

Government Leadership Evolution and Sports Commercialization: The Beijing Curling Association Case

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ABSTRACT

This study explores the evolution of government leadership and its impact on the commercialization strategies of the Beijing Curling Association (BCA) in the context of China's streamlining administration and decentralization efforts. Utilizing internal governance theory, resource dependence theory, and public service chain theory, we analyze the current status and challenges faced by the Beijing Curling Association. Our research employs a comprehensive methodology, including literature review, field investigations, and expert interviews. The findings highlight the critical importance of innovative governance, robust organizational management structures, enhanced member engagement, and effective public relations in advancing sports commercialization. This study provides valuable insights into how government reforms can foster the development of sports organizations and their commercial ventures.

KEYWORDS

Government; Leadership; Commercialization; Beijing Curling Association.

1. INTRODUCTION

Since the successful bid for the Winter Olympics, the Chinese government has accelerated the construction of curling venues and the training of professionals, promoting the slogan of engaging 300 million people in winter sports. However, due to the relatively late development of winter sports in China, the preparation process has faced challenges related to insufficient human, material, and financial resources. The government's reforms in streamlining administration and decentralizing power have gradually injected freedom and vitality into the sports market. The Beijing Curling Association, playing a supportive role in municipal sports initiatives, has been pivotal in public sports, event hosting, and the training and management of referees. Nevertheless, the deep-rooted influence of China's "whole-nation system," characterized by a strong political orientation, often leaves sports associations nominally existent with limited functional autonomy. As the demand for sports development intensifies, relying solely on government leadership proves insufficient for fostering sports programs. Therefore, reforms aiming to integrate official and civilian efforts, promote diversification, and encourage commercialization are essential for sports associations to realize their full potential. Between 2017 and 2019, over ten associations were decoupled from the General Administration of Sport of China. By 2020, provincial and municipal sports associations had also accelerated their reform processes. The 2023 Government Work Report expanded its focus on sports social organizations from merely "strengthening" and "regulating" to "promoting" and "supporting," indicating a growing space for the survival and development of sports associations.

This paper investigates the impact of government power decentralization on the Beijing Curling Association and its commercialization strategies, aiming to provide insights and recommendations for similar organizations.

2. PROBLEM STATEMENT

Despite the increasing public interest in curling and other winter sports, the Beijing Curling Association faces numerous challenges in its commercialization efforts. Finding appropriate solutions to these challenges is crucial for the sustainable development of BCA. This study draws extensively on the successful operational experiences of non-profit organizations in Europe and North America. It examines the process and current state of the Beijing Curling Association's transformation in the context of China's governmental role transition. Our investigation reveals that the degree of institutionalization of the Beijing curling associations is still far from the reform goals. The challenges include insufficient funding, limited market development, and inadequate organizational structure. Since the 16th National Congress of the Communist Party of China, the commercialization of sports associations has remained a hot topic, continuing through the 20th National Congress. Through commercialization reforms, associations are increasingly expected to undertake roles in mass sports and community sports. To build a strong sports nation and promote the long-term development of winter sports and the related industry, sports associations should seize the opportunity, using reform as a breakthrough point to accelerate their commercialization processes. This will help them complement the roles of the government and other profit-oriented organizations, thereby enhancing their capacity to meet public demands and contributing to the overall sports ecosystem.

3. RESEARCH OBJECTIVES

Analyze the Current State of Commercialization within the Beijing Curling Association: This objective aims to provide a comprehensive assessment of the Beijing Curling Association's existing commercialization strategies, practices, and outcomes.

Investigate the Primary Challenges Faced by Beijing Curling Association in the Commercialization Process: This objective focuses on identifying and examining the key obstacles that hinder the Beijing Curling Association's commercialization efforts. These challenges may include financial constraints, market limitations, organizational inefficiencies, and other structural issues. A thorough investigation will help in understanding the root causes and implications of these challenges.

Propose Strategies to Enhance Beijing Curling Association's Commercialization Efforts in the Context of Government Streamlining and Decentralization: This objective seeks to develop actionable strategies that leverage the government's streamlining and decentralization reforms. The goal is to enhance Beijing Curling Association's commercialization processes by improving governance, increasing operational efficiency, and fostering a more dynamic and market-responsive organizational structure. The strategies will aim to position Beijing Curling Association for sustainable growth and greater commercial success in the evolving sports market.

4. LITERATURE REVIEW

Stanley Heyman, a British expert in association management, once pointed out that it is impossible to provide a precise and perfect definition of an association. Therefore, we focus on identifying some common characteristics of associations: Firstly, the members and participants of an association are aligned with a common goal. Secondly, associations have their own sources of funding, which are relatively independent and do not rely on government support. Thirdly, their primary objective is not profit, and members are free to withdraw at any time. Mac Sundera, an American scholar dedicated to community relations research, noted that the defining feature of associations is the shared

understanding among participants. He defined an association as an entity that institutionalizes and manifests this shared understanding among its members. The renowned French scholar Auguste Comte viewed associations as the fundamental units of social development.

When discussing "governance," people often think of "control," "intervention," and "regulation." Initially, the concept of governance was primarily associated with economic activities and transactions. Its purpose was to use certain methods to connect interdependent economic actors, such as suppliers, producers, processors, distributors, workers, and state institutions, either through voluntary coordination or hierarchical control of their own and each other's actions. Similarly, a sports association, as a collaborative system, requires its members to establish contracts and systems aimed at specific organizational goals. Governance in associations involves structuring and setting up functions that ensure checks and balances and cooperation among the general assembly, board of directors, supervisory board, and secretariat. This arrangement is designed to achieve the founding objectives of the specialized association.

Resource dependence theory posits that an organization's survival hinges on its ability to acquire resources from its surrounding environment and on its mutual dependence and interaction with that environment to achieve its objectives. Organizations and their environments are interdependent. Additionally, organizations can explore various options to adjust their level of dependency. It is well-known that resource acquisition by Chinese sports associations often carries a significant administrative influence. However, excessive reliance on government agencies for resources, from a purely resource-based perspective, poses unprecedented challenges to the commercialization process of these associations.

Most scholars generally categorize the commercialized characteristics of associations into two parts: Internal Characteristics: This refers to the organization and its institutions. It includes aspects such as organizational goals, institutional arrangements, and staffing, all of which must align with the association's own development requirements and conditions. Additionally, the association's purpose, charter, regulations, operational mechanisms, and system of rights and responsibilities must be scientifically sound and well-developed; External Characteristics: This signifies that the association possesses self-sufficient funding sources, stable operational entities, and a scientific model of income and expenditure. The association should be capable of independently engaging in production and business activities, maintaining independent accounting, autonomous operation, and bearing its own profits and losses. Legally, the association must be established according to the law, have the capacity to assume responsibility, and possess its own name and premises.

The literature on sports commercialization highlights the critical role of effective leadership and organizational structure in achieving commercial success. Studies have shown that resource dependence and governance theories can provide valuable frameworks for understanding how sports organizations adapt to market demands. Previous research on non-profit sports organizations suggests that member engagement and public relations are crucial for sustainable growth.

5. RESEARCH METHODS

This study employs qualitative methods, including:

- 1) Literature Method: Analyzing existing research on sports commercialization and leadership to provide a theoretical foundation for the study.
- 2) Investigation Method: I served as the Director of the Competition Department at the Beijing Curling Association. During my tenure, I actively participated in commercialization training and promotional activities, which gave me a deeper understanding of the concept of commercial entity formation, as well as the operation and management of associations. This experience provides a solid basis for the research in this thesis.

3) Expert Interviews: Conducting in-depth interviews with key stakeholders of the Beijing Curling Association through telephone calls, questionnaires, and small-scale seminars. The main focus was to understand their perceptions of sports association commercialization, the challenges encountered in the commercialization process, and the current state of internal and external commercialization reforms within sports associations.

6. RESULTS

6.1. Current Status of Internal Reforms within Beijing Curling Association

The commercial development of sports associations relies on the soundness of their internal organizational structure for long-term success. The establishment and management of internal organization are closely tied to individuals. Through interviews, it has been found that the main internal organizational structure of current sports associations consists of the General Assembly of Members, the Board of Directors (Executive Committee), the Board of Supervisors, the executive body, and branch offices. Taking the example of the Beijing Curling Association, due to the lack of membership activities, the General Assembly of Members has not been established yet, and decision-making primarily depends on the Board of Directors. According to the 2020 annual inspection statistics, the Beijing Curling Association's Board of Directors consists of 20 members, 5 executive directors, and 3 supervisors, with no executive body or branch offices established. This reflects that the internal organizational structure of the association is relatively fragile, indicating a gap in achieving the goal of commercialization reform.

The founder and leader of a sports association must possess professional expertise in a specific field and always prioritize the concept of social welfare. The leadership of the initiator, besides being a driving force in specialization, can also be a hindrance. If the key individual's motivation is personal gain, the situation is even more critical. Negative phenomena such as corruption are often observed. For instance, China's Football Association vice chairman, Xie Yalong, was implicated in manipulating football matches and accepting bribes totaling 1.72 million RMB. Currently, the Beijing Curling Association is operating in compliance with the law and has not shown any irregularities. However, the supervision and management of leaders should not be underestimated.

The salary level has significant importance to the commercialization reform of the Sports Association, but that does not mean the association should become a fully salaried-operated enterprise. The role of salaried employees should be seen as a form of support, while also ensuring that their wages are in line with regional or industry standards. Currently, according to surveys, there are only a small number of full-time staff members receiving salaries at the Beijing Curling Association. We investigated the education and professional titles of the staff at the Beijing Curling Association. There are a total of 13 individuals with Master's or Ph.D. degrees, 12 individuals with senior or mid-level professional titles, with the staff primarily consisting of graduates from the Capital University of Physical Education and Sports majoring in ice and snow sports and recreational sports. The presence of highly educated personnel will undoubtedly enable them to achieve professional and scientific development.

6.2. Current State of External Reform of Beijing Curling Association

For a sports association to achieve operational institutionalization, it must have a broad range of funding sources to ensure a balanced budget. However, the financial situation of the Beijing Curling Association is less than optimistic. The association's primary source of income still relies on government subsidies, earned by sharing government sports functions and duties. Since the association has not developed a membership program, it does not receive membership fees. This results in a single-source income structure and a lack of independent fundraising capabilities.

Regarding operational entities and market development, the Beijing Curling Association has never launched any related cultural and creative products or provided training and league services for members and the public. Commercialization reforms require sports associations to create their own branded events, which is a crucial pathway to establishing the association's image, enhancing its visibility and recognition, and expanding revenue streams. According to survey statistics, the Beijing Curling Association hosted a total of four events in 2021, alongside three public welfare activities. Of these, two events were co-hosted, and two were independently hosted by the association. In terms of nature, three of these events were essentially functions delegated by the government. Only the Beijing Curling Elite League, the first of its kind, was independently organized in collaboration with the curling teams from Tsinghua University and Peking University. This indicates that the association's number of events is relatively low. Although these events have been well-received by the public and the industry, the association must actively develop its initiative and seize the opportunities presented by the Winter Olympics legacy.

The commercialization reform should actively engage in public welfare activities to enhance visibility and build personal brands. The Mathare Youth Sports Association in Nairobi, Kenya, took the initiative to shoulder social responsibilities by voluntarily cleaning up garbage, earning recognition from the Environmental Agency's global award. In addition, the association has been highly effective in organizing women's events and promoting HIV prevention. Consequently, it has become one of the largest grassroots organizations in Kenya. Currently, the Beijing Curling Association has initiated public welfare activities such as "Ice and Snow into Schools" and "Community Engagement", but the funding for these activities is still provided by the government.

6.3. The Issues of Commercializing the Beijing Curling Association's Reform

There is an overlap in management, with the Beijing Curling Association being supervised and guided by multiple departments, such as the Civil Affairs Bureau, the Audit Authority, the Sports Bureau, the Sports Association, and the Winter Sports Management Center. The situation of multiple departments managing the same matter simultaneously has arisen, which undoubtedly increases the workload for the association primarily staffed by part-time employees. When the association spontaneously holds activities, facing scrutiny from multiple departments not only prolongs the process but also diminishes the enthusiasm of the association's leadership and staff.

The funding sources of Beijing Curling Association are currently predominantly government subsidies and purchasing government services to obtain funds, as revealed by the investigation. In reality, event sponsorships and services from derivative products are also ways to raise funds for activities. With the increasing recognition of sports as a social welfare and entertainment necessity, competition among sports organizations for government financial resources is intensifying. In the pursuit of efficiency and effectiveness, commercial reforms should be made early on to seek self-development.

Unclear division of power and responsibility, limited scope of activities. According to interviews and surveys, the unclear understanding of the rights of the sports association in the decentralization of national powers prevents it from positioning its social image well. This leads to situations where they hesitate to act on their intentions, unsure of what they are allowed to do, thereby limiting the association's activities. For example, if a sports venue wishes to expand its publicity and increase its influence, they hope the sports association can hold a ceremony granting them the title of a winter sports training base. In return, the venue can offer lower rental fees for the association's events. However, the association's staff are unaware of the procedure for granting the title, whether the association has the authority to do so, and if they need to seek approval from the sports bureau for such matters.

The lack of resources in the association has led to difficulties in carrying out activities. In simple terms, resource scarcity refers to the lack and shortage of manpower, materials, financial resources,

and time for the sports association during activity implementation. In the past, due to issues within the sports system, there was a situation in the Chinese sports sector where each level of authority was greater than the previous one, with many departments. Many government departments completed work themselves, leaving little space for associations in a low-freedom market environment, hindering the development of associations. In the commercialized environment, due to misunderstandings or misconceptions about government backgrounds among the public, when sports associations perform their functions, there are inevitably many issues.

7. SUMMARY

The findings suggest that Beijing Curling Association needs to focus on strengthening its leadership and governance structures. Developing diverse revenue streams and enhancing member engagement are crucial for sustainable commercialization. Additionally, improving public relations and market outreach can help increase visibility and attract more resources.

According to the exploration of the entity reform carried out by various provincial and municipal units in recent years, it can be said that the entity reform is still in its initial stages. Although some associations were established in a detached form when they were founded; the Beijing municipal government, civil affairs bureau, winter sports center, and sports association are actively exploring the path. There is still a long way to go if they want to align with international standards and achieve commercial operation. Currently, the sports associations at the municipal level in Beijing are still government-driven. In order to achieve commercial operation in line with China's national conditions, the institutional issues need to be addressed first, clarifying the relationship between the government, centers, and various departments. In general, the path of commercial marketization and entity operation is correct and the direction is right. Sports associations can start by obtaining funding through government services (event management or operational organization) for survival and can generate revenue through market-oriented training. Therefore, sports associations have a rare historical opportunity; they should strive to enhance their operational capabilities, take the initiative to undertake tasks such as volunteer training, referee training, and promotion of ice and snow sports, accelerate their entity reform process, complement the deficiencies of the government and other for-profit organizations, and complete the entity reform of high quality as soon as possible.

In light of the aforementioned research and drawing on the latest relevant research findings, in the context of the government's simplification and delegation of powers, we provide the following suggestions for how sports associations can carry out commercialization reform:

- 1) Optimize the current organizational structure, selectively draw on successful experiences based on the Chinese context. Break away from the omnipotent government mindset, adhere to the scientific establishment of organizational structures, and keep pace with the times.
- 2) Improve the election process, ensure fairness and impartiality in all appointments: for major decision-making matters, avoid power inflation, and regularly convene member assemblies to adopt the best solutions; association leaders should also continue to learn, summarize, refine, and think critically.
- 3) Strengthen auditing, standardize financial accounting, ensure clear records of all revenues and expenditures, prevent fund loss and unclear sources, establish a multi-level approval reporting system for fund expenditures; and supervise and manage income.
- 4) Establish a performance and reward system, provide material rewards and praise for outstanding performance and contributions to stimulate the vitality of the sports association.
- 5) Regularly conduct external educational activities, expand the cultivation of management talent, thereby developing a reserve of talent for the association's growth.

- 6) Actively engage in market development, create a sports association operating entity and brand events with a good image to attract more sponsorship and investment, providing endless drive for its own development.
- 7) Make reasonable use of volunteer resources, increase volunteer activities to support the organization of events.
- 8) Stimulate residents' consumption enthusiasm, take advantage of the opportunity presented by the Winter Olympics to actively carry out popular ice and snow experience activities, increase awareness and understanding, and thereby tap into residents' consumption potential.
- 9) Actively utilize the media for publicity, grasp the "traffic codes" for sports to enhance societal attention.

LIMITATIONS

The limitations of this study lie in its focus on a single organization, which may not be representative of the broad context of sports commercialization in other regions. Additionally, relying on qualitative methods may introduce bias. The commercialization reform of sports associations is extensive and is a key and difficult point in the transformation of the Chinese government's functions and sports reform. Although the author has worked in the Beijing Curling Association for three years and has been actively involved in various activities of the association, the knowledge involved in commercialization, such as historical politics, governance, management, and law, is far removed from the sports background. Therefore, there are still limitations in understanding the evidence needed for reform. It is hoped that in the future, more and more scholars and experts will pay attention to issues such as the market operation and commercialization of sports associations.

CONFLICTS OF INTEREST

The authors declare that they have no conflict of interest.

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