

## **BOARDS BEING STRATEGIC: IT'S A BALANCING ACT**

**Lesley Ferkins**, Unitec New Zealand, lferkins@unitec.ac.nz  
**David Shilbury**, Deakin University, Australia

### **INTRODUCTION**

The work of the board in the non-profit sporting context has received little attention from academics, yet is widely recognised as a central “management” issue for sport organisations (Henry & Lee, 2004; Hoye & Cuskelly, 2007). In particular, the strategic role of the board, while recognised as a key function, is a fuzzy concept for many. In their work in this area, van der Walt and Ingley (2003) found that “... little empirical or theoretical research has been conducted on the board’s role in strategic decisions and strategic outcomes” (p. 17). It is also widely argued in policy documents, practitioner literature and some scholarly writing, that boards should be active in strategy and strategic issues (Sport & Recreation New Zealand, 2006; Stiles, 2001) yet surprisingly, the volume and depth of scholarly debate does not reflect this need. In order to learn more about this aspect of sport management, an eighteen-month qualitative study investigated how boards of national sport organisations (NSOs) in New Zealand could develop their strategic capability. The purpose of this paper is to discuss two elements from this study found to be important in the development of board strategic capability for NSOs. In particular, the paper explores board involvement in strategy formulation and stakeholder/owner relationships.

### **METHODS**

An action research approach founded on the interpretative research paradigm was employed for the study (Cardno, 2003). Data was collected as part of a collaborative approach between the researcher and case organisations, Squash New Zealand, New Zealand Soccer and Tennis New Zealand. The researcher combined with board members and CEOs of these organisations to identify barriers to board strategic contribution, and implement and evaluate action steps to further enhance board strategic function. In particular, data was collected on the level of board involvement in strategy and board approach to stakeholder/owner relationships. Focus groups and interviews with board members and CEOs as well as participant observation and document analysis were the primary methods used to collect data between August 2005 and January 2007. Data analysis was undertaken as part of the action research process using videotape transcription to determine emerging themes in addition to reflective journaling and regular “checking” with research participants (Coghlan & Brannick, 2001).

### **RESULTS**

Results from the research were twofold. Firstly, in addressing concerns that the CEO appeared too dominant in the strategy process, the dual creation of the strategic plan (between board members and CEO) and subsequent attempt at integrating the plan into board agenda papers allowed the board to become more involved. A second issue facing two of the NSOs was the board’s ability to enact its strategic priorities via an effective regional delivery mechanism. In the case of one participating NSO, the board focused on developing regional capability with member organisations that included an emphasis on regional board function. In another case, the board implemented a major regional restructure, significantly reducing the number of regional member associations from 25 to 6. This was designed to create a better governing structure for the sport. In both cases, an important consideration was the relationship between the national body and its regional member associations indicating the significance of regional relationships for board strategic function.

## DISCUSSION

Outcomes from the study identified the need for greater board involvement in strategy development as well as the need for the board to be involved in integrating strategy into board processes (for example, agendas and meetings). The notion that the board needs to be a full and visible partner in strategy development in order to further develop its strategic capability is a key finding of this research and contributes to previous work by Inglis (1997b) and Shilbury (2001). A second conclusion is founded on the notion that board strategic capability is significantly impacted by the inter-organisational relationships. More specifically, the notion that a board of an NSO could improve its strategic capability by creating a more collaborative partnership with its regional entities and engaging in a power-sharing approach that seeks to develop regional capability is a major finding. As these findings emerged, a number of paradoxes and tensions also become apparent. Such tensions included the difficulty balancing a focus on strategy development/strategic intent with the monitoring function and knowledge of operational detail. These tensions have bearing on the “will and skill” of board members and call into question the capability of part-time volunteer board members in taking on such responsibilities. A final outcome of the study was the conclusion that a strategically capable board is an all-encompassing concept that requires an ability to maintain all contributing factors in balance; to manage the tensions, acknowledge the paradoxes and pay attention to each in order to achieve optimum strategic balance.

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