

Financial resource allocation in U.S. Olympic sport: National governing body administrators' fairness perceptions

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**Finance
Session 10**

**Friday, May 30, 2008
8:00 AM - 8:25 AM**

**Presentation (25-minute)
Abstract 209**

Governance of Olympic sport in the United States is guided by the U.S. Olympic Committee (USOC) and is codified in federal law through the Ted Stevens Olympic and Amateur Sports Act (ASA). Currently, a contradiction seems to exist between the mission and practice of the USOC. The USOC's dual mission is to both support "Olympic and Paralympic athletes in achieving sustained competitive excellence... and thereby inspire all Americans" (Bylaws of the United States Olympic Committee, n.d., p. 4) and to place a "strong emphasis . on development programs, especially on those aimed at increasing mass participation" ("The Final Report.", 1977, p. 24).

However, recent practices of the USOC have moved away from funding mass participation and toward rewarding medal production. This emphasis began in 1989 with the release of the Olympic Overview Report which stated, in part, "winning medals must always be the primary goal" of the USOC (Janofsky, 1989, p. C1). Consistent with this emphasis, the USOC later shifted to what it called a "venture capital" model in 2004 requiring member National Governing Bodies (NGBs) to present specific plans detailing how they plan to use financial resources from the USOC to increase their chances of winning Olympic medals (Piore, 2004). The USOC also announced it would eliminate \$250,000 in guaranteed funding to each NGB beginning in 2006 (Borzilleri, 2005). Within this changing environment, the purpose of this study was to measure NGB administrators' perceptions of fairness of financial resource allocation within the U.S. Olympic Movement.

This study extends previous research in distributive justice in athletics by examining a new setting and controlling for the potential moderating effect of procedural justice. It was anticipated that fairness perceptions of resource allocation decisions in intercollegiate athletics would differ from Olympic sport because of the different structures and emphases. For example, intercollegiate athletics involves several different sports within the same organization competing against one another for shared resources. Also, one sport may generate resources used to fund other sports. In the Olympic setting, each NGB is a separate organization seeking resources from the USOC, and some NGBs are capable of generating significant resources on their own, which they do not share with other sports.

Since the USOC recently altered its process for distributing resources, it was believed that change may influence participant responses. The procedural justice literature suggests the process or procedures used to achieve a decision, regardless of whether the outcome is favorable or not, can impact an individual's perceptions of fairness (Greenberg, 1987; 1990). Therefore, collecting procedural justice data and using it as a control variable was the best way to eliminate this potential impact.

NGB presidents and executive directors responded to a survey containing three resource allocation scenarios. Independent variables examined in this study were all found in previous literature and included budget size, membership size, participant position, and competitive success. Scenario 1 involved a multi-million dollar donation from a private source to the USOC. Scenario 2 involved distribution by the USOC of a large amount of travel value-in-kind. Scenario 3 concerned which sports should be highlighted by the USOC during a prime-time television show. After reading each scenario, participants rated the perceived fairness of seven distribution principles on a 7-point Likert-type scale (1 = "very unfair" and 7 = "very fair").

Study participants most often identified need to be competitively successful as the most fair distribution principle, but believed equity based on medals won was the most likely to be used. Results also indicated significant differences in the perceived fairness of distribution principles based on the budget size of the NGB, the membership size of the NGB, and the NGB's success in the Olympic Games. These results have implications for the evolving priorities of NGBs, how they are being addressed, and possible reactions to resource distribution decisions.