

# Chapter 1 Organisation of the Olympic Sports World

## 1.1 IOC as Leader of the Olympic Movement

The International Olympic Committee (IOC) was founded by Baron Pierre de Coubertin in Paris on 23<sup>rd</sup> June 1894, and has been headquartered in Lausanne since 1915 (IOC, 2021a). Today, the IOC is an international non-governmental organisation (NGO) in the legal form of an association under Swiss law, with an explicitly pro-social ambition to promote education and peace (IOC, 2021a), thus ensuring its moral legitimacy. With the help of strong commercialisation and digitalisation, the IOC promotes Olympism, which is enshrined in seven Fundamental Principles of Olympism in the Olympic Charter. Principle three defines the idea and ownership, and thus the cognitive legitimacy, of the Olympic Movement and Olympic Games:

*"The Olympic Movement is the concerted, organised, universal and permanent action, carried out under the supreme authority of the IOC, of all individuals and entities who are inspired by the values of Olympism. It covers the five continents. It reaches its peak with the bringing together of the world's athletes at the great sports festival, the Olympic Games" (IOC, 2021, 8).*

From 2017 to 2021, the IOC generated USD7.6 billion from the Olympic Games. Of this, 10% remains with the IOC as an organisation, 21% goes to NOCs, and 69% is passed on to other IOC-recognised organisations of the Olympic Movement (IOC, 2021b). The Games are a major source of funding for the Olympic Movement. However, the money also ensures that the IOC has its practical legitimacy, and thus its power in the governance of world sports (Preuss, 2021). This has to be considered in any strategic consideration.

The Olympic Movement comprises the majority of the organisations in world sport, and at its core it consists of three pillars,

- 1) the IOC as the leader of the movement,
- 2) 40 International Sports Federations (IFs), and
- 3) 206 National Olympic Committees (NOCs).

The NOCs and IFs are umbrella organisations and, therefore, all of their members, i.e., the national federations (NF), sports clubs, and individuals

(athletes, judges, referees, coaches, officials, and technicians), are also part of the Olympic Movement. It also includes the Organising Committees of the Games.

4) Summer and Winter Olympic Games (OCOGs, Organising Committees for the Olympic Games), and

5) Youth Olympic Games (YOG) in summer and winter.

Finally, the Olympic Movement includes other organisations and federations that are recognised by the IOC, such as:

6) the International Paralympic Committee,

7) recognised IFs, whose sports may, at some time in the future, be included in the Olympic programme.

8) 60 other recognised organisations (e.g., Association of National Olympic Committees (ANOC), Association of Summer Olympic International Federations (ASOIF), or simply the International Olympic Academy (IOA), and the International Pierre de Coubertin Committee (CIPC)).

All of the organisations that are recognised by the IOC (Fig. 1), and which represent the Olympic Movement, must follow the duties for their organisation, as written in the IOC Statutes (Olympic Charter), in return for the money and other benefits that they receive.

#### **Fact box: Olympic Charter**

Every organisation of the Olympic Movement is guided by the Olympic Charter. That is, the codification of the Fundamental Principles of Olympism, Rules, and Bye-laws that are adopted by the IOC. It governs the organisations, actions, and functioning of the Olympic Movement and establishes the conditions for the staging of the Olympic Games.

The Olympic Charter serves three main purposes:

- as a basic instrument of a constitutional nature (Fundamental Principles and essential values of Olympism).
- as statutes for the IOC.
- it defines the main reciprocal rights and obligations of the main organisations of the Olympic Movement (IOC, IFs, NOCs, OCOGs), as all of them are required to comply with the Olympic Charter (Robinson, 2020, 12).

This practically means that all of these organisations must bring their statutes and activities in line with the Olympic Charter, in order to remain recognised. However, each IF and NOC retains its autonomy in the governance of its sport and territory (IOC, 2021a, § 25).

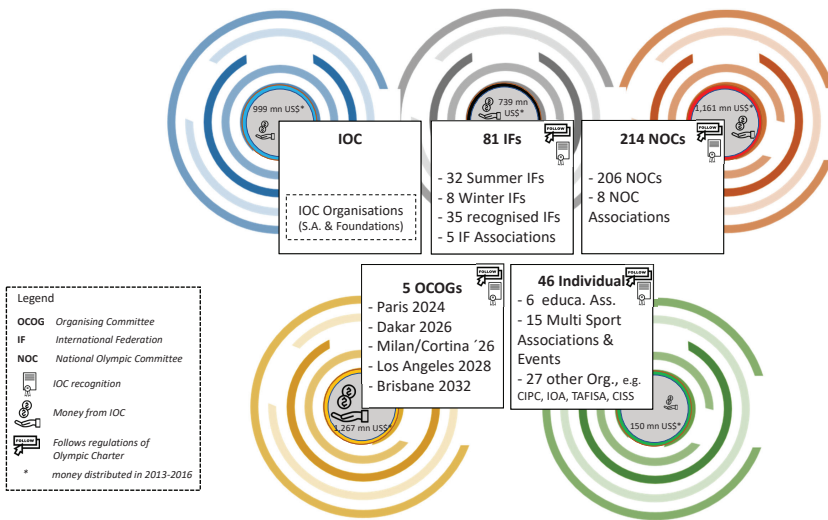


Fig. 1: Organisations of the Olympic Movement financed by the Olympic Games

Sources: IOC (2019, 120f.); IOC (2022a); IOC (2021a, § 45.1.3)

The NOCs received from IOC in 2019 around USD10 million for administration development, and in 2018 USD18.5 million for travel support at Olympic Games.

## 1.2 Role of NOCs in the Olympic Movement

The NOCs are the representatives of Olympism within their respective territories, and play a vital role in spreading the Olympic Values and the work of the Olympic Movement around the world. Their functions include preparing athletes and teams for the Olympic Games, developing sport at all levels, training sports coaches and administrators, and creating Olympic educational programmes. However, the last function can also be taken over by National Sport Federations or governments, e.g., in Türkiye this role is undertaken by the Ministry of Youth and Sports (government), to whom all the NFs are affiliated.

NOCs are *not-for-profit (private)* or *non-profit (public)* organisations. They all must be non-governmental as required by the Olympic Charter, and they must also be legally organised as a non-profit/not-for-profit organisation.

tion, where the majority of member votes are from the Olympic National Sports Federations. The choice of the legal form has an influence on strategic planning, as it can limit or extend the number of actions.

The following differentiation contains legal aspects and, therefore, may be applied differently in different countries or, in some countries, it may even be undifferentiated. However, the basic principles are valid, and changes from *not-for-profit (private)* to *non-profit (public)* do occur.

#### **Illustration: Change of legal form**

The Hellenic Olympic Committee recently changed from a public to a private not-for-profit organisation. The reasons for that can be a lower influence of the government on the one hand, but also a better possibility to get private financing, on the other.

#### *Public Non-Profit NOC*

A (public) non-profit NOC has tax-exempt status by the government because its mission and purpose are to further a social cause and provide a public benefit. To qualify as a non-profit, the NOC must serve the public good in some way. Non-profits do not distribute profit to anything other than furthering the advancement of the organisation. As such, it is required to make all financial and operating information public (Heaslip, 2020). Public non-profit institutions rely more heavily on public support, and are less regulated than private not-for-profit NOCs. For an NOC to become a bona fide public non-profit institution, at least 33 percent of its income must come from small donors, the government, or other charities. The collected funds must then be used to directly support the organisation's initiatives. Since public non-profit NOCs rely heavily on public contributions, typically, they are more susceptible to public scrutiny than private non-for-profit NOCs. Additionally, any public non-profit must contain a diversified board of directors that represent the public interest. More than half of the board must be unrelated, and unable to receive compensation as employees of the institution (Zimmer, 2019). However, the terms "public non-profit" and "private non-for-profit" often may get mixed up, e.g., the Turkish Olympic Committee is legally a public non-profit association, it does not receive any income from the government. Thus, by our definition it is a not-for-profit organisation.

#### *(Private) Not-For-Profit NOC*

Similar to a non-profit, a (private) not-for-profit organisation (e.g., the IOC) is one that does not earn profit for any owner. All money earned

through pursuing business activities or through donations goes right back into running the NOC. However, not-for-profits NOCs are not required to operate for the benefit of the public good. It can simply serve to achieve the goals of its members as stated in its statutes (Heaslip, 2020).

As opposed to a public non-profit institution, in which more than half of the board must be unrelated, a private non-profit organisation can be controlled by a small group of individuals. A fundamental reason regarding why an NOC, such as the Hellenic Olympic Committee, might prefer to establish a private not-for-profit, rather than a public non-profit, is the level of control. Since private not-for-profit NOCs mainly rely upon private revenue generation, they can operate fairly independently. Typically, private not-for-profits are not held accountable by the public, but their actions are limited by stricter and more extensive federal regulation (Zimmer, 2019). For further differences see: <https://www.wallstreetmojo.com/non-profit-vs-not-for-profit/>

### *For-Profit Organisation*

A *for-profit organisation* is one that operates with the goal of making money. Most businesses are for-profits that serve their customers by selling a product or service. The business owner earns an income from the for-profit, and may also pay shareholders and investors from the profits (Heaslip, 2020).

### 1.2.1 Duties and Rights of NOCs

In NOCs, the executive boards have their powers constrained by statutes and regulations which predetermine, to various degrees, not only the very purpose of the NOC but also its level of freedom to diversify or reduce a service. The primary financial driver in NOCs is not profit, but to maximise output and follow the IOC obligations, that are predefined in the statutes via the Olympic Charter within their given budget. While elements of competition exist, cooperation is much more common, because an NOC has a monopoly position in a territory.

Via the NOCs, the IOC is territorially represented all over the world and disseminates its basic ideas, the so-called “Fundamental Principles” (IOC, 2021a, § 27.2.2). The Olympic Charter contains some strict duties for NOCs. They are only recognised by the IOC if they ensure compliance with the Olympic Charter in their country. An IOC regulatory requirement is that the majority of NOC member votes must come from

National Olympic Sports Federations (IOC, 2021a, § 28.3). In addition, governments are not allowed to appoint officials to an NOC, although the members of an NOC may elect government representatives to office (IOC, 2021a, § 28.4), as is currently the case in China. These restrictions limit the strategic flexibility of NOCs.

The NOC revenues contain, firstly, a basic contribution to ensure its political independence; secondly, grants via Olympic Solidarity Programmes (USD590 million in 2021-2024 (IOC, 2020)); and, thirdly, a contribution from the TOP-Sponsors programme, based on the economic importance of the country for the sponsors. The latter is based on the fact that the NOCs keep their territory exclusively free for a sponsor product category, which restricts the strategic options in revenue generation.

#### **Fact Box: Olympic Solidarity**

The Olympic Solidarity Commission (chaired by Dr Robin E. Mitchell) has a special mandate and responsibility under Rule 5 of the Olympic Charter over the following programmes in support of world sport. The budget has been increased to USD590 million (2021-2024) and is divided up into 41% for world programmes (for NOCs to develop sports), 44% for continental programmes (projects of NOCs by continent), and 10% for NOCs to secure participation in the Olympic Games. The missing 5% is used for administration and technical support. This support is intended to help NOCs professionalise, create efficient structures, and organise training at various levels of performance (IOC, 2019, 22 & 80f). Thus, the IOC works very closely with all NOCs, supporting them in the development of their teams for the Olympic Games, and their efforts to promote the Olympic Movement around the world.

Besides the financial benefits, NOCs have the exclusive authority for sending athletes to the Olympic Games, or selecting interested hosts to organise the Youth Olympic and the Olympic Games. Additionally, the IOC provides substantive support by spreading the Olympic ideals and fighting against manipulation of sport events, doping, racism, etc. NOCs also get support for different projects e.g., on environmental protection, grassroots sports, and athlete health. Further, they receive accreditations to participate in all of the Games and all of its events (IOC Session, Olympic Forum, and Olympic Congresses). The Olympic Games and the Olympic Channel deliver media visibility to the NOCs. All of this could be considered in strategic planning.

In return for the financial and service contributions, NOCs implement the stipulations of the Olympic Charter, i.e., they follow the World Anti-Doping Code, create basic good governance structures, fight manipulation of the Games, and remain politically independent of the national government. If the Olympic Charter is violated, the IOC can impose sanctions. These range from withdrawing financial allocations, to limiting the number of athletes to be sent to the Olympic Games (example: weightlifting 2016), to exclusion from the Games (example: NOC North Korea for 2022 (violation § 27.3)), or even exclusion of the entire sport (example: wrestling 2013). All of this affects the size of the national teams. NOCs (or their officials) can also be excluded from the Games (examples: India 2013, Kuwait 2016, Russia 2018, Belarus 2021, and North Korea 2021).

#### Fact Box: Olympic Charter, Chapter 4: NOCs

According to the Olympic Charter, the mission of the NOCs is to develop, promote, and protect the Olympic Movement in their respective countries (IOC 2021a, § 27,1). The expected contribution is to

- promote the fundamental principles and values of Olympism in their countries,
- encourage the development of sport (high performance & sport for all),
- help in the training of sports administrators,
- take action against any form of discrimination and violence in sport,
- adopt and implement the World Anti-Doping Code, and
- secure medical care for, and health of, athletes.

The NOCs must preserve their autonomy and resist all pressures of any kind, including but not limited to political, legal, religious, or economic pressures. The tasks of the NOCs are framing the potential strategic planning and are, therefore, important to consider here. Their tasks are to

- constitute, organise, and lead their respective delegations at the Olympic Games,
- provide for the equipment, transport, and accommodation of the members of their delegations,
- assist the IOC regarding the protection of Olympic properties, and
- recognise national federations.

Further, it is recommended to

- regularly organise an Olympic Day to promote the Olympic Movement,
- include in their activities the promotion of culture and arts in the fields of sport and Olympism,
- participate in the programmes of Olympic Solidarity, and
- seek sources of financing in a manner which is compatible with the fundamental principles of Olympism.

### Illustration: Turkish Olympic Committee

The TOC is a non-profit, autonomous, and non-governmental civil society organisation which is made up of volunteers.

The TOC is the representative and the national constituent of the worldwide Olympic Movement in Türkiye and, as such, promotes the fundamental principles of Olympism at a national level within the framework of sports. It has the exclusive authority for the representation of Türkiye at the Olympic Games and at the regional, continental, or world multi-sports competitions that are patronised by the IOC.

As one of the most important stakeholders of Turkish sports, the TOC uses its mandate as a member of the Olympic Movement to positively enhance Turkish sport. The TOC delivers this by putting athletes first, to ensure that it does all it can to help them achieve their full potential through providing practical, effective, and value-adding support and services to, firstly, athletes and national federations, as well as coaches, other sports officials, and technicians at every level of their sporting pathway.

The TOC also commits itself to the physical, mental, social, and emotional development of Turkish children and youth. To inspire the children and youth through sport and Olympic values, the TOC runs various programmes, integrating sport with culture and education, and encouraging participation in physical activity for children and youth, thus expanding the universality of sport and attempting to bring it to everyone.

There is no separate sport confederation in Türkiye.

### 1.2.2 Finances of NOCs

The financial structure of NOCs provides information about indirect dependencies on national governments, sponsors, and also the payments of the IOC. The two most important financing sources for smaller NOCs are the national governments and the IOC. Sponsoring, Lottery, or NOC assets are other revenues. Revenues from private industry (sponsors, licenses, etc.) are often bound to the use of the Olympic emblems. However, NOCs may only use the Olympic symbol, flag, motto, and anthem within the framework of their non-profit-making activities and in their territory, provided such use contributes to the development of the Olympic Movement, and does not detract from its dignity.

*“The Olympic symbol, the Olympic emblems and any other Olympic properties of the IOC may be exploited by the IOC, or by a person authorised by*



*it, in the country of an NOC, provided that the following conditions are respectively fulfilled:*

*2.2.1 For all sponsorship and suppliership agreements and for all marketing initiatives other than those referred to in paragraph 2.2.2 below, such exploitation shall not cause serious damage to the interests of the NOC concerned, and the decision shall be taken by the IOC in consultation with such NOC, which shall receive part of the net proceeds deriving from such exploitation.*

*2.2.2 For all licensing agreements, the NOC shall receive half of all net income from such exploitation, after deduction of all taxes and out-of-pocket costs relating thereto. The NOC will be informed in advance of any such exploitation.” (IOC, 2021a, § 14 bylaw 2.2)*

Usually, only the NOC emblems can be used within the country of the NOC concerned; such emblems, as well as any other symbols, emblems, marks, or designations of an NOC which refer to Olympism, may not be used for any advertising, commercial, or profit-making purposes whatsoever in the country of another NOC. This restricts the strategic action options for any NOC.

### Case Study: Finances of NOC

The following chart illustrates the share of revenues of NOCs. The size of the country varies, as well as the market for sponsors. What can be seen is that the revenues roughly reflect the relations an NOC has with its supporters.

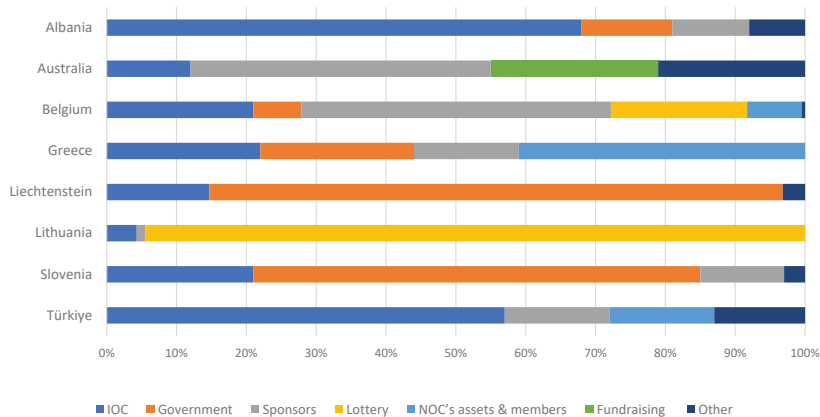


Fig. 2: Share of revenues of various NOCs in percent

Questions to reflect upon:

1. Try to explain why the IOC contribution to NOC budgets is so different. Reflect upon that in relation to your NOC.
2. The government is important in different ways regarding offering help with financing the NOCs. How is that in your country? What do you give to your government in exchange for the money?
3. Sponsors are not easy to find. What are the difficulties in your country to find sponsors? Compare your country to those countries in our case study, and judge how you perform under your particular circumstances.

The following illustrations showcase how different the governmental funding, and the relation between the NOC and the government are. These already show the different roles the government or other sport leading organisations play as stakeholders.

#### **Illustration: Public Funding of NOCs – a huge variety**

Due to a complex political and economic situation in *Bosnia and Herzegovina (BiH)*, the NOC of BiH is registered as an Association of Citizens and, as such, it is not permanently funded by the governments, but the NOC of BiH has to apply for governmental grants under the same criteria as national sport federations and sport clubs. The NOC of BiH does not receive the funds from the government in order to distribute the financial aids. However, the NOC of BiH implements a great number of Olympic Solidarity programmes and projects, through which it helps the national sport federations in the country.

The *NOC of Belgium* has to work with three different communities that have their own political competence over sport. Thus, the NOC only receives around 7% of its income from public authorities (without taking into consideration the subsidies from the National Lottery). The funding for federations (only community-level federations) is managed directly by the executive agencies of these communities.

The *Slovak NOC* has really close collaboration with the government. Sport falls under the Ministry of Education, Science, Research and Sport, where a special Sport Section is designated to handling all sport-related matters. Moreover, in 2019 a position of State Secretary for Sport was developed. The funding is approx. 30% from the government funding, and the amount is based on the fixed percentage, which is stipulated in the sports law. The Slovak NOC is not distributing the government money to the federations, but rather they receive the government funding directly from the government. However, they have several grant projects

which are aimed at the NFs via project-based funding, whereby they can benefit from the funding which the Slovak NOC offers.

### 1.2.3 The Stakeholder Landscape of NOCs

The Olympic organisation landscape is complex, and NOCs have many other organisations and interest groups to work with and to rely on. The constant change of the environment, and ever new challenges, affect the shape of the stakeholder landscape.

Stakeholders are all groups of people or individuals who are affected by the NOC's activities, or can influence its success (Holzbaur, 2020, 20). Many strategic actions which involve stakeholders and NOCs should take into consideration their power, interest, influenceability, and alignment with each NOC project (see stakeholder analysis). Many initiatives will only be successful when the NOC cooperates successfully with stakeholders because, often a value is only created when both involve their resources (value co-creation) (Woratschek et al., 2014). In other words, strategic planning involves cooperation with stakeholders in order to create the value.

The following case study addresses many stakeholders, and illustrates how a collaboration of them creates value through the Olympic Day.

#### Case Study: Olympic Day – Digital 22nd-26th June 2021

Every year, more than 140 countries participate in Olympic Day. From South Africa to Norway, and from Canada to Australia, millions of people celebrate Olympic Values. The Olympic Day marks the founding day of the International Olympic Committee (IOC) on 23rd June 1894, and all National Olympic Committees are encouraged to participate.

What is special about Olympic Day is that it combines sport and movement with Olympic Values. Under the motto of “Move”, “Learn”, and “Discover”, people of all ages can try out a wide range of sports, meet sports stars, and take part in hands-on activities and many attractive activities related to the fascination of the Olympics. The organiser of Olympic Day in Germany is the German Olympic Academy (on behalf of the German Olympic Sports Confederation, DOSB).

Sports students at the University of Leipzig are looking into Olympic Day 2021 as part of a project.

What could Olympic Day in Germany look like in the future? What creative approaches are there to enable its implementation, even in the current pandemic situation? 28 sports students of the University of Leipzig

presented these to a jury of the German Olympic Academy (DOA) and the University of Leipzig.

As an international day of exchange and movement, Olympic Day combines Olympic Values and an extensive sports, information, and exercise programme. However, the 2020/21 pandemic situation made it almost impossible to implement the event as a live event for the second year in a row. The students took up this current challenge, and dealt with how a comprehensive Olympic Day concept for Germany could look. In addition to creative solutions for times with limited contact opportunities, clear visions and goals, as well as realistic financial and marketing plans, were important criteria for the jury.

The groups chose contemporary formats that are centralised and decentralised, as well as purely digital or hybrid, for a possible implementation of Olympic Day. Ideas ranged from an Olympic Family Day, to a school competition. The international motto of the Olympic Day: “Move”, “Learn”, “Discover”, was taken up and imaginatively considered in the respective concepts. Theoretical workshops, practical (digital) sports activities, and the Olympic Run were the common thread throughout the concepts of the individual groups for Olympic Day. The target groups for the implementation of the project varied, from children and young people, to parents and senior citizens. In addition, the individual groups focused on different locations such as Munich, Leipzig, and Frankfurt.

Source: DOA (2022)

Questions to reflect upon:

1. Besides the DOA (DOSB), which other stakeholders were involved in the plan of Olympic Day?
2. Using a brainstorm process, consider which resources were involved at Olympic Day, from the respective stakeholder groups.
3. Discuss why the value of Olympic Day is only given when it gets co-created by several stakeholders.

The NOC cooperates with various governmental and public institutions in its efforts to protect the interests of athletes, coaches, medical staff, Olympians, and others. However, they shall not associate themselves with any activity which would be in contradiction with the Olympic Charter, stating that NOCs “may cooperate with governmental bodies, with which they shall achieve harmonious relations” (IOC, 2021a, § 27.5).

Figure 3 illustrates the various stakeholders (interest groups and partners) of an NOC, which can be internal and external.

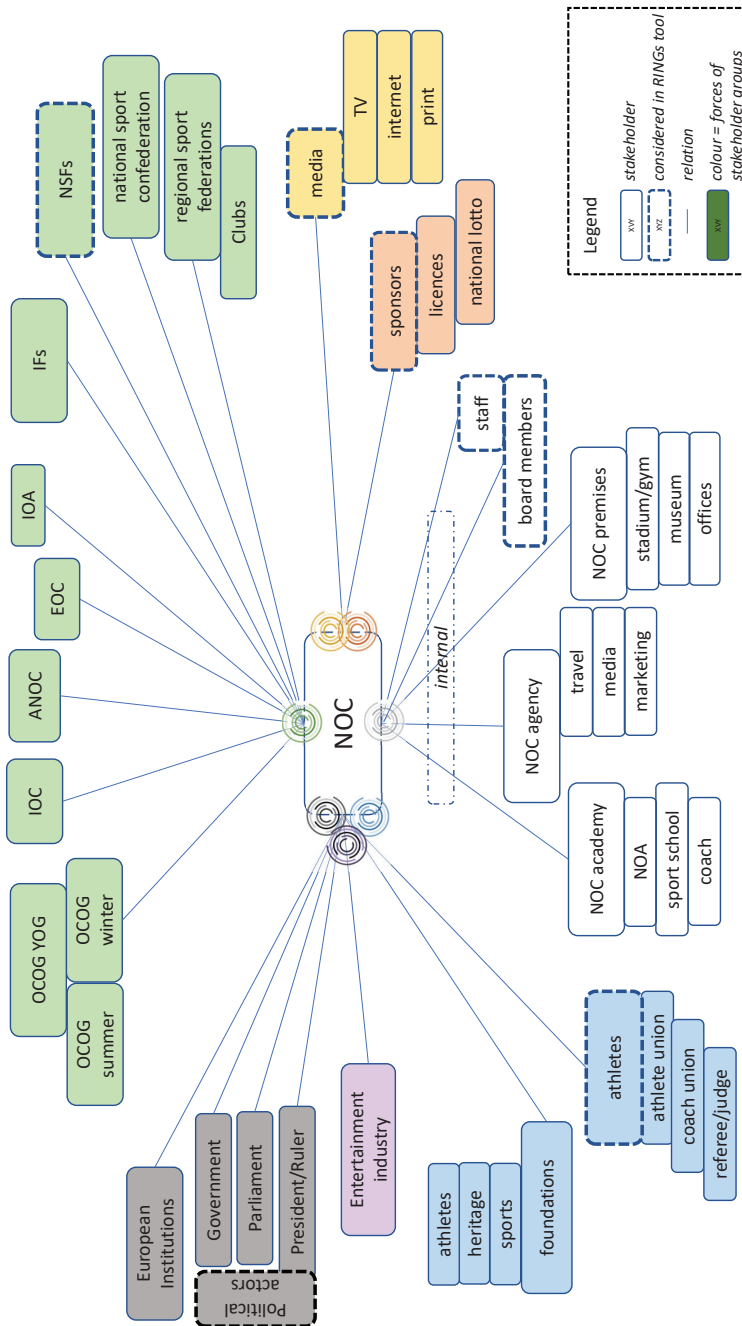


Fig. 3: Stakeholder Landscape of NOCs

From these many factors, the RINGS Project contains 10 main stakeholder groups which are the most important for NOCs. Political actors, athletes, member organisations, NOC board, staff, media, sponsors, NGOs, other actors in sport and international umbrella organisations (marked in Fig. 3).

Figure 3 contains six forces (Chappelet, 2005, 20):

1. Relations among the Olympic Movement (green)
2. Sport media corporations (yellow)
3. Sponsors and other commercial partners (orange)
4. Athletes, coaches, fans, and their unions and foundations supporting them (blue)
5. Entertainment industry (lilac)
6. Governments, intergovernmental organisations, and public authorities are interested, as sport is an important socio-economic phenomenon. They often finance the NOC (e.g., the Liechtenstein NOC a lot, but the Türkiye NOC not at all) (grey colour).

The force missing here is internal (white colour), which can be the board members, the staff, or internally built (strongly connected) institutions. Often, that is the National Olympic Academy, internal marketing, or travel agencies owned by the NOC. Finally, NOCs sometimes have their own premises (e.g., a national stadium or an office building, such as is the case for the Hellenic Olympic Committee).

### Insights: Governments as Stakeholders of NOCs

A poll among 11 European NOCs (RINGS Partners) has shown that the government is the most important stakeholder, and that it is also the most difficult to work with.



Fig. 4: Poll on the most important stakeholders of 11 NOCs

Further, the question was asked: “What currently are the biggest challenges for your NOC?” Of the responses, government relations are in bold type; and each NOC could only mention three most important challenges:

65%	<b>convincing the government</b>
40%	financial instability
35%	restructuring my NOC
30%	lack of monitoring the success of efforts
30%	<b>no public funding</b>
25%	lack of professionalisation
20%	people engaging in sport outside clubs
20%	federations losing members
10%	missing knowledge about how to manage change
10%	federations are <b>losing government trust</b>
5%	loss of reputation

### 1.3 Good Governance at NOCs

Strategic management has to consider good governance. NOC management refers to the control and regulation system. However, the term “governance” is often used loosely. As good governance will have to be considered as a must in strategic management of NOCs, and due to the fact that it is also necessary for successful change management, this chapter will provide some basic explanation.

*“The sports movement has a special responsibility in the discussion about integrity because by definition, all sports organisations stand for the values of excellence, fair-play and respect. As values-based organisations, we have the double duty to ensure that we uphold the principles of good governance in all our activities.” (Bach, 2017)*

However, the media investigate the evidence they gather, and then report on cases of mismanagement of major sporting bodies, but this is also true for the NOCs which are closely associated with the IOC and the Olympic Games. This shows that good governance is still not reached, regarding a necessary level. To our knowledge, to date, there is no study on the NOCs, but there is a fourth review of IFs.

The ASOIF published its fourth review of IF Governance led by the Governance Taskforce (GTF) (ASOIF, 2022). In the context of evidence of cases of mismanagement of major sporting bodies, the ASOIF General Assembly in 2016 mandated a Governance Task Force (GTF) to assist the summer IFs in promoting a better culture of governance, to help ensure that they are fit for purpose, or could rapidly achieve that status. Methodological governance was split up into five sections. Each section consisted of ten indicators and had a theoretical maximum score of 40, and a minimum of 0. 33 IFs were investigated in 2021/22 (ASOIF, 2022).

Tab. 1: Governance status of IF

Integrity Section	Min	Max	Mean	Median
Transparency	27	39	35.6	36
Integrity	16	39	29.3	28
Democracy	20	39	30.5	31
Development	11	39	29.2	30
Control Mechanisms	16	39	28.1	28

Source: ASOIF (2022)

Several IFs posted section scores as high as 39 out of 40, while a handful had scores for specific sections under 20. Consistent with the findings in previous studies, the Transparency section was the highest-scoring overall for most IFs. Four of the top seven best-performing IFs were within one point of the maximum in this part of the assessment. Integrity and Control Mechanisms were the joint-lowest scoring in terms of the median figure (ASOIF, 2022).

SIGGS, tool, developed in an Erasmus+ Sport co-financed project and led by the EOC EU Office, (see Fig. 5) was designed to help the NOCs in undertaking a self-assessment of governance. It is important to note, that strategic management must consider and promote a better culture of governance. Further, the level of good governance has an effect on options



and also on stakeholder relations. Good governance must be considered in strategic planning.

*“Recognising that sport occurs within the framework of society, sports organisations within the Olympic Movement shall have the rights and obligations of autonomy, which include freely establishing and controlling the rules of sport, determining the structure and governance of their organisations, enjoying the right of elections free from any outside influence and responsibility for ensuring that the principles of good governance are applied.” (IOC, 2021a, Fundamental Principle 5)*

Strategic management involves “the use of power to direct, control and regulate activities within an organisation, and deals with high-level issues of strategy, policy, transparency and accountability” (Robinson, 2020, 18). Governance is the process of decision-making, and the process by which decisions are implemented (see Brands, 2017) as example for Netherlands). An analysis of governance focuses on the formal and informal actors (athletes, NFs, etc.), and the formal and informal structures (strategic planning, programmes, systems, etc.) that have been set in place to arrive at targets and implement decisions.

In a slightly different way, compared to the analysis of IFs, we can consider for the NOCs four principles of good governance: 1. integrity, 2. autonomy and accountability, 3. transparency, 4. democracy, inclusivity, and participation. Inherent in these principles are “control mechanisms” to avoid misbehaviour. The EOC EU Office, together with the project consortium, has developed the aforementioned self-assessment tool named “SIGGS”, by providing practical guidance to implement good governance in an NOC.

#### Illustration: Good Governance at NOCs

SIGGS (<http://pointsapp.novagov.com>) is an online self-evaluation tool, which aims at providing practical guidance to NOCs and federations on the implementation principles of good governance. SIGGS 2.0 consists of an online questionnaire of 61 questions, depending on the nature of your organisation, focusing on four main principles:

Integrity

Autonomy and  
Accountability

Transparency

Democracy,  
Inclusivity, and  
Participation

By completing this online self-assessment, sport organisations can achieve an overview of their strengths and weaknesses, in terms of the implementation of these four principles, and a customised action plan, that is tailored to their specific situation.



Fig. 5: SIGGS Self-Evaluation Tool

Source: EOC EU Office, [www.siggs.eu/content/information-sheet-siggs-self-evaluation-tool.html](http://www.siggs.eu/content/information-sheet-siggs-self-evaluation-tool.html)

The tool is accessible to all sizes of organisations, free of charge, and it contains multiple examples of guidance and good practices.

Table 2 shows the four principles of good governance and 20 SIGGS headlines. Those marked in *italic* are of particular importance, or they directly refer to strategic planning. The four principles are referred to in the columns from left to right: 1. Integrity, 2. autonomy and accountability, 3. transparency, 4. democracy, inclusivity, and participation.

Tab. 2: Principles of good governance

	Integrity	Autonomy and Accountability	Transparency	Democracy, Inclusivity, and Participation
1	<i>Personal integrity</i>	Autonomy	<i>Vision and mission (2.3)</i>	<i>Statutes (2.3)</i>
2	Sanctions	<i>Accountability</i>	<i>Strategy (2.0)</i>	<i>Democratic process and elections</i>
3	<i>Risk management</i>	<i>Responsibilities and clearness of role</i>	Availability of documents	Decision-making process
4	<i>Human resources management</i>	Career support for athletes/ staff/ volunteers	<i>Internal communication and consultation</i>	Representativeness and participation of athletes
5	Integrity of sport competitions	<i>Financial aspects</i>	<i>External communication</i>	Diversity and inclusivity

Italic = content directly connected to strategic management  
(x.x) = refer to chapters of this handbook

Each NOC should take a closer look at the four principles and their meaning for strategic planning.

Integrity means to be honest, and to show a consistent and uncompromising adherence to ethical principles. The NOC should act in an honest and truthful way in all of its activities, and towards all of its stakeholders. A strategy based on integrity holds NOCs to a more robust standard. While compliance is rooted in avoiding legal sanctions, organisational integrity is based on the concept of self-governance, in accordance with a set of guiding principles (SIGGS, 2022). This refers to persons as well as to strategic plans.

Accountability will be addressed when change management is under analysis. It means that the NOC has to explain what will be done, why it will be done, and also what has been done so far. This leads to acceptance for its future activities and actions, and it will disclose the results of its activities, in order to avoid any perception of mismanagement. An NOC is accountable to its members (general assembly), to the government (as it is often funding the NOC), and to the IOC. It also includes the responsibility for money or other entrusted property (SIGGS, 2022). Autonomy means

a degree or level of freedom and discretion that is allowed to an organisation, and which includes not being controlled by others or by outside forces. Autonomy has to be understood in a twofold perspective: political autonomy and financial autonomy (SIGGS, 2022). Both will enable an NOC to act freely and to develop its own strategic plan.

### **Insights: Autonomy of NOCs and Cooperation with National Authorities**

In the application of Recommendation 28 of Olympic Agenda 2020, the IOC now allows the NOCs and NFs at the national level, and the competent government authorities to develop a regular and constructive dialogue (i.e., memorandum of Understanding, a cooperation agreement, and/or a partnership agreement) on the basis of the Olympic Charter (IOC, 2021a, Fundamental Principle 5)

*“Recognising that sport occurs within the framework of society, sports organisations within the Olympic Movement shall have the rights and obligations of autonomy, which include freely establishing and controlling the rules of sport, determining the structure and governance of their organisations, enjoying the right of elections free from any outside influence and the responsibility for ensuring that principles of good governance be applied.”*

But, it is clear that autonomy alone is not supporting the Olympic Movement. The development of sport in a country requires harmonious collaboration, synergies, and common-sense relations between both, the public authorities and national sports organisations, in the framework of their missions as both aim to develop, regulate, and manage sport.

“Responsible Autonomy” implies rights, such as the power of self-regulation, internal governance rules without undue external interference, etc., but also duties such as respect for the general legal framework that is applicable in the country, the rules of the IFs, the principles of good governance, etc. Thus, the NOCs and NFs do not act in isolation, outside of their national context. They are part of the local society. It is a fact that the majority of NOCs and NFs rely on the technical and/or financial support of the public authorities to pursue their activities and sport within their country. Additionally, the public authorities support sport by having policies that are established to fight against doping, corruption, illegal betting, match-fixing, violence, racism, etc..

Sports organisations are non-governmental organisations with their own legal personality, that are governed by their own statutes, with the ability to comply with the World Anti-Doping Code and to implement it at their level, and to make provision for independent mediation and/or

arbitration mechanisms to deal with sports-related disputes. All of this is in conformity with the general framework of the applicable law and the universal principles and rules of the IFs by which they are recognised. A constructive and inclusive dialogue between the government authorities and the sports organisations is needed in order to establish a consistent sports policy and a legislative framework, which are compatible with the general principles of law in the country, the minimum principles of the Olympic Movement, and the rules of the IFs.

An example of a structural cooperation with public authorities comes from the *NOC of Belgium*. It has a close cooperation with the three different language communities that have the political competence over sport. The type of recognition and the type of cooperation differ from community to community. In terms of elite sport policy, the NOC works together with the three communities within the ABCD cooperation. This cooperation is based on a cooperation agreement (ABCD agreement), which sets out the principles of cooperation and creates the formal structures for interaction between the different actors. The highest level of interaction is called ‘the Olympic Platform’ and it brings together the three Ministers who are responsible for Sport, and the President of the NOC.

Source: Morgan (2020)

Transparency is a key principle in strategic management. It refers to openness and the communication of important information. It must be transparent; that is, it has to be easy for others (both internally and externally) to see its actions. A fundamental headline here, is to have a clear “Vision and Mission” (subchapter 2.3), and to publish the “statutes” which contain the objectives of the NOC. Transparency can be defined as the minimum degree of disclosure to which agreements, dealings, practices, and transactions are open to all for verification. However, it is not always the case that a full transparency would be a good move in strategic management, as it may cause trouble at too early a stage, or it may inform competitors about the plans/contracts.

Democracy means that there is a rule for electing and replacing board members by way of elections. It is a system of organisation that is based on freedom, instead of fear and control (SIGGS, 2022). The Olympic Charter demands that the voting majority of NOCs is in the hands of Olympic NF (IOC, 2021, § 28.3). However, it is also demanded that all rules and procedures apply equally to all stakeholders and members. Additionally, there are stakeholder groups that should be considered to be taking part

in each decision-making body (e.g., athlete representative, disabled representative). This directly refers to inclusivity. Ensuring inclusivity means that the involvement of diverse individuals / stakeholders in the NOC must be completed by a functioning, which values the perspectives and contributions of all people, and strives to incorporate the needs and perspectives of diverse communities into the design and implementation of universal and inclusive programmes (SIGGS, 2022). Indirectly, this ensures a representation of all stakeholder groups in the relevant decision making process of strategic planning.

#### **Illustration: Good Governance of NOCs**

Good governance is part of the Fundamental Principles of Olympism. Since 2017, the IOC has increased its efforts to strengthen its principles of good governance, promoting integrity across all NOCs. For the IOC, it is clear that good governance is important, in order to justify and constantly maintain the autonomy of sport and the Olympic Movement. According to the IOC and Robinson (2020), there are seven themes that impact on the governance of NOCs:

1. Vision, mission, and strategy
2. Structures, regulations, and democratic process
3. Highest level of competence, integrity, and ethical standards
4. Accountability, transparency, and control
5. Solidarity and development
6. Athletes' involvement, participation, and care
7. Harmonious relations with governments while preserving autonomy

#### *1.4 Current and Future Challenges for NOCs*

The aim of this subchapter is to shed more light on the future of sport and its impact on the NOCs, and to show what changes are necessary, and to be expected, as a result of foreseeable social, technological, and regulatory trends in international sport. Sport is currently exposed to multiple influencing factors and challenges. It is shaped by society (e.g., conditioned by societal demand for eSports), driven by pressures for sustainability (e.g., the IOC commits all recognised sports organisations, including NOCs, to sustainable sports), and transformed by modern technologies (e.g., use of video referees at Olympic Games since 2016). And the dynamics of these influencing factors have never been as large and uncertain as they are today (Aschauer et al., 2022). In this dynamic environment, the systematic

examination of future scenarios becomes an indispensable prerequisite for the future viability of athletes, and officials of the NOCs, because for more than 20 years “sport no longer represents [...] only a system of activities that is primarily shaped by sport-related rules” (Breuer, 2003, 4).

The following short explanations show the challenges NOCs are facing today. There are many challenges for NOCs, which vary due to different size, culture, organisational structure, etc. Many of them affect the strategic plan or must be considered in strategic thinking. In 2021, the IOC released Agenda 2020+5. The trends and challenges that the IOC foresees are integrated into the following list of challenges to NOCs.

### Fact Box: Agenda 2020 and Agenda 2020+5

Olympic *Agenda 2020+5* (IOC, 2021c) builds on the results of *Olympic Agenda 2020* (IOC, 2014) (adopted in 2014). Agenda 2020 strengthened the Olympic Movement by introducing 40 changes (e.g., make the Olympic Games fit for the future; safeguard the Olympic Values; and strengthen the role of sport in the society). These achievements have laid a solid foundation for the future.

The 15 recommendations of Agenda 2020+5, launched by the 2021 IOC Session, emerged from an inclusive and collaborative process of proposals around the world, and from all NOCs. The new recommendations are based on “key trends”, that are identified as likely to be important in the post-COVID world, where sport and Olympic Values could play a key role.

The five key trends include:

1. The need for greater solidarity within and among societies
2. The growth in digitalisation
3. The urgency of achieving sustainable development
4. The growing demand for credibility, for both organisations and institutions
5. The need to build resilience, in the face of the financial and economic consequences that will result from the COVID-19 pandemic, and which will most likely influence future priority-setting among governments and enterprises.

These trends are backed by 15 recommendations, but not all of them are applicable to NOCs. They are all tangible, with key deliverables:

1. Strengthen the uniqueness and the universality of the Olympic Games
2. Foster sustainable Olympic Games
3. Reinforce athletes’ rights and responsibilities

4. Continue to attract the best athletes
5. Further strengthen safe sport and the protection of clean athletes
6. Enhance and promote the Road to the Olympic Games
7. Coordinate the harmonise the sports calendar
8. Grow digital engagement with people
9. Encourage the development of virtual sports and further engage with video gaming communities
10. Strengthen the role of sport as an important enabler for the UN Sustainable Development Goals
11. Strengthen the support given to refugees and populations affected by displacement
12. Reach out beyond the Olympic community
13. Continue to lead by example in corporate citizenship
14. Strengthen the Olympic Movement through good governance
15. Innovate revenue generation models

All NOCs face several challenges in the (near) future. These have a different origin and affect each NOC in a different way. The challenges presented here may be the reason for change and must, therefore, be considered in strategic planning. Challenges occur either through disruptions of a system that worked well before, or as a further development of a trend that, at a certain point, pressures an NOC to change.

In the following, some challenging areas are displayed (see also ASOIF, 2019). They should be considered by an NOC, in order to adopt a better approach to taking an active part in changes, by aiming to use them as opportunities. Alternatively, an NOC can wait while other organisations change more quickly, and then the NOC can react, and copy the others, which obviously is a risky strategy.

#### 1.4.1 Organisational Challenges

- 1) *Each new edition of the Olympic Games will be new, modern, and demanding for NOCs*

Each NOC has to be ready for the next Games with all its specificities. The IOC organises “Hosting Games preparation forums” and publishes “Playbooks” to assist NOCs in their planning for attending future Games.

- 2) *NOCs need Good Governance*



There is a high demand for credibility, for both organisations and institutions. The IOC delivers services to help NOCs comply with the Olympic Charter, and implement the Basic Universal Principles of good governance, as well as offering support related to elections, statutes, and dispute management. The EOC EU Office published the SIGGS project, thus providing a self-assessment tool for NOCs, in order to better their governance.

3) *IOC expects that NOCs develop Olympic Festivals*

NOCs shall develop the Olympic Festival initiative, following a successful pilot during PyeongChang 2018, in establishing live sites within their countries/territories during upcoming Games, so as to engage local fans.

4) *NOCs shall fight manipulations*

Fighting all forms of cheating is a key for sports integrity. The NOCs, with the support of the IOC, need to set up robust educational programmes and intelligence systems, and engage in partnerships with various stakeholders. Both doping and match fixing destroy the integrity of sport competition and the value of fair play. Additionally, the limit of human performance triggers manipulation (technology doping and genetic doping), but technology also develops high performance sport (Balmer et al., 2012). Even though it is not directly the task of an NOC, it does challenge the system, and as has been learned from the systematic doping in Russia, for example, the NOC and National Anti-Doping Agencies may be in league with any conspiracy and would, subsequently, be excluded from the Games.

5) *Safeguard athletes and sport events*

NOCs must protect athletes from harassment, guard against injuries, and help protect their mental health. NOCs shall develop toolkits (such as undertaken by the IOC) and athlete safeguarding policies, procedures, and initiatives. Additionally, the danger is that sport competitions and events could get used by terrorists, extreme groups, or political statements, or spectators with strong particular interests. All of these can lead to higher security standards. How resilient are the NOCs to disruptions in the safety environment?

The next chapter looks at the financial challenges and upcoming disruptions that NOCs should consider when drafting a strategic plan.

## 1.4.2 Financial Challenges

### 6) *Capitalism & monopoly*

Without regulation, the capitalist free market leads to domination by the wealthiest governments, corporations, or individuals. Private investors (states and individuals) take over the control of parts of the sport market (leagues, federations, clubs, athletes), and benefit from the imbalance of the unevenly financed sport market. But, this is only by using sport for their own wealth, without any genuine interest in the sport system itself. The regulation systems, e.g., by the IOC, are challenged and it can be seen that some regulations were, or will soon be, taken over by governments or NGOs (such as Interpol regarding match fixing, US Justice at FIFA scandals, or British Governance to control Premier League Clubs).

The challenge is to keep the autonomy of NOCs, but also to show solidarity with small and poor NOCs. This also refers to keeping a competitive balance among nations at the Olympic Games. For example, through supporting athletes from poor countries, to train and attend the Games, or very practically in supporting the supply of uniforms to poor NOCs. The IOC has a liaising system with the World Federation of the Sporting Goods Industry, on a programme to provide free athlete uniforms for upcoming Games to those NOCs that are most in need.

### 7) *Sustainability*

NOCs receive financial support via Olympic Solidarity for NOCs' sustainability initiatives. The IOC provides technical support on sustainability for NOCs, e.g., through the creation of regional NOC sustainability working groups.

The next chapter looks at the technological challenges for NOCs, as technology is a driver for innovations.

## 1.4.3 Technological Challenges

### 8) *Covering the Olympic Movement 365 days a year*

NOCs shall reach their population all year round with Olympic content. This gets supported by the "Olympic Channel", in covering Olympic sports for 365 days a year. However, technology may help each NOC to create and spread Olympic news and values.

9) *Digitalisation*

The increasing speed of digitalisation, and the development of Artificial Intelligence (AI), both challenge each NOC. It has to be kept in mind, that there is need to expand the digital capability, and this is also true regarding the currently digitally underserved NOCs. AI can support NOCs in many matters, but for that, a great abundance of data needs to be collected. Data are the basis for highly complex algorithms, but at the cost of the transparency of the athletes, officials, spectators, and organisations. How can data protection be secured? And how can the NOC avoid becoming too dependent on AI systems?

10) *Virtual worlds and eSport*

Esports, virtual reality, and metaverse – these will be the reality of NOCs in the very near future. The world of Sport will be partly reborn, with new opportunities to compete, meet, exchange, consume, and entertain in the Metaverse. New sports, new organisations (NF), and new owners will construct a parallel universe; indeed, a parallel sport system. The IOC entered that field already, with the IOC virtual Olympic series, and already makes plans for the first Virtual Sport Festival for Singapore 2023. Further, new international federations pop up, such as the Global Esports Federation (GEF), with the aim of connecting to organised sport.

The next chapter looks at the political challenges for NOCs; and there are many that should be considered in strategic planning.

#### 1.4.4 Political Challenges

11) *Political neutrality required*

The IOC is the leader of the Olympic Movement and has to provide mediation among 206 NOCs. Thus, it has established the NOC institutional relations team, to resolve issues related to the political neutrality of the Olympic Movement, particularly in situations where athletes have faced challenges to participate in competitions, due to discrimination or political constraints.

However, with the war in Ukraine, it seems that a new world order may occur. Wars and de-globalisations will be a challenge for the Olympic Movement. NOCs get challenged by disrupted international relations, including solidarity actions for other nations (e.g., the Ukraine or Syria). The IOC has the great challenge of keeping a global competition running, with the best athletes in each sport competing in

peace. Olympic sport, with NOCs at the centre, will take on a new role as facilitator for peace, or gate opener for reconciliation.

12) *Supporting refugees*

The IOC initiated a refugee foundation and closely collaborates with UNHCR. However, NOCs also have challenges with large numbers of refugees, in particular when millions enter from neighbouring countries (such as into Türkiye from Syria, into Poland from Ukraine, or into Spain from North Africa). It is expected that NOCs would commit to ensuring that displaced young people can access sports facilities and programmes, and are free to take part in competitions at all levels.

13) *Gender equality*

The first challenge is that the NOCs shall advance in gender equality in their countries' sport organisations. Obviously, that is easier for some countries (e.g., Scandinavia), but difficult for others due to their cultural background (e.g., Afghanistan, Saudi Arabia). Another challenge is to work with third gender or transgender individuals. Finally, the question is: "How should we treat female athletes with hyperandrogenism, which results in increased testosterone production, and may disrupt their equal chances?". All of these gender issues call for NOC policies and integrity.

14) *Solidarity and social change*

The youth are the sport consumers of tomorrow. The media consumption, excitement, and consumption of sport will surely change. However, humans wish to move and stay physical, and competition is human nature (maybe in a different way, though). Movement, physical actions, and human nature will continue to attract the sport behaviour of the youth. On the other hand, many societies have a growing elderly population (the *Silver Society* or *Silver Tsunami* - agile and interested old people, who feel increasingly younger). Overall, more people are single and the urban population is growing. All of these factors challenge the NOC regarding the width of its programmes. The NOCs shall consider reaching out for greater solidarity within and among the societies, in its strategic planning.

15) *Autonomy of sport organisations and NOCs*

The immense money in sport (fostered by private investors), and the potential image effects, both disrupt the currently existing solidarity model of the organised sport system. Investors and interests of states add to the imbalance of the sport system and will, at some stage, disrupt it (consider, for example, the private swimming league challenging grassroots sport, Saudi Arabia with LIV-Golf challenging

qualification systems, or boxing and weightlifting with irregularities challenging the integrity of sport). Furthermore, politicians and governmental power use NOCs or sport clubs/leagues/events to illustrate social responsibility and sport enthusiasm, but they may strive, in reality, to either cover-up or disguise other political decisions (nationally, to placate the population via “bread and circus” acts, or internationally via “sports washing / diplomacy”), or they may use the Olympic Movement to increase influence (soft power). The autonomy of NOCs or their member federations will constantly be challenged, and political actions and interference will affect the sport eco-system (influenced, for example, by heavy investments versus minimised subventions). The final chapter on challenges covers the environmental situation. These challenges have a massive influence on strategic planning for NOCs.

#### 1.4.5 Environmental Challenges

##### 16) *Pandemics*

In terms of COVID, SARS, and Zika Virus, it is a fact that globalisation and Olympic Games support the spreading of diseases. The fight against such spreading hits sport, NOCs, and events, and causes chaos in the sports calendar; hence, there is a need for a diverse finance structure to cope with it.

NOCs need to build resilience in the face of the financial and economic consequences resulting from the COVID-19 pandemic. The change of priority-setting among governments and sponsors has to be managed.

##### 17) *Global warming*

For many NOCs, sports, and Olympic hosts (nations) it will be challenging to deal with weather inconsistencies and with environmental requirements, such as green policies or energy saving. The environment will become an ever-stronger stakeholder. Ecological sustainability considerations will have to be considered in strategic planning by the NOC, as the weather and climate change, have very strong influences over how to practice sport (and to what degree), and how to maintain sport facilities.

The list of challenges for NOCs, as noted in this subchapter, is certainly not exhaustive. The utility of this list, is in providing an impetus to stimulate strategic discussions, to question the existing processes and projects in

an NOC, and should serve to stimulate sports policy debates and promote innovation in the NOCs.