

Sport Governance: Re-Engaging Stakeholders

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Governance

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**20-minute oral presentation
(including questions)
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The work of the board in the non-profit sporting context is now widely recognised as a central “management” issue for sport organisations (Hoye & Cuskelly, 2007). However, only a small number of scholars have directed their empirical or theoretical attention toward board issues in sport and, in particular, board governance capabilities (Ferkins & Shilbury, 2012). More broadly, stakeholder theory is one important theoretical perspective in explaining governance behaviour. As de Beer and Rensberg (2011) noted, “Stakeholders are entitled to some rights and interests because they are central to the existence of any business” (p. 212). In this study, stakeholder theory was central to enacting an action research approach by a state sport organisation board and explaining how changing governance structures could re-engage stakeholders.

In order to learn more about this aspect of sport governance, a 24-month qualitative study investigated how the board of one state sport organisation could develop their governance capabilities. The purpose of this presentation is to discuss the findings of this research program designed in conjunction with the board of Squash Vic. Squash Vic is the state governing body for squash in Victoria, Australia. Its formal role is to function as the central authority for all matters concerning the organisation and playing of squash in Victoria. Its governing responsibilities cover a total of approximately 4,500 registered players and 110 affiliated clubs/associations/venues within Victoria. There are three full time staff members who are supported by several other part-time casual staff members. The board is composed of six elected members and two appointed, non-voting members, although only one of these positions was filled during the study period. The executive director is a non-voting board member.

An action research approach founded on the interpretative research paradigm was employed for the study. Data were generated as part of a collaborative approach between the research team and Squash Vic. The research team combined with board members to identify barriers to the governing function, and implement and evaluate actions to enhance board capabilities. Board workshops, interviews, stakeholder consultation, participant observation, and document analysis were the primary methods used to generate and evaluate data between October 2010 and October 2012. Data collection involved three phases. The first was the reconnaissance and issue identification phase, which sought to assess the current situation regarding board function, including perceived strengths and weakness. The second was the intervention and an action phase where proposals for change (including multiple iterations) were agreed and enacted. The final phase was an evaluation, designed to assess the outcomes and impact of change.

Data analysis was undertaken as part of the action research process using audio and videotape transcription to determine emerging themes as well as reflective journaling and the use of memorandums. As part of phase 1, initial interviews with board members were conducted followed by three workshops to explore board member perceptions of the governing role including strengths and weaknesses, ideal perceptions of a capable board and perceptions of current performance to determine how a gap between the two might be filled. The third workshop focused on the board’s strategic function. From the outset, it was apparent that the current governing structure was a concern.

In seeking to identify an agreed intervention, the question was posed: If changes were made to the governing structure, how would it enhance governance capability? This question arose as a result of weaknesses stated by board members as follows: “Our structure is hard to understand and therefore puts people off getting involved”, “our structure doesn’t reflect our current situation (2010 vs 1988)”; and, “we are confused about our priorities”. Ultimately, the agreed intervention was articulated as follows: Change to the governing structure is required to enable greater stakeholder engagement so that the board can better perform its governing role. During 2011 the research team regularly attended Squash Vic board meetings to facilitate an examination of what changes would be necessary. A variety of issues were examined including identifying who it is that Squash Vic governs, the relevance of current governance structures, new models of governance, options for board composition, stakeholder

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communication, the principle of one vote one club/venue, and finally, conflict of interest.

In the spirit of cooperative stakeholder management (Aoki, 1984) the board and research team hosted a one day workshop (July 2011) with some of the sport's stakeholders followed by an invitation (December 2011) to stakeholders to comment on the proposed changes. Progress was steady, however, it took until July 2012 and two extra-ordinary meetings to formally effect change via the adoption of a new constitution. Using a stakeholder governance approach as the underlying theory for this research study, this presentation will seek to explain how the intervention phase unfolded and how board member behaviour in response to proposed changes can be explained. This presentation will also capture the outcomes of the final stage of this research through the evaluation interviews.

The primary focus of the evaluation phase was to identify 'change and learning' (Heron & Reason, 2001). Participants were encouraged to reflect on the two-year process and to consider tangible and intangible changes as well as board level and individual learning. The standout theme to emerge was a focus on stakeholder engagement and governance accountability, as is exemplified by the following comments. "There definitely has to be greater engagement now with stakeholders, because we now have a much more direct and accountable line to them". "Yes definitely, there has been a major change in the accountability stakes".

These comments are typical of the view that the pervious governance structure was a barrier to capability. The changes both tangible (i.e., governance structure, board composition) and intangible (learning about board accountability to membership) were remarked upon with much enthusiasm by board members: "The sport was going nowhere. We are now on the threshold of a new era. It's exciting". Despite this, there were also major challenges in board cohesion, with some members resistant to the changes proposed, therefore offering a rich research environment from which theory can be advanced. In addition to the study findings, theory relevance in this setting is discussed with a view to considering theory development indigenous to sport governance.