

CEO/Board power dynamics – a question of mission

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Aim

This paper aims to provide a critical insight and understanding of CEO/Board power dynamics within a small number of Sport & Leisure Trusts based in the UK. Additionally, the aim of the research is to explore the internal governance processes of Leisure Trusts and how power dynamics between the Board/CEO influence the Leisure Trust's ability to produce social value and remain financially stable. This research will advance literature on non-profit sport organisations by discussing how the unique governance structures and challenges of Leisure Trusts affect the distribution of power between the CEO and board in relation to achieving mission alliance.

Literature review

Leisure Trusts are an organisational form of social enterprise and over the past 10 years they have become an integral business model of sport provision. Leisure Trusts own and manage sport facilities and operate within the third sector (Hodgkinson & Hughes, 2012). Their *raison d'être* is improve the quality of sport provision through reinvesting the surplus they generate (Kucher, 2012). Social enterprises face a unique governance challenge - how do they control the balance between their social activities and their commercial ones (Ebrahim et al., 2014). Mission drift is a form of instability for social enterprises that may or may not lead to serious social or organisational consequences over the long term (Agafonow, 2015). Comforth et al. (2014) highlight how the internal power dynamics through which the CEO and board ensure that organisations remain focused on their social goals needs to be a central concern of research. Internal coalitions promoting a given logic, or more broadly, the internal balance of power between internal coalitions, has shown to influence how non-profit organisations have considered the possibility of mission drift occurring (Bromley & Powell, 2012). The extant literature is largely superficial with regards to social enterprise governance, specifically, the internal power dynamics between the board and CEO and how it affects the possibility of mission drift. As discussed, this area is essential in the development of such enterprises. It is this gap in knowledge in the literature that this paper addresses.

Methodology

The paper involved conducting a collective case study of two Leisure Trusts. Semi-structured Interviews with the CEO (2) and board trustees (14) along with direct observations of board meetings (4) produced the evidential trail over a two year period. The researcher focused on two Leisure Trusts of different organisational scale for purposes of maximum variation. This sample selection produced an original critique and contribution to research on the governance of non-profit sport organisations. As the researcher adopted an interpretivist approach, thematic network analysis was used to interpret and

present the main themes found through the data collection stage.

Results/discussion

We find evidence that in 'Trust A' the power over strategic decision making lies solely with the CEO. The Board acts as a sounding board. This dissemination of power has resulted in the Trust seeking new sources of revenue/expansion which in return has resourced the production of social value. Consequently, they have managed to achieve mission alliance. Conversely, in 'Trust B', power lies solely with board. The CEO's role is limited to implementing directives from the voluntary board. Their focus on asset consolidation rather than expansion has resulted in an over-reliance on financial support. Subsequently, mission drift has occurred in Trust B. Additionally, the paper identifies access to funding, revenue generation, competition, council relations and the macro political and economic environment as key governance challenges in tackling mission drift. These challenges prove decisive in the power dynamics between the board of trustees and CEO.

Implications

This paper contends that Leisure Trusts ought to adopt a CEO-led stewardship model of governance in order to achieve long-term mission alliance. This is a shift away from the traditional board-led democratic stakeholder approach of third sector organisations. This shift is influenced by current macro governance challenges. The paper contributes to the increasing demand to investigate different organisational forms of social enterprise, particularly Leisure Trusts given its role in sport provision. The findings inform the relatively nascent and still under-development academic discussion surrounding our understanding of the unique processes of non-profit sport governance. The findings will add to academic and practical debates concerning the business model's ability to produce social value in a sustainable manner whilst being a beneficial approach to sport and leisure provision in the UK.