SPORT GOVERNANCE: THE STAKEHOLDER DILEMMA

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Keywords

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Aim of abstract/paper - research question

The manner in which sport organizations are governed has the potential to deeply impact sport systems where decisions made by the organization's top leadership group have far reaching consequences. While there is a strong body of work on governance within commercial/non-profit domains, the scholarship of 'sport governance' is a relatively new field of inquiry (Shilbury, et al., 2012). This study, positioned within the non-profit sport context, draws on an emerging body of work in sport governance to investigate how non-profit sport organizations can develop their governing capability. A rich data set derived from a two-year action research study within an Australian sport organization revealed 'stakeholder engagement' as the central issue in developing governance capability. Thus, deep engagement within the boardroom setting assisted us to advance thinking about stakeholder theory as it applies to sport governance.

Theoretical background or literature review

While we acknowledge that other theories have been usefully employed in governance scholarship (e.g., agency, stewardship, institutional theory) and, indeed, advocate for a multi-theory approach, this study is focused on stakeholder theory (Freeman, 1999). This is because in our emergent approach to theory development, 'stakeholder engagement' was revealed as the central issue in developing governance capability. In commenting about sport governance, Shilbury et al. (2013, p. 1) expressed, "To govern is to steer … and to make decisions that are consequential, strategic, and impactful, usually on behalf of others". It is the notion that governance carries with it the responsibility to make decisions on behalf of others that is central to the tenets of stakeholder theory, and the core set of ideas which we explore in this paper.

Methodology, research design and data analysis

An action research approach founded on the interpretative research paradigm was employed for the study. Data were generated and analysed as part of a collaborative approach between the research team and Squash Vic (the state governing body for squash in Victoria, Australia). The research team combined with board members to identify barriers to 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 analyse data between October 2010 and October 2012. Data collection involved three phases. The first was the reconnaissance/issue identification phase, which sought to assess the current situation regarding board function, including perceived strengths and weakness. The second was the intervention/action phase where proposals for change were agreed and enacted. The final phase was an evaluation, designed to assess the outcomes and impact of change.

Results, discussion and implications/conclusions

An outcome of phase one, reconnaissance/issue identification, was articulated 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". Thus, the agreed intervention, co-developed between researchers and participants was stated as: Change to the governing structure is required to enable greater stakeholder engagement so that the board can better perform its governing role. Various issues were examined including identifying *who it is* that Squash Vic governs on behalf of, relevance of current governance structures, options for board composition and voting, and stakeholder engagement. Taking into account the contested perspectives of stakeholder theory (Fassin, 2012) these issues were examined using both an inclusive and restrictive approach to stakeholder theory (Senaux, 2012) and the relationship between Squash Vic and its identified stakeholders.

The final phase (evaluation) sought 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/individual learning. The standout theme to emerge was a focus on stakeholder engagement and governance accountability, as exemplified by the following. "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 previous governance structure was a barrier to capability. Despite this, there were also challenges in board cohesion, and perspectives of stakeholder legitimacy and power, with some members resistant to changes proposed.

In addition to presenting the study findings, approaches to stakeholder theory (Fassin, 2012; Freeman, 1999; Senaux, 2012) are examined in the context of these findings where issues of stakeholder legitimacy and primacy are drawn out. Consequently, Fassin's (2012) concept of *stakeowners* is explored in an effort to advance theoretical understanding of practical sport governance dynamics.

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