

# **A study of governance theory and board composition in Irish sporting organisations**

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In recent times, many Sporting organisations in Ireland, and further afield, have fallen victim to high profile, damaging scandals often attributed to poor governance and financial mismanagement. Research has shown that boards of management are an integral part of the corporate governance structure in any organisation. However, in the case of organisations with a not-for-profit focus, such as those in the sport and charity sector, the literature points to how the widely applied theory of Agency adopted in many corporate governance environments does not fit the mould for member-led, organisations. These entities often have a far wider set of stakeholders and variety of structures through which governance practice flows. This study aims to determine whether a wider representation of stakeholders, in keeping with a Stakeholder theory of governance, would be welcomed and beneficial for the sporting organisations in Ireland? This will be investigated through establishing the existing process of board member selection, the barriers that must be overcome by organisations with respect to governance and what, if any, other theory of governance currently exists within the organisations in question.

Based on a review of the literature, a largely qualitative research approach was chosen and a purposeful sample of seven individuals was selected for in-depth semi-structured interviews. Responses were analysed thematically and demonstrated the current shortcomings of governance structures and the benefits of structural changes to the board. However, they also highlighted that while there are many benefits to wider stakeholder representation in theory, in practice the existing structures and constitutions of the organisations would not lend themselves to a stakeholder-focused model. Furthermore, the organisations would not be overly welcoming of a focus that would potentially displace their membership as the most central and valued stakeholder. The core finding of the study concluded that a Stakeholder theory model would not be a solution to existing barriers to governance. In practice, sporting organisations are democratic at their core and there is not, at this time, a desire to move that balance of power. However, there is potential to explore a paradox theory of governance to achieve greater diversity of skill, experience and representation.

This study recommends that the existing gap in representation of stakeholder groups potentially be filled by compulsory independent experts and a more selective and strategic selection from within the membership - a potential paradox theory derived from the existing democratic practices. It also recommends focus and further study on the area of education and regulation with respect to governance.

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**List of Abbreviations**

AGM – Annual General Meeting

CEO – Chief Executive Officer

Co Op – Co operative

CRC – Central Remedial Clinic

CSR – Corporate Social Responsibility

EOC – European Olympic Committees

EU – European Union

FAI – Football Association of Ireland

FIFA – Federation International Football Association

FTSE – Financial Times Stock Exchange

GAA – Gaelic Athletic Association

GDP – Gross Domestic Product

INM – International News and Media

LSP – Local Sports Partnership

NGB – National Governing Body

OCI – Olympic Council of Ireland

ODCE – Office of the Director of Corporate Enforcement

OFI – Olympic Federation of Ireland

PWC – Pricewaterhouse Coopers

UCD – University College Dublin

UEFA – Union of European Football Associations

VGC – Voluntary Governance Code

## **Chapter 1 - Introduction**

### ***1.1 What is Corporate Governance?***

Corporate Governance has grown in focus and importance over the past 10 years coinciding with the rise in Corporate Social Responsibility practices (Claessens and Yurtoglu, 2012) however, it's history and associated theories are well developed. Turnbull (1997) describes Corporate Governance as “all the influences affecting the institutional processes, including those for appointing controllers, and/or regulators, involved in organising the production and sale of goods and services” (p. 181). Abdullah and Valentine (2009) expand the definition by detailing that corporate governance “could also mean the process of decision-making and the process by which decisions may be implemented” (p. 89). By contrast, in a newly heightened focus on corporate governance and CSR, Shahin and Zairi (2007) identify governance as a system whereby “the corporation must be thought of, managed, and governed more as a community of stakeholders and less as the property of investors” (p. 754).

There are many views on what corporate governance is and what role it has in business. However, it is apparent that the increase in study and discussion of corporate governance has seemingly come from an increase in corporate level scandals of financial mismanagement, lack of transparency and executive/shareholder divergence (Claessens and Yurtoglu, 2012).

So, what does corporate governance look like and why does it matter?

### ***1.2 The Corporate Landscape***

While theories pertaining to the issues of corporate governance and the consequences of its failings are not a new phenomenon, recent Irish and UK examples have again drawn attention to the significant costs associated with governance failures. The collapse of the Irish banking sector in 2008 prompted multiple reports into the actions and inactions of higher management in Ireland’s largest banking institutions. Regling and Watson (p. 6, 2011) noted that governance structures were “overridden, sometimes systematically” at board and executive level. However, the banking sector is not alone.

A 2019 PWC report into the construction of the new National Children’s Hospital highlighted how management had facilitated “an environment in which the project was allowed to progress too quickly without being subject to rigorous challenge” (PWC, p10, 2019) and discussed how “the role of the governance structure became reactive with virtually no leverage to influence the outcome” (PWC, p10, 2019) leading to an overspend, currently, of €450m. Governance concerns at International News and Media prompted an ODCE investigation into the actions of management and board oversight in 2018. Preliminary findings of the investigation resulted in the matter being referred to the High Court as a result of significant and serious concerns needing further investigative powers (ODCE AGM Report, 2018).

### ***1.3 The Not-for-profit Landscape***

Outside of the strictly corporate environment, issues of governance have been at the fore of the voluntary sector also. Recent issues of mismanagement at Console, Rehab, CRC, the FAI and Swim Ireland have drawn attention to the interactions between board and management in member-led, charity and partially state supported organisations.

Between 2014 and 2016 the Irish Charity Sector reported losses in donations of up to 60% attributed directly to the many public scandals that had engulfed the sector over the previous five years (McCall, 2019). In 2017, the Charities Regulator saw a 67% increase in concerns raised about charity operations versus the previous year. Between 2014 and 2017, approximately 23% of all reports of concern related to governance issues and a further 29% related to transparency in the sector (Grant Thornton, 2018). As the tide began to turn and professional standards within and surrounding the sector were addressed, the lens turned to the importance of continued and sustained good governance and financial practices. Professor Niamh Brennan of UCD stated that “you could argue the charities need high standards of corporate governance more than any other organisation” (McCall, 2019). In 2016, then Tánaiste Francis Fitzgerald spoke of the importance of good governance and financial management in the charity sector in order to reflect the goodwill of the public donors (McQuinn, 2016). In the same year, the launch of the Charities Institute of Ireland was the start of a significant change and development of the

sector which followed the establishment of a charities regulator in 2014. The Irish charity sector, having fallen victim to multiple scandals pertaining to poor governance began a transformation that has served to restore public confidence to unprecedented levels through significant multi-organisation structural, governance and control changes driven by the introduction of enhanced accounting standards and the Voluntary Governance Code (O'Hanlon, 2019)

#### ***1.4 The Sporting Landscape***

Sport, operating with a similar not-for-profit structure to charities of old, has also found itself in times of difficulty with respect to governance, financial controls and professional administration. Most recently, substantial and material financial mismanagement at the Football Association of Ireland resulted in a collective bailout of the organisation from Government, Bank of Ireland and European governing body UEFA. An attempted injunction against the publication of a news report by then CEO John Delaney, in The Sunday Times in March 2019 began the unravelling of a systematic issue of governance and financial failings (Tighe, 2019). At an Oireachtas Committee meeting, FAI representatives struggled to answer questions of how it's financial position was so precarious and provide clarity on the spending of government grants received from Sport Ireland which were subsequently suspended as a result of the scandal (Oireachtas Committee, 2019). While there have been numerous sporting governance scandals both in Ireland and further afield in recent years, the FAI brought to the fore the issues of ineffective and inadequate governance structures where "management style seemed to have been more wishful thinking than business rigour. Such denial meant problems were not addressed" (Brennan, 2019). The near collapse of the association has highlighted the need not only for business rigor but for a more stringent and structured approach to volunteer led governance structures across the sporting sector. The FAI's subsequent Governance Review Group echoed the opinion that change was needed and among its recommendations included significant changes to the governance structure of the board and council including length of service, prevalence of independent representatives and professional expertise (Governance Review Group, 2019).

While the FAI is a recent, substantive, and impactful example of governance failure, other sporting organisations in Ireland have not been immune to mismanagement and scandal. During and in the immediate aftermath of the 2016 Olympic Games in Rio, the Olympic Council of Ireland and its then President Pat Hickey not only came under scrutiny but faced criminal charges in Brazil for ticket touting and fraud (BBC.com, 2016). The circumstances that led to Hickey's arrest and the general operational issues at the OCI that resulted in such grave failings have been investigated by both Deloitte (commissioned by the OCI crisis committee) and Judge Moran on behalf of the Minister for Transport, Tourism and Sport. Both reports found serious failings in governance at the OCI (Moran, 2017). While the full cost of such failures is unquantifiable, both in reputational and real terms, the organisation is estimated to have spent at least €1.5m on Hickey's legal costs alone (McConnell, 2017). The fallout from the 2016 scandal has resulted in a rebuilding and rebranding of the organisation, both externally and internally, to the newly named Olympic Federation of Ireland. This transformation has also led to the organisation adopting the Voluntary Code of Governance (Keane, 2017).

Such failures are not an Irish phenomenon. In 2015 we saw the unravelling of one of the most powerful international sporting organisations, FIFA – the world governing body for football. Charges of bribery, fraud and money laundering were brought against multiple top FIFA executives, with bribery alone estimated at \$150m, and brought the issue of corruption in not-for-profit organisations to the fore internationally (BBC.co.uk, 2015). The situation drew commentary on the difference between corporate and not-for-profit organisations in particular, “For-profit organisations are regulated largely through the market process, with stockholders having strong incentives to maintain close oversight and demanding transparency of transactions, and being subject to takeover bids. Not-for-profit organizations receive far less oversight” (Bourdreaux, Karahan and Coats, 2016, p. 886).

In all instances outlined here, and many more, board control or lack thereof appears to be a starting point for analysing the failures. These failures only serve to highlight that organisations do not appear to learn from the high-profile mistakes of their

peers begs the question of whether a more universal, sector-wide review and solution to poor governance can be found?

### ***1.5 Agency theory or an alternative?***

In a strictly corporate sense, governance literature and the professional environment both draw on the theory of Agency to explain the interactions between shareholders, (the principle), and the corporation, (the agent) (Hill and Jones, 1992). In the case of the above more corporate examples, the shareholders in the Irish banking institutions and INM were failed by the poor actions and governance of management and board members which can be explained as Agency cost, “the divergence of principle and agent objectives” (Hill and Jones, p. 132, 1992). Management acted against the best interests of returning on shareholder investment thus resulting in a significant loss (Agency cost). However, in the case of the voluntary organisations and sporting bodies where shareholders do not exist in an explicit form, the theory of relations between parties pertaining to governance is less widely studied. The structures within such not-for-profit bodies are often more complex and tiered than those in a corporate setting with regards to governance and decision making. Their lack of shareholder/board/management relationship often blurs the lines of responsibility and paves the way for strong characters to lead with relative autonomy, as outlined in the above examples. Cornforth (2004) suggests five potential theories that may apply to the governance of organisations that are not strictly corporate and profit-making in nature.

This study will seek to investigate the relationship between stakeholders and boards of management in Irish sporting organisations and see which, if any, of Cornforth’s theories of corporate governance may apply to Irish sporting bodies. This paper will first analyse the existing and widely accepted Agency theory and its shortcomings in relation to member-led organisations and then review the alternative theories and their merits in the context of the issues faced by member-led associations. Finally, the paper will conduct primary research with members of the sporting sector to understand the key governance relationships and structures and identify what, if any, theory of governance they follow or should follow. The proposed methodology

for conducting research into the application of these theories in the Irish sporting context will be discussed at a later stage in this paper.

## **Chapter 2 - Literature Review**

### **2.1 Agency theory & its shortcomings**

Hill and Jones (p. 132, 1992) define an Agency relationship as “one in which one or more persons (the principle) engages another person (the agent) to perform some service on their behalf which involves delegating some decision-making authority to the agent”. Throughout the breadth of literature, Agency theory is described by the above dynamic. This relationship dynamic highlights the issue of Agency cost which Hill and Jones (1992) describe as the residual loss that occurs when agent and principle actions diverge. Eisenhardt (1989) considers information systems as the primary solution to the Agency problem and identifies the board of directors as a key information system in an organisation. Hill and Jones (1992) and Donaldson and Davis (1991) also consider the board of directors as a primary resource with Donaldson and Davis noting its importance as a “monitoring mechanism” (p 132, 1991). The above appears widely agreed upon throughout Agency theory literature which has largely focused on the relationship between shareholders and management in which the board acts as an information system for both parties and their respective interests.

However, the concept of the principle/agent relationship and its effectiveness in practise has come under question by academics in the field. Agency theory focuses primarily on a shareholder-management relationship. As such, management’s primary focus should be on return for the shareholder. However, this has been identified as a shortcoming of Agency theory on the basis of there being more parties “who have a legitimate claim on the firm” (Hill and Jones, p 133, 1992) than just the shareholders. These groups have been identified as stakeholders and can include suppliers, employees, creditors and customers (Donaldson and Davis, 1991). By way of example of wider stakeholder input, Hill and Jones (1992) and Lan and Heracleous (2010) both discuss the area of staff interests and pay as a potential road to higher profits. More content staff will lead to greater efficiency and long term returns for the organisation under a stakeholder-focused model. However, in the case of Agency theory, the increase in staff remuneration can be seen as a cost that diminishes shareholder returns, as was ruled in the case of Dodge

v Ford Motors as far back as 1919 (Lan and Heracleous, 2010). As a result, an alternative theory has emerged which moves the focus towards stakeholders.

## ***2.2 The stakeholder-focused approach***

Jensen (2001) defines Stakeholder theory as “managers should make decisions so as to take account of the interests of all the stakeholders in a firm. And stakeholders include all individuals or groups who can substantially affect the welfare of the firm, not only the financial claimants but also employees, customers, communities and governmental officials” (p. 299). Thus, Stakeholder theory allows for the inclusion of all parties who have a vested interest in the organisation. In contrast to Agency theory where only the shareholders ‘matter’, a Stakeholder approach means all parties ‘matter’, while this can be beneficial in circumstances where shareholders are not the most prominent stakeholders, such as in not-for-profits, this can lead to challenges of stakeholder prioritisation (Hill and Jones, 1992).

Heath and Norman (2004) discuss a number of sub-theories of Stakeholder Theory. Among the breadth of research they identify ontological Stakeholder theory as “a firm is essentially an organizational entity through which many different individuals and groups attempt to achieve their ends” and “the very purpose of the firm...is to serve as a vehicle for coordinating stakeholder interests.” (p. 249). This theory is most applicable to the context of member-led organisations, particularly not-for-profits, that serve a wider purpose to act in accordance with stakeholder objectives. Heath and Norman (2004) elaborate to contrast this approach to that of “the shareholder-centred view of the firm as an economic entity that marshals resources for the purpose of making a profit for its owners.” (p. 249).

Stakeholder theory is not necessarily a solution to the shortcomings of traditional Agency theory and while many have moved to identify Stakeholder theory as a more holistic approach for an organisation, particularly in the case of not-for-profit organisations, it brings with it its own challenges. Eisenhardt (1989) discusses how the board acts an independent information system however, in the case of a stakeholder approach the board power and efficiency can become diluted by the presence of so many parties. Conversely, Abdullah and Valentine (2009) explain how Stakeholder theory “focuses on managerial decision making and interests of

all stakeholders have intrinsic value, and no sets of interests is assumed to dominate the others.” (p.91). With respect to member-led organisations such as sporting organisations, Stakeholder theory has potential application in how organisations are or should be governed given their wide breadth of stakeholders. Cornforth (2004) suggests Stakeholder theory as one of six potential theories for organisations where there are many players with a vested interest or ‘stake’ in the organisation’s activities.

### ***2.3 Member associations - an alternative case***

While Stakeholder theory gives a potential avenue for exploration in the context of sporting organisations, one potential issue with member-led organisations is the method by which a board is constructed or elected. Cornforth (2004) analyses six potential theories for the governance of member-based organisations including Agency theory, Stakeholder theory, association theory, resource dependency theory and managerial hegemony theory. Spear, Cornforth and Aiken (2014) further contextualise governance in member organisations by stating that “the sector is very varied and a wide variety of governance structures are used, with different levels of formalisation, board size and composition, etc.” (p.4, 2014). Having analysed the principles of Agency and Stakeholder theory, this paper will now analyse the theories of association/democracy and resource dependency and investigate their potential application in sporting organisations.

### ***2.4 Democratic or Association Theory***

Democracy is a key factor in the governance of member-led organisations and not-for-profits. This manifests itself as member representation within the leadership of the organisation (Cornforth, 2004). Association or democratic theories of governance fit the context of most member-led organisations where constitutions dictate the makeup of the board of directors including the level of member involvement. Chelliah (2016) describes the democratic model by stating that “the central role of the board of directors is to act on behalf of the membership, balance the interests of different member groups, and set the policy of the organisation” (p. 5). Thus, one could conclude the democratic system clearly aligns with member-focused organisations.

However, the system is not without its critics who focus on concerns of “implementation of democracy in actual capabilities and meanings, and creation of adaptive systems and identities” (Viggiani, 1999, p. 240). The systems must function, democratically elected or not and the questions raised for such organisations include “whether espousedly democratic firms are efficient, whether they survive over time” (Viggiani, 1999, p. 233). Such efficiencies, or lack thereof, raise the question of long-term viability of a democratically run organisation that may struggle to prioritise the future needs of the organisation over the members’ interests.

Furthermore, democratically elected boards can pose an issue of experience where democracy may outweigh the search for competency or expertise in the election of board members (Cornforth, 2004). The democratic model centres around the idea that anyone can be elected to represent the membership, regardless of expertise (Chelliah et al, 2015). It is often the case that the “process through which people become directors, as dictated by the constitution or policies, can result in a limited pool of potential directors which limits the range of skills represented on the board” (Chelliah et all, 2015, p. 12). This process directly contrasts with that of Agency theory which dictates that expertise and independence of board members is essential in managing governance and compliance (Cornforth, 2004).

### ***2.5 Resource Dependency Theory***

Millesen (2003) describes board behaviour in organisations as the response to “external pressure emanating from (a) the resource or funding environment and (b) the institutional or regulatory environment” (p.524, 2003). Cornforth (2004) also covers the former of those pressures in his explanations and applications of the resource dependency theory. Many member-led organisations “depend crucially for their survival on other organisations and actors for resources” (Cornforth p.16, 2004). This dependency can alter the governance approach of the organisation depending on the level of need. The role of the board, one of the key actors in the governance of the organisation, becomes about maintaining good relations with key external stakeholders rather than a strategic (associated with stewardship theory) or independent monitoring function (associated with Agency theory) (Donaldson and

Davis, 1991). This dynamic results in board members being selected from within the membership on the basis of their external relationship capabilities (Cornforth, 2004). In the context of Irish sporting bodies, the existence of democracy in the board process may limit the board's effectiveness in applying a method conducive with the resource dependency theory and expertise needed for same. In other words, limitations of the constitution of the organisation may impact on the organisation's ability to maximise a governance approach most suitable to its needs as it develops from a voluntary sporting organisation into a professional entity with a large turnover.

Having analysed four theories of governance, applicable to varying types of organisation, it is evident that there are many potential theories of how an organisation can govern its activities. Cornforth's (2004) attempts to draw a paradox perspective on governance highlights the issues that may diverge between board and other key stakeholders. Lacmanovic (2019) notes that "there have been attempts to develop new multi-stakeholder cooperatives which seek to incorporate different stakeholders in the membership" (p.427, 2019). Such multi-stakeholder models would attempt to limit the issue of members having complete control of the board as a result of democratic elections and allow for more consideration of the priorities of the organisation and the various stakeholders involved.

Regardless of which theoretical approach is applied Lacmanovic (2019) notes that "The challenge remains to find an appropriate balance between the principles of good governance and the unique principles and values of the cooperatives" (p.426, 2019). This is particularly true in the case of sporting organisations that operate as member-led organisations in an environment very different to that of many others which is explored in more detail below.

## ***2.6 The Sporting Context***

Sporting organisations are predominantly democratically elected governance systems consisting largely of members. Many of those organisations, including the two representing the largest participation sports on the island, Football Association of Ireland and the GAA, are built on complex membership structures that exist to govern the association. Such structures often present as councils,

committees, working groups and boards where democracy and right of representation often trump experience and independence.

While we primarily think of the members of the organisations as a priority group, a sporting body also has relationships with funders, world governing bodies, sponsors and national governments as well as staff, creditors and the general public. As identified above, the theory of Agency poses significant issues in its application for member-led organisations. However, the theories of stakeholder, resource dependency and democracy are more likely to have realistic applications in sport. Building on the analysis above, Ferkins, Shilbury and McDonald (2005) note that in a sporting context most national governing bodies fall within the not-for-profit sector and are charged to protect service-to-mission. However, they also note that the transition from volunteer led not-for-profit to executive paid management structures has led to sport being less certain of its remit and responsibilities.

This professionalism and growth is the trend both here and internationally and is showcasing that sport is becoming an increasingly important economic element of our societies. A 2019 Federation of Irish Sport commissioned Investec Economic Report into the value of sport in Ireland stated that the sector accounted for 39,500 jobs, €1.2bn in consumer spending and volunteerism to the value of €1bn (Investec, 2019). Furthermore, a recent EOC EU position paper valued the European sport sector as equal to that of fisheries, agriculture and forestry combined, monetarily equating to over €280bn of GDP (EOC, 2020). This serves to highlight that while, at their core, sporting organisations serve to uphold the value of sport while delivering opportunity for sport and physical activity across society, there is no ignoring the increasing value of the sector and as a result, the increasing number of stakeholders with a say or interest in the activities. Such growth leads to an important focus on the systems of governance at play and the standards, practices and expectations to which boards of directors are held.

While members are widely considered the core of such organisations, as identified by Cornforth (2004), investment from government, for example, creates another key stakeholder. In the case of New Zealand, government involvement in part funding of voluntary bodies has been described by those in receipt of funding as a

significant stumbling block while also being essential to its resource pool (Cribb, 2006). The organisations part funded by the NZ government consider themselves “most accountable to their clients...they generally identified their relationship with government as a hindrance” (Cribb, p.12, 2006). In the case of Australian sporting bodies, widely considered a well-developed case study for good sporting governance, the government funding by the Australian Sports Commission gives them a right to involvement in the governance of the organisation (Daly, 2005). While this intervention has been successful to date, it may raise issues of autonomy and accountability in the future (Daly, 2005). Again, this presents the question as to what level of involvement a stakeholder, other than a member, should have in a sporting organisations governance.

In a growing commercial world sponsors have the power to put increased pressure on organisations to act or decide in certain favour. It is to this point that Auweele (2010) argues that “a more ethical justified and regulated relationship between sponsors, media and sports organisations is needed” (p. 48). This raises the question of whether a sponsor’s involvement should be formalised through a seat on the board rather than through a working relationship with the executive of the organisation. From the sponsors’ point of view, the increased “prevalence of corporate sponsorship, demands increasing levels of professionalism” (Ferkins et al, 2005, p. 218). Keshkar (2019) also explains that, “Sponsors of sport properties were previously seen simply as revenue sources...Today, the relationship between sponsors and sport properties has evolved into more of an integrated partnership between the two parties.” (p. 63). This professionalism also puts pressure on the organisation to ensure it is well governed.

In an Irish context, there has been less focus by both the sponsors and the organisation on the significance of governance to the stakeholder relationship. Errors in said governance can lead to high profile fall out, as was the case for the FAI where main sponsor Three and car sponsor Ford both ended their relationships after the 2018 scandal (Horgan-Jones, 2019). There is a lack of representation of sponsor interests in any formal system of governance and this fuels the question of whether or not an alternative approach to governance should be adopted by Irish sporting organisations to ensure improved answerability and representation of a

wide group of stakeholders, including sponsors or representatives of the sponsorship interest.

### ***2.7 Context of study***

Cornforth's (2004) study is a seminal piece for this work centred around examining "how existing theories of corporate governance can be extended to help understand the governance of cooperatives and mutual organisations, but argued that by themselves each theory is too one-dimensional only highlighting a particular aspect of the board's role" (p. 26). Cornforth's study used secondary qualitative data to analyse and compare previously identified theories of governance and their shortcomings. He concluded that no one theory best applied to all governance structures and that a paradox perspective should be considered. This study did not draw on sporting organisations as a specific area.

Daly (2005) used a mixed method approach to establish the results of his research into ethical governance in Australian sporting organisations and the considerations of where and how Australian sport is funded by government and their subsequent role as a stakeholder of the organisations they fund. This is a key element in shaping the focus of the stakeholder in this study as a funder and as a government entity where public interest is high.

More recent work conducted by Chilliah et al (2016), used a combination of primary research through survey-based data and semi-structured interviews to gain a detailed insight into the views of a select number of top sporting executives on issues pertaining to board composition and governance matters. It is this study that is most comparable to the work of this paper which will seek to build on Chilliah's research by similar principles of study to an Irish context. Using a similar method, this paper will focus on the current governance standards and approaches of the Irish sporting sector as they pertain to representation of stakeholders in an attempt to align existing practises with one of the identified theories of governance.

## **Chapter 3 - Research Question & Objectives**

This study sought to identify the challenges specifically facing Irish sporting organisations in terms of governance and understand the current theories which may explain the existing approach to governance, with particular reference to board composition as it pertains to stakeholder representation. The aim of this research was to understand whether an alternative theory of governance would be more appropriate and beneficial in the context of a rapidly growing sector.

### ***3.1 Core Question***

Would a wider representation of stakeholders on boards of management, following a Stakeholder theory model, be beneficial to the governance of Irish sporting organisations?

### ***3.2 Sub aims and areas of study***

- Are the current governance systems/structures adequate?
- What are considered to be strong or significant barriers to governance in Irish sporting organisations? Are these barriers as a result of a particular theory or practice of governance itself?
- Is an elected board (from within the membership) too democratic to allow for wider stakeholder representation or co-opting of expertise to the board?
- Which, if any, theory of governance is most appropriate to address the barriers to good governance?
- Is there a role for enhanced regulation of good governance practices regardless of the theory of governance applied to the sector?

## **Chapter 4 - Methodology**

### **4.1 Problem Definition**

As identified throughout the review of literature, there exists a complex landscape in which sporting organisations must govern their financial, legal and ethical operations in Ireland while still striving to deliver on the values of what they do for their membership and wider society. While the vast majority of Irish sporting organisations are classified as not-for-profit, the scale and speed at which many of them have grown has presented issues relating to the adequacy of their existing governance structures. Mismanagement has significantly impacted the sector and while individual alterations have been made as cases of concern arise, there has yet been no substantial review into whether the existing system of voluntary board-managed organisations is fit for purpose or whether radical change to how we govern our sporting organisations is needed to best serve the needs and interests of all stakeholders, including wider Irish society as a whole. This problem is far reaching and covers a breadth of potential elements within the board-managed structure. However, this study seeks to focus on the composition of the board with respect to representation of stakeholders and the methods by which such representatives are elected and regulated.

### **4.2 Research Design**

This study was epistemological in its nature, in that it was grounded in understanding different forms of knowledge on a particular topic or reality (Bryman, 2008). The use of detailed, semi-structured interviews in the study then aligned with an interpretivism philosophy where it sought to accept, understand, and interpret differences between people (participants) and their views on the topic at hand. The study focused on the micro-environment and the views of a specialised and small number of participants which were gathered using a qualitative data collection instrument. The approach to data collection was inductive, allowing the views of participants, who all had a close understanding of the research context to contribute in a semi-flexible structure. This provided the researcher with information to explain the meanings each participant attached to the events/topic in question. While the subject matter could be considered for longitudinal study, given

the importance of human relationships and organisational change to the topic, this study was cross-sectional on the basis of time constraints. A cross-sectional, mixed methods approach was decided upon as the most suitable research design.

Studies in similar areas to the one proposed in this paper have included both qualitative and quantitative methods. In line with other work, this study also used a combination of qualitative and quantitative primary data. The core data was taken from a set of semi-structured interviews. A second instrument was used in the form of a quantitative survey to collect a wider sectoral view on key questions which provided a foundational understanding into the core interview findings. These instruments are explored in more detail below.

For the core element of data collection, a semi-structured approach to interviews was followed as it was anticipated by the researcher that a fully structured approach would have been a barrier to discussion of peripheral but related issues not asked directly as part of the research instrument. This more flexible approach was also reflective of an inductive, interpretivism based study. These elements contributed to the wider aims of the study, rather than specifically to the core question. For the supporting piece of data collection conducted through a quantitative survey, a fully structured approach with no open-ended questions was taken. This information provided statistical, descriptive data with which the researcher set the scene of governance in the sector.

### ***4.3 Participants and Sampling***

The target population for this study was current and former board members and high-level executives within Irish sporting organisations. There are 110 formally recognised national Irish sporting organisations which includes 80 National Governing Bodies and 30 Local Sports Partnerships as recognised by the Federation of Irish Sport. Within that target audience there are 60 Sport Ireland funded National Governing Bodies and it was this broad target population that was used as the base for sampling (Sport Ireland, 2020).

#### ***4.3.1 Semi-structured Interviews***

The sample chosen for semi-structured interviews was selected from the pool of 60 Sport Ireland funded bodies using a purposeful approach. The funding distinction is a key element as only funded bodies are required to comply with existing Sport Ireland driven governance practises which were drawn on in this study. Candidates for interview were selected based on their current or former role within select Irish sporting organisations. Twelve candidates were chosen to reflect a cross-section of the sporting sector with respect to governance practise. From these twelve candidates, seven participated in the final study. These seven were selected based on availability while the remaining five declined to participate due to lack of availability or interest in the study.

All seven interviews took place over Zoom teleconferencing technology due to physical restrictions on travel at the time of the study. All interviews took place during the month of June.

The final sample chosen included participants with experience of the following organisations at either board or high executive level:

- Athletics Ireland
- Football Association of Ireland
- Cricket Ireland
- Swim Ireland
- Pentathlon Ireland
- Federation of Irish Sport
- Camogie Association
- Canoeing Ireland
- UEFA
- World Rugby
- Olympic Federation of Ireland

While the focus of the sample was on experience within the Irish sector, three participants were also able to represent experiences in International Sporting Bodies which provided helpful comparative information and context.

While there were five identified sample participants who did not take part, it is unlikely that this has led to any non-response bias. The criteria for selection of the twelve sample participants was broadly similar and while there were five non-respondents, it would have been expected that broadly similar viewpoints would have been expressed. However, it is important to note that non-response bias may be a limitation of the findings of this study and should be addressed in any future research.

The sample was easily accessed as the researcher is a full-time employee within the sector under study and therefore has professional contact with those contained within the target and sample populations.

#### ***4.3.1a Sample size***

A more comprehensive set of interviews could have been conducted had time allowed for a wider sample size and more detailed study. In this instance, time was one of the limitations of the work, and as such a manageable sample quantity was chosen. Due to the varying nature of the size and scale of sporting organisations, a wider sample size may be more representative for future study.

However, for thematic analysis this sample size is typical and is there for an appropriate sample size for such a study. The researcher had initially intended to interview eight participants, however, upon reaching what was believed to be data saturation with respect to the thematic findings, the researcher determined that seven participants was sufficient. As Braun and Clarke (2019) have discussed, the number of data items can often not be explicitly determined in advance of the analysis and must be done so as the information is interpreted by the researcher. In order to facilitate reaching data saturation in this study, the interview questions were structured “to facilitate asking multiple participants the same questions, otherwise one would not be able to achieve data saturation as it would be constantly moving target” (Fusch and Ness, 2015, p. 1409). In this case it was believed that data saturation had been reached as there was “enough information to replicate the study, the ability to obtain additional new information has been attained, and when further coding is no longer feasible” (Fusch and Ness, 2015, p.1408). As the purpose of this study was not to generate a new or particular theory, which often requires a

larger sample size to reach saturation (Blaikie, 2018), but instead to establish what themes exist within the field of sporting governance in Ireland and apply such themes to existing theory if possible, seven participants was deemed to be adequate by the researcher.

#### ***4.3.1b Sample demographics***

The sample population who took part in the semi-structured interview process consisted of five women and two men all with a minimum of five years' experience at a senior executive or board level within a sporting organisation. The gender balance is a key demographic for consideration given that as of the year 2020, female representation on boards of funded sporting bodies stands at 29% on average (Sport Ireland, 2020). The reverse trend seen in this sample population (more women than men) is not reflective of the wider gender balance on boards within the sporting sector. While this demographic split was unintentional by the researcher and arose out of limitations of both access to and willingness to participate of the target population it is important to note it and acknowledge its potential impact on any findings presented later in this work.

#### ***4.3.1c An alternative approach***

The sample could also have included funded sporting bodies that are not Nationally representative. This would have taken into consideration executives working within Local Sports Partnerships or clubs. For the purpose of this study, the key element all participants were required to have was an experience or in-depth understanding of boards within national sport. As many LSPs are subsidiaries of County Councils and smaller clubs and organisation may not have the same in-depth board experience, a high level, nationally representative sample was chosen.

#### ***4.3.2 Quantitative Survey***

The target population for the survey was the same as that of the semi-structured interviews however, a larger sample size was sought, again using a purposeful approach. In this instance, the sample size was 25 people working within the 60 National Governing Bodies funded by Sport Ireland. These participants were

communicated with via email and social media to ask them to participate in the survey.

The final 25 participants were representative of the following organisations. Note that some participants declined to disclose their organisation as part of the final survey.

- Athletics Ireland
- Badminton Ireland
- Volleyball Ireland
- Tennis Ireland
- Student Sport Ireland
- Cricket Ireland
- Ice Hockey Ireland
- Camogie Association
- Confederation of Golf in Ireland
- Football Association of Ireland
- Swim Ireland
- Irish Rugby Football Union

As the survey is designed to give a wide, sectoral view of the topic of governance and board composition it was decided that any staff member with experience of a board could respond with valid input to the survey. However, if this study was being completed again or if more emphasis was being placed on quantitative data it is recommended that a larger sample size of higher executives is used in the quantitative survey.

Non-response bias is an important consideration with this sample. A sample size of 25 is small relative to the number of people working within the wide target population. While the sample is reflective of 25 organisations from 60 it is also only reflective of 25 individual opinions of all employees in those 60 organisations. While this could be deemed a limitation, in this case it was used only to set the scene rather than to prove an aim or line of research.

The sample participants were easily accessed as the researcher is a full-time employee within the sector under study and therefore has professional contact with those contained within the target and sample populations.

#### ***4.3.2a Alternative Approaches***

While purposeful sample selection was the most suitable approach for this study, an alternative sample could be selected via convenience or cluster sampling. In relation to the latter, a cluster sample technique could have been used to potentially analyse the findings against the backdrop of size and scale of organisation. Clusters could have been created based on the category of the NGB (number of employees, annual turnover) and then random sample participants chosen from within those clusters. This would potentially be of benefit when analysing the findings as variance in size and scale could be allowed. For example, ‘with respect to board composition, those within category/cluster A organisations said X’.

#### ***4.4 Instruments***

As explored in Chapter 2 above, similar studies conducted by Cornforth (2004), Daly (2005) and Chilliah (2016) have used a mix of interviews, surveys and secondary data compiled from analysis of documentation including constitutions, case studies and other research papers.

In the case of this study, the core objective was to obtain the views of senior executives and board members as to the current standard of board governance with respect to representation of stakeholders. The instruments chosen needed to reflect the complexity of the sample population and the organisations they represented in terms of variance in scale and size and allow for broad discussion on what is a topical area for the sector. The key instruments considered were semi-structured one-to-one interviews, structured written interviews, digital surveys and focus groups. Secondary research instruments such as documentation review and past case studies were also considered, similar to the work conducted by Cornforth (2004).

While structured interviews would have likely provided more conclusive and concrete answers, it was determined that semi-structured interviews allowed for

more open-ended discussion and development of the key areas with sample participants. This instrument was chosen, and a set of open-ended, probing questions was developed and piloted (see Appendix 3). These probing and guiding questions ensured the interviews remained focus on the key aims of:

- 1) understanding whether a wider representation of stakeholders would be beneficial, while also establishing,
- 2) the current barriers to governance,
- 3) the composition of boards,
- 4) the current process by which board members are elected/co-opted.

The use of digital survey as an instrument for quantitative data capture was chosen due to ease of use and speed of distribution to a wide audience. The software allows for questions to be structured in a closed, definite manner. One prohibiting factor of this instrument was cost. To ensure the best quality survey with supporting data analytics capabilities a fee for the service had to be paid. However, the instrument required minimal participant effort and time which were also key factors in its selection for this study. A similar method was used by Chilliah (2016). This instrument was key in creating a picture to reflect the views and opinions in this area of study.

In the creation of this instrument, the researcher considered the use of pre-existing surveys or questionnaires that had been previously peer-reviewed. However, in order to establish the most accurate picture of the Irish sporting landscape with respect to governance it was decided that a more specific, direct set of questions should be developed rather than use less appropriate surveys based on their previous existence. As such, the questions were developed based on an understanding gained through conducting the literature review, particularly the work of Chilliah (2016), and informal discussion with peers and colleagues working within the sector. The websites of Sport Ireland, The Wheel, Benefits Ireland and The Governance Code were used as touchpoints for broad research on topics that were relevant for questioning. The full survey was created to include 15 questions and was piloted

before use to ensure no ambiguity of questioning or researcher bias were obstacles to its success. The full survey can be found in Appendix 4.

Focus groups, while of definite benefit in terms of time, were deemed to be incompatible with the aims of this study as it was believed that groupthink would impact on the accuracy and honesty of the views expressed. It also became physically difficult to consider conducting focus groups due to the public health crisis and restrictions on gatherings. Similarly, secondary data such as constitutional review or case study analysis were also considered. However, given the depth of detail covered within the literature review as to how the sector currently is perceived from a governance point of view it was determined that primary data by way of opinions and views of key personnel was more valuable to the study.

#### ***4.5 Pilot***

Both instruments used in this study were piloted on two individuals and all feedback was taken on board before the final instruments were used.

Pilot participants: the two participants were chosen as a representative of the sporting sector and an individual with academic experience, respectively. This selection was based on an understanding of the subject matter as well as ensuring that the structure and format of questions would correspond to the academic nature of the study.

Pilot study: both participants were invited to take part in the pilot study in May 2020. The semi-structured interview was conducted via Zoom to ensure to recreate the conditions under which the instrument would be used. The survey was conducted as a draft survey via Survey Monkey.

Pilot feedback: the considerations of both pilot participants were a valuable addition to the instrument finessing. In the case of the participant with experience in the sector, it was observed that all questions should be open ended and invite further discussion on matters.

#### **4.6 Procedures**

The procedure for engaging the sample population and collecting data for this study was rigorous and planned in detail in order to ensure the best possible response to the asks of participants. A number of procedural steps were followed to set up the data collection including:

- Establishing the procedure for data collection once the appropriate instruments had been identified. Given the unexpected environmental circumstances that placed a restriction on movement, all instruments chosen had to be suitable for use over distance rather than in person. Both Teams and Zoom were analysed for use for the semi-structured interview and Zoom was chosen based on its universal availability and cost effectiveness. Survey Monkey was chosen for the same reasons for the survey collection.
- Preparing documentation for contact with sample participants. It was important to ensure that all participants within the sample population were well informed of the asks as part of this study. It was essential for the researcher to be explicit when describing the use of the data given that the researcher is a staff member of an organisation within the sector. This was achieved through a detailed information sheet explaining the asks of the participant. A copy of the information sheet can be found in Appendix 1.
- Contact with participants in the sample population. All contact with participants was conducted over an initial invitation email to take part in the study. All sample participants who took part responded to the invitation on first request and were then phoned to discuss details of the interview (time, location etc). A decision was made not to follow up with any participant who did not reply to the initial invitation email (five potential participants).
- Recording of interviews. All semi-structured interviews were conducted via Zoom in one-hour time slots and recorded in full for accurate data analysis at a later stage.
- Establishing confidentiality and ensuring honest participation. Instead of being named, the individuals who took part consented to having their experiences with organisations (past or present) listed as part of the study.

This was an important step to ensuring an honest view was given during the semi-structured interviews and that there was no fear to contribute.

- Data management and protection. All data collected was stored in a password protected file for each individual participant and all participants were notified as to the duration their data must be kept on file.

## **4.7 Data Processing**

### ***4.7.1 Semi-structured interviews***

The data collected from semi-structured interviews represents all data recorded during the interview and the researcher's notes on the individual interviews taken, as live, throughout the questioning.

All seven interviews consisted of a series of semi-structured, open-ended questions being asked one-one-one over the course of an hour. The interviewer made field notes throughout each interview noting key points that were particularly emphasised by the interviewee or their reaction to specific questions. These notes are not conclusive and have acted more as a support of the primary recorded responses given by participants.

An inductive approach was taken to the data analysis. All interviews were analysed thematically following the Clarke and Braun (2012) method of analysis based on the full recordings and researchers notes, interviews were not transcribed in full. This method was chosen to analyse the data as “TA can be used to identify patterns within and across data in relation to participants' lived experience, views and perspectives, and behaviour and practices; ‘experiential’ research which seeks to understand what participants' think, feel, and do” which is the focus of this data collection instrument (Clarke and Braun, 2017, p. 297). It was also chosen for the flexibility it provides over other methods, such as grounded theory which is somewhat more rigid once the themes have been identified (Guest et al, 2012). Clarke and Braun's method allows for more freedom of analysis particularly where some emerging themes may not be relevant to the overall research question (Clarke and Braun, 2012).

The data was analysed by following the six phases of Clarke and Braun's method as follows:

- Data familiarisation: this involved re-watching all interviews in full and taking detailed notes from each as well as fully reviewing the hand-written notes made by the interview throughout each one-hour interview session with participants.
- Initial coding: the initial coding phases saw the data re-analysed and watched in sections and a preliminary set of 'codes' created to reflect buzz words or key topics that emerged in each interview. For example, this might have been the word/code 'athletes' or 'experts'.
- Theme identification: this involved reviewing the many codes that had initially been created and analysing the information under each code to determine whether that particular code had emerged repeatedly in the seven interviews. This helped to group the different codes and topics into the most repetitive and relevant themes and gather the information under each heading.
- Theme review: this step involved looking at the identified themes and ensuring that no key piece of information had been overlooked. This also involved narrowing the themes to those most relevant to the key aims of this study and ensuring that they were reflective of the original asks of the research.
- Naming and defining themes: the naming of the themes was a necessary step to ensuring that each theme title reflected the information gathered accurately and where possible linked directly back to an aim or ask of this research. This process involved taking the original code words such as 'athlete' or 'expert', which were moulded into a 'stakeholder' theme during the theme identification stage and further labelling them to reflect the fullness of information, for example 'Stakeholder representation on sporting boards'.
- Report production: this involved taking all themes and analysing and synthesising the information relevant to each. This included a detailed analysis of the findings under each thematic heading, both comparing and

contrasting, as well as discussion against existing literature and theory in the latter sections of this paper.

#### ***4.7.2 Quantitative Survey***

The quantitative survey instrument was a secondary tool for data collection in this study. This data, consisting solely of the responses to the digital survey as collected by the Survey Monkey software, was analysed from an excel file format. The researcher did investigate whether converting the data from excel to an SPSS format would be beneficial for the purpose of this study. However, it was concluded that as the quantitative data set in this case is not integral to answering the aims of the study, a simple descriptive analysis using the excel format would prove the most appropriate method for this instrument. The data is presented in figure form. This quantitative tool and subsequent data provided a foundational understanding and ‘setting of the scene’ for the reader.

#### ***4.8 Ethics***

In planning to conduct this research all ethical implications were considered and analysed by the researcher before being submitted to the university’s ethics board.

The below core elements were reviewed and mitigated against by the researcher:

- Informed consent: all participants were given an information sheet, contact details for the researcher and supervisor and consent form before participating (see Appendix 2). All participants confirmed their consent in writing before taking part.
- Confidentiality: confidentiality was emphasised at every phase from information sheet to opening of the interview.
- Data protection: all participants were assured of what data would be collected, how it would be collected and how it would be stored. All participants can request their data at any time by writing to the researcher in line with GDPR policy.
- Right to withdraw: all participants were informed of their right to withdraw at any stage and this was emphasised at the start of each interview.

Further consideration was given specifically to any potential ethical concern around coercion to take part or pressure to provide answers of a particular nature given the researcher's professional role within a sporting organisation. The following steps were taken to limit the risk; however, it is noted that it was not possible to completely mitigate against any possible feeling of discomfort towards the professional position of the researcher:

- All participants were contacted via the researcher's student email so as to distance any connection to the professional organisation with whom the researcher works
- In the opening contact with each participant the researcher stressed, in bold, that no third party, including their employer, had any access to any information provided nor was the study in any way affiliated to a party other than the National College of Ireland for the purpose of Master's study.
- Once each participant had confirmed their willingness to take part they were interviewed via Zoom at the opening of which the researcher reiterated that no other party was in anyway connected to the research and that all data collected would be private and confidential.

In designing the research two actions were taken to ensure the above ethical concerns were limited from the start. They included:

- The decision to treat all data as confidential and not to attribute any information to any individual or their organisation. This ensured that no organisational perspectives were conveyed to or by the researcher who worked for an organisation in the sector.
- The researcher, as outlined in the sampling section, decided that no participant would be followed up with should they offer to take part initially and not progress to interview or should they delay in responding to any email. Only one contact, via email, was made with each participant. No participant was re-contacted at any stage. This ensured that no undo pressure was ever perceived to be at play.

#### ***4.9 Limitations***

There were several key limitations identified throughout this study and a number of areas for further development in future work. These are alluded to throughout this methodology section from sample limitations to researcher involvement and these are discussed further with respect to future study in the discussion and conclusion of this paper.

## **Chapter 5 – Analysis of findings**

As outlined previously, the analysis of findings from this study was broken down into two sections to reflect the two instruments used. The first section presents the quantitative data to set the scene of the sector and the second section presents the in-depth analysis of the qualitative semi-structured interviews. The data is further explored and interpreted in the discussion section of this paper.

### ***5.1 A sectoral overview – quantitative survey analysis***

The findings outlined below provide a picture of the sector as it currently stands with respect to governance and board composition. The results show a lack of consensus among those within the sector on whether a wider representation of stakeholders would be beneficial, nor do sample participants agree on the current state of play with respect to ‘good governance’. The findings from the survey have been analysed using excel and represent a descriptive analytical approach.

#### ***5.1.1 Standard of Governance***

With respect to the quality of governance and governance structure within their organisation, Figure 1 shows 65% of participants (n=25) rated it as average or below average, while 35% of participants rated their organisation’s governance as above average.

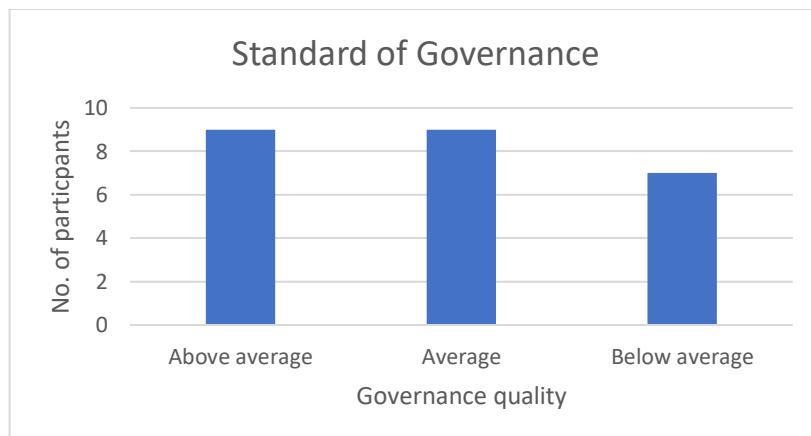


Figure 1. Standard of Governance

### **5.1.2 The existing Voluntary Governance Code**

As demonstrated in the literature review, the VGC was introduced and managed by Sport Ireland in an effort to address the issues of poor governance in the sporting sector (Sport Ireland, 2020). However, as illustrated in Figure 2 below, despite 32% (n=25) of participants in this study identifying the code as necessary, 36% have described it as ineffective. This finding lends itself to demonstrating the view on the current systems, supports and structures in the sector.

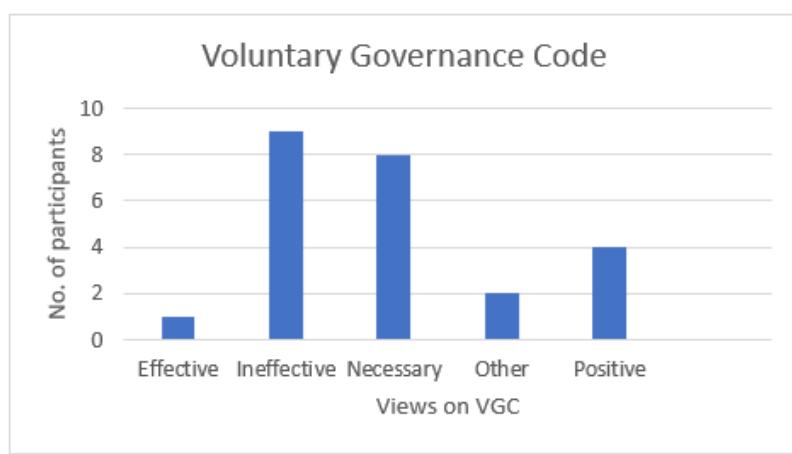


Figure 2. Voluntary Governance Code

### **5.1.3 Stakeholder Representation**

With respect to the core aims of this study centred around stakeholder representation, the findings in Figure 3 overleaf highlight that 72% of participants (n=25) believe that their board does not adequately represent all stakeholders. 60% (n=25) believed that more stakeholder representation would be of benefit to their organisation. Aligning with the findings of Thibault et al (2010), Figure 4 showcases that 87% of the participants (n=25) would like to see athletes represented as a key stakeholder group while 33% would like to see partners/affiliated groups represented. Among those who took part there is considerably less appetite to have an overarching body, such as Sport Ireland, represented on the board (6%).

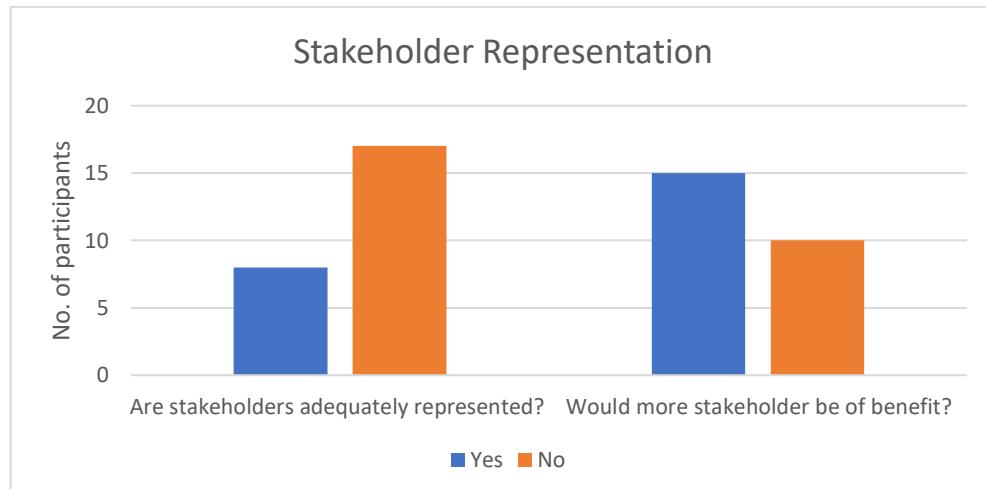


Figure 3. Stakeholder representation

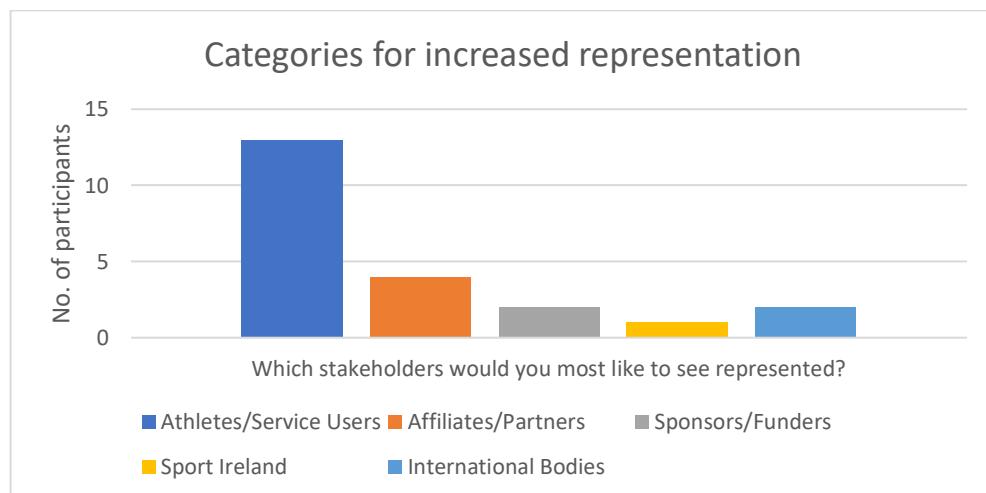


Figure 4. Categories for increased stakeholder representation

#### ***5.1.4 Composition and Election***

The process by which board members are selected by sporting organisations varies. This is evidenced in Figure 5 where 58.3% (n=25) of participants identified that board member selection is either entirely member elected or majority member elected allowing us to conclude that in these 58.3% of cases there is potentially less likelihood of representation outside of the directly elected members. There may be a better chance of wider representation in the 42% of bodies that rely more heavily on board-

appointed members who are not necessarily directly representative of the membership. It is also significant to note that in Figure 6 only 28% of participants (n=25) describe their constitution as ‘fit for purpose’.

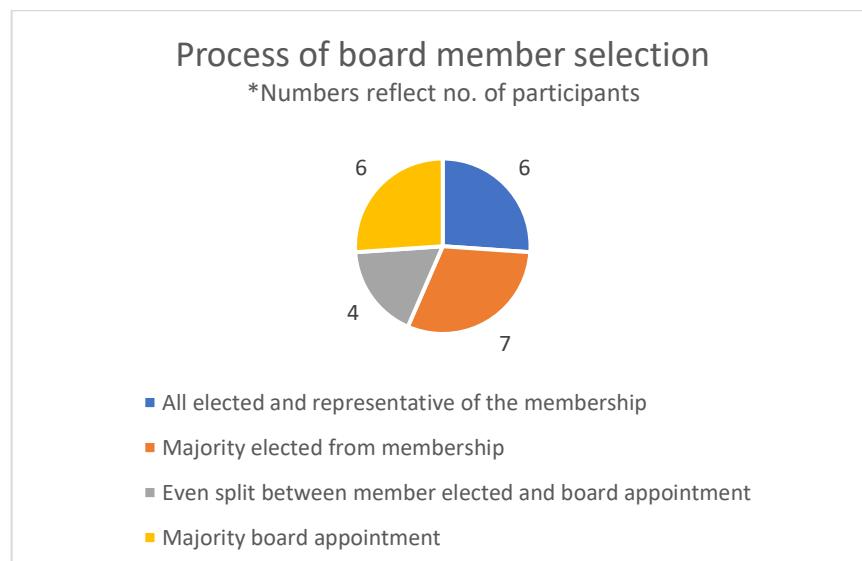


Figure 5. Process of board member selection

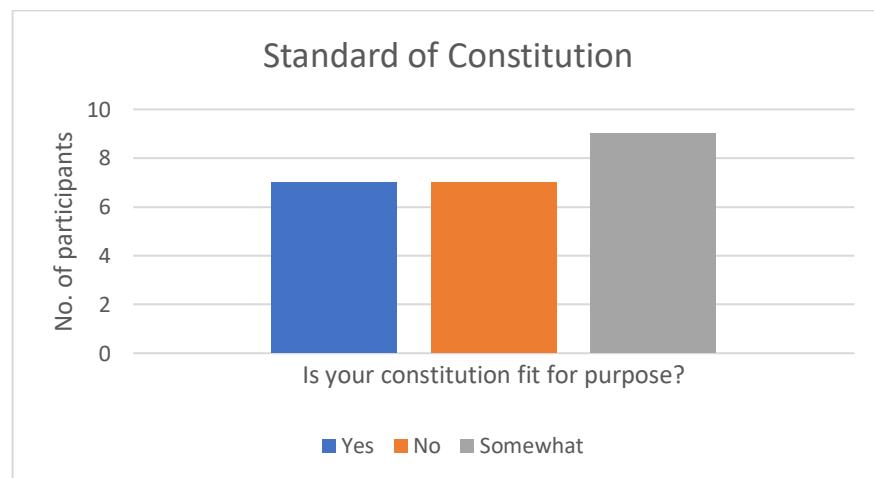


Figure 6. Standards of individual constitutions

## ***5.2 An in-depth perspective - Semi-structured Interviews***

The data collected from semi-structured interviews was analysed thematically and illustrates the consensus and divergence of opinion in relation to the core aim of the study which was: Would wider representation of stakeholders on boards of management be beneficial to the governance of Irish sporting organisations?

The data collected from the sample participants (7) resulted in the following themes:

1. The identifiable barriers
2. Democracy and the constitution
3. Stakeholder representation
4. Progression and professionalism
5. Monitoring, control and regulation

These five themes were coded from data collected through one hour recorded interviews and served to gather information on the key aims of this study as outlined in the Research Question section above.

Themes 1-4 are based on findings that, when coded, linked clearly to the main aim of this study. The fifth theme, based on monitoring and control, reflects the views of participants on the responsibility of governance and education and whether that lies with an overarching body regardless of the governance model adopted.

For the purpose of reporting on findings, each participant shall be referred to with a corresponding letter, ie: Participant A said...

### ***5.2.1 Identifiable Barriers***

A number of participants discussed barriers that were encountered in relation to the governance in their organisation. Those barriers included the board itself, the consequences of success and failure and the lack of diversity in sporting governance. These barriers were described in detail by participants, often passionately, and are outlined below.

When asked about the key barriers to good governance either within their organisation or within the wider sporting sector:

Participant A spoke of the board itself being a barrier,

*'Energy within the board to actually take on the mantel of their vision and objectives for the organisation. Took 12 months to pass the strategic plan and now it isn't even referred to.'*

On a similar note centred around strategy and planning, participant G identified the biggest challenge as the board defining the purpose of the organisation,

*'The biggest challenge is figuring out the purpose of the organisation and the values of the organisation and making sure they are lived. Its saying, 'this is what we stand for' and it informs everything after that including who you employ, what activities you get involved in and how you manage your governance etc.'*

Other participants also drew on elements of the board, such as the distinction between the president and the chairperson, as being barriers to governance. Participant E remarked,

*'If you have a good, strong chair that is able to get the contributions of all board members and make the board work to its capacity and skills and strengths of those on it. A good board can be made bad by a poor chair'.*

Conversely, participants D and F spoke of how success, or lack of failure, is an obstacle to good governance in itself. Participant D noted,

*'Success is sometimes an obstacle to change management. We have a country who is so successful on the pitch they feel they don't need a strategy or a plan or other pieces off the field'*

While participant F spoke of how,

*'Interest and involvement of a board is directly linked to how well things are going. In my experience when things are going well you are left alone as CEO to run the organisation and get on with things but when things go badly the board are all over you. Governance is often forced upon an organisation during a crisis.'*

Interestingly, participant E drew on a subject that no other participant addressed which was the issue of diversity as a barrier to good governance. The participant noted,

*'The composition of the board from a diversity perspective is the making or breaking of an organisation. I think if you have a board comprised of all of the same type of people with similar backgrounds particularly where it doesn't reflect the diversity of the membership then it isn't going to be as effective as one that is more diverse. The potential is vastly reduced if you don't have diversity. What is the composition of our membership and where does our vision want us to go? If our membership is 50/50 why wouldn't the composition of the board broadly reflect that. It isn't just gender based its also ethnicity, socio economic understanding. There needs to be a move away from the homogeneity we have typically seen into a more diverse environment.'*

This is addressed further in the discussion of these findings at a later stage.

### **5.2.2 Democracy and the constitution**

All participants discussed the practice of democracy when it came to board appointments and governance structures. In many cases such discussions also focused on the quality of the organisations' constitution and how it has the potential to impede good governance change. This theme is of particular interest when reflecting on the aims of this study and is developed further in the discussion.

Participant G noted,

*'We have a really weak constitution...We are limping along with this constitution and the board are reluctant to change because they don't want to row with or upset anyone. It happens in a lot of sports that because the constitution needs to recognise the volunteer element which is so important in sport it sometimes misses the executive element and their rights and how those two work together'.*

Similarly, participant A referenced how,

*'The organisation's own constitution is a barrier to its governance and there is no appetite to investigate the constitution to see whether it is still suitable for use'.*

Participant A also highlighted how in their experience governing bodies are getting away with poor governance and hiding behind their constitution,

*'Too many NGBs are getting away with comply or explain because they are saying oh our constitution says we have to just have ten representatives from our membership and they have people doubling up so they might have someone with legal experience but they are representing a membership'.*

Both participants B and C reflected converse views on the process of constitutional change and restructuring. Participant B reflected on how the governance code has been a positive driver of change management for the organisation,

*'Governance code led us to changing the structure 4 years ago. It is a deliberate strategy of the organisation to be at the forefront of good governance and that is driven in part by the people that are there'.*

Whereas participant C noted that,

*'Structures are a hangover from the past. Sometimes the organisations are thinking about themselves when they restructure rather than continuity for the organisation. It shouldn't be about us or me or we it should be about putting rules in place for the people who come after us. Just because you have policies in place does not mean that people are going to follow them. It doesn't mean the people around the board table are implementing and practising that policy'.*

When it came to discussing the process of board member selection and appointment, two key elements were reflected by the majority of participants, they were:

- 1) elections are a cause of many problems in sport,
- 2) independent directors are essential and should be compulsory for all sports.

Participant C noted,

*'Elections are the key to a lot of the trouble. Take the OFI, they were essentially closed elections even though they were 'open elections' and that resulted in people being on the board for 26 years plus and no policy will solve that, that's a power issue'.*

Similarly, participant F reflected on how,

*'The boards of NGBs in the main are elected and it is therefore sometimes a popularity contest rather than a competency contest. The nature of boards in sport is all politics is local and you get into the minutia of a local issue connected to the particular board member so you would discuss it at board level. In our organisation it was catered for in our memos and arts that we could appoint independents, so we did and that changed the dynamic of the board'.*

Participant D drew attention to the fact that their organisation,

*'Would be in the top four or five sporting organisation 'monsters' with an estimated turnover of €5bn and yet we have no non-executive directors on our board. The board is made up of presidents of [the sport] federations as elected by the other Federations (members) as dictated by the constitution'.*

All seven participants made reference to the importance of non-executive, independent directors on boards in sport and a number of participants offered views on where this is important. Participant D, representing a particularly large sporting organisation offered,

*'For me we should have more stakeholders and more independent directors as well as better gender balance on our boards. [the sport] would be in a much better place, no question'.*

While a size/scale argument was also referenced by participant E,

*'I don't think size of organisation is an excuse for not having independent directors. However, there is a correlation on a transparency perspective and the nature of the work and amount of money involved that there would be more independent directors the larger the organisation is. As the size of the organisation grows the rigor should go up'.*

Participant F also offered the view that,

*'The calibre of independent experts or skilled directors also forces the executive to raise its own standards in response'. However, participant C noted that 'boards in sport should still be largely run by sporting people. Independent directors should be proportionate to the size of the board, I think one maybe two people on most board and three or four independents on larger boards, maybe a 60:40 split'.*

### **5.2.3 Stakeholder Representation**

The representation of stakeholders was the core element and aim of this study. Throughout the interview process stakeholder representation, and the breakdown within different stakeholder groups, was discussed at length. Mixed views were expressed by participants in relation to whether the board has the ability to consider all stakeholder views and whether more stakeholders, outside of the membership, should be represented formally on the board. These views touched on the importance of stakeholders but also highlighted how different participants have different views on what a stakeholder means to the organisation and which stakeholders should be prioritised. The stakeholder representation findings also addressed issues of conflicts of interest, organisational control through the CEO and the importance of athletes.

Concerns around conflicts of interest, independence and autonomy were expressed by participant A and E. The former noted,

*'The only stakeholder represented on our board directly are the membership. We don't have partners because of conflict of interest, and we don't have sport Ireland as we see ourselves as an advocacy body'.*

Participant E similarly stated that,

*'I definitely do not think Sport Ireland should be part of any NGB structure, there is a fundamental independence that sport needs to maintain. From a regulatory and constitutional perspective many sports are part of wider international bodies and are answerable to their sport first. Their responsibility to sport Ireland or the government is purely related to the funding that they get which would be anything from 20% to 70% depending on the organisation'.*

Participant C echoed these contributions stating,

*'Members are stakeholders and they should be represented on the boards, they may be over-represented, but they should be there. It is correct and right that funders don't sit on boards to ensure independent decision making'.*

In acknowledgement of the importance of Sport Ireland as a key stakeholder, participant B addressed how Sport Ireland's influence is felt outside of the board,

*'Sport Ireland's overview of what we do in our business plans and budgets is where their voice is heard and our board would be very aware of the importance of keeping our main stakeholder satisfied with our performance and the board would be very aware of the reporting structures back to Sport Ireland' negating the need for them to be formally represented on the board in the participant's view.*

Conversely, participant G welcomed the concept of increased stakeholder representation saying,

*'I think it's a great idea to have other stakeholders sit on the board, but the board need to make that decision. I could suggest that someone is brought on to the board but then they would be 'my person' on the board and I don't want that. They need to want to have stakeholder on the board themselves'.*

A number of participants, namely A and F noted that the CEO is the conduit for many other stakeholders. Participant F noted that,

*'The representative of sponsors is the CEO. It is up to the executive to ensure that sponsors are getting value for money and that's the CEO's responsibility'*

While participant A stated,

*'The board are very much dependent on the CEO for wider stakeholder information and the board's understanding of the broader context of stakeholders will come from information from the CEO'.*

While this seems true in many cases, participant G addressed a potential pitfall of such a mechanism by stating,

*'All stakeholders are represented through the CEO alone. Nobody on the board has a relationship with any other stakeholders. There is going to be a continuity issue because so much sits with the current CEO at the moment'.*

With respect to the power a sponsor potentially has as a stakeholder, two participants noted that sponsors (and other funders) have alternative ways of exerting their power or influence without needing a seat on the board necessarily.

Participant F noted,

*'The say of sponsors has gotten a lot stronger and you can see that internationally, especially where there is an ethical issue where you have a transgression in the sport itself that could have negative impacts on the*

*brand of the sponsor. They will naturally have influence through the cheque book, they will exert their power through that mechanism’.*

Building on that commentary of sponsor power, participant C stated that,

*‘If you are looking for sponsorship in the US/Canada, they won’t touch you unless you have got all your corporate governance boxes ticked and they usually do a full due diligence before engaging. Sponsors here haven’t yet sought to use that influence in Ireland, but I imagine they will have a greater influence in time to come’.*

The only stakeholder that was favourably viewed by all participants as being a valuable addition to a board was the athlete. Participant F noted,

*‘There is definitely a need for someone to represent the athletes, maybe not a current athlete but a former athlete’*

While participant D noted a change in their approach to include athlete representatives,

*‘In recent years to counteract any move by the board towards super leagues etc we have brought the [affiliated associations] on to our board as stakeholders. That’s common in business whereas in sport it’s strange to have stakeholders on the board, they tend to get involved in committees below the board’.*

Participant E also aired strong views about athlete representation in a formal sense rather than through such fora,

*‘I believe that the athletes are not sufficiently represented on national governing bodies. There may be athletes represented through committees and forums but I think if you have the voice of an athlete on the board you then start to get a dialogue and understanding of where they are coming from’.*

#### **5.2.4 Progression and Professionalism**

In line with the growth of sport both in terms of participation and economic value, the findings under this theme reflect the potential need for enhanced professionalism in the administration levels within sport. This line of research touched on the role of paid professional board members and enhanced training and preparation for volunteer board members. The following responses were furnished by participants:

In agreement on the matter of whether or not there is a role for paid board members, participant A stated,

*'Sometimes you do not get what you pay for. If you are on a board for altruistic reasons your decision making is purer'*

And participant B stated,

*'There is no role for paid or professional boards in my opinion. Sport couldn't function without the thousands of volunteers and paid boards would introduce an 'us versus them'. You should be involved in sport for the right reasons'.*

In partial agreement with this sentiment, participant E noted,

*'There may be a role for paid boards in the professional sports. There is being paid an amount that recompenses you for your lost time which could be substantial to some and not substantial to others. I think with the independent directors, if you really want to get the right person and they are not within your frame of reference, there might be some form of payment warranted. However, I think if you are being recompensed (more than petrol expenses) for being on a board of your own sport or a sport you are passionate about that might cloud why you are doing it'*

And participant C stated,

*'I don't think we need to take that step yet. In this country we are small enough that enough people out there would like to give back to Irish sport, I just don't think we have a mechanism to access them'.*

However, participant F, while in agreement that there may be a role for paid boards in some circumstances, noted,

*'The big question is where is that money going to come from. They are compensated in petrol etc currently, but I don't see in the short term how professionalising the boards via payment is going to be affordable'.*

By contrast, participant D felt finance was not a limitation on a paid professional board and that such a move could be very welcome,

*'There is definitely a role for paid board members, but the issue is that there is a feeling that because it's sport and people love sport that there is no need to pay people. People should want to be involved at the highest level'.*

*'The board will argue that they hire the people within the organisation to be the paid experts and bring that information to the board, however, in our case you could have someone earning half a million euro presenting to someone on the board who is earning nothing and does not have anywhere near the experience to question the information provided. Whereas if we had someone from the TV business or sports rights business on the board, they would be in a much better position to question our marketing director etc'.*

With respect to other areas of professionalism outside of payment, the topic of training and induction was a recurring theme. Participant F noted that,

*'Board training is necessary but, in some organisations, new directors are only given an hour or two on what their responsibilities are. I think it should be far more rigorous than that'.*

Participant A echoed this sentiment by stating,

*'Induction for board members needs to improve across the board and directors need to understand that they are there for their input and opinion, but they have fiduciary duties'.*

Participant D added to this line of research by stating that,

*'I think we have to look at a fit and proper test for new directors alongside the training so that you don't have someone running a club or organisation and behaving badly. Those sort of governance issues have a negative impact on the sport as a whole'.*

Training was a recurring topic across the theme of professionalism with respect to directors and new directors but also emerged as part of the monitoring, control and regulation theme as a method of doing more to promote good governance in general.

#### **5.2.5 Monitoring, Control and Regulation**

In order to fully understand the current governance structures and theories applied, it is important to understand who holds responsibility for said elements. This area of responsibility and regulation of governance emerged with all participants and focused on Sport Ireland as the statutory body with responsibility for sport in Ireland. The area of monitoring, control and regulation primarily offered commentary about the existing governance support and structures, such as the Voluntary Governance Code and Sport Ireland's implementation and monitoring of governance requirements for funded organisations. As part of the discussions around Sport Ireland's role there was a focus on education and training again.

With respect to the VGC, participant A stated,

*'The code for a lot of people is a tick the box exercise. Lots of people do not understand the policy or how to implement it'.*

This was echoed by participant C who noted,

*'The code in itself is not the solution. Putting policies in place is a tick the box exercise. I am a great believer in implementation, and I don't believe one size fits all'.*

This was also emphasised by participant E who commented,

*'There may be a sense that if you have the right documents in place and on the website etc that you are good to go and I think there is a gap between*

*what might be considered to be a box ticketing exercise and actually what governance really means'.*

However, this view was contradicted by the opinion of participant B who noted the positives of the VGC,

*'The code has been really positive and really needed. The not-for-profit sector was the last real unregulated sector. The code is voluntary which is important, but it has been the springboard from which we have made a lot of changes'.*

On the topic of Sport Ireland and their role in the governance of sporting organisations in Ireland there were mixed views from participants. Participants A and G expressed broad agreement that the work of Sport Ireland in the area of governance was severely lacking and that the overall structure of the organisation, as it pertains to its wide-reaching mandate, needed improvement. Participant A stated,

*'I would have Sport Ireland's role reviewed. There is too much control and too much sameness and sport would benefit from different agencies being involved'.*

*'I would like to see a silo organisation around governance, innovation and capacity building as a separate entity. There would need to be some connection between that and the participation/elite organisation but at the moment it is just too big a brief to manage and causes frustration among sporting bodies which stems the growth'.*

Participant G reflected similarly strong views stating,

*'The current structures Sport Ireland operate are terrible, particularly for smaller sports. They are terrible because people fail at a variety of things and everyone needs oversight, yet Sport Ireland have allowed those who shout louder to get away with more.'*

In a similar suggestion to that of participant A, participant G went on to say,

*'We need someone who is cold, independent and unknown to manage the governance element. It shouldn't be someone who is ever a friend. For that reason, I think bringing the VGC in under Sport Ireland was a terrible decision. It puts too much in one basket.'*

Further to the above, participant D also voiced the need for a separate national body to handle governance matters,

*'You can be all things to all people. There should be one body to grow and develop sport and one body to regulate it because its extremely difficult otherwise. You could be having issues with someone about how a sport is being managed or run and the next day be talking to the same person about how we get more young girls playing the game. Of course, things spill over from one to the next. I think in general Sport Ireland do a lot of things very well, but you are just naturally conflicted in this set up'.*

Conversely, participant E expressed a strong view to the contrary,

*'Sport Ireland has done tremendous work. It does a lot of things that in other countries there would be separate bodies for, but I think that is only reflective of our size, there aren't 50 million people in Ireland, just 5. Provided the checks and balances are there internally then I think the system is good. They do have a very wide mandate with only a certain amount of money, so I think they do a good job with what they have'.*

*'They also shouldn't be entirely responsible for the governance of NGBs. They have the carrot and the stick but ultimately the NGBs have to fall on their own sords. A lot of them are now in corporate structures so they are also answerable to the CRO and their directors. It's not all the responsibility of Sport Ireland but they do have a role to play'. Participant B also stated that they believed 'Sport Ireland were doing a reasonable job' but also outlined that 'they probably don't support smaller organisations enough'. This latter statement was also supported by participant G and participant C.*

In a somewhat mixed view, participant C stated that (Sport Ireland),

*'Are hands on but hands off. You can't be half-way on governance and while they have taken steps, they don't want to get their hands dirty. You have to have a team that are willing to go in and help an organisation, not just try and make the problem go away'.*

Participant C also elaborated to state,

*'I think Sport Ireland need to go a lot more in terms of educating the public about how to get involved and advertising board positions or looking for expressions of interest. Sport Ireland could do more to build relationships with corporates who will then be aware and willing to assist sport in certain areas'.*

Similarly, participant A noted the contribution needed from Sport Ireland in terms of education and training,

*'Governance training and board member recruitment should be linked to Sport Ireland funding to ensure people engage with it'.*

Participant F also offered a similar view noting,

*'I think governance needs more meaningful input from Sport Ireland. They never look at an organisation and say this is where your gaps are and let's try and find the right people for them'.*

With respect to the aims of this study, the theme of regulation and control showcases the views of participants in relation to responsibility for governance in their organisation and the onus on an overarching body to help prepare and assist organisations in bettering their governance structures, whether following a democratic or stakeholder model of governance. This focuses largely on Sport Ireland as they are the current body with said responsibility for sport.

### **5.3 Summary of findings**

The themes above represent the five main areas discussed and developed through the semi-structured interview process. The contributions of all participants were

coded and organised into these themes to present the data for easy analysis and discussion. The researcher has concluded the following core findings which are discussed and applied to existing literature in the following section:

- 1) Wider stakeholder representation would not be universally welcomed as a solution to governance issues in the sporting sector.
- 2) An increase in representation from certain stakeholder groups, such as athletes, may be a positive next step on the road to governance improvement.
- 3) Board composition that is dictated by purely democratic means is also problematic. However, a move away from a democracy-based theory of governance has the potential to displace the primary stakeholder – the membership.
- 4) Education and training of board members on the important areas of governance is essential to ensure it is not a solely box-ticking exercise.
- 5) Regulation and monitoring of governance matters within the sector may benefit from a more independent approach.

## ***Chapter 6 - Discussion***

### ***6.1 An overview***

The core aim of this study was to understand whether wider representation of stakeholders on board of Irish sporting organisations would be a more beneficial approach to governance. In order to establish whether this may be needed, the study also investigated the sub areas of:

- 1) existing barriers to governance,
- 2) the role of democracy in the current governance structures
- 3) the existing structures, monitoring and control mechanisms applied to governance of sport.

While the findings covered a broad range of topics within this main subject area, the key results showcased that wider stakeholder representation would not be a universally welcomed solution to the issue of poor governance. The findings addressed the many barriers organisations face with respect to good governance, including an overreliance on democratic elections and often out-dated constitutions, but also illustrated concerns that any move towards a more stakeholder-focused model would potentially bring its own issues. The core findings reflected an interest in athlete representation but a reluctance to include stakeholders such as funders, staff, and sponsors.

Furthermore, the findings, which have been analysed according to the prevalent themes, drew attention to areas not explicitly explored in the literature of this piece of work and would be beneficial areas of future study which are referenced in the conclusion of this paper.

The following discussion draws on elements of the themes identified and attempts to synthesise said areas with existing literature and draw conclusions and areas for further exploration.

## ***6.2 Construction and Representation – Competencies rather than Stakeholders?***

In a broad sense, the theme of stakeholder representation showcases that, in theory, wider stakeholder representation is something that the Irish sporting sector believes it would stand to benefit from. However, the findings also demonstrate the different opinions on what constitutes a stakeholder and which specific groups of stakeholders would be most beneficial. It is suggested that some form of enhanced stakeholder representation would add to the diverse thinking and representation of other interests on the board. This view echoes the findings of Miller-Millesen in relation to organisations with a not-for-profit focus made up of many stakeholders that “a board composed of influential members from the organization’s external environment performs a boundary-spanning function that absorbs uncertainty, reduces operational dependencies, exchanges information, and enhances overall performance” (p. 535). However, with specific reference to sport, the most favourable stakeholder identified by the participants to include in a formal capacity was the athlete. The debate around athletes as stakeholders has emerged previously and many benefits of such have been identified. The athlete-centred approach as discussed by Kihl et all (2007) demonstrates how important and beneficial it is to have athletes at the fore of decision making in sport and how they must have a seat at the highest table in order to do so. This view, which is also conveyed in the work of Habermas (1996), broadly aligns with the findings of this study when it comes to representation of athletes as important stakeholders. While there is an argument to say that athletes, and indeed many other stakeholders, are represented through fora or committees, there is also an acknowledgment throughout the findings that athletes should potentially have more than just a voice, but also a power to influence and decide at the highest level.

As the core aim of this study was to identify whether wider stakeholder representation would be beneficial to the governance of sporting organisations in Ireland it is important to reflect on the findings as they relate to other stakeholders, outside of the athlete. The view of many participants was a strong rejection of the idea that a funder or governing/regulatory body would have any formal representation on the board of the organisation. It was reflected in the findings that

such bodies, for example Sport Ireland, have oversight in all that a sporting organisation does operationally through funding applications, business plans etc and therefore a formal seat is not necessary. Versus some overseas counterparts, Ireland has a relatively ‘hands off’ approach when it comes to state intervention (as a stakeholder) in governance. In the case of Australia, widely considered one of the most successful sporting governance models, there is a “strong interventionist approach to governance by the Australian sports commission” which ‘is justified because taxpayers’ money is involved” (Daly, 2005, p. 17). However, the findings represented throughout the theme of stakeholder representation showcase that including such a statutory body on the board of a national governing body would not be a welcome move in the Irish context.

There is also a view that stakeholder representation, whether sponsor or otherwise, is and should be accounted for through the CEO alone. The findings show that where an increase in stakeholders isn’t favoured, participants referenced a change to the make-up of the board with respect to the competencies available among board members. In reference to the initial literature reviewed as the basis for this study, it is clear that a stakeholder model of governance as explored by Cornforth (2004) would not be a welcome change at this moment in time. Throughout the theme of stakeholder representation, it is evident that one of the potential gaps is the absence of skill or experience rather than explicit representation of stakeholders. This may align more directly with Resource Dependency theory where board members are often chosen based on their skill or experience and ability to cultivate a relationship to the benefit of the organisation’s resourcing (Cornforth, 2004).

An interesting aspect to emerge throughout the theme of stakeholder representation is the view that a wider range of diversity among the board members with respect to age, gender and ethnicity would also be a method of increasing stakeholder representation. Rather than explicitly introducing more stakeholders to a board, the existing majority stakeholder – the members – should be represented reflectively to ensure that the stakeholders within the membership are considered. Such amendments would potentially be most impactful if reflective of the make-up of the sport itself, ie: a board that is 60% women because 60% of the overall participants in that sport are women. This was an angle that was not developed or explored in

the literature for this study, but potentially presents a further area of research under the democratic or association theories of governance. Could a paradox approach within democratic governance be found by applying a more selective and structured democratic model to ensure specific areas of representation are elected from within the membership?

### ***6.3 The constitution as a barrier***

As was explored in the literature review and echoed by participants in the semi-structured interview process, sporting constitutions can be a limiting factor when it comes to change and progress. They also offer an explanation as to why sporting governance has fallen into following a democratic theory of governance. As such, there is a potential argument to suggest that the constitution of the organisation, embedded in the historic establishment of sporting organisations by volunteers, is a significant issue to the reform of sporting governance. These findings mirror those of Shilbury and Ferkins (2014) who noted a desire among participants to see “Changes to the constitution to create a more professional approach to governance” (p.20). The issue as presented in the theme of democracy and the constitution, is that constitutions are largely historic documents that remain unchanged or un-reviewed for large periods of time, thus lagging behind with respect to governance approaches, board member elections and changes in structure. With specific reference to stakeholders, there is a widely held view that constitutions of sporting organisations have not yet been adapted to include a move towards a more mixed board, one not solely elected by the membership. This was echoed by Hoye (2002) who stated “the collective skills of a board is more a function of a ballot process conforming to a constitution than of careful planning and selection to enhance the ability of board members and the board to perform optimally” (p. 165).

The findings reflected in the theme of democracy and the constitution, largely disagree with a purely democratic theory of governance and while acknowledging that some form of democracy must apply, the majority of sample participants would like to see a move to amend constitutions to reflect the power to co-opt positions to the board for expertise and independence. This discussion, in part, addresses a sub area of this study which asks whether organisations are too democratic to allow for

wider stakeholder representation or co-opting of expertise to the board? The views expressed underpin a position that a fully elected board is too democratic to allow for further representation or co-opting of expertise, whether from within the membership or wider stakeholder group.

#### ***6.4 So, what theory?***

It is appropriate to conclude that while the themes exhibited throughout this study provide interesting insight in relation to the core aim of the study, it is evident that consensus within the sector on the best practical application of governance theory does not exist. As Cornforth (2004) conveyed, a paradox approach to governance may be the solution for organisations that are not strictly shareholder run, now including those within the Irish sporting sector. The findings presented in this study show a need to accommodate both a democratic and stakeholder approach to representation on boards. Similarly echoed in the work of Lacmanovic (2019), a multi-stakeholder focus which allows for a mixed method of board member selection to cover both stakeholders and experts may be a future solution. It is evident that a purely democratic approach to governance is not a long-term, sustainable model for the sector where elections and member-control have acted as barriers to avoiding organisational scandal.

#### ***6.5 Existing and future practical steps to address Governance – towards a regulator?***

In the absence of a conclusive theory of governance applicable to sport, the potential to improve or enhance the overarching control of governance may be needed. Two further aims of this study were 1) to identify the barriers to governance and 2) to understand the current structures and monitoring systems in place in relation to governance, regardless of the application of governance theory. In relation to the latter, and the role of Sport Ireland, the following points emerged: 1) the role of education in the monitoring process and 2) the role of a regulator.

The role of education was emphasised by a number of participants who noted that educating and inducting board members to the roles they are applying for is essential regardless of whether they represent the membership or wider stakeholder

group or how they were appointed to the position. One distinction that is important to state is the difference between board member training and training for the organisation in relation to governance. In the case of the former, Brown (2007) stated that “purposeful board training can influence board and organizational performance” (p. 304), however, he also identifies that training should “provide basic guidance for new members and ongoing training that responds to needs of board members and the changing dynamics of organizational performance and environmental pressures” (p. 304). This latter point, centred on ongoing training of existing board members in response to the changing dynamics, is potentially an area of responsibility for an overarching organisation such as Sport Ireland who have a wider picture view on governance as a whole as well as the responsibility for monitoring same through systems such as the Voluntary Governance Code.

A final area of discussion is that of an independent regulator. Throughout the semi-structured interview process a number of views were aired on the lack of independence of Sport Ireland as the body responsible for participation, anti-doping, governance, growth of sport, the National Campus and so on. The views expressed in the theme of monitoring and control, mirrors what was implemented in the Irish charity sector in 2014 as referenced in the literature review of this paper. The establishment of an independent regulator in the form of the Charities Regulator, as well as the pre-existing Charities Institute, created two separate bodies operating to improve the charity sector. The former’s main mandate is to ensure compliance with the Charities Act (2009), monitor standards of good governance and restore public trust in the sector (Citizens Information, 2020).

While one could argue that the implementation of the VGC is the ‘hands off’ but appropriate amount of intervention by a statutory body in sport, the reality may be that by keeping out of such matters formally, they are more likely to end up very actively and disruptively involved at a later stage, as was the case in the FAI demonstrated in the literature review. One could argue that had there not been the leniency and ‘friendship’ as outlined in this study shown by Sport Ireland to its bodies, there may have been less cause for the inevitable government intervention. Mehta (2017) draws on this argument stating “States are stakeholders in the sporting sector: they are often major contributors to the budgets of sporting

associations and must regulate a number of the activities related to sport. However, this range of experiences shows the need for care in terms of the role government plays in sport regulation: constructive, or disruptive? It is clear that without proactive adjustment of existing governance structures, sports may face government intervention, given that an interest and will to do so is clearly there” (p. 1).

Despite the lack of consensus displayed in this study in relation to any one particular theory of governance, a question still exists as to whether the stakeholder accountable for public money and trust in an organisation should hold more weight with respect to governance than it currently does given the potential reputational damage of a scandal in sport can impact far more than just financials?

## **Chapter 7 - Limitations**

While the study was conducted in line with expectations of the researcher at the start of the process there were a number of limitations to the work identified throughout the research period. These limitations were both circumstantial, environmental and research based.

With respect to the study itself, there are 3 key limitations to consider:

1. The sample participants, while chosen purposefully, represent a small cross section of the Irish sporting sector and do not speak for the depth of organisations that operate in Sport. This sample should be widened and potentially clustered for sampling purposes in future study. This is particularly important in order to allow for differing opinions depending on the size, scale and availability of resources to the organisation.
2. This study looked primarily at stakeholder representation as it pertains to the Stakeholder theory of governance. Future studies should potentially investigate alternative theories in more detail with respect to the Irish sporting sector. This study has reviewed theories of resource dependency, democracy and Agency theory but does not investigate these in any substantial detail in the instrumentation and data collection.
3. Many of the responses and viewpoints found during the course of this study point to a limitation of how this work only sought to establish the presence, absence or need for additional stakeholders but does not investigate in detail what those additional stakeholder/board member relationships would look like or how they would operate.

Furthermore, a potential limitation of this study in relation to the individual researcher is that their position within a sporting organisation may have subconsciously impacted on the impartiality or wholly truthful responses of participants. The researcher's position also created a comfortable channel for discussion, which while useful for the participant, it on occasion created an environment of open discussion which had the potential to veer from the structure of the questions and key aims of the study.

In addition to any potential impact on discussions created by the researcher's position, the researcher's own subconscious bias was another possible limitation of the study. While every effort was made to ensure all data collected was analysed objectively, the researcher's position working within the sector had the potential to influence the steering of discussion or conversation as well as possibly impact the positioning of any data among existing knowledge or understanding of issues in the sector.

Any future studies should take such limitations into account when designing their research. Recommendations for areas of further development and research are included in Chapter 8 of this paper. These recommendations reflect a need to build on the areas identified by participants in this study including diversity within stakeholder groups, regulatory independence and the need for education and training.

## **Chapter 8 - Conclusion and Recommendations**

This paper sought to address the core question of whether or not an increase in stakeholder representation on boards within the sporting sector would assist in improving their governance. The findings and discussion in relation to this question posed many interesting points of view, however, they were inconclusive in terms of determining whether more stakeholder representation would be beneficial to good governance. What was evident is that a mixed approach to governance is a more likely solution to account for the very unique setting in which many sporting organisations operate. The study showcased how both democratic and stakeholder models have perceived benefits but that there are also significant disadvantages or obstacles to both if applied exclusively. While findings suggest a move away from a solely democratic model of governance would be welcome, a shift entirely in the direction of stakeholder representation would not provide the right answer for many organisations.

While not specific to sport, previous work of Cornforth (2004) suggested a move towards a paradox theory of governance for certain organisations and this study would concur that similar could be suitable for sporting organisations. Further development is needed to understand whether a paradox for sports governance is possible. This is most relevant when reviewing the role of a democratic model of governance in sport. While it presents many barriers, it succeeds in putting the largest stakeholder, the membership, at the heart of the organisation. Future studies should strive to understand whether an adapted model of democratic governance could be developed to reflect better selection from within the electoral pool of representatives ie: different representatives from within the one stakeholder group elected by democratic vote. This would potentially achieve greater diversity of thought in the governance systems, rather than greater representation of groups of stakeholders.

Furthermore, there is a need to understand the role of the existing governance support and monitoring systems. This study identified the shortcomings in relation to the current Voluntary Governance Code followed by sporting organisations and overseen by Sport Ireland. It also drew attention to the potential for more

independent regulation of the sector. A new body designed to relieve Sport Ireland of the governance implementation and monitoring role and allow their role to focus more directly on promotion and participation initiatives is a possible future action to be explored. This would mirror the path of the Charity sector in Ireland to which Sport closely aligns.

Finally, it is clear from the findings of this study, and from wider literature and past studies, that education and training of board members is an essential element of good governance. It also identified a substantial sector-wide education and training gap that should be filled in order to ensure that regardless of the system of board member appointment, all involved in the governance of sport are adequately informed and prepared to address any potential issues within the organisation and ensure its long term sustainability and growth. This area was largely considered the responsibility of an overarching body as expressed by the participants in this study.

In summary, the researcher's recommendations are as follows:

- Further development and study on a paradox approach to governance theory falling between democratic and stakeholder models with a particular focus on diversity of representation from within the membership stakeholder group.
- Detailed reviews of the constitutions of the sporting organisations to understand where outdated or contradictory practices are being followed and whether they could be changed to reflect a paradox approach to election and representation.
- A far greater focus on the importance of governance in a practical sense so that all board members and organisations have the knowledge and capability to incorporate good practice into day to day operations and avoid 'box ticking' through education and training.
- Exploration of the establishment of an independent regulator and the perceived benefits of such a move, similar to that made by the charity sector circa 2014.

While no conclusive theory of governance has been found to best apply to sport, it is evident that the stakeholder is an integral part of sporting governance,

considerably more so than in the case of a corporate following a governance model stemming from traditional Agency theory. As sport continues to grow and become of increasing value to both the social and economic fabrics of society a wider number of stakeholders are likely to be engaged in its activities long into the future.

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## **Appendix One – Participant Contact/Information Sheet**

**Title of Study:** A study of governance theory and board composition in Irish sporting organisations

I would like to invite you to take part in a research study conducted for my dissertation as part of my completion of a Masters in International Business from the National College of Ireland. Before you decide to take part, you need to understand why the research is being done and what it would involve for you. Please take time to read the following information carefully. Ask questions if anything you read is not clear or if you would like more information. Take time to decide whether or not to take part.

### **Who am I and what is this study about?**

My name is Sinead Conroy and I am a student on the National College of Ireland's MSc in International Business. I am in full-time employment as the Business Manager for the Federation of Irish Sport. I am currently conducting this research study as part of my final year dissertation for the completion of my masters.

This study will serve to identify and understand the governance structures of sporting bodies in Ireland including any benefits or challenges presented by existing governance structures and board compositions and correlate such findings to existing theories of corporate governance. The goal of the study is to understand whether the existing governance landscape is sufficient or whether it can be improved through material changes in board and governance system structures.

### **What will taking part involved?**

If you agree to take part you will be asked to participate in a one hour long, semi structured interview with myself. The interview will cover areas including:

- structure of your organisation
- the role of your board/committees
- barriers to governance within your organisation

- role of your stakeholders

The interviews will be conducted via digital conferencing (Zoom/Skype) and will be approx. one hour in duration. All interviews will be recorded for the purpose of transcribing post interview. All recordings will be stored as password protected files and will not be used by any individual other than the interviewer. Recordings and consent forms will be held on file until after my degree conferring and anonymised transcripts of the interviews will be held for a further two years before being deleted. Further information on confidentiality is provided below.

### **Why have you been invited to take part?**

I am approaching you to take part as I believe your experience within the Irish sporting sector and understanding of governance and board structure would be of benefit to the study as a whole. I have selected a number of national and international governing body representatives to take part individually and believe your professional contribution would be valuable.

### **Do you have to take part?**

Participation in the study is entirely voluntary and you have the right to refuse participation, refuse any question and withdraw at any time without any consequence whatsoever. I will confirm your consent in writing should you agree to take part and re-confirm consent before we commence the questioning.

### **What are the possible risks and benefits of taking part?**

This research has the potential to contribute to the wider study of sporting governance and to bring a particular focus to the Irish context where minimal academic research has been conducted to date.

There should be minimal to no risk of taking part in this study. However, should you be concerned about confidentiality please see below for further details.

### **Will taking part be confidential?**

The information that you provide as part of this study will be confidential. Only myself and my research supervisor will have access to the data collected. Some quotes from interviews will be included in the final write up of the study results, but these quotes will be anonymised and will not contain your name or any information that could identify you or your organisation. Please read the following points carefully in relation to how elements will be stored, analysed and reported on:

- All recordings and consent forms will be stored in password protected files and accessed only by myself and my thesis supervisor. These files are retained as part of the research process and while they are identifiable, they will not be shared or form any part of the final published document.
- Please note that my employer will not have any access to this data.
- For the purpose of accurate representation, data collection and methodology, your organisation will be named as a participant in the introduction in the published study.
- All information provided by you during the interview process will not be accredited to you or your organisation. At no stage will your contribution be identifiable as either your personal or professional view. EG: ‘one participant identified that X is a barrier to good governance while another participant identified Y as a potential concern’ Neither your name or the name of your organisation will be accredited with any view or finding.

### **How will information be recorded, stored and protected?**

Signed consent forms and original audio recordings will be retained in soft copy form on my laptop in a password protected file. I will be the only person who has access to this information, and it will be stored there until after my degree has been conferred. A transcript of interviews in which all identifying information has been removed will be retained for a further two years after this. Under freedom of information legislation, you are entitled to access the information you have provided at any time.

Please be aware that the final document will be published and available in the library of National College of Ireland and will be publicly accessible. However, as stated above, this final dissertation will not include your name or and any quotes included in this document will be anonymised.

**What will happen to the results of the study?**

The results of the study will be published as part of the final thesis which will be submitted to the National College of Ireland for grading. This final copy will be published and available in the National College of Ireland once my degree has been conferred.

While there are currently no further plans to disseminate this final research any further, please be aware that the final published research may be developed in further professional study.

**Who should you contact for further information?**

If you require any further information please contact me on  
[conroysinead@gmail.com](mailto:conroysinead@gmail.com) or 0833615483 or contact my supervisor Dr Caoimhe Hannigan at [Caoimhe.hannigan@ncirl.ie](mailto:Caoimhe.hannigan@ncirl.ie)

**THANK YOU**

## **Appendix Two – Participant Consent Form**

**Title of Study:** A study into governance theory and board composition in Irish sporting organisations.

### **Consent to take part in research**

I..... voluntarily agree to participate in this research study.

I understand that even if I agree to participate now, I can withdraw at any time or refuse to answer any question without any consequences of any kind.

I understand that I can withdraw permission to use data from my interview within two weeks after the interview, in which case the material will be deleted.

I have had the purpose and nature of the study explained to me in writing and I have had the opportunity to ask questions about the study.

I understand that participation involves a one-hour interview conducted via digital conferencing to discuss topics including organisational structure, barriers to governance and board composition.

I understand that I will not benefit directly from participating in this research.

I agree to my interview being audio-recorded.

I understand that all information I provide for this study will be treated confidentially.

I understand that in any report on the results of this research my identity will remain anonymous. This will be done by non-attributed quotes being used and changes in the identity of any people I may speak about.

I understand that disguised extracts from my interview may be quoted in the dissertation but will not be attributed to either myself or my organisation.

I understand that my organisation will be listed as a participant in the final paper, but no results or findings will be attributed directly to my organisation nor will any information I provide be linked directly to my organisation.

I understand that signed consent forms and original audio recordings will be retained by the researcher in a password protected soft copy file only accessible by the researcher until the conferring of the degree (April 2021).

I understand that a transcript of my interview in which all identifying information has been removed will be retained for two years from the date of the exam board.

I understand that under GDPR legalisation I am entitled to access the information I have provided at any time while it is in storage as specified above.

Lead researcher: Sinead Conroy

Supervisor: Dr Caoimhe Hannigan ([Caoimhe.hannigan@ncirl.ie](mailto:Caoimhe.hannigan@ncirl.ie))

Awarding body: National College of Ireland

Contact: [conroysinead@gmail.com](mailto:conroysinead@gmail.com) or 0833615483

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Signature of participant

Date

---

Signature of researcher

Date

Please note that due to COVID-19 restrictions on physical interactions, a scanned copy of this form or an email in response to this form will also be considered consent and agreement to participate.

### **Appendix Three – Semi-structured interview guide questions**

**Title:** A study of governance theory and board composition in Irish sporting organisations **Interview date/time:**

**Interviewer:** Sinead Conroy

**Interviewee:**

*Interview conducted via Zoom*

*Note: questions used as a semi-structured guide rather than rigid format*

### **Draft Questions – Semi Structured Interview**

1. Name and organisation?
2. Position within the organisation?
3. Interactions with board/duties on board?
4. How would you rate your organisation's governance broadly speaking? (poor, fair, good, very good) Are you governance code compliant? Why would you describe it as good/fair/poor?
5. Tell me a little about your current governance structures and how they operate? Ie: Board? Council? Committees?
6. What do you believe are the biggest barriers for governance in your organisation?
7. Tell me a little about your board composition? Are you aware of why it is structured that way?
8. Have there been any changes to the board structure in the last 5 year? Why so?

9. Which board members have you found most influential to the organisation during your time and why?
10. What level of operational influence does your board have?
11. Tell me a little about your key stakeholders. Can you list them? Who are the most essential three stakeholders?
12. How many of your stakeholders are currently represented on your board?
13. Do you believe your board has the ability to consider all stakeholder views? Can you give me an example of when you felt the views were/weren't represented?
14. Would having more stakeholders represented be of benefit? Why/How etc.
15. Do you believe there is a role for a paid professional board? Or paid members/experts on a board? Why?
16. In your view, rank these board members in most important order: service users, experts, representation of membership structures, independents
17. Lastly, if you could construct a new board for your organisation tomorrow what would it look like and why?

#### **Appendix Four – Quantitative Survey questions**

Q1: Rate the standard of governance/governance systems within your organisation?

- Above average
- Average
- Below average

Q2: What is the biggest barrier to governance in your organisation?

- Funding
- Reliance on volunteers
- Individual personalities
- Historic practices and attitudes
- Composition of board/representation structure
- Constitution of the organisation
- Individual skill set of board members
- Other

Q3: In your view the Voluntary Governance Code is...

- Positive
- Necessary
- Effective
- Ineffective
- A hindrance
- Other

Q4: If you are an executive or staff member, rank your board's overall effectiveness

- Extremely effective
- Very effective
- Somewhat effective
- Not so effective
- Not at all effective

**Q5:** If you are a board member, which of the below is your top priority

- Vision for the organisation
- Strategic goals of the organisation
- Day to day operations of the organisation
- Financial control of the organisation
- Check and Challenge Capability on expert areas (finance, legal, HP, marketing)
- Relationship and stakeholder management (sponsors, funders, members)
- Public Affairs (representation of the organisation with other groups/in public fora)

**Q6:** Which statement below best describes the process of board member selection

- All elected and representative of the membership
- Majority elected from the membership
- Roughly even split between member elected and board appointed
- Majority board appointed

**Q7:** Does your board have independent directors

- Yes
- No

**Q8:** If yes in Q7, do they represent specific skill areas

- Yes
- No

**Q9:** If yes in Q8, which of the below areas are represented

- Finance
- Legal
- Commercial/Marketing/Communications
- Strategy
- Public Affairs
- High Performance

**Q10:** Rate the importance of independent directors to your organisation

- Extremely important
- Very important

- Somewhat important
- Not so important
- Not at all important

Q11: Do you believe your board adequately represents all stakeholders

- Yes
- No

Q12: Would having more stakeholders represented on the board be beneficial?

(sponsors, athletes, funders, higher bodies)

- Yes
- No

Q13: If yes in Q11, which categories of stakeholder would you like to see represented?

- Athletes/service users
- Sponsors/funders
- Sport Ireland
- International bodies
- Partners/affiliated groups

Q14: Do you believe your constitution is fit for purpose?

- Yes - fit for purpose
- No - needs significant change
- Somewhat - needs some modification

Q15: Name of your organisation