

# Good governance in national sport organisations: Board composition and interpersonal dynamics

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## Abstract

Governance in sport has become a central talking point due to a variety of high-profile corruption scandals. The purpose of this paper is to examine contemporary good governance practices for national sport organisations (NSOs), specifically in relation to board composition and board dynamics. This review paper illuminates the configuration of board composition factors (board size, term limits, diversity (e.g., of gender, age, and skills) and independence) that research indicates is required to enhance board functioning. This paper discusses the importance of boards being strategically as opposed to operationally focused, as well as the need to carefully manage passion, which is uniquely prevalent on sport boards. Additionally, the socio-behavioural aspects of boards including cohesion, climate, conflict, power, and the CEO-board relationship are discussed as vital antecedents of effective board functioning. Using the information in this paper, sports administrators and governance actors will be able to better understand and implement good governance within a board setting and help NSOs strive to operate in a manner that is in line with the expectation of its members and wider society.

## Keywords

Sport Governance, Board Composition, Board Dynamics, National Sport Organisations

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## 1. Introduction

Governance in sport has become a key focus for sport management academics and practitioners over the past decade. The growing commercialisation and complexity of sport throughout the world has enhanced the value of sport through the introduction of functions such as managing commercial rights, engaging with fan and participants, promoting social inclusion, and encouraging healthy lifestyle choices.<sup>2</sup> Due to these changes, the actions of sport governing bodies create significant socioeconomic impacts on wider society.<sup>3</sup>

Dowling et al. (2018) acknowledges the definitional ambiguity of sport governance, suggesting the breadth of the concept.<sup>4</sup> This paper will adopt the definition of governance defined by Ferkins et al. (2005): “the responsibility for the functioning and overall direction of the organisation and is a necessary and institutionalised component of all sports codes from club level to national bodies, government agencies, sport services organisations and professional teams around the world”.<sup>5</sup>

Calls for good governance arguably reached the sporting world much slower than other sectors due to the existence of regulatory autonomy within the industry.<sup>6</sup> Autonomy refers to sport organisations’ ability to determine their own structures, governance and sport rules.<sup>7</sup> However, growing concerns about sport governance standards have emerged from broader societal concerns surrounding governance and high-profile corruption scandals specifically within the context of sport. Examples include the Fédération Internationale de Football Association (FIFA) corruption scandal,<sup>8</sup> sexual misconduct in USA Gymnastics<sup>9</sup> and the Russian doping scandal.<sup>10</sup> These events have led to greater public scrutiny and societal expectation for sport organisations to take steps to restore the public’s trust and reduce unethical behaviours within sport.<sup>11</sup>

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<sup>2</sup> Geeraert and van Eekeren (2022).

<sup>3</sup> Geeraert et al. (2014).

<sup>4</sup> Dowling et al. (2018).

<sup>5</sup> Ferkins et al. (2005), p.245.

<sup>6</sup> Geeraert et al. (2014).

<sup>7</sup> Chappelet (2016).

<sup>8</sup> Boudreaux et al. (2016).

<sup>9</sup> Armour and Axon (2017).

<sup>10</sup> Harris et al. (2021).

<sup>11</sup> Chappelet and Mrkonjic (2019); Dowling et al. (2018).

The importance of good governance cannot be understated. Over the last three decades, sports industry has undergone significant commercialised and garnered considerable influence in broader society.<sup>12</sup> Thus, the absence of good governance within sport has the potential to have substantial negative repercussion on both, the wider society and the sports industry itself.<sup>13</sup> The presence of good governance serves as a preventative measure that mitigates risk of governance issues arising, including its resistance to corruption.<sup>14</sup> While good governance does entirely remove the possibility of governance issues arising within organisations, the presence of poor governance certainly fosters an environment where governance issues can fester. It is evident that there is a need for continued research in the field of governance. Such research expands broader societal and management understanding of sport governance and its best practices, safeguarding sport from individuals and groups with ulterior motives.

The purpose of this paper is to examine contemporary good governance practices for national sport organisations (NSOs). Specifically, this paper aims to analyse good governance practices concerning board composition and board dynamics. Firstly, this paper will explore good governance concepts related to the composition of a board. Secondly, it examines the effectiveness of strategically focused boards. Thirdly, it will address the role of passion in sports boards. Finally, this paper will explore the five concepts of board dynamics.

## **2. Board composition**

Boards are integral for achieving organisational objectives and maintaining organisational integrity. Therefore, it is pivotal for boards to be structured in a way to maximise their effectiveness while adhering to good governance principles.<sup>15</sup> Good governance practices related to board composition can be theorised to be classified into two broad groups. The first group comprises practices that contribute to better decision making, introduce a variety of skills to the board and ultimately enhance board performance. The second group can be seen as checks and balances that ensure independence, transparency, and autonomy within the NSO board. The following sections will discuss various aspects of board composition in depth.

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<sup>12</sup> Geeraert et al. (2014).

<sup>13</sup> Ibid.

<sup>14</sup> Geeraert (2019).

<sup>15</sup> Ingram and O'Boyle (2018).

## 2.1. Independent directors

Independence ensures that board members act in the best interest of the organisation rather than their own personal interests. An independent board is essential for good governance and strategy enhancement because it prevents conflicts of interest, ensures objectivity in decision-making, leads to transparency and accountability, and effectively serves as a liaison between members and management.<sup>16</sup> Independent directors do not hold a personal stake in the organisation's business and are not a part of the executive team, nor are they involved in day-to-day operations of the organisation.

An independent director is defined as a non-executive director who is not a member of management. Independent directors are crucial to include on organisational boards because they are the best positioned to monitor and discipline NSO management.<sup>17</sup> They do not have managerial pressures that executive board members may experience,<sup>18</sup> allowing them to contribute a more objective perspective to the decision-making processes, which can increase stakeholders' confidence in the organisational processes.

## 2.2. Term limits

Term limits are considered a preventative measure to limit the monopolisation of power of an individual on a sport board. Tenures of presidents and executive members lasting more than two 4-year terms may result in a detrimental concentration of power.<sup>19</sup> It has been recognised that the longer individuals hold leadership positions, the greater the influence they can accumulate.<sup>20</sup> This resulting monopolisation of power can transform decision-making into an authoritative process rather than one comprising diverse thought.<sup>21</sup>

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<sup>16</sup> Ferkins and Shilbury (2012).

<sup>17</sup> Masulis and Mobbs (2014).

<sup>18</sup> Bhatt and Bhattacharya (2015).

<sup>19</sup> McLeod and Star (2020).

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

Term limits also assure that elections are real contests, provide opportunities to implement new problem-solving ideas, and prevent concentration of power.<sup>22</sup> High rates of re-election stem result from the significant advantage incumbents over new candidates due to their seniority in power.<sup>23</sup> Examples of individuals who have amassed significant power due to constant re-election include Sepp Blatter during his 17-year reign at FIFA and, in India, Vijay Malhotra's 44-year reign as President of the Archery Association of India.<sup>24</sup> Even after long-serving board members resign or are serving a cooling off period, there is a significant risk for powerful individuals to install proxies to exercise decisions on their behalf after their resignation or during the cooling off period.<sup>25</sup> From a democratic perspective of board elections, term limits provide individuals a real possibility of being elected, enabling underrepresented or overseen groups to hold office positions.<sup>26</sup>

Although the introduction of term limits has been noted as a good governance practice both in academia and practice, the policy can be viewed as a waste of talented individuals and experience. Individuals who serve additional terms undertake significant and strenuous effort for public benefit.<sup>27</sup> There is a potential for a highly productive administrator to be replaced by a significantly less competent individual.<sup>28</sup> The potential to lose competent individuals can be considered as an acceptable trade-off to mitigate the power monopolisation by individuals and encourage new ideas and innovation within the sporting organisation.

### 2.3. Board Size

Corporate boards with more than twelve members have been found to be ineffective, and these large boards have been associated with lower organisational value.<sup>29</sup> Smaller boards, on the other hand, have demonstrated better decision-making ability because of better communication and coordination.<sup>30</sup> Currently, there is no definitive consensus regarding an

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<sup>22</sup> Cohen and Spitzer (1991).

<sup>23</sup> Geeraert et al. (2014).

<sup>24</sup> McLeod and Star (2020).

<sup>25</sup> Ibid.

<sup>26</sup> McLeod et al. (2021).

<sup>27</sup> Cohen and Spitzer (1991).

<sup>28</sup> McLeod and Star (2020).

<sup>29</sup> Jensen (1993); Yermack (1996); Eisenberg et al. (1998).

<sup>30</sup> Jensen (1993).

ideal board size that guarantees enhanced boards performance. However, NSOs may consider several factors, including membership size and operations, when proposing board limits for sporting organisations.<sup>31</sup> Scholarly literature suggests that large boards can lead to less effective decision-making due to increased complexity in communication and management. In contrast, smaller boards tend to make decisions more quickly, resulting in less bureaucracy and more agile responses necessary to meet the rapid demands of the dynamic modern sports business.<sup>32</sup> Furthermore, literature recommends that the optimal board size for NSOs vary between the range of 6 to 12 members, with an odd number of members facilitating decision-making when relying on a voting system for resolutions.<sup>33</sup>

While it has been addressed the impact of large board sizes has been discussed, NSOs must also consider that imposing a cap on board size may limit the mix of skills and diversity of perspectives available on a board. These factors contribute to a more effective decision-making process, making boards more potent.<sup>34</sup> It is essential to strike a balance between having sufficient board members to stimulate diverse thinking and recognising that increasing board size can diminish decision-making effectiveness.

#### **2.4. Board diversity**

It has been asserted that diverse groups have a broader range of knowledge, perspective, and information, benefitting board performance when compared to homogenous groups.<sup>35</sup> In addition, gender balance and racial diversity have been shown to improve the effectiveness of board performance and strategic control, ensuring representation for groups that may have historically been excluded from such roles within sporting organisations.<sup>36</sup>

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<sup>31</sup> Mak and Kusnadi (2005); Eisenberg et al. (1998).

<sup>32</sup> McLeod et al. (2021a).

<sup>33</sup> Ibid.

<sup>34</sup> Geeraert et al. (2014).

<sup>35</sup> Ely and Thomas (2001); Cox et al. (1991).

<sup>36</sup> Terjesen et.al. (2009); Nielsen and Huse (2010).

### 2.4.1. Gender diversity

Research demonstrates that boards benefit from gender diversity. A diverse composition enables constructive and open debates, leading to better decisions making due to the inclusion of women, who bring different perspectives to discussions.<sup>37</sup> Geeraert et al. (2014) identified that fifteen of the thirty-five Olympic sport governing bodies analysed in their research lacked female representatives within their executive committee, and only 12% of all executive members of the sport governing bodies were female.<sup>38</sup> These thirty-five Olympic sport governing bodies included team and solo sport governing bodies, sport event governing bodies, special task bodies, and representative bodies of predominately a global or continental level.<sup>39</sup> Studies affirm that female inclusion on boards results in improved governance, with boards featuring three or more women being more effective in implementing corporate strategy, conflict of interest rules and code of conduct.<sup>40</sup>

A common practice to increase gender diversity in governance is the introduction of gender targets and quotas. These targets set a minimum number or percentage of a gender on a board, with quotas being a mandatory measure.<sup>41</sup> While contemporary research has not determined an ideal gender board membership percentage, there is overarching evidence that greater gender balance leads to better board performance.<sup>42</sup> The Australian Human Rights Commission recommends that a minimum of 40% representation of each gender should be represented on a board,<sup>43</sup> commonly referred to as the 40:40:20 target.

It is important to acknowledge that gender diversity faces challenges in the sporting sector, where gender inequality has been normalised.<sup>44</sup> Traditionally, women have been excluded from leadership roles, and masculine hegemony has been prevalent within the sporting industry<sup>45</sup>

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<sup>37</sup> Fondas and Sassalos (2000); Zelechowski and Bilimoria (2004).

<sup>38</sup> Geeraert et al. (2014).

<sup>39</sup> Ibid.

<sup>40</sup> Ibid.

<sup>41</sup> Adriaanse and Schofield (2014).

<sup>42</sup> Ibid.

<sup>43</sup> Australian Human Rights Commission (2010).

<sup>44</sup> Cunningham (2008).

<sup>45</sup> Messner (1992).

and sporting organisations.<sup>46</sup> This hegemony has produced sexism and gender bias, undermining women's capabilities.<sup>47</sup> Research suggests that boards with a minimum of three women board members are crucial for advancing gender equality.<sup>48</sup>

Contemporary sport management must also consider the future involvement of non-binary people, who do not fit traditional gender categories.<sup>49</sup> The sports sector has lagged in incorporating non-binary individuals, but their inclusion of sports board can be accepted in future.<sup>50</sup>

#### **2.4.2. Age**

While research indicates that age diversity on a board does not significantly impact an organisation's performance, the common rationale for encouraging young leaders within a boardroom and even establishing age limits is to promote board refreshment and new ideas.<sup>51</sup> Promoting cognitive diversity and perspectives, organisations are incentivised to recruit younger individuals, who are typically underrepresented on boards, by establishing a board characterized by a diverse range of age groups among its directors. This phenomenon underscores the importance of fostering intergenerational diversity within board compositions. However, it is important to balance the recruitment of younger members with the benefits of experienced leaders, who often possess extensive knowledge and expertise advantageous to NSOs.<sup>52</sup>

#### **2.4.3. Skill diversity**

When selecting board directors, sporting organisations should consider their expertise in sports, ability to provide strategic direction, financial management skills, legal and compliance expertise, marketing capabilities, business acumen, communication skills and their ability to

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<sup>46</sup> Anderson ([2009](#)).

<sup>47</sup> Hindman and Walker ([2020](#)).

<sup>48</sup> Adriaanse and Schofield ([2014](#)).

<sup>49</sup> Gibson and Fernandez ([2018](#)).

<sup>50</sup> Proud2Play Impact Report ([2020](#)).

<sup>51</sup> McLeod and Star ([2020](#)).

<sup>52</sup> Adriaanse and Schofield ([2013](#)).



engage with stakeholders.<sup>53</sup> Ferkins and Shilbury (2012) undertook a thorough analysis of New Zealand's NSOs and found that having a range and mix of skills, including a hybrid board composition, was crucial for board members perception of their organisation's strategic direction and overall managerial satisfaction.<sup>54</sup> The concept of a hybrid board composition pertains to a constitutional provision that permits the inclusion of individuals into the organisational board through co-option.<sup>55</sup> The hybrid board composition preserves the democratic principles of an election process while also facilitating the inclusion of additional board members to address skill gaps when necessary. Ultimately, the inclusion of individuals with varying skills can help sporting organisations effectively respond to the ever-evolving challenges of the sports industry, ensuring that a variety of voices and backgrounds are taken into account in the decision-making process, thus positioning the organisation to make the best decisions.

It is crucial for NSOs to enact structures within their board that promote good governance, while maximizing both board and organisational output. As discussed in this paper, sporting literature suggest optimal board size for NSOs varies between 6 and 12, with a minimum of 40% of one gender to be comprised of board members.<sup>56</sup> While the structure of a board can be pivotal to organisational success, the socio-behavioural aspects of a board also play a significantly role for both organisational success and board performance.<sup>57</sup> In essence boards can be structured to enhance performance, but without effective interaction between members and management of board dynamics the performance gained through its structure would be rendered ineffective.

### **3. Effective boards are strategic**

Governance has been considered as one of the most influential factors contributing to the success of non-profit organisations.<sup>58</sup> In contrast to the resource rich commercial organisations, non-profit sporting organisations have traditionally been governed by a volunteer board. These

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<sup>53</sup> McKeag et al. (2023).

<sup>54</sup> Ferkins and Shilbury (2012).

<sup>55</sup> Ibid.

<sup>56</sup> McLeod et al. (2021a); Australian Human Rights Commission (2010).

<sup>57</sup> McLeod (2020).

<sup>58</sup> Balduck et al. (2010).

boards operate to direct the limited resources and limited staffing capacity of the organisations. Due to their limited staffing capacity, it is imperative for these boards to work effectively to maximise output for sporting organisations. Consequently the volunteer boards are required to attract individuals with significant expertise, as this expertise can be a non-profit sport organisation's most critical asset.<sup>59</sup>

In academic literature, there is growing consensus that boards should decide, rather than simply ratify, the strategic direction of the organisation they represent.<sup>60</sup> This trend suggests that boards should have greater involvement in the strategic decision-making.<sup>61</sup> To function as a strategic board, the individuals comprising the board are required to think and act strategically, possess knowledge of the sport, and demonstrate analytical and impartial thinking.<sup>62</sup> Additionally, the organisation must have a clearly articulated strategy, in which the board has been actively involved in its development.<sup>63</sup>

### 3.1. Passion on boards

Emotions play important role as they impact the attitudes and behaviours of individuals and groups within the organisation.<sup>64</sup> Emotions, therefore, have a profound impact in the boardroom because "boards are first and foremost groups of human individuals".<sup>65</sup> While there are a various definitions of passion that has been utilised in academic literature, this paper adopts Vallerand et al. (2003) definition of passion as a "strong inclination toward an activity that people like, that they find important".<sup>66</sup>

As sport boards are typically composed of volunteers, passion has been found to be an important source of motivation for directors to serve on these board.<sup>67</sup> The passion involved in sport boards is a clear differentiation from corporate boards. However, it is essential to note

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<sup>59</sup> Ferkins et al. (2009).

<sup>60</sup> Cornforth (2003).

<sup>61</sup> Parker (2007); Pye and Pettigrew (2005).

<sup>62</sup> Ferkins and Shilbury (2012).

<sup>63</sup> Ibid.

<sup>64</sup> Barsade and Gibson (2007).

<sup>65</sup> He and Huang (2011), p.1120.

<sup>66</sup> Vallerand et al. (2003), p.757.

<sup>67</sup> Zeimers et al. (2022).

that while passion is required for voluntary boards, it can also introduce challenges. Board members must be aware that excessive passion can potentially impact group dynamics and decision-making negatively. The hybrid board composition can aid in reducing the gap between skills and passion, as co-opted individuals have no direct links with the organisation. However, it cannot entirely eliminate the potential challenges posed by excessive passion.<sup>68</sup>

Despite the potential negative impacts, passion should not be avoided. Literature acknowledges that passion can have a positive on board cohesion and climate. However, its intensity needs to be carefully managed to create a positive dynamic within the board.<sup>69</sup> For example, Zeimers et al. (2022) found that through increased discussion and respect, managing passion may help board to improve idea generation, cohesion, decision quality and processes, and eventually board performance.<sup>70</sup>

## 4. Board dynamics

Board members depend on each other, in various ways to accomplish both their individual and organisation's goals. As previously discussed, the board plays an integral role in the success of the organisation.<sup>71</sup> Boards must, therefore, interact effectively with each other to ensure the organisation's success, as a dysfunctional board can hinder the progress of the NSO.

### 4.1. Cohesion

Board cohesion, defined by Jackson & Holland (1998), refer to dhow the board develops its members, cares after the group as a whole, fosters togetherness.<sup>72</sup> Academic literature has found that cohesion contributes to both organisational performance<sup>73</sup> and board performance.<sup>74</sup> Parker (2007) found that cohesion allows for open discourse during difficult situations, as it

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<sup>68</sup> Ibid; Zeimers et al. (2023).

<sup>69</sup> Ibid.

<sup>70</sup> Zeimers et al. (2022).

<sup>71</sup> Balduck et al. (2010).

<sup>72</sup> Jackson and Holland (1998).

<sup>73</sup> Griffin and Abraham (2000).

<sup>74</sup> Parker (2007).

encourages board members to respect one another and engage in informal conversations.<sup>75</sup> Further, group integration around tasks has been noted as an essential aspect of board cohesion. Cohesion can positively impact board member satisfaction and the perception of the board's effectiveness to its members.<sup>76</sup>

Two types of board cohesion, social and task cohesion have been identified in literature. Social cohesion refers to the degree to which members of a board like each other and interact accordingly.<sup>77</sup> It is related to the environment that is created by the board, and how board members interact with each other. Task cohesion refers to how well a board can work together in order to achieve common goals, task, or achievements.<sup>78</sup> This type of cohesion creates a goal for the board members to strive towards.<sup>79</sup>

While both types of cohesion influence perceived board performance, task cohesion was found to be a stronger predictor.<sup>80</sup> As discussed above, cohesion is pivotal for organisational performance, however, a board cannot function as an effective strategic board if its individual board member's needs, such as group cohesion and clear expectations of board roles, are not being met.<sup>81</sup> Therefore, NSOs must be mindful of the impact of cohesion on the overall performance of the organisation and its board.<sup>82</sup>

## 4.2. Climate

In an organisational context, climate refers to the shared perception of the working environment or "the way things are done."<sup>83</sup> Regarding board climate, it relates to how board members interact during meetings.<sup>84</sup> While cohesion portrays the long-term togetherness of the board, boardroom climate focuses on the environment of a board meeting, how comfortable

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<sup>75</sup> Ibid.

<sup>76</sup> Doherty and Carron (2003); Hoye and Doherty (2011).

<sup>77</sup> Richardson (2013).

<sup>78</sup> Schneider et al. (2012).

<sup>79</sup> Ibid; Richardson (2013).

<sup>80</sup> Doherty and Carron (2003).

<sup>81</sup> Hoye and Doherty (2011).

<sup>82</sup> Ibid.

<sup>83</sup> Anderson and West (1998).

<sup>84</sup> Schoenberg et al. (2016).

board members feel about making contributions to discussion, and how board members act in their meetings.

Board performance was linked with the board's openness to discuss and debate issues,<sup>85</sup> a climate of openness and a willingness to adapt,<sup>86</sup> the psychological safety during board meetings (i.e. freedom to express opinion),<sup>87</sup> and an informal and facilitative meeting environment.<sup>88</sup> Informal and extensive discourse, accompanied by a constructive scepticism, was found more frequently in higher performing sporting organisations.<sup>89</sup> Parker (2007) found that an informal approach to discourse can co-exist with greater formalisation in agendas or meeting structures.<sup>90</sup> The climate of the boardroom is a crucial consideration for sporting organisations to monitor to create an efficient and effective organisation.

### 4.3. Conflict

Conflict is "a dynamic process that occurs between interdependent parties as they experience negative emotional reactions to perceived disagreements and interference with the attainment of their goals".<sup>91</sup> Conflict is inevitable on boards, especially boards with diverse backgrounds that encourage different perspective. Papadimitriou (1999) found that a certain degree of conflict can aid performance, but an excess of conflict can reduce the ability of the board to make decisions.<sup>92</sup> In addition, conflict-averse boards were reported to be better at solving problems.<sup>93</sup> Conflict is needed to question ideas and thinking, however, conflict needs to be monitored so it does not create dysfunctionality in the board, which in turn, will negatively impact organisational performance.<sup>94</sup> As sport is a competitive environment, the notion of conflict within the organisation is more acceptable within sports organisation than any other

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<sup>85</sup> Prybil (2006).

<sup>86</sup> Bradshaw and Fredette (2009).

<sup>87</sup> Nicholson et al. (2012).

<sup>88</sup> Parker (2007).

<sup>89</sup> Ibid; Prybil (2006).

<sup>90</sup> Parker (2007).

<sup>91</sup> Barki and Hartwick (2004), p.234.

<sup>92</sup> Papadimitriou (1999).

<sup>93</sup> Ibid.

<sup>94</sup> Bradshaw and Wolpin (1992).

industry. It is therefore important for boards to accept that conflict will arise and implement strategies to resolve and monitor conflict.

#### 4.4. Power

Power refers to the ability for one party to influence another<sup>95</sup> due to legitimate, reward, coercive, expert, or referent power.<sup>96</sup> Power is present on boards in two distinct ways. Power patterns identify how power is distributed,<sup>97</sup> while rent seeking describes behaviour on boards where individuals resist change, after they have been found to be suboptimal on the board, because their removal would reduce their private benefits of control.<sup>98</sup>

Murray et al. (1992) found identified five power patterns: power-sharing, powerless, fragmented, CEO-dominated, chair-dominated.<sup>99</sup> Fragmented and powerless boards were found to have lower board performance.<sup>100</sup> Papadimitriou (1999) noted that fragmented boards lacked performance due to decision-making being difficult and slow.<sup>101</sup> Literature has found that power-sharing boards are more likely to exhibit a positive relationship of board performance, although this has not been universally shared.<sup>102</sup> A power-sharing board was found to be better equipped in addressing and preventing future crisis.<sup>103</sup> CEO and chair-dominated board power patterns negatively impact both subjective board and organisational performance.<sup>104</sup>

Rent-seeking has been a persistent issue on some sports board, with rent-seeking including forms of manipulation, bribery, cartel formation, lobbying, and dominance.<sup>105</sup> The practice of rent-seeking is more common within a sporting context because sport or a sporting organisation creates a unique emotional connection with board members, which is not replicated in boards

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<sup>95</sup> de Balzac (2011); Slack and Parent (2006).

<sup>96</sup> French and Raven (1959).

<sup>97</sup> Murray et al. (1992).

<sup>98</sup> McLeod et al. (2021a).

<sup>99</sup> Murray et al. (1992).

<sup>100</sup> Ibid; Papadimitriou (1999).

<sup>101</sup> Papadimitriou (1999).

<sup>102</sup> Murray et al. (1992); Hoye and Cuskelly (2003).

<sup>103</sup> Jäger and Rehli (2012); Turbide (2012).

<sup>104</sup> Murray et al. (1992).

<sup>105</sup> McLeod and Star (2020); Choi and Storr (2019).

of other industries. In addition, sports boards may give individuals a sense of prestige and social status that may only be attained as a member of the board.<sup>106</sup> NSOs must be conscious of the notion of rent-seeking involved within sporting boards, and must look to enact checks, such as term limits, to protect the organisation from such practices.

#### **4.5. Chief Executive Officer (CEO) – Board relationship**

The Chief Executive Officer (CEO) plays a pivotal role on both the board and sporting organisation. The CEO acts as a conduit between the board and the workforce within an NSO. In academic literature, several papers found that a positive CEO-board relationship is positively associated with performance.<sup>107</sup> In addition, it was found that CEO-board relationships were more effective when leadership<sup>108</sup> and information were shared.<sup>109</sup> It is recommended that both parties invest time and effort into building meaningful positive relationships with each other to ensure positive outcomes for the organisation.<sup>110</sup>

The dynamic of trust also plays a role in the CEO-board relationship. In Reid and Turbide (2012), trust was conceptualised on a scale from complete trust to complete distrust.<sup>111</sup> It was identified that a board needed some level of trust in the CEO, as 100% distrust may result in too much interference from the board in the work of the CEO, thereby hindering the effective operation of the organisation.<sup>112</sup> To optimise the performance of the board, a level of distrust is also required from board members to adequately perform their monitoring duties of the CEO and the organisation,<sup>113</sup> suggesting that a balance must be struck between trust and distrust to optimise organisational performance.<sup>114</sup>

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<sup>106</sup> Zeimers and Shilbury (2020).

<sup>107</sup> Hoye (2006); Kreutzer (2009); Turbide (2012).

<sup>108</sup> Ferkins and Shilbury (2012); Morrison and Salipante (2007).

<sup>109</sup> Hoye (2003a); Morrison and Salipante (2007).

<sup>110</sup> Hoye (2006).

<sup>111</sup> Reid and Turbide (2012).

<sup>112</sup> Ibid; Hoye (2006).

<sup>113</sup> Ibid.

<sup>114</sup> Bradshaw and Fredette (2009).

#### 4.6. Final reflections on board dynamics

It is evident that the socio-behavioural aspects of a board significantly contribute to both the organisational success and overall board performance within an NSO. As discussed in this paper, task cohesion has been found to be a better predictor of board performance than social cohesion, with findings also indicating that increased task cohesion also predicted the level of effort put into board performance, in relation to fulfilling their roles on the board.<sup>115</sup> The climate of high performing boards found that informal and extensive discourse, accompanied by a constructive scepticism, aids board performance.<sup>116</sup> In addition, a degree of conflict can aid performance, however, conflict must be managed, as an excess of conflict can reduce the ability of the board to make decisions.<sup>117</sup> While Murray et al. (1992) identified five power patterns in boards, a power-sharing board was found to be better equipped in addressing and preventing future crisis.<sup>118</sup> The relationship between the CEO and the board needs to be prioritised with a balance between trust and distrust to optimise organisation performance,<sup>119</sup> while enabling board members to fulfil their monitoring duty.<sup>120</sup>

### 5. Conclusion

This paper aims to establish contemporary good governance practices for board composition and board dynamics within the sport context. Throughout this paper it has been established that it is essential for NSOs and their board members to be knowledgeable of the good governance practices involved with board composition and dynamics. NSO boards have distinctive characteristics, with boards being of a voluntary nature and filled with passionate individuals. This paper has highlighted the need for board composition and intragroup board dynamics to be considered in NSO governance models while also emphasising the relationships between board factors and NSO performance. While board composition and board dynamics may be viewed as mutually exclusive practices, it should be noted that poor governance within composition or dynamics will likely result in the overall dysfunction and decreased board

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<sup>115</sup> Doherty and Carron (2003).

<sup>116</sup> Parker (2007); Prybil (2006).

<sup>117</sup> Papadimitriou (1999).

<sup>118</sup> Murray et al. (1992).

<sup>119</sup> Bradshaw and Fredette (2009).

<sup>120</sup> Reid and Turbide (2012).



performance. Therefore, it is pivotal to ensure proper governance practices are in place for both board composition and board dynamics to ensure optimal board performance within NSOs.

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