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Governance of small sports clubs in New Zealand: Existing structures, processes and potential models

A Dissertation
submitted in partial fulfilment
of the requirements for the Degree of
Sport and Recreation Management (Honours)
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by

Simon Hill

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Abstract of a Dissertation submitted in partial fulfilment of the requirements for the Degree of Sport and Recreation Management (Honours)

Abstract

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by

Simon Hill

Sports clubs are one of the dominant sports delivery mechanisms in New Zealand, yet despite this, they have received remarkably little attention in the academic literature. This study aims to fill that gap through a case study investigation of the governance structures and processes used by four small sports clubs in New Zealand. Drawing on a case study approach utilising interviews and documentary evidence, the study found that small sports clubs in New Zealand are mostly governed, managed and operated by a group of dedicated volunteers elected or appointed to the committee by their fellow members. The governance structures that small clubs operate within has evolved from the historical ‘kitchen table’ method of operation to a hybrid model of multiple governance models and ideas. Unexpectedly, the study found that these ideas have in most cases come from the knowledge volunteers bring to the committee table, or borrowed from other clubs that are deemed successful, as opposed to utilising well documented models such as Carver’s (2006) Policy Governance Model or Sport New Zealand’s The Nine Steps to Effective Governance (Sport New Zealand, 2014). Both of these resources advocate for a clear separation between governance duties, including the employment of the CEO, strategic planning and decisions over major capital expenses, and management, encompassing day-to-day operations, management of staff, business plans and purchases. However, the data collected suggests that small sports clubs are not resourced to initiate the separation of duties Carver (2006) and Sport New Zealand (2014) suggest, even though volunteer committee members in this research paper range from five to eighteen people. Instead, the clubs appear to have (unknowingly) adopted aspects of alternative models such as Mowbray’s (2011) ‘third team’ approach, and Bradshaw’s (2009) ‘contingency theory’. The study concludes that although there is increased pressure for clubs to professionalise their practise, there are no appropriate best practise models or methods of governance available to small sports clubs. Despite this, this study demonstrates that clubs have developed potentially successful governance systems.


Key words: Governance, sports clubs, community sport, capability, human resource, Policy

Governance
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Chapter 1 Introduction

Sport clubs are part of New Zealand’s fabric and play a vital role in achieving a number of societal objectives (Sam, 2009). Not only do clubs develop players and promote good players to higher honours, they are mechanisms for promoting health and well-being, community engagement, local connections, social capital and friendship. NZ Sport (2016) suggest there are currently 9125 clubs in NZ, ranging from the traditional sports like cricket, rugby and netball to frisbee, horse riding and karate. Clubs range in size from large ones such as Cornwall Cricket Club in Auckland with 1360 junior members to small ones such as the Richmond Cricket club in Christchurch with barely one senior cricket team. Players in national sides like the BLACKCAPS, the All Blacks and the Black Sticks have all come through the club model. The governance, management and delivery of the sport is the responsibility of the local groups of volunteers that dedicate time and resource for creating opportunities for their members to participate, be competitive or realise lifelong dreams in representing their country. Regardless of the reason to play, clubs are the starting point for most sport delivery in New Zealand. Despite this, there has been surprisingly little research examining sports clubs in New Zealand.

In the sport sector, among others, not-for-profit organisations are under increasing pressure to adopt more professional approaches towards their governance structures and processes. The increasing pressure to secure funds for not-for-profits, as the pressure of recent legislation and compliance—see for example, Health and Safety Act 2015 (New Zealand Government, 2015) and Vulnerable Childrens Act 2015 (New Zealand Government, 2014)—and expectations from club members have created more pressure on clubs to operate efficiently (Wicker & Breuer, 2011). Funding agencies, government departments and local councils are expecting a more formalised approach to governance from the groups they fund in terms of, for example, strategic plans, business plans, risk assessments and outlined roles and responsibilities. The documentation required and compliance reports are making the job of a club committee volunteer much more difficult. This pressure is pushing clubs to move away from the historical ‘kitchen table’ approach to a more formalised professional approach of governance and management (Hoye, 2003). This dissertation questions whether small sports clubs are equipped with the resources, funds, capability and templates to achieve success through considering both their governance and management structures, and their governing processes. Small sports clubs have existed for a number of years, some well before suggested best practise models were developed, and yet research to-date has focused on medium-to-large scale sporting or not-for-profit organisations.
The aim of this research is to explore the club governance structures and processes in New Zealand and to highlight the challenges clubs face with existing models and identify alternative approaches. Through a case study of four clubs, using data collected through organisational documentation and interviews, this dissertation pieces together the governance structures and processes adopted by four clubs and highlight the way the clubs have achieved success. More specifically, seven people were interviewed from the four clubs to ascertain their understanding and thoughts on their club structures and processes, and clubs also supplied various documentation such as their constitutions and policy documents for analysis. For the purposes of this study, ‘small clubs’ are defined as grassroots local sporting clubs, with less than 300 members combined between junior and senior and, a low annual turnover of less than $300,000 with limited resources and strategic capability. The resources generated in small clubs are mostly from membership fees and philanthropic funders. There is little resource distributed from national bodies as the majority of their revenue is spent on the small group of elite players representing their country or region (Sam, 2009).

Following the introduction, Chapter two commences with a literature review examining governance structures and processes. It considers Carver’s (2006) Policy Governance model and Sport New Zealand’s (2014) Nine Steps to Effective Governance along with alternatives models such as Bradshaw’s (2009) ‘contingency theory’ and Mowbray’s (2011) ‘third team’ approach. The literature review also considers agency and stewardship theory to understand the motivations and reasons why people volunteer for sport governance and how they behave.

Chapter three outlines the methods and process used to gather information and data. It describes how interviewees were selected and what measures the researcher took to guarantee their identities remained anonymous. A qualitative approach was used and the researcher utilised their insider status within the sector in order to gain access to the clubs in order to collect data.

Chapter four consists of the first section of the results and discussion. Specifically, this chapter identifies the structures of the four clubs as identified by the interviewees. It further considers what challenges they face in each layer and what measures or actions have been taken in attempts to change or strengthen the organisational structures.

Chapter five explores governance processes through two sections. The first part considers the information resources available and required to perform effective governance and where and how clubs might access these. The second part two explores the human resources including the capability and motivation of people fulfilling governance tasks.
Chapter six concludes the dissertation, noting the importance of research examining sports clubs. Finally, recommendations are suggested on the next steps for small sport governance research.
Chapter 2 Literature Review

This literature review explores governance models and theories of relevance to the operations of small sports clubs in New Zealand. Small sports clubs refer to the small local organisations that run ‘grass roots’ weekly competitions for junior and senior players that take part in regional competitions. These are all governed by volunteers, and most are managed by volunteers with the occasional small club having a paid employee dedicated to sport delivery or specialist roles like a bar manager or accountant (De Knop, Hoecke, & De Bosscher, 2004; Koski, 1995; Papadimitriou, 2002; Thiel & Mayer, 2009; Wicker & Breuer, 2011). Research has identified a number of different models and theories that clubs could utilise.

While there has been significant interest in theories of governance in the area of corporate business, and more recently national sporting bodies, there is a dearth of research or best practise models tailored for the small sport club (Papadimitriou, 2002; Shilbury & Ferkins, 2011; Shimeld, 2012; Taylor & McGraw, 2006). The not-for-profit sector is very different from the for-profit sector, yet the corporate governance theory underpins the not-for-profit literature (Shimeld, 2012; Thiel & Mayer, 2009). For example, as discussed in more detail below, Sport New Zealand encourages sports clubs to adopt the practices outlined in their document ‘Nine Steps to Effective Governance’ which is based on a corporate model. Such encouragement is understandable given that in current age of professionalism, there is pressure on sport clubs to be well governed and to work toward best practice. This pressure comes from the Government, National Sporting Organisations (NSOs), Regional Sporting Trusts (RSTs), Sport New Zealand and in some cases, the local communities (Mu Yeh & Taylor, 2011; Sam, 2009). Effective governance is necessary for any group to function, whether it is a school, club or corporate business. Governance is a critical component of a well performing organisation (Cuskelly, Hoye, & Auld, 2006; Mu Yeh & Taylor, 2011).

There are a variety or theories and models to choose from when deciding which governance approach an organisation will take, from Carver’s Policy Governance to a more fluid approach such as Bradshaw's (2009) Contingency theory. A sport club can follow different approaches or combine different components to take from each approach in order to create an individualised process to govern. Alternatively some sports clubs may simply operate without reference or thought to any theory or direct approach – this is known as the ‘kitchen table’ model (Hoye, Smith, Nicholson, & Stewart, 2015).

The basic principles of governance are described as policy making, providing strategic leadership, employing and assessing the CEO and providing a strategic direction for the organisation to follow.
(Bradshaw, 2009; Carver, 2006; Hoye & Cuskelley, 2003; Mowbray, 2011; Shimeld, 2012; Sport New Zealand, 2014). Day to day management duties are not included in this description, like sourcing funding, product delivery, administration and human resource management. To effectively achieve strong governance it is suggested governance duties are separated from management tasks (Carver, 2006; Sport New Zealand, 2014)

2.1 Sport NZ’s “Nine Steps to Effective Governance” and Carver’s Policy Governance Model

Sport NZ produced the ‘Nine Steps to Effective Governance’ for not-for-profit sporting organisations to follow, which was designed as a best practice model for developing organisational performance in and around governance. The manual focuses on governance structures, the roles and responsibilities of the board and the board’s relationship with the CEO in middle-to-large organizations in New Zealand. One of the key recommendations made in the manual is that there needs to be clear separation between board members’ responsibilities and staff responsibilities. For example, Sport New Zealand (2014) suggest boards are there to ensure the organisation is well managed, not to actually do the managing. This is a clear direction set by the national sporting body for sports organisations to follow. However this does not take into consideration that some small sporting groups may not have the volunteers or capacity to separate these duties (Cuskelley, 2004; De Knop et al., 2004; Wicker & Breuer, 2011). Cuskelley et al. (2006) argue that sports volunteering is in decline as people have less time due to the increased pressures of today’s environment. There is an expectation that both parents in a family have to work while children are busier with extra-curricular activities and the expectations on volunteers are greater. Nichols’ (2013) study of sports clubs in England suggests that the small not-for-profit (NFP) sports club have an average of twenty volunteers. If similar statistics were correct in New Zealand as Nichols (2013) suggests, then there may not be the capacity within clubs to split the governance and operational duties. Sport NZ do declare the Nine Steps to Effective Governance manual is for middle-to-large scale organisations; however, the small organisations in the sporting sector have no alternatives to follow so some attempt to adopt this approach. However by doing so, they increase the need for more volunteers, due to the split between governance and management.

The Nine Steps to Effective Governance is based on Carver’s (2006) Policy Governance Model. Carver (2006) argues that the Policy Governance Model is based on the assumption there is clear separation of power between the governing body and the staff. Proper governance should be around enlightened command rather than helpful advice (Carver, 2003). Having directors separate from day to day management decisions provides independent accountability and sustainability to the
organisation. According to this model, directors make decisions according to the impact the decision will have on the organisation and the stakeholders, whereas the management may make decisions according to the impact on them personally. Both Sport New Zealand (2014) and Carver (2006) describe the role of the board as: setting policy, appointing and terminating the CEO, setting the vision and direction, and providing strong systems for accountability. From Carver’s viewpoint, boards that function well have clear purpose and delegate authority to the CEO. Under the Policy Governance Model there is no discussion between board members and other staff or external stakeholders as all such relationships are the responsibility of the CEO.

The board evaluate the performance of the CEO based on how well the organisation is performing. Under this model, the board have one employee and that is who they focus on. The CEO is responsible for fulfilling the board’s plan. Carver (2006) suggests not-for-profits that use the Policy Governance approach are performing better than those who are not. Carver (2006) himself and Brudney and Nobby (2002) contend that this is a difficult transition for boards to make, as it involves shifting their thinking from past operating norms such as a less professional, casual approach encompassing no minutes or agenda, minimal delegation and regular independent decision making, to the Policy Governance way. Carver (2006) argues that this model can be used and should be used in any organisation where governance exists, regardless of whether they are corporate and not-for-profit institutions. Sport New Zealand (2014) express similar thoughts—if an organisation has been assessed and operating to the advice in *Nine Steps to Effective Governance* then that organisation should be working well with a strong policy driven board that delegates to the CEO and only provides high-level leadership. Sport New Zealand (2014) and Carver (2006) refer on almost every occasion to the point that organisations have a CEO or at least a senior management team. They are also likely to have paid staff, instead of volunteers, to do the work. This is a much more professional view on a sector that has traditionally been governed, managed and delivered by volunteers (Ferkins, Shilbury, & McDonald, 2005; Shilbury & Ferkins, 2011; Shimeld, 2012).

Shilbury and Ferkins (2011) discuss the transition of sporting boards moving to a paid professional environment. This transition has put pressure on boards to be stronger and more focused around the ideas the Policy Governance model suggests. Shilbury and Ferkins (2011) research is based on NSOs, in both New Zealand and Australia. They note how up until recently, all operations for sporting clubs were performed by volunteers (Ferkins et al., 2005). However, currently, some of the small clubs employ development advisors and/or managers to perform some of the day-to-day operations previously performed by volunteers. Nichols (2013) suggests that the participants are changing and if they consider the sport as a paid service they want to see a more professional
approach. However there may not be the volunteer labour available to cater for the increasing needs of the participants and the increasing requirements placed on clubs from funders and national bodies. Cuskelley (2004) suggests volunteers are in decline, particularly in roles such as coaching, umpiring and committee members. Cuskelley (2004) describes a sport volunteer as a person who undertakes a role to support, arrange and/or run organised sport and physical activity. With the increasing move to a more formalised professional approach, Cuskelley's (2004) definition may need to be expanded to include roles such as governance, strategy development, accountability and employment of staff. Aside from the expanding definition of a volunteer’s role, Nichols (2013) asks whether it is even appropriate to ask small volunteer lead organisations to be more professional. NGOs have been made to work toward a more professional operation which is linked directly to funding. Shilbury and Ferkins (2011) and Sport New Zealand (2014) both argue that clubs should adopt professional practices. However many sports clubs are only very small in size (Nichols, 2013) with a limited pool of volunteers and expertise that potentially lack capacity to adopt professional practices. The majority of the research referring to sport club governance is on medium-to-large scale NFP sporting organisations. For example, Shilbury and Ferkins (2011) focus on NSOs, Hoye and Cuskelley (2003) focus on state sporting organisations in Australia, Shimeld (2012) examined medium clubs in Australia and Sport New Zealand (2014) focus on large-scale organisations.

Based on their research on the American Hospital system, Alexander and Weiner (1998) argue that the more not-for-profits adopt corporate models of governance the further they move away from the philanthropic values. Moving toward a corporate model brought less emphasis on community values, pastoral care and support, with these being replaced by efficiency and greater responsiveness. A similar argument is espoused by Sam (2009) in the sporting context, who notes that for many national sports organisations, the pressure to professionalise has resulted in a neglect of community, participation-based sport and an overemphasis on elite sport. As such, there is a need to seek alternative approaches to governance that do not compromise, or ideally enhance, the philanthropic and community values of non-profit sporting organisations.

2.2 Alternative Approaches to Governance

Moving away from the traditional approach of how governance should work to a more holistic approach, this literature review will now explore some updated alternatives such as the ‘third team’ approach (Mowbray, 2011) and contingency theory (Bradshaw, 2009). This review will also highlight the ‘kitchen table’ model to note where sports clubs have evolved from. However, consistent with
the lack of research on sport governance in general, these alternatives are not solely focused on sport governance, but stem from the wider governance literature.

Mowbray (2011) describes a new model called the ‘third team’ which encompasses the idea that board members and executives (managers/staff) can work together on organizational goals. Mowbray (2011) found combining board members’ intellect and executives’ knowledge-sourcing and awareness contributes to a well performing organization. One interviewee (employee) described to Mowbray (2011) that the relationship with the board was a “partnership”. This is in contrast to Carver (2006) and Sport New Zealand (2014) as they do not advocate for shared roles and responsibilities. Mowbray (2011) argues that employees and board members are equally responsible for the success of the organization. In terms of local sporting clubs, if they adopt the same theory for board members but consider their executives to be club participants, the same theory may prove correct. With this change, the board members in sport clubs could work in partnership with a group of volunteers outside of the committee who participate to achieve organisational success.

A model that captures components of the previous theories is Bradshaw’s (2009) contingency theory. Bradshaw developed contingency theory to argue that there is no ‘one way’ to lead or govern an organisation or corporation. Instead, Bradshaw (2009) suggests organisations should select governance characteristics that suit their own contingencies. A sports club’s contingencies (or external influences, including background and experience of board members) are vast. Bradshaw (2009) suggests selecting aspects of each model to fit the organisation and the personnel in it. If the situation changes either externally or internally then the characteristics of governance adopted must change in order to keep the level of performance.

Contingency theory moves away from the traditional governance theory such as Carver’s (2006) to a more fluid approach. If the organisation fails to move with the situational change they become rigid and unable to adapt to the changing environment affecting their performance. Contingency theory has four quadrants (see Figure 1).
First, there is a configuration for policy governance, which works for boards that are more structured and formalised with multiple levels. In this case, the board approves rather than participates, as Carver (2006) describes above. Second, the entrepreneurial/corporate configuration includes external and internal environment uncertainty, has fewer committees and is less formalised. This is more a board and staff member approach to both delivery and planning similar to the ‘third team’ approach (Mowbray, 2011). Third, constituency/representative governance typically reflects the interests of the sub associations from where the particular representative came from. This is more formalised, with clarity about roles and responsibilities. It also often results in conflict around the mission and vision because so many sub groups are represented. Lastly, there is the emergent cellular governance configuration. This has multiple organisation membership and varied stakeholders in response to changing and turbulent environment. These are much less formal, have shared input into planning and strategy from both internal representatives and the wider community it represents. In the middle of the four quadrants there is what Bradshaw (2009) calls a hybrid model that is constituted by different characteristics of all the above configurations. Aspects or ideas from a variety of governance theories are pulled together from the skills and experience of the organisation using them.

The other more traditional and perhaps historical approach for small sport club operation is the ‘kitchen table’ method (Hoye et al., 2015). This method is likely where all sports clubs began as it consists of a group of people, working together to deliver sport participation, and have fun.
Revenue streams are small, mostly generated by fees, as sport is played mainly for fun and activities are organised and managed by volunteer officials. These volunteers historically have been self-appointed or elected. It is very community driven and focuses on amateur sport as opposed to formalised more professional competition (Hoye et al., 2015). The strength of this basic model is the commitment to grass roots sports, as the locals are the ones playing and running the group. The challenge was simply to find enough people to run around with, as opposed to the challenges placed on clubs today. It is this simple method that Carver (2006) and Sport New Zealand (2014) are trying to professionalise. However the gap between the ‘kitchen table’ method used by small sports clubs and the *Nine Steps to Effective Governance* (Sport New Zealand, 2014) is so great that moving from one to another without best practise templates, an outlined pathway, education and research may be too difficult to manage for small sports clubs.

Due to the variety of clubs in New Zealand, every sport club around New Zealand will be operating to a slightly different model whether they know it or not, from the traditional ‘kitchen table’ method to a full policy governance approach. Contingency theory sums up a number of these models and puts them into a diagram with a hybrid configuration at the centre made up of governance theories across the business and sporting sector. These pieces are chosen to a certain extent by the organisation on how they believe they need to operate, reflecting their mission and values. This hybrid approach includes components of Mowbray's (2011) third team approach, policy governance (Carver, 2006; Sport New Zealand, 2014) and informal elements outlined in the ‘kitchen table’ method (Hoye et al., 2015).

**2.3 Understanding Motivations to Volunteer**

Understanding the motivations of board members may provide an insight into the development of the structures and processes adopted by small sport clubs. In terms of the relationship between the board and the CEO, Davis, Shrooman, and Donaldson (1997) discuss stewardship theory and how it differs from traditional agency theory around the motivation of people in governance. Davis et al. (1997) describe this model in a corporate business context, where executives or CEO’s motivation for decision making is critiqued. Within the context of a small sport club, committee members are considered to play both functions of the governance (shareholders) and management (CEO’s). Agency theory presumes the people in power are there to maximise their individual utility, as opposed to the shareholders or owners’ utility. A person with this motivation seeks to gain as much utility as possible with the least possible expenditure. A person in power will make a decision that is in their best interests and provides them personally with the most reward. For example, a committee member at a rugby club that also plays in the sixth grade social side may approve a
decision to spend club funds on a trip away for his team at the expense of running a free event to encourage more juniors to play. The same committee member also could spend club resources paying committee members expenses over outfitting the senior side. This motivation is common at a management level. To prevent such use of resources for self-interest, documents like strategic plans, business plans, performance reviews and accountability are put in place to maintain control by the governance group (Davis et al., 1997). Stewardship theory as described by Davis et al. (1997) suggests that executives who are motivated by stewardship recognize their own interests and often align them to the organization’s resulting in the executive having an altruistic interest for seeing the organization succeed. Davis et al. (1997) argue that a steward is motivated to behave in ways that are consistent with the organizational strategy and objectives. For board members whose motivation aligns with stewardship theory, they attempt to serve the best interests of the organization as a whole and make decisions accordingly, for example, purchasing a rental property to provide income in to the future as opposed to new boots and kit for the premier team. Another example could be around approaches to decision making and governance, for example a steward may want to maintain the status quo as the club is currently operating well, rather than exploring options that may prove more efficiency. Shilbury (2001) suggests this may well be the case when volunteer committee members are reluctant to give up the power of decision-making to paid staff. This may also apply from one volunteer to another. When stewards are acting in the best interests of the club based on their experience and knowledge, this altruistic motivation creates a high sense of ownership and responsibility. However, when new people enter this organisation and this knowledge is challenged, the stewards may feel a sense of change and may be reluctant to comply. Decisions are made with the organisation at the forefront over any individual benefit, however their view for the organisation may differ from others.

As Shimeld (2012) describes, “...within the not-for-profit sector, director loyalty was regarded more highly than their functional expertise”(p. 68). Loyal directors or board members that have the club at the centre of their decision making are potentially a more attractive prospect than board members who do not necessarily have the loyalty but have specific skills and experience to support or develop the club environment. Individuals volunteer for boards/ committees because they want to help; they want to see the club thrive and be associated with the success it creates. However, they may not necessarily have the skills and knowledge to effectively govern under the pressures of a professionalising sector (Ferkins et al., 2005; Shilbury & Ferkins, 2011; Shimeld, 2012). Significantly Shimeld (2012) also mentions that despite the perceived need for change, or adoption of a governance approach, many NFP’s have been successful for many years. This may be due to NFP’s adapting to changing environments, or perhaps the pressures to professionalise put on clubs by
government, councils, funders and participants are greater now and therefore warrant clubs to adopt a researched method of governance to maintain success (Ferkins et al., 2005).

Woodward (2003) highlights that it is more difficult to attract directors to small not-for-profit companies than larger ones. But once a NFP has the directors in place very few respondents reported having difficulty in retaining them. This may be due to the ‘club loyalty’, attribute being favoured over the more skilled and experienced individual. Woodward (2003) acknowledges the difficulty of attracting volunteers but goes further and describes it may be even more difficult to find directors with the appropriate skills needed to govern an organisation. The particular people volunteering for board roles may well do so based on stewardship motivation; however this motivation does not necessarily mean the people an organisation is attracting are the right people for the job. Volunteers without the skills to effectively govern/ manage alongside Woodward (2003) description of easily retaining those that do volunteer, may provide long term challenges for the organisation, especially those that do not have mechanisms to filter the most useful volunteers or those that simply do not get the volunteer numbers to create choice. To overcome this, Shilbury and Ferkins (2011) suggest outlined position descriptions with skills matrices is the way forward. This describes the role in detail that may attract a wider group of people, at the same time provides a mechanism to select the volunteers with the skills required.

This review has highlighted traditional theories and models of governance, mainly from the corporate or large scale not-for-profit field (Mowbray, 2011; Shilbury & Ferkins, 2011; Sport New Zealand, 2014) and theories around the motivation of volunteers and how decisions are made. While pointing out some of limitations in the corporate model of governance, the review explored some of potential alternatives. Stewardship theory has given us insight into how board members could be motivated in sport clubs (Davis et al., 1997) and contingency theory gives reason for not following one particular model (Bradshaw, 2009). Alternatively Shimeld (2012) suggests NFP have been successful for many years potentially without adopting any one approach. Gaps highlighted in the research are around small sport club governance, with respect to what method should be adopted, how they currently operate and what separation can be sustainable with limited resources. There is also a gap in the sport sector as a whole, as borrowed theory from the corporate sector does not take into consideration the desire of sporting clubs, which in general aim to care for and increase participation of their sport within their community.
Chapter 3 Methods

This research adopted a case study approach in order to understand and gather information from a ‘real-life’ context. Case studies are effective for answering questions based on the ‘how’ or ‘why’ (Yin, 2009). Because the research examined governance by participating small clubs, it was critical for the researcher to interpret not only ‘how’ the clubs were run but ‘why’ they were run that way. In fact, Yin (2009) describes the organisational and managerial process as one of the areas a case study approach is best used.

The research employed multiple (cross) case analysis as four clubs were selected to participate in this research. Each club is a case and each case contributes to the findings and recommendations (Yin, 2009). Clubs were selected based on the structure, size and local catchment. Yin (2009) suggests for multiple case studies to be more ‘robust’ a replication approach is preferred over a sampling logic. The replication approach suggests finding similar organisations that are more likely to provide similar evidence, as opposed to a sampling logic that is a completely random selection. Each of the clubs chosen for this study have a junior section ranging from eight to eighteen teams from the age of five to seventeen. They have a mix of governance and management duties all filled by volunteers and the turnover for the selected clubs begins at approximately $15,000 up to $275,000 per year. The selected clubs are outside of the central business district and cater for a more ‘local’ catchment. Out of the eight clubs invited to take part in this research four agreed to contribute. All four clubs also have senior representation at either premier grade or lower senior grades, from two to six teams. The researcher referred to his own knowledge and experience to select participating clubs based on the outlined criteria. For example, the researcher was aware that two of the selected clubs had taken part in the Club WOF, which is an assessment structure based on the Sport New Zealand Nine Steps to Effective Governance (Sport New Zealand, 2014). The other two clubs were in the process of an assessment.

When using the case study approach Yin (2009) suggests using multiple sources of data. Therefore, this research employed both documentary analysis and interviews. While sport organisations may have the documentation to outline their governance, structure and process in accordance with best practise and up to date models, personal communication via interviews can provide a variety of different views. Indeed, there is a need to understand the difference between actual practise and pronouncements of best practise (Shimeld, 2012).

For this research, formal documentation was requested and gathered from the clubs’ websites and through the club Chair. Documentation ranged from constitutions, meeting minutes to planning
strategies. This information was used as a primary source to analyse as well as to tailor the interview questions in order to draw more rich and holistic responses from the interviewees.

Seven semi-structured interviews were conducted with board members from the selected clubs; these interviews were conducted between September and November 2015. The Chairs of the selected clubs were called and the interview process was discussed. Each Chair then received an email outlining the research proposal and information sheet. It was suggested that this could be tabled at the next board/committee meeting to identify any person wanting to contribute to this research. The Chair was then contacted again and asked to suggest two people who may be interested in contributing to this research. As a result, seven people responded from the four clubs. The interviews took place in mutually agreed locations, between public cafes to club facilities, and ranged from 45 to 84 minutes. Each interviewee signed the consent form and agreed for each interview to be audio-recorded. After the interviews were conducted, they were fully transcribed, numbers were used to replace names and ‘club’ was used to substitute out any identification a reader may have to a specific sporting code. The interviews were then coded for themes. From the themes presented and descriptions outlined by each interviewee the structure of each club was analysed and illustrated. The Chairs of each club were communicated with regularly to ensure the data, and the researcher’s interpretation, were accurate.

### 3.1 Researcher Positionality

While these clubs were chosen due to meeting the requirements for inclusion as cases, they were also chosen due to my personal connections with them. I already had a relationship with each of the four clubs, having played for or worked with the members of each club in a social or professional capacity. This relationship meant that I was what Peachter (2012) and Hogan, Dolan, and Donnelly (2011) refer to as an insider in the research approach. An insider is one who is aware of the people, process and culture being researched, as opposed to an outsider who has to submerge themselves into a culture to gather the same understanding (Peachter, 2012). One key advantage of being an insider is access to the participants is generally easier, and knowing the people to talk to and how to approach them in each case allowed the interview stage to begin much faster. However, as Peachter (2012) suggests, researchers can start off as an insider and soon realise the research process can “make outsiders of us all” (p. 75). This was the case in this study, as I felt like an outsider once the process began, even though I thought I had a good understanding of club governance and processes, I soon realised I was not familiar with any of the processes or challenges they were discussing. This was an unexpected finding of this research. Indeed, the openness displayed by the participants as a result of my previous connections suggests that for this particular
study, an insider approach was a strength rather than a weakness as it led to the generation of more rich data.
Chapter 4 Results; Governance Structure

The findings from the data collected and the themes outlined are presented below. First, the governance structure of each of the clubs will be presented with a discussion on each. Second, the governance process of each club will be outlined under two sub headings: human resource and information resource.

The governance structures of the four clubs in the study vary in hierarchical structure and allocation of responsibilities. In what follows, I outline the comparative structures of each club, with particular attention to how they are aligned with or different from the governance models, tools and practises outlined in the literature review. Specifically, the models are discussed in relation to Policy Governance (Carver, 2006), Nine Steps to Effective Governance (Sport New Zealand, 2014), Contingency theory (Bradshaw, 2009) and Stewardship theory (Davis et al., 1997).

Structure of Club One

Club one is the largest of the four clubs with around 250 members, an annual turnover of around $270,000 and a major capital project underway. The structure is the largest and most layered of the four clubs.
In this club, the three trustees are elected by members, with one of the three positions up for re-appointment each year. These positions are responsible for making the more strategic financial decisions. They are also empowered to over-turn or approve a management committee decision. As such, these positions can be described as those responsible for the governance of the club. But at the same time, the trustees sit on the management committee and discuss and approve day-to-day decisions with the rest of the committee members. There is no clear line of separation between the trustees and the management committee. This is contrary to Carver (2006) model of Policy Governance, which advocates a very clear separation between governance and management. However the structure is more aligned to the fluid approach described by Bradshaw (2009).
The management committee consists of approximately fifteen committee members in total with a variety of positions, as outlined by one interviewee: “... Club manager, Chairman, President, Club Captain, Deputy Club captain, Vice Presidents, Secretary, and Treasurer”. One interviewee was asked to describe his thoughts on the current structure and replied:

*I think the best way for us to operate is to narrow down our committee numbers, perhaps the Chair, President and Club Captain, the other people sit on sub-committees and report up to them.*

By contrast, another interviewee felt that some ‘narrowing down’ had already been achieved through the way that the management committee interacted with the sub-committees:

*We now have a sub-committee structure, we (management Committee) receive written reports from them to make it more streamlined and to get decisions made.... meetings now only take an hour and a quarter, compared to the three hour meetings long ago.*

These two quotes confirm that professionalization has taken place, as described by Shilbury and Ferkins (2011). The use of sub-committees, reducing meeting time by streamlining decision making, and the reduction in decision making positions are all indicators of a more professional approach. However, not everybody in the organisation is ready to move further towards a more professional approach, as one interviewee described:

*I have tried to develop a strategy over the past 12 months but the rest of the committee are only seeing the short term, they are not looking ahead and I can’t do it alone.*

This quote suggests that a handful of people, including this interviewee, may want to increase the level of professionalism and governance duties within the committee, but others are not willing to move away from their historical norms of operations and management. It also suggests that this interviewee wants to move to a more governance-focused model with the inclusion of strategic planning as opposed to the short-term strategy focus some of the other committee members have. One interviewee described the situation by explaining,

*The oldies are stuck in their ways, they do listen but it never seems to change the outcome. It is a system that has been in place since the 1960’s or whenever the club was established.*

This suggests that the current structure and systems used by the club have been created by the longest standing committee members. These ‘oldies’ may have had to go through the same process...
to influence change as this younger member is trying to do. This person wants to impart his experience and thoughts on how to run a sport organisation just as they did all those years ago.

This club operate sub-committees that report to the management committee. These sub-groups are made up of management committee members and club members, and in two of the sub-committees, employees are also involved. One employee brings expert (sport) development knowledge and the other is a bar manager. The sub-committees are good examples of what Mowbray (2011) refers to as a ‘third team’. Mowbray (2011) describes the third team as a group of people from different hierarchies of the organisation, a selection from the governance board, a representative from the executive and a sample of staff all working together on a project. Although in this example there is no governance board member or executive, there are however people involved in this team from three different areas of the club, therefore aligned to Mowbray’s third team theory. Mowbray (2011) suggests this approach uses the skills of each layer to create a cohesive solution to a problem. For example the (sport) subcommittee was established to allow the development officer to report to a more specialist, specific group, rather than to the general knowledge of the collective management committee. This committee sift through the (sport) issues and come up with specific actions that would potentially be outside of the general committee members’ experience. Two members were selected from the club base, alongside one standing committee member and the development manager.

The overall set up of Club One can be seen as an example of Bradshaw’s (2009) Contingency theory, described as where an organisation can move between the four quadrants and theories of governance and create a hybrid that works for them. At the trustee level, this club has a layer of Governance that uses a Policy Governance approach in the sense that the trustees are clear in their mandate around financial and strategic decisions. Although they are involved in the management committee at a lower level, a decision approved or declined by the trustees is aligned to a clear vision for the organisation set by the trustees (Carver, 2006). By contrast, the management committee is a mixture of two quadrants, including first, the constituency governance approach with members being elected and representative of the club participants. Second, they use an entrepreneurial approach to outline roles and responsibilities to staff members, in the sense that it is less formal, and uses a variety of members and committee volunteers to influence organisational decisions. Finally, the sub-committee level is an example of the emergent cellular governance configuration, where committee members, employees and club participants are involved in decision making and delivery. Bradshaw (2009) suggests organisations need to be fluid around these quadrants to operate successfully. The flexibility to respond and change one’s approach leads to
organisational sustainability. Although this club is not as fluid in each layer, there is enough fluidity throughout the organisation to suggest that Bradshaw's (2009) contingency theory approach is being used successfully.

As noted earlier, even though this club has not fully professionalised as Shilbury and Ferkins (2011) suggest, there is evidence that the club is moving in this direction. Members and volunteers have noted the existence of ‘long term thinking’ or ‘narrowing committee members’. These examples may not have been accepted yet, but ‘sub-committees’, ‘written reports’ and the inclusion of ‘members’ on sub-committees are examples of a professional approach being adopted.

This development may be possible due to the fluid approach this club take in their governance and management. The evidence highlights their ability to adapt to environmental changes and to innovate. The club has created their own ‘hybrid’ model and it seems to work for them.

**The Structure of Clubs Two and Three**

Clubs Two and Three have a somewhat similar structure to Club One but lacking the trustee layer, as shown in Figure 3. Club Two have a turnover of around $250,000 with approximately 220 members and own a business rental where its income services the sport. Clubs Three have a similar member base with approximately $150,000 and have just completed a major capital project.

**Figure 3:** The structure of clubs two and three
Clubs Two and Three have a number of sub-committees under the main committee, with each main committee member responsible for one of six sub committees that are created as needed. All sub-committees report back to the management committee for approval. Club two has eighteen management committee members, elected each year. They operate sub-committees and have the option of engaging non-committee members in this process, as suggested by one interviewee: “The committee do have the power to co-opt non-management committee personnel to the sub-committees”. This club operates a “hands on management committee” (interviewee). This means that each member is heavily involved in the delivery and day-to-day operations of the club. At the same time, they are also involved in the strategy and investment areas of the club. They recently completed a large capital development project, which involved a long term strategy, fundraising and external relationship building. This highlights the flexibility of the committee that can move from a strategic focus to a delivery/ management focus within the same structure. As Bradshaw (2009) suggests, the flexibility to move around the quadrants and adapt processes to the ever changing environments faced is the key to organisational success. Structure two is not necessarily reflective of full professionalization; rather, the committee members simply have an awareness and share the understanding that the management committee is responsible for all aspects of the sport from delivery to long-term planning.

Club Three have ten formal positions on the management committee and similarly one interviewee described the use of co-option for the sub-committees: “we do have sub committees and co-option happens on those”. One interviewee described how at the time of the interview, a new sub-committee was being created to manage a specific member base of the club: “We are forming a junior (sport) committee for the first time this year”. This is seen as an adjustment of priorities for the club through the statement: “we acknowledge that our junior section is smaller than it should be”. Creating this sub-committee is a step toward a more professional approach; a group has been established to focus on one project the club needs to address. This is very much in line with Mowbray (2011) third team approach, as it involved committee members, who are responsible for both management and governance, and club participants.

This structure is the opposite that advocated by Carver’s (2006) Policy Governance theory and Sport New Zealand’s (2014) Nine Steps to Effective Governance. Both outline a clear split between operations and governance which is not apparent in Clubs Two and Three. One committee fulfils both the management and governance operations of this club as one interviewee described:

*We try and do governance matters first and prioritise these every meeting, then do the more management, day-to-day stuff at the end, however meetings can take a long time.*
This quote suggests that there is an understanding by the Club Two committee member of the difference between governance matters and management. However, it is unclear if this understanding of governance issues is shared by all committee members.

Cuskelley (2004) suggests that the volunteer pool is decreasing especially in areas such as coaching, umpiring and committee. Given the increase in participation and expectation on clubs, this decrease in volunteering shows an even greater decline in the ratio between participation and volunteers in sport. The two club structure examples here do have a large amount of volunteers on their management committees, which is in contract to Cuskelley’s (2004) argument. One interviewee from the club with eighteen management committee members described:

*Three out of the last eight years I have had to send a letter out to the members telling them the club may have to close because of the lack of people putting their hand up.*

The evidence suggests this club feel they need that number of people on the committee for it to operate. By contrast, Sport New Zealand (2014) suggest around seven members on a governance board is optimal. This is based on a governance structure for medium-to-large sporting organisations, where their role is to manage the employment of the CEO, develop and keep the CEO accountable to the strategic direction of the organisation and have control over major financial decisions (Carver, 2006). In this small sport club situation, all decision making, governance, management and operations are fulfilled by one group. Seven may be the optimal number for governance as suggested in the *Nine Steps to Effective Governance* (Sport New Zealand, 2014) and Hoye (2002); however in a situation where both governance and management roles are intertwined there is no research to suggest what is the optimal target. There is also no research that suggests governance and management can be achieved by the same group in a small sport club environment. This perceived un-professional approach, because of combining governance and management under one umbrella, suggests Clubs Two and Three may not be following the Policy Governance model yet operating to a much higher level than what is known as the ‘kitchen table’ model which will be represented by the structure of Club Four.

**Club Four structure**

Club Four has the simplest structure of the four clubs, as outlined in Figure Four, with an annual turnover of around $15,000, a member base of approximately 80 members and no resource or intention to complete capital projects.
This club operates with a management committee that are all involved in playing, officiating and or coaching the game. The other two examples do have past players, club members and one does still have a present player; however there is a divide in the other organisations between management and members that is not so apparent in this club. Each person has three or four jobs, on top of playing, as two interviewees described:

...decisions are based on what we know, it is hard to get a different opinion as we are all so involved in the game.

We are trying to make decisions in the best interest of the club, but we really only get a very narrow representation of the club, because everyone does everything.

Although volunteers in this club come from a range of places within the club, it is not an example of Mowbray's (2011) third team as there is no separation between the people or the roles that are all intertwined. Instead this structure resembles what is known as the ‘kitchen table’ model, where the local community members are involved in playing, officiating and organising the game. This club is very small and ‘surviving’ as one interviewee put it. There is no flexibility to move their governance approach as advocated by Bradshaw (2009). Instead it is a club that focuses on operation and management, facing enormous challenges in the current trend toward a more professional approach. This is evident from the interviews:

meetings are minuted, however this is a new thing,...

We don’t have a certain amount of meetings we must hold. So meetings for the (sport) club generally happen regularly at the start of the season. I am used to meeting monthly (in another role) but this does not happen. It needs to if we are looking at a long term strategy.
The interviewees discussed the desire to move further towards a more professionalised model reminiscent of club two and three above. For example, one interviewee described:

*A lot of people like to complain, this led us to create two new roles, a junior manager and a senior manager, they support and discuss issues with other coaches and managers of teams.*

The creation of new roles is an attempt to put some separation between the management committee and members, as advocated by Carver (2006). One interviewee suggested that some more formalised system could be of benefit to the club: “A manual that shows simple systems would ease up on all the work we have to do, if there was one available we would have to find it ourselves...” The speaker emphasises the difficulty in finding resources that provide achievable options for a small sport club. Club Four are in a position where they know what they need, as they have gone through the ‘Club WOF’ programme through the RST. However they do not have the capability to source or digest the templates and systems required to achieve some of the recommendations outlined in the WOF process.

This club operates according to the traditional ‘kitchen-table’ model of operation. Committee members are aware that their structure is not ideal as evidenced by the use of the word ‘surviving’. However, the difficulty for clubs in this position is the assumption, inherent in both the governance literature and in Sport New Zealand’s *Nine Steps to Effective Governance*, that in order to move beyond survival they should adopt what is deemed a more professional, or corporate governance-orientated, approach. However, as this research has shown through Clubs One, Two and Three, there are alternative approaches to governance that can be effective for small sports clubs, that do not take professionalism to an un-achievable level as advocated by Carver (2006) and the *Nine Steps to Effective Governance* (Sport New Zealand, 2014). Instead a more fluid approach like Bradshaw (2009) describes or the inclusive team approach as Mowbray (2011) suggests may be of particular benefits. These models are perhaps more achievable and stepping stones to a more professional approach. At the same time they help maintain the community feel and ownership of small sports clubs by the local community and its participants.

All four clubs have created their own structure internally, relying on the knowledge and experience of the current and past committee members. Clubs One, Two and Three are operating in perhaps a semi-professional approach, that is suitable to the resource and capability they have available. Club Four is in the transition and has indicated their willingness to push toward the structure Clubs Two and Three have. As the interviewees have suggested, change in this environment takes time and having the right people on board is the key to a more professional efficient approach. This evidence
suggests the gap between *The Nine Steps to Effective Governance* which is a key manual for the sport sector in New Zealand and the actual operation at the small sports club level is extreme. Adopting softer and less rigid methods of governance may be what small sports clubs need to appreciate and further develop the way they operate successfully and up to date with current trends, as opposed to expecting clubs to reach the level of resources and capabilities to make the best use of the *Nine Steps to Effective Governance*. As described the *Nine Steps to Effective Governance* was developed for the medium-to-large sporting organisations. Due to no other model or system being present and advocated by the national sporting organisations, small sports clubs need more nuanced direction, guidance and resources which could be better informed by how Clubs One, Two and Three have been governed and managed.
Chapter 5 Results: Governance Process

This chapter describes the governance processes utilised by clubs, which include the ways in which committees make decisions, decide on their structure, decide on which templates and tools to adopt and which planning strategies to consider. It would be simple to evaluate the structure of each of the four clubs against various models; however understanding the context the decisions are made in will provide understanding of how and why clubs have developed the structures that they have. As this chapter describes, clubs have developed their processes over time and these processes provide the rules for organisations to operate within. Such rules are appreciated in a higher regard when Clubs consider a more to a more professional approach. As discussed below, the governance processes of the four Clubs are similar. They have all developed systems, processes and templates based on their own experiences and knowledge, but primarily rely on two sources: information or knowledge, and human resources, which form the basis of this chapter. Information resources refer to the material and research available that clubs can access to understand how to run a club. Human resources refer to the skills and capability people bring to the club as well as their motivation for volunteering.

5.1 Information Resources

Research suggests organisations need to develop to be more efficient and more professional in their practise (Carver, 2006; De Knop et al., 2004; Mu Yeh & Taylor, 2011; Nichols, 2013; Shilbury & Ferkins, 2011; Sport New Zealand, 2014). Processes and tools for development must be obtained to provide guidance and leadership to an organisation wanting to be more professional. The kitchen table model did not have formal processes and rules, clubs wanting to attract funds, players and volunteers need to move to a more professional approach to cater for the needs of their members and external stakeholders. However, the findings of this research suggest that the tools and templates to achieve professionalization are not readily available to small clubs. This section highlights how clubs find and source the information needed to develop and sustain a small sports club. Specifically, the section focuses on what is available to clubs and how they access this information, if they do. The findings revealed that there was little information available from any formal sporting bodies, such as Regional Sports Trusts (RSTs) or National Sporting Organisations (NSOs). Instead, clubs seemed to rely on three different methods to source information: other clubs, the internet, or individual volunteers with particular skill sets.

It is perhaps surprising that the clubs struggled to source information and expertise given that the local RST run a Club ‘Warrant of Fitness’ (WOF) process. Club one and four had been through this
Process that measures the capability and systems inside an organisation, which is a simplified version of the Nine Steps to Effective Governance. It is an assessment tool that scales organisations on three different levels of competency: Gold, Silver and Bronze. The tool has the potential to be highly effective; however one of the participating clubs described how support did not follow the assessment. The club received a report outlining their capability and recommendations on development areas, however were not resourced with the templates and systems to see these developments through.

Similarly, Club Four described how they had approached their regional body for advice on how to improve club operations, but were unable to obtain any formal assistance. The lack of help available from regional bodies suggests that the regional bodies could be similarly under-resourced in their ability to assist clubs. This is in line with Sam (2009) describing how much of the resources and funding in sport is used in developing elite, high performance systems and strategies as opposed to grass roots participation and club support. Due to the lack of regional support, the club felt they had no choice but to ask for advice from another club, as interviewee three outlined:

“Our regional body offer coaching programmes, but nothing on how to run a club... We had to borrow committee position descriptions off the (sport) club.”

The borrowing of resources and processes is an unexpected finding in this research as it highlights the willingness and openness of clubs to share information and support each other in their attempt to professionalise and build efficiency. This is an example of how different the sport sector, and more particularly the small sports clubs culture, is from the corporate sector (Shimeld, 2012).

Another club member described turning to the internet to access information: “I had to google how to run an AGM my first year, because the people there would expect the proper process”. A Club Chairperson having to google a process for an AGM highlights that the information on club operation, aside from delivery, is simply not available from within their local sport. Volunteers are expected to source the information from any place they can find it. Because this is up to the individual, each structure, system, process and set up of the participating clubs is different.

The third way that the clubs sourced information was from the skill-sets of particular individuals who brought expertise with them when they joined the committee. For example:

“Job descriptions are a new thing for us probably within the last two years, when (name) came on board.

(name) thought this was a good idea”
It is trial and error; it is learning from other people, it is the people coming on board that know how this stuff works.

These quotes suggest that the original club members did not have the skill-set to implement innovations, such as the use of job descriptions, and relied on new members joining the committee to introduce new ideas. The above comments were made by an interviewee from Club Four which has the least amount of volunteer labour at their disposal out of all the four cases. By contrast, Club One with their stewards and long serving committee members may be less receptive to new people with new ideas, or long serving people with new ideas. However in all clubs, there is a reliance on individuals having the skills and experience to govern or manage a club. Due to the lack of information, clubs ‘take what they can get’ or ‘use what they have’ in terms of people and capability on the committee/board as information is not available at this grass roots level. This is a good example of Wicker and Breuer’s (2011) description stating that clubs require the organisational capability to fulfil their mission in any way they can. However, this does not necessarily mean the individual has the capability to govern in the pressures of today’s society.

Although the above quotes suggest that new committee members can bring new and useful ideas into the club, the value of newer members in comparison with older ones is contested at times. Each club have a group of seasoned committee members that have been part of the club for many years and volunteers that have put their hand up to help regardless of their ability or skills. Their intentions are, in most cases, to help manage and maintain the club. Clubs’ stewards that have been part of the organisation for a number of years, in this research, seem to be the ones that are slowing progress or simply maintaining the status quo without deviating from the historical plans. For example, several interviewees described:

New ideas are listened to but never taken on board

The club still operate like it did in the 1960’s...

New people have tired and are working away at improvements but they are hamstrung by the oldies

These quotes suggest the board members that have been part of the club over a period of time are the most difficult to shift toward a more professional approach even if the information on how to do so is available. Typically this group are over 60 years of age: the ‘baby boomers’. By contrast, other clubs valued their ‘oldies’. For example, when asked where you can go to for new initiatives and help one interviewee described “… we talk to those involved in the club, the knowledge and the capacity we have within”. Contrary to this, the smallest club of the four researched suggested “we rely on
new people coming in for ideas and better ways to do things”. These two clubs highlight two very different methods of gathering information and ideas, though both reliant on the ability of volunteers rather than an evidence-based best practise approach, as currently there is not one available for small sport clubs. Although the tools, templates and advice on how to be more efficient may not specifically be written for small sports clubs there are options available like the *Nine Steps to Effective Governance*. However, it is one thing having the information available, and another to have a club willing to adjust and take on more efficient and professional practices. These findings suggest this is one of the barriers to development and professionalization.

Davis et al. (1997) describe stewardship theory as when a person recognises their own interests and aligns them to an organisation, often resulting in the person having an altruistic interest in the organisation succeeding. Their decision making is on behalf of the organisation, and they follow the organisational objectives and strategy to maintain the continuation of the organisation. Stewards can often feel like ‘they’ have the best interests of the club at heart and there is little need to look outside for new initiatives or developments. Stewardship theory may identify why ‘stewards’, in this case the volunteer baby boomers, are reluctant to change. Volunteers that can be described by this category volunteer with the best intentions of the club in mind, and any challenge to the club may be seen as risky and therefore undesirable. The challenge for the new generation of volunteers is to educate the ‘stewards’ on current best practise and convince them that other ideas are also in the best interest of the club. Understanding stewardship highlights the issues and challenges club are facing when dealing with the pressure to professionalise their processes. For example, two interviewees described:

*I have tried to develop a strategy over the past 12 months, but people on the committee are only seeing the short term...*

*This is not the first time I have tried this*

Clubs loosely agree there is a need to professionalise; however the group of volunteers running the club in each case have competing or different ideas on what professionalization looks like and how to adopt this approach. Currently it is the people within the community or new ones coming into the club that present ideas, either googled, borrowed or developed from their own experiences. However, in terms of strengthening clubs’ capability, it would be far more effective to provide evidence-based best practise methods of governance for small sporting clubs.
5.2 Information Resource Discussion

This study examined the governance structures and processes of four sports clubs, and found that despite three of the clubs being highly successful, none operated using Carver’s policy governance model as advocated by Sport New Zealand. Instead, clubs have adopted a variety of other structures in order to survive, and in some cases, flourish. Nonetheless, interviewees described the clubs as aiming to professionalise further; however the capacity for them to do so was found to be far more complex than a simple case of the clubs lacking capability.

Research suggests that people are volunteering less (Cuskelly, 2004; Nichols, 2013) and clubs may need a more professional approach for survival (Shilbury & Ferkins, 2011). However, first, this study found that clubs are surviving using methods that would not ordinarily be described as professional, and second, that people are volunteering and do “put their hand up” when there is a publicized shortage to be filled to keep the club operating. The availability and willingness of volunteers is particularly evident in clubs One, Two and Three which have between 12 – 18 people on their committees. This suggests there are enough volunteers involved in sport. Instead, the problem appears to be that the volunteers lack the skills and experience it takes to run a club to the professional standard society expects today. Both Shilbury and Ferkins (2011) and Nichols (2013) suggest professionalising involves moving to the employment of managers to take on the jobs volunteers historically had. However, before clubs can professionalise they need to be ‘professional’ enough to take on the employment of people to fill the skill gaps. The other option, as Shilbury and Ferkins (2011) highlight, is using a skills matrix to assess what ability and knowledge one needs on the committee or board. By highlighting the skills and experience a committee requires provides parameters and an understanding to the volunteer of their expectations. The four participating clubs do not use this method to recruit volunteers. From the interviews, it appeared that clubs did not necessarily have the capability to understand what skills they need to operate a club or the ability to implement a matrix. For example, as previously mentioned, one board member needed to google how to run an AGM, indicating that many board members possessed a very poor skill-set. A skills matrix if done effectively will highlight what skills the club needs, however sitting committee members can be opposed to this idea as it has the potential to affect their presence on the committee even though a more professional approach to recruitment may lead to clubs being in a better position to develop their sport further (Shilbury & Ferkins, 2011). When clubs talk about professionalising, the findings of this research suggest they are referring to best practise systems, templates and efficient ways of operation. Once this is in place, the idea of employing club managers and delivery specialists may become a reality. However, the ability to employ managers also depends on the level of funding the organisation receive, typically a bigger and more ‘professionally’
run club would receive more funding and be in a position to think this way. Club One are in this situation, although not as professional as they would like (interview one), they are in a position to employ a (Sport) development manager.

Nichols (2013) questions whether it is appropriate to expect small clubs to professionalise. The findings suggest three of the four clubs have moved toward professionalization out of necessity to survive in the current climate, but Club Four are not currently resourced with enough people with skills to move to a more professional operation. Failure to professionalise to the level of Clubs One, Two and Three may have resulted in Club Four having reduced numbers and little ability to carry out capital projects or increase revenue. However as the interviews with Club Four revealed, they have begun the process and are seeking help from their sporting neighbours. All the interviewees in this study have suggested they are all looking toward a more professional approach so they can survive in today’s challenging environment. However as outlined in the methods statement, it should be also noted that the request for interviews was sent via the club Chair and then the information on this project was presented to the committee but the Chair was the person to recommend to the researcher who to talk to. This may have prevented other views from being considered.

5.3 Human Resource
While Cuskelly (2004) and Nichols (2013) suggest volunteering is in decline, this paper suggests that at the local level, clubs are not struggling to find volunteers. In terms of volunteer-based board, Sport New Zealand (2014) in their publication The Nine Steps to Effective Governance, suggest a good number on a governance board is around seven. However, the clubs in this study have between eight and eighteen members on their management committees. Demonstrating awareness of the large size of their committee, one interviewer described the need to “…narrow down the numbers, as decisions take a long time to make”. Alternatively, another suggests there is a need for more:

Three of the last eight years, I have had to send a letter out to the members telling them the club will close because of the lack of people putting their hand up, ironically when I have done this we get a spike in the people getting involved.

This club has eighteen members on the committee, including nine in office bearing positions, “but the fact is six of them don’t do a hell of a lot” (interviewee one). This Chairperson reinforces the argument that people with the capability to govern are becoming harder to find. This club’s approach to overcome this is to find more people to contribute. This interviewee is also making an assumption that ‘six of them’ may not have the ability to contribute. However, it may be the case
that the participating interviewees’ views on professionalising or growing the club differ from those who ‘don’t do a hell of a lot’.

One other club has “fifteen on our committee”. According to the smallest of the four clubs, “we have around eight on our committee, but we would like more”. This suggests clubs believe they not only need a considerable amount of people to run the club, but also expect them to be on the committee. Three of the four clubs suggest they use sub-committees, however most on those sub-committees are also full committee members.

The chairperson or leaders amongst these clubs are the ones that believe they need more people on the committee. For example, an interviewee from Club Four described: “The club are still trying to work through some of these projects, we just don’t have the people to do it at the moment”. The same interviewee highlighted that: “if we continue to grow at this rate, I think it becomes too big, we can’t rely on the same volunteers to coach, be on the committee, umpire and fundraise”. This is a clear example of the club knowing what they must change to cope with growth, however the understanding and tools to achieve this change are not available through their current handful of volunteers.

However, the literature suggests what is needed is more a separation of duties such as suggested by Carver (2006), rather than simply increasing the number of volunteers as suggested by Club Four. A smaller number of decision-makers “narrow down the numbers” to make decision-making more efficient, would describe a more professional approach to governance. The remaining volunteers focus on the management of the club and do the work on the ground. However, it seems these clubs use recruitment at committee level as the main way to attract volunteers to organisational roles. There were no other volunteer roles described during the data collection outside of a coach. It is possible that people who volunteer do not understand what they are volunteering for or what their responsibilities are. Some may want to be more a part of management and others may think it is governance. This cycle will continue until the expectations and roles of governance, committees and sub-committees are established (Shilbury & Ferkins, 2011).

As discussed earlier, clubs rely heavily on committee members to bring knowledge and ideas to the table. This was the case as there was no targeted approach to recruit volunteers with the skills needed to run a club in a way that The Nine Steps to Effective Governance (Sport New Zealand, 2014) or Shilbury and Ferkins (2011) suggest. All clubs send out a general invitation to attend their AGM and ask if members are interested in putting their name forward to join the committee as their sole process of recruitment. For example, an interviewee described: “If there are members at the AGM
that want to join the committee they are welcomed”. There is no formal system for recruiting, no skills matrix and expectations are not outlined for people to view before committing. Only one club (Club One) had essential position descriptions (treasurer, chairperson, secretary) outlined. Volunteers are in most cases are not provided with adequate information to fulfil the job. For example, one interviewee described “When we first joined we didn’t know what we were expected to do, we had to learn that over time”. If they do not know what they are getting into they may not be able to contribute as much as expected.

The result of current recruitment practices is that clubs do not have many members with a great deal of skill, as one interviewee described:

> On every committee there is one or two that do everything and the other members don’t do a lot, there were times we tried to give jobs to other members but after it blows back in your face a few times we just do most of the jobs ourselves. I will admit I am not the best at delegating tasks and that hasn’t helped the situation.

This interviewee describes a skill that is needed in any good governance set up: delegation (Carver, 2006). All of these club interviewees described how there are a group of people on their committee that are not contributors. For example: “some people turn up monthly to have a moan and offer no other help between meetings”. If a targeted approach was adopted for recruitment, (Sport New Zealand, 2014) or there was a governance management split (Carver, 2006), there may be less time wasting, shorter meetings and more people contributing in areas they are attracted to.

As the pressure on sporting clubs to professionalise is evident (Shilbury & Ferkins, 2011; Shimeld, 2012), interviewees are also aware of this pressure which is coming to them via local councils, funders and their participants. This pressure is in some cases forcing clubs to take any volunteer on offer. Because any volunteer that ‘puts their hand up’ is accepted onto committees involved in this research there is no ability to ascertain whether that person has the skills and experience to support the club to ‘professionalise’ its practise. When asked ‘why you joined the board’ one interviewee described:

> Because I am very passionate about (suburb). I am also very passionate about kids involved in sport. Particularly kids in (suburb), I don’t think they have a lot on offer here. I love playing (sport). Because I think for a club that seems to be growing quite fast I want to be here to keep it going. I don’t make regular donations to broad causes, I give time to help in specific areas, (sport) is like that for me. I would rather give money for subs for a kid in
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(suburb) to play sport. Also coz I’m quite bossy and I like organising things, and I figure that by being on the committee you ultimately have a say, and it was easy to get onto.

This interviewee expressed an idea closely aligned with stewardship theory (Davis et al., 1997) with respect to their own values and passion with that of a club and, at the same time, their own need to be heard and in control. The desire is to support the club and maintain long term stability, at the same time as giving the person some authority and power to influence the situation. This quote can be referred back to both stewardship and agency theory in the same sentence, which highlights the complexities of people volunteering. Participating clubs believe they are short on volunteers and therefore accept any person willing to help regardless of whether their reasons for joining the committee are in the best interests of the club or their own interests. Therefore the governance method and process adopted by the clubs are determined by the skills and experience the committee have regardless of what exactly they are. By contrast, Sport New Zealand (2014) recommends that the process should be systems-driven rather than driven by individuals. For example, templates are followed, meeting etiquette is established, responsibilities and decision making are standardised across organisations, and when new volunteers come in the process is in place to govern.

5.4 Human Resource Discussion

Bradshaw (2009) suggests organisations need to be fluid with their governance systems and operations in order to allow organisations to adapt to internal and external influences. Rather than using all “18” or “15” volunteers on a committee there may be ways to split roles and create a governance and a separate management structure. The human resource to operate a club in most clubs looks to exist; however it may simply be in the wrong place. Bradshaw (2009) describes one quadrant of the contingency model as Representative or Constituency governance. This is a model where all members are represented and look to advance their own group of people. This can cause major conflict at times of decision making and make meetings long. Two of the clubs have described similar situations as one suggested the need to “...narrow down the (committee) numbers” while the other suggested “we make decisions badly in meetings, a group of us go for a beer instead, because there is too many”. As Bradshaw (2009) suggests, there is a need to adopt different components from the quadrant to be more efficient and sustainable. Perhaps instead of just having members on the committee, external stakeholders, or appointed directors could fill a percentage of seats to create some independence around decision making (in reference to the Emergent Cellular quadrant). Alternatively, a skilled small group of elected committee members focusing on strategy
and accountability outside of the day-to-day management could be beneficial (in reference to Policy Governance Model).

Simply three of the four clubs participating in this research have a large group of volunteers. The roles volunteers fulfil are vast and essential to the existence of the club, however not all of these roles have to be on the committee. Creating a small group of decision makers who were elected based on skills and experience by the member base would reduce issues such as length of meetings, and provide an avenue to think more strategically and long term focused. Volunteers outside of the committee can be used in sub-committees or working groups on tasks delegated to them by the governance group. Cross team discussions could occur along with co-option of members and each group. Subcommittee or project teams could be aligned to a person’s skill set as opposed to having all “18” members having a say. At the moment, there are too many members at the decision making end and not enough at the delivery, action end of the sport operation spectrum.

When considering the need to professionalise to meet expectations of participants as well as legal and funding requirements it is difficult to see this occurring under the current club models outlined in this study. New ideas need to surface and best practise models need to be established for small clubs to follow. The working of Stewardship theory as described by Davis et al. (1997) is particularly evident in Club One where any further professionalization or governance development may be limited to the capability and understanding of the current group of people. Club Two is similar as both Chairs have described the issues of trying to develop strategic plans and long term objectives for the club. As Club committee members are voted for at Club AGM’s and the loyalty repaid to the group of people, there may also be outweighing of the desire to do the right thing (Shimeld, 2012). People may be sitting in the wings to offer a contribution, however, as long as the incumbent re-stands each year and gets voted in by their peers, there may be limited action they can take.

Shilbury and Ferkins (2011) suggest a way to overcome this by having a skills matrix that outlines the necessary skills to govern the club, and appoint board members against that criterion. However, to achieve this, current boards and their members have to adopt this approach by holding an AGM or SGM for it to be written into their club constitution and this is done by a voting system as described earlier in all four participating clubs. Therefore, it is unlikely to be voted in by the dominant older members of the club.

Younger people are growing up in a society of professionalization and accountability. Although they may not have the skills or knowledge of governance or how to govern, they may have an understanding of the reasons and pressures to professionalise. As Shimeld (2012) suggested, NFPs have been operating successfully for years, using the kitchen table method. Evidence from the four
participating clubs would suggest they are or have been successful. Evidence from interviews describes long serving stalwarts and stewards of the club have been in positions of power for a long time and large contributors to the clubs success. The pressure on clubs to run a more professional operation in today’s society may be foreign ground to long serving volunteers who do not necessarily understand what a professional approach is all about. Roles of club boards are no longer simply about collecting fees, providing a facility, coaching a team or rolling a pitch. Today’s clubs have to contend with Child Protection, health and safety, funding accountability and audited account to name a few. The loyal steward of club committees has the best intentions for the club, but not necessarily the capability to understand the situation or the skills to manage it (Shimeld, 2012).
Chapter 6 Conclusion

Despite the importance of sports clubs in New Zealand, this is the first New Zealand-based study to directly focus on the governance structures of and processes used by small sports clubs. Previous research has instead focused on medium-to-large sporting organisations, such as Regional Sports Trusts, or National Sporting Organisations. By contrast, this study focused on the governance structures and processes used to govern, manage and operate four small sports clubs in Christchurch, New Zealand. The clubs were chosen partly because of their small size, but also because the researcher had a prior connection with the four participating clubs in the case study, which allowed the researcher to be an ‘insider’ and thereby gain the trust of the participants to gather richer evidence. Through the case study approach including interviews with committee members, the study found that these clubs are reliant on volunteers to run them. These volunteers are simply people that have a passion for their local sports club and a desire to help. The ones ‘putting their hand up to help’ are those ending up with the governance and management duties of running a club.

This study found that the tasks club committee members complete cannot be separated into governance and management as advocated by theories such as Carver’s (2006) Policy Governance or what Sport New Zealand (2014) in the Nine Steps to Effective Governance suggest. The complexities of running a club sport have to be more carefully considered as volunteers can be difficult to attract. The volunteers that are present may not have the ability to govern or manage effectively or understand the responsibilities and duties of both components, and volunteers are often motivated by ‘stewardship’ (Davis et al., 1997) where some volunteers have a sense of ‘guardianship’ over the club and are opposed to any new ideas or change as they see them as a threat to the status quo. In order for clubs to consider moving towards the approaches advocated by Carver (2006) or Sport NZ (2014), there must first reach a level of capability to understand why there is a need for separation or, in fact, if there is a need for a small sport club to do so.

The lack of capability of volunteers and the sourcing of adequate governance processes emerged as significant issues for all the clubs involved in this study. The analysis of the interviews suggest that the resource and capability of the clubs was not at the level for them to be able to understand and effectively work to approaches such as Carver’s (2006) Policy Governance model or Sport NZ’s Nine Steps to Effective Governance. Instead, this study demonstrated how clubs can be successful using aspects of alternative methods such as incorporating aspects of Mowbray’s (2011) ‘third team’ approach and Bradshaw’s (2009) ‘contingency theory’. More specifically, this study found that the
clubs had to look for ways to find resources and templates themselves in order to develop a more professional and efficient operation. For the four clubs, necessary templates and resources were borrowed, developed and adapted by the individuals with a passion for sport and reliance on their ability and experience to get it right. The clubs have been resilient and adapted to changes over time although the structures of the organisations have not changed considerably. However the ways in which the small clubs govern have changed, as more committee members realised that they must complete the tasks to ensure the club survival. This ‘threat to survival’ may be the reason that these small clubs were borrowing off and leaning from each other. Sports clubs are vital to the fabric of every adult and child in New Zealand. The All Blacks, BLACKCAPS and local sporting heroes are a by-product of their club-based beginnings. This research identified a gap in the governance literature about how small sports clubs should be structured and highlights that there is no best practise method or theory on how this should look. Similarly there are no evidence-based governance process models that clubs can adopt to be equipped to survive in the ever increasing professional environment of community sport.

Further research is necessary owing to the limitations of this study, with the study being limited by the size and scope of the dissertation. The research was based on only four clubs who contributed out of the initial eight intended. From the four clubs only seven interviewees offered to take part. Also, as outlined the researcher had ‘insider’ knowledge and a relationship with the interviewees. Further, as outlined in the methods section, it should be also noted that the request for interviews was sent via the club Chair and then the information on this project was presented to the committee. Therefore the Chair was the person to recommend to the researcher who to talk to and this may have prevented other views from being considered. The other main limitation to this research was the proximity of the clubs, all were based on the east side of Christchurch City.

Essentially, this research suggests that there are significant issues within local sports clubs that are worthy of further attention. Further research into small sport club governance and processes is needed because of the increasing pressure on small sports clubs to professionalise. Clubs face pressures from local government, national sporting bodies and even the members of the clubs, who now have greater expectations and require more ‘bang for their buck’. As the documentary analysis found, clubs must now provide strategic plans, accountability reports that show evidence of their impact on the community, audited accounts, financial controls and risk mitigation; and these duties simply cannot be completed under the historical ‘kitchen table’ approach. The results of this study suggest that research must consider theories and methods outside of the traditional approaches that advocate for separation of duties and examine the specific needs of each club. In this sense, an
evidence-based approach to small club governance, tailored to each club's situation, endorsed by their Regional and National Sporting bodies, would not only provide leadership and guidance for clubs to follow, but also would help mitigate the issues of stewardship and new ideas being brought in by new people. A more prescriptive approach with support and recommendation by their sporting hierarchy may be the first step in developing a stronger, more sustainable Club structure in New Zealand. More extensive research in this area would be beneficial for the long term future for sports clubs in New Zealand.
Chapter 7 Reference List


