

## The Influence and Impact of Directors on Conflict of Interest in Sport Management

Emma Sherry, Deakin University, Melbourne, Australia

David Shilbury, Deakin University, Melbourne, Australia

### Session 6: Governance Presentation (25-minute)

Thursday, May 31, 2007

1:00 PM - 1:25 PM

Conflict of interest is one aspect of governance which has potential to damage both an organisation and those who govern that organisation. Board directors of sport organisations are faced with a number of influences particular to sport business which can impact on the process of managing conflict of interest. The concept of conflict of interest has largely been overlooked in refereed journals, in particular in the field of sport management and what little has been written about conflict of interest has primarily been applied to mainstream business organisations, or legal practice. The purpose of this research was to investigate and develop an understanding of the process of managing conflict of interest in sport organisations, in particular, to develop a model of the influences and impacts on the non-executive directors of sport organisations.

Directors and CEOs drawn from a sample of five Australian Football League (AFL) clubs and members of the AFL commission were interviewed, and data analysis was undertaken using a constructivist grounded theory method. Through an analysis of over twenty in-depth interviews, a coding structure was developed and key themes were identified through an iterative process consistent with the grounded theory method. This research identified the following processes and attributes which influence the board directors: selection processes, outside roles, experience, regulation, education, motivation and qualifications.

From this data analysis, a theoretical model illustrating the impacts (selection processes and director education) and influences (outside roles, experience, regulation, motivation and qualifications) on non-executive directors was developed. By better understanding the influences on the board directors in sport organisations, and the impact of these on managing conflict of interest, the potential for damage to the directors and the organisation may be decreased.