

**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?



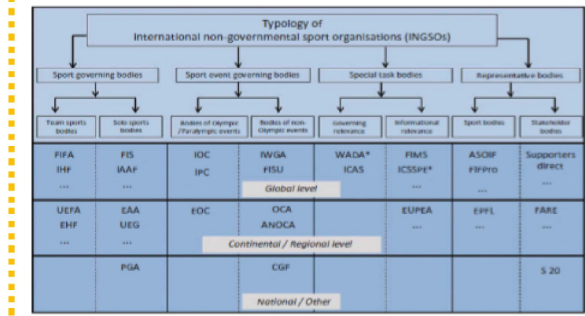
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The importance of sport and nonprofit sport

Sport affects the lives of billions globally and contributes a great deal towards national economies and society. Whilst the sport economy is fragmented in structure, with no universal definition of size uniformly applied globally, regionally or nationally (due to the way in which Official National Statistics data are constructed), the latest contemporary data suggests that in England sport contributes 1.9% GVA (£20.3bn) and 2.3% of all jobs or 440,000 FTE jobs (Sport England, 2013). In Europe, with direct and multiplier effects, the value of the 27 EU states is calculated to be higher at 3% GVA or €294.4bn (SportEconAustral et al., 2012).

Typology of International Non-governmental sport Organisations (INGSOs)



(Geeraert et al., 2014: 285)

To understand the strategic and organisational context in relation to the appointment and terms of service for Independent and representative board members across the UK, as well as the diversity of such boards focussing predominantly on English [and/or European] sports bodies and their constitutions.

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 independently by the Chairman and/or Board, or in consultation and discussion with others (including stakeholders, the CEO, executives etc).

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

2 Research Aim

Nonprofit sport in general is governed by a tiered relationships of International, Regional and National bodies. (e.g. For football (soccer), FIFA, UEFA, The FA (KNVB, DFB etc).

Within this typology, national bodies need to adapt and thrive in a unique nonprofit context where the two most significant organisational performance drivers usually link to elite performance and success, and participation maintenance and growth (Sport for all).

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 organisational performance. Yet, most sports at a National level are also influenced by internal and external stakeholders. Also, as with most nonprofit organisations, the board and workforce may consist of a combination of paid executives and volunteers.

Within this context, should boards ensure that the Mission/Vision of the organisation is the core driver for tactical and strategic activities of the organisation? Whilst uncertain, the role of the board involvement in strategy is also relatively elusive (Golden and Zajac, 2001; Judge and Zeithaml, 1992; Zahra, 1990). However, recent external drivers (Sport and Recreation Alliance, 2011; Hoye, 2007; UK Sport, 2005; Foster, 2004; sportscotland, 2003) have provided an impetus for boards to be more interested in governance and an impetus for boards to adopt a strategic control role by being directly involved (Pettigrew and McNulty, 1998, McNulty and Pettigrew, 1999, Kim et al., 2009, Ferkins and Shilbury, 2014, Cossin and Matayer, 2014).

Whilst emerging, there remains a lack of understanding of nonprofit sports board involvement in strategy. Even so, implementation of stakeholder drivers or adherence to codes of governance (for voluntary organisations) have led to some changes, whereby Independent Board Members have or could be appointed, to create 'skills based' boards. Similarly, board diversity has been tackled by some bodies assuming 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 field where such 'logic' remains underexplored, but where research is needed.

1 Research Problem

Corporate, Third and Public Sector Governance and strategy;  
The UK Nonprofit sports (and board) modernisation agenda  
Governance, boards and firm performance has been subject to research for some time (e.g. Mace, 1971, Zahra and Pearce, 1989, Ven and Poole, 1995, Stiles and Taylor, 2002). High profile organisational scandals led to reviews and changes of UK Corporate Governance (Cadbury 1992, Greenbury, 1995, Hampel 1998, Turnbull 1999, Higgs 2003, Smith 2003, and various Combined Codes UK Corporate Governance Codes (2003-present). In 2003, UK Sport published "Investing in Change – High Level Review of the Modernisation Programme for Governing Bodies of Sport". With millions of pounds of public sector money invested, stakeholder interest in governance, board 'skills', board diversity and strategic organisational performance is growing.

How the board's role changes



(Cossin and Matayer, 2014:42)

There has been a significant increase in research linked to boards and strategy, especially over the last two decades (Pugliese et al, 2009). This literature base has predominantly focussed upon for-profit entities, and yet most of this literature has not explored The Board's Contribution to Strategy. Whilst pockets of emerging governance and strategy literature in for profits, nonprofits and sports bodies has started to emerge in the last decade the literature and research seems limited. A small number of studies imply that nonprofit boards have 'work to do' in relation to their strategic performance and oversight activities (Ferkins and Shilbury, 2014). Other studies of for-profit entities have shown board behaviours and involvement may change dependent upon the complexity of the business and environmental context or environment (Cossin and Matayer, 2014). Other studies (Hoye 2006, 2004) suggest board appointments may show elements of bias and relationships that may be at odds with agency or stakeholder theory. Following global executive interviewing, numerous Professors and leading sports stakeholders have suggested this remains a significant research gap. This research will add make an academic and practical contribution and highlight gaps for further research.

3 Significance of the Research

Research Podium

