Variety in hybridity in sport organizations and how they cope with it

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and
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1. INTRODUCTION

The way in which sport organizations are governed is a very current issue. An important trigger for this current interest have been several incidents that have appeared in (professional) sport, e.g. confessions of doping use by professional cyclists (Armstrong, Rasmussen, Boogerd), cases of match fixing, corruption (Atlanta 1996) and fraud and the death of referee Nieuwenhuizen in the Netherlands as a consequence of football violence. They all raise the question whether sports organizations are governed in a sound way. The issue is not new and has been given thought by sport organizations for some time. In the Netherlands the umbrella organization NOC*NSF has introduced a governance code almost a decade ago (NOC*NSF, Commissie goed sportbestuur 2005). Comparable initiatives have been taken in other countries (New Zealand, UK, US, South Africa – Alm 2013). National sport organizations have to adhere to the governance guidelines and take measures to adjust their practice accordingly. The implementation is followed critically. NOC*NSF for instance organised an evaluation congress in 2012 in cooperation with Transparency International (Transparency International 2012). The international Play the Game organization has started a reviewing project ‘Action for Good Governance in International Sports Organizations and introduces a Sport governance observer (Alm 2013).

The sports sector is not the only societal sector in which the quality of governing and management has been stressed and a governance codes has been introduced (Algemene Rekenkamer 2008; Balkenende 2011; Houlihan 2013; Kjær 2004). Good governance has become a more important issue because views on the role of government in industrialised societies have been changing and many public responsibilities and tasks have been outsourced to social organizations (Rhodes 1996). Organizations that are being subsidized by public funding are confronted with growing demands for accountability and intensified supervision and control toward the way they are managed and governed (Albeda 2002; Baarsma 2005; Bovens & ‘t Hart 2005; Groot 2010).

The demand for good governance and the question what kind of competences from board members and managers this requires has been a stimulus for research into the governing of sport organizations (De Vries et al. 2007; Elling et al. 2011). In the Netherlands (Anthonissen & Boessenkool 1998; Noordegraaf 2008; Trommel 2009; Van ‘t Verlaat 2010) and internationally, the governance of sport has become an important research topic (Cuskelley & Hoye 2007; Gammelsaeter 2010; Grix 2010; King 2009; Kjær 2004; Rhodes 1996, 1997; Shilbury & Ferkins 2011; Smith 2009; Walters et al. 2010). This research addresses not only questions about good governance, but also changes in the financing system of sport organizations (Geurtsen & Doornbos 2007; J. Hofland & Vrancken 1988; Van ‘t Verlaat 2010), the effectiveness of work processes (Bayle & Robinson 2007; Brinkhof 2011; Winand et al. 2010) or the architecture of voluntary associations (Huizenga & Tack 2011).

Historically many sport organizations are voluntary associations that can be positioned within the third sector or civil society. These sport organizations tended to act in self-organising, hierarchical networks characterised by interdependence, resource exchange, self-ruling and significant autonomy from the state (Rhodes 1997; Siekmann & Soek 2010). Until a few decades ago this sporting network was able to exercise self-governance without significant interference of states or other actors. In the last decades however hybridity is a feature becoming more common in sport organizations on a national and local level as a result of processes of commercialization and new public management (Lucassen & Van der Roest 2011a; Lucassen & Van der Roest 2011b). On a national level this feature has scarcely been studied and foremost using a sociological framework (Houlihan & Green 2009; Hoye 2006; Koski & Heikkala 1998).
What drives organizational hybridity?

From a general sociological perspective the development of hybridity could be seen as adaptation of the organization to the changes in its environment (Brandsen 2006). This process of contingency is needed to optimize the operating of organizations to a dynamic environment (Lawrence & Lorsch 1967).

Harris (Harris 2010) and Cornforth & Spear (Cornforth & Spear 2010) mention four interrelated processes that have stimulated hybridity in third sector organizations. First, there is the changing public services agenda. Government policy has been aimed at creating a mixed economy of welfare, by encouraging both private and third sector organizations to engage in public service delivery. The use of the term public service has been broadened not only covering services directly provided by government agencies, to all services which receive governmental funding or whose provision is a governmental goal. Secondly, growing emphasis is placed on partnerships and other forms of organizational collaboration. Government has increasingly sought to create new partnerships at a local level between organizations in the public, third and private sectors to tackle social problems and deliver joined-up services.

Market principles have become more dominant in public policy making and in the market strategy of third sector organizations, partly in reaction to the financial crisis of recent years. Alongside this growth in commercial activity, there has also been a growth in third sector organizations indentifying themselves as social enterprises. These are hybrid businesses that trade in the market but pursue social or environmental goals (Nyssens, 2006). A fourth factor is the rise of expectations on local communities. There is a drive to ‘new localism’ to devolve power and the responsibility for the solution of social problems to the local area level. Boundaries between policy sectors are gradually eroding.

From these analysis it might seem that hybridity is a unilateral and more or less forced response to the external pressure of a changing environment. Brands and Billis however stress that public and third sector organizations may well by themselves take the initiative to explore the borders of demarcation or even ‘go where no man has ever gone before’ (Billis 2010).

In this changing environment moving from being a stand-alone organization towards participation in more complex hybrid organizational structures can be seen as a common sense response of third sector organizations to the policy trends. Against this background the initiative has been taken to investigate the development of hybridity in (national) sport organizations and the way in which this is influencing governance practices within these organizations. In part 4 we will describe the extent to which hybridity can be witnessed in sport organizations. Evolving theories on hybridity (Billis 2010; Brandsen et al. 2006; Defourny & Pestoff 2008; Evers & Hämel 2007) can have important added value in analysing hybridization processes in sport organizations and finding proper ways to manage them.

2. RESEARCH QUESTIONS AND METHOD

Our main point of interest is the development of hybridity in sport organizations and the way in which this is handled. The research project analyses this issue in voluntary and professional associations (clubs and federations) and is aimed at answering the following questions:

a. How can a systematic framework for the analysis of hybridity features of organizations be constructed?

b. What kinds of hybridity of governance can be recognised in sport organizations, and what is the origin of the hybridisation?

c. Are the mentioned fields of tension by Putters (2009) also experienced in sport organizations by people involved or have they been described by others?
d. In what way (use of resources, strategies (Putters 2009)) are boards and management of sport organizations trying to master the tensions and consequences of hybridity? Does hybridity have consequences for the management and governance of the sport organizations (composition of board and management, mixing of cultures, conflicts of logics (Gammelsaeter 2010)). Is there any relation to the number of board members (larger network, to resources); do larger demands for accountability lead to changes in composition (more ‘outsiders’ involved). Is there any relation between hybridity and the model of governance chosen (professional board, leadership-style, democracy (Huizenga & Tack 2011))

e. What are perceived consequences for the autonomy and identity of the organization?

f. Can consequences been described for the effectiveness of the organization (implementation compliance, growth, sport performances)

In 2012 and 2013 exploratory research on these issues has been conducted as part of a larger investigation into the governance characteristics of national governing bodies of sport. Hybridity was not the main topic of this research, by collecting governance data however, some conclusions about hybridity can be drawn. We will now describe our methodology and theoretical frame of reference. Our main findings will be presented next and will be discussed finally.

3. METHODOLOGY

To study the questions mentioned we used foremost qualitative research techniques. The methodology used is threefold:

1. Literature survey on hybridity;
2. Survey on governance features of 72 national governing bodies of sport affiliated with NOC*NSF;

A thorough start was made with a review of recent literature on hybridity in sport and in other sectors, which positions have recently changed from public or third sector to mixed organizations. More specific we studied literature on health care and cultural organizations. The review resulted in a provisional theoretical framework for the analysis.

Next a survey was made of the governance features of almost 100 national governing bodies of sport. Public sources were combined with additional interviews. Features surveyed were: board composition, governance policy, organizational composition, partnerships and financial characteristics.

To get a better view on the way in which hybridity was experienced and managed, six case studies were conducted. These studies consisted of analysis of the contents of policy documents and in depth interviews with a selection of board members and managers of the governing bodies. Through the selection divers federations were included: small/big, elite sport, grassroot sport, etc.

4. HYBRIDITY THEORY

Hybridity appears when organizations cannot (or no longer) be described as completely belonging to the state sector, market or civil communities. Hybrid organizations can therefore show a mixture of the pure, but incongruent, contradictory and conflicting action rationalities (Van Hout 2007). Brandsen, van de Donk & Kenis (2006) state that the essence of hybridity is the representation of different and conflicting values within one organization. As a consequence of this actors will experience tensions in the execution of their roles (Brandsen et al. 2006).
4.1. Two approaches to hybridity (Van Hout 2007)

If we follow Van Hout (2007), hybridity from an administrative angle shows two approaches: a public-private approach (dichotomal hybridity) and a societal approach (multiple hybridity). We will shortly explain these.

4.1.1. Public-private approach

This approach looks foremost at organizations in which public and private elements are mixed or combined. It has been introduced to reach a better understanding of the privatization, commercialization and marketization of public governance. Basic values of the public and private sectors are being confronted with each other. Basic public governance values like equality and legitimacy are being combined with corporate values like profit orientedness and efficiency. This approach focuses on two kinds of hybrid organizations: public organizations that undertake corporate activities and private organizations that fulfil public duties. These two types of hybrid organizations have emerged through processes of privatisation, liberation and state control. Hybrid organizations often have a private legal shape but combine this with public power. Often close financial ties exist between government and hybrid organizations. Because of shrinking governmental budgets many public tasks have been decentralised and partially or fully put into the hands of other organizations. New public management has been introduced to make an end to the cumbrous, expanded and costly way of executing public tasks. Public organizations should be managed more like enterprises and work more flexible and efficient.

This approach places hybrid organizations between the two extremes private and public. Several authors however stressed that purely private or purely public organizations in reality do not exist. These are ideal types. Dependant on the criteria used hybrid organizations can be found to be more or less conforming to the ideal type.

4.1.2. Third sector approach

The concept of hybridity has also been used to analyse and understand societal organizations within the so-called third sector. These organizations are situated between the state, the civil communities and the market. The third sector includes all kinds of organizations with activities that are often less cared for by the state, the market or civil communities or are held to be leisure activities. For instance free education, personal support, housing, arts and sport. Solidarity, civil responsibility, dignity, acceptance of mutual dependence and justice are core values within the third sector. Many of these organizations have the legal shape of associations or foundations. In their activities they have to deal with expectations, rules and values from several sides: government(s), business and civic institutions. In third sector organizations multiple, in part contradictory action rationalities are accumulated. For this reason Van Hout denounces them as multiple hybrids. Religious, social, professional, political, marketdirected and business orientations can be simultaneously relevant for actors involved and competing for dominance. According to Van Hout the combination of elements of a competing or even conflicting nature should be more or less continuous and be experienced as such to have a genuine multiple hybrid.

We support Van Hout’s statement that in scientific analysis of hybrid organizations the focus is too much on the mixtures of private and public elements and that this is not suitable for the analysis of third sector organizations. It leads to a simplification of the complexity of third sector organizations which, as indicated, have more components than public or private.
4.1.3. Building an ideal model for third sector hybridity (Billis 2010)

In his analysis of hybridity of third sector organizations, Billis takes the starting point in the characteristics of the separate (public and private) sectors. These sectors are treated as collections of (non-hybrid) organizations. Billis suggests that (a) all organizations have broad generic structure\ features or elements (such as the need for resources) but that (b) their nature and logic or principles are distinctly different in each sector. These principles have a logical interdependence and provide a coherent explanation for meeting objectives and solving problems. Together they represent the ‘rules of the game’ of the ideal model for each sector. He states that the following five core structural elements in the public and private sector can be distinguished:

- ownership
- governance
- operational priorities
- human resources
- other resources

Billis broadens the interpretation of ownership from the material ownership of property to formal ownership (members, civilians). Only part of them may actually exercise their rights and be the active owners by involvement in decision making. “The third group are the principal owners: those who in effect can close the organization down and transfer it to another sector” (2010: 50). Comparing the characteristics and core elements for different sectors he constructs an ideal type model of the three sectors and their accountability, as described in table 1:

Table 1. Core elements of the private, public and third sector (after Billis 2010)

<table>
<thead>
<tr>
<th>Core elements</th>
<th>Private sector principles</th>
<th>Public sector principles</th>
<th>Third sector principles</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Ownership</td>
<td>Shareholders</td>
<td>Citizens</td>
<td>Members</td>
</tr>
<tr>
<td>2. Governance</td>
<td>Share ownership size</td>
<td>Public elections</td>
<td>Privat elections</td>
</tr>
<tr>
<td>3. Operational priorities</td>
<td>Market forces and individual choice</td>
<td>Public services and collective choice</td>
<td>Commitment about distinctive mission</td>
</tr>
<tr>
<td>4. Distinctive human resources</td>
<td>Paid employees in managerial controlled firm</td>
<td>Paid public servants in legally backed bureau</td>
<td>Members and volunteers in association</td>
</tr>
<tr>
<td>5. Distinctive other sources</td>
<td>Sales, fee</td>
<td>Taxes</td>
<td>Dues, donations and legacies</td>
</tr>
</tbody>
</table>

Starting from these distinctions between organizations in the sectors Billis develops a distinct model of hybridity: the prime sector approach. His working hypothesis is that organizations will have roots and have primary adherence to the principles of one sector. Thus hybrids are not on a continuum but have a clear cut point to a different sector. If we compare his approach to the conceptualisation of sectors by e.g. Pestoff and Dufourny (2008) there’s a remarkable difference. In their analysis the family/household is a separate institutional entity, and third sector organizations take an intermediary stance. It seems to us that Billis approach of hybridity, starting from the public and private sector could in Van Houts terms in essence be characterised as dichotomal. Others have stated that voluntary associations do have a distinct social logic. Strob for instance describes this logic as “a common actions aimed at mutual, targeted benefits” (cited in Braun 2003: 50). Voluntary associations in this perspective can be seen as self-chosen communities, in which individuals unite voluntarily to realize a common interest through shared efforts.
4.2. Conceptualising Hybrid Organizations in a nonprofit Context (Baird 2013)

In his review of several authors on hybridity in non-profit organizations, Baird distinguishes three approaches. The idea that hybrid organizations are rooted with a ‘primary adherence to the principles of just one sector’ as promoted by Billis is called a rooted approach. A second line of thought has been developed by a number of authors, predominantly from continental Europe. There is established an approach whereby they believe the hybrid realm now constitutes the entire third sector (Brandsen, Van de Donk and Putters, 2005; Evers, 2005; van Hout, 2009). They look at the third sector (or nonprofit sector) as being inherently hybrid. Baird calls this the Dutch Approach or Separate Sector Approach. The Fit For Purpose Approach comprises a third way of analysis. The fit for purpose or continuum approach does not try to define hybridisation in terms of sectors, but rather, it believes that organizations will occupy certain points on a continuum between pure organizational forms (Dees and Backman, 1994; Dees and Anderson, 2003). Although different in their elaboration these approaches have a common demarcation of hybrid organizations

“Henceforth, when referring to a hybrid organization, we are talking about an organization containing a mix of sectoral, structural, and/or mission related elements.”

4.3. Dimensions of hybridity (Evers 2005)

For our analysis of hybridity in sport organizations the four different dimensions of hybridization that Evers and Laville distinguished (Evers 2005; Evers & Laville 2004; Evers et al. 2002) seem to be fruitful.

The first dimension of hybridization concerns resources. The supportive elements from the society and various communities that have material effects vary very much. Two other dimensions that are constitutive for a hybrid character of an organization are goals and forms of governance. Within the governance debate all this has meanwhile been raised under such titles as systems of “co-governance” or under notions of “mixed governance” or ‘meervoudig bestuur’ (Brandsen et al. 2006; Kooiman 2000). The steering mechanisms that operate simultaneously in such a form of governance, have to be seen in conjunction with organizational goals.

The processes of hybridization with regard to resources, goals and steering mechanisms can thirdly and finally lead to search a new complex corporate identity that reflects the multiple roles and purposes of an organization. E. g. in the field of cultural institutions like museums and theatres, there is a constant debate to what degree they should commercialize, see their public just as customers to satisfy, to what degree they should follow what is called in Germany the “public mandate to education” or rather be guided by the preferences of their various stakeholders.

5. GOVERNANCE OF HYBRIDS

5.1. Governance of third sector organizations (Cornforth & Spear 2010)

The word governance has its roots in a Greek word meaning to steer or give direction. It is important to distinguish organizational governance from political governance, at a higher level of analysis, where it is used to refer to new patterns of government and governing. In this paper the focus is on the organizational level and how organizations are governed. For this the term corporate or organizational governance is often used and can be defined as the structures, systems and processes concerned with ensuring the overall direction, control and accountability of an organization (Cornforth, 2004). As mentioned we can witness a growing dependence of many third sector
organizations on the state in terms of funding, which often lead to tightly-specified performance requirements. These developments may undermine the missions and independence of the organizations involved.

5.1.1. Governance in the private and public sectors

In the private (profit) sector and the public sector governance has changed in the last decades. In the private sector modern systems of corporate governance evolved with the increasing separation of ownership (shareholders) from control (management) in companies. There are some parallels with the private sector in the development of governance arrangements in the governmental or public sector. There has been an increase in the formation of public bodies that operate at arms length from government with their own boards and move away from elected to appointed board members, or some combination of elected and appointed posts. In the Netherlands for instance alderman in local government do no longer have to be elected from the municipal council members but can be recruited elsewhere. For public services executed on ‘arms length’ more and more kinds of supervising agencies and inspectors are being introduced to secure the execution of duties as demanded. Although the outsourcing and decentralising of public services often has been argued as putting these tasks into the hands of ‘autonomous’ organizations, these executing organizations are in no way independent. At the same time the decentralising of public duties to local authorities often leads to a double demand for accountability.

5.1.2. Three models of third sector governance

As can be derived from Billis scheme on ideal types the typical third sector organization is the membership association run by its members and volunteers, reliant primarily for resources on membership fees and voluntary donations of time and money, and where the governing body is elected by the membership in ‘private’ elections. They are set up to serve a social mission, rather than being profit seeking or serving a statutory purpose, and it is the duty of the board to safeguard this mission. The organizational governance in ‘pure’ membership associations according to Cornfort & Spear has some distinctive characteristics. There’s a twofold board structure (core – general), the board is unpaid and there are no paid employees.

At the level of the ‘unitary’ organization (i.e. an organization without subsidiaries) Cornfort & Spear distinguish three main types of governance structures employed: the ‘pure’ membership association, the self-selecting board and the mixed type, which combines feature of the two previous types.

Ieder met eigen voor- en nadelen. A difference can be made between those organizations set up to benefit the wider community or public, and those set up primarily to benefit their members, such as many co-operatives and mutual societies, but they may also develop from one type to the other with changes in governance arrangements and practices accordingly.

Much of the research on the governance of voluntary and non-profit organizations has focused on larger voluntary agencies that employ a larger number of paid staff and are managed by a professional managerial hierarchy. Small associations that are run mainly by their members and employ relatively few or no paid staff have been studied less. It is suggested that once a voluntary association starts to employ staff, a new dynamic occurs. The transition to employing a paid staff hierarchy can lead to tensions and conflicts between boards and management as they struggle over redefining their respective roles and responsibilities (Thibault et al. 1991).
5.2. The governance of hybrid organizations (Baird 2013)

Combining organizational characteristics from different sectors, or with multiple missions is no simple task. Braun e.g. pointed at the differences between state, market and household sector and an at their specific social action logics. Simplified these logics can be characterised as follows: the market coordinates demand and provision by price governed exchange and is dominated by the social action logic of maximized profit for the individual; the state organizes the production of public services through hierarchical ways of coordination and follows the action logic of equal treatment of citizens in common interest; the private household governs the satisfaction of individual needs through affective relations and mutual support and follows the action logic of non-selfish love. The difference between sectors or missions tends to result in demands for hybrid organizations that are ambiguous and contradictory (Kickert, 2001). The result is often a complex strategic dilemma, which leads to implications for an extensive array of organizational logics. E.g. should an association try to improve efficiency (market logic) even when this is detrimental for the voluntary involvement of the members.

Hybrid third sector organizations like associations often have to deal with other stakeholders then their members. These organizations will have a wider range of stakeholder interests than a purer organizational type. As organizations blur the boundaries between sectors and/or pursue dual missions, the board (the locus of the governance function), must look to balance the different interests and resources of these stakeholders. In the long run the combining of interests may have far-reaching consequences. Baird mentions the risk of mission drift and the development of a delegate syndrome (board members solely working toward their own stake). The structural adaptation of organizations to a dual mission has the potential to increase the amount of tension existing within organizations. If an organization is pursuing a dual/multiple mission for several stakeholders, then a plural accountability regime is likely to develop to give a more effective oversight of the organizations results.

5.3. Plural governance (Brandsen, Putters)

How complex the management or governance of hybrid organizations has become, can be demonstrated in the health care sector, where as a consequence of privatization and commercialization of health organizations, ‘multiple governance’ (meervoudig bestuur) is demanded (Brandsen et al. 2006; Putters 2009). Putters distinguishes four domains of interest (government/politics, business, communities, medical professionals) with which the boards of health service organizations have to deal. Besides that he uses the concepts of discretionary space and legitimacy of choices to analyse the actual situation of boards. Boards risk to develop either a ‘guardian syndrome’ when they mainly chose to safeguard public interest or a ‘commercial syndrome’ when mainly following their market interests. The merchant goes for profitability, efficiency and innovation, the guardian for equal access, justness and solidarity.

In his view, three fields of tension have developed: concerning the distance between governance and supervision, between demand for and provision of care and between expectations and accountability. Board members are confronted with dilemma’s that force them to keep searching for legitimate goals, to estimate expected risks and to discuss right and wrong conduct. For these dilemma’s Putters introduces the term ‘devils bands’ (Putters 2009).

The first tension between management and supervision is a result of increasing governmental legislation and control and the application of market principles. The market puts approach the emphasis on measurable and transparent achievements in health care. This coincides with a growing control from government and demand for accountability using the same indicators. The effect is a more tailored offer of care that may result in more effective solutions to local problems. At the same time only what is measurable counts and care practices tend to be evaluated in a uniform way taking
the mean for a standard. Question is whether the patient’s needs or the indicator lists of supervising agencies should be dominant for care institutions.

A second tension develops between demand and provision. More focus is put on Individual needs of persons, but this conflicts with the collective accessibility and affordability of care. Technologically the frontiers are shifting rapidly. Individual demands are becoming more divers and are not always in line with what is medically suitable or what is to be expected from care professionals. More alignment in the care chain is necessary but is frustrated by systems of financing and organization.

The third tension develops between expectations and accountability. Several parties involved ask for accountability on their behalf. Not only consumers and subsidising institutions, but other parties not directly involved in the service also ask for this. They have their own expectations concerning the quality of health care. If service is not in accordance with these this might lead to juridical claims or media may pay attention to it.

5.4. Coping with hybridity

As Putters points out the board or management can make use of four resources to master these dilemma’s:

- institutional constructions (legal forms). To the institutional resources belong legal forms and organising structures (e.g. introducing shareholders, councils); marks, codes of conduct, accreditation, professionalizing procedures (vocational training, professional codes);
- interactions with others (cooperation, competition). Interactive resources are cooperation with controlling bodies, horizontal cooperation (chain management), interfaces with clients (media).
- knowledge and information (e.g. experiential knowledge). Knowledge and information resources comprise of: information regarding consumer satisfaction, benchmarks, lateral sources, unused information, deconcentrated statistical information;
- personal intuition (preferences). The last resource intuition is based on professional ethics. It’s main elements are being able to perform several roles simultaneously, maintaining relevant networks, balanced competences and self reflection (entrepreneur, knowledge of care, involvement) and a vision on adequate care (target groups, professionalism).

Putters states that financing authorities, especially the government, seem not to accept autonomous shared governance any longer. The government is extending its influence and control by supervising, monitoring and accountability measures to get a grip on the execution of ‘public tasks’ and to improved disciplined governance (Albeda 2002; Houlihan & Green 2009; WRR Wetenschappelijke Raad voor het Regeringsbeleid 2004)

Van Hout in a book on health care (Van Hout, 2007) discusses four strategies to manage hybridity in organizations. The strategies are a result of positions on two dimensions: on one hand the extent to which hybridity is consciously acknowledged by the management (recognition – denial), on the other whether the strategy is an overall strategy for the organization as a whole or just for some parts. When these two dimensions are combined four way of coping with hybridity result: re-identification, manoeuvring, hybridisation and selection (figure 1).
6. FINDINGS AND RESULTS

As indicated in part 3 most of our data were collected through the analysis of public sources like statutes and annual reports. By interviewing a selection of board members and directors of the federations we also gathered background information on the situation and developments. We will now present the key findings on the extend to which hybridity is visible in the activities of the sport federations on the four dimensions described by Evers. The quotes used are cited from our interviews unless indicated otherwise.

6.1. Hybridity of goals

Looking at the formally described goals of sports federations, there can be concluded that for 40% of the federations these are hybrid (table 2). Federations describe goals related to both grassroots sports and elite sports. This is interesting, since when a federation has an elite sport policy, the organization often has to be specifically structured and equipped for that. Governing bodies should be able to cope with sponsors and media. Relations with sponsors and media will be shaped through contracts and ask for specific juridical know how. One of the recommendations of the governance code for sport organizations aims at this: “The organization drafts an elite sport statute to manage the large (financial) and specific interests and the complexity of elite sport” (NOC*NSF Commissie goed sportbestuur 2005).
Furthermore a majority of the Dutch Sports Federations discusses their governmental policy in their public documents (table 3). In 21% of the cases it concerns the implementation of the governance code. More frequently it concerns other governmental issues (42%).

Corporate Social Responsibility – evolution to social enterprises

Another trend of hybridization in the goals of sports federations is the growing attention for social responsibility and involvement. Federations not only pursue sport related goals, but they are also convinced one of their functions is to contribute to society. This has been made very explicit in the Olympic Plan 2028 developed by NOC*NSF and the federations in 2009. This plan was intended to pave the way for hosting the Olympics in the Netherlands in 2028, one hundred years after the Olympics in Amsterdam. The plans mission statement is: “With sport in all its modes we intend to bring our nation as a whole to an Olympic level. We will all profit from this, today and in the future in the social, economical, planning and welfare area. In the end the result might be to host the Olympics and Paralympics in the Netherlands” (NOC*NSF 2009). On every of the four domains mentioned specific targets where formulated for the contribution of sport to social development in the next decade. Although the plan has been terminated as a consequence of the economic crisis, it has for some years been a very inspiring source for the sport federations and for public authorities. The idea that sport can play a wider role for the society at large has been widely accepted and has been translated to the establishment of specific organizations.

Several former elite sportsmen have developed as social entrepreneurs by founding their own social foundation. The Johan Cruyff Foundation and the Richard Krajicek Foundation are two of the most famous sport related foundations in the Netherlands. These were founded in 1997 and since then they have realized over a hundred courts and playgrounds where children in disadvantaged areas can practice sports. Cruyff and Krajicek cooperated closely with the federations in their sport discipline. Other sport stars followed their example. Some federations have also taken specific initiatives. In 2004 the foundation ‘Meer dan Voetbal’ (More than soccer) was initiated by the Royal Dutch Football Association in collaboration with the professional soccer leagues “to deploy the connecting power of soccer for a stronger society”.

Table 2. Topics Organization description and goals in % n=72

| Grassroots sports | 74 | 60 |
| Elite sports | 3 |
| Valid Both | 11 | 32 |
| Valid Other | 12 | 8 |
| Total | 91 | 83 |
| Missing | 9 | 17 |

Source: Mulier Institute Governance monitor 2011

Table 3. Topics governmental policy in % n=72

| Good governance | 11 | 15,3 | 26,8 |
| Other | 26 | 36,1 | 63,4 |
| Combination of both | 4 | 5,6 | 9,8 |
| Unknown | 31 | 43,1 |
| Total | 72 | 100,0 | 100,0 |

Source: Mulier Institute Governance monitor 2011
The following table 4 shows the federations that are connected to one or more foundations.

**Table 4. Connections between national sport federations and foundations for social development**

<table>
<thead>
<tr>
<th>Sportfoundations</th>
<th>Started in</th>
<th>Athletics Union KNAU</th>
<th>Basketball Association NBB</th>
<th>Field Hockey Association KNHB</th>
<th>Football Association KNVB</th>
<th>Base and Softball Association KNBSB</th>
<th>Lawn tennis Association KNLTB</th>
<th>Sport for Handicapped association GehSpNL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cruijff Foundation</td>
<td>1997</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Krajicek Foundation</td>
<td>1997</td>
<td>x</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Trinka Keen Foundation</td>
<td>200</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Dirk Kuyt Foundation</td>
<td>2006</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Edwin van der Sar</td>
<td>2011</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bas van der Goor</td>
<td>2006</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ester Vergeer</td>
<td>201</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Johan Neeskens</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meer dan Voetbal</td>
<td>2004</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Mulier Institute Governance monitor 2011

6.2. Hybridity of Resources

Sports federations have different resources: sponsoring, dues, subsidies and other resources. An example of other resources is the sale of courses or certificates. Over the last decades the importance of these sources of income has changed as is showed in figure 2. Member contributions have become less important and sponsor income and other revenues have become more important. The share of governmental subsidies has not changed much, but these are granted in a more conditional way. From a resources perspective these organizations can no doubt be classified as hybrids.
In 2010 the average revenue of sport federations is 3.726.502 Euro (table 5). The biggest resource is dues. The mean is distorted because of some very big federations who have high revenues. The median provides more interesting information. Half of the federations has sponsoring of 70.000 Euro or less, while the amount of subsidies is much higher, namely 371.800 Euro.

Table 5. Resources of national sport federations in 2010 in Euro

<table>
<thead>
<tr>
<th></th>
<th>All federations</th>
<th>Sponsoring</th>
<th>Dues</th>
<th>Subsidies</th>
<th>Other resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Range</td>
<td></td>
<td>0 – 26 million</td>
<td>1825 – 10.2 million</td>
<td>0 – 9.5 million</td>
<td>0 – 16 million</td>
</tr>
<tr>
<td>Mean</td>
<td>3.726.502</td>
<td>1.147.000</td>
<td>1.452.000</td>
<td>1.196.000</td>
<td>908.000</td>
</tr>
<tr>
<td>Median</td>
<td>1.681.500</td>
<td>70.000</td>
<td>577.800</td>
<td>371.800</td>
<td>265.500</td>
</tr>
<tr>
<td>n</td>
<td>44</td>
<td>49</td>
<td>50</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td>Unknown</td>
<td>28</td>
<td>23</td>
<td>22</td>
<td>24</td>
<td></td>
</tr>
</tbody>
</table>

Source: Mulier Institute Governance monitor 2011

In 2005 the Dutch government replaced a structural subsidy to sport federations by program subsidies. To qualify for a subsidy a federation has to participate in a program and has to meet several requirements. Part of the loss of governmental subsidies was compensated by grants from ‘Lotto’, the Dutch lottery. This change of the subsidy system also resulted in more requirements federations have to meet to obtain a subsidy. Subsidy providers are putting forward conditions for participation and are increasingly demanding, e.g. for the local clubs to be involved. An recent environment- and trend analysis of the Football Association (KNVB) states “the most important factor the Association has to cope with in making future policy is a withdrawing government, that at the same time, expects sport will utilize it’s social value optimally” (DSP Groep, 2012).

Also NOC*NSF, the umbrella body for organized sports in the Netherlands, is more demanding. A so called ‘Star system’ was developed, whereby the amount of money a federation could obtain,
depended on whether some conditions were met. In this way federations were forced to implement the governance code and to start collaboration with another federation.

At the same time federations reacted by expanding their market oriented approach. All federations were included in a national program of NOC*NSF to develop marketing strategies. A trigger for this strategic revision was market analysis that indicated that sport provision by voluntary associations was losing market share to other providers. In the last two decades fitness in commercial fitness centers as become the most popular way of practicing sports. Sport federations where therefore challenged to define new target groups and develop new products. While before 2000 only a few federations employed a professional marketer, this number has grown to 21 in 2011. There’s a strong trend toward commercialization in grassroots sport as well as in elite sport. Federations and their member clubs are expected to behave more entrepreneurial. Federations attempted to attract more sponsors to gain resources (Stokvis 2010; Van ’t Verlaat 2010). But this change of mind shift is not an easy task for a lot of federations. “There are still people who have difficulties with the market oriented approach. That is mainly, with all due respect, the group of people who are doing the same task for over twenty years” (An employee of the Royal Dutch Korfbal Federation in Verlaat, 2010).

However finding sponsors is getting harder since the start of the economic crisis. The ice-skating association lost its main sponsor in 2009 when DSB Bank went bankrupt. Van Haperen, director of the Athletics Union, states his federation’s dependency on sponsors: ‘We mainly depend on dues for 40-42 percent, but also on grants and Lotto resources. Nevertheless, we cannot do without the five to eight percent of resources from business/corporate partners. But it is increasingly harder to maintain those partners’.

“The importance of corporate partners has increased or at least, it has changed. One example is the broadcasting of the European Championships in 2016. Before we assumed the NOS1 would broadcast the event, now it works by tendering. So we have significant costs. Four years ago this would have been unthinkable”.

The difficulties of finding resources and the demanding providers of funding are some of the reasons that managing a sport federation is complicated. Managers are expected to come up with solutions and besides the complexity of doing that, there is also the pressure of the media, who emerge immediately on the scene when incidents take place.

6.3. Governance

6.3.1. Governance model

All Sport federations are formally structured as associations. There is a board appointed by the members and the federation policy and its execution are decided on and evaluated by the general assembly. In the past the regional divisions of the federation often were separate corporate bodies and members had indirect rights through these divisions to the decision making on a national level. Seventeen federations (23%) work only with volunteers and 56 federations have employees (NOC*NSF 2012). Professionalization can have far reaching effect on the governance demands for sport organizations (Thibault et al. 1991).

Several sport federations have been changing the governance model of their organization in recent years. The first change is a stronger emphasis on separation between governmental, executive and policy roles and responsibilities. A second development is a shift from governing based on portfolio to collegial governing. Also there is corporate restructuring e.g. the intermediary regional federations have lost their governing rights and responsibilities in several federations and have been reorganised to regional service centres. This results in a more consistent and clear policy of the federations, which in turn is expected to improve effectiveness and policy impact. The director, of the Gymnastics Union

1 Dutch broadcasting organization
KNGU), Wals says: “In the old system all administrative levels had their own decisive power. If they were lucky, the members of the federation board could express their opinion about it, but in practice mainly regional policies were implemented, which not always matched with the federal policy”. Since the recent organization changes this has changed, according to Wals. “Now we are able to manage from one central position, so we can really get things done”.

Huizenga & Tack have developed a classification of board types for voluntary associations. They distinguish five governance models: executive, directive, policy making, condition creating and supervisory boards (Huizenga & Tack 2011). The following figure 3 illustrates the structure and characteristics of every model.

**Figure 3  Governance models for voluntary associations (after Huizenga & Tack 2005 in NOC*NSF, 2012)**

In table 6 the distribution of governance models in sport federations is shown as well as the relations between the applied governance model and organizational variables staff size, resources and members. The federations presently apply all types of governance models from executive boards to supervisory boards. Furthermore it may be concluded that as the magnitude (and complexity) of the organization increases, the governmental structure develops towards a supervisory model.
Table 6. The applied governance model related to four organizational characteristics (means)

<table>
<thead>
<tr>
<th>Governance Model applied</th>
<th>Number of federations</th>
<th>Staff</th>
<th>Resources</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>15</td>
<td>2,1</td>
<td>€ 609.022</td>
<td>8.397</td>
</tr>
<tr>
<td>Directive</td>
<td>9</td>
<td>4,6</td>
<td>€ 1.062.342</td>
<td>13.637</td>
</tr>
<tr>
<td>Policymaking</td>
<td>8</td>
<td>6,5</td>
<td>€ 1.231.568</td>
<td>14.676</td>
</tr>
<tr>
<td>Condition creating</td>
<td>11</td>
<td>14,9</td>
<td>€ 2.934653</td>
<td>38.144</td>
</tr>
<tr>
<td>Supervisory</td>
<td>17</td>
<td>103,8</td>
<td>€ 9.574.116</td>
<td>193.629</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>34,2</td>
<td>€ 3.726.502</td>
<td>67.629</td>
</tr>
</tbody>
</table>

Source: (NOC*NSF 2012)

Another notable phenomenon in the governance of sport federations is decoupling. Sometimes the organization of some activities is decoupled from the federation, e.g. for some commercial or risky activities concerning top sport and events where big amounts of money are involved, separate associations are initiated.

6.3.2. Governance Code

The governance code prescribes that based on the applied governance model for each board position a board profile and competence profile should be drafted.

Several chairmen and directors of the sport federations are convinced of the usefulness of the governance code. Van Haperen of the AU states: “The code gives us a firm hold, because it makes clear at least what the role of the board members, the role of the director and the role of the sports medical is. These positions are clearly defined”. Also the KNKF chairman thinks the essence of the code is all right, however the federation is not able to implement all aspects of the code, e.g. to execute a strict schedule of resignation of board members. Chairman Van Loon states this is due to the magnitude of the federation: “Small federations have difficulties in finding board members at all who have the capacities to cope with the pressure of members and the environment and manage the federation at the same time”.

6.3.3. Board members

One of the strategies several federations implement to cope with the developments is to appoint new board members. Heretofore most board members were mostly people from ‘within’ the sport of the federation. Now more often board members are searched based on their capacities and networks instead of their involvement in the sport. For example the Dutch Skin-diving Federation (NOB) invited a former national politician in their board, because they were looking for someone with a big political network. Also in the Athletics Union board members with certain specialisations were recruited, which was something people had to get used to. Van Haperen: “It is quite a difference, to work with people from the business world and IT-specialists’.

More frequently there is said that the sports world should get in touch with business life. Ten years ago a special organization was founded in the Netherlands there to stimulate this: ‘Sport en Zaken’. One option for this is to search board members amongst businessmen. However the sports world is also reservedly about this. For example Leeser, director of the Water Sports Associations, says: “A good manager in business, is not always a good manager in the sports world. Sports is more about politics and emotions en the voluntariness in sports is also an essential part to cope with. Of course it can be a good thing when skilled managers come from business life to sports, but it is not always naturally a good ‘match’. This has been proved by past experiences”. In business you don’t have to get the consent of a general assembly or deal with volunteers.
For other federations the issue is that traditionally former board members of local sport clubs used to take place in federation boards. The context of a federation however is often very different, since it is a professional organization instead of an organization based on volunteers. This requires other capacities, which is often underestimated by the former local governors.

### 6.4. Identity

The identity of sport organizations is ‘under construction’ on both national and local level. Several sport federations are focusing on a broader target group then before and they are positioning themselves more as a branche organization.

Sport federations are traditionally providing services to members. However there are some developments going on federations have to cope with. One of them is that several federations are confronted with declining numbers of members. Not necessary because less people are practicing the type of sport, but because they are less willing to join a club. For example, there are a lot of runners, but they are unbounded.

Huub Stammens, former manager of the cycling and the ice skating association, states a mind shift is needed. Federation managers and directors have to let go the traditional thinking about membership. They have to come up with combined members-/clients organizations to also provide services to non members (Stammes 2013). Several federations are working on this. Van Haperen of the Athletics Union about this: “It is a utopia to think all 1,6 million runners participating in an event are willing to join the Athletics Union. Our vision is that above all we want to be of service for this total target group by representation and the provision of information, without pressing them to a one to one membership”.

Another example of reforming their identity is that at the moment at least ten federations and their clubs are working on finding and binding seniors. They are developing sport activities specifically aimed at the wants and needs of people aged over 45.

The members of the sport federations are more frequently seen as policy implementers by federations and by the government. They are approached as outlets of the central service organization (Skille 2008). The local sports clubs are expected to reach new target groups with new products or even to have a broader role as a public facility, focusing on more than only sports. In the Olympic Plan 2028 one of the sub goals of the social ambition is to develop sport clubs to social organizations and even to public facilities before 2016 (NOC*NSF, 2009). During the day facilities can be used for example for childcare and in the night, club members can play sports. Local authorities, e.g. the local town government in Enschede, have established advisory bodies for this development of the sports clubs. Stichting Vitale Sportvereniging (Association for Vital Sportclubs) who stimulates de development of sport clubs to active, social involved ‘enterprises’. Their belief is that since sport clubs can have a positive impact to the liveability in the neighbourhood, a Vital Sportclub can create advantages in social utility for example in the field of, welfare, health care and labor participation (http://www.vitalesportvereniging.info/). Sport federations and local authorities are as a consequence focusing their initiatives and support to sport clubs that are willing and able to participate in innovative programs.

Pieter Kuijpers (2013) thinks this even leads to a necessity to redesign sport clubs, but before this can take place, a shift of culture within the club is necessary. Besides a culture shift, there should also be a closer look to legislation. Since local government does not allow clubs to open and exploit their facilities. That is why Kuijpers states that maybe the identity of sport clubs should be redesigned totally, starting blanco (Kuijpers, 2013).
7. DISCUSSION AND CONCLUSIONS

Using theoretical frameworks of Evers, Billis, Putters and Van Hout is has been possible to describe the extent of hybridity in sport organizations and the way they are coping with this.

From our description of the actual situation of national sport federations and its development using Everts dimensions framework, we can conclude that many of them are genuine hybrid organizations in many respects. The goals of many of these federations are hybrid, not restricted to sport itself any longer but widened to contributing to social welfare and health. They combine resources from members with commercially earned money (media, sponsors) and subsidies for the participation in governmental (health and welfare) programs. The governance model used seems to gradually develop to a supervisory model.

At the other hand we would like to stress the diversity of these organizations, some being very small and others very extensive and complex. Some are not apparently hybrid in their goals or by explicit use of external resources like sponsors or subsidies for participation in government programs or in any other way. Some still operate as traditional associations and are primarily focussed on their member’s interests and managed by volunteers passionate for their type of sport. There’s a growing pressure however from the sides of the umbrella organization NOC*NSF and of governmental authorities and sponsors, to widen this scope and use sport as a vehicle to enhance excellence outside the sports arena.

The tensions for governing bodies mentioned by Putters as a consequence of this hybridity are also to be found at the sport federations. Marketization and intensified supervision from financing authorities have increased the pressure on boards and managers to operate transparent and be accountable in accordance with the performance regulations given. Individual interests of separate federations may conflict however with the collective agenda decided for on a national level. E.g. last year a collective decision was taken by NOC*NSF to reorganise the system of funding for elite sport activities and to focus on the most promising disciplines. The consequences for individual federations were large; some lost the complete funding they had received for years.

Another type of tension is to be noticed through dilemma’s for managers and boards e.g. to balance the interests of elite sport and sport for all and between the local clubs as traditional stakeholders and other parties like sponsors and media. Local clubs tend not all to be very innovative, while the businesslike activities around elite sport and innovative projects from the government ask for quick and resolute decisions.

Many of the federations seem to recognise their hybrid status, but the way in which this is managed can foremost be qualified as ‘manoeuvring’. They do get involved in commercial activities or accept to participate in governmental programs for welfare or health and try to maintain their association culture at the same time.

The step to hybridity can also be temporarily. Participation in subsidised programs can lead to a temporary involvement in social welfare. E.g. the Power sports federation KNKF developed a ‘Time for martial arts’ initiative for one of these programs and was granted a subsidy of 11 million Euro in a five year period. Because of the financial risks for the federation as a whole they established a foundation with a special board to execute the program and recruit professionals to do this. There is no follow up for this subsidy however and the temporary structures are closed again. The idea however promoted by some to develop to a branche organization which covers all kinds of providers (commercial, local voluntary clubs, non member services) could be qualified as a step to full hybridization.
To cope with the hybrid nature of operating the sport federations make use of several of the solutions put forward by Putters. Governing structures are being innovated, the larger associations are gradually shifting to a supervisory board model, a governance code has been introduced and implemented. There has been some debate however on the way in which this should be done. Some have pledged to make the code compulsory, but in reaction one of the developers remarked: “Compulsory introduction no doubt will lead to a faster and wider introduction, but will this always lead to effective practices. That is to be doubted.” There’s also resistance in some federations. The walkers association threatened to drop out of NOC*NSF because the code prescribes that board members may not be appointed for over twelve years.

Some federations decide to cooperate more closely with others or with funding authorities. Some have cooperatively purchased services e.g. for juridical advice or communication and marketing. A representative of some cooperating smaller associations states however that nationwide programs for social duties which are funded by the government may not be very promising for them: ‘The draughts association is to busy with elite draught and has no capacity to do engage in governmental programs beside that. They just don’t have the workforce for that” (manager collective services sport federations).

Does hybridity have consequences for the autonomy and identity of the organization? As we have noted repeatedly there is pressure on the sport federations from national umbrella organizations and the national government to align with a collective strategy to use sport as a means for social an heath objectives. Some federations are eager to get involved because they have already taken initiatives in this direction autonomously; others are less interested or even resistant. Although this might look as unilateral resource-dependency of the federations on public funds this may in fact be interdependency: the government is to some extend also dependent on the federations and conditions can be negotiated.

The process of hybridisation may deeply affect the internal structure and decision-making culture in the federations involved. The shift to supervisory kinds of governance within the federations is a radical restructuring of the association democracy. In Cornforth’s terms this might mean a shift from membership governance to a self selected board. This development raises the issue of the ownership. Who are the principal owners (Billis) of these federations: do its directors and the board in fact own the federation or the members.

Even more far-reaching may the consequences of hybridity be for the way in which the associations or federations treat their member clubs. The federations and the (local) government with which they cooperate tend to treat them more and more as mere subordinates. The autonomous nature of these local associations is failed. The issue of ownership returns even in a more explicit way on the local level. Moreover most of these local sport clubs are convinced that they are already realizing a social mission.

For future research the question of how these relationships in a hybrid sector will develop is a provocative subject.
REFERENCES


