elite Soccer. Their aim is to go from looking at soccer trough a performers perspective to a perspective of a viewer. This means getting rid of amateurism and becoming more professional. He says; “To be recruited into a leading position based on old qualifications within sports is completely illogical”. By applying a viewers perspective also puts the “customer” in focus. A sign of them becoming professionalized is their 45-50 employed working within different parts of the association.

2. IFK Göteborg have a bonus system for their players as well as coaches on elite level, which is based on their placement and performance. They also made an exception last year, when they gave everyone in the board a Christmas bonus. Aside from this they give a smaller compensation to the voluntary activity leaders.

3. The divisions all have financial goals and a budget to manage that are conformed by the board. Some of the so called “priority goals” are measurable while others are not. Especially the Sales division works toward achieving sales and customer goals. They also include soft values and goals such as improving the physical performance with x percentage units within a certain timeframe. They have also created internal catchwords; “hart, brain and sneakers” that are supposed to function as guidelines permeating all activity within the association.
4. The different divisions do follow-ups on previous work and projects in order to improve the operation. For example they evaluate every step of Gothia Cup to see whether things can be executed and planned better for the next year. Even though the Board tries to create guidelines for the divisions, they do not have a system for how things should be evaluated. Our interviewee says himself that he wants the administration to get better at controlling and operations management.

5. The core activity of BK Häcken is run more or less internally, but there are a few units that they hire and some that are being outsourced. For example they let a company called Gothia Center sell Gothia Cup products and they also hire nutritionists, cleaning, transports, the bus system and the arena among other things. Since they are hiring a lot of external force an establishment of clear and controlled contracts are necessary.

6. Today BK Häcken is facing competition from the entertainment industry, whereas sports, movie, theater among other entertainments can be found. They are offering elite soccer as a product and are steady trying to develop this product and the experience that comes with it. Our interviewee also believes people have different priorities today than before and that television has forced soccer associations to think differently.

7. Our interviewee believes the identity of BK Häcken become more and more of a business like corporate the more advanced the soccer gets. The elite contains of employed dealing with soccer as a product, which in turn creates a more business-based identity.

6.3 Athletics

6.3.1 SAIK (Sävedalens Allmänna Idrottsklubb)

1. The board consists of eight people and this spring they have started the system of each person being delegated an area to be in charge of and in the meetings presenting finished propositions ready to be voted on. Aside from the board there are also committees for the events. There is also a sports committee with one person from the board and the coaches of the athletes aged 15+, and a youth committee that works the same but is for coaches of the
athletes aged 14 and under. Every group has their own budget that they get to use for camps etc., given to them by the board, which delegates to the coaches some of the economic decisions. They have around 60 activity leaders. They also have five professional coaches, all hired consultants who own their own companies in the sports world. He says that they have a philosophy that to make the voluntary work more attractive, they must also have a strong supporting office. They now have two employed secretaries and one employed ‘association developer’. The volunteers do not have as much time today to deal with all the administration.

2. They do not work with any performance-oriented reward systems today, although they have discussed it in the board.

3. They have set up objectives for 2018 that they work with continuously. Today they have around 300 members and one of their goals is to reach 450 in that time frame. To keep up with the finances they use a budget and each meeting go through the results to be able to see where they need to react.

4. The ‘association developer’ is in charge of evaluating and following up so that the groups and coaches are functioning well and makes adjustments as needed. When they have arranged a race or an event they always evaluate afterward to see if something went particularly good or bad.

5. They have outsourced the arrangement of a race, where SAIK will stand for the knowledge and get paid for that but the company will plan the event and market it.

6. The largest competition they see are the increasing corporate-run race events as they may not know as much about running, but they are good at marketing. They have discussed the need to package their events better to sell them, and have taken steps such as adding a bike race to increase participation. He realizes that in order to reach their revenue goals they need to work harder in this area. Since running is a common form of exercise, the idea of gyms and personal trainers is also a form of competition. SAIK is currently working with a project that will involve writing training programs for exercisers and selling them through various media and marketing the concept during races and events.
7. When it comes to their identity they have the idea that everyone should be treated equally and have the opportunity to develop based on their circumstances, and he says they are very far from a corporate identity. It may move more in that direction if they need to get more resources or pay the coaches more but as of today he sees it as completely nonprofit driven.

6.3.2 **MAIK** (Mölndals Allmänna Idrottsklubb)

1. As Head of Board he is responsible for creating guidelines and good conditions for the ones who run the operative parts of the association, in other words to have an administrative role. His aim is for the board to become less operative and more administrative and continued on by saying; “It is kind of my idea to professionalize the work”. The association consists of a board, four employed, whereof three as coaches and one as secretary, and last but not least the voluntary workers. Furthermore, the three employed coaches have the overall responsibility of their own age segment. Even though they do not have a market or sales division they try to recruit people for the board who are specialized or possess good knowledge within areas such as HR, marketing and sales.

2. Beside the wage given to the employed they also give some sort of compensation, usually a small wage, to the voluntary workers. Other than that they do not work with any performance based reward system.

3. The board creates operative goals, concerning development, rankings and budgets, all of them in alignment with their vision and values.

4. **MAIK** uses scorecard in order to evaluate the organization and measure their success. By doing this they can follow up on whether their decisions were good or bad. They also review and analyze the finances of the association through cash flows.

5. The operation and administration of the association are run internally and they do not outsource any processes.
6. Our interviewee does not feel as if MAIK is facing any significant competition, although he mentions companies arranging competitions and marathons as commercial competitors that need to be taken into account.

7. When asking him what identity he would say MAIK has, he is clear when it comes to them being an association rather than a company since their values still are more of an association than of a company.

7 Analysis

Furthermore we will discuss our findings by answering the research questions:

RQ 1: Which business-like characteristics have extended to nonprofit sports associations, with focus on athletics, soccer and gymnastics, and how have they been incorporated?

RQ 2: Is there a difference regarding the level of incorporation between the associations and if so, why?

Table 6 gives an overview of which business-like characteristics where found within the associations. It also shows to what extent, dividing the level of incorporation/existence into three categories: Yes, Partly and No. In order to decide to what extent the characteristic where incorporated/existing we made following definition of each level (table 5):

Table 5. Level of incorporation

<table>
<thead>
<tr>
<th></th>
<th>No indication of incorporation/existence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partly</td>
<td>The characteristic hasn’t explicitly been incorporated/seen but there are indications of an incorporation/existence</td>
</tr>
<tr>
<td>Yes</td>
<td>The characteristic has explicitly been incorporated/existence</td>
</tr>
</tbody>
</table>

Furthermore the number of each horizontal column each represents one of the business-like characteristics numbered in the frame of reference, which were following;
Characteristics of corporatization:

1. Decentralized form of governance
2. Performance-oriented reward systems
3. Management by objectives and financial control systems.
4. Evaluation systems
5. Outsourcing
6. Competition exposure

Table 6. The level of incorporation/existence

<table>
<thead>
<tr>
<th></th>
<th>ABGS</th>
<th>Motus Salto</th>
<th>IFK Göteborg</th>
<th>BK Häcken</th>
<th>SAIK</th>
<th>MAIK</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>2.</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>3.</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>4.</td>
<td>Partly</td>
<td>Partly</td>
<td>Partly</td>
<td>Partly</td>
<td>Partly</td>
<td>Yes</td>
</tr>
<tr>
<td>5.</td>
<td>Partly</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>6.</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

So far we have established that several characteristics from the corporate world are found within sports associations. Each association has explicitly incorporated/used at least two business-like characteristics while some up to six, which points at some level of corporatization within the sports sphere. Henceforth a further description of how characteristics have been incorporated/shown, as well as why differences occur between the levels of incorporation/existence, will be made.
7.1 Practical examples

Presented below are examples of how the characteristics have been incorporated/found within the associations. These will later on be used and analyzed further.

1. The term decentralization comes to practice within all of the associations. The fact that they all have divided their administration and operation, either between divisions or knowledge areas, underpins that statement. Depending on sport and association the decentralization is more or less widespread. Within gymnastics and athletics they have not divided the organization into any divisions rather different knowledge areas within the board as well as spread out the authority to activity leaders, which is also the definition of decentralization according to Ferlie, Lynn and Pollitt (2005). Another, more detailed, definition of the term is the one given by Södergren (1997) where decentralization is identified through different ingredients where one is the division into smaller transparent units. This is what the soccer associations have done by creating different divisions, such as Market, Sales and Soccer. By dividing the organization and delegating the duties to smaller units, with knowledge within their certain area, they decentralize the authority and responsibility.

2. Since performance based reward systems means having a strategy, policy or process for how bonuses/rewards should be given to the ones showing good performance (Armstrong 2012), only giving a smaller wage to the voluntary workers and arranging social activities could not be considered as having performance based reward systems. For that reason only the soccer associations could be counted as working with bonuses/rewards as a management tool. Both of them had a clear bonus system for the soccer players and coaches depending on their performance. Since the other associations, the gymnastics and athletics, did give a smaller wage to the voluntary activity leaders as well as arranged social activities or offered further education, we decided on placing them on a partly incorporated level. The reason for this was the fact that they did reward their voluntary leaders and employed; only it wasn’t explicitly mentioned put into a system.

3. Having clear objectives is often interlinked with having decentralized forms of governance (Södergren 1997). Since all of our chosen associations have decentralized the responsibility and authority to some extent, either between areas or divisions, it was pretty natural that they work with management by objectives in order to control the activity within the organization.
The most common way of doing this among the associations was by using budgets, whereas most of them were broken down and adjusted to each division/knowledge area. Doing the latter is according to Freckner (1989) considered as a part of the idea behind using management by objectives. Other than using budgets, all of the associations have soft objectives or/and values, such as improving the physical/operative performance or they have constructed overall catchwords with the purpose of functioning as guidelines for the association as whole. Using soft goals and measurement is also a practical example of the development seen by Ahmed and Scapens (2000) within management research.

4. An evaluation system, according to the definition by Busch et al. (2005), needs to be systematic and transparent. When it comes to our case studies, the only association that mentioned any form of systematic evaluation was MAIK, who uses score cards to measure their success and evaluate if things have gone good or bad. The others have certain situations or events where they evaluate to a further extent and then on a day-to-day more informal basis do simpler follow-ups, address problems and make adjustments when needed. However, most do not see these as systems of evaluation, likely because of the lack of systematization in the process, whereby the characteristic was considered partly incorporated.

5. In our study we have seen that outsourcing is a frequent characteristic. Only one association, MAIK, was very clear in saying that they run everything internally. ABGS did not count them hiring external parties as outsourcing, but going by the definition by Almqvist (2006) where outsourcing means giving a task to an external producer, we believe it can be classified as just that. The others were not strangers to the idea, telling us how they apply it in their organizations. From Motus Salto who has outsourced their whole accounting section to SAIK who has only outsourced one event, the majority of our interviewed associations have used the concept to some extent.

6. Most of our studied cases have in one way or another shown that they have moved to the competitive/market stage talked about in Andreasen and Kotler (2008). Through our interviews it seems clear that for the athletics associations the most recurring competition comes from company-arranged races, for Motus Salto it comes from gyms and commercial gymnastics companies, and for the soccer associations from the entertainment industry. Most do see competitors on the market, but claim that the associations are also strong in the way
they differentiate themselves. However, ABGS is the only association saying that they do not have any significant competition at all, while the others give various examples of how they have noticed it in their particular cases.

7.2 The transfer of ideas

On the basis of what has been established so far we will now dig even deeper into the area of study. A discussion will be held concerning why differences in the level of incorporation/existence occur between the associations. When approaching these differences one can use various perspectives, whereas we use the theory of translation, the theory of receptiveness as well as New Institutional theory, presented in the frame of reference.

7.2.1 Difference in translation

Depending on the influences and organizational characteristics, ideas can be rejected, instituted, or translated in different ways, as mentioned by Powell, Gammal, and Simard (2005). This can explain why the studied associations have shown different levels of incorporation of the characteristics related to corporatization. Although they are active in the same social sector they may have unique contexts that make them more or less susceptible to the ideas involved in the current corporatization trend. As shown by our findings, there are a few cases where an idea has not been incorporated at all, such as in ABGS, Motus Salto and SAIK who have not incorporated any form of performance-oriented reward systems, or in the example of MAIK where the concept of outsourcing is not at all existing. However, these associations all showed either vague or strong signs of having incorporated the other studied features, so saying they have rejected the ideas as a whole is incorrect. Rather, there might be reasons for why one certain idea has been left out, and it is possibly a result of different translations based on their unique organizational contexts.

Consequently, the level of incorporation/usage is not as simple as yes or no. Translating an idea means transforming it to fit your wishes and specific circumstances as said by Hedmo, Sahlin-Andersson and Wedlin (2005). A kind of transformation or change is needed when ideas are transferred, where an adjustment of the incoming idea or recipe is made to fit different types of organizations. This contextualization will not always look the same (Røvik
Some characteristics have been shown to exist to a certain level in some cases. The business-like characteristics we have chosen to study are, as they sound, all inspired by strategies and properties of the market and the companies that constitute it.

In the beginning of this thesis the definitions of the corporate and the nonprofit organizational forms can be found, and with those in mind, especially the differences between the two, it is natural that some ideas are not understood the exact same way in an association as in a corporate. In some cases the ways in which the associations have incorporated the features of corporatization are not as systematic or visible as they sometimes seem to be found to be in corporates. This may not always imply that they do not exist at all, but rather that they have been contextualized to fit their organizational structure of the specific association. The variation between how the ideas are found in a corporate compared to an association is in this manner understandable, although these variations also exist between the associations themselves. Yet again the theory of contextualization can be applied to explain this fact. Their specific circumstances simply vary and they all have their unique structure and culture affecting how the business-like characteristics are being contextualized. Again one can mention what Czarniawska (2005) said about the translation of ideas and practices pointing out how the receiver tries to translate the incoming idea or practice to fit its own wishes and specific circumstances.

We also have some examples where the corporate features have been acknowledged and explicitly been incorporated to a greater extent. According to our findings the soccer associations are the ones where the characteristics and examples given show the furthest example of a corporatization. The context these associations live in is a bit different as the sport is commercialized to a degree that gymnastics and athletics are not. For example both Heads of Board mention soccer as a product several times. Consequently the soccer associations we have studied have turned out to be very aware of the market around them, whereas in both cases they have specialized Sales and Marketing divisions with full time employees. We have across the other sports also found that they are exposed to some form of competition, but in soccer it has been on another level. The sport and the games have become very commercialized which means they also compete with the entertainment industry to attract supporters. Being commercial to that level is traditionally more connected to the market sphere and the organizational context of a corporate. With this in mind it makes sense that the characteristics found within the soccer associations have turned out to be translated
more similar to how they are found within corporates since their reality, both structural and cultural, is closer to that of corporate.

7.2.2 Difference in receptivity

Through the perspective of translation theory, we have now realized that the context is an important factor to consider when discussing the variations between the level of incorporation/usage of business-like tools and strategies. Another approach on the matter is to look at the level of receptivity as a possible reason to why differences occur, which is an approach we will use further in the following discussion.

Powell, Gammal and Simard (2005) talk about different ways of how a nonprofit organization can react to new reforms, such as those involved in corporatization. They mention the following five:

- **The enthusiastic adopter**, an organization that actively seeks out new business models and best practices;
- **The converted innocent**, that wakes up to discover its modus operandi has undergone a marked transformation;
- **The engaged translator**, an organization intent on putting its own stamp on new business tools;
- **The reluctant conformer**, an organization forced to consider new practices, only to find itself rebuffed by the very proponents that urged the effort;
- **The active resistor**, determined to remain distinctive and willing to reject fashionable ideas in order to hew to its historical mission.

Starting with the studied soccer associations we would, based on our interviews, say that these are enthusiastic adopters of business-like features. The perceptions these organizations have of their identities closely resemble the one of a corporate and the values it stands for. The Head of Board of IFK Göteborg says himself that the association is corporatized in their way of working and identifies the elite business more or less as a corporate. Also BK Häcken says they are becoming more business-like. Both parties prove to be seemingly open to new models identifying their organization, or at least parts of it, with the corporate mentality.
When being defined as enthusiastic adopters it makes sense for the soccer association to have adopted some of the characteristics to a greater extent than the other associations.

When it comes to the rest of the associations, they all were very resolute when they told us about their identity as an organization being based on the values of an association. Having established this, the fact that they all have taken on at least two business-like characteristics then empirically proves that associations do not necessarily have to change their identity when taking on business-like ideas. Getting back to the classifications made by Powell, Gammal and Simard (2005), we believe that all of the associations within gymnastics and athletics are found somewhere in between the converted innocent, engaged translator and the active resistor. Since it is hard to know the specific reason as to why some characteristics were found while some were not, placing each in a particular “box” is difficult. What we do know is that they do not fall under the definition of the enthusiastic adopter since they all have either unknowingly incorporated/used, consciously taken on and translated or simply rejected the business-like characteristic.

Furthermore the receptivity of the characteristics can more or less be described by how devoted the associations are to protect their identity and original values, whereas each association has its own unique values and identity to protect. We say more or less since it is important to remember that rejecting all of the circulating trends could mean losing legitimacy (Colywas & Powell 2006; Ruef & Scott 1998), which maybe explains the fact that each association had taken on at least two characteristics and many of them partly as well. It is in other words not only the aim to keep the identity and values of the association, but also the need to consider social changes that affects the receptivity of new ideas and trends. Taking it one step further, the level of consideration to the social environment might also differ between associations, causing differences in the level of receptivity. In other words, both the unique values and how protective the association is regarding its identity, as well as the level of consideration to the social environment, affect how receptive the association is to business-like trends.

When approaching the differences through the theory of receptiveness it can then be established that the soccer associations are more receptive to business-like ideas and strategies, considering their identity closer to a corporate than any other of the associations. Consequently the characteristics are more visible and widespread within their organizations.
Meanwhile, the others are more protective of their identity and the nonprofit values on which they were based on, which could be used to explain why they are being less willing to take on business-like features. Nonetheless, all of the associations took on at least two of the characteristics whereas some of them, although they were very protective of their identity and values, took on even more. Why some did incorporate/use more characteristics than others could then be explained, both through pointing at the uniqueness of the values and how devoted each association is to protect its identity, but also through New Institutional theory and differences in the level of consideration to the social environment.

8 Discussion/Conclusion

This part summarizes the analysis, where selected theories were used to understand the reality and organization of the chosen cases. Through a critical perspective our personal reflections and interpretations will also be presented in order to create a greater depth to the area of study, resulting in a discussion regarding further studies.

With the purpose of finding business-like characteristics within sports associations this research has proven that several such can be found. Some being explicitly incorporated/used others implicitly so, while others not at all. Establishing some level of corporatization within sports associations supports what previous research states regarding nonprofit organizations becoming more business-like and extends the area of study by giving practical examples of this reformation. Even though all of the characteristics have not been found within every association, each characteristic is explicitly incorporated/used within at least two. Some characteristics have also appeared within all of the associations, such as decentralized form of governance and management by objectives and financial control systems. Discussing why only these two have reached the organization of every association we believe the continuously growing professionalism, also mentioned as one of the major trends in today’s society, to be one of the underlying factors. When becoming more professional, decentralizing the management becomes natural as a result of the voluntary workers possessing greater knowledge. As mentioned in the frame of reference decentralized forms of governance is often closely connected with management by objectives and having financial control systems,
which could explain why both of these characteristics have been incorporated within every association.

When it comes to the question how characteristics have been incorporated, which was yet another purpose of this research, we cannot claim to have found a general pattern permeating all of the associations. However there are some similarities to be found. For example we could mention BK Häcken and IFK Göteborg who both have clear units and departments while all of the other associations rather have divided their management into knowledge areas. Also the fact that all of the association use budgets points at some similarity regarding how financial control systems and objectives are being used. Other than that each association has their unique way of doing things. For example none of the associations outsource the same activities, and even though most of the associations use follow-ups in one way or another, these do not seem to be performed the exact same way. An aspect we considered when reviewing the result was that a study based on interviews, especially when using a lot of terms and concepts not always familiar to the respondents, could lead to misunderstandings and inaccurate interpretations. Even though we did try do steer the conversation in the right direction one can never be sure of that the respondents understood the questions in the right way. This might have affected their responses regarding how they had incorporated/used the characteristics since a misunderstanding, or lack of knowledge, regarding the meaning of each term or concept could lead to incomplete or defaulted answers.

Establishing the extent to which the characteristics were spread within the associations and how they were formed was necessary in order to discuss possible differences. The results demonstrated that differences in fact were to be found. Since we chose an abductive method of analysis, the exact theories used to explain these differences were decided upon during the process of our study and it was necessary to choose relevant and adequate theories that would provide us with enough knowledge to explain and understand the occurred differences. We included three different perspectives although we believe there are several ways to understand why the level of incorporation/existence differs. Through the theory of translation we found that the unique contexts in which the associations are found determine the contextualization of the characteristics. Why soccer associations had corporatized to a further extent than the other associations could be explained through a higher level of commercialization influencing their context. Also the protectiveness of the identity and the unique values of each association turned out to be important factors to consider when discussing differences, based on the
theory of receptivity. Since all of the associations, except for the soccer ones, were very protective of their identity and values it made sense that the characteristics were not found to the same extent within these. Another conclusion of ours was that the level of consideration to the social environment also is important to consider when explaining why differences occur. Yet again professionalism could be mentioned as an example, forcing the associations to work in a more structured and professional way, which is something Petersson (2002 & 2004) and Riksidrottsförbundet (2015) also mention. Society no longer accepts amateurism but rather demands associations to raise the level of competence. This in turn challenges the associations since they are dependent on voluntary input. One way of getting rid of amateurism could be to outsource activities and to decentralize the management, both reforms found within the associations.

Even though this study has proven that some level of corporatization has reached the studied nonprofit sports associations, their organizational form has remained. Thereby, taking on business-like features does not have to result in associations becoming corporates. Imagine a machine, where the surface and outside remain the same, only the components are being switched in order to stay modern and to improve the utility of the machine. As long as the improvements are made to increase the utility, and not turning into a matter of increasing profits, the outside will remain the same. Although along with a society constantly developing and changing, the components will also be exchanged. Whether this process will continue until the outside of the machine changes its form is yet to come. As far as this study is concerned such conclusions cannot be drawn, nonetheless does it point at tendencies that it is possible. Sports associations are simply not organized and managed as they once were. Consequently, we ask ourselves; since New Public Management is used to describe the corporatization within the public sector, can we now speak of a trend called New Nonprofit Management representing the corporatization but within the nonprofit sphere? A trend that allows the outside of the machine to remain unchanged only replacing the components necessary to keep up with a changing society? We believe the answer to that question would be yes. Although not established to a full extent within every sports association, we now know that it is widespread in some.
8.1 Further studies

Throughout this study a thematic approach has been used, making it easy to see differences between the associations and the way they function. Having such empirical data opens up for a lot of questions, whereas this research did cover some aspects regarding why differences occur. However, since the timeframe of this research was limited, we believe these differences could be discussed further. For example it would be interesting to investigate why commercialism has influenced the soccer associations to an extent much greater than any of the other sports under study. Does this have to do with soccer being a sport easy to practice for anyone, in comparison to for example gymnastics where a lot of equipment is required? Or do people simply have a greater interest in watching soccer as a sport, consequently increasing the demand for it, and making it a product? If so, will gymnastics and athletics become more commercialized if the demand for watching competitions within these sports increased, or will it remain less commercialized, as they are more protective of their nonprofit, idealistic values? These are all questions that came into our minds when doing this research and that we believe could be investigated further, using the results of this study as a basis.

Furthermore, this study has derived through the perspective of the associations, although it would also be interesting to look at corporatization through the minds of the ones who practice the sports. Do the athletes, soccer players and gymnasts, feel as if their conditions and possibilities to develop and practice sports have changed? This research has proven that a more commercialized and competitive environment will change the culture and focus of an association, consequently affecting the ones who practice the sports. If looking at soccer, which is the most corporatized sport according to this research, they have a much bigger focus on the elite than the beginner level. They have also created a more corporatized identity, which in turn shapes a more commercialized culture. How this affects the soccer players would be an interesting question for further studies. Focusing on the elite means selecting young people and determining who is good and who is not good enough. Even though the associations believe this to be necessary, one could discuss further what that does to the confidence and self esteem of a young boy or girl.
9 Implications

This study contributes with a better understanding of how and also why sports associations become more business-like in the way they function and structure. Although this research is limited to the cases under study the findings extend the area of research and can be used to widen the body of knowledge, allowing other associations and disciplines to benefit from its findings.
10 References


Kand, P. (eds.). *Innovation in public sector services: Entrepreneurship, creativivty and
management.* Northampton MA, USA & Cheltenham, UK: Edward Elgar.

SAGE publications Inc.

SAGE publications Inc.
Appendix

Appendix 1. Question manual (since the interviewees were Swedish the interviews were also held in Swedish):

Intervjufrågor

Del 1. Bakgrund

1.1 Vem är du?

- Vad innebär din roll inom förbundet/föreningen som Styrelseordförande?

Del 2. Företagisering

2.1 Decentraliserade ledningsformer

- Kan du berätta lite kort om er verksamhet and dess struktur?
- Har ni delat upp er verksamhet i flera självständiga enheter?
- Har ni några anställda i er förening?
- Har dessa blivit fler på senare tid?

2.2 Prestationsinriktade belöningssystem

- Vilka kompetenskrav ställer ni på aktivitetsledare, styrelse and andra ledande inom er verksamhet?
- Arbetar ni på något sätt med att öka lönen eller ge belöningar till dessa i förhållande till deras insatser? (För att säkra motivation and produktivitet)

2.3 Målstyrnings- and ekonomistyrningssystem

- Arbetar ni med målstyrning?
- För vilka mål and varför?
- Arbetar ni med något system för ekonomistyrning? (t.ex. nyckeltal)
2.4 Evaluerings system

- Använder ni er av evalueringssystem i dagsläget för att följa upp vad som händer i verksamheten?
  - Om JA: Vilka? Varför?

2.5 Outsourcing

- Outsourcar ni någon del av er verksamhet?
  - Om JA: Vilken? Varför?
- Tror du det kommer förekomma oftare i framtiden?
- Använder ni er av kontrakt när ni tar in tjänster externt?

2.6 Exposure to competition

- Anser ni att ni har några kommersiella konkurrenter i dagsläget and har dessa i så fall ökat den senaste tiden?

2.8 Övergång från en ideellt baserad till en mer företagsinriktad organisationsidentitet

- Vilken identitet har er organisation?
- Vilka logiker and värden har ni inom er förening?