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# REACHING NEW FRONTIERS IN SPORT GOVERNANCE RESEARCH: EXPLORING BOARD COMPOSITION IN NATIONAL SPORT FEDERATIONS

Shaun Star<sup>1</sup> & Joshua McLeod<sup>2</sup>

There are more than 50 governance codes and frameworks that promote minimum standards in sport governance around the world.<sup>3</sup> Since sport is played throughout the world, National Sport Federations (NSFs) have an important responsibility in ensuring principles of good governance are implemented.<sup>4</sup> The central pillars of good governance are widely considered as "transparency, democracy, accountability, and societal responsibility". <sup>5</sup> Regardless of jurisdiction, it is highly likely there will be benefits of following these central tenets when designing and implanting sport policy, and leading national and sub-national sport federations. Accordingly, studies which evaluate the extent to which NSFs meet these good governance standards are a valuable contribution to both sport governance theory and public policy debate that can influence a reform agenda.

It is broadly accepted, in both scholarship and practice, that diversity and smaller board sizes are good practice in sport governance (and reflect the broad principles identified above).<sup>6</sup> For

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<sup>&</sup>lt;sup>2</sup> Lecturer in Sport Management, Deakin Business School, Deakin University.

<sup>&</sup>lt;sup>3</sup> Jean-Loup Chappelet & Michaël Mrkonjic, *Assessing sport governance principles and indicators, in* RESEARCH HANDBOOK ON SPORT GOVERNANCE 10–29 (Mathieu Winand & Christos Anagnostopoulos eds., 2019); Joshua McLeod & David Shilbury, *A content analysis of governance convergence in Indian sport,* 21 THE INTERNATIONAL JOURNAL OF SPORT MANAGEMENT 26 (2020).

<sup>&</sup>lt;sup>4</sup> Siegfried Nagel et al., *Professionalisation of Sport Federations – a multi-level framework for analysing forms, causes and consequences*, 15 EUROPEAN SPORT MANAGEMENT QUARTERLY 407 (2015).

<sup>&</sup>lt;sup>5</sup> Joshua McLeod, David Shilbury & Géraldine Zeimers, *An institutional framework for governance convergence in sport: The case of India*, 35 JOURNAL OF SPORT MANAGEMENT 144 (2021).

<sup>&</sup>lt;sup>6</sup> Joshua McLeod, Shaun Star & David Shilbury, *Board composition in national sport federations: a cross-country comparative analysis of diversity and board size*, MANAGING SPORT AND LEISURE (2021). DOI: 10.1080/23750472.2021.1970614

instance, there is consensus that in both corporate governance contexts<sup>7</sup> and on sport governing bodies<sup>8</sup> boards are most effective, in terms of their performance, when they comprise between five and 12 members.<sup>9</sup> From the perspective of diversity, there is broad support that diverse boards perform better, and that they are in the interests of the range of stakeholders that NSFs represent. It is axiomatic that a board with a diverse range of opinions, experiences and backgrounds will perform more effectively, enhancing the NSFs strategic decision-making process and governance procedures.<sup>10</sup> It follows that an NSF should encourage a strong gender balance on their board, and a membership with a diverse range of skills. While these good governance principles are typically derived by Western framers, they have a strong theoretical grounding and as such there is a strong case that sporting bodies around the world could benefit from them. The research papers within this special issue will in part investigate how NSFs across both developed and developing countries implement these good governance principles. That said, as researchers we are cognisant that sport bodies do not exist in a cultural vacuum, and we acknowledge the potential for culture to shape what good sport governance looks like. This question of the transferability of western sport governance principles to the non-west was recently analysed by Ian Henry,<sup>11</sup> and this debate is inextricably linked to this special issue.

The compilation of these articles in this special issue was inspired by an empirical study conducted by the editors.<sup>12</sup> Following the findings of the earlier study which examined the board size and composition of NSFs across several countries, the authors sought to expand the sample size of the data collection in order to better understand how best practices of board size and composition were followed around the world, and in particular in countries where little empirical research exists. In this special issue, a detailed empirical analysis of board size and board composition in NSFs was undertaken for the following countries:

<sup>&</sup>lt;sup>7</sup> Valentina Hartarska & Denis Nadolnyak, *Board size and diversity as governance mechanisms in community development loan funds in the USA*, 44 APPLIED ECONOMICS 4313 (2012).

<sup>&</sup>lt;sup>8</sup> Marc Taylor & Noel O' Sullivan, *How Should National Governing Bodies of Sport Be Governed in the UK? An Exploratory Study of Board Structure*, 17 CORPORATE GOVERNANCE: AN INTERNATIONAL REVIEW 681 (2009).

<sup>&</sup>lt;sup>9</sup> McLeod et al., *supra* note 6.

<sup>&</sup>lt;sup>10</sup> *Id*; Lu Zhang, *Board demographic diversity, independence, and corporate social performance*, 12 CORPORATE GOVERNANCE: THE INTERNATIONAL JOURNAL OF BUSINESS IN SOCIETY 686 (2012).

<sup>&</sup>lt;sup>11</sup> Ian Henry, *The transferability of western principles and values in the governance of sport, in* GOOD GOVERNANCE IN SPORT: CRITICAL REFLECTIONS 195-209 (Arnout Geeraert and Frank van Eekeren eds., 2021).

<sup>&</sup>lt;sup>12</sup> McLeod et al., *supra* note 6.

- Australia
- Brazil
- China
- India
- Malaysia
- Russia
- South Africa
- United Kingdom
- United States of America

Each article establishes the context within which sport governing bodies operate within their jurisdiction. In some countries, such as in the UK and Australia, there are clearly established and codified sport governance principles and regulations. Conversely, in countries such as India, while a Sport Code exists, it is limited in scope and there have been concerns over compliance. In addition, the existing policy framework is light on sport governance for NSFs. The analysis within this special issue highlights that where a strong regulatory framework exists, there is often better compliance with good governance norms.

While there are numerous valuable insights in each of the contributions which are positioned at the level of individual countries, there are also some interesting observations when board composition and size is compared across jurisdictions.

With respect to board size, Australia (7.8), Brazil (9.4), Malaysia (10.9), South Africa (8) and the UK (10.7) had a board size within the recommended 5-12 range. Whereas China (17.2), India (19.2), Russia (16.1) and the USA (14.4) had much larger boards.

Similarly, there are significant differences across countries with respect to gender diversity on boards. While most Western countries had a proportion of more than 30% women on NSF boards (Australia, 33.83%; South Africa, 30.91%; UK, 36.71%; USA, 35.26%), countries with a predominantly non-Western culture had much lower female representation on their boards (China, 12.5%; Brazil, 14.48%; India, 8.1%; Malaysia, 16.16%; Russia, 20.21%). The contributors to this special issue have considered why the proportion of women on boards is lower in some of these counties, when compared to the others. Cultural considerations aside,

there appears to be a correlation between quotas/gender requirements in the national regulation and the higher proportion of women on boards (see, for example Australia and the UK).

There are significant differences with respect to the professional background and experience of board members across jurisdictions. There appears to be a mix of occupational backgrounds across countries, however, the proportion of board members from a sport, business and government background differs significantly. For instance, while all jurisdictions have a proportion of members with a sport background (either an elite player, coach or manager), Russia (62.03%) and the USA (50%) have the highest proportion, whereas China (24.75%) and Australia (32.71%) have the lowest proportion of board members with a sport background.

There is strong evidence that the professionalization of sport has progressed in some jurisdictions more than others, with a large proportion of board members in several countries having a background in business operations, accounting and marketing. For example, there is a high proportion of members in Australia (48%), the UK (45.11%), South Africa (42.05%) and the USA (35%) with a business, marketing or accounting background, perhaps the strongest indication that these Western countries have focussed on professionalizing sport governance in recent years. Conversely, in non-Western countries there is a lower proportion of board members with a business background, such as China (8.91%), Russia (6.72%), India (18.4%), Malaysia (23.31%) and Brazil (28%). Finally, there were several outliers with respect to the representation of elected politicians, bureaucrats and public administrators, as well as members of the military. Most notably, in China (60.89%) and Russia (19.22%) a significant proportion of board members on NSFs were bureaucrats or public administrators, considerably higher than any other country (all less than 5%). In India, elected politicians (or former members of political office) comprise 16.62% of all NSF board members, and in Malaysia elected politicians comprise almost 8%, and Russia 1.25%. In all other jurisdictions less than 1% of NSF members were elected politicians. There has been scholarly debate about the potential for conflict of interest when members of political life are involved in NSFs, especially where government agencies are responsible for funding these NSFs.13

While this special issue contributes empirical research to the discussion on the implementation of good governance practices, it also highlights the need for further research on good governance in sport. In particular, it would be valuable for more non-Western perspectives to

<sup>&</sup>lt;sup>13</sup> Joshua McLeod & Shaun Star, *In pursuit of Good Governance – Analysing the main points of conflict in India's draft Sports Code*, LAWINSPORT (Jul. 1, 2020), <u>https://www.lawinsport.com/topics/item/in-pursuit-of-good-governance-analysing-the-main-points-of-conflict-in-india-s-draft-sports-code</u>.

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be included in the policy and scholarly debate on what constitutes best practice in good governance. To this end, it is suggested that further studies on board size and board composition be conducted with a focus on developing and BRICS countries. In order to better understand why such significant differences when these jurisdictions are compared with Western countries, further qualitative research, including stakeholder interviews and questionnaires would be valuable from both a scholarly and practical perspective.

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# AN ANALYSIS OF BOARD COMPOSITION IN NATIONAL Sport Federations in Australia

Trusha Modi,<sup>1</sup> Tharun Rana Vuyyuru,<sup>2</sup> Subhrajit Chanda<sup>3</sup>

#### 1. INTRODUCTION AND BACKGROUND

There is no universally accepted definition of sport governance.<sup>4</sup> The Sports Governance Principles, 2020 provided by Sport Australia defines sports governance as the brain i.e., the thinking and monitoring part of an organization.<sup>5</sup> Sport Australia is a national government agency that is responsible for the implementation of governance policies and administration of government funds in various National Sporting Federations (NSFs) in Australia. <sup>6</sup> Good governance has gained significant importance in light of the various corruption scandals and mismanagement in sporting organizations in recent years.<sup>7</sup> However, good governance is difficult to define, measure and implement due to the fact that sports federations require a tailored application of what can be called good governance's nebulous parameters.<sup>8</sup> Good governance needs to begin from the National Sporting Federation as they play an important

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<sup>\*\*</sup>The authors would also like to acknowledge Rohan Erra and Swara Popat for their contribution to the data collection of this study.

<sup>&</sup>lt;sup>4</sup> RUSSELL HOYE & GRAHAM CUSKELLY, SPORT GOVERNANCE (1 ed. 2006).

<sup>&</sup>lt;sup>5</sup> Sport Australia, SPORT GOVERNANCE PRINCIPLES (March, 2020), <u>https://www.sportaus.gov.au/\_\_data/assets/pdf\_file/0006/912705/Sport-Governance-Framework.pdf</u> (last visited Oct 31, 2021).

<sup>&</sup>lt;sup>6</sup> Sport Australia, *Australian Sports Commission - About*, SPORTS AUSTRALIA, https://www.sportaus.gov.au/about (last visited Nov 16, 2021).

<sup>&</sup>lt;sup>7</sup> Arnout Geeraert, *National Sports Governance Observer. Indicators and instructions for assessing good governance in national sports federations*, PLAY THE GAME/ DANISH INSTITUTE OF SPORT STUDIES (Nov. 2018), https://playthegame.org/knowledge-bank/downloads/national-sports-governance-observer-indicators-and-instructions/11dd1828-1461-4a09-9a12-a996016fcd90.

<sup>&</sup>lt;sup>8</sup> Id.

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strategic and regulatory role in the sport ecosystem.<sup>9</sup> Board composition plays a crucial part in good governance as elucidated in the Sports Governance Principles, 2020.<sup>10</sup> Two important elements of board composition are board size and diversity.

The Sports Governance Principles are applicable to the NSFs based on the funding received from Sport Australia. Through the 'Sport Governance Standards' document, NSFs are expected to uphold the principles. If they fail to do so, they may be at risk of losing government funding. Many NSFs in Australia have faced governance challenges over the years, due to a number of factors. The delegate board system, where each state body elects a representative to the NSF board, has been an issue that has traditionally been problematic.<sup>11</sup> Cricket Australia is one example of a NSF that changed from the representative system of governance due to issues with self-interest and inefficiency.<sup>12</sup> The size and composition of the new board was the central element of the ten-point plan for change adopted by Cricket Australia.<sup>13</sup> A similar approach was adopted by the Australian Football League (AFL) where a board with a small workable size, comprising people with various skills and experience was considered to be a good governance model and widely regarded as a best practice.<sup>14</sup> These case studies highlight the importance of studying board composition in NSFs and the impact it can have on board effectiveness. However, it is not just the issue of delegate board models that is important, lesser studied factors such as board size and diversity are also influential on governance efficiency.

Sport Australia's Sport Governance Principles, 2020 under Principle 5: "The Rulebook – Documents that outline duties, power, roles and responsibilities" <sup>15</sup> has emphasized the importance of having a smaller board with between five and nine directors. A small, diverse and independent board is necessary for effective organizational performance. However, there is no common consensus with respect to an ideal board size. A board size between five to 12

<sup>&</sup>lt;sup>9</sup> Siegfried Nagel et al., *Professionalisation of Sport Federations – a multi-level framework for analysing forms, causes and consequences*, 15 EUROPEAN SPORT MANAGEMENT QUARTERLY 407 (2015).

<sup>&</sup>lt;sup>10</sup> Sport Australia, *supra* note 5.

<sup>&</sup>lt;sup>11</sup> David Shilbury, Australia, in SPORT GOVERNANCE INTERNATIONAL CASE STUDIES 38–53 (1 ed. 2015).

<sup>&</sup>lt;sup>12</sup> *Id*.

<sup>&</sup>lt;sup>13</sup> Id.

<sup>&</sup>lt;sup>14</sup> David Crawford & Colin Carter, A GOOD GOVERNANCE STRUCTURE FOR AUSTRALIAN CRICKET (2011).

<sup>&</sup>lt;sup>15</sup> Sport Australia, *supra* note 5.

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directors is considered to provide an appropriate balance in academic literature.<sup>16</sup> Some researchers indicate that for enhanced board coherence and, subsequently, organizational performance, an accurate board size is between six and 12 directors.<sup>17</sup> "Principle 4: The Players- A diverse board to enable considered decision-making"<sup>18</sup> deals with board diversity and recommends having a diverse board in terms of skills and gender. A diverse board provides higher expertise, legitimacy and assistance to the board to communicate a variety of organizational values such as open policy making, accountability and transparency.<sup>19</sup> Greater organizational efficiency is achieved with a more diverse board.<sup>20</sup> The diversity of board can be measured using the parameters of "age, gender, ethnicity, culture, religion, constituency representation, independence, professional background, knowledge, technical skills, commercial and industry experience, career and life experience."<sup>21</sup>

While these broad principles of what good governance represents are widely accepted regarding board composition, there has been limited attempts to analyze them in-depth in the Australian context. This paper addresses that gap, dealing with the issue of diversity on boards related to gender and occupational background, as well as board size. In doing so, this paper elucidates the extent to which NSFs in Australia are following good governance standards laid down in terms of board size, skill, and gender diversity.

#### 2. METHODOLOGY

Secondary online resources were used to gather data for the Australian National Sporting Organizations (NSO) and National Sports Organization for People with Disability (NSDO). Such an approach was adopted in order to describe, analyze and interpret the board composition

<sup>&</sup>lt;sup>16</sup> Marc Taylor & Noel O' Sullivan, *How Should National Governing Bodies of Sport Be Governed in the UK? An Exploratory Study of Board Structure*, 17 CORPORATE GOVERNANCE: AN INTERNATIONAL REVIEW 681 (2009).

<sup>&</sup>lt;sup>17</sup> James S. Linck, Jeffry M. Netter & Tina Yang, *The determinants of board structure*, 87 JOURNAL OF FINANCIAL ECONOMICS 308 (2008).

<sup>&</sup>lt;sup>18</sup> Sport Australia, *supra* note 5.

<sup>&</sup>lt;sup>19</sup> John Michael Daley & Julio Angulo, *Understanding the dynamics of diversity within nonprofit boards*, 25 COMMUNITY DEVELOPMENT SOCIETY JOURNAL 172 (1994).

<sup>&</sup>lt;sup>20</sup> Jeffrey L. Callen, April Klein & Daniel Tinkelman, *Board composition, committees, and organizational efficiency: The case of nonprofits*, 32 NONPROFIT AND VOLUNTARY SECTOR QUARTERLY 493 (2003).

<sup>&</sup>lt;sup>21</sup> Frances J. Milliken & Luis L. Martins, *Searching for common threads: Understanding the multiple effects of diversity in organizational groups*, 21 ACADEMY AND MANAGEMENT REVIEW 402 (1996).

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and board diversity of the National Sports Federations (NSFs) in Australia. By using descriptive statistics based on secondary online resources, the study presents unique insights regarding sports governance in Australia. The NSFs were classified using the Australian Sports Directory<sup>22</sup> and data was gathered for 96 NSFs. The methodological approach adopted is corresponding to the method adopted by McLeod, Star and Shilbury (2021).<sup>23</sup> The advantage of this approach lies in the fact that data regarding board composition was easily accessible.<sup>24</sup> However, such study lacks internal validity, and therefore the results lack generalization.<sup>25</sup> The variables of the study are board size, occupational background, and gender diversity of the board. The first is a quantifiable variable. The second being a qualitative variable, researchers used pre-defined 12 occupational background categories.<sup>26</sup> One methodological limitation arises insofar as a person may change occupation over time and one's occupation may be so diverse to fall within two or more categories.<sup>27</sup> The gender diversity is also a qualitative variable identified only in a binary manner of "male" and "female" and such was categorized using their, title, name, image available on the online web sources.

#### **3. RESULTS AND DISCUSSIONS**

#### **3.1. BOARD SIZE**

According to the data, the NSFs in Australia have an average board size of 7.8 which indicates that the average number of directors on the organization's board is between seven to eight

<sup>27</sup> McLeod, *supra* note 23.

<sup>&</sup>lt;sup>22</sup> Australian Sports Directory, SPORT AUSTRALIA, https://www.sportaus.gov.au/australian\_sports\_directory (last visited Nov 1, 2021).

<sup>&</sup>lt;sup>23</sup> Joshua McLeod, Shaun Star & David Shilbury, *Board composition in national sport federations: a cross-country comparative analysis of diversity and board size*, MANAGING SPORT AND LEISURE (2021). DOI: 10.1080/23750472.2021.1970614 11-12-2023 17:23:00

<sup>&</sup>lt;sup>24</sup> Hilton Heydenrych & Jennifer M. Case, *Researching graduate destinations using LinkedIn: an exploratory analysis of South African chemical engineering graduates*, 43 EUROPEAN JOURNAL OF ENGINEERING EDUCATION 693 (2017).

<sup>&</sup>lt;sup>25</sup> Ilker Etikan, *Comparison of Convenience Sampling and Purposive Sampling*, 5 AMERICAN JOURNAL OF THEORY AND APPLIED STATISTICS 1 (2016).

<sup>&</sup>lt;sup>26</sup> See Thomas J. Smith & Cynthia Campbell, *The Structure of O\*NET Occupational Values*, 14 JOURNAL OF CAREER ASSESSMENT 437 (2006). The categories used in this research were Academic, Accountant, Bureaucrat/Public Administration, Business Operations and Administrations, Elected Politician, Engineer, Journalist, Lawyer, Marketing, Medical Professional, Military and Sport/Athlete/Coach.

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members. The Australian Sports Governance Principles, 2020 recommend that the ideal board size is between five and nine directors.<sup>28</sup> While there is no common consensus with respect to a specific ideal board size, according to some researchers, a board size between five and 12 directors will provide an appropriate balance<sup>29</sup> as the decision-making would be more efficient and guicker when a smaller group involved, and such would prevent the board from being topheavy.<sup>30</sup> Such board size is considered to be accurate so as to bring about greater coherence and organizational performance.<sup>31</sup> Some research suggests that a board with more than 10 members will have elements of inefficiency because it will not be focused<sup>32</sup> and can be unmanageable at times, and result in slow decision making.<sup>33</sup> Therefore, a small board size is considered to be effective as a good governance principle. On Average, Australian NSFs are clearly adopting smaller size boards, and such may be due to smaller population. This is because Australia, being a relatively low populated country, can accommodate representatives of all sections of the society in a smaller board in case of representative or hybrid board composition structure which has more members than an independent board composition structure.<sup>34</sup> According to the study conducted, there are five NSFs namely, Bobsleigh and Skeleton Australia Ltd, Dance Sport Australia, Australian Dodgeball Federation, Floorball Australia and Modern Pentathlon Australia that have only 4 members on their board i.e., one less than the ideal board size. The highest director headcount on any Australian NSF is 14 members on the Special Olympic Committee.

#### **3.2. BOARD DIVERSITY**

#### **3.2.1. OCCUPATIONAL BACKGROUND**

<sup>&</sup>lt;sup>28</sup> Sport Australia, *supra* note 5.

<sup>&</sup>lt;sup>29</sup> Taylor, *supra* note 16.

<sup>&</sup>lt;sup>30</sup> Kat Ingram & Ian O'Boyle, *Sport governance in Australia: questions of board structure and performance*, 60 WORLD LEISURE JOURNAL 156 (2017).

<sup>&</sup>lt;sup>31</sup> Linck, *supra* note 17.

<sup>&</sup>lt;sup>32</sup> Taylor, *supra* note 16.

<sup>&</sup>lt;sup>33</sup> Ingram, *supra* note 30.

<sup>&</sup>lt;sup>34</sup> See McLeod, *supra* note 23.

Board skill is one of the key sports governance indicators for board sustainability and performance.<sup>35</sup> Table 1 illustrates the breakdown of occupational background of the board directors within Australia. However, it should be noted that, such information is not indicative of all directors of Australia as occupational background information was not available for all the members.<sup>36</sup> Consequently, data was collected for 590 directors, equating to 86% of the total number of NSF members in Australia. The result of the study showcases that the skill set that dominates the NSFs in Australia is Business Operations and Administration (39.49%) which suggests a high corporate involvement on NSFs boards. A high corporate involvement is likely due to the rapid commercialization of the Australian domestic sports sector.<sup>37</sup> The other skill set that dominates NSFs is people with Sporting background (32.71%) i.e., an elite level athlete or a coach. The involvement of politicians and people with military background is negligible. A board comprised of people with diverse skill and not a group of similar individuals is considered to make more powerful decisions.<sup>38</sup> A board with varied expertise, fresh perspective and insights will be able to perform their duties better which results into powerful strategic decision making, hence will more effectively accomplish complex and multi-dimensional tasks.<sup>39</sup> Therefore, heavy involvement of one particular occupational background is typically not considered a good governance strategy and Sport Australia's Sports Governance Principles require the board to be diverse with an appropriate skill mix.<sup>40</sup>

<sup>39</sup> Mcleod, *supra* note 23.

<sup>&</sup>lt;sup>35</sup> Ross Booth et al., *Generic Models of Sports Governance and Their Potential for Sustainability*, 10 in The Sports Business in The Pacific Rim. Sports Economics, Management and Policy 233–250.

<sup>&</sup>lt;sup>36</sup> McLeod, *supra* note 23 at 10.

<sup>&</sup>lt;sup>37</sup> Richard Tacon & Geoff Walters, *Modernisation and governance in UK national governing bodies of sport: how modernisation influences the way board members perceive and enact their roles*, 8 INTERNATIONAL JOURNAL OF SPORT POLICY AND POLITICS 363 (2016).

<sup>&</sup>lt;sup>38</sup> Anita Williams Woolley, Ishani Aggarwal & Thomas W. Malone, *Collective Intelligence and Group Performance*, 24 CURRENT DIRECTIONS IN PSYCHOLOGICAL SCIENCE 420 (2015).

<sup>&</sup>lt;sup>40</sup> Supra note 5; AUSTRALIAN SPORTS COMMISSION MANDATORY SPORT GOVERNANCE PRINCIPLES (2015) <u>https://www.icsspe.org/system/files/Australian%20Sports%20Commission%20-</u> <u>%20Mandatory%20Sports%20Governance%20Principles.pdf</u> (last visited Oct 31, 2021).

Occupational Background	Representation on NSF Boards
Academic	2.54%
Accountant	5.42%
Bureaucrat/Public Administration	4.41%
Business Operations and Administration	39.49%
Elected Politician	0.34%
Engineer	1.02%
Journalist	0.68%
Lawyer	7.29%
Marketing	3.56%
Medical Professional	1.69%
Military	0.85%
Sport/Athlete/Coach	32.71%

Table 1: Percentage of each occupation on NSF boards in Australia

The NSFs in Australia face challenges to attract board members with highly developed skill sets.<sup>41</sup> It is easier to attract candidates from within the sport because of their passion<sup>42</sup> as opposed to directors having a specialized skill set. As illustrated in Table 2, the study results reveal that Australian Weightlifting Federation has (85.7%) and Australian Curling Federation has (75%) members on the board with a background in Sports (either as elite athletes or coaches). There are ten other NSFs which have more than 50% of board members having a background in sports. Ingram and O'Boyle (2017)<sup>43</sup> note that such a high level of involvement from people with a sporting background may not necessarily be a good practice as the persons

<sup>&</sup>lt;sup>41</sup> Ingram, *supra* note  $\overline{30}$ .

<sup>&</sup>lt;sup>42</sup> Russell Hoye & Sue Inglis, *Governance of Nonprofit Leisure Organizations*, 26 LOISIR ET SOCIÉTÉ / SOCIETY AND LEISURE 369 (2003).

<sup>&</sup>lt;sup>43</sup> Ingram, *supra* note 30.

may not have the level of business acumen that may be required for the board to be successful. Another drawback is that such directors may contribute only to sport-specific discussions and not on other important topics of discussion.<sup>44</sup> In addition to the above drawbacks, a high proportion of directors with a sporting background on boards may compromise board independence. Independence means that the directors on the board of an organization should not have a previous affiliation with the organizations or individuals within it.<sup>45</sup> People with sporting background have a previous affiliation with the organization and as such this affects the level of board independence. Independence. Independent directors can potentially improve the diversity of experience and skill base that would allow the sport to grow and develop commercially.<sup>46</sup>

However, the element of representation of athletes or retaining people with a sports background is considered to be important so as to ensure that people with knowledge of the sport remain on the board and are involved in critical decision-making processes.<sup>47</sup> Data collected from secondary sources in this study showed that Basketball Australia, Dodgeball Federation Australia, Golf Australia, Ice Hockey Australia and Pony Club Australia had little to no involvement of people with a background in Sports. Such involvement is important for the purpose of checks and balance so that the board does not become alienated from those they are seeking to serve,<sup>48</sup> as athletes are the ones that are most affected by board decisions.<sup>49</sup> NSFs should seek to strike the right balance between different occupational backgrounds as it is imperative to have mixture of various skills such a finance, accountancy and legal, which is clearly lacking in certain Australian NSFs, for effective board performance.<sup>50</sup> Therefore, NSFs should consider the skill gaps and key characteristics of the directors on the board<sup>51</sup> and have a board that has an appropriate mix of various skills.

<sup>46</sup> Id.

<sup>48</sup> Id.

<sup>&</sup>lt;sup>44</sup> Id.

<sup>&</sup>lt;sup>45</sup> Joshua McLeod, *Role of the board and directors: Board structure and composition.*, *in* ROUTLEDGE HANDBOOK OF SPORT GOVERNANCE 243–254 (1 ed. 2019).

<sup>&</sup>lt;sup>47</sup> Taylor, *supra* note 16.

<sup>&</sup>lt;sup>49</sup> Lucie Thibault, Lisa Kihl & Kathy Babiak, *Democratization and governance in international sport: addressing issues with athlete involvement in organizational policy*, 2 INTERNATIONAL JOURNAL OF SPORT POLICY AND POLITICS 275 (2010).

<sup>&</sup>lt;sup>50</sup> Lesley Ferkins & David Shilbury, *Good Boards Are Strategic: What Does That Mean for Sport Governance?*, 26 JOURNAL OF SPORT MANAGEMENT 67 (2012).

<sup>&</sup>lt;sup>51</sup> Chien Mu Yeh & Tracy Taylor, *Issues of governance in sport organisations: a question of board size, structure and roles*, 50 WORLD LEISURE JOURNAL 33 (2008).

Name of the Federation	Sport/Athlete/ Coach Background	Total Board Members	Members from Sports Background (%)
Australian Curling Federation	6	8	75
Australian Weightlifting Federation Ltd.	6	7	85.71
Badminton Australia	4	6	66.67
Australian Lacrosse Association Ltd	4	6	66.67
Australian Croquet Association	5	10	50
Gridiron Australia	3	6	50
Olympic Winter Institute of Australia	5	8	62.50
Riding for Disabled Association	4	6	66.67
Rowing Australia Ltd.	5	9	55.56
Tenpin Bowling Australia Ltd	4	8	50
WAKO Australia	3	5	60
Water Polo Australia Ltd.	6	9	66.67

Table 2: NSF boards with high involvement of members from Sporting Background

#### **3.2.2.** Gender Diversity

Scholarly research suggests that gender diversity can enhance business performance, with the organization's profitability being greatest when equal numbers of men and women are present in the workplace.<sup>52</sup> The results of this study showed that, overall, 33.8% of the directors on the boards of Australian NSFs are women. There has been a growth decrease towards the gender target of 40% on NSF boards from the previous years,<sup>53</sup> and not all NSFs have been able to reach the target proposed by Sport Australia (which has been enshrined in the Sport

<sup>&</sup>lt;sup>52</sup> Dwight Frink, et al, *Gender demography and organizational performance: A two-study investigation with convergence*, 28 GROUP & ORGANIZATION MANAGEMENT 127 (2003).

<sup>&</sup>lt;sup>53</sup> McLeod, *supra* note 23.

Governance Standards). This begs the question of whether there should be effective implementation of a quota system as a mechanism if we are to achieve diversity standards.

For more than three decades, academics have been looking at the relationship between gender diversity and economic performance in many industries.<sup>54</sup> Studies have also shown a positive relationship between gender diversity on boards and organizational outcomes.<sup>55</sup> Evidence suggests that not only do certain business decisions, such as acquisitions and stock offerings, result in higher declared returns when there is more gender diversity, but there are also more opportunities for advancement when there is greater gender diversity.<sup>56</sup> Directors on gender-balanced boards were more cognizant of their board's composition and more reflective of gender stereotypes.<sup>57</sup> These insights are transferable to the sport context.

In the context of critical mass theory, the critical mass of a minority group may have an influence on the culture on its structure of any organization. Kanter (1997)<sup>58</sup> estimated that one-third of the organization's overall strength would be required to overcome this barrier. Accordingly, women must hold at least 30% of board seats or three independent positions on the federation's board for it to reach the basic minimum ideal level of gender diversity. A lack of gender diversity has the potential to have a substantial influence on the performance of the federation as studies suggest that boards with strong gender diversity outperform organizations that do not.<sup>59</sup> Also, sports should be accessible to everyone irrespective of their gender, and being represented at a board-level promotes faith and confidence in the NSF and the sport. As you get to this juncture, the ethical argument becomes quite apparent since it is only fair to have equal representation of men and women in all organizations. Further, we should not be restricted by the normative cisgender heteronormative definitions of what gender is; rather,

<sup>&</sup>lt;sup>54</sup> Kathleen A. Farrel & Phillip L. Hersh, *Additions to corporate boards: the effect of gender*, 11 JOURNAL OF CORPORATE FINANCE 85 (2005); Walayet Khan & Vieito, Joao Paulo, *CEO gender and firm performance*, 67 JOURNAL OF ECONOMICS AND BUSINESS 55 (2013).Cristian L. Dezsö & David Gaddis Ross, *Does female representation in top management improve firm performance? A panel data investigation*, 33 STRATEGIC MANAGEMENT JOURNAL 1072 (2012).

<sup>&</sup>lt;sup>55</sup> Ramón Spaaij, Annelies Knoppers & Ruth Jeanes, "we want more diversity but...": Resisting diversity in Recreational Sports Clubs, 23 SPORT MANAGEMENT REVIEW 363 (2020).

<sup>&</sup>lt;sup>56</sup> Jiekun Huang & Darren J. Kisgen, *Gender and corporate finance: Are male executives overconfident relative to female executives?* 108 JOURNAL OF FINANCIAL ECONOMICS 822 (2013).

<sup>&</sup>lt;sup>57</sup> Inge Claringbould & Annelies Knoppers, *Doing and undoing gender in sport governance*, 58 SEX ROLES 81 (2008).

<sup>&</sup>lt;sup>58</sup> ROSABETH MOSS KANTER, MEN AND WOMEN OF THE CORPORATION (1977).

<sup>&</sup>lt;sup>59</sup> Jasmin Joecks, Kerstin Pull & Karin Vetter, *Gender diversity in the boardroom and firm performance: What exactly constitutes a "Critical mass?"*, 118 JOURNAL OF BUSINESS ETHICS 61(2012).

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they should be fairly applied throughout the spectrum, especially in our contemporary world, which is becoming more sensitive to these discussions on a daily basis, especially in our contemporary world. Because of Kanter's understanding of gender dynamics, gender ratios, and critical mass, she came to believe that it was the organizational model, rather than an individual's personal characteristics, which was the root cause of the resultant gender imbalance at the workplace.<sup>60</sup> It was particularly challenging for women since they were either in dead-end positions at the bottom of the federation or in symbolic positions at the top with little to no real authority. If the proportion of women on a company's board of directors does not exceed 30% or three board seats, it is conceivable that gender diversity has very little or negative impact on the federation's operability.

We can observe from the data that there are at least 40 NSFs in Australia that operate with less than one third of membership being accorded to other genders (females as per data). Table 3 illustrates that there are five NSFs in Australia that have zero representation of female board members. Such may be because of the predominance of men in these sports. Conversely, few federations have high female representation, for instance, Australian Calisthenics Federation has all female board members, but such is likely because of the fact that these activities are normally considered too feminine and predominantly considered to be women's sports. The other NSFs such as Softball Australia and Gymnastics Australia (refer to Table 4) also have high female representation, and such may also be due to the perceived feminine nature of these sports.

<sup>&</sup>lt;sup>60</sup> KANTER, *supra* note 58.

Name of Federation	Male Board Members	Total Board Members	Male Representation
Australian Polo Federation	11	11	100%
Gaelic Football & Hurling Association Australasia	10	10	100%
Muaythai Australia	5	5	100%
Floorball Australia	4	4	100%
Kung Fu Wushu Australia Limited	7	7	100%

Table 3: NSF boards with high male representation

When one evaluates the nature of the organizational position that has been assigned to women on these sporting federations, it becomes clear that a large percentage of NSFs not only fail to adhere to established standards, but they are also jeopardizing the organization's performance potential by participating in non-diverse practices. We also need to recognize that these organizations (NSFs) are voluntary in nature and demand significant investment of time and energy, as well as the capacity to balance personal and professional obligations. In patriarchal societies, women are often expected to take care of their families and carry out household responsibilities. NSFs seem to be dogmatic and oblivious to the requirements and obligations of women and their families in their current stage of operation.<sup>61</sup>

<sup>&</sup>lt;sup>61</sup> Johanna Adriaanse, Gender Diversity in the Governance of Sport Associations: The Sydney Scoreboard Global Index of Participation, 137 JOURNAL OF BUSINESS ETHICS 149 (2016).

Name of Federation		No of Female Members		% Female Representation
Australian Calisthenics Federation	0	12	12	100
Skate Australia Inc	1	4	5	80
Pony Club Australia Ltd.	2	6	8	75
Gymnastics Australia	3	6	9	66.67
Softball Australia	3	6	9	66.67

Table 4: NSF boards with high female representation

The more significant question is whether a reform in international sports governance is conceivable. To engage with this, Katwala proposes three potential ways for things to happen: either internally, or from outside, or by way of collapse and crisis.<sup>62</sup> One such example of reform can be observed in the Norwegian parliament in 2005, which became the first in the world to enact quota legislation. As a result of the regulation, public limited liability companies must have a minimum of 40% representation on their boards of directors, regardless of gender.<sup>63</sup>

#### 4. CONCLUSION

The aim of the study was to analyze the board composition of NSFs in Australia in terms of their size and diversity. The research conducted makes a valuable contribution to the literature on sports governance in Australia. The results of the study build on previous work (namely McLeod, Star and Shilbury) by providing deeper insights with respect to the extent to which the NSFs in Australia follow good governance principles and practices regarding board size, and diversity in terms of occupation and gender. It showcases the importance of maintaining a balance of people with different skills and professional background on the board so as to reduce

<sup>&</sup>lt;sup>62</sup> SUNDER KATWALA, DEMOCRATISING GLOBAL SPORT (2000).

<sup>&</sup>lt;sup>63</sup> Mariateresa Torchia, Andrea Calabro & Morten Huse, *Women directors on corporate boards: From tokenism to critical mass*, 102 JOURNAL OF BUSINESS ETHICS 299 (2011).

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the skill gap and enhance organizational performance and efficiency. There is also a need to increase the gender representation on the various NSFs, albeit Australia does perform well in this regard. The evidence provided by the study is helpful for the key stakeholders involved in policy decision making in NSFs in Australia. However, it is important to recognize the limitation of the study as data was collected through online resources. Future researchers can use primary methods to collect data and provide new insights into board composition of NSFs in Australia.

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# BOARD COMPOSITION IN BRAZILIAN SPORT FEDERATIONS: AN ANALYSIS OF SIZE, DIVERSITY AND OCCUPATIONAL BACKGROUND

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#### **1. INTRODUCTION AND BACKGROUND**

#### **1.1. SPORT GOVERNANCE**

Providing a definition of 'governance' is not a straightforward task since the concept may vary depending on the researcher's agenda or the object that is studied.<sup>3</sup> In the present study, governance is seen as a range of norms and patterns of conduct that intend to guide the internal relationships of sport organizations, as well as the interactions between said entities and its stakeholders to reach better outcomes.

The idea of governance is inherently linked with notions of transparency and accountability, which enable the institution "under compliance" to have an administrative practice that is both financially healthier and more professional. Upholding these principles not only enhances the management of resources, but it also makes the organization more attractive to investors and potential partners.

Sport governance has been gaining increasing relevance in recent years, especially in light of high-profile frauds and cases of corruption involving important sport entities, such as "FIFA

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<sup>&</sup>lt;sup>3</sup> Arnout Geeraert, Jens Alm & Michael Groll, *Good governance in international sport organizations: an analysis of the 35 Olympic sport governing bodies*, 6 INTERNATIONAL JOURNAL OF SPORT POLICY AND POLITICS 281 (2013).

gate" and doping scandals at the Russian Olympic Committee, for instance. Since then, the necessity of adopting compliance practices in sport entities has become more urgent.

In this context, attempts to establish universal principles of good governance in sport have proliferated, such as the standards established by International Olympic Committee in 2008. In addition, in countries such as the United Kingdom and Australia, domestic regulations have been enacted with the aim to define common good governance models that should be followed by all national sport organizations in their territory.

In Brazil, the requirement for a minimum pattern of good conduct regarding sport entities was duly summarized in a document published by the now defunct Ministry of Sport,<sup>4</sup> which reunites elements of compliance in many laws from the nation's juridical order, such as "Pelé law" (Lei 9.615/98), renowned as the main Brazilian sport legislation, and the "Statute of PROFUT" (Lei 13.155/15), which relates to fiscal governance of national soccer clubs.

It is noteworthy that there is not any specific regulation that commands the national federations in Brazil to comply with minimum standards of good governance. Such obligation, however, derives from articles 18 and 18-A of the "Pelé law".<sup>5</sup> In practical terms, when those entities want to claim any financial resources from the federal public administration (for instance, those deriving from the "sport incentive law", that finances most of the Olympic sports in Brazil), they are required to comply with minimum standards of transparency and organization for approval of the Special Secretary of Sports. The Special Secretary is responsible for certifying the compliance of the entities with said articles of the "Pelé law", in the terms of an administrative regulation ("Portaria 115/2018").

A crucial good governance standard for national sport federations is to ensure that the board of directors has an appropriate composition in terms of its size and diversity. The specific aim of the present research paper is to critically analyze the composition of boards of directors of national sport federations in Brazil, therefore making it possible to identify the profile of the members who are currently forming these boards. As such, the research team analyzed data collected throughout the year of 2021 that identified the boards of these sport federations with

<sup>&</sup>lt;sup>4</sup> 'Portaria nº 115/2018' (Translated freely: ME Ordinance No. 115 of 2018). It should be noted that, in 2019, the Brazilian Ministry of Sports seized to exist, being incorporated by the Ministry of Citizenship.

<sup>&</sup>lt;sup>5</sup> Translated freely: "Art. 18. Will only benefit from tax exemptions and transfers of federal public resources from the direct and indirect administration, pursuant to the item II of art. 217 of the Federal Constitution, the entities of the National Sport System that: [...]"; "Art. 18-A. Without prejudice to the dispositions of art. 18, the entities without profit purposes that are part of the National Sport System, referred to in the sole paragraph of art. 13, can only receive funds from the federal public administration if: [...]"

regards to their size, diversity of composition, and it further identified the professional qualifications of those who occupy these board positions.

#### **1.2. LITERATURE REVIEW – BOARD COMPOSITION**

The board of directors is the apex decision-making body in a sport organization and is tasked with providing oversight of and direction to the management. Each sport federation, whether local, national, or international, has its own particular way of organizing its board. This is natural, given the particularities each sport provides. The board is also responsible for reporting to stakeholders of the sport federation, directing and planning its institutional activities, risk management, defining the internal way of control and regulation, and representing the federation in legal, administrative, and commercial acts, among other functions.

To optimize governance effectiveness, it is essential for a board to have specialized skills and competencies. When dealing with larger and more complex federations, this requirement is particularly important. After all, the board is the body that oversees administrative capability, and thus it is important that each member of the board can concentrate his or her efforts on a specific aspect of the entity's activities.

One common way to measure the level of good governance in sport federations is by analyzing the diversity and size of their boards, because these two aspects translate the quality of critical thinking and debate that is being nurtured within the boards and how this will directly affect the sport entity itself, as well as all those involved.

Diversity within the board leads to several benefits, such as a variety of opinions and ideas, more effective choices, and a greater inclusion of social groups to the entity's target audience. Different points of view within the board of directors of the sport federation could translate to more powerful and efficient governance standards. This aspect of diversity can be measured by multiple social standards such as gender, social class, ethnicity, education level and occupational background.

In this context, specialized studies recommend that such committees should be composed by between five and 12 members, since such quantity range translates to a balance that results in the peak of the entities' effectiveness proposed by governance theories.<sup>6</sup>

In Brazil, there is no legislation that sets up a minimum or maximal size for sport federations boards, nor a discrimination of who should occupy the positions in said boards. This may be due to the fact that they have the legal nature of civil societies, therefore being self-regulated in most internal aspects. With this being the case, a pertinent research endeavour is to measure and analyze these aspects of board composition in the Brazilian sport context, and that is the purpose of this study.

There are several laws concerning sport governance in Brazil. Its domestic law provides guiding principles under Article 2 of "Pelé law", which sets out requirements with respect to financial and management transparency, and best practices in sport administration and social responsibility for sport federations.

This legislation also sets out the requirements that sport federations must comply with in order to access public funding. For instance, under 18-A of the "Pelé law", national sport federations must, among other obligations: (i) be transparent in administration, including supplying due information about financial issues; (ii) supply reports concerning the management of the entity's resources; and (iii) follow general compliance guidelines, duly developing their social object.

Under the legislation, all sport federations must organize themselves consistently with democratic principles, including requirements, for example, for the participation of athletes on executive committees of the national sport federations, as well as a transparent electoral process.

Finally, the Statute of PROFUT (Lei 13.155/15) invokes rules about fiscal responsibility and financial accounting for Brazilian football clubs, which often suffer from multi-million-dollar debts. The goal of this statute is to ensure the long-tern viability of the nation's most widely practiced sport, football.

<sup>&</sup>lt;sup>6</sup> Joshua McLeod, Shaun Star & David Shilbury, *Board composition in national sport federations: a cross-country comparative analysis of diversity and board size*, MANAGING SPORT AND LEISURE (2021). DOI: 10.1080/23750472.2021.1970614

# 2. METHODOLOGY

Inspired by the study developed by McLeod, Star and Shilbury (2021) on board composition in national sport federations,<sup>7</sup> this research was developed by researchers from the Faculty of Law of the University of São Paulo. Mirroring the research conducted by the McLeod et al. (2021), the present study covers three aspects of board composition: board size, gender diversity and occupational background of directors of Brazilian sport federations.

The first step of the research was to assess how many sport federations exist in Brazil and list them, so that the data analysis could be as close as possible to picturing the current situation of all the Brazilian national sport federations. Afterwards, each researcher involved in the work was randomly given an equal number of such federations to investigate and collect each of its respective board composition statistics.

The next step was to populate an Excel sheet with information about the board size and data on its respective members, such as their gender and occupation. At this point, the research was mainly based on the federations' official websites, which generally provides an updated record of their organizational structure and competencies,<sup>8</sup> followed by a search of each name in media platforms and social networks – Facebook, Instagram, LinkedIn, Twitter, among others – to detect the background information desired.

Some federations' websites had a lack of information, with almost no, or very limited, information available. This was particularly the case in lesser practiced sports that have smaller federations, which would not be able to collect any government funding, thus did not have any incentive to comply with its governance recommendations. In those cases, information regarding board composition had to be searched by other means, such as online newspapers that mentioned their elections. Using this method, we were able to find data with respect to the occupational background of 332 directors (63.24%) of the total sample.

After compiling the data in Excel, graphics indicating the gender rate and the percentage of professional occupation of the members of each federation were presented and compared to other countries involved in the study. As a final step of the research, a critical review of the data collected was prepared, which is presented by this article.

<sup>&</sup>lt;sup>7</sup> Id.

<sup>&</sup>lt;sup>8</sup> An obligation derived from art. 11, item IV, of 'Portaria nº 115/2018', the forecited administrative regulation that certifies compliance of the entities to provide them public funding.

# **3. RESULTS**

The first noteworthy finding is that, out of the 68 national sport federations analyzed, only three boards have 50% or more female representation. In a country that has a history of sexism in sports,<sup>9</sup> that unfortunately is not surprising, but sounds an alarm over a situation that can and should be improved.

The vast majority of Brazilian sport federations present a significant female minority, which is especially observable in larger boards. For instance, the Brazilian Football Confederation has 23 members on its board, among which only eight are women. Another example in this sense is the Brazilian Karate Confederation, that presents only five women on its board which composed of 29 members.

The most negative and alarming result collected in this research is that 34 of the Brazilian sport federations – that is, exactly half of the entities analyzed – have no women at all in their respective boards. The Cycling Federation, the Volleyball Confederation, and most martial arts federations, such as Jiu-Jitsu, all feature such undesirable record.

In fact, only three of the boards analyzed are represented by 50% or more women. Two of them, however, present only two members in their composition (the Brazilian Weightlifting Confederation and the Brazilian Confederation of Gymnastics – the latter being the only entity with 100% women representation in its board). The other 31 boards are composed 40% or less women, 17 of them not even reaching 20%.

Therefore, this research has concluded that the boards of the Brazilian sport federations do not feature gender diversity in their composition, demonstrating that, in general, women either have a minimal percentage of participation or are not present at all.

Another significant finding is that 12 of the federations analyzed have more than 12 members on their committees, and 21 have less than five members. As such, almost half of the Brazilian national federations analyzed (33 out of 68) have boards sizes that do not fit in the ideal range presented by specialized researchers.

The results also showed an impressive oscillation between the number of board members among the many federations studied. The largest board detected was the Brazilian Karate Confederation with 29 members. On the other hand, results showed three federations had only

<sup>&</sup>lt;sup>9</sup> Women's football, for instance, was prohibited by law (Art. 54 of the 'Decreto Lei 3.199/41') until as recently as 1979 and was only thoroughly regulated in 1983.

one assigned board member. Although two of them represents lesser-known sports (foosball and "no holds barred" fighting), the third instance comes in of the most popular sports in Brazil: Jiu-Jitsu (a phenomenon that could be explained because its entity is a confederation, which usually leads to a board with less members).

Also, 25 of the 68 federations have five or less board members and 18 of them have 10 or more. Curiously, the most common number of board members is seven, as precisely 10 federations amount to such figure. Seven board members represents a good size for effective governance: there usually is not an excess of functions and people nor is there unnecessary expenses paying multiple honorariums or salaries, in the case of remunerated boards. In addition, this number is usually enough to avoid lack of personnel related problems, something smaller boards tend to suffer from.

In terms of occupational background, of the data available, this study shows that professionals who work directly with sports (i.e., coaches, athletes, or former athletes) and Business Operations or Administration make up most of these committees, with 34.64% and 26.81% respectively.

Having such a high percentage directly related to sports tends to be a good sign of governance, because people that are most affected by board decisions are involved in the process of taking them, being listened to, and participating. A federation without sports related occupants in its structure would arguably be more inclined to decisions that harms the athletes' interests, which is a problem we have seen across global sport. It should be noted that, although such a statistic in Brazil is reasonable, it is slightly below other countries such as the United States of America (35.56%), the United Kingdom (35.7%) and Australia (28.13%), meaning there is room for improvement.<sup>10</sup>

The second largest portion of occupation comes from business and administration professionals (26.81%). This occupational specialism is vital to the wellbeing of any kind of entity, since they are experts in managing, and that being so, can present a technical knowhow to better direct decisions and assess their consequences. As such, it is constructive to present a reasonable quantity of said class of experts.

It is interesting to acknowledge that the third largest group of professionals occupying sport boards in Brazil is lawyers (15.36%), which represents the highest percentage of such

<sup>&</sup>lt;sup>10</sup> McLeod, *supra* note 6.

occupation among all countries researched. In relative numbers, that also represents roughly double the second highest country in terms of board membership by lawyers, the UK (7.11%). Such number could be put into perspective when considering another interesting statistic: Brazil has over 1,500 law courses, which is more than all of the rest of the world combined.<sup>11</sup> Further, there is a general cultural belief in the country that, whatever business is being ran, they should always consult a lawyer – something that is observable via the present research, in which there usually is at least one such professional among every board.

Finally, it should be noted that there is a low percentage of bureaucrats/public administrators, elected politicians and military personnel among Brazilian boards (all three categories combine for 6.02%). That represents an important indication of independence between sports organizations and the government. The autonomy of the directing of sport entities is of such importance that is guaranteed by the very letter of the country's Constitution, in its article 217, item I.<sup>12</sup> Thus, this finding represents a positive portrait, inasmuch as the government is relatively separated from the administration of the national sport federations.

## 4. CONCLUSION

The objective of the present study was to collect data and assess the composition of the boards of directors of the national sport federations in Brazil. Hence, this article contributed by adding new insights into the inner workings of these sport committees, presenting relevant information on the theme of international sport law and governance. From the observation of the data collected, it is noted that the absence of gender diversity is a recurrent aspect in most of the boards of the Brazilian sport federations: only 4% of them display 50% or more women, and half of them present the extreme value of 0% female participation.

Furthermore, in terms of occupational background, there could be higher participation rates for sports/athletes/coaches and business/administration personnel. In addition, while the high involvement of lawyers might not be something inherently harmful, it highlights the country's cultural tendency that could be mitigated. It could likewise be concluded that the constitutional

<sup>&</sup>lt;sup>11</sup> Hyndara Freitas, *Brazil has more than 1500 law courses, but only 232 have satisfactory performance,* JOTA (Apr. 04, 2020, 10:10 AM), https://www.jota.info/carreira/brasil-tem-mais-de-1-500-cursos-de-direito-mas-so-232-tem-desempenho-satisfatorio-14042020

<sup>&</sup>lt;sup>12</sup> Translated freely: "Article 217. It is the duty of the state to foster the practice of formal and informal sports, as a right of each individual, with due regard for: I – the autonomy of the directing sport entities and associations, as to their organization and operation [...]"

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intention to guarantee the sport entities autonomy is being followed, inasmuch as there is a low participation of militaries, bureaucrats and elected politicians. Therefore, the inclusion of women and the increase in participation of sports/athletes/coaches and business/administration professionals in the sport federations could be seen as guidelines to achieve a more democratic environment in national federation boards, being more adequate to the principles of good sport governance.

Despite all the difficulties that the present article presented, it provides empirical evidence, which allows for further studies to be conducted in this field. In this regard, researching more aspects of diversity, such as ethnicity, age and regional heritage from the board members, among other aspects, could be highly relevant to draw a better picture of the situation, even though it should be acknowledged that such studies might be particularly difficult to conduct, given the lack of accessibility of such information. Nevertheless, there should always be an effort to achieve more complete and critical analysis to better assess and develop solutions to such problems.

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# AN EMPIRICAL ANALYSIS OF GOVERNANCE IN CHINA'S NATIONAL SPORTS ASSOCIATIONS

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## **1. INTRODUCTION**

#### **1.1. RESEARCH AIM**

In recent years, the governance of sport has become a key point of focus for governments around the world and International Sports Federations. In turn, this has triggered scholarly debate on the topic. Sports associations play an important role in sports governance and development. As a decision-making body, the board of directors has great influence on the operational efficiency of sports associations. Many studies in Western countries have asserted that diversity and small board size will improve the operational efficiency of national sport associations.<sup>4</sup> However, in China, the topic has not been thoroughly discussed.

The purpose of this study, therefore, is to analyze the composition of the boards of China's National Sports Associations (CNSAs). Specifically, it will conduct an empirical analysis on three elements of board composition: board size, gender diversity and career diversity, so as to help readers understand the current situation of CNSAs and provide an insight into the development of governance in CNSAs.

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<sup>&</sup>lt;sup>4</sup> Arnout Geeraert, Jens Alm & Michael Groll, *Good governance in international sport organizations: an analysis of the 35 Olympic sport governing bodies*, 6 INTERNATIONAL JOURNAL OF SPORT POLICY AND POLITICS 281 (2013).

### **1.2. LITERATURE REVIEW**

With the continuous attention paid to sports governance internationally, Chinese scholars have carried out a series of theoretical studies and practical explorations on the topic, and have made good progress in developing knowledge. In 2013, for the first time, the Chinese Government set "Promoting the Modernization of the National Governance System and Governance Capabilities" as its reform goal. Therefore, since 2014, Chinese scholars have begun to focus on the study of sports governance related issues from the perspective of modernization of national governance system and governance capacity. The number of related academic papers is approximately 30 per year in 2015-2017 and 50 per year in 2018-2020, but monographs, master's and doctor's dissertations are rare.

Research on sports governance in China is mainly carried out from the perspectives of concept, constitution, realization and comparison. For example, the relationship between sports governance and sports management,<sup>5</sup> the relationship between sports governance and public governance<sup>6</sup>, the merits and demerits of the "the whole nation system",<sup>7</sup> and the comparison of sports governance in the UK, the USA, Canada and Japan. Some studies have specifically pointed out that the effectiveness of sports governance is influenced by the extent to which it overlaps with government and public affairs governance, social welfare and non-profit non-government governance, and for-profit private affairs governance.<sup>8</sup>

Good governance is an important pursuit for sports organizations. Some Chinese scholars point out that to achieve good governance clear and measurable goals and indicators need be set for the organization, board of directors, management, and members, including appropriate assessment tools.<sup>9</sup> Consequently, the composition of the boards of CNSAs is the target for this research which analyzes whether the boards of CNSAs have reached a certain international

<sup>&</sup>lt;sup>5</sup> Ma Dehao, From Management to Governance: Four Major Changes in the Modernization of Sports Governance System and Governance Capabilities in the New Era, 52 JOURNAL OF WUHAN INSTITUTE OF PHYSICAL EDUCATION 5,55 (2018).

<sup>&</sup>lt;sup>6</sup> Bout et al, *Research on Public Sports Governance*, 231 PEOPLE'S SPORTS PUBLISHING HOUSE (2016).

<sup>&</sup>lt;sup>7</sup> Huang Lu, *The Era Background and Broad Implications of the Modernization of National Sports Governance*, 31 SPORTS ADULT EDUCATION JOURNAL 14 (2015).

<sup>&</sup>lt;sup>8</sup> Gong Yemin, On Sports Governance from the Perspective of National Governance Modernization, 26 JOURNAL OF CAPITAL INSTITUTE OF PHYSICAL EDUCATION 292 (2014).

<sup>&</sup>lt;sup>9</sup> Jiang Shibo, Western Sports Governance and Modern Sports Governance in My Country Target Selection, 50 JOURNAL OF WUHAN INSTITUTE OF PHYSICAL EDUCATION 13 (2016).

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standard of good governance through empirical analysis. However, there are currently few studies on the boards of CNSAs, and most of them are related to the reform of Chinese soccer professionalization. Moreover, scholars have insufficient understanding of the connotation and essence of board governance of CNSAs, and the definition of the governance role of the board is rather confusing. Since there are few studies on the composition of the boards of directors of CNSAs, this study will also refer to some corporate governance research experience, hoping to provide some new ideas.

### 1.2.1. RESEARCH ON BOARD SIZE

The factors that affect the scale of the board of directors include strategy and organizational size. When a corporate entity adopts an internal centralized management strategy, the board structure will be reduced in size and consist of internal directors. When a corporate entity adopts an external growth strategy, to face market competition, the company has to recruit external directors to improve its business strategy, which will lead to the expansion of the board.<sup>10</sup> Some Chinese scholars point out that if the scale of the board is expanded, the professional knowledge of the board will be more comprehensive, and complementary advantages will be realized. Smaller board sizes, conversely, streamline board member communications and decision-making. However, at the same time, this can lead to a lack of professional knowledge and professional skills, the inability to predict the complex market, and the inability to provide the organization with scientific strategic decision-making and management supervision. Thus, the board size should be kept within the scope of scientific decision-making that can be fully discussed and accurately and quickly made. For example, China Company Law stipulates that the board structure of listed companies shall be composed of between five and 19 people. It is notable that this guidance on board size diverges from what is given in Western contexts, where the advised range is typically between five and 12 board members.<sup>11</sup>

<sup>&</sup>lt;sup>10</sup> Zheng Zhiqiang, A Review of Western Sports Organization Governance Theory Research-Based on the perspective of the strategic decision-making function of the board, 36 SPORTS SCIENCE 77 (2016).

<sup>&</sup>lt;sup>11</sup> Marc Taylor & Noel O' Sullivan, *How Should National Governing Bodies of Sport Be Governed in the UK? An Exploratory Study of Board Structure*, 17 CORPORATE GOVERNANCE: AN INTERNATIONAL REVIEW 681 (2009).

#### **1.2.2 RESEARCH ON GENDER DIVERSITY ON BOARDS**

Gender diversity on the board is a dynamic reaction process of corporate governance institutional arrangements to individual cognitive limitations, corporate governance ethics, and the external institutional environment.<sup>12</sup> Studies show that female directors provide the board with many special advantages, such as sensitivity to corporate social responsibility and active decision-making methods. Accordingly, there is a significant positive correlation with corporate reputation.<sup>13</sup> Some Chinese scholars believe that a corporate with a higher proportion of female board members has a greater return on investment, indicating that the inclusion of female members on the board can help increase corporate performance.<sup>14</sup>

Social Cognition Theory shows that diverse groups tend to get a more comprehensive understanding and profound interpretation of the environment they face. As the decision-making center of a corporate entity, a diversified board of directors can provide a more comprehensive view and perspective, which is conducive to enterprise innovation.<sup>15</sup> Some Chinese scholars find that the higher the degree of diversification of the board, the more it can promote enterprise innovation and improve enterprise value.<sup>16</sup> However, it must be pointed out that corporates are for-profit organizations while CNSAs are non-profit organizations. The establishment and operation of the board of corporate and that of CNSAs are completely based on different laws.

<sup>&</sup>lt;sup>12</sup> Liu Xuguang & Li Weian, A Review of Research on Female Directors and Corporate Governance Based on the Diversity of the Board, 32 FOREIGN ECONOMICS AND MANAGEMENT 47 (2010).

<sup>&</sup>lt;sup>13</sup> Yang Hailan, Lin Xinrong & Wang Shuo, *Diversified Board Research on the Impact of Globalization on CSR and Corporate Reputation*, 23 FINANCE AND ACCOUNTING NEWSLETTER 20 (2015).

<sup>&</sup>lt;sup>14</sup> Zhang Kun & Yang Dan, *Gender Structure of the Board, Market Environment and Corporate Performance,* 50 JOURNAL OF NANJING UNIVERSITY (PHILOSOPHY. HUMANITIES. SOCIAL SCIENCE EDITION) 42 (2013).

<sup>&</sup>lt;sup>15</sup> Zhu Yumei, Li Rihua & Liu Wei, *The Influence of Diversified Backgrounds of Board Members on Enterprise Innovation Output: An Analysis Based on the Adjustment Effect of the Effectiveness of Internal Control*, 52 JOURNAL OF SOUTH CHINA NORMAL UNIVERSITY (NATURAL SCIENCE EDITION) 120 (2020).

<sup>&</sup>lt;sup>16</sup> Ye Bei, *Board Heterogeneity, Diversity Strategy and Firm Value*, 3 EAST CHINA ECONOMIC MANAGEMENT 146 (2017).

## **1.2.3** THE DE-ADMINISTRATION OF CNSAS IN REFORM

Until now, CNSAs are still in the process of reform and development. To facilitate participation in international sports events, CNSAs were initially established by Chinese sports administration in the 1950s. The development of CNSA mainly depends on administrative support from the government and CNSAs' boards embody strong bureaucratic characteristics. In the mid to late 1980s, the reform of China's competitive sports management system was launched, and a new mode of "Sports Project Management Centers + CNSAs" was established to manage competitive sports. This model plays a positive and important role in breaking the original institutional shackles, enhancing the international exchange of competitive sports, and bringing into play the communication between the government and social organizations.<sup>17</sup> In 2015, in response to the General Plan for Decoupling Industry Associations and Chambers of Commerce, Chinese administrations began to guide the reform and development of CNSAs which had gradually realized "de-administration" to a certain extent and embarked on the road of autonomy.<sup>18</sup> The dependence of CNSAs from administration is the main object of the reform of CNSAs. This administrative characteristic can be clearly reflected in the empirical analysis of CNSAs boards.

Some Chinese scholars argue that CNSAs need a corporate-like governance structure, which usually refers to the clear rights and obligations, as well as different duties between the owners, decision-makers, directors and supervisors. This model is theorized to make governance more effective and standardized.<sup>19</sup> By analyzing the composition of the boards, we can learn about the current situation of CNSAs.

<sup>&</sup>lt;sup>17</sup> Yuan Gang, *The Legalization Path of the Reform of China's National Sports Associations*, 39 SPORTS SCIENCE 20, 46 (2019).

<sup>&</sup>lt;sup>18</sup> Ma Hongjun, *Blue Book of Chinese Sports Law*, BEIJING: PEKING UNIVERSITY PRESS (1949-2019).

<sup>&</sup>lt;sup>19</sup> Wang Kaizhen, Wang Liu, Dai Jianhui, Construction and Management of Sports Social Organizations[M]. Beijing: Higher Education Press, 2016: 117.

## 2. METHODOLOGY

This study adopts an empirical analysis approach,<sup>20</sup> collects secondary data on the board of directors of CNSAs in China from their websites, computes the statistics and analysis, and puts forward some suggestions which are helpful to the governance of CNSAs on this basis. Due to the need to obtain a large amount of information about board members, secondary data acquisition is more convenient and efficient, so empirical analysis is more suitable for the study.

This study collects, organizes and analyzes data of CNSAs, and adopts a convenient sampling method. After browsing the official websites of all CNSAs, 13 CNSAs were finally determined as the objects of this study. The advantage of empirical analysis is that it is efficient to carry out and the cost of investigation is low. The disadvantage is that the sample unit is determined randomly, and the sample cannot represent a clearly defined population.<sup>21</sup> The purpose of the research is to get an understanding of the composition of the boards of CNSAs. Consequently, the convenience sampling method is suitable.

The study includes three variables: board size, gender diversity, and occupational background. As stated in the Literature Review, these three variables are of great reference significance to the operation of the board. Since information on other variables is not easy to obtain from public sources, only three variables are studied. At the stage of data collection, the composition information of the board of directors can first be found from the official website of the CNSAs or other public channels. Then the research team used this information to find the target person using online search engines to find other information with respect to occupational background. Using this method, we were able to confirm the occupational background of 202 directors (97.12%) of the total sample. Finally, the data were analyzed. All the collected data was placed in Microsoft Excel and the results were filtered and analyzed as required.

<sup>&</sup>lt;sup>20</sup> Joshua McLeod, Shaun Star & David Shilbury, *Board composition in national sport federations: a cross-country comparative analysis of diversity and board size*, MANAGING SPORT AND LEISURE (2021). DOI: 10.1080/23750472.2021.197061411-12-2023 17:23:00

<sup>&</sup>lt;sup>21</sup> Jia Junping, He Xiaoqun & Quan Yongjin, STATISTICS, BEIJING: CHINA RENMIN UNIVERSITY PRESS, (2007).

## 3. RESULTS AND DISCUSSION

#### **3.1. EMPIRICAL ANALYSIS RESULTS**

#### 3.1.1 BOARD SIZE

Table 1 shows the number of board members for each of the CNSAs, with an average of 16. Most of CNSAs have between 10-13 directors. It should be noted that three CNSAs have far more board members than any other CNSAs, namely the Chinese Football Association (CFA), China Boxing Federation (CBF) and China Tennis Association (CTA). CFA and CBF have more than twice the average number of board members, due to the sound commercial development of these three sports in China. The Chinese Volleyball Association (CVA) shows only two board members, mainly because more information is not available on the public sources. The deviation of the data of CVA indicates to a certain extent that CNSAs have some deficiencies in information disclosure.

Association	<b>Board Members</b>
Chinese Basketball Association	12
Chinese Weightlifting Association	12
Chinese Table Tennis Association	12
Chinese Fencing Association	13
Chinese Football Association	35
Chinese Volleyball Association	2
Chinese Cycling Association	10
Chinese Boxing Federation	36
Chinese Billiards Association	16
Chinese Aerobic Association	8
Chinese Badminton Association	11
Chinese Tennis Association	28
Chinese Athletics Association	13
Average	16
Grand Total	208

Table 1: Number of Board Members from Specific NSF Board

## **3.1.2 GENDER DIVERSITY**

Table 2 shows gender representation of the board members of CNSAs, through which it is illustrated that gender diversity of these CNSAs is insufficient. Although the data of the board of CVA shows that there are equal numbers of male and female directors, there may be some deviations due to the small base of the sample data. The Chinese Basketball Association and Chinese Aerobic Association have a rare absence of women on their boards, apparently due to a lack of awareness of gender diversity in board elections. The Chinese Fencing Association and the Chinese Billiards Association have a higher proportion of female members on their boards. Overall, female directors are in the minority on the boards of CNSAs, accounting for an average of 15.5%. This may have something to do with the imperfection of the reform of CNSAs and Chinese culture. Gender diversity is a factor that should be paid attention to in the development of CNSAs.

Association	% Female	Female	Male	Total
China Volleyball Association	50.0%	1	1	2
Chinese Fencing Association	30.8%	4	9	13
Chinese Billiards Association	25.0%	4	12	16
Chinese Badminton Association	18.2%	2	9	11
Chinese Table Tennis Association	16.7%	2	10	12
Chinese Athletics Association	15.4%	2	11	13
Chinese Boxing Federation	11.1%	4	32	36
Chinese Cycling Association	10.0%	1	9	10
Chinese Football Association	8.6%	3	32	35
Chinese Weightlifting Association	8.3%	1	11	12
Chinese Tennis Association	7.1%	2	26	28
Chinese Basketball Association	0.0%	0	12	12
Chinese Aerobic Association	0.0%	0	8	8
Average	15.5%	2.36	14	16

Table 2: Gender Representation on NSF Board

## **3.1.3 OCCUPATIONAL BACKGROUND**

Table 3 shows the occupational backgrounds of the board members of the CNSAs. It can be found that members of the board of CNSAs have a considerable degree of political participation, with 60.89% of bureaucrats/public administration participating, Conversely, only 8.91% of directors have a business background, which is relatively low. This has something to do with the history of institutional reform of CNSAs. However, there are also some board members with sports education background, and the proportion of board members who were previously athletes or coaches is 24.75%. It shows that CNSAs has a certain degree of attention to the sports educational background. In general, the boards of directors of CNSAs still rely too heavily on political connections and are over-represented by government officials. Moreover, there is a lack of diversity with respect to occupational background, only six occupations appear in the table.

Occupational background	Percentage of board members
Academic	3.47%
Bureaucrat/Public Administration	60.89
Business Operations and Administration	8.91%
Journalist	1.49%
Military	0.5%
Sports/Athlete/Coach	24.75%
Grand Total	100%

Table 3: Percentage representation of each occupation on NSF Board

## **3.2.** THE EMPIRICAL ANALYSIS

## **3.2.1 BOARD SIZE**

There is no strict standard for the size of the boards (number of board members) of CNSAs, which has led to different associations having considerably different sizes. Some research

shows that small boards can sometimes improve decision-making efficiency.<sup>22</sup> It is worth mentioning that in the "Separation and Reform of the Management and Administration of the Chinese Football Professional League" promulgated in 2012, the Chinese Football League's board shall consist of 19 members who shall come from CFA, clubs, companies, and other social areas<sup>23</sup>. Although this regulation is not aimed at CNSAs, it also has certain reference value.

The board size of CFA, CBF and CTA should be appropriately reduced in order to increase operational efficiency. As for the situation of only two board members of the CVA, it may be because in 2020, the cooperative relationship between the CVA and the business partner of the Chinese Volleyball League (Sports Window) was terminated, which is a major reform measure of the CVA. Studies point out that there is still a big gap between CVA, CFA and Chinese Basketball Association (CBA) in the results of the effectiveness of socialization and market-oriented reforms.<sup>24</sup> At the same time, CNSAs should also be called on to increase information transparency and update information on their official websites regularly.

#### **3.2.2 GENDER DIVERSITY**

From the perspective of gender diversity, the boards of CNSAs still need to continue their efforts (only an average of 15.5% of female members). Due to the unique historical changes and social system changes in China, the development process of gender diversity is different from other countries. Since ancient times, China has a cultural tradition of women managing families, which makes women have to devote more energy to family life in the traditional sense, thus limiting the development space of women in the workplace. In addition, China's current social security system, especially the child support system, is still underdeveloped, which increases the realistic pressure on women to devote more energy to their families. According to statistics, Chinese women are currently more employed in relatively low positions, and the proportion of women at the corporate executive level is significantly lower than that of men.<sup>25</sup>

<sup>&</sup>lt;sup>22</sup> Chen Kongjun & Zhang Fan, Foreign Investment, Company Performance and Board Structure-based on Listed Companies Empirical data, 27 FINANCE AND ACCOUNTING NEWSLETTER 62 (2015).

<sup>&</sup>lt;sup>23</sup> Huang Lu, *supra* note 7.

<sup>&</sup>lt;sup>24</sup> Yumei, *supra* note 15.

<sup>&</sup>lt;sup>25</sup> Taylor, *supra* note 11.

At present, neither academia nor practice has paid too much attention to the issue of gender diversity on boards. Accordingly, the lack of female members in CNSAs' boards is the result of a combination of factors.

#### **3.2.3 Administrative Characteristics**

The board members of CNSAs have the characteristics of over-reliance on administration and non-diversity in their occupational backgrounds. The strong administrative nature is mainly due to the fact that CNSAs were initially established by Chinese sports administration. For a long time, CNSAs were "integrated with the sports administration" because of their unclear functions and lack of personnel, funds and staffing.<sup>26</sup> Although CNSAs are taking a series of reform measures to become independent from the administrative system, it is a long process. The independent associations need to gradually replace the board members while cultivating new management talents, while the non-independent associations still need to rely on the financial support of the sports administration to operate. Therefore, at present, on average, more than half of the board members of the CNSAs are government officials. However, some associations are starting to change. For example, most of the new board members of the CBA come from outstanding people in various fields. This is a manifestation of CNSAs' reform requirements for separation from administration and autonomy.<sup>27</sup> Moreover, it is a pity that the boards of CNSAs do not have many legal and business talents. More of this type of talent will enable CNSAs to better meet the challenges of the contemporary sports industry.<sup>28</sup>

### 4. CONCLUSION

In 2018, the organization "Play the Game" released the "National Sports Governance Observer" (NSGO), arguing that there is still a lot of room for improvement in sports governance in all countries.<sup>29</sup> But the report only evaluated 10 countries, not including China. Therefore, this

<sup>&</sup>lt;sup>26</sup> Zhang Yaohong, *Thoughts on Reforming China's National Sports Associations in the New Era*, 32 SHANDONG INSTITUTE OF PHYSICAL EDUCATION JOURNAL 44 (2016).

<sup>&</sup>lt;sup>27</sup> Yumei, *supra* note 15.

<sup>&</sup>lt;sup>28</sup> Siegfried Nagel et al., *Professionalisation of Sport Federations – a multi-level framework for analysing forms, causes and consequences*, 15 EUROPEAN SPORT MANAGEMENT QUARTERLY 407 (2015).

<sup>&</sup>lt;sup>29</sup> Arnout Geeraert, National Sports Governance Observer - Home, PLAY THE GAME (2018), (last visited Feb. 04, 2022).

study conducted a comparative analysis of the boards of CNSAs, and responded to the call of NSGO to conduct research in different countries. Based on the analysis of the board members of CNSAs, this study will put forward some new insights into sports governance in China.

Because of the limitations of empirical analysis method and website-based data collection, there may be some deviations and errors in the results. However, there is little research on the composition of the boards of CNSAs. Consequently, this study can provide reference for other studies on such sports governance in the future and have research significance and value. For example, an analysis of the board size can reveal the problems of different size of boards of CNSA. At the same time, gender diversity and occupational background diversity are also issues that need to be paid attention to in future research and development. The study also calls for scholars in China and other countries to pay more attention to the composition of the boards of CNSAs, and to conduct more in-depth research on various aspects through other types of research methods.

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# ANALYZING BOARD SIZE AND COMPOSITION IN THE INDIAN SPORT CONTEXT

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## **1. INTRODUCTION**

'Sports governance is an act of maneuvering, facilitating, and mobilizing the pool of talents, resources, approaches....it presupposes the interplay of policy-makers and policy-implementers of the sporting world for determination of the achievement of excellence in sports not just on an individual or local basis but also on a collective and national level'.<sup>3</sup>

The website of the Indian Ministry of Youth Affairs and Sports opens to a section which is titled - 'Proud moments of Indian Sports'<sup>4</sup> which lists out the most recent accolades achieved by individuals or teams representing the country. In this extremely competitive day and age, all nations desire sporting glory for a range of reasons. The tag of "sporting excellence", whether achieved through the performance of an Olympic contingent or by a professional in a private sport league, is almost always accompanied by a considerable surge in sentiments of nationalistic pride for the masses, as well as an opportunity for chest thumping and credit grabbing by politicians. The legacy of being the home of a 'champion' is an enviable title that most modern-day nations desire. The importance of this title and exhibition of 'perceived superiority' also seems to become more magnified when it comes to a developing nation with a colonial past and complicated contemporary international relations, such as India. The status of sport is then alleviated to that of a factor that contributes to the very sense of being independent and justified in belonging within the international community.

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<sup>&</sup>lt;sup>3</sup> Dennis V. Blanco, *Sports Governance: Issues, Challenges and Perspectives*, 17 ASIA- PACIFIC SOCIAL SCIENCE REVIEW 105 (2017).

<sup>&</sup>lt;sup>4</sup> Government of India, *Home: Ministry of youth affairs and sports: GOI*, MINISTRY OF YOUTH AFFAIRS AND SPORTS (2008), <u>https://yas.nic.in/</u> (last visited Jan 31, 2022).

In 2011, the Indian Government introduced the National Sports Development Code of India (the "Code"), which was supposed to ensure the "adoption of good governance practices by the national sporting federations, including the Indian Olympic Association, which is essential healthy sports development in the country".<sup>5</sup> The Code, very simply put, is an amalgamation of all orders, circulars and governmental directives that have been issued since 2001 to deal with all issues related to sports in the country and was notified in 2011 by the Ministry of Youth Affairs and Sports.<sup>6</sup> While the Code is supposed to be a comprehensive document designed to promote good governance practices in sports and aims at increasing professional accountability within the sports federations of the country,<sup>7</sup> it lacks the force of being a legislative enactment and instances of blatant non-compliance with the provisions and guidelines of the code remain rampant.<sup>8</sup> Since the Code's notification, there have been numerous Public Interest Litigations (PILs) filed against NSFs and the Ministry for non-compliance of the Code's directives as well as the governmental inaction against the flouting of the rules by the NSFs. The vast majority of these PILs have been filed by sports activist and senior lawyer Rahul Mehra, the most recent one of which resulted in the Delhi High Court passing an order which made it mandatory for sport federations to comply with the provisions of the Code in order to be eligible for recognition by (and to receive public funding from) the appropriate authorities, including the central government.9

Over the past few decades, the Government of India has consistently allocated considerable funds to its various sporting initiatives, with its 2020-21 budgetary allocation reserving a sizable USD 380 million for sports development.<sup>10</sup> Along with this financial support, the introduction of policy initiatives such as the Khelo India Games and the enactment of the

<sup>&</sup>lt;sup>5</sup> Government of India [GOI], *National Sports Development Code of India*, 2011 MINISTRY OF YOUTH AFFAIRS AND SPORTS, <u>https://yas.nic.in/sites/default/files/File918.compressed.pdf</u> (last visited Feb 4, 2022).

<sup>&</sup>lt;sup>6</sup> Id.

<sup>&</sup>lt;sup>7</sup> Joshua McLeod, David Shilbury & Géraldine Zeimers, *An institutional framework for governance convergence in sport: The case of India*, 35 JOURNAL OF SPORT MANAGEMENT 144 (2021).

<sup>&</sup>lt;sup>8</sup> Joshua McLeod & Shaun Star, *In pursuit of Good Governance – Analysing the main points of conflict in India's draft Sports Code*, LAWINSPORT (Jul. 1, 2020), <u>https://www.lawinsport.com/topics/item/in-pursuit-of-good-governance-analysing-the-main-points-of-conflict-in-india-s-draft-sports-code</u>.

<sup>&</sup>lt;sup>9</sup> Outlook Web Desk, *Indian Sports Federations Not Complying With Sports Code Can't Be Granted Recognition: Delhi High Court* OUTLOOKINDIA (Jan. 8, 2021, 5:24 PM),

https://www.outlookindia.com/website/story/sports-news-indian-sports-federations-not-complying-with-sports-code-cant-be-granted-recognition-delhi-high-court/369879.

<sup>&</sup>lt;sup>10</sup> Ranajit Bhattacharyya et al., *The gaps in India's Sports Administration and Governance* THE WIRE (Jun. 28, 2021), https://thewire.in/sport/gaps-india-sports-administration-governance.

comprehensive National Sports Development Code in 2011, seem to tick the boxes for the establishment of an increasingly impressive sporting regime within the nation. However, despite all these changes, the performance of most Indian teams at the international level remains below expectations.

As per the data collected as a part of this study, in 2021 India had more than 50 recognised NSFs which regulated all the Olympic as well as indigenous sports.

The National Sports Development Code, 2011 makes it clear that the NSFs constituted and recognized by the relevant authorities shall be "fully responsible and accountable for the overall management, direction, control, regulation, promotion, development and sponsorship of the discipline for which they are recognized by the concerned International Federation".<sup>11</sup>

The Code also specifies the basic sets of responsibilities and standards that each NSF would have to demonstrate compliance in order to be recognized by the relevant authorities and continue to get government funding and sponsorship that may have been granted to them. These responsibilities include following "democratic and healthy management practices which provide for greater accountability and transparency at all levels".<sup>12</sup>

The Code gives the unqualified power to de-recognize federations to the Ministry of Youth Affairs and Sports. While it provides a detailed list of the procedures and consequences of such derecognition, the basis on which such action can be taken by the ministry remain shrouded in ambiguity. Additionally, it should be noted that the Ministry of Youth Affairs and Sports operates as a political office, more than a bureaucratically established government agency. The danger of the possible political influence that such a system encourages can dramatically compromise the capacity of these federations to function in an autonomous and democratic manner,<sup>13</sup> thereby creating impediments for the NSFs to comply with one of the conditions that

<sup>&</sup>lt;sup>11</sup> GOI, *supra* note 5 at 10.

<sup>&</sup>lt;sup>12</sup> *Id* at 13, 9.3(i).

<sup>&</sup>lt;sup>13</sup> Marko Begović et al., *The impact of political pressures on sport and athletes in Montenegro*, 24 SPORT IN SOCIETY 1200 (2020).

the Code itself mandates. The Code also very clearly specifies that each NSF must hold elections as per the procedures laid down.

Apart from the 2011 Code, there has also been significant controversy around the 2017 Draft for National Code for Good Governance in Sport (2017 NCGGS). This document which was supposed to provide a more elaborate framework for governance and rectify many of the issues that are present in the 2011 Code. However, the implementation of this document has been aggressively challenged by the various NSFs, including the Indian Olympic Committee.<sup>14</sup> This has resulted in a stalemate being created and no resolution in sight. While the implementation of the 2017 NCGGS, even in the most optimistic view, is possible only in the distant future given the severity of conflicts and the contradictory interests of the various stakeholders, the 2011 Code with all its imperfections, remains the only document which can govern the NSFs in India.

The primary aim of this article is to investigate the composition and structure of the Indian national sporting federations and to identify some of the recurring features of these boards which might explain, in part, why despite all these regulatory actions and the existence of a sports culture, the governance of sport remains inefficient in India which has led to substandard sporting performance in international tournaments.

### 2. METHODOLOGY

This paper is based on the data collected from online secondary sources on the National Sports Federations (NSFs) in India. The focus of the data collection was to collect details on the various boards, including their size, gender diversity and occupational diversity, which are theorized to influence board performance. This paper uses the work done by McLeod, Star and Shilbury (2021) as a primary text and builds on their observation with a specific focus on the Indian Federations. The results presented in this paper are based on the statistics revealed by this data and on an analysis of the National Sports Development Code, 2011 of India.

<sup>&</sup>lt;sup>14</sup> McLeod & Star, *supra* note 8.

## 3. RESULTS AND DISCUSSION

## **3.1. GENDER DIVERSITY**

During the Tokyo Olympics, India sent one of their largest female contingents ever to compete in a Summer Olympic Games. It is also worth noting that in the Rio Olympics, India had won only two medals both of which were awarded to female athletes. Even apart from the Olympic Games, India has a number of female champions from various sports, including Saina Nehwal (Badminton), P. V. Sindhu (Badminton), Mary Kom (Boxing), and Sania Mirza (Tennis). Thus, there is a growing representation of female athletes in Indian sport. However, the same representation cannot be seen in the governance and management structures of the NSFs. The lack of gender diversity within Indian NSFs is one of the most apparent features of the data.<sup>15</sup>

Out of a total of 793 members across all active federations and boards functioning across the country only 7% were found to be women, as is illustrated in Figure 1. Furthermore, there were several boards which had only one female representative or none at all. These boards were Boxing (0), Golf (1), Polo (0), Judo (0), Weightlifting (0), Billiards and Snooker (1). It is also interesting to note that two of the most illustrious champions from the sport of Boxing in India have been females – Mary Kom the 7 times world champion and Olympic Gold medalist,<sup>16</sup> as well as the silver medalist from the Tokyo Olympics, Mirabai Chanu.<sup>17</sup>

<sup>&</sup>lt;sup>15</sup> Joshua McLeod, Shaun Star & David Shilbury, *Board composition in national sport federations: a cross-country comparative analysis of diversity and board size*, MANAGING SPORT AND LEISURE (2021). DOI: 10.1080/23750472.2021.197061411-12-2023 17:23:00

<sup>&</sup>lt;sup>16</sup> Naveen Peter, *MC Mary Kom: A magnificent career defined by consistent success at the highest level* OLYMPICS.COM (Jul. 29 2021, 16:27), <u>https://olympics.com/en/featured-news/indian-boxer-mary-kom-awards-achievements-titles-medals-olympics-world-champion</u>.

<sup>&</sup>lt;sup>17</sup> Shyam Vasudevan, *Mirabai Chanu wins India's first medal at Tokyo Olympics* THE HINDU (Jul. 24 2021, 22:38), https://www.thehindu.com/sport/indias-mirabai-chanu-snatches-silver-at-tokyo-olympics/article35504572.ece.

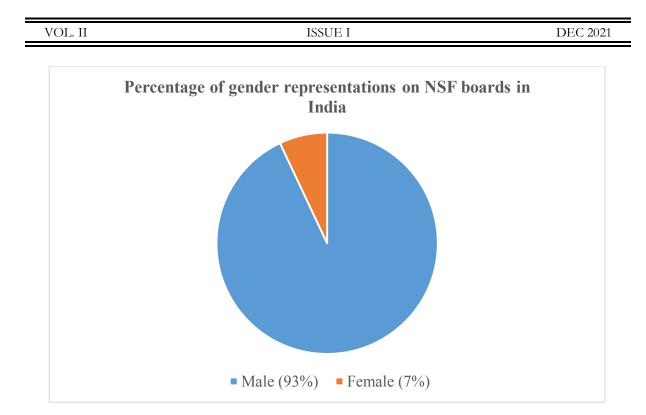


Figure 1: Percentage of gender representations on NSF boards in India

Despite such a stark difference in gender representations on the boards, the Code has no rules which are targeted to improve gender diversity in the federations. This omission creates a distinction between corporate boards and boards of sporting federations in India, with the former having a legislative requirement to include women on boards, mandated in section 149(1) of The Companies Act, 2013, India. The section holds having at least one-woman director on the Company Board as a necessary requirement. Recent studies have shown how a gender diverse board can encourage more comprehensive decision making and improves the access and utilization of human and financial resources in a sporting body.<sup>18</sup> Thus, one area where the Code could have potentially made a difference is by encouraging gender diversity in the very composition of these bodies. Currently, there are very few NSFs operating in the country that have more than a token representation of women as per the data collected for this study. The need is to overhaul the hyper-masculinized image that sport has traditionally occupied in the country and to introduce measures aimed at making gender equality an organizational value for these federations. One starting point, with proven efficacy in this

<sup>&</sup>lt;sup>18</sup> Siri Terjesen, Ruth Sealy & Val Singh, *Women directors on corporate boards: A review and research agenda*, 17 CORPORATE GOVERNANCE: AN INTERNATIONAL REVIEW 320 (2009).

direction, can be the initiation of a gender quota,<sup>19</sup> which several nations have adopted (including the UK<sup>20</sup> and Australia<sup>21</sup>), and which has also been introduced in the corporate boards in India.<sup>22</sup>

#### **3.2. BOARD SIZE**

Board size amongst Indian NSFs vary significantly. In the 50 recognized organizations that were studied as a part of this project, there were a total of 798 board members. Data suggests that one of the largest NSF boards in India is the Indian Boxing Federation with 47 board members, while the smallest recognized boards, are the Muaythai India, with one member and the Luge Federation of India with two members (although this very small size may be a result of insufficient data available on these organizations from publicly available websites, and so caution is requited in interpreting these results).

Interestingly, the National Sports Development Code, 2011 does mention a model board structure in Annexure XXXVII which sets out the guidelines which have to be followed by all the Sporting Federations while conducting their internal elections for the boards. The most consequential by-rule in Annexure XXXVII is point 7 which specifies that the total number of board members and executive members should not exceed 13 members, however, a detailed reading of Annexure XXXVII,<sup>23</sup> shows that while there are model rules laid down there is scope for each federation to reject the recommendations and continue to follow its own rules when it comes to the governing body elections in the form of the accompanying "Note".

<sup>&</sup>lt;sup>19</sup> Johanna Adriaanse & Toni Schofield, *The impact of gender quotas on gender equality in sport governance*, 28 JOURNAL OF SPORT MANAGEMENT 485 (2014).

<sup>&</sup>lt;sup>20</sup> Women in Sport, *BEYOND 30% Female leadership in sport* WOMEN IN SPORT (2017), <u>https://www.womeninsport.org/wp-content/uploads/2017/10/Women-in-Sport-Beyond-3025-1-1.pdf?x99836</u> (last visited Feb 1, 2022).

<sup>&</sup>lt;sup>21</sup> Australian Sports Commission, MANDATORY SPORT GOVERNANCE PRINCIPLES (2015) <u>https://www.icsspe.org/system/files/Australian%20Sports%20Commission%20-</u> %20Mandatory%20Sports%20Governance%20Principles.pdf (last visited Feb 4, 2022)

<sup>&</sup>lt;sup>22</sup> Ruth V. Aguilera, Venkat Kuppuswamy & Rahul Anand, *What Happened When India Mandated Gender Diversity on Boards* HARVARD BUSINESS REVIEW (Feb. 05, 2021), https://hbr.org/2021/02/what-happened-when-india-mandated-gender-diversity-on-boards.

<sup>&</sup>lt;sup>23</sup> GOI, *supra* note 5 at 169.

This additional note to the rule specifies that the members of the managing committee can be changed according to the constitution of federation. This note allows the Indian NSFs to continue to function in a haphazard manner with extremely large boards and no semblance of uniformity in the management structures amongst the various federations recognized by the Ministry. What is also more significant to note is that board sizes in India seem to have no positive correlation to the total number of athletes or the overall size of the federation. Rather, they appear to be based on arbitrary and ambiguous factors.

If the Ministry recommendation is that each board could function with 13 members, it is reasonable to assume that extremely large board compositions or such single member boards would only limit and compromise the effectiveness of these bodies. Numerous studies show that an effective board size can have a significant impact on the success of the federation.<sup>24</sup> Numerous academic projects and reviews have pointed out that a medium sized board, with 8-13 members, is notably more effective than a very large or very small board, both of which can be detrimental to the overall performance and the effectiveness of working ethics for a not-for profit organization,<sup>25</sup> such as a NSF.

### **3.3. BOARD COMPOSITION**

The professional background, experience, and training of the members of a sports board is one of the most contentious topics when it comes to board composition. The constant struggle between choosing someone with a sporting background who understands the needs of athletes within that sport versus appointing someone who has the professional skills and business acumen to manage an organization, even if such a person does not have a sports related background, is a balancing act that affects all modern-day sports organizations.

<sup>&</sup>lt;sup>24</sup> Lesley Ferkins, David Shilbury & Gael McDonald, *The role of the board in building strategic capability: Towards an integrated model of Sport Governance Research*, 8 SPORT MANAGEMENT REVIEW 195 (2005).

<sup>&</sup>lt;sup>25</sup> N Vaidya, Purushottam, *Board Size and Firm Performance: A Study on BSE 100 Companies*, 6 JOURNAL OF MANAGEMENT 117 (2019).

Occupation	Total Percentage	Number of Members
Academic	2.97%	10
Accountant	0.30%	1
Bureaucrat/Public Administrator	2.67%	9
Business	18.10%	61
Elected Politician	16.62%	56
Engineer	0.89%	3
Journalist	0.30%	1
Lawyer	1.19%	4
Marketing	0.00%	0
Medical Professional	3.26%	11
Military	10.39%	35
Sports/Athlete/Coach	43.32%	146

Table 1: Percentage of each occupation on NSF boards in India

Table 1, above, summarizes the data from the present study regarding the members of the Indian NSFs. While there are a total of 793 members of various federations, information about the occupational background was available only for 373 of these members (42.66% of the total sample). Even for the members whose information was available, there is a significant difference between the number of female board members whose professional profiles are publicly available and the male members whose occupational credentials are publicly recorded.

The table above clearly shows that the category of 'Sports/Athlete/Coach' is the dominant occupational background for most of the board members and holds nearly 43.32% of the share, which is significantly more than the rest of the occupations. It is also very interesting to note that the Code very clearly specifies that each NSF must hold elections as per the procedures laid down and it is compulsory for the NSFs to include sports personnel (25%) with voting rights in the management of each federation.<sup>26</sup> Thus, this statistic read with the Code shows a

<sup>&</sup>lt;sup>26</sup> GOI, *supra* note 5 at 171.

clear policy objective of focusing on boards that have adequate participation from those individuals who have actively been engaged in the sport.

Another large occupational group based on the data is elected politicians at 16.62% of all NSF board members. Apart from politicians, another occupation which symbolizes a strong state presence is the Military officials who occupy a significant proportion of positions in various federations (35 members, comprising 10.39% in total). It is important to note that while 10.39% of all board members are Military Officials, they are not a regular feature of every sporting board. Almost all board members with a defense forces background are engaged in sports where traditionally the armed forces of the country have performed exceptionally well, such as the Equestrian Board and the Yachting Association.<sup>27</sup> Thus, it is highly likely that the presence of a considerable number of board members with an armed forces background might just be representative of their individual involvement in that particular sport and not a representation of the defense forces per se.

The number of elected politicians<sup>28</sup> on NSF boards is unusually high compared to international standards. As discussed in McLeod and Star's "In Pursuit of Good Governance - Analyzing the Main Points of Conflict in India's Draft Sports Code", politicians are extremely omnipresent in Sports. A 2018 report by The Bridge found 47% of the Olympic National Sports Federations in India to have a politician holding the position of President.<sup>29</sup>

Given the well documented history of corruption and nepotism in Indian NSFs, the presence of political leaders in the board structures not only raises concerns about the autonomy of the NSFs and the danger of political influence interfering with the development of an independent structure of sports management,<sup>30</sup> but also raises very serious concerns about the suitability of a number of board members, who have connections with various public figures, including

<sup>&</sup>lt;sup>27</sup> Army sports: India ARMY SPORTS | INDIA, <u>https://www.armysportsinstitute.com/</u> (last visited Jan 31, 2022).

<sup>&</sup>lt;sup>28</sup> Indian Sports Suffers From Corruption And Nepotism, Needs Overarching Regulatory Body: RM Lodha, OUTLOOK INDIA, https://www.outlookindia.com/website/people/rm-lodha/11915 (last visited Jan 31, 2022).

<sup>&</sup>lt;sup>29</sup> The Bridge, 47% Presidents in Indian Sports Federations are Politicians', THE BRIDGE (Mar. 26, 2018, 11:59 AM) https://thebridge.in/law-in-sports/indian-politicians-presidents/.

<sup>&</sup>lt;sup>30</sup> Blanco, *supra* note 3.

numerous members of the Indian Parliament.<sup>31</sup> This is the reason the NCGGS, 2017 recommends banning politicians from serving as board members of NSFs.

All the other skilled occupations are represented in a limited manner in the compositions of the NSF boards. The Accounting, Business and Legal occupations hold 0.3%, 18.1% and 1.19% respectively, making a combined total of merely 19.59% of the NSFs Boards. The statistics appear to indicate a conscious policy-initiated focus on ensuring the appointment and participation of individuals with a background of active participation in sports or government. Moreover, the clear drawback of this lack of professionalization of NSFs is the lost opportunity to create a body with sufficient skill-set diversity and business acumen.

## 4. CONCLUSION

This paper attempts to analyze the governance trends and patterns of functioning that emerge from a detailed study of data on board composition in Indian NSFs. It is interesting to note that a superficial reading of the data in isolation can make the emerging trends look unintentional and haphazard, however if these statistics are read with reference to the socio-cultural realities of the sporting regime in India and the relevant legislative framework one can see a pattern of governance appear, which is often a consequence of the intentional policy decisions undertaken by the relevant authorities.

The NSFs must actively work towards improving the overall diversity of NSF boards, especially when it comes to gender representation, which is inadequate in the present system. The Madras High Court of India recently passed a judgement in *S Nithya v. The Secretary to the Union of India the Ministry of Youth Affairs and Sports*<sup>32</sup> that only sports persons can become office bearers in sports associations.<sup>33</sup> This augments the exact lack of diversity that India witnesses on its current boards. This paper has discussed in depth the significance of a diverse group of people, in gender and occupation, constituting the boards of the NSFs. Indian

<sup>&</sup>lt;sup>31</sup> "Recent research suggests that in India sport governance practices are shaped by cultural norms relating to nepotism and the need to show respect to the leaders of different factions."

<sup>&</sup>lt;sup>32</sup> S Nithya v. The Secretary to the Union of India the Ministry of Youth Affairs and Sports, WP No. 3447 of 2019.

<sup>&</sup>lt;sup>33</sup> Shagun Suryam, *Madras High Court order only sports persons can be office bearers in Sports Associations*, BAR AND BENCH (Jan. 20, 2022, 10:07 AM), https://www.barandbench.com/news/madras-high-court-orders-only-sports-persons-can-be-office-bearers-in-sports-associations-mandates-online-registration-for-sports-meets.

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boards must aim to re-evaluate the structures that they have been following and draw up more practically viable board compositions. More detailed research can also be undertaken if the publicly available information is more comprehensive and updated regularly.

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# AN ANALYSIS OF BOARD SIZE AND COMPOSITION IN NATIONAL SPORT FEDERATIONS IN MALAYSIA

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## **1. INTRODUCTION**

The evolution of sports into a high-valued and extremely competitive industry has necessitated a clearer legal framework.<sup>3</sup> Good sports governance has become a 'pre-condition and pre-requisite' for improving the status and prestige of national sports on a global stage.<sup>4</sup> This is because sports governance largely impacts various stakeholders such as governments, athletes, coaches, fans, teams/clubs and businesses during the formulation and implementation of sports programs and policies.<sup>5</sup>

As noted by Blanco, sports governance can be defined as 'an act of manoeuvring, facilitating, and mobilizing the pool of talents, resources, approaches, and processes in a much broader, fuller, and wider continuum of sports actors, agents, and stakeholders across various sectors of society; and it presupposes the interplay of policy-makers and policy-implementers of the sporting world for determination of the achievement of excellence in sports not just on an individual or local basis but also on a collective and national level'.<sup>6</sup>

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<sup>&</sup>lt;sup>3</sup>Ahmad Faisal Mohamed Fiah & Dzulkarnain Mazlan, Norbaizura Osman, *Issues in Malaysian Sports Management, in* RECENT TRENDS IN SOCIAL AND BEHAVIOUR SCIENCE (Ford Lumban Gaol et.al eds., 1 ed. 2014).

<sup>&</sup>lt;sup>4</sup> Dennis V. Blanco, *Sports Governance: Issues, Challenges and Perspectives*, 17 ASIA- PACIFIC SOCIAL SCIENCE REVIEW 105, (2017); RUSSELL HOYE & GRAHAM CUSKELLY, SPORT GOVERNANCE (1 ed. 2006).

<sup>&</sup>lt;sup>5</sup> Joshua McLeod, Shaun Star & David Shilbury, *Board composition in national sport federations: a cross-country comparative analysis of diversity and board size*, MANAGING SPORT AND LEISURE (2021). DOI: 10.1080/23750472.2021.1970614

<sup>&</sup>lt;sup>6</sup> Blanco, *supra* note 4.

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The aim of this paper is to explore sports governance in Malaysia. Specifically, this article will examine the occupational background of board members of National Sporting Federations (NSFs) along with the issue of gender diversity on boards in the Malaysian sport context. The study of sports governance in Malaysia is particularly interesting, given the unique hosting of the Malaysia Cup in post-separation Singapore.<sup>7</sup> It is indicative of the fact that sports in Malaysia is driven through nation building and has contributed in building a national consciousness.<sup>8</sup> It would also be seen that certain sports legislations are influenced by the perspective of national cohesion in Malaysia. Further, since sports governance literature is largely dominated by a Western context, this paper shall aim to provide a significant contribution towards understanding and improving knowledge of sports governance in more diverse cultural settings.<sup>9</sup>

From a historical perspective, Malaysia has hosted the Commonwealth Games in 1998, and has been the winner of Olympic medals, predominantly in badminton. This was widely perceived as a welcome change to combat the declining state of Malaysian sport. The Malaysian government and the Ministry of Youth and Sport were the flagbearers for establishing an improved sports governance system for the country through the Sports Development Act.<sup>10</sup> However, scholars have criticized 'poor management' in Malaysian sports for a myriad of reasons, including but not limited to: lack of management skills, incompetency of sports administrators, lack of financial aids, lack of unity, lack of clear direction, and corruption arising from the involvement of politicians in sports.<sup>11</sup> Sport management refers to 'both theoretical and practical regulations for effective and efficient management and arrangements of relations for sport institutions and clubs'.<sup>12</sup>

This paper shall aim to explore these issues and suggest possible methods of redressal for improving sports governance in Malaysia, according to established principles of good sport

<sup>&</sup>lt;sup>7</sup> Mark Emmanuel, *The Malaysia Cup: Soccer and the National Imagining in Singapore*, 84 JOURNAL OF MALAYSIAN BRANCH OF THE ROYAL ASIATIC SOCIETY 95 (2011).

<sup>&</sup>lt;sup>8</sup> Id.

<sup>&</sup>lt;sup>9</sup> Ahmad Arif bin Astaman, *Adoption of good governance by national sporting associations: a Malaysian perspective*, 10 BIRKBECK SPORT BUSINESS CENTER (2017).

<sup>&</sup>lt;sup>10</sup> Joe Chin-Hsung Kao, Megat Ahmad Kamaluddin Megat Daud, *Sport Management Movement in Malaysia*, 1 ASIAN SPORT MANAGEMENT REVIEW (2007).

<sup>&</sup>lt;sup>11</sup> Fiah, *supra* note 3.

<sup>&</sup>lt;sup>12</sup> Kao, *supra* note 10.

governance. For context, this paper shall also discuss sport governing bodies and related legislation in Malaysia.

# 2. LITERATURE REVIEW

The researchers have used scholarly material to understand the broad framework of sports governance in Malaysia, which includes issues such as funding and organizational structure. Development planning in Malaysia is done through medium-term plans (each covering five years) and long-term plans (covering ten to twenty years) – and since 1970, the five-year plans were embedded within long-term plans.<sup>13</sup> The Sixth Malaysian Plan (1991-95) was part of a national development blueprint which was formulated for 10 years (1991-2000) for meeting the objectives of sustained growth and balanced development in accordance with the National Development Policy 1991-2000.<sup>14</sup> This Plan was significant in the context of sport policy as it allocated RM 179 million (Malaysian Ringgit currency) of public funding towards 'sports program and social development',<sup>15</sup> resulting in making sports the third-highest program allocation in Malaysia. This plan helped in highlighting the relevance and consequent need for developing a professional sports governance framework in Malaysia.<sup>16</sup> Subsequent plans have sought to build on these policies which aim to develop sport in Malaysia. For instance, the 12<sup>th</sup> Malaysian Plan laid down its intention to leverage sports as a medium for building an active nation, and stated that the National Sports Vision 2030 (VSN 2030) would be introduced to develop Malaysia as a sporting nation. Further, 33 new sports facilities were built and 332 existing facilities underwent renovation to improve the quality of sporting facilities and excellence.<sup>17</sup> The Malaysian Government tabled Budget 2021 which allocated RM55 million

<sup>&</sup>lt;sup>13</sup> Cassey Lee, Lee Chew-Ging, *The Evolution of Development Planning in Malaysia*, 34 JOURNAL OF SOUTHEAST ASIAN ECONOMIES 436 (2017).

<sup>&</sup>lt;sup>14</sup> Id.

<sup>&</sup>lt;sup>15</sup> Fiah, *supra* note 3.

<sup>&</sup>lt;sup>16</sup> *Id*.

<sup>&</sup>lt;sup>17</sup> *Twelfth Malaysia Plan, 2021-2025: A Prosperous, Inclusive, Sustainable Malaysia*, RMK 12 (Jul. 16, 2021), https://pulse.icdm.com.my/wp-content/uploads/2021/09/Twelfth-Plan-Document\_compressed-1.pdf

to continue the existing sports development programmes, namely, hockey, rugby, badminton and cycling in addition to the women's athlete development programme and esports for 2021.<sup>18</sup>

Analysing sports governance invariably entails discussion of sport governing bodies. The Olympic Council of Malaysia (OCM), established and registered in 1953, is the sole sports organization in Malaysia which has been recognized by the International Olympic Committee (IOC) and the International Sport Federations (IFs) for governing athletes participating in the Olympic Games.<sup>19</sup> OCM is also affiliated with the Association of National Olympic Committee (ANOC), the Olympic Council of Asia (OCA), the Southeast Asian Games Federation (SEAGF), the Commonwealth Games Federation (CGF), and the International Assembly of National Confederation of Sports – which entitle it to the exclusive right of entering athletes for participation in the Asian Games, SEA Games and the Commonwealth Games.<sup>20</sup> The members of OCM are the National Sport Associations (NSAs) of Malaysia, and they are recognized by their respective IFs as the sole national governing body for their sport.

Sports governance legislation in Malaysia includes the Sports Development Act (SDA) 1997, the National Sports Policy 2009, and the Code of Good Governance for Societies 2016. The SDA was responsible for setting up the regulatory environment for sport organizations and their governing bodies, and it transferred the function of registration of sports bodies to the Office of the Sports Commissioner (OSC). The SDA also gave significant powers to the government regarding the recognition, registration and suspension of NSAs, along with the power of ministerial intervention for dispute resolution and regulation propagation regarding the duties, powers and functions of sports bodies.<sup>21</sup> The National Sports Policy 2009 listed 'professional governance practices' as a policy objective. The aim of the National Sports Policy was to develop a healthy and active society through sports and recreational activities, and it was essentially formulated to fulfil the political objective of 'nation-building' through the promotion of national unity.<sup>22</sup> Both mass sports and high performance sports were to be carried

<sup>&</sup>lt;sup>18</sup> 'Youth and sports minister says Budget 2021 an effort to develop high performance sports in Malaysia', MALAY MAIL (Nov., 07 2020), <u>https://www.malaymail.com/news/malaysia/2020/11/07/youth-and-sports-minister-says-budget-2021-an-effort-to-develop-high-perfor/1920315</u>.

<sup>&</sup>lt;sup>19</sup> Olympic Council of Malaysia, *Objectives*, OLYMPIC COUNCIL OF MALAYSIA, <u>https://olympic.org.my/objectives/</u> (last visited Feb. 09, 2022).

<sup>&</sup>lt;sup>20</sup> Id.

<sup>&</sup>lt;sup>21</sup> Astaman, *supra* note 9.

<sup>&</sup>lt;sup>22</sup> Mohammed Mustafa Ishak, *Sports and Nation Building in Malaysia: A Socio-Political Perspective, in* CULTURAL ISSUES IN SOCIAL DEVELOPMENT 37-56 (2005).

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out simultaneously, differing only in the emphasis and scale. It is important to keep in mind that Malaysia has historically suffered from a turbulent history of racism. Hence, national cohesion through sport was viewed as a viable way to encourage social change.<sup>23</sup>

Scholars have observed that the SDA and the National Sports Council Act 1971 (NSCA) have led to external influence over the management of Malaysian NSAs, as it allows the National Sports Council (NSC) to engage/assist in the development of sports through international cooperation.<sup>24</sup> The National Sports Institute Act 2011 (NSIA) provides for 'foundation talent identification programs', which essentially means that any collaboration with the National Sports Institute can hamper the autonomy of NSAs because they do not have their own talent identification program.<sup>25</sup>

From a business standpoint, the Malaysian sports industry is a young industry consisting of small and medium sized businesses involved in the manufacture of sporting goods, construction of sporting facilities, sports tourism, and media.<sup>26</sup> With the rapid advent of globalization resulting in international diffusion of sports, the Malaysian sports industry can carve a niche for itself by establishing a Sports Industry Research Centre and Statistical Group to ensure that it keeps adapting to the ever-changing sporting industry.<sup>27</sup>

Malaysia has witnessed conflict amongst its sports associations; e.g. the Malaysian Sports Commissioner's office faced a conflict with various sports associations such as the Malaysian Tae Kwan Do Association and the Malaysian Golf Association.<sup>28</sup> Such conflict arises for a multitude of reasons: centralization of power, extreme formalization, organizational differentiation, reliance on common resources and status differences between departments.<sup>29</sup> The Ministry of Youth and Sport, the National Sports Council (NSC), and the Malaysian Olympic Council (MOC) are the apex sports bodies in Malaysia, and hold all the authority in

<sup>25</sup> Id.

<sup>27</sup> Id.

<sup>29</sup> Id.

<sup>&</sup>lt;sup>23</sup> John O'Leary, Teng Guan Khoo, *Changing the world: sport, racism and law in South Africa and Malaysia*, 13 INTERNATIONAL SPORTS LAW JOURNAL 45 (2013).

<sup>&</sup>lt;sup>24</sup> Astaman, *supra* note 9.

<sup>&</sup>lt;sup>26</sup> Aminuddin Yusof, Parilah Mohd Shah, *Globalization and the Malaysian Sports Industry*, 8 RESEARCH JOURNAL OF INTERNATIONAL STUDIES 112 (2008).

<sup>&</sup>lt;sup>28</sup> Aminuddin Yusof, Mohd Sofian Omar-Fauzee, Muhamad Nazrul Hakim Abdullah, Parilah Mohd Shah, *Managing Conflict in Malaysian Sports Organizations*, 4 INTERNATIONAL BULLETIN OF BUSINESS ADMINISTRATION 1451 (2009).

a centralized manner. This has the potential for causing dissatisfaction when decisions regarding promotions, wage increases, bonuses, and performance appraisals are made because the subordinates presume abuse of power due to the centralized structure. The reason for this conflict stems from the fact that subordinates have very low decision-making autonomy, and the Ministry of Youth and Sport, NSC and MOC hold the decision making power for conducting appraisals and deciding the salaries of their subordinates in Malaysian sports organizations.

Sometimes, the scope for conflict occurs because Malaysian sports organizations follow the form of functional departmentalization for the division of labour. There are procedural difference between different units/sports; and this often results in a negative comparison between units, especially because all the different departments depend upon common and scarce resources for their functioning. An example of this is the competition between National Sports Council and the National Institute of Sports for common resources and budgetary allocation.<sup>30</sup> To combat these issues, the structure of the organization can be modified to include fewer departments and reduce interdependency among departments – this would also facilitate less competition for common resources. Other solutions include implementation of a decentralized structure and usage of collaborative strategies to increase flexibility and reduce the probability of intra-departmental clashes.<sup>31</sup>

#### 3. RESEARCH METHODOLOGY

The researchers compiled descriptive statistics in the form of bar diagrams to analyse the occupational backgrounds and gender diversity within the boards of NSFs in Malaysia. The research methodology employed for the same involved an analysis of web based secondary data through a positivist descriptive approach. To determine the occupational background of the board members, the researchers relied on Google, LinkedIn, and old sporting records due to the limitation of a proper database on the NSF/NSA members. The researchers then prepared a compilation of the data on Excel, which was consequently collated into Table 1 and Table 2 below. This data has been utilized to derive an analysis of occupational background in

<sup>&</sup>lt;sup>30</sup> Id.

<sup>&</sup>lt;sup>31</sup> Id.

Malaysian sports governance, and gender inequality in sports leadership positions in Malaysia. Both of these factors are theorised to impact board performance.<sup>32</sup>

The researchers have also relied on scholarly articles to substantiate their findings, and have attempted to use an analytical approach for examining the impact of their findings on sports governance in Malaysia.

# 4. GENDER DIVERSITY

Table 1 below is illustrative of the gender representation of the Board of NSAs in Malaysia. Female members comprise of 16.16% of the board composition, while male members account for 83.84% of the board composition. Thus, it is statistically evident that there is a lot of scope for increasing the number of female board members to ensure greater equality and gender diversity. Moreover, scholars have observed that some NSAs do not have any female committee members (e.g., tennis, squash, floorball, kabaddi, polo, rowing, silambam, snooker, and billiards) whereas archery, cycling, football, rugby and silat are a few sports associations who have women on their committee.<sup>33</sup>

Gender	Percentage of Board Members
Female	16.16%
Male	83.84%
Total	100%

Table 1: Gender diversity on boards in Malaysia

Research within this domain has revealed that even though the number of opportunities for women to play sports has increased, the number of women in sport leadership positions has

<sup>&</sup>lt;sup>32</sup> McLeod, *supra* note 5.

<sup>&</sup>lt;sup>33</sup> Selina Khoo and Nor Eeza Zainal Abidin, *Sport in Malaysia: towards gender equality*, <u>https://ebrary.net/151539/health/sport\_malaysia\_towards\_gender\_equality</u> (last visited Feb. 09, 2022).

remained low (and the present study corroborates this assertion). Since sports have been traditionally a male-dominated field, stereotypical attitudes towards women are assumed to be a major reason for the lack of women in leadership positions.<sup>34</sup> There remains a dearth of research on this topic in non-Western sport contexts, which is why the lived experiences of women leaders in national sports organizations becomes particularly noteworthy.<sup>35</sup> Personal limitations, socio-cultural factors, traditional practices (e.g. societal perception), and organizational factors (e.g. all men's network, gender discrimination) further worsen the situation for women aiming to occupy leadership positions as board members.<sup>36</sup>

According to interviews of women board members conducted by researchers from University Putra Malaysia (UPM) and Mindanao State University, some women themselves turned down roles in higher sports leadership positions because of fear of being discriminated against, even though they were fully qualified. Other self-limiting factors such as lack of self-confidence posed another challenge; overall, this can be classified as a chain effect of Malaysia's traditional social arrangement, wherein positions of authority were inherently occupied by male leaders and it was not considered acceptable for women to have leadership roles.<sup>37</sup> There have also been instances of women hesitating to stand for elections in their sports organizations because of internal politics and organizational groupings in favour of men. All of this compounds into an exacerbation of the situation because the all-men's network within sports organizations leads to male leaders promoting more men into top positions during the selection process. Women need to be acknowledged as indispensable human capital in building effective sports governance.

The Ministry of Youth and Sport has launched several programmes such as FITMalaysia, National Sports Day, and Sport for All League in the interest of promoting an inclusive, sportfriendly culture in Malaysia. Women's Sports Day and Women in Sport Convention were held at the Kuala Lumpur Sports City on National Sports Day in 2019; and the Ministry of Housing and Local Government announced plans for developing the first women-friendly sports

<sup>&</sup>lt;sup>34</sup> Mirian P. Aman, Suharyanti Hanapi, Aminuddin Yusof, Abu Bakar Razali, & Roxana Dev Omar Dev, *Women in Sport Leadership Positions in Malaysia: Issues and Challenges*, 9 INTERNATIONAL JOURNAL OF ACADEMIC RESEARCH IN BUSINESS AND SOCIAL SCIENCES 1506 (2019).

<sup>&</sup>lt;sup>35</sup> Id.

<sup>&</sup>lt;sup>36</sup> Mirian P. Aman, Aminuddin Yusof, Abu Bakar Razali & Roxana Dev Omar Dev, *Perceived Incongruity of Gender and Leadership Roles: Experiences of Top Women Leaders in Malaysian Sports Associations*, 9 INTERNATIONAL JOURNAL OF ACADEMIC RESEARCH IN BUSINESS AND SOCIAL SCIENCES 1429 (2019).

<sup>&</sup>lt;sup>37</sup> Aman, *supra* note 34.

complex with amenities for a children's nursery, spa, and beauty salon.<sup>38</sup> Such activities are a welcome move towards making Malaysian sports a more gender-inclusive environment.

# 5. OCCUPATIONAL BACKGROUND AND ITS IMPACT ON MALAYSIAN SPORTS GOVERNANCE

Table 2 below illustrates the percentage of Board Members belonging to a particular occupational background. In Malaysia, 3.68% of Board Members hail from an Academic background, 0.61% are Accountants, 1.23% are Bureaucrats/Public Administration, 22.70% are from Business Operations and Administration, 0.61% are Engineers, 5.52% are Lawyers, 1.23% are from the Military, and 56.44% are Sports/Athletes/Coaches. It is worth noting that the number of board members from journalism, marketing, and medical profession are 0.00%. Elected politicians comprise of 7.98% of the Board – indicative of a heavy political influence over sports governance.

<sup>&</sup>lt;sup>38</sup> Khoo, *supra* note 33.

<b>Occupational Background</b>	<b>Representation on NSF Board</b>
Academic	3.68%
Accountant	0.61%
Bureaucrat/Public Administration	1.23%
Business Operations and Administration	22.70%
Elected Politician	7.98%
Engineer	0.61%
Journalist	0%
Lawyer	5.52%
Marketing	0%
Medical Professional	0%
Military	1.23%
Sports/Athlete/Coach	56.44%
Total	100%

Table 2: Percentage of each occupation on NSF boards in Malaysia

The board members belonging to a political background also include Members of Parliament or state representatives – while some of them are indeed capable of governing a particular sport, many of them are reported to be involved in sports governance merely to use it as a stepping stone for getting promoted to higher positions of power in the government.<sup>39</sup> This adversely affects the efficacy of sports governance in Malaysia, because a number of NSA board members have other vested interests for getting involved in sports governance, and do not possess requisite experience and/or sport-specific knowledge. It arguably aggravates the problem of poor sports management and leads to incompetency in sports administration.

The involvement of government and politics is linked to the funding landscape. Many sports organizations in Malaysia are highly dependent upon governmental financial aid, and in return they have to abide by certain conditions and regulations imposed by the government. Badminton and squash generally garner large amount of financial aids from sponsors due to the media coverage, international interest, and stellar athletic performances; however, other sports such as football are falling behind when it comes to funding, due to restrictive policies

<sup>&</sup>lt;sup>39</sup> Fiah, *supra* note 3.

and poor gate collection in local leagues.<sup>40</sup> This situation is expected to improve because all football clubs competing in the professional clubs have undergone privatisation in 2020.<sup>41</sup> Corruption and abuse of power, such as match-fixing in football, also pose a challenge to the integrity of Malaysian sports governance. However, it may be argued that sports corruption has been mitigated in Malaysia due to certain measures such as: the Malaysian Anti-Corruption Commission (MACC), which along with sport-governing bodies (such as the Football Association of Malaysia), has the power to implement measures for tackling it; and the Corruption-Free Pledge Programme undertaken by the Malaysian Sports Commissioner's Office which aims to ensure that NSAs do not suffer from corruption.<sup>42</sup>

# 6. GOOD GOVERNANCE IN SPORT REQUIREMENTS FROM A MALAYSIAN PERSPECTIVE

When it comes to defining good sports governance, instead of a perfect organizational structure, there is a requirement for designing a governance structure 'capable of being proactive to determine mission, strategy, and policy and be responsive to the internal and external environment, as well as the needs of members'.<sup>43</sup> As noted by Sawyer, Bodey, and Judge, good governance has eight characteristics: participatory, responsive, equitable, inclusive, consensus oriented, transparent, accountable, effective, efficient and lawful.<sup>44</sup> It can also be upheld by implementing the following nine principles: (1) the role of the governing body, (2) structure, responsibilities and accountability, (3) membership and size of the governing body, (4) democracy, elections and appointments, (5) transparency and

<sup>&</sup>lt;sup>40</sup> Id.

<sup>&</sup>lt;sup>41</sup> Zulhilmi Zainal, *All Malaysian league clubs complete initial privatisation process, seven receive conditional licence*, GOAL (Oct. 06, 2020, 11:03 AM), <u>https://www.goal.com/en-my/news/all-malaysian-league-clubs-</u> complete-initial-privatisation/cwe9n47ji05q1d6rmdra4zhyj.

<sup>&</sup>lt;sup>42</sup> Bernama, *Corruption in Malaysian sports still under control*, NEWS STRAITS TIMES (Feb. 01, 2021, 05:32 AM), <u>https://www.nst.com.my/sports/others/2021/02/662009/corruption-malaysian-sports-still-under-control</u>.

<sup>&</sup>lt;sup>43</sup> Thomas H. Sawyer, Lawrence W. Judge & Tonya L. Sawyer, *Sport Governance in North America*, SAGAMORE, https://www.sagamorepub.com/sites/default/files/2018-07/Sportgov-look-inside-OPT.pdf (last visited Feb. 09, 2022).

<sup>&</sup>lt;sup>44</sup> Thomas H. Sawyer, Kimberly J. Bodey & Lawrence W. Judge, *Sport Governance and Policy Development-An Ethical Approach to Managing Sport in the 21<sup>st</sup> Century*, SAGAMORE PUBLISHING, L.L.C., <u>https://www.sagamorepub.com/sites/default/files/2018-07/pages-sportgovernance.pdf</u> (last visited Dec 17, 2021).

communication, (6) decisions and appeals, (7) conflicts of interest, (8) solidarity, and (9) recognition of other interests.<sup>45</sup>

Improving sports governance goes hand-in-hand with improving sports management. By building a theoretical foundation of sports governance knowledge, and ensuring that it is accepted by the community as an essential element of development, it can be ensured that good governance norms are fulfilled. The establishment of the Malaysian Association for Sports Management (MASMA) in 2006 was a positive step in that direction as it prioritized higher education in the field of sport.<sup>46</sup>

Here, it would be apt to make a reference to the Malaysian Football Association (FAM), which is the governing body for football and futsal in Malaysia. Previously, scholars have argued that the privatisation of Malaysian professional football league sports through application of the media-league model and the limited liability partnership (LLP) model would lead to independent profit making and better sports governance.<sup>47</sup> Since the media league model is essentially media ownership of professional sports leagues, it would help in reducing legal challenges pertaining to broadcasting, transmission, and anti-trust regulations; and would serve as an economically efficient model. Such discussions are useful because they enable innovative and unique improvements to existing models of sports governance. In fact, such discussions have already led to significant change in the business models of certain sports – one notable example being the Malaysia Super-League (M-League), which is the professional football league in Malaysia. The Football League/M-League in Malaysia has been privatized and the impact of the same has been felt in terms of increased sponsors and increased commercial value for competitions under the league.<sup>48</sup> Moreover, the privatisation process has resulted in the Football Association (FA) developing into a Football Club (FC) instead, which is expected to compete in the 2021 Super League and Premier League – thus impacting the sports governance model.<sup>49</sup> Bidding processes have been carried out to determine the main sponsor, commercial

<sup>&</sup>lt;sup>45</sup> Eddie T. C. Lam, *The Roles of Governance in Sport Organizations*, 2 JOURNAL OF POWER, POLITICS & GOVERNANCE 19 (2014).

<sup>&</sup>lt;sup>46</sup> Fiah, *supra* note 3.

<sup>&</sup>lt;sup>47</sup> Zaidi bin Hassim, Wan Syazana Akmal Wan Roslan, *Privatisation of Sports Leagues in Malaysia: Governance Structure and Stakeholders Right*, 4 KUALA LUMPUR INTERNATIONAL BUSINESS, ECONOMICS AND LAW CONFERENCE 124 (2015).

<sup>&</sup>lt;sup>48</sup> Bernama, *Privatisation process: 21 football teams now FCs - Reezal Merican*, ASTRO AWANI (Nov. 11, 2020, 16:02 AM), <u>https://www.astroawani.com/berita-malaysia/privatisation-process-21-football-teams-now-fcs-reezal-merican-267943</u>.

<sup>&</sup>lt;sup>49</sup> Id.

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partner, and broadcasting partner for the M-League.<sup>50</sup> However, the purported improvements of the governance model under the newly privatized league should not necessarily be taken at face value. Indeed, several commentators are of the view that the privatization of the football league is a façade, wherein the changes can only be seen on paper, rather than in practice.<sup>51</sup> A major reason for this belief is that the Malaysian football league still significantly relies on government funds, and the state football associations continue to rely on financial support from state governments.<sup>52</sup> Another reason for the concern pertaining to the authenticity of the privatization process stems from the fact that the president of the Football Association of Malaysia (FAM) – Mr. Datuk Hamidin Mohd Amin – was also elected as president for the Malaysian Football League (MFL).<sup>53</sup> He replaced Chairman Tunku Ismail Ibni Sultan Ibrahim, who had also been involved in both FAM and MFL.<sup>54</sup> It could be argued that the sharing the FAM and MFL sharing the same president is a conflict of interest, and not in the best interest of good governance. Thus, despite efforts to privatize some sports in Malaysia, there is still scope for improvement from a good governance perspective.

# 7. CONCLUSION

The findings presented in this paper enhance our understanding of sports governance in Malaysia. The paper has elucidated existing flaws within the Malaysian sports governance system, along with the possible reasons for their occurrence. Sports governance in Malaysia has the potential of benefiting greatly from the solutions proposed within the paper.

The foremost areas for improvement lie in the excessive politicization of Malaysian National Sports Associations, along with gender inequality. Sincere efforts need to be made for tackling the underrepresentation of women in NSAs – elimination of the pipeline problem would be the best way to go about this. The pipeline theory posits that due to fewer women at the lower

<sup>&</sup>lt;sup>50</sup> Id.

<sup>&</sup>lt;sup>51</sup> Farah Azharie, *TMJ speaks out against privatisation of M-League clubs*, NEW STRAITS TIMES, (Nov. 4, 2020, 5:30 AM), <u>https://www.nst.com.my/sports/football/2020/11/637852/tmj-speaks-out-against-privatisation-m-league-clubs</u>.

<sup>&</sup>lt;sup>52</sup> Id.

<sup>&</sup>lt;sup>53</sup> Donning two hats – FAM president Hamidin will lead MFL, THE STAR, (Sept. 15, 2019), https://www.thestar.com.my/sport/football/2019/09/15/donning-two-hats--fam-president-hamidin-will-lead-mfl.

<sup>&</sup>lt;sup>54</sup> Id.

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level, very few are able to reach the top level of leadership.<sup>55</sup> Hence, mentoring and social networking amongst women at the lower levels ought to facilitate the training of young women leaders through role models; and brighten the outlook for gender equality. Secondly, the relatively high number of powerful board members from a politically-oriented background is arguably a factor leading to inefficiency in sports governance. Strategically changing this situation would arguably result in better funding and future growth of Malaysian sport.<sup>56</sup>

The paper has also reviewed the various governing bodies and sport legislations in Malaysia. Lastly, the paper makes a reference to alternative models of sports governance, and explores the possibility of the media-league model and the limited liability partnership model. It is hoped that the paper proves to be a valuable contribution to sports governance literature.

<sup>&</sup>lt;sup>55</sup> Mirian P. Aman, Aminuddin Bin Yusof, Maimunah bt Ismail, and Abu Bakar Bin Mohamed Razali, *Pipeline Problem: Factors influencing the Underrepresentation of Women in the Top Leadership Positions of Sport Organisations*, 7 MALAYSIAN JOURNAL OF MOVEMENT, HEALTH & EXERCISE 151 (2018).

<sup>&</sup>lt;sup>56</sup> Chee Ee Laine, *The Growth and Sustainability of Small Sports Organizations: An Analysis of Malaysia Ice Hockey Federation*, CREATIVE COMMONS (2015).

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# ANALYZING MANAGEMENT BACKGROUND AND BOARD COMPOSITION IN RUSSIAN OLYMPIC SPORT FEDERATIONS' GOVERNING BOARDS

Sergei Altukhov,<sup>1</sup> Tamara Dolmatova,<sup>2</sup> Peter Smolianov<sup>3</sup>

# **1. INTRODUCTION**

Dramatic changes to the Russian political system and national administrative regulations following the collapse of the USSR in 1991 has had significant implications for the sport governance in the country. These national developments have coincided with sport becoming one of the most popular, politicized, and globalized socio-economic activities in the world. The transition to new forms of sport governance in Russia has been rather chaotic. The supreme executive body in Russian sport (committee, ministry, agency) has changed its name, form, and head 16 times between 1991 and 2012.<sup>4</sup>

In the Soviet system, sport federations were structural subdivisions of the USSR State Committee for Physical Culture and Sports. Now, sport federations in Russia have become public organizations and have acquired legal and financial independence.<sup>5</sup> In addition, all Russian national sport federations were recognized as part of international and regional sport federations and associations. Development of organizational structures have been driven by the type of sport, its popularity, commercial attractiveness, and the standards of international federations.<sup>6</sup>

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<sup>&</sup>lt;sup>4</sup> A.P Dushanin, *About System of Sport Governance in Russian Federation*, PRESENTATION AT THE MINISTRY OF THE PUBLIC COUNCIL OF THE SPORT MINISTRY OF RUSSIAN FEDERATION (2019).

<sup>&</sup>lt;sup>5</sup> Victor Timchenko, Kseniia Kaisheva & Vladimir Timchenko, *The Russian sport industry, in* SPORT BUSINESS IN LEADING ECONOMIES 239–276 (James Jianhui Zhang, Roger Haiyan Huang, & John Nauright eds., 2017).

<sup>&</sup>lt;sup>6</sup> V.V. GALKIN, ECONOMY AND GOVERNANCE IN PHYSICAL CULTURE AND SPORT (2006).

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The monopoly status of national sport federations (NSFs) and their influence in the sporting community has had a significant impact on the growing interest of government officials, businesspeople, and public figures in the activities of sport federations. These organizations became holders of exclusive rights in all sports - organizing championships and competitions in Russia, forming the composition of national teams to participate in international competitions, commercial rights, television rights, and the right to bid for mega-events. Consequently, new governance and managerial relations between sport entities and stakeholders have emerged, as well as new forms of laws and regulations for the country's increasingly capitalistic sport industry.<sup>7</sup>

The purpose of the study is to identify the patterns and factors of success in NSFs by studying the governance structure and board composition of summer Olympic sports federations in Russia. Further, this study investigates the relationship between board composition and NSF success, measured in terms of medal success. This study is part of a broader research project examining board composition in NSFs around the world.<sup>8</sup>

The relevance of this study is reinforced by the drug crisis which occurred in Russian sport in 2015 and its consequences. High-profile stories and scandals in which Russian athletes and officials have been involved and accused started after Sochi winter Olympics in 2014. Mutual accusations and misunderstandings have resulted in Russian national teams and officials being disqualified from participating in international sporting events until December 16, 2022 by a decision of the Court of Arbitration for Sport in Lausanne. <sup>9</sup> These facts indicate the misfunction of the existing model of sport management in Russia, the decentralization of sports policy provisions and public administration, and the lack of balance between the interests of state, business, and society in Russian sport.

<sup>&</sup>lt;sup>7</sup> Vassil Girginov, Peter Smolianov & Tamara Dolmatova, *Multi-Level Leadership in Russian Elite Sport, in* EMBEDDED MULTI-LEVEL LEADERSHIP IN ELITE SPORT 63–80 (Svein S. Andersen, Per Øystein Hansen, & Barrie Houlihan eds., 1 ed. 2021).

<sup>&</sup>lt;sup>8</sup> Joshua McLeod, Shaun Star & David Shilbury, *Board composition in national sport federations: a cross-country comparative analysis of diversity and board size*, MANAGING SPORT AND LEISURE (2021). DOI: 10.1080/23750472.2021.1970614

<sup>&</sup>lt;sup>9</sup> Coralie Febvre, *Russia banned for two years in Landmark CAS Ruling*, THE MOSCOW TIMES (Dec. 17, 2020), https://www.themoscowtimes.com/2020/12/17/russia-banned-for-two-years-in-landmark-cas-ruling-a72399

# 2. GOVERNANCE ISSUES IN RUSSIAN SPORT

The emergence of countries with planned economies has further reinforced the importance of the state for sport governing bodies. Elite sport has become a measure of international prestige.<sup>10</sup> The mission of the state in Russian physical culture and sport is presented in the "Strategy of developing physical culture and sport in the Russian Federation until 2030".<sup>11</sup> The formation of a capable and sustainable system and effective regulations have become the main directions of state policy.

The key focus in analyzing sport governance and managerial relations is the cooperation between sport federations or confederations and state bodies in the country.<sup>12</sup> The governance structure of sport in Russia has a pronounced bureaucratic nature, according to Jean Camy's VOCASPORT classification.<sup>13</sup> The Sport Ministry of Russia is the top executive sport body. The main regulator of relationships of entities in Russian sport is the Federal Law "On Physical Culture and Sport in the Russian Federation".<sup>14</sup> According to the law, the status of a NSF must be accredited by the Sport Ministry every four years.

Public sport organizations registered in Russia as of September 2021 included:

- 107 national federations servicing 110 different sports;
- 30 national federations which have not received their status yet;
- 5,531 regional federations in 141 sports.<sup>15</sup>

One of the most important and challenging tasks for NSFs in Russia is the development of a strategic plan. Key Performance Indicators (KPIs) requirements are based on the goals and

<sup>&</sup>lt;sup>10</sup> Jonathan Grix & Fiona Carmichael, *Why do governments invest in Elite Sport? A polemic*, 4 INTERNATIONAL JOURNAL OF SPORT POLICY AND POLITICS 73 (2011).

<sup>&</sup>lt;sup>11</sup> State Government of the Russian Federation, *Strategy on Development of Physical Culture and Sport in the Russian Federation for the period up to 2030* (Sept. 24, 2020), http://static.government.ru/media/files/Rr4JTrKDQ5nANTR1Oj29BM7zJBHXM05d.pdf.

<sup>&</sup>lt;sup>12</sup> JEROEN SCHEERDER, ANNICK WILLEM & ELIEN CLAES, SPORT POLICY SYSTEMS AND SPORT FEDERATIONS: A CROSS-NATIONAL PERSPECTIVE (2017).

<sup>&</sup>lt;sup>13</sup> VOCASPORT Research Group, *Improving employment in the field of sport in Europe through vocational training* (2004), <u>http://kirolan.org/El%20sector%20del%20empleo%20deportivo/0.1.1%20lotvocasport\_en.pdf</u>.

<sup>&</sup>lt;sup>14</sup> Kremlin, *Federal Law on Physical Culture and Sport in the Russian Federation*, PRESIDENT OF RUSSIA (2007), <u>http://www.kremlin.ru/acts/bank/26631</u> (last visited Feb 4, 2022).

<sup>&</sup>lt;sup>15</sup> Sport Ministry, MINISTRY OF SPORT OF THE RUSSIAN FEDERATION, <u>http://www.minsport.gov.ru/en/</u> (last visited Feb 4, 2022).

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objectives of strategic plans developed by federations for four-year Olympic cycles. When preparing the plans, prospects of sport development in Russia are analyzed, and tasks, activities and targets are defined. The annual KPI analysis is aimed at assessing the dynamics of sport development and the justification of the allocation of state subsidies for each NSF. In many cases, however, the plans are declarative in nature: responsibilities, achievement of target indicators and funding are not clearly established and often are duplicated by state or regional sports governing bodies.<sup>16</sup> An important part of the sport development plans is a targeted complex program which defines NSFs purposes, tasks, measures and targets for preparation and performance of the Russian Olympic team.

Sport federations experience difficulties in the new conditions, particularly lack of financial and human resources. The company "Financial and Accounting Consultants" conducted a survey among the heads of the NSFs in 2020<sup>17</sup> and 57% of federations indicated the need for qualified personnel in:

- a) planning and implementation of training programs for the Olympic Games;
- b) organization of competitions;
- c) legal support;
- d) financial and economic planning;
- e) information technologies;
- f) marketing;
- g) personnel assessment and training.

Furthermore, 62% of surveyed federations indicated they need staff with experience in international activities and 67% - with anti-doping activities.

# **3.** Methodology

This study combined the analyses of empirical observations, official and research reports, as well as databases. The texts of legal and regulatory documents and reports of the Russian

<sup>&</sup>lt;sup>16</sup> Tamara Dolmatova, Sergey Altukhov & Peter Smolianov, *Staff members matter the most? Evaluation of governing board composition of the Russian national sport federations as a tool for good governance, SPORTS SCIENCE BULLETIN 1 (2022).* 

<sup>&</sup>lt;sup>17</sup> Ministry of Sport of Russia, *Tools for Assessing the Performance of Sports Federations* (2021), <u>https://minsport.gov.ru/2021/doc.pdf</u> (last visited Feb. 07, 2022)

federal government, of sport organizations, and research publications were used to develop criteria for evaluating the effectiveness of sport federations based on their quantitative board composition assessment.

### 4. RESULTS AND DISCUSSION

#### 4.1. QUANTITATIVE COMPOSITION OF GOVERNING BODIES

The analysis of the quantitative composition of board members showed that the represented federations could be divided into three groups with the number varying from 2 to 33 members. The first group consisted of organizations with a number of governing body members of 10 or less, the second group consisted of organizations with a number of governing body members from 11 to 24, and the third group, where were more than 25 members of governing body. The overwhelming majority of sports federations belonged to the second category, with board members from 11 to 24, which made up 69% of the total number.

The first group of federations with the least membership (less than 10 members) included 9 sport federations of boxing (10 members), fencing (10), athletics (8), rowing slalom (8), volleyball (8), softball (8), triathlon (7), skateboarding (5), and surfing (2 members), which was 21% of the total, and the federations with the largest number of members included 4 sport federations for tennis (33 members), football (30), wrestling (27), and artistic gymnastics (25 members), which was 10% of the total.

#### 4.2. GENDER DIVERSITY

All of the 39 organizations represented could be divided into five groups:

- (1) federations with more than 50% women on their boards;
- (2) federations with 25 to 49% of women on their boards;
- (3) federations with 10 to 24% of women on their boards;
- (4) federations with less than 10% women on their boards;
- (5) and federations with no women on their boards.

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The federations with the highest proportion of women on the boards governed the two traditional women's sports of synchronized swimming (84.2%) and artistic gymnastics (80%) as well as surfing (50%), which made up 7.7% of the total number of federations under consideration. The second group of federations in which the percentage of women on the boards ranged from 25 to 49%, included 10 sports of softball (25.0%), basketball (28.6%t), equestrian (29.4%) shooting (31.3%), diving (35.3%), athletics (37.5%), rowing slalom (37.5%), trampolining (40.9%), triathlon (42.9%) and climbing (44.4%), represented about 25.6% of the total.

The third and largest group included 12 federations for the sports of badminton (21.1%), skateboarding (20.0%), tennis (18.2%), archery (17.6%), rowing (16, 7%), water polo (16.7%), baseball (15.0%), canoeing and kayaking (14.3%), handball (12.5%), fencing (10.0%), boxing (10.0%), and football (10.0%), representing 30.8% of the total.

Another 9 NSFs of swimming (9.5%), table tennis (7.7%), golf (7.1%), modern pentathlon (7.1%), field hockey (6.3%), sailing (6.3%), taekwondo (5.9%), cycling (5.0%) and wrestling (3.7%) were in group 4, with less than 10% women on their boards, which was 23.1% of the total. The federations without women on their boards governed judo, karate, volleyball, weightlifting and rugby, representing 12.8% of the total.

In the overwhelming majority of Russian NSFs (79.54%) the share of women in the governing boards was from 10 to 50% of the total number of members, and in another 7.70% of federations the share of women was over 50%. The cumulative figure for the number of women on the boards of all Russian federations in summer Olympic sports was 20.21% which does not meet global criteria for the proportion of women in the governing bodies of sports federations to be no less than 30%. Only a quarter of the represented sport federations met this 30% benchmark. Thus, the majority of Russian federations still are to catch up with the global trend of increasing the share of women on governing boards to ensure gender diversity.

#### 4.3. PROFESSIONAL EXPERIENCE OF BOARD MEMBERS

Board members with sport-specific professional experience such as athletes, coaches were present in the majority (62.03%) of respondents, while 450 of the 640 or 70.3% of members had some sporting experience including recreational participation. A large proportion of board members had experience as public or government servants (19.22%), followed by the categories of businesspersons (6.72%), elected political officials (1.25%), lawyers (1.25%),

military officers (1.09%), medical professionals (0.78%), marketers (0.78%), engineers (0.63%), academicians (0.63%) and journalists (0.47%).

Examples of NSFs in which more than two thirds of the board members had experience in sporting activities were the national federations of athletics (75%), diving (88.24%), fencing (90%), rock climbing (94.44%). At the same time, in baseball and basketball federations 100% of the board executives had experience in professional sports activities.

### 4.4. DISCUSSIONS

It is interesting to compare the characteristics of NSF board composition with their performance, particularly the results of the 2020 summer Olympics in Tokyo. The correlation between the quantitative composition of the board and results of athletes' performances (the number of gold medals and total score of Russian athletes) revealed that medals were won by the athletes of federations from all three size groups: with the least, average and the greatest number of board members.

The greatest number of gold medals (4) was received in wrestling (27 board members, Group 3), followed with 3 gold medals in fencing (10 board members, Group 2).<sup>18</sup> Two medals each were won by athletes in synchronized swimming (5 board members, Group 1), artistic gymnastics (35 board members, Group 3), shooting (16 board members, Group 2), swimming (21 board members, Group 2) and taekwondo (16 board members, Group 2). Russian athletes took one gold each in athletics (8 board members, Group 1), boxing (13 board members, Group 2) and tennis (33 board members, Group 3).<sup>19</sup>

This pattern is similar for the total medal ranking. The greatest number of medals in Tokyo Olympics was won by athletes of federations whose boards consisted of both more than 25 and less than 10 members. For example, a total of 10 medals of various merits were won in artistic gymnastics (35 board members, Group 3), 8 medals in wrestling (27 board members, Group 3), 8 medals in shooting (16 board members, Group 2) and 8 medals in fencing (10 board members, Group 1). Thus, the analysis showed that such a criterion as the NSFs number of

<sup>&</sup>lt;sup>18</sup> International Olympic Committee, *Tokyo 2020 Wrestling Results*, IOC (2021), <u>https://olympics.com/en/olympic-games/tokyo-2020/results/wrestling</u> (last visited Nov 28, 2021).

<sup>&</sup>lt;sup>19</sup> International Olympic Committee, *Tokyo 2020 Results*, IOC (2021), <u>https://olympics.com/en/olympic-games/tokyo-2020/results</u> (last visited Feb 07, 2022).

board members does not affect the efficiency of sports federations on such a criterion as the number of Olympic medals won.

The results of national teams seem to be influenced more by the experience of professional activities and coherence of the work of the governing boards than by their quantitative composition. The best results, measured by the number of gold medals at the 2020 Summer Olympics in Tokyo, were shown by athletes of federations where the greatest proportion of the board consisted of former highly qualified athletes or coaches. The wrestling federation's athletes won the most gold medals (4), and 66.67% of its board members were highly qualified athletes or coaches. Second place was taken by the Fencing Federation with three gold medals, 90% of whose board members were former athletes and coaches. Russian Synchronized Swimming and Artistic Gymnastics Federations had 2 gold medals each while 78.95% and 60% of their board members had experience in professional sport activities respectively. Athletes from the Shooting, Swimming and Taekwondo federations have also won two Olympic gold medals each, with 75.0%, 71.43% and 58.82% of the total number of governing body members being former athletes or coaches, respectively.

These values indicate that the predominant share of highly qualified athletes or coaches in the composition of the board directly affects the high results of athletes in this sport. Out of 10 Russian federations, whose athletes won from 1 to 4 gold medals, the share of highly qualified athletes or coaches in the composition of the board was more than 50%.

No correlation was found between gender diversity and the number of medals won by athletes at the Olympic Games in Tokyo. Gold medals at the 2020 Olympics were won both by athletes from federations with the highest number of women on their boards (artistic gymnastics, synchronized swimming) and by federations with 25 to 50% women on their boards (shooting, athletics) and even by federations with no women on their governing bodies (weightlifting). Clearly, the top-class schools for training athletes in these sports and the well-established traditions drive success and influence the proportion of women in governance positions.

Analyzing the composition of Russian NSFs' boards by age, we refer to the classification by the World Health Organization and use the following age categories: up to 44 years old (young age), 45-59 years old (middle age), 60-74 years old (old age) and 75 years old and older.<sup>20</sup>

<sup>&</sup>lt;sup>20</sup> Health Tips, *Advanced age of the WHO classification – is how much?*, HEALTH TIPS (Aug. 12, 2017), https://healthtipsing.com/en/pages/41256

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On November 18, 2021, in the Russian federations of summer Olympic sports there were no managers older than 75 years old. Despite the fact that the age of the leaders varied considerably depending on the sport, it was possible to identify some general trends. The oldest leaders were presidents of the Russian federations of artistic gymnastics (73 years), canoeing and kayaking (67), fencing (69), judo (70), tennis (73), taekwondo (74), trampoline (67). The youngest presidents are leaders of the federations of triathlon (30years), surfing (34), skateboarding (40), basketball (40), field hockey (42), badminton (43), rowing (43) and rock climbing (43). The young age of the heads of the federations of these sports could be explained by the fact that most of these sports have entered the Olympic program quite recently. Triathlon competitions for the first time appeared at the 2000 Olympics in Sydney, while rock climbing, skateboarding, and surfing made their debut only at the Olympics 2020 in Tokyo.

Young leaders under 40 years of age accounted for only 10%, and board members under 44 accounted for less than 20% of the total number of leaders of Russian summer Olympic sport federations. The number of board members at the age of 45 to 59 was 45%, and 35% of leaders at the age of 60 to 74 years old. Thus, the majority of leaders of Russian NSFs were in the age group from 45 to 59 years old, which constituted 55%. The average age of a leader of the Russian NSF in summer sports was 56 years old (as of November 18, 2021). This indicated a high level of experience in professional activities available to the leaders of this age group. However, it is perhaps advisable that Russian NSFs seek to recruit more young professionals to their boards so that decision-making processes can benefit from the input of people with more contemporary life experiences and interests.

#### 5. CONCLUSION

The quantitative and qualitative composition of Russian sport federations' governing boards has been determined by the Soviet athlete training traditions, as well as the specific regulations of particular sport. However, the board structure is increasingly influenced by standards of international sport federations. Board members' former experience as professional athletes and coaches is correlated with federations' performance, but no correlation was found for the number of board members, their age and gender. Increasing the proportion of women on boards may bring greater success as long as these women are highly qualified and have professional experience as competitors and coaches. Russian NSF board members' average age of 56 allows them to accumulate experience they need to make the national sports federations effective, as

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evidenced by the success of Russian athletes. KPI of federations' activities will also be based on such criteria as medal plan, number of engaged participants, coaches, judges, regional sports federations, and anti-doping activities.

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# AN ANALYSIS OF BOARD SIZE AND COMPOSITION IN NATIONAL SPORTING FEDERATIONS IN SOUTH AFRICA

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# **1. INTRODUCTION**

"Sports officials must work with more responsibility to develop sports. Even under the good governance government some Sports Ministry officials don't carry out their duties properly as they are influenced by money and power. It is always sports clubs, institutions and sports personnel who pay the price for all misconducts of officials. To change this trend sports authority must take the necessary steps."<sup>3</sup>

Arjuna Ranatunga

Governance is generally defined as the act or process of governing or overseeing the control and direction of a country or an organization.<sup>4</sup> Sports governance dates back to the Ancient Olympic Games, where the officials devised multiple rules and regulations to keep the games

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<sup>&</sup>lt;sup>3</sup> M. Svoboda, *Arjuna Ranatunga quote*, QUOTEPARK.COM (Jun. 03, 2021), https://quotepark.com/quotes/1914592-arjuna-ranatunga-sports-officials-must-work-with-more-responsibilit/.

<sup>&</sup>lt;sup>4</sup> Governance, MERRIAM WEBSTER DICTIONARY, <u>https://www.merriam-webster.com/dictionary/governance</u> (last visited Feb. 09, 2022).

a peaceful and apolitical event. For instance, the Olympic truce or *Ekecheiria*,<sup>5</sup> was a practice whereby the city-states participating in the games were mandated to maintain a ceasefire for a fortnight before the games and for the same period after. This has been one of the earliest noted forms of organized sports governance. Many centuries later, and in particular the latter half of the 20<sup>th</sup> century, saw a more aggressive effort to organize and govern sport with the image of sports taking a more commercial turn. The introduction of leagues, clubs, and increased frequency of matches throughout sports have proved to be an eye opener to major issues – doping, match fixing, underrepresentation, betting, gambling, among others. These have brought considerable shame to the Olympic dream.

South Africa represents a rich landscape full of natural resources, beauty, and cultural diversity. It also represents one of the darkest periods in African history, Apartheid. The governance of South Africa has always been influenced either by the practices followed by their colonizers, mainly the British, or a set of policies which mark stark contrasts to them. The British Crown left indelible marks on several aspects of life for South Africans - including a formal introduction to Cricket, Polo and Tennis. However, these were the elite sports which traditionally were not pursued by the native people. Sports goes back centuries and generations for the continent, with some games representing an ancient version of multiple modern sports today. To begin with, the game of Morabaraba, has been mentioned in the Oxford dictionary to be a precursor to the modern game of chess. This game was historically played on a stone or a rock until one player beats the other and takes away all the pieces on the board. Several centuries ago, this game was played at cattle auctions to ensure objectivity in the process. Lintonga is another game that appears to be an ancestor of Fencing, where the traditional game involved herding boys hitting each other with two types of sticks – for defense and offence. The game continued till one of the two contenders gave up or was seriously injured. Another fascinating game was that of Dibeke or skununu, which involved two teams of 6 players each, where one team kicks the ball away and the other make use of their hands to snatch the ball away from their opponents. This would appear to be a mixture of the modern-day sports of Football and Handball, one of which is the world's most profitable sport.<sup>6</sup>

<sup>&</sup>lt;sup>5</sup> David C. Young, *Encyclopaedia*, BRITANNICA, <u>https://www.britannica.com/topic/The-Olympic-Truce-1688469</u> (last visited Feb. 09, 2022).

<sup>&</sup>lt;sup>6</sup> Seven Traditional Games, NEWS24 (Sep. 21, 2014), <u>https://www.news24.com/news24/Archives/City-Press/Seven-traditional-games-20150429</u>.

This article began with an introduction to the topic of governance. However, the definition was extremely generic and does lack several nuances of the phenomenon. The understanding of governance practices shifts with socio-political context being unique to each country. A comprehensive understanding of the definition of sports governance, for the South African context could be presented as:

"Sport governance within the South African environment can be seen as the structure and processes put in place by the government which allow national sport bodies to develop strategic goals and direction, monitor their performances against these goals and ensure that their respective boards act in the best interest of all South Africans".<sup>7</sup>

When examined further, the definition seems to lack certain modern aspects of governance, especially in sport, which include gender, occupational diversity, size of executive boards on national sports federations, which are major indicators of the performance of these boards. There are a set of governance principles which have been accepted by researchers all over and include – transparency, accountability, control and democracy.<sup>8</sup> These are more than mere terms and are significant indicators of the efficacy of a sport federation board. However, there have been minimal to no investigations of them in the South Africa context.

The apartheid era in South Africa ended officially in 1994, which ushered in a new era of democracy and governance for the country. Post the very first democratic elections, governance has been characterized by numerous discriminatory laws and practices. In 1996, the first consolidated attempt at sports governance was introduced when the Ministry for Sports and Recreation released a White Paper on Sports and Recreation.<sup>9</sup> Thereafter, in 1998, the Sports and Recreation Act was promulgated into law along with the South Africa Sports Commission Act.<sup>10</sup> This established the Sports Commission which has now been replaced by the South African Sports Confederation and Olympic Committee (SASCOC).<sup>11</sup> Initially, this was viewed

<sup>&</sup>lt;sup>7</sup> PAUL T. JONSON & DAVID THORPE, ROUTLEDGE HANDBOOK OF SPORT GOVERNANCE (2019).

<sup>&</sup>lt;sup>8</sup> Council of Europe - Enlarged Partial Agreement on Sport (EPAS), *A review of good governance principles and indicators in sport*, STRASBOURG: INTERNATIONAL CENTRE FOR SPORT STUDIES (Sept. 2016), https://www.icsspe.org/system/files/EPAS%20-

<sup>% 20</sup> Review % 20 of % 20 Good % 20 Governance % 20 principles % 20 and % 20 indicators % 20 in % 20 sport.pdf

<sup>&</sup>lt;sup>9</sup> Ministry of Sport and Recreation, Government of South Africa, *White Paper on Sport and Recreation* (Jun. 2011), https://www.gov.za/sites/default/files/gcis\_document/201409/white-paper-sport-and-recreation-june-201110.pdf.

<sup>&</sup>lt;sup>10</sup> South Africa Sports Commission Act. [No. 109 of 1998] [Status: Repealed]

<sup>&</sup>lt;sup>11</sup> Petri Prinsloo, *South Africa, in* SPORT GOVERNANCE INTERNATIONAL CASE STUDIES (Ian O' Boyle and Trish Bradbury eds., 1 ed. 2015).

as largely successful due to the ground-breaking nature of the report. However, until 2003, the inefficiency of the report came to light and the report was subsequently updated, to incorporate the several changes in the sports governance developments in South Africa. The current system of governance in sport now involves a central body in the form of the Department of Sport and Recreation. In 2011, another effort was made by the government, through the newly created wing to redefine sports governance in the country by introducing certain goals, collectively known as the Road Map to Optimal Performance and Functional Excellence.<sup>12</sup> The White paper as well as the Road Map now constitute the wider National Sports and Recreation Development Plan (NSRP) which represents a major implementation plan for policy framework in the country.<sup>13</sup> The Department of Sports and Recreation was merged into the Department of Sports, Art, and Culture (DSAC) in June 2019.<sup>14</sup> In 2021, one aspect of governance remains unchanged in South Africa - the power for change and its implementation lies with local sports bodies,<sup>15</sup> which have been at the center of the criticism received by the governance structure in the country. A particular area of research, which forms the center of our paper is to understand board structures and the subsequent effect that the improper functioning of a board has on the governance of sports in any country. There are several concerns regarding the structure and composition of sport boards, which, in the South African context, are headlined by the issue of a lack of appropriate demographic profile on board major sports federations in the country.<sup>16</sup>

Through this paper we shall be presenting a thorough examination of the Board structures and compositions of national sports federations in South Africa. Along with this, the paper will examine the factors of gender and occupational diversity, as well as the size of boards to understand the governance trends and practices in the country. Lastly, we aim to provide recommendations to improve governance practices in South Africa in the modern context.

<sup>16</sup> Id.

<sup>&</sup>lt;sup>12</sup> *Id* at 92.

<sup>&</sup>lt;sup>13</sup> National Sport and Recreation Plan.

<sup>&</sup>lt;sup>14</sup> Department of Sports, Art and Culture South Africa, *South Africa Sports and Culture Yearbook 2020-21*, GOVERNMENT COMMUNICATIONS, <u>https://www.gcis.gov.za/south-africa-yearbook-202021</u> (last visited Feb. 09, 2022).

<sup>&</sup>lt;sup>15</sup> Id.

# 2. RESEARCH METHODOLOGY

Board composition data was collected for 93 sports federations in South Africa which equated to 498 directors. A positivist descriptive research approach was adopted for this study. The data was gathered from various online sources. The name of the board members, gender and occupational background was collated in an Excel spreadsheet. The data was taken from the official websites of the sports federations and the occupational background from LinkedIn profiles and other similar websites. Occupational background was a difficult category to collect data on because of the lack of social media or professional LinkedIn profiles for many board members. Some of the websites had profiles for the board members written which was of convenience but many of them only had the names and phone numbers. To tackle this problem, we used Google as a search engine to determine the background of the members. Many of the searches led us to old sporting records which matched the particular sports federation we were investigating, leading us to conclude that the board member had a background in sports. Using this method, we were able to confirm the occupational background of 195 directors (39.1%) of the total sample. The approach followed in the paper by McLeod and colleagues was replicated.<sup>17</sup> While the statistical analysis provides useful insights into the governance structures of South African NSFs, the authors acknowledge that the percentages with respect to occupational background on boards may have a margin of error due to the challenges with the data collection process. Despite this limitation, this study provides readers with a general overview of the trends in sport governance in South Africa.

<sup>&</sup>lt;sup>17</sup> Joshua McLeod, Shaun Star & David Shilbury, *Board composition in national sport federations: a cross-country comparative analysis of diversity and board size*, MANAGING SPORT AND LEISURE (2021). DOI: 10.1080/23750472.2021.1970614

#### **3. BOARD COMPOSITION**

#### **3.1. OCCUPATIONAL DIVERSITY:**

The data suggests that a large number of board members of South Africa NSFs belong to the category of Business Operations and Administration. They make up 31.79% of the entire board population in this context. One of the main reasons for this could be that each separate federation is treated and run like a separate business where the board members are constantly trying to be innovative and find new ways for the athletes, the sport, and the federation itself to grow, expand, conduct tournaments and for its athletes to represent the country in international competitions. It could also be because of the occurrence of globalization and could also imply that the reasoning behind this was to contribute better towards funding.

The boards have a significant representation of athletes or people related to the field like coaches (40.51%). This suggests that South Africa does put in some effort in selecting whom to place on the boards of NSFs. Selecting active athletes, retired athletes, or retired coaches to be part of boards provides the boards with an important perspective. This could be considered as a positive aspect for the sports industry of South Africa because they could empathize with the current players and it allows them to think from the point of view of an athlete and make decisions accordingly that would provide some benefit for overall athlete morale. It also shows that by having retired athletes or current athletes on the board that the selection and quality of athletes for tournaments or meets increases.

The number of politicians (0.51%) on board are very few compared to other countries internationally. Having politicians, bureaucrats and people working in public administration can have pros and cons. There is a possibility of speeding up formal processes while they may be on the board, but there is often a view that such individuals join boards for self-interested purposes.

The boards have low numbers of engineers (2.56%) and medical professionals (1.54%) which may indicate that the sports federations of South Africa give more importance to having people who know the sport such as athletes and others who can help with the governance and business administration by virtue of their professional background. Interestingly, there are numerous academicians (6.15%) on the boards of the federations.

There is a slightly higher number of board members with a marketing (5.13%) and accounting (5.13%) background which could be an indication of wanting to both the financial compliance and profiling and outreach within their sport because participation in sport. This could also be because the federations engage in organizing tournaments, events, games meet, inter-region sports meets and so on for the athletes and these are marketed in order to raise funds and increase publicity and reach for the athletes and the federation itself. Despite positive signs in several sports, there is still scope for the South African sports sector to improve and scale its approach towards commercialization. Therefore, having a high number of business professionals and marketers is a positive indication of the professionalization of national sport federations.<sup>18</sup> This process could also require some lawyers on the board which has already been fulfilled (currently 4.1% of board members are lawyers).

South African sports federations had no journalists on the boards, in contrast to other countries such as the UK and Australia which had numerous journalists on NSF boards.<sup>19</sup> This might have been detrimental to some of the sports federations in South Africa as the amount of reach and publicity and awareness for those sports or athletes would have reduced significantly.

There is a minor representation of the South African Military personnel (1.03%) on NSF boards. Having a higher representation could bring discipline and order which comes with the military, and higher levels of Military representation is evident in other countries, especially in South Asia. In the last five years, the potential has been noticed and can be seen by the launch of Basketball African League.<sup>20</sup> This has been an acknowledgement for Africa's sports market and talent.

<sup>&</sup>lt;sup>18</sup> BBC, The benefits of commercialisation in sport - Commercialisation in sport, BITESIZE, <u>https://www.bbc.co.uk/bitesize/guides/zp2jxsg/revision/1</u> (last visited Feb. 09, 2022); MSG, How Sports Became Big Business and Its Implications for All Stakeholders, <u>https://www.managementstudyguide.com/how-sports-became-big-business.htm</u> (last visited Feb. 09, 2022).

<sup>&</sup>lt;sup>19</sup> McLeod, *supra* note 17.

<sup>&</sup>lt;sup>20</sup> Refiloe Seiboko, *NBA and Fiba launch Basketball Africa League*, MAIL & GUARDIAN (May 12, 2021), https://mg.co.za/sport/2021-05-12-nba-and-fiba-launch-basketball-africa-league/

#### **3.2. GENDER DIVERSITY**

South Africa, like most of post-colonial counterparts has been considered a patriarchal society.<sup>21</sup> Gender inequality, thereby, is an age-old phenomenon and is seen across sport. The country sees an imbalance in the participation of women not only in sporting events, but also on the executive boards of national sports federations. To understand this further, we undertook a thorough analysis of the board composition of various sports Federations in South Africa just as was done for the earlier section on occupational diversity. From the data collected, it was clearly visible that the various positions in sports federations in South Africa were dominated by men. The ratio of female to male board members was 30.91% to 69.09%.

After review of data of the South African NSF's we saw that the male board-members outnumbered the female board-members. The percentage of Male members was 69.09 % and females was 30.91%. From an overall perspective the number of females in the boards of NSFs in South Africa is reasonably low. There are cases where some sporting federations have a healthy participation of women on the boards but there are also cases where there are almost no females on the boards.

One of the possible reasons for this could be that since there are a multitude of sports played in South Africa, some sports have adequate female participation where in some instances the female teams have more success than their male counterparts. Hence, in order to cater to the needs of the female athletes there is some female representation on the boards. Another interesting point which we could gather was about female participation on boards. There was the higher number of women as a part of national sports federations in South Africa compared to other countries.

In most of the South African NSFs the total number of female board members did not exceed four. However, there were certain sports federations where the number of female board members were as high as 6 and 7. The data show that the South African Netball Federation had 7 female members on the board which was the highest number. The entire board comprised of female members ranging all the way from president to director. The South African Ring Ball Federation had 7 female secretaries as members of the board. In contrast, federations like the

<sup>&</sup>lt;sup>21</sup> D. Coetzee, *South African Education and the Ideology of Patriarchy*, 21 SOUTH AFRICAN JOURNAL OF EDUCATION 300 (2001).

South African Powerlifting Federation and the South African Squash Federation have only 1 and 2 female board members respectively.

The deeply patriarchal South African society represents certain unique challenges to women, which could be corrected with more participation and representation on boards. The problem begins from ground level treatment of female participation in sport. A serious lack of physical education, training facilities, lack of access to menstrual hygiene products, healthcare facilities, poverty, violence, are some of the few factors that keep young girls from participating in sporting activities. The patriarchal ideology and institutionalization have now trickled down into a newer age medium, namely – the media. Young girls and budding athletes are often discouraged by either the lack of coverage of the achievements of female athletes or by the over sexualization of female athletes on the basis of their gender. The works of several researchers seek to understand the effect of media and the lack of regulation, and thereby governance in the area of gender diversity in sport. Media has a significant influence on girls' and young women's participation and socialisation into sport.<sup>22</sup> It is, therefore, crucial "that we observe and challenge those media representations that perpetuate the notion that only white, young, physically attractive, non-disabled women can, and do engage in sport".<sup>23</sup>

#### 4. CONCLUSION

The power to drive change within the South African sports governance context lies with the Department of Sports, Art and Culture (DSAC) and the local authorities, <sup>24</sup> as these organizations formulate the policy framework in tandem, and thereby, shape the governance structure and policies. Policy implementation and smooth execution depends on the National Sport Federations<sup>25</sup> which have been the center of our enquiry through this paper. Inequality

<sup>&</sup>lt;sup>22</sup> Joshua A. Senne, *Examination of Gender Equity and Female Participation in Sport*, 24 THE SPORT JOURNAL (2016); Federica Affolter, *The Effects of Sport Media on Children's Sports Participation: the Influence of Gender, and Social Background*, (2017), <u>https://www.researchgate.net/publication/319059058</u> (last visited Feb. 07 2022).

<sup>&</sup>lt;sup>23</sup> Nereshnee Govender, The influence of print media in portraying women in sport: A case study of The Independent on Saturday (Mar. 2010),

https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.962.1652&rep=rep1&type=pdf

<sup>&</sup>lt;sup>24</sup> Johnson, *supra* note 7.

<sup>&</sup>lt;sup>25</sup> Prinsloo, *supra* note 11.

in sport has been a common theme throughout the studies presented and has also been a recurring theme in the history of South Africa. Some of the malpractices in sports governance in the South African context have been summarized as:

"Unfair discrimination (race & ethnicity), unequal distribution of resources, and unequal access to opportunities in sport, as a legacy of apartheid, and the lack of integrity and ethics knowledge amongst sport leaders are significant threats to sports governance. The inequality in sport is associated with historically institutionalized exclusionary practices that targeted particular segments of the population, particularly the black Africans, resulting in discrepancies in resource distribution and discrimination in all levels of sport across South Africa."<sup>26</sup>

The discrepancies in occupational background and gender diversity hints at an incongruity with the previously mentioned good governance principles in sport<sup>27</sup>, namely, transparency, accountability, control, and democracy. When researching to create a database for the federations and their board structures, there was a lack of information provided by these governing bodies. This missing information was mostly from the perspective of getting a clearer picture about the occupational backgrounds, governance compositions and governing statutes of each national federation. A lack of information can be easily construed as a lack of transparency, as more information could even reveal serious biases in terms of the occupational background of board members, their involvement with governance of any sort, and especially, their history with sport. Secondly, even after the size of boards are relatively lesser than most countries, the diversity within the board is of great importance, which is lost in the South African context. Male-dominated federation board structures most likely reinforce the patriarchal ideologies of the societal context in South Africa. As established in earlier sections, not only is female participation less on-board positions, but there are also minimal to no measures being taken to bridge the gap. Sport governance must be used consciously as an instrument to promote gender equality, and prevent harassment and abuse in sport, along with support to developing women's skills in management and leadership.<sup>28</sup> The data presented does not necessary symbolize a bleak picture for sports governance in South Africa but shows a void

<sup>&</sup>lt;sup>26</sup> University Sport South Africa, University Sport South Africa : Transformation Policy USSA (Apr. 2019), <u>http://www.ussa.org.za/doc/USSA%20Transformation%20Policy%20%20-%20Rev003.pdf</u>

 $<sup>^{27}</sup>$  *Id* at 6.

<sup>&</sup>lt;sup>28</sup> International Olympic Committee, *Women in Sport Commission*, IOC, (2018), https://olympics.com/ioc/women-in-sport-commission (last visited Feb. 09, 2022).

in terms of policymaking and implementation as the root cause of the lack of maintaining good governance standards. Periodic changes in governance policies, along with strict implementation of these can potentially prove to be the cure for South Africa's governance context.

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## AN ANALYSIS OF BOARD SIZE AND COMPOSITION IN NATIONAL SPORT FEDERATIONS IN THE UNITED KINGDOM

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## **1. INTRODUCTION**

"National Sport Federations (NSFs) play a central strategic and regulatory role in the sport ecosystem and thus, it is in these organizations where good governance must begin".<sup>4</sup> Despite an increasing understanding that having a diverse board is a driver of effective board performance in sport,<sup>5</sup> even in developed countries such as the United Kingdom (UK) there are numerous sport organization boards that are not diverse.<sup>6</sup> There are several issues that can emerge regarding the composition of boards in sport federations, including gender diversity, leadership roles and occupational background. This paper empirically analyses several of these issues with regards to NSFs in the UK.

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<sup>&</sup>lt;sup>4</sup> Joshua McLeod, Shaun Star & David Shilbury, Board composition in National Sport Federations: A crosscountry comparative analysis of diversity and board size, MANAGING SPORT AND LEISURE (2021). DOI: 10.1080/23750472.2021.1970614

<sup>&</sup>lt;sup>5</sup> Id.

<sup>&</sup>lt;sup>6</sup> Sulphey M.M. & Shaha Faisal, *The position of gender diversity in Indian corporate boards*, 14 INTERNATIONAL JOURNAL OF ECONOMICS RESEARCH 195 (2017).

## 2. REGULATION OF SPORT GOVERNANCE IN UK

In the UK, prior to 2016 general guidelines were available to sports institutions, comprising of recommended elements for good governance. For instance, the Sport and Recreation Alliance created a Voluntary Code of Good Governance which set out seven Good Governance principles which Sports Organizations were encouraged to implement so that they could execute their roles successfully.<sup>7</sup>

In October of 2016, however, after extensive stakeholder engagement, a new set of standards for governance were introduced by Sport England and UK Sport.<sup>8</sup> After being launched in 2016, the Code was made applicable to over 4000 sports organizations across 3 tiers of funding.<sup>9</sup> It supplied a standard framework of good governance for a significant number and diverse range of local, national as well as regional sporting bodies.

Most of the Code's principles were acknowledged as fundamentals of good (corporate) governance and could be observed in many of the accepted models of good governance, both inside and outside the sports sector.<sup>10</sup> For instance, the Sport and Recreation Alliance's Voluntary Code of Good Governance,<sup>11</sup> the UK Corporate Governance Code,<sup>12</sup> and the governance frameworks of all five Domestic Sports Councils.<sup>13</sup>

Some of these fundamentals are:

<sup>&</sup>lt;sup>7</sup> Jamie Singer, Oliver White & Cambise Heron, THE SPORTS LAW REVIEW: UNITED KINGDOM - ENGLAND & WALES THE LAW REVIEWS (2021), <u>https://thelawreviews.co.uk/title/the-sports-law-review/united-kingdom-england--wales</u> (last visited Feb 1, 2022).

<sup>&</sup>lt;sup>8</sup>Erin Stephens, *A guide to the UK's new code for Sports Governance* LAWINSPORT (2017), <u>https://www.lawinsport.com/topics/sports/item/a-guide-to-the-uk-s-new-code-for-sport-governance</u> (last visited Feb 1, 2022).

<sup>&</sup>lt;sup>9</sup> Sport England, *A code for sports governance* SPORT ENGLAND, <u>https://www.sportengland.org/campaigns-and-our-work/code-sports-governance</u> (last visited Feb 1, 2022).

<sup>&</sup>lt;sup>10</sup> *Id*.

<sup>&</sup>lt;sup>11</sup> The principles of good governance SPORT AND RECREATION ALLIANCE <u>https://www.sportandrecreation.org.uk/governance/the-principles-of-good-governance</u> (last visited Feb 1, 2022).

<sup>&</sup>lt;sup>12</sup> The UK corporate governance code FINANCIAL REPORTING COUNCIL (2018), <u>https://www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.PDF</u> (last visited Feb 1, 2022).

<sup>&</sup>lt;sup>13</sup> Sport England, *A code for sports governance* UK SPORT, (2016), <u>https://www.uksport.gov.uk/-</u>/media/files/government-

<sup>&</sup>lt;u>code/a\_code\_for\_sports\_governance.ashx?la=en&hash=64268BC6A7A6EAEA1C01016EED67FA7A</u> (last visited Feb 1, 2022).

- That the boards shall be of an appropriate size, not having more than 12 members unless approved by UK Sport and/or Sport England.
- These board members shall have the necessary balance of diversity, skills, knowledge, experience, and independence.
- At the least 25% of these board members shall be independent non-executive directors, with each board appointing one of these directors as the senior independent director.<sup>14</sup>

Post the backdrop of Black Lives Matter in July 2020, and after more than three years of the Code being implemented, UK Sport and Sport England decided to review the Code, aiming to identify the areas and provisions of the Code which would benefit from further improvement, particularly focusing on the key components in favor of diversity and inclusion.<sup>15</sup> This also gave them the chance to the compare the necessities of the Code against best practice in governance, recognizing that the thoughts and opinions of the society may have moved on and advanced developments may be discovered in sport and other sectors.

UK Sport's review took a thorough and detailed view of not just individual principles, requirements, and related commentary, but also how each aspect of the Code is presented, exercised, and applied. The review process relied on the expertise and proficiency of the teams across Sport England and UK Sport, as well as a diverse range of stakeholders and partners as well as independent experts.<sup>16</sup>

Following the review, new Requirements were pioneered in respect of Tier 3. Specific requirements for diversity and inclusion were reiterated as a chief thread throughout the updated Code.<sup>17</sup> Some of these include those in the Diversity and Inclusion Action Plan:

Req. 2.1 – "Each organization shall publish clear ambitions to ensure its leadership represents and reflects the diversity of the local and/or national community (as appropriate). These ambitions shall be centered on each organization committing to achieving greater diversity in all its forms on its Board and senior leadership team, as well as where possible cascading this ambition in line with Requirement 4.1."<sup>18</sup>

<sup>&</sup>lt;sup>14</sup> Id.

<sup>&</sup>lt;sup>15</sup> Sport England, *supra* note 9.

<sup>&</sup>lt;sup>16</sup> Id.

<sup>&</sup>lt;sup>17</sup> Id.

<sup>&</sup>lt;sup>18</sup> A code for sports governance, UK SPORT, <u>https://www.uksport.gov.uk/resources/a-code-for-sports-governance</u> (last visited Feb 1, 2022).

 Req. 2.2-2.3 – The plans and progress they are making to achieve and maintain it will need to demonstrate an advancing diversity and inclusion on the Board (including senior leadership and beyond), be agreed with Sport England and/or UK Sport, reviewed and updated at least annually, and made public.<sup>19</sup>

With this regulatory context in mind, the board sizes, composition, and diversity of each NSF in the UK were analyzed to assess whether good governance principles are followed in practice in the UK.

## **3.** METHODOLOGY

With the use of secondary online resources, data was gathered on board composition in UK NSFs. This data was analyzed using descriptive statistics in order to better understand whether the good governance principles set out in the regulatory framework in the UK are in fact followed in practice. The style of methodology corresponds with the process followed by McLeod, Star and Shilbury (2021), wherein data from NSF board members was collected from online secondary sources such as NSF websites. In this study, data was gathered by a team of two scholars and three student Research Assistants for a total of 46 NSFs in the UK. The benefit of using such a methodology was that the data was publicly available for analysis. There were three variables present in the study, namely gender diversity, board size and the occupational background of the members of the board. Gender diversity was a qualitative variable, recognized solely in a dualistic manner, i.e., 'male' and 'female', categorized using their name, title and photograph accessible through online web resources (we recognize as a limitation that we could not account for non-binary genders in our research method). While board size was a quantitative variable, occupational background was again a qualitative one. The researchers made use of 12 pre-defined categories for this variable and used 'other' category (rarely used) if an occupation did not fall into the pre-defined 12 categories. The methodological concern was that individuals might change occupations over time, and an individual's professional history might be so diverse as to fit in two or more classifications. In such cases, the data was

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coded by the research team and a judgment was made by the principal researcher as to what the predominant and most relevant research category for that board member would be.

#### 4. **RESULTS AND DISCUSSIONS**

#### 4.1 BOARD SIZE

According to the data that were collected, board size across UK NSFs on average was 10.7, which appears in the ideal range of being a medium sized group consisting of 5-12 members. This strict adherence to a limited medium sized board can be attributed to the effective implementation of the 2016 UK Code on Sports Governance. This code included board structures and sizes as a part of its Tier 3 Mandatory requirements. The various sporting bodies have to make formal commitments to reach and maintain the adherence with these.<sup>20</sup> A very interesting feature of this requirement is that while it does not set a minimum number of members required for a board to operate, it does set an upper limit of 12 members, which can be extended but only with the permission of UK Sport or Sport England. Thus, it is interesting to note that while there is option of an extension available, and boards such as the Rugby Football Union with 14 members have used these options, yet the average board size remains in the range of 5-12 members. It would not be incorrect to assume that while the regulatory code introduced this concept of small board sizes, there is evidence to prove the presence of independent initiative by the sporting federations themselves to limit board sizes.

The range of 5-12 is said to be appropriate in order to have diverse opinions and perspectives which would eventually lead to high-quality discussions.<sup>21</sup> The range provides a balance of diversity as well as quick and efficient decision-making because of the relatively limited yet focused group of people involved, which also significantly reduces the chances of internal conflict and inefficiency caused by delays and gaps in communication of a large governing body. At the same time a medium sized boards can also easily overcome the hurdles of having

<sup>&</sup>lt;sup>20</sup> Sport England, *supra* note 13.

<sup>&</sup>lt;sup>21</sup> McLeod, *supra* note 4 at 2.

limited capacity and human resources to handle the strenuous workload of managing a national sporting body.<sup>22</sup>

#### 4.2. BOARD DIVERSITY

Diversity on boards can be divided into two broad categories, namely task-related diversity and non-task related diversity.<sup>23</sup> The former includes the educational or occupational background while the latter include gender, ethnicity, religion, and age. Both types of diversity play an important role in the composition of a board and therefore it is crucial to understand each separately.

## 4.2.1 TASK-RELATED DIVERSITY

The very nature of sport has undergone massive change in the last few decades, with the largescale commercialization of sport events and competitions worldwide. The professionalization of sports has forced the sporting organizations to adopt structures of organization and governance which are very similar to the organizational characteristics of a corporate entity.<sup>24</sup> This evolution has allowed individuals who do not necessarily have a background in sports to also play an important role in the effective organization of these boards.

The skills of the members will have a significant and direct impact on the performance of the board. In the current scenario it has become important for organizations, including sporting bodies to include people from various professional backgrounds and in possession of varied skill sets in order to better understand and combat the multi-faceted challenges that the boards might face.<sup>25</sup> For example, it would be very difficult to imagine any professional sporting body

<sup>&</sup>lt;sup>22</sup> Jeffrey L. Callen, April Klein & Daniel Tinkelman, Board composition, committees, and organizational efficiency: The case of nonprofits, 32 NONPROFIT AND VOLUNTARY SECTOR QUARTERLY 493 (2003).

<sup>&</sup>lt;sup>23</sup> McLeod, *supra* note 4 at 4.

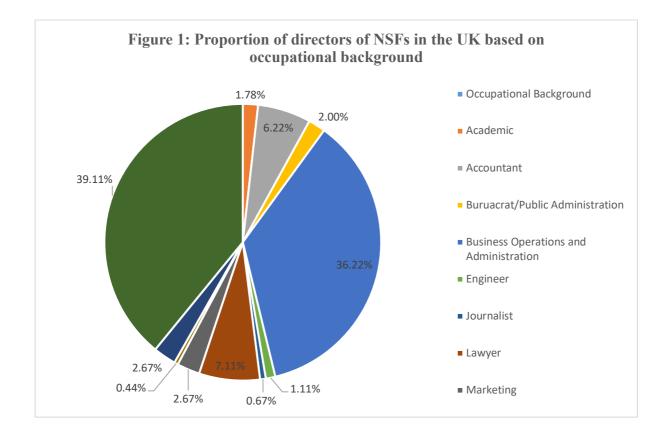
<sup>&</sup>lt;sup>24</sup> Joshua McLeod, *Role of the board and directors: Board structure and composition.*, in ROUTLEDGE HANDBOOK OF SPORT GOVERNANCE 243–254 (David Shilbury & Lesley Ferkins eds., 1 ed. 2019).

<sup>&</sup>lt;sup>25</sup> The state of sports governance – Are you leading or lagging? SPORT BUSINESS CENTER, http://www.sportbusinesscentre.com/wp-content/uploads/2018/03/FINAL-REPORT-the-state-of-sportsgovernance.pdf (last visited Feb 1, 2022).

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operating in the present circumstances, without both the traditional sporting experts who understand the physiological demands of a sport, as well as experts in public relations, marketing, financial accounting and a various other professions.

According to the data collected, the largest proportions of directors on UK NSF boards comprise professionals with either a background in Business Operations and Administration or from a sporting background (coded as "Sports/Athlete/Coach"), as is exhibited by the Figure 1.



While it is easy to understand the benefits of having adequate athlete representation as members of the boards,<sup>26</sup> it is also important to remember that the commercial business aspects of sports organizations require specialized knowledge in order to be managed effectively.

<sup>&</sup>lt;sup>26</sup> Lucie Thibault, Lisa Kihl & Kathy Babiak, *Democratization and governance in international sport: Addressing issues with athlete involvement in organizational policy*, 2 INTERNATIONAL JOURNAL OF SPORT POLICY AND POLITICS 275 (2010).

However, a dominance of any one professional background within the boards might result in compromising the independence of these boards<sup>27</sup> as well as potentially suffocating the diversity of thought and experience, by enforcing a uniformity of experience and problem-solving skills that individuals with similar professional training and backgrounds would most likely possess.

Diversity of thought and perspectives can prove to be an integral part of a successful board as the 2006 research conducted on the Squash New Zealand Board indicates.<sup>28</sup> The study also suggested that the diversity of professional backgrounds within a board, allow for individual members to be more receptive towards criticisms, without feeling personally challenged or questioned on their professional competencies.

As a general trend, the UK NSFs maintain a healthy occupational balance, however it is important that all NSFs continue to actively work towards ensuring that they have a board with mixed skills, backgrounds, and perspectives. This balance does seem to be ignored in certain boards such as the Royal Yachting Association, which has seven members out of a total of eight with a business background as well as the Football Association in which five board members have a business occupation out of a total of ten members.

## 4.2.2. NON-TASK RELATED DIVERSITY

Diversifying sports boards is crucial as it broadens opinions, creates empathy resulting in improved performance and effective functioning of the organization. Several reports, including by McKinsey (2015) and Harvard Business School (2016), show that companies that are in the high quartile for racial and ethnic diversity are 35 % more likely to have financial returns over their industry mean.<sup>29</sup> Companies with higher gender diversity are 15 percent more profitable.<sup>30</sup>

<sup>&</sup>lt;sup>27</sup> McLeod, *supra* note 24.

<sup>&</sup>lt;sup>28</sup> Lesley Ferkins, Gael Mcdonald & David Shilbury, *A model for improving board performance: The case of a national sport organisation*, 16 JOURNAL OF MANAGEMENT & ORGANIZATION 601 (2010).

<sup>&</sup>lt;sup>29</sup> Sport England, *Diversity in Sport Governance*, <u>https://sportengland-production-files.s3.eu-west-</u>2.amazonaws.com/s3fs-public/diversity-in-sport-governance-full-report.pdf (last visited Feb 1, 2022).

<sup>&</sup>lt;sup>30</sup> Id.

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**i.) Gender diversity:** Numerous research has shown the importance of gender diversity on sports boards for good governance practices, as well as reduction in organizational problems.<sup>31</sup> In the UK, there is a target of a minimum of 30 percent from both genders on their sport boards by the Code for Sports Governance.<sup>32</sup> This requirement has indeed increased the presence of women in sports boards,<sup>33</sup> but as it can be seen in the figure the addition of women, only seems like a formality in many cases. Women board membership has exceeded the 30 percent mark by only 6 percent, and has remained largely static for most sporting federations.<sup>34</sup> For example, The Football Association has a total of 10 members, only three are female, in British Karate Federation out of 13, our data suggests there are only two women.

There are very few NSFs that ensure an equal gender balance such as Pentathlon GB which has five males and five females, British cycling has a total of six women and seven men. However, several federations have more female than male directors; for instance, in England Netball, there are nine females out of 12 total board members, in British Disabled Fencing there are three women out of four total members. One could conclude that in part, the percentage of women on NSF boards in the UK may be either because of the '30 percent rule' or in exceptional circumstances, the number of female board members may exceed the number of male board members where the sport is considered as 'women's sport' such as netball. Further, an analysis of the present data shows that the majority of the more senior executive positions are held by men and women occupy a significantly lower number of leadership positions.<sup>35</sup> For instance, 71.4% of NSF chairs were male (25/35).

The high proportion of women directors relative to other nations is commendable; however, placing women directors at a position of 'members' and limiting the percentage of women to the criterion of 30% will arguably be insufficient to achieve true balance as the power to effect real change in sport may still lie with the majority (in this case, the male-dominated opinions and perspectives).

<sup>&</sup>lt;sup>31</sup> McLeod, *supra* note 4 at 5.

<sup>&</sup>lt;sup>32</sup> Sport England, *supra* note 13.

<sup>&</sup>lt;sup>33</sup> Women in Sport, *BEYOND 30% Female leadership in sport* WOMEN IN SPORT (2017), <u>https://www.womeninsport.org/wp-content/uploads/2017/10/Women-in-Sport-Beyond-3025-1-1.pdf?x99836</u> (last visited Feb 1, 2022).

<sup>&</sup>lt;sup>34</sup> Id.

<sup>&</sup>lt;sup>35</sup> Id.

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Associations such as Women's Sports Foundation, the Canadian Association for the Advancement of Women in Sport, and Womensport Australia have confirmed that there is a considerable irregularity between males and females regarding the issue of gender diversity in the administration of sports federations.<sup>36</sup> The Wall Street Journal coined the term 'glass ceiling', to indicate the obstacles that prevent women and minorities from reaching the higher positions in the hierarchy of corporate organizations. Research has proved that irrespective of the efforts to foster diversity in sports boards, women face the glass ceiling impact with respect to top administrative positions to date.<sup>37</sup>

Observing the effect of mandated gender quotas in corporate boards can be a point of reference that can help gauge the impact of similar mandates on sporting boards as well. The strongest challenge to the efficacy of these gender quotas stems from the perception that any mandatory compliance with the quotas would come at the cost of the meritocracy.<sup>38</sup> Many a times these quotas have been unsuccessful in actually increasing female representation because of practices such as nepotism and targeted appointments of the same set of women in multiple boards which can render this system futile.<sup>39</sup>

These practices of limiting the benefit of the quotas to a limited few 'insiders' or the female relatives of influential stakeholders makes their presence on these boards seem illegitimate and wrongfully gained. This undermines the purpose of gender quotas and hinders the appointment of well-qualified women who could bring valuable perspectives to these boards.

**ii.) Other Minority Groups:** There is also a greater need for larger representation outside the male-female divide such as people who have a disability, LGBTQIA+ community, and BAME (black and minority ethnic) community. According to the 2011 census, BAME communities forms 14.5% of the total population but the community only accounted for 5.2% of the board members in the NSFs.<sup>40</sup> Two-thirds (approx. 64%) of the NSFs had no BAME members.<sup>41</sup>

<sup>&</sup>lt;sup>36</sup> Katie Simmons, Women in Top Management Positions in the Sport Industry: Breaking Down the Barriers and Stereotypes, SPORT MANAGEMENT UNDERGRADUATE (2011).

<sup>&</sup>lt;sup>37</sup> Id.

<sup>&</sup>lt;sup>38</sup> Siri Terjesen & Ruth Sealy, *Board gender quotas: Exploring ethical tensions from a multi-theoretical perspective*, 26 BUSINESS ETHICS QUARTERLY 23 (2016).

<sup>&</sup>lt;sup>39</sup> Barnali Choudhury, *Gender Diversity on Board: Beyond Quotas*, 26 EUROPEAN BUSINESS LAW REVIEW 229 (2015).

<sup>&</sup>lt;sup>40</sup> Diversity: UK sport and sport England launch review into board make-up, BBC SPORT (2020), <u>https://www.bbc.com/sport/53379903</u> (last visited Feb 1, 2022).

<sup>&</sup>lt;sup>41</sup> Sport England, *supra* note 29.

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There are some improvements, but the progress has been slow. There has been an appeal to the government to create a target of 20% for the BAME communities in the sports boards which was also duly acknowledged by the government.<sup>42</sup>

Similarly, only around five percent of board members had a disability or identified themselves to have a disability, while there is approximately 22 percent of disabled people in the country.<sup>43</sup> There has been a slight improvement from three percent in 2016 to 5 percent in 2019 but a long way to go. While this is outside the scope of the present study, diversity with respect to sexual orientation and ethnicity is an important aspect of promoting good governance in sport in the UK to ensure inclusivity in sport.

## 5. CONCLUSION

The aim of this study was to provide empirical evidence and analyze board size and diversity within UK NSFs. Studying data related to sport boards is an effective way to evaluate the lacuna between administrative functions and the performance of athletes. Sports is already a popular field, but it is only expected to increase which in turn will push more people to join the profession in different capacities and the root of the profession rests with the composition and structure of the sports boards and their functions. There is a need for a conducive environment where a diverse range of people from different backgrounds and orientations can participate and contribute to the governance and administration of sport. Awareness about the diversity benefits or the governance code is not enough, the people on boards and beyond need to embrace, practice and celebrate diversity.

<sup>&</sup>lt;sup>42</sup> Sean Ingle, *Sports organisations 'should have 20% BAME Board Members' to tackle racism* THE GUARDIAN (Jun. 12 2020), <u>https://www.theguardian.com/sport/2020/jun/12/sports-organisations-bame-board-members-systemic-racism-sporting-equals-arun-kang</u>.

<sup>&</sup>lt;sup>43</sup> Sport England, *supra* note 29.

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## AN ANALYSIS OF BOARD COMPOSITION IN NATIONAL SPORT FEDERATIONS IN THE USA

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#### **1. INTRODUCTION**

Sports governance refers to the mechanism through which sporting activities are governed. It can be understood as the interplay between policy makers and policy implementers for achievement of excellence in sports at the national and international level.<sup>4</sup> Good governance in sports has gained significant attention in the US as a response to both off-field and on-field management failures, crises and scandals.<sup>5</sup> Examples include the Salt Lake City Olympics, 2002 and the BALCO scandal.<sup>6</sup> The governance of National Sporting Federations (NSFs) referred to as National Governing Bodies (NGBs) in the USA have also come under scrutiny in light of the sexual abuse scandal in USA Gymnastics, USA Swimming and other sports over the years.<sup>7</sup> This has led to an increased need for achieving integrity, professionalism, accountability and transparency regarding the manner in which sporting activities are administered – and good sports governance serves as a 'pre-condition and pre-requisite' for national sports to achieve these expectations.<sup>8</sup> To establish good governance requirements,

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<sup>&</sup>lt;sup>4</sup> Dennis V. Blanco, *Sports Governance: Issues, Challenges and Perspectives*, 17 ASIA- PACIFIC SOCIAL SCIENCE REVIEW 105 (2017).

<sup>&</sup>lt;sup>5</sup> Jonathan Grix & Spencer Harris, *Governance and Governmentality of Sport, in* ROUTLEDGE HANDBOOK OF SPORT AND POLITICS (2016).

<sup>&</sup>lt;sup>6</sup> Roger Pielke et al., *An evaluation of good governance in US Olympic sport national governing bodies*, 20 EUROPEAN SPORT MANAGEMENT QUARTERLY 480 (2019).

<sup>&</sup>lt;sup>7</sup> Mark Conrad, *The COVID-19 pandemic, the empowering Olympic, Paralympic, and Amateur Athletes Act, and the dawn of a new age of U.S. Olympic Reform,* 31 JOURNAL OF LEGAL ASPECTS OF SPORT 1 (2021).

<sup>&</sup>lt;sup>8</sup> Blanco, *supra* note 4.

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there is no perfect organizational structure,<sup>9</sup> as sports organizations often require a tailored, individualized application.<sup>10</sup> Good governance needs to begin with NGBs as they play an important strategic and regulatory role in the sports ecosystem.<sup>11</sup> Good governance includes important parameters such as board size<sup>12</sup> and inclusivity or diversity among others.<sup>13</sup>

The USA Olympic and Paralympic sporting sectors follow a system of governance that is centrally coordinated by the United States Olympic and Paralympic Committee (USOPC), and developed by the efforts of NGBs and their affiliates (state associations, local level clubs and associations).<sup>14</sup> The USOPC and all NGBs are a 501(c)(3) non-profit organizations, who do not receive direct financial support from the US government, except for some funding received for specific military programs in the Paralympic games.<sup>15</sup> The board size of such NGBs play an integral part in board (and therefore organizational) effectiveness,<sup>16</sup> but there have been few studies in this area, especially in the context of USA. There are several propositions with respect to effective board size and therefore, the paper provides an in-depth analysis for the board size of NGBs in USA. The other parameter for analyzing board composition is diversity. Diversity has become a desired value in sports organization as a diverse board is theorized to

<sup>&</sup>lt;sup>9</sup> Thomas H. Sawyer, Lawrence W. Judge & Tonya L. Sawyer, Sport Governance in North America, SAGAMORE, https://www.sagamorepub.com/sites/default/files/2018-07/Sportgov-look-inside-OPT.pdf (last visited Feb. 09, 2022).

<sup>&</sup>lt;sup>10</sup> Arnout Geeraert, National Sports Governance Observer. Indicators and instructions for assessing good governance in national sports federations, PLAY THE GAME & DANISH INSTITUTE FOR SPORTS STUDIES (Nov, 2018), <u>https://playthegame.org/knowledge-bank/downloads/national-sports-governance-observer-indicators-and-instructions/11dd1828-1461-4a09-9a12-a996016fcd90</u>.

<sup>&</sup>lt;sup>11</sup> Siegfried Nagel et al., *Professionalisation of Sport Federations – a multi-level framework for analysing forms, causes and consequences*, 15 EUROPEAN SPORT MANAGEMENT QUARTERLY 407, (2015).

<sup>&</sup>lt;sup>12</sup> Eddie T. C. Lam, *The Roles of Governance in Sport Organizations*, 2 JOURNAL OF POWER, POLITICS & GOVERNANCE 19 (2014).

<sup>&</sup>lt;sup>13</sup> Thomas H. Sawyer, Kimberly J. Bodey & Lawrence W. Judge, *Sport Governance and Policy Development-An Ethical Approach to Managing Sport in the 21<sup>st</sup> Century*, SAGAMORE PUBLISHING, L.L.C., <u>https://www.sagamorepub.com/sites/default/files/2018-07/pages-sportgovernance.pdf</u> (last visited Dec 17, 2021).

<sup>&</sup>lt;sup>14</sup> Spencer Harris & Scott Jedlicka, *The Governance of Sport in the USA*, *in* SPORT BUSINESS IN THE U.S.: CONTEMPORARY PERSPECTIVES (2020).

<sup>&</sup>lt;sup>15</sup> Jinhee Yoo & Seok-Pyo Hong, *Policy analysis: Performance-based funding policy of the U.S. Olympic Committee*, 11 INTERNATIONAL JOURNAL OF HUMAN MOVEMENT SCIENCE 27 (2017); Lindsey Gaston, Milly Blundell & Tom Fletcher, *Gender diversity in sport leadership: an investigation of United States of America National Governing Bodies of Sport*, 25 MANAGING SPORT AND LEISURE 402 (2020). However, several NGBs applied for government aid and loans due to the impact of the COVID-19 pandemic on sport, which had a significant impact on the revenue sources of NGBs in the USA. *See*, Rachel Bachman, *U.S. Olympic Sports Groups Seek Government Aid*, THE WALL STREET JOURNAL (Apr. 12, 2020, 7:00 AM), https://www.wsj.com/articles/u-s-olympic-sports-groups-seek-government-aid-11586689219.

<sup>&</sup>lt;sup>16</sup> Ian O' Boyle and Trish Bradbury, *Current issues in modern sports governance, in* SPORT GOVERNANCE INTERNATIONAL CASE STUDIES 7–19 (Ian O' Boyle and Trish Bradbury eds., 1 ed. 2015).

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lead to greater organizational efficiency.<sup>17</sup> Diversity can be measured in terms of various parameters, but this paper focuses on diversity with respect to skill i.e., occupational background and gender. NGBs play a vital role in the regulation of sports, and since the board of directors serve as the principal decision-making forum in NGBs, it becomes imperative that the composition of boards is such that it promotes the values of skill, expertise, and diversity.<sup>18</sup> A gender diverse board brings about efficient organizational outcomes, however, there is still under-representation of women on sport boards globally.<sup>19</sup>

The aim of the paper is to address the gap dealing with issues of board size and board diversity in sport. In doing so, the paper first examines the comprehensive structure of sports governance in the USA and the codification of various sports legislations. The paper elucidates the four sub-sectors of USA sport which will significantly contribute towards the understanding of sports governance in the country. The paper then focuses on the analysis of board composition of NGBs in the USA. Lastly, the paper presents recent developments in the context of Esports governance in the USA.

#### 2. SPORT GOVERNANCE STRUCTURE AND LEGISLATIONS IN USA

In a country as renowned for sports as the USA, there is a strong rationale for conducting an analysis of its sports governance system. The USA has an exceptional sporting landscape, having produced many illustrious athletes, and continues to function on a unique and distinctive sport governance system. USA sport is clearly demarcated into four sub-sectors i.e., community, Olympic and Paralympic, collegiate and interscholastic and lastly, professional. The sports governance system differs from sector to sector and becomes more professionalized at the higher levels.<sup>20</sup>

<sup>&</sup>lt;sup>17</sup> Ramón Spaaij, Annelies Knoppers & Ruth Jeanes, "we want more diversity but…": Resisting diversity in Recreational Sports Clubs, 23 SPORT MANAGEMENT REVIEW 363 (2020).

<sup>&</sup>lt;sup>18</sup> Joshua McLeod, Shaun Star & David Shilbury, *Board composition in national sport federations: a cross-country comparative analysis of diversity and board size*, MANAGING SPORT AND LEISURE (2021). DOI: 10.1080/23750472.2021.1970614

<sup>&</sup>lt;sup>19</sup> Marjukka Mikkonen, Jari Stenvall & Kati Lehtonen, *The paradox of gender diversity, organizational outcomes, and recruitment in the boards of National Governing Bodies of Sport*, 11 ADMINISTRATIVE SCIENCES 141 (2021).

<sup>&</sup>lt;sup>20</sup> Harris, *supra* note 14.

The first sub-sector is community sport. It includes recreational and grassroot sport (both youth and adult programs)<sup>21</sup> which is concerned with improving sports outcomes through athlete and infrastructure development. The second sub-sector of USA sport is intercollegiate,<sup>22</sup> which comprises of National Collegiate Athletic Association (NCAA), which is the most powerful inter-collegiate non-profit sport governing body in the USA, the National Association of Intercollegiate Athletics (NAIA) and the National Junior College Athletics Association (NJCAA).<sup>23</sup> The members of NCAA include universities and other inter-collegiate linked organizations that need to comply with state and federal laws, along with education policies such as Title IX. The third sub-sector of USA sport is the Olympic system, which is internationally led by the International Olympic Committee (IOC).<sup>24</sup> USOPC works independently of the federal government as the USA has no ministry of sports. USOPC plays a key role in governing Olympic and Paralympic sport as it oversees its participation provided by the Ted Stevens Olympic and Amateur Sports Act, 1978.<sup>25</sup> Professional Sports in America is the fourth sub-sector, which comprises of private leagues, dominated by Major League Baseball (MLB), National Hockey League (NHL), National Football League (NFL), and National Basketball Association (NBA) as well as the Women's National Basketball Association (WNBA).<sup>26</sup>

The USA has for long abstained from formal system of sports governance at the national level, as it has a sport governance system that avoids policy-driven solutions when forced to develop policy as there is more emphasis on governance through market forces and non-governmental institutions.<sup>27</sup> There are only three policies which directly address sports governance in USA, namely – Title IX of the Education Amendments, 1972 (provisions prohibiting gender discrimination), the Americans with Disabilities Act, 1990 (provisions prohibit discrimination on the basis of disability in sports), and the Amateur Sports Act, 1978. The Amateur Sports Act 1978 vests the power to coordinate and develop amateur sports in the USA to the USOC

<sup>&</sup>lt;sup>21</sup> Id.

<sup>&</sup>lt;sup>22</sup> Id.

<sup>&</sup>lt;sup>23</sup> College Divisions, SMARTHLETE, <u>https://www.smarthlete.com/intercollegiate/divisions</u> (last visited Feb. 15, 2022)

<sup>&</sup>lt;sup>24</sup> Harris, *supra* note 14.

<sup>&</sup>lt;sup>25</sup> Blanco, *supra* note 4.

<sup>&</sup>lt;sup>26</sup> Dusan Randjelovic, *11 Most Profitable Sports Leagues – Their value will surprise you* ATHLETIC PANDA (Jun. 3, 2020), https://apsportseditors.org/others/most-profitable-sports-leagues/

<sup>&</sup>lt;sup>27</sup> Paul T. Jonson & David Thorpe, *Legal and regulatory aspects of sport governance, in* ROUTLEDGE HANDBOOK OF SPORT GOVERNANCE 35–52 (David Shilbury & Lesley Ferkins eds., 2019).

and its NGBs (now the USOPC) and specifies requirements for the NGBs. Under the Amateur Sports Act of 1978, the USOC is able to grant recognition of each NGB.<sup>28</sup> Private organizations develops its own rules and systems of governance as government does not play a major role and entrepreneurs run their teams and leagues in accordance with business laws in USA.<sup>29</sup>

## 3. METHODOLOGY

Secondary online resources were used to gather data for 46 NGBs in the USA. This approach was adopted in order to describe, analyze, and interpret the board size and board diversity of NGBs in the USA. By using descriptive statistics based on secondary online resources, the study presents novel insights regarding sports governance in the USA. The methodological approach adopted corresponds to the method adopted by McLeod, Star and Shilbury (2021).<sup>30</sup> The advantage of such approach lies in the fact that data regarding board composition was easily accessible.<sup>31</sup> However, such study lacks a degree of internal validity because of the usage of secondary online sources. Additionally, the results lack generalization because the researchers adopted a convenience sampling approach wherein the sampling units which are easily available were selected.<sup>32</sup> The variables of the study are board size, occupational background, and gender diversity. The researchers have also relied on scholarly articles to substantiate their findings.

<sup>&</sup>lt;sup>28</sup> USOPC, 36 U.S. Code Chapter 2205 – United States Olympic Committee, <u>https://www.teamusa.org/-/media/Legal/TSOASA-7-8-19.pdf?la=en&hash=4B64A86056466CE49D0C81071608D640DA6A9F6C</u> (last visited Feb. 15, 2022).

<sup>&</sup>lt;sup>29</sup> Jonson, *supra* note 27.

<sup>&</sup>lt;sup>30</sup> McLeod, *supra* note 18.

<sup>&</sup>lt;sup>31</sup> Hilton Heydenrych & Jennifer M. Case, *Researching graduate destinations using LinkedIn: an exploratory analysis of South African chemical engineering graduates*, 43 EUROPEAN JOURNAL OF ENGINEERING EDUCATION 693 (2017).

<sup>&</sup>lt;sup>32</sup> Ilker Etikan, *Comparison of Convenience Sampling and Purposive Sampling*, 5 AMERICAN JOURNAL OF THEORY AND APPLIED STATISTICS 1 (2016).

#### 4. **RESULTS AND DISCUSSIONS**

#### 4.1. BOARD SIZE

According to some researchers, a board size between 5 to 12 directors will provide an optimal balance <sup>33</sup> as such will bring about greater coherence and organizational performance. <sup>34</sup> Further, researchers suggest that board with more than 10 members will have elements of inefficiency as there might be inhibition of strategic action and lack of proper communication which can result in decreased board members' contribution. <sup>35</sup> Moreover, a large board is considered to be unmanageable at times which results in slow decision making. <sup>36</sup> However, data suggests that USA NGBs on average adopt a larger board size. According to the data, the NGBs in USA have an average board size of 14.4 which indicates that the average number of directors on the organizations' boards is between 14 to 15 members. The rationale for a large board size is supported by resource dependency theory. According to the theory, a large number of board members would be better able to connect the organization with external environment in order to secure critical resources and also provide the knowledge and skill needed.<sup>37</sup> This theory is useful for non-profit boards as they are dependent on external resources<sup>38</sup> like NGBs in the USA, which are provided with no federal support and funding.

<sup>&</sup>lt;sup>33</sup> Marc Taylor & Noel O' Sullivan, *How Should National Governing Bodies of Sport Be Governed in the UK? An Exploratory Study of Board Structure*, 17 CORPORATE GOVERNANCE: AN INTERNATIONAL REVIEW 681 (2009).

<sup>&</sup>lt;sup>34</sup> J Linck, J Netter & T Yang, *The determinants of board structure*, 87 JOURNAL OF FINANCIAL ECONOMICS 308 (2008).

<sup>&</sup>lt;sup>35</sup> Jerry Goodstein, Kanak Gautam & Warren Boeker, *The effects of board size and diversity on strategic change*, 15 STRATEGIC MANAGEMENT JOURNAL 241 (1994).

<sup>&</sup>lt;sup>36</sup> Kat Ingram & Ian O'Boyle, *Sport governance in Australia: questions of board structure and performance*, 60 WORLD LEISURE JOURNAL 156 (2017).

<sup>&</sup>lt;sup>37</sup> Goodstein, *supra* note 35.

<sup>&</sup>lt;sup>38</sup> Judith L. Miller-Millesen, Understanding the behavior of nonprofit boards of directors: A theory-based approach, 32 NONPROFIT AND VOLUNTARY SECTOR QUARTERLY 521 (2003).

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Name of the Federation	Number of Board Members
Wrestling Federation of the United States	35
Ski and Snowboard Federation of the United States	29
Water Ski Federation of the United States	25
Squash Federation of the United States	22
Track and Field Federation of the United States	22
Softball Federation of the United States	20
Equestrian Federation of the United States	19
Biathlon Federation of the United States	7
Deaf Sports Federation of the United States	7
Table Tennis Federation of the United States	5
Roller Sports Federation of the United States	4

Table 1: Board Size of specific NGBs in the USA

The board of directors act as a mechanism to bring resources by linking the organization with its external environment and directors' networks.<sup>39</sup> The greater the need for external linkage in the form of attracting donations, funding, experience and knowledge,<sup>40</sup> the larger the board size should arguably be in non-profit organizations.<sup>41</sup> A number of NGBs in US depend upon external sources for their survival, such as donations and funding<sup>42</sup> and private donations are crucial for NGBs in the USA.<sup>43</sup> A large board, therefore, can benefit such organizations from the directors' networks<sup>44</sup> as they would attract more resources. Researchers suggest a positive

<sup>&</sup>lt;sup>39</sup> Id.

<sup>&</sup>lt;sup>40</sup> Chien Mu Yeh & Tracy Taylor, *Issues of governance in sport organisations: a question of board size, structure and roles*, 50 WORLD LEISURE JOURNAL 33 (2008).

<sup>&</sup>lt;sup>41</sup> Boyle, *supra* note 16.

<sup>&</sup>lt;sup>42</sup> Lindsey Gaston, Milly Blundell & Tom Fletcher, *Gender diversity in sport leadership: an investigation of United States of America National Governing Bodies of Sport*, 25 MANAGING SPORT AND LEISURE 402 (2020).

<sup>&</sup>lt;sup>43</sup> Devon Pendleton, *For Olympic Glory, Athletes need a billionaire backer* MINT (Feb. 23, 2018, 04:13 PM), <u>https://www.livemint.com/Sports/blgGb2yMDxLUk1sxWSeOyJ/For-Olympic-glory-athletes-need-a-billionaire-backer.html</u>

<sup>&</sup>lt;sup>44</sup> Shaker A. Zahra & John A. Pearce, *Boards of directors and Corporate Financial Performance: A review and integrative model*, 15 JOURNAL OF MANAGEMENT 291 (1989).

relation between large board size and donations to non-profit organizations.<sup>45</sup> Moreover, large board are expected to meet good governance standards as they have the capacity to respond to the work and challenges of good governance.<sup>46</sup>

The USA Ski and Snowboard having the second largest board and USA Equestrian having seventh largest board can be used as case study to further the above arguments. (See Table 1). According to a study conducted by Pielke et al (2019)<sup>47</sup> on good governance in US Olympic NGBs USA Ski & Snowboard federation (29) was ranked the highest for good governance practice. Track and Field Federation (22) followed by Equestrian Federation (19) were ranked second and third respectively. Therefore, boards of these federations are able to meet good governance standards and performs well in terms of revenue reported. One reason for it might be the large board size. Further, the USA Ski & Snowboard federation attracts donations from individuals and corporate sponsors<sup>48</sup> and such is likely influenced by its large board size. Similarly, the Equestrian Federation, which is dependent upon external resource support because of the high cost involved in the sport, can attract individual sponsors<sup>49</sup> and a large board size might be a contributing factor. The federations with least members on the board i.e., Roller Sports Federation (4 members) and Biathlon Federation (7 members), were at the bottom in the study conducted, indicating poor governance standards (however this may be the result of unavailable data on these NGBs).<sup>50</sup> Therefore, a large board size can also be effective, and NGBs might be adopting the same for reasons explained above. The need to accommodate representation from all sections of society combined with its high population and prevalence of athlete representation, may be other reasons for a relatively large average board size in the USA.51

<sup>47</sup> Id.

<sup>&</sup>lt;sup>45</sup> Boyle, *supra* note 16.

<sup>&</sup>lt;sup>46</sup> Pielke, *supra* note 6.

<sup>&</sup>lt;sup>48</sup> Pendleton, *supra* note 43.

<sup>&</sup>lt;sup>49</sup> Id.

<sup>&</sup>lt;sup>50</sup> Pielke, *supra* note 6.

<sup>&</sup>lt;sup>51</sup> McLeod, *supra* note 18.

#### 4.2. BOARD DIVERSITY

#### 4.2.1. OCCUPATIONAL BACKGROUND

Board skill diversity is one of the key indicators for board sustainability and performance in sport.<sup>52</sup> Table 2 illustrates the percentage of board members belonging to a particular occupational background. However, it should be noted that the above data is not indicative of all directors as occupational background information was not available for all the members.<sup>53</sup> Consequently, a total of 477 (71%) of all NGB board members were coded for occupational background in USA. The results showcase that the skill that dominates the NGBs in USA is people with a sporting background (50.31%) i.e., a person with an elite level athletic or coaching background. Athletes are key stakeholders that are most affected by board decisions.<sup>54</sup> However, traditionally, athletes have very little direct representation in this system of sports governance internationally.<sup>55</sup> The element of athlete representation is considered essential for critical decision-making process as it provides for checks and balances so that the board does not become alienated from those they are seeking to serve.<sup>56</sup> There has been an institutionalization of athlete representation in USA, likely because of the above factors. Athletes' right to representation is provided by §220522(a)(10) of the Ted Stevens Act Olympic and Amateur Sports Act, 1987. According to the said provision, for an amateur sports organization to be eligible to be recognized or continued to be recognized as a NGB, the Board of Directors should contain 20% athlete representation. Such has resulted in all 46 NGBs studied having at least one director with a sporting background. The reason for sporting backgrounds being dominant on NGBs in the USA is likely in part due to the mandated athlete representation. However, over involvement of a particular occupation is typically not considered to be a good governance strategy as a board with varied expertise will be able to

<sup>&</sup>lt;sup>52</sup> Ross Booth et al., *Generic Models of Sports Governance and Their Potential for Sustainability*, 10 in The Sports Business in The Pacific Rim. Sports Economics, Management and Policy 233–250.

<sup>&</sup>lt;sup>53</sup> McLeod, *supra* note 18.

<sup>&</sup>lt;sup>54</sup> Lucie Thibault, Lisa Kihl & Kathy Babiak, *Democratization and governance in international sport: addressing issues with athlete involvement in organizational policy*, 2 INTERNATIONAL JOURNAL OF SPORT POLICY AND POLITICS 275 (2010).

<sup>&</sup>lt;sup>55</sup> Jean-Loup Chappelet, *The unstoppable rise of athlete power in the Olympic System*, 23 SPORT IN SOCIETY 795 (2020).

<sup>&</sup>lt;sup>56</sup> Taylor, *supra* note 33.

accomplish complex and multi-dimensional tasks.<sup>57</sup> Therefore NGBs should strike a right balance between different occupational backgrounds.

The second dominant skill is that of business operation and administration (32.70%) which may be due to the fact that NGBs depend upon individual and corporate sponsors for their funding,<sup>58</sup> therefore board members are required to have such skills. Another finding is that elected politicians comprise of 0% board members on USA NGBs, which shows the lack of federal/central government involvement in sport governance in the country. It is important to note that while many argue that sports and politics should not mix owing to the divisiveness created by political intervention, the reality remains that sport is always influenced by politics to a certain degree. The same holds true for the USA governing system, also reflected by the legislation providing 20% representation to athletes on NGB boards. Even though the occupational background of the NGB board members does not reflect any political affiliations and there is a lack of government funding for grassroots sport; the fact remains that the local government supports local-level community sport, state and city government financially supports collegiate and professional sport, and the federal government utilizes the legislative framework to alleviate the mishaps caused by governance failures in sport.<sup>59</sup> It may be inferred from the same that allowing for a certain level of politics in sports is inevitable and even acceptable to a certain extent.

<sup>&</sup>lt;sup>57</sup> McLeod, *supra* note 18.

<sup>&</sup>lt;sup>58</sup> Gaston, *supra* note 42.

<sup>&</sup>lt;sup>59</sup> Harris, *supra* note 14.

Occupational Background	Representation on NGB Boards
Academic	2.31%
Accountant	1.47%
Bureaucrat/Public Administration	0.42%
Business Operations and Administration	32.7%
Elected Politician	0%
Engineer	0.84%
Journalist	0.00%
Lawyer	6.71%
Marketing	0.84%
Medical Professional	2.1%
Military	2.31%
Sport/Athlete/Coach	50.31%

Table 2: Percentage of each occupation on NGB boards in the USA

#### **4.2.2.** Gender Diversity

Previous research shows positive relation between gender diversity on boards and positive organizational outcomes.<sup>60</sup> Women representation on NGBs globally, particularly in leadership positions, remains low despite growing evidence that gender diversity brings about better board performance and success. <sup>61</sup> Studies suggest that boards with strong gender diversity outperform organizations that do not.<sup>62</sup> Joecks et al. (2018)<sup>63</sup> noted that for the minority group (women) to influence the direction of an organization at least 20% to 40% representation is

<sup>&</sup>lt;sup>60</sup> Spaaij, *supra* note 17.

<sup>&</sup>lt;sup>61</sup> Research report: Beyond 30% - female leadership in Sport, WOMEN IN SPORT (2017),

https://www.womeninsport.org/research-and-advice/our-publications/beyond-30-report/ (last visited Dec 17, 2021).

<sup>&</sup>lt;sup>62</sup> Jasmin Joecks, Kerstin Pull & Karin Vetter, *Gender diversity in the boardroom and firm performance: What exactly constitutes a "Critical mass?,"* 118 JOURNAL OF BUSINESS ETHICS 61(2012).

<sup>&</sup>lt;sup>63</sup> Id.

required. According to the data, the USA has 35.26% of women representation on its Board, whereas the representation of men is 64.74%. Therefore, based on study's recommendation, the USA overall performs relatively well with respect to gender diversity. However, balanced groups comprising of 40% to 60% representation is considered to make the gender-based discrimination on boards become less important and the actual skills of men and women the key focus.<sup>64</sup> Thus, this should be the benchmark for NGBs to achieve i.e., 40% to 60% balanced gender-representation.

The 2012 Los Angeles Declaration stated the need for increasing women representation in management and leadership roles.<sup>65</sup> The Olympic Charter in Rule 2, Paragraph 8 recognizes gender equality as being crucial, and the IOC for organizations part of the Olympic movement requested that there must be a minimum of 20% of decision making positions designated for women, however, such has not yet been achieved.<sup>66</sup> As per the provisions of the Ted Stevens Olympic and Amateur Sports Act, 1987, the USOPC submits a report every four years to USA Congress, which details information on involvement of women in each NGB, amongst other information relating to ethnic diversity and disability. NGBs in line with the Performance Partnership Agreement are mandated to submit inclusivity and diversity data annually to the USOPC Diversity and Inclusion Department.<sup>67</sup> Each NGB has to comply with its own unique inclusion benchmarks depending upon various factors such as financial and human resources, popularity of the sport, and data from the US Census and NCAA.<sup>68</sup> A Scorecard is published by the USOPC that details data regarding percentage of female representation on the board of NGBs amongst other factors.<sup>69</sup>

 $<sup>^{64}</sup>$  Id; Rosabeth Moss Kanter, Men and women of the Corporation (1977).

<sup>&</sup>lt;sup>65</sup> Gaston, *supra* note 42.

<sup>&</sup>lt;sup>66</sup> Id.

<sup>&</sup>lt;sup>67</sup> Id.

<sup>&</sup>lt;sup>68</sup> Id

<sup>&</sup>lt;sup>69</sup> United States Olympic and Paralympic Committee, *Diversity Equity & Inclusion scorecards* TEAM USA, https://www.teamusa.org/diversityscorecards (last visited Dec 17, 2021).

Name of Federation Total No. of No. of Female Male Representation Board Female Members **Members** Members (in %) Baseball Federation of the 12 11 1 8.33 USA 9 Karate Federation of the USA 8 1 11.11 5 Wrestling Federation of the 35 30 14.29 USA 7 1 Judo Federation of the USA 6 14.29 Water-ski Federation of the 25 20 5 20 USA Ice Speedskating Federation of 10 8 2 20 the USA

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Table 3: NGB boards with low female representation

Table 3 reflects the NGBs that have 20% or less female representation on Board (although results should be interpreted with caution given that secondary sources were relied upon). This level of female representation has been described as 'token' representation. This means when the minority group (female) is controlled by the dominant group (male), as the minority groups representation is only up to 20%.<sup>70</sup> According to Kanter (1997), "women can realistically only affect policy and create change once they become fully engaged participants and not just token representatives of diversity".<sup>71</sup> Therefore, for the NGBs provided in Table 3, the board appears to be gender diverse but there might be a lack of opportunity for women to equally participate. Further, a failure in achieving female membership benchmarks can indicative that the NGBs does not have enough financial resources, as all do not receive financial support from the USA government.<sup>72</sup> Therefore, in order to increase female representation on board, structural changes are required as there are only 4 NGBs which have more female representation than male (see Table 4). A similar enactment as that of 20% athlete representation can and should be made for women to increase their representation on NGB boards. However, an unlikely case

<sup>&</sup>lt;sup>70</sup> KANTER, *supra* note 64.

<sup>&</sup>lt;sup>71</sup> Id.

<sup>&</sup>lt;sup>72</sup> Gaston, *supra* note 42.

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is reflected by USA Artistic Swimming, previously known as USA Synchronized Swimming Federation. The said federation is dominated by women board members as male representation is only 6% approx. Such could be due to the fact that Synchronized Swimming is predominantly considered to be a women's sport and in fact at the London Summer Olympics, 2012 men were disallowed to participate in the sport.<sup>73</sup>

Name of Federation		No of Male Members	No of Female Members	Male Representation (in %)
USA Artistic Swimming	16	1	15	6.25
USA Gymnastics	14	5	9	35.71
USA Equestrian	19	7	12	36.84
USA Ice Figure Skating	18	7	11	38.89

Table 4: NGB boards with low male representation

## 5. ESPORTS GOVERNANCE IN USA

The Esports sector has gained 320 million viewers worldwide, is growing at a rapid pace, and is set to potentially become an Olympic sport.<sup>74</sup> However, Esports is criticized for perpetuating misogyny and violence by the IOC and NCAA President.<sup>75</sup> Organized gaming and Esports in USA takes places under the aegis of National Association of Collegiate Esports (NACE), which is a governing body for the association of varsity Esports programs at the collegiate and university level in USA. Other governance organizations for collegiate Esports include Collegiate Starleague and Tespa.<sup>76</sup> A major outlet of legislative sports governance in the USA is Title IX of the Education Amendments Act 1972. Title IX has a broad purview that prohibits gender discrimination at all federally funded educational institutions, provides for financial aid,

<sup>&</sup>lt;sup>73</sup> Francesca Ingletto, *The case-study of Synchronized Swimming: Is it really sport for all?* LINKEDIN (Nov. 23, 2020), https://www.linkedin.com/pulse/case-study-synchronized-swimming-really-sport-all-francesca-ingletto/

<sup>&</sup>lt;sup>74</sup> Jane K Stoever, *Title IX, Esports, and #EToo*, 89 THE GEORGE WASHINGTON LAW REVIEW 42 (2021).

<sup>&</sup>lt;sup>75</sup> Id.

<sup>&</sup>lt;sup>76</sup> Id.

and prohibits sexual harassment in schools, Esports and gaming.<sup>77</sup> With regard to Esports, Title IX should uphold the objective of increasing participation of female players, and eliminating gender-based harassment in gaming. As argued by scholars, schools implementing Title IX should have a Campus Coordinator along with the Diversity, Equity, and Inclusion Officers to utilize Title IX for monitoring gaming content and gaming behavior.<sup>78</sup> Of course, calls for better governance in Esports are not unique to the USA, with commentators and policymakers calling for reform internationally in line with parallel good governance principles in traditional sports.<sup>79</sup>

#### 6. LEGAL DEVELOPMENTS RELATED TO GENDER INCLUSIVITY

An important discourse on Title IX involves reference to the "Dear Colleague" letter on sexual violence dated 4 April 2011 released by the U.S. Department of Education's Office for Civil Rights (OCR), detailing specifications on how to respond to reports of sexual harassment in school in accordance with Title IX framework. This signified that sexual assault cases were to be handled on a serious level by the federal government.<sup>80</sup> However, such was withdrawn during the Trump presidency in September 2017.<sup>81</sup> On similar lines 'Questions and Answers on Title IX Sexual Violence' document dated 29 April 2014 was replaced with the September 2017 'Q&A on Campus Sexual Misconduct'.<sup>82</sup> This has resulted in withdrawal of a mandatory 'preponderance of evidence' standard, removal of fixed time-frame for completion of Title IX investigations, and enabled cross-examination at disciplinary hearings.<sup>83</sup> Moreover, the Joe

<sup>&</sup>lt;sup>77</sup> Id.

<sup>&</sup>lt;sup>78</sup> Id.

<sup>&</sup>lt;sup>79</sup> See, Sarah Kelly, Stephanie Derrington & Shaun Star, *Governance challenges in esports: A best practice framework for addressing integrity and wellbeing issues*, INTERNATIONAL JOURNAL OF SPORT POLICY AND POLITICS (2021); Subhrajit Chanda, Tarun & Shaun Star, *Contouring E-doping: A Menace to Sportsmanship in Esports*, 12 TURKISH ONLINE JOURNAL OF QUALITATIVE INQUIRY 966 (2021).

<sup>&</sup>lt;sup>80</sup> Apalla U. Chopra, *Biden Executive Order on Title IX: Where We've Been and Where We're Going*, O'MELVENY (Mar. 9, 2021), <u>https://www.omm.com/resources/alerts-and-publications/alerts/biden-executive-order-on-title-ix/</u>,

<sup>&</sup>lt;sup>81</sup> Letter from Candice Jackson, *Acting Assistant Secretary for Civil Rights*, U.S. DEPARTMENT FOR EDUCATION (Sept. 22, 2017), <u>https://www.cmu.edu/title-ix/colleague-title-ix-201709.pdf</u>.

<sup>&</sup>lt;sup>82</sup> Bond Schoeneck, U.S. Department of Education Withdraws 2011 "Dear Colleague Letter" and 2014 Q&A on Sexual Misconduct; New Guidance Document Issued, JDSUPRA (Sept. 25, 2017), https://www.jdsupra.com/legalnews/u-s-department-of-education-withdraws-62440/.

<sup>&</sup>lt;sup>83</sup> Patrick Saccocio, *The Impact of the September 22, 2017 "Dear Colleague Letter"*, PARISI, COAN & SACCOCIO PLLC (Jan. 15, 2018), <u>https://www.pandslawtitleix.com/blog/2018/january/the-impact-of-the-september-22-2017-dear-colleag/</u>.

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Biden Government allowed for transgender participation in women sports keeping in mind Title IX and the judgement of *Bostock v. Clayton County* – that reflected Title VII application, which prohibits gender identity/sexual orientation-based discrimination in the workplace.<sup>84</sup> Such was previously barred by the Trump Administration.<sup>85</sup> The stark contrast between the Biden and Trump governance policy related to gender inclusivity and how politics interferes with sports is visible through these instances.

## 7. CONCLUSION

The aim of the study was to analyze the board composition of NGBs in the USA in terms of their size and diversity. Through the usage of data retrieved from secondary sources, this paper provides a valuable contribution to the literature on sports governance in the USA. The paper contributes deeper insights into the board composition of NGBs in the USA by building on previous studies. It showcases the potential reasons for the USA adopting a larger board size. It further elucidates the importance of athlete representation on NGBs, while also highlighting the need to reduce the skill gaps in order to enhance organizational performance and efficiency. It also provides insights with respect to gender balance in NGBs in the USA. Besides the mainstream sports, Esports as a rapidly growing area wherein good governance norms are the need of the hour has been highlighted. The evidence provided by the study is helpful for the key stakeholders involved in policy decision making in NGBs in the USA. Future researchers can use primary methods as opposed to the secondary method used in this study to collect data and provide new insights into board composition of NGBs.

<sup>&</sup>lt;sup>84</sup> McKenzie Sadeghi, *Fact check: Posts criticizing Biden order on gender discrimination lack context*, USA TODAY (Feb. 2, 2021, 4:39 PM), <u>https://www.usatoday.com/story/news/factcheck/2021/02/02/fact-check-biden-executive-order-discrimination-transgender-women-sports/6686171002/</u>.

<sup>&</sup>lt;sup>85</sup> Mark Walsh, *Biden Legal Team Steps Back From Trump Stance on Transgender Female Sports Participation*, EDUCATION WEEK (Feb. 24, 2021), <u>https://www.edweek.org/policy-politics/biden-legal-team-steps-back-from-trump-stance-on-transgender-female-sports-participation/2021/02.</u>

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