Learning outcomes (Main Heading – Level A)

Upon completion of this chapter the reader should be able to:

- Discuss meanings and definitions associated with the governance of sport in the high performance setting
- Distinguish between organizational governance and systemic governance in relation to the evolving nature of high performance governance practice
- Discuss issues and trends associated with the governance of high performance sport on the international stage

Overview of chapter (Main Heading – Level A)

We begin by providing some context to the notion of governance, and how we have come to use the concept in connection with the management of high performance sport. We then set out more specific meanings and definitions associated with the concept of governance, followed by a discussion of some of the theories that can help make sense of governance issues in high performance sport. We then examine two modes of governance: governance of organizations (referring to corporate or organizational governance) and governance between organizations (referring to systemic, network or configurational governance). We conclude the chapter with an analysis of the issues and trends associated with the governance of high performance sport on the international stage. The case study and examples embedded within the chapter serve to exemplify the concepts, issues and practices introduced and discussed.

Introduction (Main Heading - Level A)

Almost thirty years ago, when the Cold War between the East and the West was still being waged, the Finnish sociologist Kalevi Heinilä noticed that high performance sport had evolved from being a contest between individuals and teams into a battle between systems. Talented athletes still competed against each other, he argued, but their success increasingly depended on the performance capacity of the system they represented, including all the
organizing resources, the means of regulation, and the interest groups which maintained and promoted high performance sport at that time (Heinilä, 1982).

The Cold War is over, but the ‘Gold War’ continues. The struggle to win major sport competitions has intensified. Elite athletes still need talent, spirit and dedication, but they increasingly rely on a network of sport organizations, governments, sponsors and other stakeholders to reach the top (De Bosscher & Van Bottenburg, 2011). This has been accompanied by rapidly escalating investments and the involvement of a growing number of people and organizations. As a result, there is now a greater need for co-ordination and control in high performance sport (Oakley & Green, 2001; De Bosscher et al., 2008). This intensification of competition has also raised the expectations placed on board members of sport organizations to deliver improved elite sport performances and to meet demands for efficiency, effectiveness, stakeholder representation, transparency, and accountability (Hoye & Cuskelly, 2007). These issues are directly linked to the central theme to be discussed in this chapter: the governance of high performance sport. We now turn our attention to the meanings and definitions associated with this concept of governance.

Defining governance and sport governance (Main Heading – Level A)

Etymologically, the term governance derives from the Greek kubernân and kybernetes which mean to ‘steer’ and ‘pilot or helmsman’, respectively, (Rosenau, 1995). The derivatives of this term were used mainly in the sense of ‘the act or manner in governing’; and as a synonym for government (Kjaer, 2004). However, since the 1980s scientists from diverse disciplines (political sciences, public administration, organizational studies, business studies, and international relations) have come to refer to governance as something broader than government (Rhodes, 1996; Stoker, 1998). They have increasingly come to use the term to mean a process in which an organization, network of organizations, or a society steers itself, allocates resources, and exercises control and co-ordination (Rosenau, 1995; Rhodes, 1996).

Today, the concept of governance is widely used in public, non-profit, and the private sectors. It “generally refers to the means for achieving direction, control, and coordination of wholly or partially autonomous individuals or organizations on behalf of interests to which they jointly contribute” (Lynn et al., 2000, p. 235). All sport organizations, from local clubs to national bodies, government agencies, sport service organizations and professional teams
around the world, need to be directed, controlled and regulated (Ferkins & Shilbury, 2010). However, none of these sport organizations can act independently of other sporting agencies. The International Olympic Committee (IOC) determines, for example, whether cricket will be included in the Olympic programme, with far-reaching consequences for national and local cricket organizations, individual cricket players, and other stakeholders. Yet, the international governing body in cricket (i.e., the International Cricket Council, ICC) is the leading organization in the regulation of its competition rules, whether this concerns the Olympic Games or any other international tournament.

When a major crisis erupts in international cricket, such as allegations of match fixing, it is the ICC that takes action in sanctioning such behaviour. But if such a crisis were confined to Australia, the national sport federation (e.g. Cricket Australia) would be expected to intervene. Cricket Australia also has leadership responsibilities for the sport in Australia and, as such, plays a governing role across organizational boundaries exercising co-ordination with and control over state and club level cricket. However, when it comes to raising the overall level of Australia’s high performance sport, including cricket, this responsibility is scattered among numerous agencies; from government agencies (e.g. the Australian Sports Commission and the Australian Institute of Sport) to voluntary sport associations (at a national, state, and local level), the corporate sector (e.g. sponsors), and many other stakeholders (e.g. sport science institutes, physical educationalists and coaches associations). In such a configuration, it could be argued that there is no one agency that is hierarchically subordinated to another. Thus, central steering is replaced by another mode of governance, based on joint action, mutual adjustment, and networking (Kooiman, 1993).

To get to grips with issues of steering, accountability and responsibility in high performance sport, we will concentrate in this chapter on the distinction between governance of organizations and governance between organizations. Governance of organizations refers to corporate and/or organizational governance. These terms encompass the governance issues, practices and processes of a specific organization, such as a local sport club or national sport organization. Corporate governance points to large commercial organizations. Organizational governance is broader and can also concern non-profit organizations, which are very prominent within the sport sector. Governance between organizations is related to the governance of high performance sport in a system, network or configuration of institutions. It encompasses, for example, governance issues within a nation and across sports (e.g. the
governance of high performance sport in the UK), or within a sport or group of sports across nations (e.g. the governance of football by FIFA or of the Olympic movement by the IOC). Depending on their inter-organizational relationships and the theoretical framework used to analyse them, these latter modes of governance can be characterized as systemic, network or configurational governance\(^1\), or, at the highest level, global governance.

Before exploring organizational and systemic governance in more depth, we will first introduce you to some theories that can help us understand the implications and complications of these modes of governance in high performance sport.

**Helpful theories in the governance of high performance sport (Main Heading - Level A)**

The application of theory can help make sense of these tensions and dilemmas, and at least in part, explain why things occur in the way they do. If we are lucky, a good theory can also help guide good practice. While there is no agreed universal theory of governance (Huse, 2009), researchers are starting to gather together a suite of theories, borrowed from other elements of organizational studies, public management and international relations. Some of these major theories include agency theory, stewardship theory, resource dependence theory, institutional theory, stakeholder theory, network theory, and international relations theory.

While this may mean there are a large number of theories to come to grips with, leading authors in governance such as Pye and Pettigrew (2005), Cornforth (2003), and Hoye and Cuskelly (2007) encourage us to use a multi-theoretical approach. This is because agency theory has, until now, dominated our thinking about the governing role and arguably this has created some limitations in our understanding of governance, particularly in the non-profit setting (Cornforth, 2003). The use of multiple theories can help us understand individual theories by highlighting contrasting approaches, while each theory also offers something different in our endeavours to make sense of the various modes, tensions and dilemmas of governance in high performance sport. Table 1 below summarizes these theories and also relates them to the role and function of the board (in a generic sense) in organisations.

\(^1\) Here, we use these terms interchangeably.
<table>
<thead>
<tr>
<th>Theory used in governance</th>
<th>Premise for governance</th>
<th>Implications for board role and function</th>
</tr>
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<tbody>
<tr>
<td>Agency theory</td>
<td>Owners have different interests from those who manage (Fama &amp; Jensen, 1983)</td>
<td>To control and monitor the actions of the CEO</td>
</tr>
<tr>
<td>Stewardship theory</td>
<td>Owners have similar interests to those who manage (Davis &amp; Schoorman, 1997)</td>
<td>To partner with CEO in the interests of the organization</td>
</tr>
<tr>
<td>Institutional theory</td>
<td>Design of the governance model is the result of external pressures to conform (Hoye &amp; Cuskelly, 2007)</td>
<td>To conform to external expectations</td>
</tr>
<tr>
<td>Resource dependence theory</td>
<td>Organizations are dependent on others for survival (Pfeffer &amp; Salancik, 1978)</td>
<td>To build relationships with other organizations</td>
</tr>
<tr>
<td>Stakeholder theory</td>
<td>A diverse range of interests exists among stakeholders (Hung, 1998; Oliver, 1990)</td>
<td>To incorporate stakeholder perspectives into the governing role and to balance stakeholder needs</td>
</tr>
<tr>
<td>Network theory</td>
<td>There is interdependence between organizations (Henry &amp; Lee, 2004; Kooiman, 1993)</td>
<td>To facilitate networks between organizations and individuals</td>
</tr>
<tr>
<td>International relations theory</td>
<td>The governance structure is fragmented and has multiple centres (Kjaer, 2004; Rosenau, 1995)</td>
<td>To link and change between several networks with different governance structures</td>
</tr>
</tbody>
</table>

Table 1: Helpful theories in the governance of sport (Source: Adapted from Cornforth, 2003; Hoye & Cuskelly, 2007)

**Two modes of governance: organizational and systemic governance (Main Heading – Level A)**

With reference to these theories we now explore in more depth the two modes of governance outlined earlier (organizational and systemic). We start with organizational governance which focuses on the role of the board as it relates to high performance sport (governance of organizations), and then discuss systemic, network and/or configurational governance practices across high performance sport systems (governance between organizations).

**Organizational governance in high performance sport (Sub Heading – Level B)**
The governing responsibilities of a sport organization vary considerably between the different contexts of commercial elite sport, and non-profit elite sport. In the commercial setting, a dominating reason for existence is, by definition, commercial gain for those who have invested financially in the sport. Examples of commercial entities in sport are all around us and include teams in the English Premier League (e.g. Manchester United Football Club), teams in the Australian National Rugby League, (e.g. the Melbourne Storm), and teams in the US National Basketball Association (e.g. the Boston Celtics). In these instances the sport team or club is owned (in a governance sense) by shareholders who, while often indulging a passion, also seek a financial return on their investment. Therefore, the board’s role is to set the direction, account for and control activities, and regulate behaviour on behalf of the owners, (i.e. shareholders).

Much of our understanding of organizational governance in high performance sport is grounded in what we know about governance in the corporate setting outside of the sport context. The notion of organizational governance has come about because of the separation of ownership between those who traditionally owned the corporation and those who manage it (Fama & Jensen, 1983). As a result of growth, a company becomes too large for the commercial owners to also manage so oversight of the entity is delegated to a group known as the board of directors. This group is usually made up of shareholders, the CEO, and independent or non-executive directors.

In the high performance sport domain, who owns the sport organization (in a governance sense) is not clear cut. While we certainly have commercial or ‘corporate sport’, the industry globally is also heavily dominated by sporting entities that have a ‘not-for-profit’ legal constitution. Commonly referred to as NPOs (non-profit organizations), the profits generated by these organizations are returned, not to the shareholders, but back to the organization for its ongoing viability and development. Our global sport system is replete with NPO sport entities with responsibility for governing high performance sport. Examples of such organizations include the IOC and international governing bodies of sporting codes such as football, tennis, netball, triathlon, rugby union (i.e. FIFA, ITF, IFNA, ITU, IRB etc.). Accordingly, the national governing bodies of the sport codes, and the corresponding provincial, regional or state bodies and finally, local clubs, are almost always NPOs.
Who has the right to govern?: Board composition and member “ownership” of sport organisations (Sub Heading – Level C)

So, who has the right to govern a non-profit sport organization? You might assume that the key stakeholders have places on the board just as the majority shareholders do for a commercial sport entity. In fact, there are multiple stakeholders, including sponsors, funders, fans, athletes and the media. Determining who has a place on the governing board can sometimes be a vexed question (Ferkins & Shilbury, 2010). Traditionally, those who are the legal ‘members’ have been considered equal to shareholders in a commercial sense with the right to govern or have governing representatives. Usually, the members of an international body, such as the International Rugby Board are organizations representing the member nations (e.g. the New Zealand Rugby Union, the Irish Rugby Union). Similarly, with a national sport organization, the state/provincial/regional entities are usually the legal members. In turn, the local clubs are usually the members of the regional entity, and individuals are members of the local clubs.

It is becoming increasingly obvious within high performance sport, however, that the system of governance whereby the member associations, who have traditionally had their representative on the board, is creating tensions in the prioritising of resources (Ferkins & Shilbury, 2010). Consider, for example, the priorities of a local tennis club and regional tennis association, and how their priorities may differ from those of the national body such as the French Tennis Federation, or Tennis Australia. The local clubs and associations primarily exist for the purposes of participation in tennis. On the other hand, Tennis Australia is one of Australia’s largest national sport organizations and has responsibility for elite player development and, of course, the Australian Open Grand Slam event. Traditionally, the Tennis Australia board has been made up of elected members drawn from its state bodies who, historically, have held the view that the state bodies ‘own’ Tennis Australia. However, Tennis Australia has recently sought to move to an independent board to allow it to focus in a more professional and corporate way (Shilbury & Kellett, 2011).

Indeed, an increasing trend in non-profit sport organization governance is the restructuring of representative boards (Ferkins & Shilbury, 2010). Many NSOs in New Zealand and Australia, for example, now have what has come to be known as a ‘hybrid board’
composition (Ferkins & Shilbury, 2010). Set out below are three options for board composition of non-profit sport organizations:

- A representative board - where board members are elected from specific member organisations/entities to represent those members;

- A hybrid board - where there is a mix of elected board members and appointed board members; and

- An independent board - where board members are appointed, usually by an appointments panel to govern on behalf of the membership at large.

One of the dilemmas of sport governance in that we tend to deal in uncertainties when it comes to the notion of ownership. In addition, the tensions between priorities of high performance sport and sport participation are reflected in the governing role. This brings us back to the question, who has the right to govern high performance sport? As you can see the notion of ownership is closely associated with the complexities of understanding who governs sport. Carver (2002, p. 66), a well-known governance specialist, urged, “Determining ownership isn’t always easy, but it’s an absolute necessity for boards who wish to get in touch with the true source of their authority and their own true governing power”. Indeed, there are no easy answers to the question of who has the right to govern high performance sport. Shilbury (2001) noted that, in sport governance, there is usually no one individual or group of individuals who legally own the organisation and, as a consequence, the concept of control is often blurred.

The role and function of the board in high performance sport (Sub Heading – Level C)

Having established some of the challenges in determining who has the right to govern, the nature of member ‘ownership’, and how boards are constituted, we now turn our attention to board function. What might the board of a sport organization with responsibility for elite athlete development or high performance competitions, actually do? Not surprisingly, there is a range of perspectives in the literature, and thus far, empirical research efforts to describe and analyse the role and function of the board in sport organisations have been limited (Hoye & Doherty, 2011). However, in considering the literature on board roles per se (i.e. including and looking beyond sport), Kilmister (2006) established a comprehensive list of key elements
applicable to sport organizations with responsibility for high performance. These roles/functions included:

- overseeing the organization’s systems, processes and actions to ensure that there is compliance with externally imposed requirements and that the organization’s internal policies and rules are honoured (e.g. compliance with government legislation such as a ban on tobacco sponsorship; or internal athlete selection policies);
- managing the relationship with the chief executive – this includes hiring, firing and setting performance criteria for the Chief Executive Officer (e.g. the paid CEO of a national sport organization, such as, England Squash and Racquetball is accountable to the volunteer board);
- setting the organization’s mission, vision and strategic direction, that is, the upper level components of the organization’s strategy (e.g. the Tennis Australia board provides direction in regard to the prioritization of resources for high performance sport versus sport participation);
- setting and monitoring policies, including risk management policies (e.g. the board of the Australian Olympic Committee approves selection standards and policies for the Australian Olympic and Commonwealth Games teams);
- monitoring progress towards long-term strategic objectives and monitoring short-term results (e.g. the board of the International Federation of Netball Associations monitors progress against established strategic priorities such as the globalization of netball);
- expressing accountability to members and other key stakeholders (e.g. the board of the New Zealand Rugby Union reports at its Annual General Meeting to its member regions and other stakeholders, such as media, government, sponsors etc.);
- accepting ultimate responsibility for all organizational actions (e.g. members of the board of the Melbourne Storm Rugby League Club accepted ultimate responsibility after major breaches in the salary cap were revealed despite the board being found to have had no prior knowledge of the breaches).

For those countries where the government plays a major role in fostering and funding the sport system (e.g. the UK, France, Canada, New Zealand and Australia), the central
governance agencies responsible for sport have established guidelines to assist national sport organizations develop their governance capability. These guidelines give us some insight into the desired role of the board from the perspective of these funding agencies. UK Sport, for example, details the board’s role as, “(1) to set the organization’s strategic aims; (2) to provide the leadership to put those aims into effect; (3) to supervise the management of the entity; and (4) to report to members on their stewardship” (UK Sport, 2004, p. 6). The Australian Sports Commission (2007, p. 6) describes the board’s role as “determining the organization’s strategic direction, core values and ethical framework, as well as key objectives and performance measures”. It also notes that the board has “ultimate authority and responsibility for financial operations and budgeting to ensure the achievement of strategic objectives” (p. 6). Finally, Sport and Recreation New Zealand offer a similar definition, in describing the role of a governing board as the process by which the board sets strategic direction and priorities; establishes policies and performance expectations; characterizes and manages risk; and evaluates and monitors organization achievements “in order to exercise its accountability to the organization and its owners” (Sport and Recreation New Zealand, 2006, p. 16).

While the governance of high performance sport requires that the board cast a long-term view of the organization’s future (i.e. often in four-year Olympic or world championship cycles), some governance scholars have argued that we need a greater focus on the strategic role of the board (Ferkins et al., 2009) and that we need to better understand what this aspect of the board’s role actually entails (Hoye & Cuskelly, 2007). Carver (2002), a well-known governance specialist, also emphasizes the strategic role of the board. Carver argues that the board’s job is to create the future, and not to mind the shop. This statement accentuates the forward looking role and the need for the board to contribute at the strategic level, and cautions against being captured by the day-to-day demands of the organization.

Garratt (2005) also emphasizes the board’s strategic role and claims that many boards find it difficult to balance their monitoring and accountability role with the need to consider the organization’s future. In an earlier insightful text, he describes the role of the board in the following way (1996, p. 3–4):

As I see it, the key to organizational health is a committed and thoughtful board of directors, not managers, at the heart of the enterprise. It is the board’s job to keep striking balances between the external and internal pressures on the organization to ensure
survival. The board must give a clear direction to the business and create an emotional climate in which people can align and attune to that direction ... Directing is essentially an intellectual activity. It is about showing the way ahead, giving leadership.

This is a big challenge for boards that have responsibility for high performance sport and overseeing all of the demands that this entails, not the least of which is often balancing the priorities for sport participation and elite development and competition. The case study on British Cycling exemplifies the board’s strategic role in balancing these two priorities. Table 1, which sets out governance theories, also highlights the potential challenges in balancing different board roles. We now turn our attention to the relationships between organizations that are involved in the governance of high performance sport.

**Systemic governance: governing across organizational boundaries (Sub Heading – Level B)**

A peculiar feature of the sport sector in most countries is that it has evolved from the ‘bottom- up’. Predominantly, in the late nineteenth century, private citizens founded local voluntary clubs to practise their sport. These local clubs established national governing bodies to codify the rules, organize competitions, sanction their sporting practice, and preserve its social exclusiveness (Houlihan, 1997). This development was rapid. Within less than a generation after the first clubs had sprung up in most sports, major regional and national competitions were held. Soon afterwards, the governance of many of these sports was internationally standardised by the foundation of international sport federations. The Federation of International Football Associations (FIFA), for example, was founded in 1904 by six national football associations, while football had been unknown to those countries a mere thirty years before (Van Bottenburg, 2001).

In countries all over the world, sporting practices were initiated, regulated, organized and standardized by individual citizens with shared interests. Collectively, they created a global sporting system characterized by a hierarchy of vertically-integrated associations and federations, in which separate national governing bodies (e.g. the Brazilian Volleyball Federation) and international governing bodies (e.g. the International Volleyball Federation, FIVB) obtained jurisdiction over each sport. These organizations were mainly based on a system of indirect democratic decision-making by their members (as noted earlier). Club
members elected the members of their local boards and representatives of these boards had
the right to appoint the board members of their national sport federations. The national
representatives of these federations were, in turn, eligible to vote for board candidates of the
international federation to which they were affiliated.

In this predominantly ‘bottom-up’ global sport system, the organization of the ‘top-down’
Olympic movement is an exception. The IOC was founded before National Olympic
Committees (NOCs) were established all over the world, at the instigation of the IOC.
Moreover, board members of the IOC and the NOCs are not democratically-elected
representatives of lower bodies, instead, they are appointed by what is referred to as a system
of cooptation. This system of appointment (rather than election) has been criticized because
of a lack of democracy and transparency, but has also been defended on the grounds that it
guarantees the independence of the IOC. It is argued that under this system, groups of nations
cannot collude to elect the IOC members they want for political reasons.

Nation states hardly played a role in the formation of this global sporting system. Until deep
in the twentieth century, sport in general – and elite sport in particular – were considered to
be the responsibility of sport organizations, whereby, governments rarely interfered. In most
countries, the development of both club sport and elite sport was left in the hands of
voluntary bodies. Wherever there was some government support for elite sport, it was ad hoc
and limited, such as assistance with travel costs to support the participation of national teams
in the Olympic Games or other international sport events (Houlihan, 1997; Stewart, 2011).

This situation changed in the second half of the twentieth century and central government
intervention in elite sport became commonplace. Among the reasons for this transformation,
the Cold War was the most prominent. During the 1950s and 1960s, the Soviet Union and
other communist European countries embraced elite sport as a medium through which they
could prove their excellence and raise their international status. They created a high
performance model that was directed towards the systematic identification and nurturing of
talented athletes. This model contrasted sharply with the rest of the world. Against the state-
led ‘system-related’ model of the East, the West still relied on a ‘person-related’ model,
where talented athletes had to emerge spontaneously from sport competitions ordered on the
basis of age, gender, region and standard of play (Fisher & Borms, 1990; Green & Houlihan,
2005). The success of the Eastern European model, and particularly the success of Soviet and
East German athletes at Olympic Games, prompted increased concern in other countries about the need for a more strategic, planned and co-ordinated approach to high performance sport (Bergsgard et al., 2007).

In this competition for international prestige, government interference was no longer taboo. In many countries, high performance sport became institutionalized. Governments and the governing bodies of sport developed policies and established new organizations. As a result of these changes, specialist elite sport policy units have been established; elite centres have been created; scientific methods have increasingly been adopted; programmes for the professional education of coaches have been developed; and policies for identification, selection and training of talented athletes have been designed (Bergsgard et al., 2007, p. 154).

Contrasting systems of high performance governance (Sub Heading – Level C)

The introduction of a systematic approach and abandonment of the principle of non-interference by the state, altered the relationships between sport organizations within nations (e.g. NOCs, National Sport Governing Bodies, local sporting clubs) and between sport organizations and national, provincial and local governments (Houlihan, 1997). These changes raised several new questions about governance in high performance sport. First, who was legitimized to set national goals, objectives, and priorities for the high performance system? Second, who was responsible and accountable for achieving these goals, and how was that related to other sport policy goals such as club development and sport participation? Third, how and to what extent should the high performance system be altered from an amateur, voluntary and decentralized activity to a professional and centralized undertaking? Finally, how and to what extent should the sport system prioritize and thus focus funding on sports that have delivered success or shown medal potential, and what might such a policy mean for less-developed sports and other sport policy goals, such as raising sport participation?

Such questions have important implications for the notion of governance. Consider the earlier definitions of governance as expressed by Lynn et al. (2000), Rosenau (1995), and Rhodes (1996). In other words, how did countries set about steering, allocating resources, and
exercising control and co-ordination (as per Rosenau’s, 1995 definition of governance)? In response to these questions, every country developed its own system characterized by a specific configuration of governmental institutions, voluntary sport organizations and business partners. Schematically, these configurations can be represented within a triangle, in which a laissez faire model, a state interventionist model and a voluntary sector model form the hypothetical extremes (refer to Figure 1).

Figure 1: Contrasting systems of high performance governance within countries

In this triangle, the United States differs most from other countries. Consistent with the ideological foundations of American government, the federal government is hardly involved in elite sport. In contrast to the increasing governmental interference in elite sport throughout the world, there is hardly any policy co-ordination and thus no ‘system’ for high performance development in the United States. Athletes have multiple pathways to and through elite sport, but there is no well-mapped road to elite status. Each sport must develop its own system. National performances continue to rely overwhelmingly on school, university and professional systems. For specific sports, these systems indeed offer a structured pathway from talent to elite athlete. However, sports that lack professional or university opportunities are at a distinct disadvantage and produce few medals (Sparvero et al., 2008).

At another corner of the triangle (refer Figure 1), we find countries with interventionist high performance systems. Poland, China, and other former or current communist countries are
good examples of this. Jolanta Żyśko (2008, p. 190–91) characterized Poland, for example, as ‘interventionist, centralized, bureaucratic, intensely formalized but unstable’ and “moving towards greater centralization and a strengthening of the state administration’s grip of the management of sport”. Today, state sport policy in Poland is formalized and regulated by an Act of parliament. This Act stresses the role of the state and state administration in sport in general, and high performance sport in particular. At the national level, Poland has a governmental body dedicated exclusively to sport, which is meant to be the only decision centre for the entire field of high performance sport (Żyśko, 2008). For China, elite sport has been an effective way to boost its image on the international stage. Since the country started its ‘open-door’ policy in the late 1970s, success in the Olympic Games became the highest aim of Chinese sport. To achieve this goal the government directed increasing amounts of money (from general revenue and from lotteries) to elite sport, and expanded its centralized administrative and management system. Priorities for financial support within this system included talent selection and development, full-time professional athletes, a strenuous training system, coaching and sport science research, and national and regional training facilities (Hong, 2008; 2011).

Less obvious is the crucial role of the state in high performance sport in liberal welfare states, such as, New Zealand, Australia, Canada, and the United Kingdom. Green and Houlihan (2005, p. 63) describe Australia and Canada “as the ‘early Western adopters’, and the UK as a ‘late adopter’ of many of the principles of organization and administration developed by former Eastern bloc countries”. Evidently, the high performance system of the Eastern Bloc proved to be successful, leading to a period of dominance at the Olympic Games which began in the 1950s and lasted into the 1980s. This was accompanied by a strong decline in the ‘market share’ of Western countries in Olympic medals. The Eastern Bloc system, however, was not easy to emulate, as its interventionist, centralized and bureaucratic governance structure was diametrically opposed to the fragmented, decentralized and voluntary organization-based governance structure that prevailed in Western countries. The solution to this problem was found in the growth of commercial patronage on the one hand and the creation of a variety of new administrative infrastructures for high performance sport on the other (Houlihan, 1997).

These changes altered the relationships between federal governments and national sport organizations. The creation of Sport Canada in the 1970s, the Australian Institute of Sport in
1981, the Australian Sports Commission in 1984, the Hillary Commission in 1987 in New Zealand, and UK Sport in 1997 were turning points in these countries. They reflected not only a much more interventionist stance by their governments but also a decline in the autonomy of the national sport organizations regarding high performance sport. The provision of funds by the government means the national sport organizations have become increasingly dependent on the government contributions to a centralized, professionalized and successful high performance system (Houlihan, 1997; Green & Houlihan, 2005).

In most social-democratic countries in Western Europe, central governments intervene less in the voluntary sector. High performance sport remains, in principle, the responsibility of relatively autonomous sport organizations in Germany, the Netherlands, Denmark and Norway. In these countries, central governments have also expressed increased ambitions to promote professional and structured elite sport policies and achieve success in the international arena. However, compared to the liberal welfare states mentioned earlier (e.g. Australia, New Zealand, Canada, UK), they have tried to realize these ambitions in a more indirect way, that is, through financial support of the organized sport system, and in particular through direct subsidies of the umbrella sport organizations that bear responsibility for high performance sport. In Germany, Norway and the Netherlands, these umbrella organizations have a far-reaching influence on the distribution of the gaming profits (mainly from lotteries) allocated to sport in their countries (Augestad & Bergsgard, 2008; Augestad et al., 2006; Bergsgard et al., 2007; Petry et al., 2008).

This section has discussed the three contrasting systems of high performance sport governance that are seen in different countries around the world (as encapsulated in Figure 1). In this, the notion of systemic governance is considered in terms of a network of organizations, each contributing to the steering, allocation of resources, and exercise of control and coordination of high performance sport. In staying with a macro view of governance, in other words systemic governance, our attention now turns to future issues in the governance of high performance sport.

**Future issues and trends in the governance of high performance sport (Main Heading – Level A)**
Houlihan and Green (2008, p. 291) conclude in their comparative study of elite sport development that, “increasing global competition is encouraging a growing number of nations to adopt a more strategic approach to the development of elite athletes in order to differentiate themselves from ‘rival’ countries”. Other studies endorse this view and show that national approaches are based increasingly on a homogeneous model of elite sport development, although each country still shows domestic variations (Oakley & Green, 2001; De Bosscher et al., 2008; Houlihan & Green, 2008). What almost all countries have in common is a trend towards growing interference of governments and a perceived need for more effective coordination, central control and governance of high performance sport. 

This trend has put pressure in many countries on the relationship between the governance of high performance sport and the governance of sport-for-all. With respect to high performance sport, questions such as, ‘how to steer’, ‘how to increase efficiency’, ‘how to improve accountability’, and ‘how to gain and maintain legitimacy’ increasingly result in different answers than when considering sport-for-all. Increasing expenditure on elite sport has forced many countries not only to prioritize elite sport over sport-for-all but also to target a minority of (elite) sports for funding (e.g. see Ibsen et al., 2011, for Denmark, and Stewart, 2011, for Australia). This tendency of exclusion and priority setting increasingly conflicts with the principles of sport-for-all policies which are directed towards inclusion and diversity. If the demand for success is increased, or if governments allocate less to elite sport, this tension will further intensify and provoke a fierce discussion in many countries about the fundamentals of both high performance and sport-for-all policies. 

Undoubtedly, such a discussion will touch upon other core concepts in governance theory: legitimacy and accountability. As Collins (2007) concludes with respect to New Zealand, elite sport funding is increasingly driven by the expectation of a ‘return of investment’ and the achievement of clearly identified goals (i.e., an output-orientated focus). Legitimacy and accountability in sport-for-all funding, on the other hand, are based on arguments concerning democratic procedures, social justice, fairness and equality (i.e., an input-orientated focus). Here again, it can be expected that this difference will reinforce the tension between high performance sport and sport-for-all policies. In high performance sport governance structures it is tempting to respond to the pressure to succeed by centralizing the decision-making processes and shortening the lines of responsibility. The input-oriented focus of sport-for-all policies, however, can easily provoke the opposite response – calls for decentralization and
extensive stakeholder participation. In high performance sport governance, one of the biggest challenges, for governments and sport governing bodies alike, is how to cope with this fundamental tension. After all, in the end, they have a dual responsibility.

CASE STUDY: THE GOVERNANCE OF BRITISH CYCLING
Written by Adam Karg, Deakin University

British Cycling, based in Manchester, is the governing body for cycle sport in the UK. At the elite level in cycling, the UK is a world leader. The British team won 34 medals in the 2008 Olympic and Paralympic Games and half of the available gold medals at the World Championships in the same year. In the run-up to the London 2012 games, British Cycling boasted strong participation growth and considerable strength in its elite programs, underpinned by innovative partnerships and a clear and transparent strategic plan within a complex multi-national and regional governance framework.

History and role

The aim of British Cycling is to inspire participation in cycling as a sport, for recreation and for sustainable transport through achieving worldwide success. The organization, formerly known as the British Cycling Federation (BCF) was formed in 1959 following a merger of the National Cyclists Union, the Road Time Trials Council, and the British League of Racing Cyclists. Prior to this, the presence of these multiple organizations had fragmented the sport, resulting in conflicts about regulation, selection of national teams, and who should control national governance responsibilities for the sport. The move to a more unified approach was complete when the British Mountain Bike Federation, Cyclo-Cross Association, BMX Association, and Cycle Speedway Councils became commissions within the BCF.

Governance structure

A multi-tiered governance structure incorporating international, national and regional bodies is evident in the sport. British Cycling is a member of the international federation, the Union Cycliste Internationale (UCI) as well as the European Cycling Union. It has associations with the British Olympic Association. The organization itself is governed by a board of eight directors, led by an executive president. In 2010 the CEO and senior management team led a total of 226 employees, which represented a staffing growth of 13.5% for the year (British Cycling, 2010).

Reflecting its wide coverage, and exemplifying the notion of 'systemic governance' (refer to the main body of the chapter), there is a network of multiple regions which are interlinked in the British Cycling governance structure. Representative regions include Central, Eastern, East Midlands, North East, North, South, South West, South East, West Midlands and Yorkshire regions, as well as the Scottish and Welsh Cycling Unions (British Cycling, 2011a). The British Schools Cycling Association and British Universities and Colleges Sport are also affiliates of British Cycling. As such, British Cycling is the governing body for the sport in the home nations and also acts as the UCI member for overseas British territories.
The Isle of Man and the Channel Islands are recognised as regions under the national governing body of British Cycling (British Cycling, 2011b). While this fosters a centralised and standardised approach to Olympic team representation, the situation becomes more complex when countries compete as individual nations, as is the case at Commonwealth Games events. Below the regional level, around 1,500 cycling clubs or teams are affiliated to British Cycling to enable their athletes to hold licenses, race in events and become members of the national organization. In total, British Cycling has over 33,000 members, of which around two-thirds are affiliated with clubs (British Cycling, 2010).

The board’s strategic role

A critical role of the board of an organization is to set the organization’s mission, vision and strategic direction, and, in the case of British Cycling, the overall strategy for the sport in the UK. The environment for cycling in the UK, prior to the 2012 London Olympic Games, presented a clear opportunity for the governing body to capitalize, in the design of its strategy. In a press release, the CEO of British Cycling, highlighted the opportunities for the sport and summarized the strategic, whole-of-sport approach the organization has taken to deliver across multiple disciplines and multiple regions: “We have a once in a lifetime opportunity in the run up to London 2012 to really engage Britain with cycling and turn our ‘medal success’ into a ‘people success’ by inspiring mass participation in our sport” (British Cycling, 2009b). The development of a clear strategic plan has been identified as a vital component of the sport’s short and long-term success. The sport’s co-ordinated governance approach is highlighted by the Whole-of-Sport Plan spanning a five-year period from 2009. The plan sought to “grow cycling as a sport, recreational activity and as sustainable transport by leveraging the worldwide success of its athletes” (British Cycling, 2009a).

Another important function of the board of British Cycling is the monitoring of progress towards long-term strategic objectives as well as monitoring short-term results. In the opening years of the plan, British Cycling demonstrated considerable achievement in key areas including institutional goals related to high performance and mass participation as well as an increased profile through the promotion and the development of partnerships. At the elite level, British Cycling has greatly improved its standing in world events with its success at the Olympics and at UCI World Championships, most notably in track and mountain biking. The provision of the best possible equipment (NASA and the McLaren Group are key technology partners) and progressive and structured sport development and high performance programs including Olympic talent, development, academy and podium programmes for elite performers have aided this success.

Additionally, a partnership with British Sky Broadcasting (BSkyB) has seen the creation of a professional cycling team formed as part of British Cycling that competes globally as a registered Pro Tour team in events such as the Tour de France (British Cycling, 2010; 2011c). This partnership, which involves collaboration at the participation and development levels as well as sponsorship of the elite national team, provides a great profile for the sport, and an avenue to promote and develop its athletes at the highest level. This principal partnership has been further supported by UK Sport, the high-performance sports agency responsible for investing lottery and public funds, and by Sport England which invests funds in organizations and projects that will grow and sustain participation in grassroots sport and create opportunities for people to excel at their chosen sport (British Cycling, 2011).
Key ‘Takeaways’:

British Cycling:

- Unified what were once separate bodies and cycle disciplines to provide co-ordinated leadership and governance for the sport.
- Unified a number of regions, thereby achieving efficiencies as part of a multiple-level governance network including international, national and regional bodies.
- Has a clear and transparent whole-of-sport strategic plan structured around key sport and business outcomes which the board uses to ‘steer’ the organization.
- Has achieved high performance, sport organization performance and promotional outcomes for cycling.

Case Study Discussion Questions

1. Select cycling or another sport in your country and investigate the way the sport is governed. In what ways is the structure similar to that of British Cycling? In what ways is it different?
2. Identify the role(s) governance plays in British Cycling’s Whole–of-Sport Plan.
3. Despite the co-ordination of various regions and disciplines within cycling, complexities remain in the structure of British Cycling. What potential problems exist given this structure?

Conclusion (Main Heading - Level A)

This chapter began with providing some context to the notion of governance and how we have come to use the concept of governance in studying the management of high performance sport. We then discussed more specific meanings and definitions of governance, and sport governance in particular. Table 1 summarised the examination of theories considered to be relevant for our understanding of governance. The distinction between organizational governance (governance of organizations) and systemic governance (governance between organizations) was also highlighted. In our discussion of organizational governance, we detailed the role and function of the board for sport organizations, noting the challenge for voluntary board members in balancing a strategic focus with the monitoring and accountability role. In the discussion of systemic governance, a much broader interpretation of governance was offered. In contrasting the systems of governance within countries, elements of sport policy, and sport development were integrated in order to understand the network of organizations responsible for the governance of high performance sport.
The issues and trends highlighted near the end of the chapter concentrate primarily on systemic governance, but also come back to the notion of organizational governance in noting that those who govern high performance sport have to grapple with the fundamental tension between elite sport and sport-for-all in the allocation of limited resources. Finally, the case study, which primarily exemplified organizational governance in focusing on British Cycling, also demonstrated the networked approach to the governance of cycling within the UK. In many respects, we only really notice the work of the board and the governing system when things go wrong in sport. A deeper understanding of both organization governance and systemic governance of high performance sport brings to light the tensions and complexities of this critical aspect of the management of high performance sport.

**DISCUSSION QUESTIONS**

1. Distinguish between what the authors describe as ‘organizational governance’ and ‘systemic governance’. Explain how both views of governance relate to high performance sport.

2. Who has the right to govern a sport organization? Explain the composition of a governing board that has responsibility for high performance sport. In your answer, refer to the board composition models of representative, hybrid, and independent.

3. Why might sport governing bodies struggle in the future with maintaining control and legitimacy over their respective sporting code? Consider both organizational governance and systemic governance in your answer.

**KEY TERMS & CONCEPTS**

**Governance**: a process in which an organization, network of organizations, or a society steers itself, allocates resources, and exercises control and co-ordination (Rosenau, 1995; Rhodes, 1996).

**Organizational governance**: refers to governance of organizations, also known as corporate governance. These terms encompass the governance issues of steering, accountability and
responsibility of a specific organisation such as the governance of a local sport club or a national sport organization.

**Member ‘ownership’**: refers to individuals or organizations of a non-profit body that are legally recognised as members and, therefore, usually hold the right to direct who governs or governs on their behalf.

**Board composition**: how the board of a governing body is comprised with specific acknowledgement of the responsibility to govern on behalf of the members as ‘owners’. There are three types of board composition models evident within sport organizations (i.e., representative, hybrid, and independent).

**Representative board model**: where board members are elected from specific member organisations/entities to represent those members.

**Hybrid board model**: where there is a mix of elected board members and appointed board members.

**Independent board model**: where board members are appointed, usually by an appointments panel, to govern on behalf of the membership at large.

**Role and function of the sport board**: process by which the board sets strategic direction and priorities; establishes policies and performance expectations; characterises and manages risk; and evaluates and monitors an organisation’s achievements on behalf of its ‘owners’ and stakeholders (Sport and Recreation New Zealand, 2006).

**Systemic governance**: refers to governance between organizations and is related to the governance of high performance sport in a system, network or configuration of institutions.

**Contrasting systems of governance**: refers to the notion that every country has developed its own system for the governance of high performance sport.
Laissez faire sport governance system: refers to a country’s system for the governance of high performance sport where there is little government intervention (e.g. the US).

State interventionist sport governance system: refers to a country’s system for the governance of high performance sport where there is heavily centralized state intervention (e.g. Poland, China).

Voluntary sector sport governance system: refers to a country’s system for the governance of high performance sport where there is a combination of state, commercial, and voluntary sector involvement (e.g. Australia).

GUIDED READING

Sport Governance (2007) by Russell Hoye and Graham Cuskelly provides a very good overview of organizational governance in sport. It summarizes relevant theories and salient topics related to the governance of sport organizations such as the roles and responsibilities of boards, board behavior and culture, strategic sport governance, the sharing of leadership between the board and the CEO, and conformance and evaluation.


Corporate Governance: Principles, Policies and Practices (2009) by Bob Tricker is another helpful text on organizational governance. While it is primarily focused on the governance of commercial organizations, the issues, practices and processes discussed relating to the role of the board are a useful foundation for understanding the governance of high performance sport.

John Carver on Board Leadership: Selected Writings from the Creator of the World’s Most Provocative and Systematic Governance Model (2002) by John Carver is a comprehensive text capturing Carver’s publications over two decades. While Carver primarily concentrates on elements of organizational governance, such as board-CEO relationships, board
involvement in strategy, and board composition, there are sections also relevant for the issues embedded within systemic governance.

*Studying Governance and Public Management: Challenges and Prospects* by Laurence Lynn, Carolyn Heinrich and Carolyn Hill (2000) is an article published in the *Journal of Public Administration Research and Theory* which explains the notion of systemic governance, as derived from the public sector. The article pursues the question of how the myriad of agencies within the public sector can be co-ordinated to achieve public purpose.

‘Governance and Ethics in Sport’ by Ian Henry and Ping Chao Lee (2004) is a very useful chapter in the text, *The Business of Sport Management* by John Beech and Simon Chadwick. The chapter explains the notion of network governance as it applies to professional sport.

**Bibliography**


