How strategic can your (nonprofit) sports board be? Do (or can) good governance structures enhance board and organisational performance?

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How strategic can your (nonprofit) sports board be?
Do (or can) good governance structures enhance board and organisational performance?

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The importance of sport and nonprofit sport

Sport affects the lives of billions globally and contributes a great deal towards national economies and society. Whilst the sport economy is fragmented, with no commonly accepted definition of size uniformly applied globally, regionally or locally (to the way in which Official National Statistics' data are constructed), the latest contemporary data suggests that in England sport contributes 1.7% of all GVA (£5.3bn) and 2.2% of all jobs or 455,000 FTE jobs (Sport England, 2011). In Europe, with direct and indirect effects, the value of the 27 EU states is unknown to be higher at 3% GVA or €249.4bn (European Commission, 2015).

Typology of International Non-Governmental Sport Organisations

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<th>National Federations</th>
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<tr>
<td>European Commission</td>
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<td>International Olympic Committee</td>
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<td>FIFA</td>
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Nonprofit sport in general is governed by a shared relationship between the organization, National and Regional bodies, i.e. for football (soccer), UEFA, UEFA, The FA (DAWSS, DFB) etc. Within this typology, national bodies need to adapt and evolve to a new and unique purpose where the two most significant organizational performance drivers usually lead to efficiency and success, and participation maintains four growth points for the sport.

In such nonprofits, boards (or the equivalent) are usually considered the most important decision-making entity. They are expected to monitor performance and oversee strategic organizational performance. Yet, most sports at a national level are also influenced by internal and external stakeholders. Also, as with most nonprofit organisations, the board-generated stakeholders may result from a combination of paid expenses, users, and volunteers.

Within this context, boards ensure that the Mission/ Vision of the organisation is the core driver for tactical and strategic activities of the organization. Whilst strategy, the role of the board in strategy is always relatively easier (Kilen and Zaja, 2003; Bigge and Mann, 1992; Bennis, 1999). Nonetheless, recent written volumes (Spencer and Spencer, 2011; Heyen, 2007; UK Sports, 2005; Fover, 2000; sporttracx, 2000) have provided an impetus for boards to be more interested in governance and an interest for boards to adapt a strategic context role by being directly involved (Pedlegrew and McNally, 1998; McNally and Pedlegrew, 1999; Killen et al., 2009; Viney and Sidallley, 2014; Coates and Matyak, 2014).

Whilst emerging, there remains a lack of understanding of nonprofit sport board involvement in strategy. Even so, implementation of stakeholder drivers of adherence to boards of governance (for voluntary organisations) have led to some changes, whereby independent Board Members have been or could be appointed, to create ‘skills-based’ boards. Similarly, board diversity has been tackled by some bodies adopting this will also enhance strategic performance. Whilst it seems logical to assume that these changes will result in enhanced strategic performance. As yet, this remains a gap where such legal requirements, but where research is needed.

Research Problem

The research problem is to understand the strategic and organisational context in relation to the appointment and term of service for independent and representative board members across the UK, as well as the diversity of such boards focusing primarily on English football (European sports bodies and their constituents).

To understand if nonprofit sports bodies consider strategic organisational performance as an appointment dimension when individuals join sports boards and whether such decisions are made components by the Chairperson and Board, or is in consultation and discussions with others (including stakeholders, the CEO, executives etc.).

This will also show the understanding of stakeholder and agency theory applied to nonprofit sports entities.

1. Research Problem

Corporate, Third and Public Sector Governance Strategy:
The UK Nonprofit Sports (and Board) modernisation agenda

There has been a significant increase in research linked to boards and strategy, especially over the last two decades (Burgess et al., 2003). This literature base has predominantly focused upon for profit entities, and yet most of this literature has not explored the Board’s Contribution to Strategy.

Within pockets of emerging governance and strategy literatures on for-profit, nonprofits, and sports bodies have started to emerge in the last decade (the literature and research scenes limited). A small number of studies imply that nonprofit boards have ‘links’ in relation to their strategic performance and oversight activities (Viney and Sidallley, 2014). Other studies of for-profit entities have shown board behaviour and membership can vary depending upon the complexity of the business and environmental context or environment (Kilen and Zaja, 2003). Other studies (Heyen 2006; 2004) suggest board appointments may show elements of bias and relationships that may be of added with agency or stakeholder theory. Following global economic downturns, numerous nonprofits and leading sports stakeholders have suggested this remains a significant research gap. This research will add to the academic and practical contribution and highlight gaps for further research.

Significance of the Research

There has been a significant increase in research linked to boards and strategy, especially over the last two decades (Burgess et al., 2003). This literature base has predominantly focused upon for-profit entities, and yet most of this literature has not explored the Board’s Contribution to Strategy.