No Plan B: the Achilles heel of high performance sport management

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No Plan B: The Achilles heel of High Performance Sport management

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Abstract

Research question: The severity and immediacy of funding cuts to National Governing Bodies of Sport, driven by the No Compromise’ policy framework, routinely plunges organisations into a phase of turnaround management. The requirement for adept strategies during these times of considerable challenge is glaring, yet literature investigating turnaround within an NGB context remains limited. Consequently, this paper examines “how dramatic and immediate reductions in funding impact upon the ability of NGBs to meet future performance targets?”

Research methods: A case study methodology was used to provide an in-depth insight into how three such NGBs responded, over a twelve month period through a phase of turnaround. This was informed by 24 semi structured interviews with Chief Executives/Presidents, Performance Managers/Head Coaches, Elite Athletes and UK Sport representatives.

Results and findings: The results highlight that NGBs turnaround strategies and actions were constrained considerably by extreme funding dependency and prohibitive institutional contexts within which they exist. This context triggered an overwhelmingly operational and short term oriented approach, akin to a state of flux. The upshot being a series of measures that destabilise future success and undermine the stakeholder relationships.

Implications: An endemic feature of the ‘No Compromise’ framework is severe funding cuts, this should therefore be a significant consideration in the strategy development of NGBs. The evidenced of this study is that they don’t sufficiently prepare, or react, strategically to this reality and consequently their turnaround management is flawed. This raises a significant discussion for both the management of NGBs and academic research informing it.

Keywords: Turnaround; No Compromise; retrenchment; reorganisation; repositioning
Introduction

The management and governance of high-performance sport is shaped by, and entwined with, government policy. Medal successes, for UK athletes, have been pivotal in both legitimising continued political support for elite sport (Sam, 2009) and also validating the ‘No Compromise’ policy framework. In December 2012, UK Sport - the body responsible for funding elite sport - allocated £274.5m for the 2016 Olympic Games in Rio de Janeiro. UK Sport targets “resources solely at those athletes/sports that are capable of delivering medal-winning performances” (UK Sport, 2006, p. 1). While seventeen Olympic sports saw generous increases in funding ten National Governing Bodies of Sport (NGBs) saw their allocations cut. The most extreme examples were Archery, Basketball, Handball, Table Tennis, Volleyball, Weightlifting, and Wrestling whose funding was reduced by in excess of 30%.

Given the recurrent nature of funding cuts the response of NGBs is worthy of investigation, yet relatively few studies have been conducted (Green, 2006; Houlihan & Green, 2009). In this paper, we therefore ask the question “how do dramatic and immediate reductions in funding impact upon the ability of NGBs to meet future performance targets?” Specifically, we explore evidence that sudden resource depletion undermines – and can cripple - sport development pathways needed by elite athletes to attain Olympic success (Veerle De Bosscher, De Knop, van Bottenburg, & Shibli, 2006).

There exists a growing resource dependency of NGBs on UK Sport (Boyne, 2004; Slack & Hinings, 1992; UK Sport, 2014; UK Sport, 2015a). This underpins the need for NGBs to deliver “immediate and quantifiable outcomes” to, at times of cuts, re-engage with UK Sport (Bredgaard & Larsen, 2007, p. 293). Overwhelming focus upon achieving short-term performance can diminish longer-term approaches which may identify, and lead to measures to alleviate or rectify, the sources of decline (Fernandez & Rainey, 2006; Pandey,
2010). Any inclination toward short-term operational emphasis has the potential to undermine the long-term stability of organisations and their enduring stakeholder relationships (Barker & Duhaime, 1997; Boyne, 2003; Verbeeten, 2008). Decisions, in times of turnaround and resource depletion, are crucial in order to keep key stakeholders engaged (David, 2013; Walshe, Harvey, Hyde, & Pandit, 2004). Sudden realignment of objectives may be inconsistent with the expectations of internal stakeholders who consider these actions short-term, and failing to address the real causes of decline (Derry, 2012; Mano, 2010; Trahms, Ndofor, & Sirmon, 2013). This conundrum is recognised by Raisch & Schmitt (Raisch & Schmitt, 2013, p. 1223) who explains that “performing tensions thus emerge in turnarounds through competing objectives focused on either short-term (efficiency) or long-term (effectiveness) performance.” NGBs require timely and insightful strategy to cope when they have no alternative but to undertake major actions to ensure organisation survival (Boyne & Walker, 2004; Boyne & Walker, 2004; Hofer, 1980; Pretorius, 2008).

Although considerable research has been conducted on change management within sport organisations (Amis, Slack, & Hinings, 2002; Amis, Slack, & Hinings, 2004; Skille, 2011; Slack & Hinings, 1992; Thibault, Hinings, & Slack, 1991) it has typically ignored the distinctive context in which the change takes place (Frisby, 2005). This is significant, in the case of NGBs, as they are highly constrained by a resource dependency relationship that has been defined as fragile and insecure (Green & Houlihan, 2006; Green, 2006; Green, 2008). Change management solutions are thus complicated and misunderstood due to the contingencies and complex responsibilities affecting NGBs, consequently this paper identifies and takes account of the institutional and environmental pressures specific to NGBs (Amis & Silk, 2005; Di Maggio & Powell, 1983). Through in-depth interviews, phased over a twelve month period, with 24 chief executives, performance managers and athletes in three ‘failing’ NGBs, we explore and explain the turnaround strategies they employed and evaluate
consequences. By conducting a series of in depth interviews with key individuals, at the heart of the NGB turnarounds, this paper contributes to knowledge by offering a thick description of NGBs in a turnaround situation (Geertz, 1994; Nightingale & Cromby, 2002).

The paper begins with a comprehensive review of literature to set out a theoretical framework for turnaround management in NGBs, specifically examining their unique circumstances and inhibitors. This is followed by an outline of our methodology before presenting results and discussion that highlights the response of NGBs and implications for their future success and stakeholders. The paper concludes with discussion of how widespread reductions in funding provide a perennial challenge to NGBs and that the evident status quo is inconsistent with the future success of High Performance Sport and therefore change is required.

**Literature Review**

**The concept of turnaround**

Given that funding for elite sports received by NGBs is now insecure, fragile and transient in nature (Green & Houlihan, 2005; Green & Houlihan, 2006), we expected to find research that investigates turnaround management and change within NGBs. We did not. Moreover, we found few empirical studies that examine turnaround within a public sector context, despite cuts being commonplace (Boyne, 2006; Jas & Skelcher, 2005; Paton & Mordaunt, 2004). Nevertheless this limited research holds salience for the study of NGBs (Boyne, 2004) who are government-funded organisations and have the characteristics of ‘publicness’ (Pandey, 2010), characterised by resource dependent relationships with funding agencies. An NGB fits this description as it is “now accountable upwards, to Sport England and UK Sport, and no longer downwards to its stakeholders” (Grix & Phillpots, 2011, p. 11).
Due to high levels of publicness, turnaround processes within NGBs may require complex service delivery changes, the achievement of multifaceted objectives, and interaction with multiple stakeholder groups (Amis et al., 2002; Mongkol, 2011; Pandey, 2010; Singh, 2003; Spear, 2004). In the face of these challenges, the question arises as to whether such public organisations possess the flexibility needed effectually turnaround, or become prone to long-term, even permanent, ‘failure’ (Andrews, Boyne, & Enticott, 2006; Boyne, 2006). To avoid this ‘spiral of decline’, NGBs will have to establish new patterns of behaviour that challenge the previous strategies and management practices that fall short of UK Sport targets (Sull, 2005). Therefore, Grinyer et al. (1990, pp. 130-131) explains the turnaround context faced by the NGBs when stating:

A turnaround situation is when there is no alternative [danger to survival] but for the firm to take major measures to alter the long-run potential of the company.

Where there are sudden funding reductions, the turnaround challenge faced by NGBs is acute, not one of gradual decline. Consequently, it becomes extremely difficult to plan or/and trigger a turnaround (Walshe et al., 2004). Boyne (2004), through his conceptual framework of retrenchment, reorganisation and repositioning (3Rs), has established a link between turnaround strategies in the private sector and their application to public organisations. His research is supported by others who argue that organisations are more likely to turnaround if they employ a combination of retrenchment, reorganisation and repositioning strategies (Beeri, 2009; Boyne, 2004; Boyne, 2006; Boyne, Walker, Andrews, & Law, 2009; Brewster, 2004; Trahms et al., 2013; Walshe et al., 2004). The turnaround approaches have been applied to failing schools and local authorities, and therefore we believe they have value for studying other types of organisation with high levels of
publicness (Beeri, 2009; Favero & Rutherford, 2015; Murphy, 2006). In the next three subsections, we describe each of the 3Rs in more detail.

**Retrenchment**

The strategy of retrenchment would see the NGBs reaction to funding reductions through the lens of “turning the organisation into one that is smaller, doing less, consuming fewer resources, but still doing something and doing it well” (Behn, 1980, p. 614; Boyne, 2004). In essence, the organisation is seeking to put in place long-term strategies that seek to reduce overall size and scope through cost cutting that calibrates expenditure so that it does not exceed future income (Boyne, 2006). However, Boyne (2006, p. 376) goes on to explain that no research has investigated whether “deep retrenchment undermines the viability of a concurrent or subsequent repositioning or recovery strategy.” To date, the working assumption is that retrenchment does not have a negative impact on recovery, and at worst will be neutral (Boyne, 2006). While such studies express doubts on the utility of the retrenchment concept within the public sector, Boyne & Meier provide a coherent assessment of its benefit when organisations - like NGBs – lose a significant proportion of their government funding:

> Periodic fiscal crises in the public sector have shown that various forms of retrenchment can be undertaken, for example, shedding staff, replacing direct service provision with contracts for external supply, and seeking efficiency gains. (Boyne & Meier, 2009a, p. 843)

One of the central issues surrounding the strategy of retrenchment is that it is difficult to determine exactly how deep the retrenchment exercise should go, particularly if the organisation is unsure what resources will be needed to enact a recovery (Arogyaswamy,
Barker, & Yasai-Ardekani, 1995). For example, retrenchment could be used to reduce non-core staff levels so as to re-align the organisation’s focus on core services by up-skilling remaining staff (Boyne & Meier, 2009a). Green (2007) found that NGBs target non-core professional staff first when faced with funding reductions to safeguard the sports infrastructure. Core services are maintained even if retrenchment induces identity dissonance and there is a draining away of talented, competent and skilled professional staff who could play key roles in a turnaround effort (Jeyavelu, 2009; Rosenblatt & Sheaffer, 2001). While we foresee a possibility that retrenchment may perpetuate decline, many authors argue that an NGB can align resources to the core staff and support strategic retrenchment of the NGB and improve organisational efficiency (Bozeman, 2010; Rasheed, 2005; Thibault & Babiak, 2005). If retrenchment is successful, it increases the resources available for reorganisation, however, Boyne (2006, p. 382) hints at the need for caution when organisations with high levels of publicness employ a retrenchment strategy:

> Although retrenchment is technically and politically feasible in the public sector, it is likely to comprise a more limited set of sub-strategies than in the private sector. Whether this also implies a more limited impact on recovery remains to be investigated.

**Reorganisation**

Reorganisation refers to changes in the internal structure and management of an organisation, with Boyne (2004) arguing this to be a viable option for NGBs to bring about performance improvements in a turnaround strategy (Boyne, 2004). This process can involve alterations in the organisation’s structure, centralisation/decentralisation actions, changes to planning systems or senior management (Beeri, 2009; Boyne, 2004; Favero & Rutherford, 2015; Raisch & Schmitt, 2013). While it is logical that an organisation in turnaround will
alter structures to utilise resources most effectively, Boyne (2006) notes that further research is needed to examine how reorganisation interacts with other turnaround strategies, and whether it is better to reorganise, retrench and reposition at the same time, or isolate each process in order to attend to them separately.

Reorganisation can trigger changes that create additional pressures at a time when limited resources are already in decline (Favero & Rutherford, 2015). If we see NGBs as policy implementers, then we need to bear in that research suggests public sector organisations cannot achieve goals, including reorganisation, without adequate resources (Boyne, 2003; Boyne, 2004). For example, Fernandez & Rainey (2006) note that resource scarcity will not only hamper turnaround efforts but also lead to neglect of core functions and trigger high levels of interpersonal stress. Such changes can potentially cause anxiety, powerlessness, and apathy towards the organisation by key stakeholders, decreasing satisfaction levels and increasing the possibility of workers exercising rights to exit (Dowding & John, 2008; Forster, 2006). If the organisation adopts a reorganisation strategy, widespread participation in the change process is needed from stakeholders to disseminate information, explain the need for change, allay resistance and promote sufficient tolerance that repositioning becomes possible (Fernandez & Rainey, 2006; McAdam & Donaghy, 1999).

Repositioning

Repositioning seeks to update the mission and goals of the organisation through entrepreneurial strategies that emphasise growth and innovation (Hofer, 1980). It complements retrenchment and reorganisation approaches and represents proactive measures that will lead to recovery (Beeri, 2012). An initial examination of actions available to NGBs - relative to private sector counterparts - might conclude that repositioning strategies are limited because the “most radical forms of repositioning (moving into new industries and
geographical markets) are unavailable” (Boyne & Meier, 2009b, p. 844). However, research by Rutherford & Favero (2015) established that stakeholders see repositioning more positively than retrenchment and therefore, such strategies may secure greater legitimacy with stakeholders if they are focused on the core processes of the organisation (Beeri, 2012; Hofer, 1980; Trahms et al., 2013).

Repositioning can be particularly threatening to volunteer networks within NGBs due to a perception that it will compromise the dominant values, culture and ideology of the sport (Amis et al., 2002; Grix, 2009; Sherry, Shilbury, & Wood, 2007; Smith, 2004; Steen-Johnsen & Hanstad, 2008). Sport organisations will have their “set of collective beliefs and expectations, which bind [it] to its history and traditional operational practices” (Smith, 2004, p. 75). Consequently, effective communications may be needed to dispel such perceptions, re-engage stakeholders, and stimulate a more participatory environment and build trust in the changes that the NGB believes will benefit the sport (Arnstein, 1969; Minogue, 2000; Spear, 2004). Without addressing the values and culture of the NGB, repositioning may not be successful because the changes will not be sustained due to internal challenges and dissonance (Amis et al., 2002).

Repositioning is a viable strategy for NGBs to adopt, however, there are several issues that can limit acceptance, particularly within the context of public sector organisations (Boyne, 2006). Firstly, its application is limited where NGBs are faced with extensive resource shortages and a prolonged period of retrenchment (Favero & Rutherford, 2015; Paton & Mordaunt, 2004). Secondly, public sector organisations can be impeded if they pursue radical actions that lack political legitimacy or prompt a political challenge (Beeri, 2012; Beeri, 2012; Boyne, 2004; Boyne & Meier, 2009b). Finally, and perhaps most importantly, Boyne (2006, p. 382) argues that “repositioning is likely to consist of a narrower set of strategies in the public than the private sector and may have a correspondingly smaller
impact on the turnaround.” In an NGB context, this means that repositioning might bring improvements in organisational performance, but that they may still be insufficient to re-engage with World Class Programmes needed to secure funding under a ‘No Compromise’ policy.

**New public management: a present restriction**

NGBs within the UK have benefited from a decentralised approach to government intervention within sport that gives them greater autonomy of action. While this approach has resulted in increased funding for some NGBs, it has also forced them to become results orientated (efficiency, effectiveness, service quality) akin to market-based approaches to service delivery. This tendency is theorised in Hood’s (1995) concept of New Public Management as a more business-like management driven style that contrasts with the collaborative ethic of New Public Governance (Osborne, 2006).

UK Sport can be seen as a driver of NPM because of its target-driven approach to funding and emphasis on accountability for results. NGBs are challenged to demonstrate ‘good management practices’ through the winning of Olympic medals (Coalter, 2007; Holmes & Shand, 1995; Hood, 1991), however, this ‘simplified’ measure of performance attracts criticism because NGBs have complex objectives, intricate accountabilities and lack the degrees of freedom that are required for NPM to succeed (Mongkol, 2011; Singh, 2003).

The drive for continual organisational improvement through the adoption of ‘good’ managerial practices ignores one of the most important constraints facing an NGB during turnaround. If an NGB has responsibility for its entire sports development pathway, from grassroots to elite athletes, it is extremely challenging to reconcile the aims and objectives of Sport England and UK Sport at opposite ends of the sports development continuum. Funding regimes ring-fence money to prevent cross-funding (Green & Houlihan, 2006; Hylton, 2013;
McDonald, 2011), indeed this has sometimes resulted in a separate legal entity (GB) being created to ensure funding is distributed directly to elite programmes/athletes rather than being allocated to grassroots initiatives (Green & Houlihan, 2005). Ring fencing of funds received from Sport England and UK Sport promotes a resource and routine rigidity, which constrains NGBs as it is understood that flexibility in resource allocation is vital to a successful turnaround (Boyne, 2006; Boyne et al., 2009). More generally the narrow focus on Olympic success restricts strategic or operational flexibility (Grix, 2009; Spear, 2004).

**Methodology**

This study uses case studies to pinpoint issues that affect NGBs implementing turnaround strategies (Yin, 2009). Simons (2009, p. 56) supports this approach as she argues that case studies can provide a “research design that takes as its subject a few selected examples of a social entity.” Whilst the rationale case studies can be made on the basis that examining one single entity can result in gaining a deeper understanding of a phenomenon, published work on turnaround has been limited by a lack of comparative case study work. We see value in theorising about consistencies and differences across NGBs using a more analytical form of qualitative inquiry (Darabi & Clark, 2012; Dyer & Wilkins, 1991; Glaser, 1965).

To enhance the credibility and transferability of the findings, a multiple case study approach was adopted (Thomas, 2011; Yin, 2009). Using multiple case studies enables comparisons to be made across sports that have suffered extreme reductions in funding. Multiple actors in multiple settings were interviewed on multiple occasions to check and recheck the transferability of the findings (Denzin & Lincoln, 2005; Simons, 2009; Yin, 2009)
Sampling was purposive, based on the potential in each case study to supply specialist knowledge relevant to the research question (Saunders, Lewis, & Thornhill, 2012). By utilising the critical case approach, we selected ‘decisive’ cases where NGBs had received the most severe funding reductions. Our results, therefore, contribute to a richer understanding of context because “the weight of evidence produced in studying critical cases” enabled us to test the transferability of findings between cases (Patton, 1999, pp. 174-175).

Cases were selected only if they had received a reduction in funding from UK Sport during the allocations for the Rio de Janerio Olympic funding cycle (2013 - 2017). Secondly, sports were removed from consideration where there was little threat to organisational survival. This resulted in a final selection of three NGBs that experienced cuts sufficient to endanger survival (90-100% for elite programmes) who agreed to provide extended research access. Semi-structured in-depth interviews were conducted using a range of open-ended questions on retrenchment, reorganisation, and repositioning to assess stakeholders’ commitment and resistance to each turnaround effort (Saunders et al., 2012). They were designed to elicit stakeholder’s experiences using a ‘nested’ approach with people at multiple levels in each case (Thomas, 2011).

Individuals with similar role characteristics were selected. This enabled an exploration of each informant’s contribution to, and experience of, the turnaround effort based on their role (Creswell, 2015; Farquhar, 2012). Three individuals were chosen based on their involvement in an elite programmes and turnaround effort. Firstly, the Chief Executive Officer/President to understand how leadership roles changed within the organisation and their importance to the turnaround process (Kanter, 2003; Murphy, 2006; Pretorius & Holtzhauzen, 2008). Secondly, elite athletes directly affected by turnaround decisions were selected to assess whether their funding was reduced, cutback or cancelled entirely. Lastly, performance managers/head coaches were interviewed to assess how new strategic and
operational plans were drawn up after the funding reductions. The process was iterative. Findings gathered from one research informant fed into the next interview (Eisenhardt, 1989).

In all the cases, this interview schedule was replicated. As Farquhar (2012) argues, when examining multiple cases the informants should share the same characteristics across all cases. The athletes and the CEOs were interviewed three times over the course of the study. The first interview occurred immediately after the implementation of the funding cuts. In the case of performance managers, only one interview was possible due to issues of access. Finally, two representatives from UK Sport (a governance manager and performance director) were interviewed to provide a funder perspective on funding decisions.

All interviews were recorded and transcribed for analysis. Respondents were anonymised to assure them of confidentiality. Table 1 provides a summary of the interviews and cases within the study.

**Insert Table 1 here**

The primary themes of retrenchment, reorganisation, repositioning were used to guide coding of the data. This promoted the identification of sub-themes and cross-case patterns. The goal of coding was to examine and locate intra-organisational themes - similarities or differences - in turnaround efforts (Farquhar, 2012; Simons, 2009; Yin, 2009) to flesh out Boyne’s framework by inductively analysing the interview transcripts and constantly comparing findings to establish and refine sub-themes (Braun & Clarke, 2006; Corbin & Strauss, 2015). Coding and thematic analysis was undertaken with NVivo10 (Bazeley & Jackson, 2013).
**Results and discussion**

To study how NGBs turnaround so they can meet future performance targets, we organised findings using the concepts of retrenchment, reorganisation and repositioning. We identify similarities and differences across cases, and between the findings and literature.

**Retrenchment**

**Reducing the size and scope of the sport**

A clear finding - apparent across all NGBs - was the severity and immediacy of the funding reductions. In all cases, this led them into a reactive and sustained period of retrenchment. A consistent theme from the research was that CEOs were not expecting to receive such drastic reductions, with the CEO of NGB 3 stating it was a “huge, huge shock […] there had never been the slightest hint that sports would receive no funding after 2012.” NGBs 2 and 3 had to immediately cancel their Olympic programmes, while NGB1 had to cut nearly all its financial support for elite athletes. Such unplanned and hurriedly communicated responses, particularly in the cases of NGB2 and 3, had significant impacts upon their relationships with athletes. The CEO of NGB 3 stated:

> We’ve lost them. They’ll leave the sport, and they’ll go off and do other things. They’re totally disillusioned with sport and the agencies. (CEO, NGB 3)

A distinct theme emerging from interviews was that the funding reductions were debilitating NGBs by triggering counterproductive responses which negated years of planning and careful stakeholder development. For example, a retrenchment measure by NGBs 2 and 3 (returning management of elite programmes to home nation governing bodies) was a short term fix, borne out of a perceived financial requirement and not a strategic
decision to decentralise. Placing the responsibility for the elite sport with a home nation (e.g. England) was an attempt to reduce the size and scope of the NGB operating across GB. This impact of this abandonment was striking:

There was no programme [so] there was no team. There was no real will or inclination to, you know, in other words, no one was responsible. The money had run out, nobody is employed anymore, you know the lights were turned off, the door was locked and that was it. (CEO, NGB 3)

You had assistant coaches who were UK based - those staff immediately left. All of a sudden you couldn’t have a national squad anymore because you didn’t have any coaches; you had no one to lead it. (Performance manager, NGB 2)

Successfully managing retrenchment requires coordination and cooperation between organisations. However, the suddenness of retrenchment – as shown above - created barriers to the future coordination and cooperation of national NGBs. In the context of elite sport, the GB bodies no longer controlled communication and collaboration between the home nation NGB and the GB governing bodies (Peters, Pierre, & Randma-Liiv, 2011). As Lodge & Hood (2012) comment, even if two organisations have intertwined goals, aims, and objectives, their legal separation results in them focussing on their own performance during times of uncertainty.

Such retrenchment actions represents a form of protectionism that impacted on the demographics of participants. Moreover, home nation NGBs sought to retain resources. For example:
I don’t know if they [GB NGB and home nation NGBs] communicated between themselves in terms of really understanding the consequences of removing funding from senior programmes. However, that part of the pyramid is now completely blank and that has implications. (Performance manager, NGB 3)

There was no support from the home nations. They felt they didn't have to commit anything financial because they had no responsibility towards the programme, so they didn't really put any support behind the team which seemed ridiculous. (Athlete, NGB 3)

An Interviewee (Athlete, NGB 3) reported that athletes felt abandoned as the home nation did not “have a single coin to put towards an [Olympic] team.” As Lodge and Hood (2012) argue, retrenchment actions can exacerbate stakeholder divisions. Organisations become less likely to engage in future proofing reforms. Instead, they become preoccupied with protecting their own resources and strategic priorities (Cayer, 1986).

**Rethinking elite performance pathways**

NGB 1, in contrast, was in a more fortuitous position because athletes had a professional outlet. Retrenchment here involved placing the financial burden upon athletes using a ‘user pays model’ of delivery (Mano, 2010). Instead of devolving to national NGBs, they maintained an elite performance pathway in which the relationships with ‘elite athletes’ could continue to be cultivated under new conditions. Despite the apparent appeal of this approach, it was not likely to be sustainable in the long-term:

People see the positive direction of travel and therefore are prepared to support where we’re trying to get to. But we’re gonna need either corporate
money, commercial money or some public funding to get them to start supporting it - support a program. It won’t be sustainable [in its current form] for long. (CEO, NGB 1)

[The national NGB is] just going to fund worlds and Europeans now, but any other international open we have to pay […] you have to self-fund yourself. (Athlete, NGB 1)

Retrenchment was made possible by the power relationship the NGB has with the athletes (Piggin, 2012). The NGB controlled access to competitions and training camps and was less dependent on the elite athletes than they were upon the NGB. Hence, the athletes were limited in their ability to challenge this retrenchment action (Chalip, 1996; Piggin, Jackson, & Lewis, 2009). Athletes had to pay upwards of £1,500 for training camps and specialist coaching and faced further increases that triggered dilemmas over whether to pay the increased costs or leave the sport (Sutton, Stoll, & Ditton, 2001).

For NGBs 2 and 3, the user pays model was not feasible. Furthermore, their GB players were unwilling to play for England due to perceptions that their programme lacked professionalism. It is possible for athletes to reach a decision not to support their sport (Trahms et al., 2013). In this study, athletes stated this clearly:

There just is no GB activity. So when they hit 18/19 they have to make that decision to take that step aboard, and progress their career. There are no Olympic games to aim for, there is no European Championships to play for which we can only enter with funding. Why would they sacrifice their university education for a career when it is clearly just not worth it? (Athlete, NGB 2)
The further we move away from that Olympic team we are pretty much going to have start all over again, and most of the guys are not going to want to do it anymore. (Athlete, NGB 3)

The predicament faced was that NGBs could only deliver elite programmes as volunteer/amateur programmes whereas athletes would only commit to them if they preserved professional integrity.

**Inflexibility inhibits retrenchment**

New Public Management (NPM) pervades NGBs retrenchment decisions as they seek to appease funding agencies and engage in evidence-based activities (Coalter, 2007; Hood, 1991; Hood, 1994). Nevertheless, attempts to steer NGBs toward ‘business like’ delivery of sport pathways is constrained by funding mechanisms with both executives and athletes reporting that the flexibility of NGBs to reallocate resources during retrenchment was restricted (Sanchez, 1995; Shimizu & Hitt, 2004):

You don’t take decisions like businesses. You take decisions based on where and how money is ring fenced, particularly if it's Exchequer money. (CEO, NGB 1)

The money is absolutely ring-fenced. The sport is now left with 99 percent of their funding coming in from Sport England ring that is completely fenced for grass roots. So if they could, they would, but they can’t. (Athlete, NGB 3)
Kazozcu (2011) explains that such constraints negatively impact on the organisation's ability to turnaround, a view supported by many interviewees who reported that financial inflexibility heavily impeded retrenchment actions. Consequently, NGBs undertook ‘pragmatic’ retrenchment activities to secure short-term financial stability. Yet crucially, as noted by Rasheed (2005) and Ochieno (2013), these decisions can be ineffective and lacking the strategic vision to address sources of organisational decline. Ochieno contends that retrenchment measures can diminish organisational capability by pursuing efficiency without considerations of effectiveness. This was not because of the funding cuts themselves but institutional obstacles that paralysed the NGBs’ ability to respond innovatively.

We found that short-termism and impediments to innovate prolonged the retrenchment phase and contributed to continued decline (Bozeman, 2010; Rasheed, 2005; Thibault & Babiak, 2005). The severity and immediacy of funding cuts themselves perpetuated underperformance leading to a continuing decline within elite sports pathways.

**Insert Table 2 here**

**Reorganisation**

**Resource dependence and funding rigidities**

The NGBs engaged in various forms of reorganisation. However, due to their resource dependence on external agencies, they were constrained in their ability to change core features and purpose due to a high level of publicness (Hannan & Freeman, 1984; Pandey, 2010). The NGBs face multiple and varying degrees of resource rigidity that force them into specific, restrictive task environments within which they operate.

We’re about seventy-five per cent reliant on public funding and I’ve gotta get that down. The problem is I’ve only got two other sources to go to really, the
membership and there’s only so far you can push the membership and commercial, but that’s a challenge. (CEO, NGB 1)

This resource rigidity (Christensen & Bower, 1996; Noda & Bower, 1996) was evidenced in NGB 3 where the overriding approach was the “day-to-day, week-to-week tasks, the minutia of running the sport” rather than any long-term strategic development (Athlete, NGB 3). This is also illustrated by the cases of NGB 2 and NGB 3 where actors felt impelled - post funding cuts - to prioritise activities for Sport England. We found that the funding mechanism created a period of inertia, delaying the NGBs efforts to the strategic reorganisation of elite pathways.

I think there is the will [to support us], they just don’t have the resource to do it and because their funding comes in Sport England for specific projects, specific targeted areas, it is not like saying here you go here is a million quid, no they run targets, KPIs, outcomes, measurable and all of the stuff that goes through management speak these days. (CEO, NGB 3)

The machine-like logic of funding from UK Sport induced NGBs to resourcing the status quo rather than making progressive investments in longer-term change that promoted structural changes leading to performance improvement (Hillman, Withers, & Collins, 2009). One consequence of the cuts for elite athletes was explained by the CEO:

I just hope we haven’t lost them, but I fear we’ve lost far more than I would like. If there’s nothing for them to target or to aspire to… I have 28 [athletes], men and women who no longer have anything to aspire to... We have gone back 25 years. We’ve gone backwards. (CEO, NGB 3)
The CEO explained that a UK Sport’s grant places “certain conditions on you that if you don’t meet they will either seek to recover or … stop funding” (CEO, NGB 3). It requires specialized internal organisational processes, structures and systems to be in place to meet these conditions (Gilbert, 2005), a series of changes that – under different circumstances – could be incrementally and adaptively introduced in a “self-reinforcing and path-dependent manner” (Garud, Kumaraswamy, & Karnøe, 2010, p. 761). The suddenness of the cuts meant that NGB 2 and NGB 3 could not adapt quickly to a regime of discontinuous change (Meyer, Brooks, & Goes, 1990; Nadler, 1995). Given the self-enforcing nature of ‘routines,’ sudden change becomes highly challenging for NGBs as they are strongly embedded within an existing task-driven environment and susceptible to the ‘competency trap’. Their high degree of specialism inhibits their ability to exploit new opportunities (Benner & Tushman, 2003; Levitt & March, 1988). The paradoxical challenge of working within these constraints was ably articulated by one of the CEOs:

I’m not saying everything they do is right, I’m not saying all their models are right, I’m not saying the way they change their ideas about where to put money left, right and centre is right, but the reality is that they fund us about 80% of our income and none of us would have jobs if it wasn’t for them, so we need to work out how we work with them. (CEO, NGB 1)

Despite these challenges, we did find evidence of systematic attempts to reorganise in order to build sustainable pathways for the future. These were often rooted in a complete rethink of how to connect junior sports to future pathways that lead to success at senior level:

Well, on the first one I’ve always said never waste a crisis. Massive problems can force you to relook and come up with something more innovative. That’s
the sort of spirit that we’re going forward on. “Let’s not sit around moping about it.” (CEO, NGB 1)

We want to build a sustainable model of player development, so we are going to start off by coaching u8’s and then it up year on year. So we have an u8’s and build up to u10’s, and then start another u8’s. (Athlete, NGB 2)

**Retaining organisational memory**

In NGB 2 and 3, the cancellation of funding for elite pathways led to many athletes retiring or leaving the sport due to role ambiguity, conflict and the frustration of no longer being a ‘professional’ athlete (Robbins & Judge, 2011; Slack & Hinings, 1992). This has repercussions. There is a huge loss of organisational memory because these athletes have “knowledge of the sport in terms of the talent pathway.... far greater than anyone [else] in the sport [such as coaches, administrators, volunteers]” (Performance Manager, NGB 2). To counter this loss, some incentives were created for key figures to remain, a paid role that gave clarity in terms of shaping the expectations of athletes.

Alternatively, NGB 3 - for the same reason - created voluntary roles. However, due to resource deficiencies, uneven and unreasonable workload expectations placed on athletes still led to their departure because they were unable to “dedicate the time it takes to do the role properly in a voluntary position” (Athlete, NGB 3). Policies to retain experienced athletes in all NGBs were also affected by a demand for high levels of educational attainment (Cosh & Tully, 2014). From a turnaround perspective, NGBs have to create structured educational opportunities to deliver a new elite level sports programme (Cosh & Tully, 2014). The
Athlete in NGB 1 highlights the instrumental view of individuals within a new high-performance sport regime:

I was […] lucky because I made a decision to stay at university and complete my studies. However, if I decided to pack it all tomorrow, there would be no support, no counselling. I think my transition out of the sport would a nightmare. They would basically dump me and move onto the next athlete. I know they call sport the school of hard knocks but there is really no compassion. It’s all about winning medals and there is nothing else - particularly when it comes to the athletes. (Athlete, NGB 1)

Repositioning

_Changing how the sport is viewed_

We had some funding right up to the commonwealths. I think they were determined to do well to prove their credibility, especially after all the criticism from UK Sport. It’s all filtered down and they have sorted the association out really and rebranded it. (Athlete, NGB 1)

One notable attempt at repositioning was rebranding of the entire sport – NGB 1. Rebranding can signal to both internal and external stakeholders that the organisation has changed (Merrilees & Miller, 2008; Stuart & Muzellec, 2004). The CEO argued that a name change (to fall into line with other NGBs) was a ‘no brainer’. Muzellec & Lambkin (2006) identify risks from rebranding: loss of associated values; an erosion of brand equity. In this
case, the renaming acted as a stimulus for the NGB to shape a new culture that showed responsiveness to a market.

Clearly, the CEO of NGB 1 accepted the logics of marketization implicit in NPM. He also felt that the old logo was out of step with other NGBs and was so obscure that it “could be selling paint.” In this case, the claim made was that funding agencies had a perception of the old NGB as “dysfunctional” so it was necessary to convince others that rebranding communicated a new organisation purpose in order to rebuild trust and legitimacy (Stride, 2006):

The European associations all have the same logo, one that links their athletes to the sport rather that the association. We could do something more dynamic ... The [new] logo emphasises movement and precision and timing and explosion …. it gives you a nice device that you can put through marketing materials. (CEO, NGB 1)

However, there was limited consultation with members / volunteers during the rebranding. Given research that turnaround depends on members’ and volunteers’ motivation, maintaining their commitment is likely to enhance chances of long-term survival (Merrilees, 2005; Plewa, Lu, & Veale, 2011). In this case, there is a risk that stakeholders’ commitment may decline, particularly if they retain an emotional attachment to the old brand (Daly & Moloney, 2004). NGB 1 was hampered by a lack of financial resource to properly involve internal stakeholders in the rebranding (Boyne, 2004; Boyne & Meier, 2009a; Pretorius, 2008; Walshe et al., 2004).
Increasing resources

So we are looking at different ways of how we can generate additional income and commercial sponsorship is absolutely vital... (Performance Manager, NGB 3)

A key repositioning strategy employed by all NGBs was a concerted attempt to leverage additional money from members (Beeri, 2009; Boyne, 2004; Hofer, 1980). These NGBs sought to change their relationship so they could support their users through the creation of buyer and seller relationships and market mechanisms (Brennan, Cass, Himmelweit, & Szebehely, 2012). NGBs turned to internal stakeholders to generate additional income, For example, coaches were asked to pay to update their qualifications, athletes were asked to pay for training camps, and clubs were charged for registering players. This inward-looking marketization was prompted by the inability of the NGBs to develop other commercial activities or attract sponsors. However, this change was also prompted by the government (through Sport England and UK Sport) through pressures on the NGBs to adopt a full range of private sector management practices linked to ‘efficiency’ (Bruce & Chew, 2011; Houlihan, 2002; Houlihan & Green, 2009).

We have to charge England Youth Squad level and its fifteen hundred quid.
We will talk to parents and where we think there are issues we will try and find a way around it. People are understanding if they really want to buy into it or not. (CEO, NGB 1)

A consequence of these actions to attract internal revenue was the replacement of an ‘association logic’ with that of a ‘consumer logic’ (Eikenberry, 2009; Houlihan, 2002; Houlihan & Green, 2009; Ibsen & Seippel, 2010). Several of the CEOs discussed the
movement from the concept of a member organisation to one inhabited by consumers, with
competition between NGBs being a primary driver of change. Recognising increased direct
competition for the attention of sport participants, to retain existing members, attract new
ones and a need to promote and deliver service quality (Brennan et al., 2012; Nichols et al.,
2005). The CEO of NGB 2 explained this evolving approach:

It’s about changing mindsets within governing bodies and thinking about the
people that play their sport less as players, members or participants but more
as customers. People that are making a valued decision on do I invest my
time and my money in playing [sport] or do I go to the cinema? (CEO, NGB
2)

We see this advancement of NPM into NGBs, representing a switch to a marketised
approach to sports programme delivery. Yet this is problematic, for example, while
“businesses manipulate customers, pay more attention to some than to others, and their aim is
profit” (Aberbach & Christensen, 2005, p. 243), NGBs have democratic accountabilities
through their legal roots as associations. Responsibilities such as making provisions for grass
roots and elite level support, delivering services to clubs as well as achieving outcomes for
funding agencies. The placing of emphasis on the satisfaction of individual desires rather than
the achievement of collective goals represents a switch away from the mutual goals upon
which sports are built. NPM thus drives individualisation in service delivery on the basis of a
flawed logic that market-based systems solve policy challenges (Hood, 1991; Lapsley, 2009;
Osborne, 2006). There are practical problems of adopting an NPM driven service delivery
model grounded around the marketization of sports delivery, summarised by Aberbach &
Christensen (2005, p. 243) who state:
Should public sector administrators be held accountable for satisfying customer preferences in a way that they are not satisfied in the private sector where price, and not public opinion, dominates? In addition, should those with the most resources or the loudest voices (the best organised) get more than others? That is not a major moral problem in a pure market, but it is (or ought to be) in a democratic polity.

Whilst there may be a short-term willingness from those already in elite sports development to pay these fees, over the long-term these barriers may actively talented participants from joining the sport (Bailey, 2007) leading to a spiral of decline, lowering standard in elite sports accompanied by a decrease in the number of people playing at a grassroots level. If sports feel constrained to charge for services, and view their members as consumers, they will exclude those who cannot afford to play (Bloyce & Smith, 2010). So, rather than being an instrument that promotes social inclusion and mutual association, NGBs act as agents of social exclusion by creating economic barriers for those without the ability to pay (Holt, 2007; Hylton, 2013).

**Creation of new strategic alliances and partnerships**

Evidence of innovation was apparent through engagement in horizontal and vertical integration to deliver sports programmes through strategic alliances with other NGBs (Clegg, 2011; David, 2013; Johnson, Whittington, Scholes, Angwin, & Regner, 2014). NGBs collaborated with various athletes along the sports development continuum to deliver training opportunities (David, 2013; Johnson et al., 2014; Slack & Parent, 2006). For example, NGB 3 engaged in this, but also NGB 2 who began to deliver training sessions collaboratively with another fully professionalised sport, creating transition opportunities for athletes between the sports – including switching sports when each was in and out of season (David, 2013;
Trenberth & Hassan, 2012). An elite athlete could transition out of one sport into another, advance through the sports development continuum, and find a new pathway to podium level.

We get some rugby players, and we get football players that don’t like their sports anymore. We get everyone and they play [our sport] because it’s fun. It’s not necessarily because they see a future in the sport straight away. That is what we have done is try and show them there is potential to progress.

(Performance Management, NGB 2)

From a turnaround perspective, this repositioning approach offers considerable benefits to both NGBs and athletes. It is low on resource requirements, gains transition benefits for the athlete, and helps the smaller NGB to learn from a larger NGB. The funding systems operated by Sport England and UK Sport act to promote such collaborations as it rewards sports who increase participation levels as well as those that achieve medal winning performances, even if there is not conscious encouragement of a collegiate system to sport delivery (Goodwin & Grix, 2011; Grix & Phillpots, 2011). In the case of NGB 3, collaborations could potentially result in its relocation, along with another NGB, to a new purpose built facility. By cooperating, NGBs find opportunities to combine their internal strengths and minimise internal weaknesses (Coule, 2008; Klijn & Koppenjan, 2000; Robert, Marques, & Le Roy, 2009). Perhaps, most importantly, collaboration allows two NGBs to spread risk at a time of financial constraint (Clegg, 2011; Pitt & Koufopoulos, 2012). This form of strategic alliance allows ‘co-specialisation’ between two NGBs where staff competences and capabilities are matched.

Insert Table 4 here
Conclusion

This paper has identified and examined a gap in the literature pertaining to the management and governance of high performance sport, namely turnaround management in NGBs. Turnaround is a rife topic given the well-established implications of the ‘No Compromise’ funding framework (Green & Houlihan, 2005; Green & Houlihan, 2006). The topic of turnaround is therefore of particular importance, and this shows no sign of abating. There has been a recent intensification of the NPM rhetoric of UK Sport, DCMS, and also Sport England as they seek to further reinforce continual performance improvement and the achievement of specified targets (ComRes, 2015; DCMS/Strategy Unit, 2015; HM Government, 2015; Sport England, 2016; UK Sport, 2015b; UK Sport, 2015c). It is not the argument, or a finding, of this research that UK Sport policy leads to organisational decline, rather it is an underlying consequence of the ‘No Compromise’ framework that it repetitively inflicts turnaround situations. Furthermore the challenge, for NGBs, of responding to required turnaround exacerbated by a policy environment which places considerable limitations and restrictions upon the operations of NGBs.

A seminal finding of this paper is that the severity and immediacy of the funding cuts create flux, triggering a short termism that is inconsistent with within the future success of the NGB. Decision-making, among the case organisations, was overwhelmingly at an operational level, disconnected from a more strategic view of the optimum long-term direction of the organisation (Francis & Desai, 2005). A critical issue is that NGBs become impelled toward a short-range focus on performance management because of the resource-dependent relationship it shares with UK Sport and the need to demonstrate its ability to achieve future targets (Collins & Cruickshank, 2012; Green, 2006; Jimenez, 2013; UK Sport, 2006).

Such turnaround approaches, emerging from perceived short term necessities, are inconsistent with a more stakeholder centered view and an approach which seeks to safeguard
and enhance future stakeholders relations. Consequently years of considered relationship building is destabilized and this is visible, from the findings of our research, in many ways and is in direct opposition to the prevailing sentiment and importance of partnerships in high performance sport management. Although there are notable counter flows to this prevailing picture, such as the collaboration between NGBs, the overall narrative is of NGBs pursuing reactive measures that could be detrimental to a successful turnaround and the expedient achievement of medium to longer term performance targets.

NGBs in the UK have excessive over-reliance on singular funding streams which by their very nature, be unpredictable, results in their business model being exposed to excessive inherent risk. An obvious management and research implication of this research is to question, not only how NGBs can respond in a turnaround situation but also, and more fundamentally, to consider how this risk can be ably mitigated. The evidence of this in-depth study, of three such NGBs, is that they do not sufficiently factor this risk into their strategy development. Consequently when the fragility of their funding is realised the organisation spirals into a state a short term flux rather than reverting to considered long term approach; a premeditated ‘Plan B’.

It is noteworthy that at times of turnaround these strategic organisations become too preoccupied with the here and now. This incongruity is explained in this paper as an outcome of the climate dictated by UK Sports ‘No Compromise’ framework that not only makes ‘turnaround’ an inherent feature of NGB management, but also significantly constrains the range of responses. Clearly the governance and management of the high performance sports organisations must embark upon approaches to safeguard their organisations by ensuring they prudently anticipate alternate futures and in so doing evolve a range of favourable strategic options. If we accept that NGBs are exposed to excessive risk, and turnaround is always ‘just around the corner’, perhaps the ‘No Comprise’ framework, itself, should be
evolved to require strategic planning for alternate futures. The varied paths of retrenchment, reorganisation, and repositioning offer varied favourable and less favourable paths but perhaps more sober consideration of these paths could be achieved through (pre)retrenchment, (pre)reorganisation, (pre)repositioning. Turnaround strategies should be oriented to future proofing NGBs the evidence of this paper is the opposite.

Although this paper makes a timely contribution to the literature as a longitudinal study, comparing and contrasting three NGBs, it has limitations and certainly there is merit in analysing the journey over a longer period of time to more closely track the future implications of the decisions taken. Studies should examine cases through an entire Olympic funding cycle, with multiple contact points, so as to allow the individual nuances from each case study to become more distinct through an inclusive examination of respondents involved. Future research could adopt a mixed methods approach perhaps making use of the typologies of themes identified in the results tables.
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