

Generic Models of Sports Governance and Their Potential for Sustainability

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Abstract This chapter discusses how generic governance models may influence sporting organisations in Australia to improve their prospects for utility and sustainability. It draws on a research study that focused on the sports of bowls, hockey and swimming which examined how governance, and management structures and practices affected a sport's capacities in revenue generation and sustainability.¹ The results of the study are considered within the context of two broad questions on sport governance:

1. Is sport a 'special case' in terms of governance in comparison to the broader business sector (including not-for-profit)?
2. Are there specific models of governance that seem to have more influence in Australian non-profit sports organisations?

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The conclusion is that the answer is no to question 1, although sport does have particular special characteristics (some of which may apply to other sectors), and a qualified yes to question 2. This chapter considers the extent to which three generic governance models: traditional model (TM), policy governance model (PGM) and executive led model (ELM) apply to each of the three sports.

Introduction

Concurrent with general worldwide pronouncements on good governance in general (The International Bank for Reconstruction and Development/The World Bank and Organisation For Economic Co-operation and Development 2003, 2005), the OECD (Organisation for Economic Co-Operation and Development 2004), the IMF (International Monetary Fund 1997), (Kaufmann 2004), the Cadbury Report (The Committee on the Financial Aspects of Corporate Governance and Gee and Co Ltd, 1992), the Australian Stock Exchange (ASX Corporate Governance Council 2003, 2007), the OECD (Organisation for Economic Co-Operation and Development 2005, p. 11; AVECO 2005), an awareness of the importance of good governance to sporting organisations—whether governing or participatory—has grown, as has the relevant literature, for example (European Olympic Committee 2001; Ferkins et al. 2005, 2009; Forster 2006; Hoye and Cuskelly 2007; Hoye et al. 2009). This chapter discusses how generic governance models may influence sporting organisations in Australia to improve their prospects for utility and sustainability.

In particular, this chapter discusses how this dynamic mix of sports interests can shape how models of governance evolve in relation to different sports. National Sporting Organisations (NSOs) and State Sporting Organisations (SSOs) are diverse in their governance and management structures, competition regime and *outputs* (for example, volunteer development, club development, junior sport, disability sport, women in sport and indigenous sport). By contrast, preferred NSO and SSO *outcomes* are reasonably uniform, for example, more members, more participants, podium success and more non-government and government revenue. It is especially important to note that with regard to revenue sources, many NSOs in Australia are dependent on government funds as their primary revenue stream.

The Australian Sports Commission (ASC) is a Commonwealth statutory authority charged with the responsibility of distributing Commonwealth Government funds to NSOs. Given its funding responsibility, Australian Sports Commission (2002, p. 1) has stated:

[i]t is important, therefore, that the ASC has a clearly stated position with respect to the governance of national sporting organisations to which the ASC provides taxpayer moneys.

For this purpose, in 2002, the ASC issued its *Governance: Principles of Best Practice* (Australian Sports Commission 2002, p. 1) and these have been revised (Australian Sports Commission, 2007, p. 1) to *Governance Principles, A Good Practice Guide for Sporting Organisations*.

In the sphere of sport, long-term economic sustainability for a sporting organisation is, it is submitted, essential (or, at least, highly desirable) for that organisation to achieve its long-term objectives. Unlike the corporate sphere, the sporting organisation's pursuit of economic sustainability is not, in many cases, only for the purpose of maximising returns to 'owners' or measures such as 'operating performance', 'valuation' and 'shareholder payout'. For many non-profit or voluntary organisations, these will not be the major strategic goals and may only represent a 'means to an end' rather than ultimate objectives. In this respect, the multiple priorities and purposes of sporting organisations (and consequential stakeholder interests) are a 'dynamic mix' which can alter to changing political and economic circumstances.

This dynamic mix of sports interests is certainly not static, as emphasised by some examples from the relevant sports management literature. Ferkins et al. (2009) noted that in applying theories of sport governance in the corporate, non-profit and sport management domains, the distinction between governance issues in the private for-profit setting and in the public and non-profit setting has been recognized. According to Shilbury (2001), for-profit organization's motivations are mostly financial, whereas non-profit organizations are motivated by a variety of goals, nevertheless sport occurs in all three settings (public, private for-profit, and private non-profit) with NSOs overseeing a mix of private for-profit franchises, non-profit associations and clubs, and interacting with public funding agencies.

There is no shortage of theories of corporate governance that may have some traction in the sports sector. Ferkins et al. (2009) noted that many scholars in the field of sports governance have applied established theories such as multiple constituency theory, agency theory, stewardship theory, managerial hegemony theory, institutional theory and stakeholder theory to sports organisations. Hoye et al. (2009) drew on the work of Clarke (2004), discussing how theories of corporate governance such as agency theory, stewardship theory, institutional theory, resource dependence theory, network theory and stakeholder theory can have application to the governance of sport, but they stress (correctly in our view), that when applying a particular theory to sports organisations consideration must be given to the type and industry context of the sport in question, because the sports environment is so diverse. The reality of this diversity militates against the development of an overarching theory of sport governance.

However, it is interesting and important to consider whether there are identifiable models of governance that do seem to have greater prevalence and utility within sports domains. Hoye and Cuskelly (2007) and Hoye et al. (2009) outlined three generic models which they believe can be applied to non-profit sports organisations. The three generic models are discussed below and are then considered in relation to the findings of our study that looked at how governance issues impact upon the organisation of bowls, hockey and swimming in Australia to indicate whether one or more of these models do seem to have more traction in Australian sport. The study itself focused on governance: sustainability linkages with a particular emphasis on the capacities of the sport to generate revenue. Nevertheless, the interviews produced a substantial amount of information not only about the specifics of how these

three sports are organised in Australia, but also evaluation by the respondents about how the governance of their sport has been evolving. So, the interviews provide interesting primary data to help discern whether there may be a trend developing towards particular generic models of governance in Australian sport.

Generic Governance Models and Non-Profit Sports Organisations

Hoye and Cuskelly (2007) suggest that there are three key issues running through the literature on governance models. The first is the debate over the merits of non-profit organisations adopting the corporate model of governance and the differences between corporate and non-profit systems of governance. The second is the discussion of the differences between three types of non-profit governance (detailed and described shortly). The third issue is concern about the application of governance models designed for larger non-profit organisations with paid staff to the vast array of voluntary sport associations that operate entirely with voluntary labour. One paper can only do so much and our focus is on the first two issues.

Hoye et al. (2009) divided the literature on organisational governance into two broad areas. The first is corporate governance that deals with the governance of profit-seeking companies and corporations that focus on protecting and enhancing shareholder value. The second is non-profit governance that is concerned with the governance of voluntary-based organisations that seek to provide a community service or facilitate the involvement of individuals in social, artistic or sporting activities. Hoye et al. (2009) emphasised the distinct characteristics of non-profit organisations, arguing that they demand a governance framework different to that of the corporate firm, because they exist for different reasons, and generally involve a greater number of stakeholders in their decision making structures and processes.

In addition, Hoye et al. (2009) followed through more specifically with the three generic types of non-profit governance models of Hoye and Cuskelly (2007) which can be applied to non-profit sports organisations. The three models, all relate to organisations governed by boards that employ a paid executive and staff rather than those with a collective and informal structure. According to Houle (1997), the models are more relevant to these organisations because boards that carry out the 'hands on' work of the local clubs are usually so strongly influenced by special circumstances that few generalizations can be made about their general nature. The key features of the three models are summarised briefly below.

Traditional Model

The traditional model (TM) outlined by Houle (1960, 1997) is based on five elements:

1. The human potential of the board which ensures systematic recruitment and on-going board member development.
2. The work of the board is structured by a set of by-laws and clearly defined policies, with minutes of the board and committees reported.
3. The roles of and relationships between the board, the executive and staff are well-defined to enable clear decision making.
4. The operation of the board should occur within a positive group culture, and be based on an annual work plan, regular meetings with agendas and on-going evaluation of the board.
5. The board has a focus on maintaining external relationships through formal and informal links with the community.

For purposes of later exposition, we simplify these five elements to: systematic board recruitment, clearly defined policies, well-defined roles, board operations procedures, and formal and informal external links.

In a review of Houle's model, Fletcher (1999, p. 436) suggested that 'The work is done by the staff, the administration by management, and policy-making by the board; in this traditional model, the board is truly in charge of the organisation'.

The TM is the most widely used among non-profit sports organisations (Hoye et al. 2009) which separated the tasks of paid staff and volunteers, with volunteer board members being accountable for the organisation. Two leading researchers in non-profit governance criticised the model for the idealistic view that the board has ultimate responsibility (Heimovics and Herman 1990) and the simplistic notion that the board sets policy and the staff do the work (Herman and Heimovics 1990). The latter, following a study of Kansas City public charities, argued that this does not reflect the reality of the range of working relationships which exist in most non-profit organisations, nor the prominence of the executive or CEO in providing leadership.

Policy Governance Model

The policy governance model (PGM) outlined by Carver (1997) in relation to leadership in (US) non-profit and public organisations has five elements for an effective governing board:

1. The board must determine the mission and strategic direction of the organisation, focusing on desired outcomes, rather than concentrating on the means to achieve them.
2. The board must set executive limitations or constraints for work practices and the means that staff employ to achieve the board's mission.
3. The board must establish clear board and executive roles and relationships.
4. The board must ensure that governance processes are clearly defined in areas such as board membership, reporting of activities of the board and staff, and ensure the board focuses on policies rather than specific issues.
5. The board must develop clear performance measures related to strategic outcomes, rather than just ensuring conformance to various procedures and practices.

As above, for purposes of clearer later exposition, we simplify these five elements to: strategic direction, executive work practices, clear board and executive roles, clearly defined governance processes, and clear performance measures.

Fletcher (1999, p. 437) noted that Carver's model has been criticised for its 'idealised view of the board, operating above the messiness of the board-executive relationship as it really exists in non-profit organizations'. There is also criticism that the model does not address the board's role in fundraising and managing external relationships, whilst subordinating the CEO to the board and expecting the board alone to set the parameters.

Executive Led Model

In contrast to the other two models, the executive led model (ELM) sees the executive as being central to the success of non-profit organisations. Drucker (1990) in discussing nonprofit governance in the USA argued that ultimate responsibility for performance (including governance) should rest with the executive. Herman and Heimovics (1990) found in their study of Kansas City public charities that most boards depended almost exclusively on their executive for information and looked to them to provide leadership. Hoyer and Cuskelly (2003) found this to be the case for seven (unidentified) Victorian SSOs. Block (1998) argued that because the executive is working in an organization much more than the average board member, they have better access to information and therefore must also 'be at the core of leadership and decision-making activities'.

Thus, in our view, we categorise the three key elements of the ELM as:

1. The executive has better access to information than the board.
2. The executive must be at the core of leadership and decision-making activities.
3. The executive should be ultimately responsible for performance, including governance.

As with the earlier two models, for purposes of clearer later exposition, we simplify these three elements to the executive having: better information, a leadership role, and responsibility for performance.

Background, Scope and Methodology of Research Study

The ASC and Monash University's Faculty of Business and Economics undertook a study to investigate the relationship between a sporting organisation's governance, and management mechanisms, structures and processes, and its ability to raise revenue from all relevant sources.

The study focussed on the sports of bowls, hockey and swimming and sought to analyse a wide range of actual and potential revenue streams available to NSOs and SSOs of those sports. A total of 30 semi-structured interviews were conducted with

representatives of NSOs, some SSOs and local clubs, (four) corporations involved in the sponsorship of sport, national and state government sporting authorities and (four) media representatives. The majority of interviews and weight of enquiries were directed to representatives of NSOs and SSOs. Questions were distributed to respondents to complete in advance of the interviews, with responses supplemented by follow-up interviews.

From these interviews, the study sought to identify *variable factors* relevant to fundraising (such as management competency, knowledge, research, contacts, etc.), that is, those factors that might vary from organisation to organisation but are amenable to improvement, and the *invariable factors* (such as the scope, rules and popularity of the sport, its television appeal or government policies), that is, those factors affecting a sport's ability to raise funds but which are not amenable, or are less amenable, to improvement through management intervention.

Research Study Findings on Governance

This section summarises the results of the study in general, especially from the perspective of governance. The interviews showed that the factors less amenable to governance influence and therefore invariable are television coverage, the size of the sport and sporting organisation, legislation and government policy, influence of international federations, influence of representative bodies, and economic conditions. The most important determinants of the ability to secure television coverage were a *large supporter base* (as opposed to number of members), in other words, a high level of *popularity and support* within the general public, the *nature* of the sport, and the sport's *ability to televise well*. Respondents acknowledged that although it is something of a circular argument, these factors in turn were enhanced by live and free-to-air television coverage. Indeed, of the three sports, only swimming satisfied these factors in a significant fashion and, consequently, had rights to such coverage.

Variable factors that emerged from the interviews as being more amenable to governance influence were: success of the sport/team, membership, a strategic approach, a national approach, management competence, the role of the board, relationships between sport and sponsor, reliability in dealings, reputation of the sport, ownership of intellectual property and promotion of the sport.

At the national level, respondents from all three sports recognised the importance of success, with swimming and hockey emphasising success of the national team as the focal point of fundraising and promotional success. At the state and local level, on-field success was seen as more important in its own right but was also recognised as having flow-on effects to membership, gate receipts, concessions and sponsorship, and in attracting players. These views are not surprising and are supported in academic analyses of the importance of competitive success to the economic well-being of a sport (Geldard and Sinclair 2002; Hansen and Gauthier 1992; Neale et al. 2004; Shilbury et al. 2003).

All respondents perceived membership of the organisation as an indicator of success and it was something that could be stimulated by good governance practices such as good club management, providing quality coaching, good competition, a sound reputation and competent volunteers. In turn these would provide opportunities for revenue-raising, especially through access to members for certain sponsors, better prospects for merchandising and greater gate receipts.

All respondents emphasised the critical nature of strategic planning and a strategic approach to marketing and fundraising given the long lead-times of corporate marketing budgets and the time necessary to develop sponsorship proposals. Part of an improved strategic approach in sporting organisations is having coherence nationally and a number of respondents stressed that, in some sports, lack of unity is a major problem with the states competing amongst themselves and with the national body for sponsorship, whilst *most national sponsors will not support a sport where there was likely to be friction between state associations, because 'segmentation fractures the market potential'*. For some of the respondents, the *lack* of a national approach in matters such as the development of a national brand or name, ownership of intellectual property, television rights and rights to national events and championships were important factors hindering fundraising. In some instances, constitutional changes might be required among the various associations at different levels representing the sport and sometimes this could be problematic to achieve.

All respondents perceived management competence as essential to sustainability of a sport extending beyond marketing and fundraising to the operational aspects of the sport. Similarly, respondents saw the competency of boards as essential to good governance and fundraising but were realistic about how much *best practice governance* might be achieved in certain contexts. Several respondents commented that in smaller sports without professional staff the involvement of board members in management activity would, of necessity, be greater. Many smaller organisations cannot afford the luxury of a separation of powers and responsibilities.

Sponsors and sports administrators both recognised that a sport having a good reputation and the capacity for positive promotion were viewed as crucial for success. Sponsors also placed a premium on ownership of intellectual property and it was seen as a distinct advantage for a sport to be able to control access to and exploit its logos, colours, name and brand nationally, without conflict. This gave more value to its property, as well as greater flexibility in exploiting opportunities for cross promotion and leveraging.

In summary, the interviews revealed the key governance indicators that most affect sustainability are: identification, consultation and participation of stakeholders; access to and timely disclosure of information; fair and ethical decision-making, corporate social responsibility and codes of conduct; principal board responsibilities; competency/experience and skills of directors; and that board and management roles be distinguished and specified.

Three Models of Sports Governance—Do Any Apply?

In this section, we analyse the responses of key personnel from bowls, hockey and swimming to see which (if any) of the three models of sports governance discussed earlier, appear to have most traction—not only between different sports, but also within each sport in terms of national, state and local (club) levels.

Traditional Model (TM)

As discussed earlier the five core elements of the TM are: systematic board recruitment, clearly defined policies, well-defined roles, board operations procedures and formal and informal external links.

Bowls The national organisation of Bowls Australia (BA) is unified, as are states except NSW and Victoria, which still have separate men's and women's bodies. In respect of the first element of the TM (systematic board recruitment), it is clear that at the national level the operation of the board could be better, a feature identified by both the CEO and the President. The CEO stressed that board members have worked their way up through the state organizations and may not have accumulated specific board skills. Moreover, all are elderly because of the time it takes to 'earn one's place as it were'. So a major challenge for BA has been how to get a younger and more diverse board. The President was more optimistic about the quality of the board, emphasizing that the board includes two independent members, out of a possible three, selected after a review of board skills with both having business experience. The bowling directors have all worked their way through the system, first at club level and then the states. This is because members of the national board are elected through the state councils and must come up through the ranks, so the sport as an NSO must live with who is elected.

The reason for the particular makeup of the board was, according to the President, that the states are autonomous and would not tolerate interference by the national body. Affiliation with the national body requires the states to observe the rules of the game etc. which come down from the world body. There are a number of national committees (on umpiring and coaching) with the policy set nationally in agreement with the states, but delivered by the state associations. The national body can deliver the sport nationally, provided there are no conflicts from the states. But, there are occasional conflicts when states get conflicting sponsorships and there is no mechanism for resolving them except negotiation. There are opportunities for more events, but TV coverage will be important and this will depend on the nature of the event. The smaller states do not want to change to a more commercial approach because they would get eliminated too quickly. Also, the world body makes it difficult to change the match play format that is a major impediment to fund-raising.

A stark contrast between governance at the national level and at the state level is provided by one SSO CEO describing its Board as being responsible for the

day-to-day running of bowls, but not strategic planning, risk management or financial performance. Another example of differences of governance at different levels is that one SSO does not allow for the appointment of independent directors, even though only some of the existing board members had business experience. However, looking to the future, a strategic and business plan was being developed.

Hockey Hockey is not unlike bowls in terms of the first element of the TM (systematic board recruitment). Board members are not elected as state representatives and, theoretically, could all come from the same state. One NSO official felt that the board was heavily Sydney-centered. Board members do not have to have any special qualifications, except for the Finance Director, who must have accounting qualifications. The elected members can appoint two additional members with special expertise. There were no additional members at the time though one former appointed member was on the board in their own right.

HA commenced in January 2001 following the amalgamation of the Australian Hockey Association and the Australian Women's Hockey Association. However, the constitution was based on the requirements of the amalgamation of men's and women's associations and did not incorporate any new governance elements, and there have been only minor amendments since. The philosophy was to find the right mix between youth and experience and to put more emphasis on succession planning, a classic element of the TM. The younger members are less experienced and often do not have the commitment of some of the older members. There has been an attempt to get a better skill mix, whilst still having a broad hockey background and maintaining touch with the grass roots of the sport (element five—formal and informal external links). The board is usually well served with business and legal expertise, but marketing and media expertise has been problematic in the past. There is an attempt to convince the states that members, who essentially come from the states, should be selected on the basis of skills rather than state interests or personalities.

Regarding element five (formal and informal external links), the hockey's board experience is clearly consistent with the TM. A major difficulty has been the irregular nature of securing sponsorships. At one SSO, there are minimal formal policies governing decision making. There is a strategic plan that is kept under review by the board in discussion with the members, but not in any formalised way. The only formal reporting mechanism is through the AGM.

Whilst hockey is publicly accepted as a very successful Olympic sport, one of the major impediments to attracting corporate support is the inability to sell the sport as a whole. HA cannot deliver the whole sport because of state influence. There is no national database, states compete among themselves and with HA for sponsorship, and it is very hard to get agreement on national programming. Constitutional reform would help break down state influence and is needed, although HA believed this was a difficult task to achieve.

In summary, both bowls and hockey went through constitutional change associated with the national amalgamation of the men's and women's bodies, but the progression towards the PGM can only be described as modest as evidenced by general unease about the nature of board makeup in the respective sports.

Swimming Whilst many of the elements of the TM still exist in bowls and hockey, swimming has progressed beyond the TM to embrace many elements integral to the PGM. There is little evidence of the TM remaining at the national level of swimming, but there is at the state level. One SSO has a strategic plan, but acknowledges that it is produced ad hoc in order to comply with government funding requirements. Moreover, plans are rarely followed through. Reporting to members is done through the monthly meetings and the AGM. In summary, the activities of the swimming SSOs are operational rather than strategic in nature.

Policy Governance Model (PGM)

As discussed earlier, the five elements of the PGM are: strategic direction, executive work practices, clear board and executive roles, clearly defined governance processes and clear performance measures.

Bowls In bowls, the board sets the strategic direction (element one) for the sport in the following way. The Council is composed of the members, that is, the state associations that own the national body that elects the board. The Council is consulted on the strategic direction of BA on the theory, that is how the wider membership makes itself heard to the national body. The constitution sets out the role of the board of BA which operates on behalf of the members throughout Australia and is responsible for major national issues, develops and implements major strategic directions, manages international responsibilities, recommends independent directors and appoints committees and sub-committees.

A new strategic plan came into operation in 2005. It identified four key imperatives, namely Leadership and Management, to foster national development; Promote and Grow Bowls, by refreshing the image and brand of bowls to increase its contemporary appeal; High Performance, to promote a high performance culture; and Commercial Developments (which includes all fundraising) by generating new revenues to provide resources to reinvest in the development, promotion and growth of bowls.

In respect to element three of the PGM (clear board and executive roles), in accordance with the constitution, the board appoints the CEO who, in turn, appoints all staff. Board members do not have executive roles. There is a clear separation of board and management and with this working well; attempts are being made to extend this model to the state associations.

In relation to part of element four of the PGM (clearly defined governance processes), respondents admitted that communication within the sport in the past was not as good as it might have been. However, it has improved greatly in recent times and now the CEO sends regular reports to state bodies. The mission and values of BA are clearly enunciated and these, the constitution and all policies are included on the website. At each meeting, the board is required to assess the progress being made in achieving the agreed strategic imperatives.

Every six months there is a general review of performance (element five—clear performance measures). The main reporting mechanism for the members is the Annual Report, which goes to the states and, in theory, is then passed down to the grass roots, though this is ad hoc. BA is increasingly using its website to reduce reliance on the state associations and facilitate communication with the grass roots.

In summary, the board tries to govern well by taking a strategic approach, while management takes an operational approach. This division of responsibilities is clearly laid down in the constitution and policy guidelines. The governance of BA has clearly moved towards the PGM, but still exhibits substantial elements of the TM.

Hockey The responses of both the President and the CEO suggest that hockey has embraced many elements of the PGM. In relation to the first element (strategic direction), the strategic plan drives the activities of the organisation. It is a rolling four-year plan reviewed at the February meeting of the Board each year. A lot of time was spent in developing it, including workshops with Council. The Council members are invited to comment and make suggestions, before the Board approves it.

There is a clear separation between the board and the executive and the fact that board members are spread around the country gives a physical and management separation (element three—clear board and executive roles). In respect to element four (governance processes), the staff prepares operational plans for key areas. Management reports directly to the board, relating matters to the strategic plan. Objectives are prepared for each Board meeting. In addition, there is a Board report produced after each meeting as a communication tool to members. There is a range of policies, including member protection, selection, anti-doping etc. which are set out on the website. The annual report to Council on the performance of the organisation addresses the strategic goals (element five—clear performance measures). It goes to the states, as the members of HA, and is a public document.

In summary, the board undertakes strategic planning, sets policies and controls the finances. The board holds regular reviews of its operations, which reflect on its success but which can be quite critical of both the board and its capacity as well as on management. The CEO and the sport are assessed against the strategic plan and its performance indicators.

Despite this, there is some dissonance at board level because each state operates separately, except for those functions given to HA by the constitution. Each state runs their own competitions, clubs and state teams. This means it is difficult to get a full national approach to the sport, which inhibits promotional opportunities. For example, HA could not offer national insurance because there was no national database. The states also undertake their own fund raising and promotions that can occasionally create conflict, since each state has their own sponsor for their national league team. Consequently the national body cannot deliver the sport nationally in a marketing sense as each state goes its own way. There are even some clubs that are not affiliated with the national body.

So, whilst hockey has embraced many elements of the PGM, the respondents suggest that there are still significant aspects of the TM in hockey. Since Board members are not all professionals and are less familiar with practices that divide

responsibility there is a tendency to concentrate on operational issues, making it harder to maintain a strategic whole of sport concentration. The views of the hockey respondents supported the proposition (Hoye et al. 2009) that the TM—which separates the tasks of paid staff and volunteers, with volunteer board members being accountable for the organisation—as being the most widely used among non-profit sports organisations. There was no support for the view of those who have criticised the TM for the idealistic view that the board has ultimate responsibility (Heimovics and Herman 1990), nor the simplistic notion that the board sets policy and the staff do the work (Herman and Heimovics 1990).

Swimming At the national level, the governance of swimming is the most aligned to the PGM, and the responses from the President and the CEO were much more in concert than in the other two sports.

The Swimming Australia (SA) constitution came into effect in 2002, following an extensive governance review. This was a much more detailed document than the previous constitution, and clearly lays out the role of members, board and management (element three—clear board and executive roles). A full range of policies (element four—governance processes) that govern decision making and sets out roles and responsibilities was introduced including a code of ethics, a members' protection policy, privacy policy, rules relating to selection, events and facilities, and position statements for committees and directors.

The States exist in their own right but, as members, elect the board of SA. However, the election of the board is not on a state basis, with the result that there has been a preponderance of eastern seaboard members. The states have their own councils, composed of their member clubs and run their own individual competitions or programs by delegation from SA.

The board sets national policy and produces a strategic plan for the whole sport that identified the key strategic issues (element one—strategic direction) and set key performance indicators (element five—clear performance measures). The four priority areas in the strategic plan are:

1. High performance;
2. Sport performance (building the club base and strengthening the sport);
3. Business development (includes enhancing the brand to leverage commercial opportunities, improving the effectiveness of marketing, provide better commercial outcomes, event management and develop effective relationships with government); and
4. People development (strengthen the network of volunteers, coaches, administrators etc.).

Board meetings are structured round the plan and this has helped to maintain direction and made board meetings much more effective. The annual report is also linked closely to the strategic plan so reporting is based on measurement of performance against the performance indicators.

There are clear board and executive roles (element three). This includes an operational plan for its own staff. For example, the board appoints the CEO but the CEO is not a member of the board. The constitution defines their role, which is to

run the organisation and report to the board. The constitution allows the board to delegate its powers.

There are also well-defined governance processes (element four). In the previous constitution, board members represented states and, as board members, had a separate vote in board elections, which meant very little turnover in board members. Previous boards had been composed of swimmers with various levels of success. Now, along with encouraging more candidates with business experience to stand for election (some still with swimming backgrounds), the board has the ability to appoint members with particular skills, resulting in a much more competent board. Many board members now have tertiary qualifications, with a number being CEOs of large corporations. All have experience in business or government which gives them experience of strategic planning and business operations, as well as high level commercial contacts in some cases.

In summary, in relation to criticism of the PGM model (Fletcher 1999, p. 437) for its 'idealised view of the board, operating above the messiness of the board–executive relationship as it really exists in non-profit organizations', we found no responses to support what might be called a 'messy' board–executive relationship. The criticism that the PGM does not address the board's role in fundraising and managing external relationships are not valid in the sense that we found that boards in general did perform this key role. On the criticism that in the PGM the CEO is subordinate to the board, we would have to agree this is the case in the technical sense under the respective constitutions, but in none of the sports was the CEO treated as a 'subordinate', nor was the board alone expected to set the parameters.

Executive led model (ELM)

As discussed earlier the three elements of the ELM are that the executive has: better information, a leadership role, and responsibility for performance. However, there is little in the responses that would suggest that the ELM is the centrepiece of sports governance in Australia.

In bowls, there are just a few traces of the ELM at work. At the NSO level, whilst the board sees its job as essentially promoting the sport and reviewing its direction as per the PGM model, the CEO carries out the strategic planning, although the plan was discussed at a number of workshops and by the board. The plan has Key Performance Indicators (KPIs) and the board reviews one aspect of the plan at each meeting, as per element five of the PGM.

In another example, in one bowls SSO, the previous CEO had been in office for many years, and the new CEO pressed for the respective board to commit to a strategic plan. The presence of an incumbent CEO for a long period of time had the potential for elements of the ELM model to surface, but this now appears to be the exception rather than the rule. The agitation of the new CEO could easily be misinterpreted as the CEO exerting a leadership role—element two of the ELM. So, the interviews did not reveal evidence of the ELM having much influence in hockey or swimming and its influence in bowls seems very limited.

In summarising which of these three governance models apply, at the national level, there is a consensus among the three sports that the PGM is probably the best suited for achieving sustainability goals, but the differences in structural characteristics between the different sports appear to have made it difficult for some sports to adopt all elements of the PGM. Swimming has moved noticeably towards the PGM, but the NSOs of both bowls and hockey have retained some elements of the TM, for example, in the makeup of their respective boards. There is some frustration with the makeup of the board in both sports, in the sense that they would like members with more specific skills. However, the Presidents seemed to be on the whole less concerned than the CEOs which might reflect a level of board tension between the desire for inclusiveness by the Presidents and the need for more specific market-oriented skills in the view of the CEOs.

As we move to the SSOs, the influence of the PGM becomes less and less leaving the TM more prominent at this level, whilst at the local (club) level the TM still dominates. So, to summarise the discussion below, in all three sports although elements of the ELM may be present (executive having more information, providing a leadership role and being responsible for performance), the TM and PGM have more influence and the levels of integration of governance structures within the individual sports seem to be crucial in deciding whether the TM or PGM holds more sway.

Conclusion

The interviews revealed the key governance indicators that most affect sustainability are: identification, consultation and participation of stakeholders; access to and timely disclosure of information; fair and ethical decision-making, corporate social responsibility and codes of conduct; principal board responsibilities; competency/experience and skills of directors; and that board and management roles be distinguished and specified.

Based on the information gathered from the interviews, we conclude that: (1) sport does not seem to be a 'special case' in terms of governance in comparison to the broader business sector (including not-for-profit), and (2) there does seem to be some indication that generic models of governance do seem to have more influence in Australian non-profit sports organisations.

In all three sports considered, at the NSO level there has been a partial move away from the TM towards the PGM and this is most pronounced in swimming. These changes mirror the broader changes in governance in the corporate and non-profit sectors. At the SSO and the club level, the TM is more dominant. Indeed at the local level the responses are consistent with the views of (Houle 1997), that the models are more relevant to those organisations governed by boards which employ a paid executive and staff, rather than those with a collective and informal structure.

However, there is little evidence of the ELM having much traction, even at the NSO level. Whilst it may be that the executive has more information, provides a

leadership role and is responsible for performance, in all three sports, it is the board that is always ultimately responsible for the strategic direction and performance of the sport.

At the NSO level in particular, both bowls and hockey are a mixture of the TM and the PGM. Swimming at the NSO level has clearly moved towards the PGM. The new constitution of SA allows the board considerable latitude, as it is flexible, but spells out clearly the roles of the board and management. The national board makes policy and this filters down to the clubs.

So what drove swimming to move towards the PGM? All of these sports fall into a kind of cluster. None of the three sports has a weekly or even monthly significant free-to-air presence (despite some major swimming meets being televised in the course of a year), yet all are large participatory sports. It would appear from NSO interview responses that the desire for more television coverage was a prime motivating force from within swimming that led to the adoption of the PGM. SA is now a company limited by guarantee, having changed from an incorporated association in 2004. The change came about as a result of negotiating a contract for TV rights. It was necessary to lift the standard of event management and it needed full control over all aspects of the presentation, including promotions. For example, event managers therefore now act for SA, according to SA requirements such as having sponsors' logos on official uniforms. SA has complete control over national championships, qualification events for Olympic and Commonwealth Games, invitational international meets, grand prix and world cup events in Australia. The states run their own championships and age events on their own without SA involvement, but these are not televised under the national arrangement.

Then, why have both bowls and hockey been slower at the NSO level than swimming to make the full transition from the TM to the PGM? A major inhibiting factor for hockey is that HA cannot deliver the whole sport because of state influence. Whilst hockey is publicly accepted as a very successful Olympic sport, as discussed earlier, HA acknowledges that hockey is a difficult sport to televise, with the state-based nature of the sport and the inability to offer a national product nominated as major factors holding back the sport. In the view of HA, constitutional reform would help to break down state influence and is needed, although the difficulties associated with this should not be underestimated. One SSO respondent seemed resigned to the belief that hockey was a specialised sport with rules that are hard for non-players to understand, difficult and expensive to televise, and therefore unlikely ever to have a major following.

Both bowls and hockey first had to amalgamate their men's and women's bodies (which occurred in 2002 in the case of bowls and 2001 in the case of hockey). This was no doubt a cause for board tension and would have needed to be widely accepted before the next step of granting greater power to their respective NSOs relative to the SSOs under a swimming-like PGM. This dilemma of whether to sacrifice degrees of autonomy at lower levels in return for the prospect of greater commercial or market-oriented success, especially in terms of telegenic appeal, is we suspect likely to be prevalent in other sports in Australia and overseas. As sporting organisations strive to meet their sustainability objectives in increasingly competitive sport/

leisure environments these tensions and dilemmas will probably become sharper. It would seem that the more a sport pursues a market-oriented commercial strategy the more likely it is that its governance structures will tend towards a PGM.

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