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# **Adapting Business Management Models in Sporting Organization : the Malaysia Experience**

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# Adapting Business Management Models in Sporting Organization: The Malaysia Experience

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## Introduction

Most of the management literature as we know it at the beginning of the 21<sup>st</sup> century, has a business or military orientation. It is decisively business-centric as most of its models were developed from European and North American (Boyacigiller & Adler, 1991; Elsbach, Sutton and Whetten, 1999). These management models, it could be argued, were basically designed to solve problems of industrialization in Europe and North America. The models were developed primarily to build a bridge between the larger society's government by democracy and the smaller society of the corporation or company, which operates on a different system of governance (March & Simon, 1958, p.122).

These models, whose assumptions are not usually explicitly stated, have been passed on to sports organizations through such vehicles as the colonial civil services, international organizations (such as the United Nations Various agencies), and multinational corporations. Foreign-owned corporations managed by European or North American expatriates have provided management-training programs, which are used by some of these aforementioned organizations. Thus the prescribed management practices in most of sport's large complex organizations have western roots and assumptions furthermore many of the games are introduced by the British during the colonial days. What is not so clear is whether these assumptions are valid for various sports environments and whether the underdevelopment in sports organizations could be attributed to these models, which do not seem to have worked as effectively as they did in their ancestral homes in North America, Britain and other European countries. It is also pertinent to find out whether other models would be more appropriate for organizations operating in sports environment. The term sports culture and practices as used in this paper is generic. Sports organization in Malaysia is made up of many and diverse cultures, therefore, it should be understood that administrative or management models must be modified to fit local customs, cultures and mores.

The immediate question raised by this trend of thought is: where shall we find such models? The purpose of this paper is to propose a short term and long term solution. First, a short term approach would be to adapt the western management model practices to the sports environment. A long term solution would be to research our history to find out what management models or practices were used to find out what management models or practices were used to administer the old sports organization in Malaysia such as MOC (Malaysia Olympic Council), The school sports council (MSSM), and state sports organization, as well as what management models were used in the construction of the present sports policy. The main objectives of these approaches would be to develop management models relevant to sports organization and sports club or society, which can help achieve optimum performance from the sports organization's worker in the new

global economy. The rest of the paper will focus on how business management models can be adapted to the sports environment. First, the need to adapt business management models will be discussed with their unstated assumptions, question the validity of these assumptions in a sports environment and then offer propositions about how these models can be modified to fit the Malaysian sports environmental conditions.

### **Are Business Management Models Universal?**

If we agree that management principles or models are universally applicable, then they should be effective, no matter the context in which they are used. While the simplicity provided by universalism is attractive, there is ample evidence to question the universalist approach. The literature of organization culture provides an insight into the meaning of life in the workplace. The issue of dual loyalties for cosmopolitans indicates that they have loyalty not only to their professions, but also to their employing organizations (Gouldner, 1957; Ritzer & Trice, 1969). According to Trice and Beyer (1993), "cultural diversity affects organizational decision making." It would therefore be plausible to argue that the various cultures in sports organization at various level vis a vis national, state or at divisional. These cultures would expose these organizations to processes of conflict, assimilation, and accommodation within them". (Trice and Beyer, 1993) p.225). It has also been stated that the problems which Malaysian sports managers have "as managers stems from (our) culture's emphasis....." (Pascale and Athos, (1981), p.150). These ideas do suggest practices as they move to modify their management practices as they move from their own cultures and come into contact with others.

Hofstede's works are perhaps the most widely known link between culture and management, which questions the applicability of western theories outside the United States (Hofstede, 1980) and suggests that organization theories and empirical investigations carried out elsewhere have failed to fully explain.....attitude to work among Malaysian workers.....(which) could not be fully understood without **considering same in the light of the cultural values that bear on morale and motivation**" (cited in Imaga, 2000, p.23).

Systems and contingency approaches to management would favour an adaptation of management models to their relevant environments. When western management models are part of the internal environment of the organization in contingency theory which is an extension of systems approach and is based on the law of the situation Malaysia, system theory would suggest that these models must interact with the Nalffectively. Malaysian sports organization and Malaysian culture, which are in the organization's external environment. Similarly contingency theory which is an extension of system approach and is based on the law of the situation, it will make sense to conclude that there is no one best way to make sense to conclude that "the best way to organize depends on the native of the environment to which the organization relates." (Scott, 1992, p.89). Since contingency theory would argue for a fit between the organization and its environment an obvious question will be: Should organizations and their management models adapt to the sports environment or should sports organization and their cultures

adapt to the “industrial culture” of the west? The position of this paper is that sports organization should not have to give up being effective. Therefore the western management model would have to adapt to the sports environment. To this end, a series of propositions will be discussed.

## **Propositions**

The process of adapting western management models to other cultures should begin with the isolation and identification of their assumptions and values. If it is determined that these are consistent with sports organization values, they can be adopted without modification. If they are not consistent with sports organization values/customs, then they should be modified to reflect the sports organization culture. This is one way to modified to reflect sports organization culture. This is one way to build a bridge between the outside enclaves, otherwise known as formal complex organizations and their host communities of the larger sports society. As an illustration of the unstated assumptions or values underlying some well known management models exported wholesale to the various sports organization, several models will be isolated for the purpose of identifying their values and assumptions.

**Proposition 1: Conflict management will more likely be resolved through third party intervention or arbitration rather than face-to-face.** One of the earliest prescriptions for resolving conflict is “problem solving” where the “confrontation method seeks to reduce tensions through face-to-face meetings....”(Gibson, Ivancevich and Donnelly, 2000, p.233). This approach may be attributed to the Western values of individualism, masculinity and uncertainty avoidance.

This mode of conflict resolution would not be a natural method for many sports organization whose primary mode of conflict resolution is what is known as “third party intervention” in the management literature (Walton, 1969). While this technique was new in management literature in the early 1970’s, it was not new to many sports organization because it is indeed a typical approach to interpersonal conflict resolutions in many parts of the national sports body. But when sports organization send their personnel to management training seminars, this particular model is hardly addressed. It is also not a well-known method of conflict management of conflict outside the narrower specializations of organization development using process consultation methodology.

**Proposition 2: Authority, whether rational-legal position, expertise, referent or dependency, can only be maintained and accepted if respect and consideration for all personnel, especially the elderly, regardless of station is accepted.** The concept of authority in western management literature concentrates the rational-legal, knowledge, charisma and subordinate acceptance theories of authority as sources of a manager’s authority. The first three are credited to Weber (Scott, 1992, p.38). Most management textbooks do not however address the issue of age or gerontocracy as a source of authority, which Weber Parson’s translation, 1947, p.346). In many western societies, traditional structures (including gerontocracy) are “giving way to a rational-legal

structures” due to their organization” (Weber, 1946 trans, p.196, 214 and quoted in Scott, 1992, p.39).It has also been claimed that the congruence between management practice and environmental factors as a major source of organizational inefficiency”leading to a conclusion that “productivity and discipline levels appeared to be higher in those sports organizations whwere management authority was closer to the traditional concept of authority.”(Iyanda 1985 as reported by Imaga 2000, p.23). Considering Sports organization traditions, how does the sports manager is already adapting western authority models to suit the sport’s respect for the elders, which is not always considered in many Western societies.

**Proposition 3: Motivation may be best achieved by extrinsic rewards which allow the worker not only to satisfy his immediate family responsibilities but also that of the extended family.** Many motivation models put much emphasis on higher order need gratification.The work itself, responsibility, growth, and self-actualization are considered very important to motivation and job satisfaction. Simultaneously, economic rewards or money is deemphasized(Herzberg, 1966). This orientation may be based on both the individualism and the level of economic development in western industrialized societies. Those who are employed in advanced economies can take lower order needs fore granted. But in many sports organization, those who are employed are not only responsible for their immediate families, but also the needs of the extended family. Does the living in the West have the same meaning in the sports organization with the extended family responsibilities?.

It has been suggested in the west that such of the brain drain from the sports organization occurs because of economic migrants. It is not usually suggested that sports organizations personnel who migrate are primarily interested in seeking higher order need in the other organization.

**Proposition 4: Management by objectives(MBO) should be modified to the cultural orientation in sports organization by emphasizing group rather than individual goals and incentives.** The MBO model has been exported wholesale to sports organization. Familiarity with the model would lead to the conclusion that: employees would like to participate in the decision making process affecting their jobs, people prefer self-direction to other direction, “rugged individualism” is the prevailing system in the society and maybe a distrust of people in authority. These underlying values would be very consistent with the role of the individualin society in the culture of the west where a model is developed. But the MBO model and other participative methods with similar assumptions would not be a perfect fit in societies where individuals are not as suspect of authority figures as in some western societies. According to Hofstede(1984), Malaysian organizations are low on individualism. Thus, it is not surprising that a report on the implementation of MBO in sports organization concluded that as a management concept, “even though the system has been found to be useful particularly for corporate planning in Britain, and for appraisal in Canada, it did not appear to have made the required impact when experimented upon in Malaysia.”

**Proposition 5: Human resources management practices in sports organization must consider culture and religious beliefs.** The HRM practices of formal organizations show a sharp departure from the societal environment in which the HRM functions are practiced. While the definition of “family” in some western countries is being revised to reflect developments in those societies e.g. same benefits for traditional legal families and alternative families including homosexual partners ( Fisher, Schoenfeldt, & Shaw, 1999, p. 645, Fortune Magazine, 1991) sports organizations do not even provide benefits for the legal multiple wives of their employees.

**Proposition 6: Effective leadership styles in sports environment would tend to lean more towards benevolent autocracy similar to the other government department in Malaysia who at times takes on an autocratic role to accomplish desired results.** The topic of leadership in western school of thought focuses on such themes as “the process of creating a vision for others and having the power to translate into reality and sustain it.”(Hellriegel, Slocum & Woodman, 1989). There are also the various models of leadership, which traditionally recommend “democratic leadership” styles, for example “Theory Y” leadership (McGregor, 1960, Likett, 1961). As a corollary, “autocratic” or “feudal” leadership styles are discouraged. But the literature states that there is no one best way and that the appropriate leadership style depends on the situational factors.(Fiedler, 1967; House & Mitchell, 1974).

Are the western “democratic” leadership theories linked to western political systems of democratic government and egalitarian value systems? How would those leadership theories fare in societies that have a hierarchical social value systems and where western democratic government has not been entrenched? What conclusion is the reader supposed to draw when confronted with the statement that management in sports organization is often authoritarian?(Blunt & Jones, 1992). The solution maybe path-goal leadership that can accommodate the Malaysian family-head model leadership from style. This theory takes into account varied and diverse situations.It rests on the notion that supervisors must facilitate goal achievement, which involves defining clearly a path that leads to a successful end. Path-goal may take the form of servant leadership, which is similar to the role of a family head(Daft, 1998; p.565).

### **Adopting Management Practices by the Sports organization in Malaysia**

There is a need to have consonance between organizational practices and the larger society in which the organization reside. In many instances, foreign subsidiaries in Malaysia are easily identifiable with their contries of origin; you can easily tell a British firm from a Korean firm. The impression created is that it is quite important to maintain the identity of the parent country, however there is not a similar orientation that they are identifying with the host countries. These underlying attitude also seem to be the driving force for the ethnocentric choice of management practices. In the sports organization context, it would be behoove organizations to behave as if they are not anti-Malaysian in Malaysia. It is not likely that effective sports organization can continue the one best way

approach to managing for sports organization based on foreign models which ignore the culture of the environment. Those aspects of the western management models that are consistent with the sports organization should be retained. Others which are not compatible with the local environment should be modified. Since culture is not static but dynamic and imports influences from other cultures, there would be similarities and areas of consonance between western culture and the sports organization culture. Thus, not all western management models would have to be jettisoned. Similarly, the reason for the ineffectiveness of some models, but rather in the lack of an environment where the models can be productive."But while we accepted MBO as a management principle, we refused to put in place necessary machinery to make it workable".

One way to adapt management models to the sports organization environment is to incorporate local laws into management practices, for example, provide benefits for the legal family even if there are multiple wives and many children. Recognition of the worker's family, even if at a reduced benefit levels for the extra wives and children, is of a great importance to the sports organization; ignoring it can be counter-productive. That would indicate to the employee that the employer is the family-friendly, and there is no intent to impose a religious sanction in the guise of religious or traditional practices, which are recognized by heterosexual unmarried partners(2001 SHRM Benefits Survey, Table A) apparently to be family-friendly it is legitimate) in their benefits programs.

The traditional western interpretation of some concepts may have to be modified; for example, authority flows from position, which is acquired by merit. In a sports organization context the merit should include age, which incorporates position, experience and knowledge. The Japanese experience in which promotion decision take into account age or seniority such that when a younger person is promoted over an older person; it is noteworthy(Pascale & Athos, 1981 p.55).

## **Conclusion**

The ineffectiveness of several management models in sports organization context has been well documented. Thus, to bring the sports organization to a competitive level, a synchronization of management models and practices in Malaysia to the Malaysian environment are mandatory. The challenge is for Sports organizations managers and scholars to develop models relevant to Malaysia Sports Organization which can enhance optimum performance from the sports organizations worker. Sports organization should not have to give up being sports organization as they go to work in the new workplaces known as formal complex organizations. The focus must be on improving administrative practices that will inspire leaders and motivate employees while raising their quality of life.

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