

# **Building Organisational Resilience in National Governing Bodies of Sport**

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## **Aim**

To identify sources of organisational resilience within National Governing Bodies experiencing significant funding reductions.

## **Theoretical Background**

The current policy context faced by National Governing Bodies of Sport (NGBs) is one that is shaped by environmental turbulence (Chapman & Houlihan, 2015). NGBs are being asked to re-align their organisational structures to meet the challenges of new policy statements from the DCMS, UK Sport and Sport England. These policy changes can create dilemmas or even crises within NGBs that challenge their financial and operational stability. While the NGB will need to respond to these policy changes, stakeholders will still be reliant on the NGB for key sport related services. In these times of change, NGBs need to demonstrate greater levels of ‘organisational resilience’ in order to adapt and manage these disruptive challenges by identifying the organisation’s “. . . ability to survive, and potentially even thrive, in times of crisis” (Seville et al. 2008; p. 18).

The concept of resilience is given greater saliency as funding agencies reallocate priorities to meet the objectives of these new policies, potentially reducing their core grant allocations to NGBs. However, organisational resilience is multi-dimensional and complex (Lee et al. 2013). It accounts for situation awareness (macro and sectoral scanning), management of keystone vulnerabilities (losses that affect the entire organisation) and adaptive capacity (adaptability to a dynamic environment) in a complex, dynamic and interconnected environment (McManus et al. 2008). If NGBs are to invest in developing resilience, identification of its foundations will be important in order to minimise exposure to future risk (Sheffi, 2005).

This scientific abstract seeks to apply the concept of resilience to NGBs, identifying how NGBs might move away from reacting to environmental turbulence. By understanding the organisation’s strengths and weaknesses in relation to resilience, NGBs will be able to build organisational flexibility so as to adapt quickly to changing policy, while minimising structural disruption.

## **Methodology and Data Analysis**

This research took place immediately after three NGBs lost all their funding. Through in-depth interviews with Chief Executive Officers, Performance Managers and athletes of three NGBs, this research sought to track how they responded to the funding reductions and whether they implemented new processes that limited their susceptibility to future funding or policy changes.

18 in-depth interviews were conducted over a 14 month period. The interviews sought to categorise the actions of the NGBs through the concept of resilience, applied to the theory of situation awareness, management of keystone vulnerabilities and adaptive capacity (McManus et al. 2008). The purpose of the approach was to discover how NGBs can build organisational resilience and to identify areas of improvement. It is hoped that this initial research will be

supplemented with further interviews from NGBs. Several NGBs lost funding for the Tokyo Olympic funding cycle and several more lost funding due to the implementation Sport England's strategy, Towards an Active Nation.

### **Results, Discussion and Implications**

This study found that the NGBs were extremely reactive to funding changes, rather than adapting current strategies to manage these cuts. However, while the actions might be viewed as ad hoc in nature, the NGBs actions were designed to strengthen organisational resilience to the possibility of future policy changes. Here is an overview of the key actions undertaken:

*Situation awareness:* Two of the NGBs initially disbanded their elite programme, but began to understand to how important an elite programme was to the rest of the development pathway in their sport. One NGB sourced funding from its International Federation, while the other played against a club team from another country.

*Keystone vulnerabilities:* The NGBs began to develop organisational connectivity, through creating more cooperative sport development pathways delivered through collaborations. Viewing this integration through the lens of a sport development continuum, NGBs began to collaborate with various athletes and their respective sports along the continuum, to deliver services and training opportunities at different levels of the continuum.

*Adaptive capacity:* One of the case study organisation began to show initial signs of adaptive capacity by creating a strategic alliance with another NGB. The first level would seek to co-locate in a new purpose-built facility. The second part of this alliance would focus on role-sharing. Due to administrative similarities between the two sports, the CEO envisages a situation where the two NGBs could share jobs that lack role specialisation (Riley, 2010). Taking this approach would enable the NGB to conserve its resources and minimise changes to internal structures.

### **Conclusions**

Given the current environmental challenges faced by NGBs, identifying sources of organisational resilience have become more important. At a simple level this is because NGBs operate within complex webs of stakeholders. More importantly, building resilience will enable NGBs to return to an equilibrium quickly after changes in their environment, and to gain synergies through enhancing resilience to build competitive advantage.

### **References**

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