

Research on the Role of Government in the Management Reform of the Large-scale Stadium

Lin Youliang¹, Zhu Mingjiang²

¹ P.E. Department, Wuhan University of Technology, Wuhan, P.R.China, 430070

² North China University of Water Resources and Electric, Zhengzhou, P.R.China, 450046

(E-mail:hllyl003@126.com, hotff@sina.com)

Abstract: This paper discussed China's current management status of the large-scale stadium by using the methods of the literature review, and we interviewed experts and use questionnaire to analyze common problems caused by government management control in large-scale stadiums. On the basis of analyzing the reasons, we found the advanced foreign ideology of sports management should be adopted; management system should tie in with a sound performance management system and optimize internal management system of large-scale stadiums and the coping strategies; multi-level management strategies should also be implemented.

Key words: Large-scale stadium; Management system; Government; Reformation

1 Introduction

The large-scale stadium (briefly LS) as the landmark of sports industry has been monopolized by government in terms of its management in China. In 1980s, State Sports Commission required that LS should focus on sports and be operated by diverse organizations, which led to the transformation of its management from the executive type to the operational one. However, the sustainable development of LS is curbed because of its undesirable planning and construction as well as single mode of its function and operating management and the lack of operation talents and the likes. In 2008, Beijing Olympic main stadium adopted ownership bidding to select the specialized and standardized unity of investor and constructor and operator to manage the stadium collaboratively. It marks the management and operation mechanism of Chinese stadium has moved to a new phase of management led by the government and mainly joined by society and market. Practice has proven that intervention of society and market is the effective way to achieve the maximum benefit and promote stadium's profitability. Does that mean government should withdraw from the management of the stadium? To answer this question, this paper will do research on the problems showing up when government intervenes the management of stadium and the main obstacles in reform and how to solve these problems to promote the profitability.

2 Subjects and Methods

2.1 Subjects

The subjects involved in this research are the large-scale stadiums in 13 provinces (including municipalities and autonomous regions) and 161 chief leaders who are responsible for the stadiums.

2.2 Methods

Some questions from *Survey on the Current State of Operating Management of Large Stadiums and Its Reform* were adopted due to the need of research. The reliability and validity of the Survey were confirmed by three rounds of experts, which were 0.89 and 0.87. The survey was approved by State Sports Bureau to do in all provinces. The survey was carried out under the organization of the branch of economic administration of each provincial sports bureau. Chief leaders of those stadiums were appointed to fill in the form of summed results, which guaranteed the reliability of the survey. 156 questionnaires were handed out and collected back which are 100% valid.

The questionnaires were graded according to Likert Scale. They were given scores (respectively 5, 4, 3, 2, 1) according to the degree of contentment. Then they were disposed systematically with SPSS12.0.

3 General Current Situation of Stadium Management Mechanism

Based on on-the-spot investigation and questionnaires of stadium management reform in those districts where the market economic mechanism was performed early, we think the current stadium management mechanism can be classified into four types:

(1) Traditional Administrative Management System. The representatives of this category are Shenzhen Sports Centre, Dongguan Sports Stadium, and Nanjing Wutai Mountain Sports Centre ,etc.

Table 1 shows that this traditional management system is still the main stream. This kind of system has its validity and rationality, mainly resulted from two aspects: on the one hand, the construction of stadium is invested by the government whose executive bodies the state-owned administrative units so these units executes the management function of state-owned capital abide by the government; on the other hand, the stadium is undertaking the comprehensive functions such as offering social services, promoting the image of the city and acting as the base of exercising and training. However, along with the gradual improvement of the market economic system, the traditional management is more and more lagged behind. Furthermore, the high running and preserving cost, monotonous function, long slack period and low economic benefit altogether have been in great pressure on government.

Table 1 The Categories of Stadium in the Survey (n=156)

Units	Traditional administrative units	Enterprise management inside the administrative units	Combination of administrative and enterprise management	Enterprise	Other category
%	53.42	29.81	9.32	4.35	3.10

(2) Enterprise management system inside the administrative units. This category is represented by Hangzhou Huanglong Sports Centre, Hangzhou Swimming and Exercising centre, Wenzhou Sports Centre and Ningbo Sports Centre, etc. This management system has sustained the quality of administrative units, which features the margin or zero- funds appropriating policy and internally constructed enterprise mechanism. The advantages are that it has improved the competitive capability for the stadium entering market, advanced the internal management level for the stadium and cultivated large numbers of excellent back-stored talents for the stadium. Table 2 shows that this kind of system still remains preponderant.

(3) Combination of administrative and enterprise management. This is commonly viewed in the form of trusteeship and entrusting type. The representatives are Yiwu City Sports Centre, Helong Sports Stadium and Tennis Centre of Hunan province, etc. It functions by renting stadium management right to or contracting with social enterprises, which absorbs large amount of social investment and some talents on management and frees government from the heavy investment for off-game management and constructing new management department. However the restriction of the administrative unit and contractor or leaseholder for understanding the capital property and ownership of the stadium results in 'ambiguity in property right, mutual sharing politically and economically', which eventually would undoubtedly harm the integrated benefit both of the administrative unit and the enterprise.

(4) Enterprise management system. This category could be represented by Guangzhou Tianhe Sports Centre, Suzhou Sports Centre, and Suzhou Swimming and Exercising Centre, etc. The professionally founded corporation manages the stadium with the system which is based on the stadium. This management mechanism practically requires property transparency, to establish the completely independent corporation that could launch the state-owned capital in stock market or appropriate property and sell out. The largest advantage is that the stadium could take the role as the equal corporation to bring in social investment and to operate as the share-issuing enterprise^[1]. However, such system has met some problems under our current economic system (see Table 2). Firstly it is not easy to launch the stadium in stock market despite government's large investment in the stadium or to sell it out because of its shortage at pay-off, the unseen return on investment and high cost for running and preserving. This propels government to appropriate and not to recover investment in fixed assets. Moreover, the stadiums, in order to adapt to the requirement of modern enterprise management command their staffs to change their role or even lay out some of them. Therefore the disposal of these people would be restriction for the enterprise reforming of the stadium.

Table 2 Management Situation of Surveyed Stadium in 2005 (n=156)

Types of Management System	Being profitable		Keeping balance		Under deficit	
	n	%	n	%	n	%
Type 1)	2	2.33	39	45.35	45	52.32
Type 2)	10	20.84	22	45.83	16	33.33
Type 3)	1	6.67	8	53.33	6	40.00
Type 4)	1	14.28	3	42.86	3	42.86

4 Government's Problems in Stadium Management System

The survey shows: 79.50% chief principals of the stadiums take the view that stadium management systematic problems are the barriers to stadium construction and running. The limitation of the marketing system would lead to such phenomenon---*malfunction of the market*. Likewise, the obstacle of management system would result in the *malfunction of the government*. The reasons for governmental impolicy derive from many originations and they are mainly discussed in the following 5 aspects:

(1)Thought obstacle. On the one hand, the obstacle is originated from the traditional hierarchical system and ethical concept---*honesty and filial piety*. On the other hand, some governors of the stadiums are short of innovation and exploitation spirits. The ideas of *Waiting, depending and demanding* are not completely eradicated. Meanwhile adherence to routines, conformism and peasantry class consciousness against competition remain rooted in grain. In addition, the governors are not clear about the kind and function of stadiums, their '*responsibility, rights and benefits*' and the relations and differences between commonweal stadiums and operational stadiums. Some even have the thought obstacle that the transformation of state-owned capital is equal to capital loss.

(2) The lack of sound competitive personnel system. The survey shows that the personnel appointment ratio has reached 70.81%, but the satisfaction rate surveyed for the domestic stadium management system is 1.88, which is just above that of The *Salary System* that gets the lowest scores. The professional management talents are rarely seen and managers' literacy is needed to be improved. The survey also indicates: the stadiums where there are no marketing development talents for full-time or part-time job have taken up 55.28% of the total number of the surveyed stadiums. Management talents just take up 33.61% even in the most profitable stadiums. As to those management talents, only 34.4% have college degree while 65.60% only received high school education or lower.

(3) The sound performance management mechanism not established by the government. The survey of satisfaction rate for the internal stadium management system finds that the satisfaction rate of target management system, managing earning and cost management system scores low, 3.59, 3.07, 2.05 respectively (see Table 3). In addition, only 27.78% of the stadiums have set up the *performance and salary system* according to the real needs for the stadiums. So the stadiums need to improve and perfect the *performance and salary system*.

Table 3 The Satisfaction Rate (scores) of Internal Management System of the Surveyed Stadiums from Chief Principals' viewpoint

Stadiums' internal main system	Personnel system	Finance system	Salary system	Supervision system	Target management system	Cost management system	State-owned capital management system	operation earning system
Satisfaction rate	1.88	4.48	1.73	2.41	3.59	2.05	2.76	3.07

(4) The simplex management tactics. As to the administrative management system, the running of the stadium is mainly sponsored by the state. This zero-competitive mechanism has dramatically weakened the government activeness for improving management of performance and results in restriction for the plural-development of management tactics.

5 Governmental Replying Tactics in Stadiums Management System Reformation

5.1 To adopt the advanced foreign management philosophy for reference creatively

To adopt the advanced foreign management philosophy for reference creatively means that we should take Chinese features into consideration for the purpose to better promote the reformation of Chinese stadium management system and to make the sustainable development of stadiums management mechanism available. The management philosophy of stadiums in our country has a long history. But compared with the foreign advanced counterpart, it is inadequate systematically and professionally. Currently the foreign sports powers mainly utilize three management concepts [2].

(1) Decision-making Science. This science was originated from war needs. During the war the operational research skill, which helps the leaders decide how to distribute inadequate military resources and materials to improve the needs of the war is called Decision-making Science. The figure formula used in operational research makes the best matching of resources for the decision maker able to select the optimal plan. It is more concrete and quantitative to deal with the abstract management elements. As a result, the decision makers can have an effective control over making and executing the decision.

(2) Systematic Theory. This theory believes that every entity is one part of a larger system and it is affected in and out of the system. As to the systematic viewpoint group is an opening system in which the instances are not only included internally, but also externally. Therefore in the process of stadiums management, the managers not only should be concerned about the relations of staffs internally, but also pay close attention to the relations between the stadiums and other external elements such as consumers, environment and sponsors. In this way they can cultivate a harmonious marketing environment.

(3) Power Distribution Theory. It states that the leader should adjust his leading mode to fulfill workers' needs for he will succeed if his leading varies with the situation. Power Distribution Theory offers solution to various problems of Chinese stadiums. That is dependence on the particular situation. If the problem is excess personnel or insufficient capital, in this situation to make management scientific is the solution. If the problem lies in the decision-making of stadium management, it is the best solution for the stadiums to train the stadium management decision-makers. If it is the problem of the over-intervention of the government, the Interpersonal Relationship Theory would be the key to the question.

5.2 To optimize and perfect stadiums' internal management system while perfecting performance management system

Guided by four performance motive theories such as Targeting Theory, Strengthening Theory, Requiring Theory and Anticipating Theory, the stadiums could build the performance system for the managers and staffs, strengthen competition mechanism, fully motivate their activeness and innovation capability and optimize some irrational factors in the stadiums' management such as the irrationality of salary system and personnel system, the sharing alike, employment based on the relationship. The building of cooperation managing system, personal management system, supervision system, staff training system and cost controlling system is made to make up the inadequacy for the stadiums' internal management system so that the internal management system could be linked together which helps shape the entire organization scientifically, systematically and professionally.

5.3 To adopt the multi-level development strategies in terms of the governmental management tactics

Currently, in order to adjust to the requirements of the modern stadium management, the writer has summed up four levels of strategies on the basis of domestic and foreign research achievement:

The first level is the company strategy, which is aimed at promoting the stadiums' running performance by strengthening enterprise culture and improving competitive mechanism^[3]. The second level is the multi-functional strategy, which means to attach importance to the multi-elemental development of the stadiums' function in the prophase of stadiums' design, especially to strengthening the design plan for multi-function, fending to construct a multi-functional composite building to meet various social demands. The third level is the function transforming strategy, which means to transform the government from the executive type to service type, reflecting the person-orientated ideology. The fourth level is the strategy of information management, which implies information of various levels to make up a widespread feedback system from which the high efficient platform of information mutual interaction for the managers and staffs. For example, three-level information management system has been built in foreign countries: Level I---TPS --Things Processing System, which is aimed at the most basic and repeatedly happened affairs, for instance, disposal of stadium's ticket sale, payment of the staff salary, reserving ground, table and hotel for the consumers. Level II---MIS-Management Information System, which is aimed at the relevant information about organizational running and performance for the managers, for example, the stadium managers could supervise the servicing and upgraded time required by the variety of sports equipments, have different meetings and transmit diversified information by using the system. Level III---DSS-Decision Supporting System, which is aimed at providing schemes such as supporting management decision making, recognizing requirements and supervising the influence from the environmental change for the managers^[4]. More precisely for example, the system could be used in observing the current performance such as supervising present cost, sale and revenue as well as the development direction of different periods. Currently the research in stadium management pays more attention to the development and design of the second level of MIS, which undoubtedly would affect the stadium management performance in our country. And it is convenient for the government to get information completely and precisely as well to duly dispose large quantitative and complicated and flexible or changeable information resources in management by setting up the perfect MIS. The fifth level is overall intelligent management strategy, which uses computer management system instead of person's control^[5]. The benefits of the strategy lie in simplifying stadiums' managers, improving management efficiency and reduce the management cost and the bad

effects resulted from the person's management. For example, Tianjin Taida Sports Stadium has adopted MP edition system, which has functions such as automatic ticket checking (including IC card or bar code ticket), identity identification, charging, counting and detecting, etc. The successful foreign management mode of stadiums has testified the high efficient management performance in multi-level strategies whose individual level is linked together, mutually dependent on each other and cooperative with each other. Therefore in the management process of the stadiums, only when the government holds on the match of different levels well, the sustainable development of the stadiums could be realized.

6 Conclusion

To study the management mechanism reformation of stadium is undoubtedly necessary and urgent for stadiums are the important carrier of sports industry under the situation to build sports power. However, in the process of the reformation our government does not function well which leads to many questions due to the existing shortcomings and problems of the current stadium management mechanism. In order to solve those problems, the author did an empirical investigation to identify the problems. On this basis, specific countermeasures are explored to solve the government's problems in the reforming the stadium managing mechanism.

References

- [1] Deng Bo. The Survey and Analysis of Stadium Management Mechanism Reform During Transition Period [J]. Journal of Chengdu Physical Education, 2004, 30(5):23-24 (In Chinese)
- [2] Zhong Bingxu, Li Jiuquan. Organization and Management of Sports Industry—For Performance and Efficacy [M]. Publishing House of Qinghua University. 2005(In Chinese)
- [3] Dong Jinxia, Qiu Zhaoyi. Sports Marketing: A Strategic View (2nd edition) [M]. Publishing House of Qinghua University, 2002 (In Chinese)
- [4] Sturdivant F. D., Vernon-Wortzel H. Business and Society: A Managerial Approach[M] (4th ed). Homewood, I L: Irwin, 1990
- [5] Peter J Farmer, Aaron L. Sport Facility Planning and Management [M]. USA: Fitness Information Technology, Inc, 1996