

# The Philippine Taekwondo Association Experience: Developing a model of sport governance and sustainability for National Sports Associations

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## Abstract

Most developing countries rely on government funding to sustain their sports programs. Elite sports development in the country is dependent on the symbiotic coordination between the Philippine Sports Commission (PSC) and the Philippine Olympic Committee (POC); with the PSC serving as the funding agency of the government and the POC as the mother organization of the NSAs and having the sole authority to recommend athletes for competitions organized by the International Olympic Committee (IOC). Sports funding has remained virtually constant over the years despite the fact that the number of NSAs and athletes have tripled from 18 NSAs in the 1990's to the current 60. Typically, majority of the NSAs are unused to professional management and accountability and remain heavily reliant on the PSC for funding support. Korean national CEO Grandmaster Sung Chon Hong, who heads the PTA, has been instrumental in making taekwondo the number one martial arts in the country. With his strong emphasis on professional development, value co-creation and multi-sectoral governance, the PTA today boasts of more than 1 million registered practitioners nationwide, various revenue streams and consistent podium success. From the PTA experience, this study describes the themes and critical success factors in the evolution towards self-sufficiency of an NSA.

**Key Words:** sport governance, sustainability, autonomous, National Sports Association, taekwondo

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## Introduction

Most developing nations rely on government funding to sustain their sports program, the Philippines notwithstanding. Elite sport development in the country is dependent on the harmonious coordination between the Philippine Sports Commission (PSC) and the Philippine Olympic Committee (POC). The PSC was created through Republic Act No. 6847 to serve as the "sole policy-making and coordinating body of all amateur sports development programs and institutions in the Philippines." While the POC is a private, non-profit organization recognized by the International Olympic Committee (IOC) as having the sole authority for representation of the Philippines in the Olympic Games, Asian Games, Southeast Asian Games and other multi-event competitions.

The POC serves as the mother organization of the National Sports Associations (NSAs). Each NSA a.k.a. National Sports Federation (NSF) is subordinated by their respective International Federations, which in turn recognizes the NSA as the governing body of their sport in their own countries. NSAs are responsible for recruiting and selecting athletes, organizing clubs and competitions and providing technical assistance for recreational or grassroots sports (Dayrit, 2003).

In principle, the POC is financially independent and does not receive subsidies from the government. Though their members, the NSAs, receive financial assistance from the PSC in terms of athletes' and coaches' allowances, travel and training expenses. However, sport funding has remained virtually constant over the years despite the fact that the number of athletes and at least tripled – from 200 athletes from approximately 18 sports to upwards of 800 athletes in 60 NSAs.

Unused to professional management and accountability, majority of the Philippine NSA's remain totally reliant and constrained by the amount of support it receives. Their situation is made worse by the highly politicized nature of Philippine sports and the bias of corporate sponsors towards the more "popular" sports such as basketball, boxing and of late, volleyball.

## **Review of Literature**

Sport has proven to have vast applications in the promotion of health, education, nationalism and developmental goals. It was in 1966 when the first formal sport management program was created to address the increasing complexities of managing sport, recreation and athletic programs in various educational, public and commercial settings (Zeigler, 2007). Sport is also one of the fastest growing industries and impacts many aspects of the economy such as tourism, infrastructure and entertainment (Gillentine & Crow, 2005). As per the KPMG auditing firm, "the global sports market, comprising of infrastructure, events, training, manufacturing and retail of sporting goods is estimated at \$600 to 700 billion, accounting for approximately 1% of the Global GDP (KPMG, 2016)."

Though mainstream leadership and management theories have been applied (and researched) in the realm of sports organizations, there are still notable differences in managing the latter. For the most part, NSAs are non-profit organizations and primarily exist for the promotion of collective goals either for public benefit, or for mutual benefit to a particular group (Ferkins, et al., 2005). NSAs, as such, shall be autonomous and shall have exclusive technical control over the promotion and development of the particular sport for which they are organized, subject however to the supervisory and visitorial powers of the Commission (R.A. 6847, 1990)."

NSAs are further differentiated by the precepts of shared leadership and stewardship. Though many sports organizations have evolved in terms of ownership, organizational structure, and scope, their social obligation to manage sports responsibly remains the same: balancing the interests of various stakeholders within and outside the organization while contending with public scrutiny and commercial viability (Peachey et al., 2015).

The acknowledged value of sport is why businesses, government and communities provide much of the funding support to the sport governing bodies in the first place. However, like their

international counterparts, NSAs face clamors for improved governance in terms of accountability and transparency (Bowers & Dixon, 2015). In the controversial Crawford Report commissioned by the Australian government, the study cites the lack of efficiency in public spending given to sport governing bodies for the few medal gains; vis-à-vis rationalizing funds instead towards improving mass and school based participation that will eventually redound to increasing the next crop of elite sport competitors. Adding to the lack of confidence towards the sport governing bodies are allegations of corruption, doping and game fixing, as instigated by its own sport leaders; thus, underscoring the need for reform by way of defining policies and regulations that may be unique to the governance of sport (Burson-Marsteller / TSE Consulting, 2016). (Hums)

Whereas governance principles are similar across public and private organizations, in its broadest sense, sport governance is the “exercise of power and authority in sport organizations, including: (1) policy making to determine organizational mission, membership, eligibility; and, (2) regulatory power within the organization’s appropriate local, national and international scope (Hums and McClean, 2017). During the Seminar on Autonomy of Olympic and Sport Movement in 2008, the IOC introduced the “Basic Universal Principles of Good Governance of the Olympic and Sports Movement” and enjoined all its members to adopt the said guidelines as the minimum standard of governance. Items herein include considerations in creating the vision and mission statements, code of ethics, reporting responsibilities, appointment of positions and stakeholder management, among others. However, it remains unclear whether enforcement of such policies do take place and to whom the oversight function ultimately falls under.

Be that as it may, progressive sport organizations find it expedient and sustainable to behave more “business-like”, which includes professionalizing its ranks, seeking other revenue sources, while at the same time proving their relevance to their constituents and to the public.

## Significance

Therefore, given the social, economic and political significance of sports, the proponent seeks to contribute to the emerging theories in sport governance to address the challenges that sports governing bodies face. The study is an analytical research on the leadership and management practices of the Philippine Taekwondo Association (PTA), one of the most successful and productive NSAs in the country in terms of podium success, membership and revenue generation. This research looked into the policies, processes and systems of the PTA organization to arrive at a conceptual framework for the sustainability of NSAs.

Despite the abundance of research on leadership and management theories in sport-based settings, much of them are on-the-field rather than from the organizational standpoint; almost none in the Philippine context nor one that studies the evolution of a start-up NSA towards “self-sufficiency”. This study seeks to expand knowledge in applied sport governance and towards a more holistic approach to sustainability in sports; to include not only environmental impacts, but also financial viability and social capital.

## **Methodology**

Among the 60 NSA members of the POC, the proponent has selected the PTA for this research, given the length and breadth of its organization, existence of institutionalized sport development programs, overall podium success and relative financial self-sufficiency -- as exhibited by its numerous high-profile sponsorships and revenue generating sources. Furthermore, the PTA has not had any known power struggles, at least not outwardly, as is common in many NSAs where 2 or more groups would claim rightful leadership; thus rendering the PTA as a suitable model for this study due to its political stability and “good” governance vis-à-vis other NSA counterparts.

The data was collected through in-depth interviews with key members, current athletes and former members of the PTA, as well as information derived from online resources. Among those in the PTA who were interviewed were: Deputy Secretary General Stephen Fernandez, Training Director Igor Mella, International Referee Ricky Santiago, National Coach Rocky Samson, former member Gideon Diestro, and the taekwondo student-athletes Kristina Lopez, Kirk Barbosa, and MacAvyngyr Alob. Questions asked delved into institutional history, chronology of events, organizational structure, as well as PTA culture, policies and practices. Answers were corroborated across several interviewees. From the data, inductive reasoning was used to arrive at the critical success factors, almost evolutionary in nature, as manifested by the PTA. Thus leading to the construction of the 4 cornerstones of the conceptual framework of sustainable NSA's – to be elaborated under “Findings and Discussion”.

There is also discussion of influential literature on leadership, governance and management in various settings such as sports organizations, NGOs and business enterprises.

## **Findings and Discussion**

### **Start-Up Years of the Philippine Taekwondo Association (PTA)**

The Korean martial art of taekwondo was virtually unknown in the country compared to other martial art forms when in 1976, Grandmaster Sung Chon Hong (GM Hong) was assigned by the World Taekwondo Federation (WTF) to propagate the sport in the Philippines. GM Hong took over the helm from his predecessors Grandmasters Bok Man Kim and Young Man Park to establish the Philippine Taekwondo Association (PTA).

GM Hong was hands-on in organizing the first taekwondo clinics and gathered existing taekwondo enthusiasts to the fold of the PTA. As there were no other qualified instructors to teach taekwondo, he personally created the instructors' manuals that outlined the lessons and steps to promotion in belt ranking. The manuals also espoused the key tenets of taekwondo which are courtesy, integrity, perseverance, self-control and indomitable spirit. GM Hong invokes all his constituents to imbibe such tenets even in their day-to-day management practice.

GM Hong held the first National Taekwondo Championships in 1979 at the Rizal Memorial Stadium where 30 participants took part. At the very outset, GM Hong's indefatigable mission was to develop the most competitive contingent to represent the PTA. Vetting and honing his athletes

only at high caliber tournaments, the PTA has become one of the most productive NSAs in terms of generating medals and Olympic qualifiers since its inception. In 1992, Taekwondo was featured as a demonstration sport where the Philippine contingent comprised of Stephen Fernandez and Bea Lucero each won Bronze Medals.

### **Organization and League System**

From their central gym and headquarters at the PSC in Manila, PTA expanded its phalanx nationwide by creating 20 Regional Management Committees (RMCs) spanning Luzon, Visayas and Mindanao, and the autonomous regions. PTA has members from the Armed Forces of the Philippines (AFP), the Philippine National Police (PNP) and the Department of Education (DepEd). As a testament to their apolitical nature, PTA also has members from the rebel groups of the New People's Army (NPA) and the Abu Sayyaf.

The Taekwondo Black Brotherhood (TBB) and Sorority (TBS) was formed in 1980 representing the crème de la crème of the PTA athletes, as chosen by their seniors. Taekwondo is played in all the major and minor leagues in both the private and public schools, including the AFP-PNP Olympics, the DepEd-led Palarong Pambansa and the PSC-led Batang Pinoy and National Games.

In the 40 years of existence, GM Hong remains largely as the Chief Executive Officer. The President of the PTA is Robert Aventajado. Congressman Monsour del Rosario serves as the Secretary-General and Commissioner of the Philippine Taekwondo League. The organization includes departments such as the National Team for Kyorugi (full contact sparring) and Poomsae (forms) under Igor Mella, the Games Committee under Raul Samson, the Marketing Department under Jesus Morales III, the Regional Affairs Central Committee under Stephen Fernandez and the National Referee Council under Ricardo Santiago, Jr.

SMART Telecommunications and Milo of Nestlé Philippines have been the most long-standing sponsors of the PTA. For its 10th year program, PTA has partnered with SM Malls to showcase taekwondo action in 45 malls nationwide. PTA also carries the Peak and Kix Martial Arts Equipment that supplies the uniforms, shin guards, electronic gear and other competition paraphernalia. PTA also publishes a regular magazine for circulation and at one time produced a television show for taekwondo.

In 2010, GM Hong created a parallel organization, the Philippine Taekwondo Foundation (PTF) which functions to provide standardized education and certification of instructors, referees, examiners and competition managers. PTF is also in charge of the National Demonstration Team. Today, the PTA has 3,000 certified instructors and over a million registered practitioners all over the country. See Annex 1 for the PTA and PTF Organizations, the tournaments and course list.

### **Conceptual Framework for Sustainable NSAs**

Based on the experiences of the PTA, the researcher observed four general components that have contributed towards the success and sustainability of PTA today. This study purports that each component or cornerstone is integral and enhances the value of the other. See Figure 1.



Figure 1. Conceptual Framework for Sustainable NSA

**Institutionalized Athlete, Tournament and Professional Development.** Incumbent upon any NSA is to develop athletes and create tournaments for the propagation of their sport. Even as a struggling start-up, GM Hong imposed standardization and quality instruction for his instructors and coaches. He also understood that having a “winning team” is the most important validation of all his PTA programs. Hence, vetting the most competitive and qualified athletes is the overarching mindset, rather than fielding players who may have the “right” connections.

The Taekwondo Blackbelt Brotherhood (TBB) and Sorority (TBS) represent a clear career path for aspirational elite-hopefuls. With the respectable bronze finish during the 1992 Olympics in Barcelona, it became a challenge as to who will become the next medalist in the Olympics. Membership to the TBB and TBS brings much prestige during and beyond the athletes’ competitive career. They are among the consultative bodies of the PTA and a source for key positions in the organization.

Together with the 20 Regional Management Committees and Council Members, the PTA organizes periodic and scheduled tournaments, promotion tests and instructor development year round, averaging at least 150 events a year and more so with the addition of the SM Mall events.

**Resource Generation and Value Co-Creation.** Today, it is almost difficult to imagine that the PTA has had to market the taekwondo sport then as “Korean Karate”. As a start-up organization, GM Hong needed to secure, not only his own viability but that of the organization’s. The first sports clinics and instructor’s training were handled by GM Hong himself. From his initial retinue of disciples came his first resources for manpower, networks and counsel.

Even with the accorded financial and venue support from the PSC, PTA created other sources of revenue from sponsorships, merchandise and other earned income from its various events and certification tests. This allowed PTA more leeway to sustain the various grassroots activities such as providing free sports clinics and technical assistance to fledgling taekwondo clubs and institutions.

Each retired athlete or coach also has the opportunity to manage their own “franchises” of taekwondo gyms with the authority of GM Hong as well as the respective RMCs governing the area. Mandated minimums for standard fees or per diems ensured that instructors themselves will be financially viable.

Among the most invaluable resources of the PTA are found beyond its headquarters, notwithstanding the multitude of students and parents that comprise the active PTA community. From the taekwondo alumni, many can be found in highly influential positions of business, government, academe and the media. GM Hong is also an active member in the international federations of taekwondo and possesses considerable clout here and abroad.

A well-run sports organization is poised to offer several value propositions to its potential sponsors. In the case of PTA, these are its track record of winning athletes, the database of a million registered members and the 150 or so nationwide events that they hold every year. Instinctively, GM Hong understands the importance of value co-creation between sports and businesses. The psychic income that comes with successful podium performance redounds to benefits for both the sports organization and its external partners.

**Multi-Sectoral Sport Governance.** The PTA is set up as a matrix organization where the functional committees govern across the geographic-based RMCs. Having such an organization allows for homogenous governance across the archipelagic Philippines. GM Hong himself conducts that periodic general assemblies and “alignment” meetings for purposes of information dissemination updating of taekwondo instruction. In so doing, RMCs must echo the directives of the mother organization and emulate not only the values of the leader but also carry out the structured programs, tests and tournaments in fulfillment of the PTA missions.

GM Hong’s policy of “hiring from within” for key personnel and coaches decidedly shortens the learning curve and assures compatibility with the values and management culture of the PTA. The key leaders also assist in deciding the composition of the national taekwondo team.

Among the consultative bodies of the PTA assisting GM Hong are the board members, RMC leaders and the TBB/TBS. Ultimately, the involvement, expertise and experience of these key personnel will play a critical role in developing the strategic capability for a seamless succession in the PTA leadership. Ferkins and Shilbury (2015) establishes these six critical factors as: “will and skill” of the board, operational knowledge, integration of regional entities into the governing role, monitoring and control function, co-leading strategy development and co-leading of strategy into board processes.

**Leadership and Management by Sport Values.** Perhaps the most complicated component of the framework is to capture leadership and management, as exemplified by GM Hong. To a large extent, leaders are perceived as causal agents that will lead to the success or failure of an organization (Soucie, 1994). Interestingly, GM Hong is an engineer by education, which may explain the efficient and systematic manner in which he organized the PTA from the ground up, bereft of any prior formal guidance. Still, he needed the requisites of the proper mandate, as well as the necessary interpersonal, conceptual and technical skills to lead the PTA.

In the dispense of his duties, it may even have worked to GM Hong's advantage to exploit the tenets of taekwondo (courtesy, integrity, self-control etc.) to exact his power and influence, combined with the paternalistic leadership style prevalent among non-Western organizations (Lu & Hsu, 2015). GM Hong practices inclusivity, gratefulness (similar to Filipino "utang na loob") and relationship building in all his associations, even to erring or aberrant members.

Soucie's (1994) prescriptions for effective managerial leadership in sports organizations, though not far different from other non-sport enterprises, approximates what GM Hong has been practicing thus far. To cite a few:

- Cultivate large network of contacts. Develop and nurture favorable interpersonal relationships with subordinates, peers, superiors and outsiders and be connected to the world around you.
- Develop a variety of internal and external, formal and informal power bases. Secure a minimum amount of hierarchical position power.
- Clarify role demands and expectations, and clearly establish responsibilities and limits of all organizational members. Maintain a balanced concern for the needs of the organization and those of people within the organization.

Regardless of sport, Management by Values (MBV) was perceived as important and useful in enhancing organizational performance; whereby sports organization members are engaged to develop or practice core values and to adapt them into management practice and strategy implementation (Laroche et al., 2014).

## **Conclusion and Implications For Future Research**

There have been several factors that contributed to the trajectory of PTA's growth which included a combination of traditional management know-how, business acumen and values-based leadership. GM Hong is clearly causal factor here. Adapting his management of PTA as the organization grew in scope and complexity. Consequently, PTA has been developing its organizational capability to pave the way for a seamless succession of leadership later on.

The conceptual framework for sustainable NSAs was created upon the themes gleaned by the researcher and aims to contribute to emerging theories in sport governance, self-sufficiency and start-up sport organizations. It posits that the four components indicated are integral "cornerstones" and must be present in support of each other. To wit, in almost evolutionary fashion: Institutionalized Athlete, Tournament and Professional Development; Resource Generation and Value Co-Creation; Multi-Sectoral Sport Governance; and Leadership and Management by Sport Values. Though the framework is a simplistic rendition, it does not take away the importance of developing the necessary competencies, wherewithal and leadership aplomb, as discussed, to execute each cornerstone successfully and harmoniously.

There is a need for longitudinal research, comparative studies and action research to test the concept to either start-up or mature NSAs; and, if the framework can be used in other sports organizations under various settings and ownership structures whether locally and internationally. There are also opportunities to expand research into evaluating or assessing NSA board member

competencies, sources of public and private funding, and adherence to IOC governance parameters by the NSAs being funded by the Philippine government.

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