



CRISIS IN GOVERNANCE

National Sports Governance: The Fitness to Lead

Research Report on
UK Sport Governance



Where business comes to life

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Introduction

This report compares and contrasts the findings from a survey administered to the sport sector in unison with three other sectors: the NHS, universities and charities.

This survey has been completed by directors from National Governing Bodies (NGBs) (68%) and directors of County Sports Partnerships (CSPs) (32%) using statistical tests that determine whether there are different response patterns between these two categories of organisation.

It was interesting to observe that there were no statistically significant differences between the two groups of directors and, as a result, this report has combined the outcome of its results for both NGBs and CSPs.

Since the development and publication of the Sports Governance Code in October 2016¹, sport organisations benefiting from public funding are required to comply with the code's provisions, which vary according to a three-tier system.

The first year of its implementation achieved encouraging results² and compliance with code provisions at all levels has been progressing well ever since. However, compliance alone is by no means an assurance of good governance, a point well illustrated by cases such as Carillion plc, which complied in full with the UK Corporate Governance Code and had 71% of its board directors recognised as being independent. However, this did not prevent the development of a poor culture which ultimately undermined the board and company.

This report aims to provide boards and directors of sport organisations with important evidence and discussion that reaches beyond compliance, and considers themes including director effectiveness, the value of independent culture, and how sports boards can raise and manage the challenges and issues affecting the sector.

The Sports Code of Governance underscores the relationship between good governance and organisational culture, evidencing how greater attention on governance can benefit the wider sector.

¹ Sport England and UK Sport, "A Code for Sports Governance", November 2017, Available at https://www.sportengland.org/media/11193/a_code_for_sports_governance.pdf

² Sport England and UK Sport, Letter to the Chair of the Digital Culture Media and Sport Select Committee, House of Commons, 13 November 2017, Available at <https://www.sportengland.org/media/12532/letter-to-dcms-select-committee.pdf>

We believe the insights and discussion within this report will assist boards and directors in creating conditions for effectiveness beyond compliance and enable careful consideration of how to conduct their roles in the most effective manner.

The report is divided into five sections:

- Section 1: Board composition and director characteristics
- Section 2: Board and directors' time
- Section 3: Chair qualities, role and practice
- Section 4: Board and director effectiveness in monitoring and stewardship roles
- Section 5: Challenges, board competence and relationships

Appendix 1 provides a note on the methodology and more detail on the sample of sports respondents. Appendix 2 features more detail on the demographics of the survey respondents and their respective organisations.

Henley Business School would like to thank Sport England (SE) for its support with this survey and all of the respondents who gave their valuable time and experience to help shape this research project.

Executive Summary

This report highlights the fundamental disconnect between the time non-executive directors (NEDs) devote to the role, and the quality of information, evidence and level of engagement they enjoy with their organisation, versus an assessment of their monitoring and stewardship effectiveness, and their boards' culture and ability to raise and face the many challenges encircling the organisations they serve. Specific findings include:

1. The average size of sports boards is ten members, of which, on average, six are independent directors. Compared to other sectors analysed, sports non-executive directors are younger (44.9% are less than 55 years of age), short tenured (62% serve two years or less years in post) and have less board experience (50% have had no other board positions).
2. Sports boards have five board meetings during the year on average (the lowest number compared to other sectors), lasting on average 3.7 hours.
3. Sports non-executive directors give the least time commitment to the role when compared to other sectors – on average just 14.1 days a year, or around one day a month. This time is distributed almost equally across monitoring and strategic activities, which are ultimately considered insufficient for satisfactory engagement with the issues confronting the organisation. A sizeable percentage of directors (43.4%) comment that the introduction of adequate NED remuneration would result in more time commitment and engagement.
4. A significant number of directors (17%) do not agree that good data or evidence to support decision-making is available and cannot be easily obtained. About 44% say they do not “visit operations and talk to other layers of management”; 22% don't have “regular updates and presentations on the board from other internal/external experts apart from management”; 14% don't believe they are “given the right quality of information for the board agenda to play an effective role during meetings”; 10% don't think they have “effective dialogue with other independent members.” Obtaining good information for directors from various sources to engage with the organisation at different levels, and then independently form a view is a vital part of effective monitoring and stewardship.
5. Despite a relatively small time commitment, low engagement with the organisation at different levels and various deficiencies in board information quality, aspects which are magnified by limited board experience and shorter tenures, directors rate themselves

more highly than in any other sector. Self-rating outcome findings include: “Ability to articulate a different perspective at board level” (96% agree/strongly agree); “ability to contribute to a shared purpose” (92%); “board culture of independence” (89%); monitoring task effectiveness (94%), and stewardship task effectiveness (84%).

6. The disconnect between director input quality – which includes director time, information excellence, engagement, tenure and board experience - and effectiveness - encompassing the ability to articulate a different perspective, contributing to a shared purpose, monitoring and stewardship tasks - **potentially indicates a degree of complacency with the current state of affairs.**
7. Sports directors rate their boards as being better than any other sector in terms of ability to handle difficult and sensitive discussions - **89% say the board is good or excellent.** In addition, sports directors rate their boards as being significantly more competent at handling the challenges they face - **87% say the board is good or excellent.**
8. The ability of boards to raise and handle uncomfortable issues and to competently address the challenges presented is reported as a fundamental capability that distinguishes these boards. **10% of directors rate their boards as average or poor/very poor at raising and handling uncomfortable issues, and having the required competence to handle resulting challenges. These boards are at risk of failing when tested.**
9. A lack of role clarity for independent non-executive directors, information deficiencies in quality and variety, low time devoted to the role, insufficient engagement with the organisation, and limited availability of training for directors are key **aspects that require attention** from both chairs of boards and funding bodies. **We recommend that a series of feedback sessions are organised with chairs and other directors of sports organisations to discuss the findings and determine appropriate courses of action.**
10. There are reasons to be positive about the current level of good governance in the sector. Many funded bodies have made significant changes to improve governance as a result of the Code, and compliance levels are high. In many instances the sector is driving efforts to cascade good governance throughout its organisations. However, the question remains: **Have sports directors really been tested and stretched, and will their efforts fully stand the test of time?**

Section 1: Board Composition and Director Characteristics

Board size and the **number of independent directors** are important features of boards. Sports boards have an average of 10 members and six independent directors. These figures are the smaller across the four sectors analysed and are generally in line with best practice. A typical board should have between 10-12 members for optimal functionality, with the majority being independent. This lays the structural foundations for a better quality of debate and decision-making.

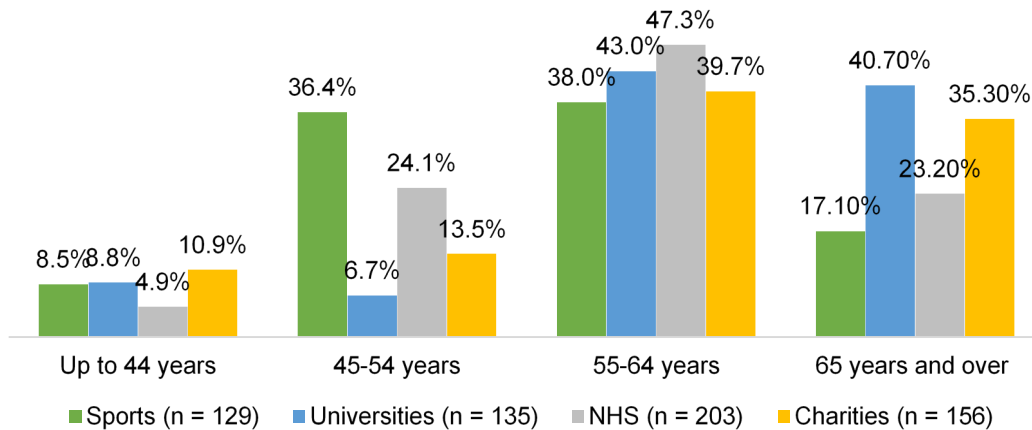
Board composition is an important element of effective boards. A lack of the requisite diversity can lead to failure when it comes to raising and facing the challenges that organisations have to frequently address. When it comes to **gender balance**, this survey finds that male directors continue to dominate boards across sectors. Female directors accounted for 38.5% of survey respondents in sports, 40% in universities, 42.4% in the NHS, and 49.4% in Charities.

Female directors continue to be in the minority, but significant improvements have been achieved and this drive should continue into the future. All of these sectors appear to be better positioned when compared with the FTSE-100, which had 71% male directors as at July 2018³.

In terms of **ethnic background**, boards across all four sectors perform extremely poorly, with over 92% of participants being of White/White British ethnicity. This finding is particularly concerning as all of these sectors provide services to widely diverse communities, often utilising public resources. However, these groups appear to have little representation at board level and ethnic diversity is probably the biggest diversity challenge facing boards.

Considering **age (Figure 1)**, most directors across all sectors are 55 years old or older. The sports' sector tends to have younger directors, with 44.9% being less than 55 years of age – compared with the NHS (29.1%), charities (24.4%) and universities (15.5%).

³ See FRC and University of Exeter, "Board Diversity Reporting", September 2018, Available at <https://www.frc.org.uk/getattachment/62202e7d-064c-4026-bd19-f9ac9591fe19/Board-Diversity-Reporting-September-2018.pdf>

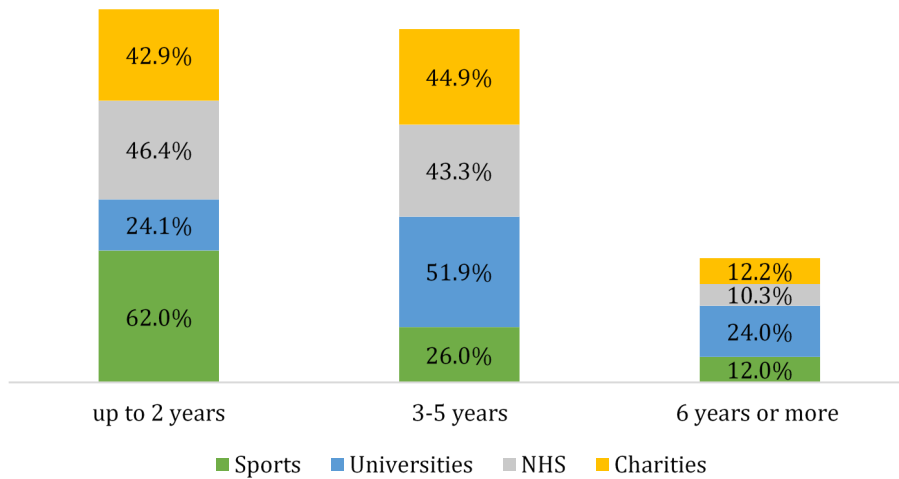
Figure 1: Directors' Age Range (as a percentage of respondents)

A positive feature of sports boards appears to be its greater inclusiveness of younger directors - which may be closer to the needs of younger generations, as well as bringing much needed diversity and fresh thinking into the boardroom. However, work is still needed to increase the presence of even younger directors who are under 44 years-old.

In terms of **tenure (Figure 2)**, sports boards feature directors with the least tenure. Some 62% are on the board for two years or less, compared with 46.4% in the NHS, 42.9% for charities, and only 24.1% for universities.

The introduction in 2016 of the Sports Governance Code by Sport England and UK Sports has certainly contributed to the renewed effort of boards in the sector to comply with term limits, independence criteria and board composition recommendations. While compliance with the code is important, the large proportion of directors with tenures below two years means that many boards are still learning how to work together and, as a consequence, need to be supported.

Figure 2: Non-Executive Director Tenure (as a percentage of respondents)



Finally, in terms of the **additional number of directorships held by directors**, a significant percentage across all sectors reported having no other directorships: sports (50%), the NHS (47.4%), charities (42.9%), and universities (35.4%).

While busy directors are typically less engaged and more likely to underperform, directors with little or no other board experience pose the concern of not having any points of comparison or understanding as to the drivers of board effectiveness. As a result they may misinterpret certain board practices as being normal when in fact the opposite is true.

Section 2: Board and Directors' Time

This section analyses the time devoted by directors to the board, their role and how they prioritise particular responsibilities.

Figure 3 (below) shows the **number of board meetings per year**, and **Figure 4** provides the **average duration of these board meetings**. NHS boards stand out with an average of 10 meetings each year, lasting an average of 4.6 hours. Sports boards – by comparison – have the least number of meetings every year, just five on average, lasting approximately 3.7 hours.

Figure 3 Average No. of Board Meetings / Year (percentage of respondents)

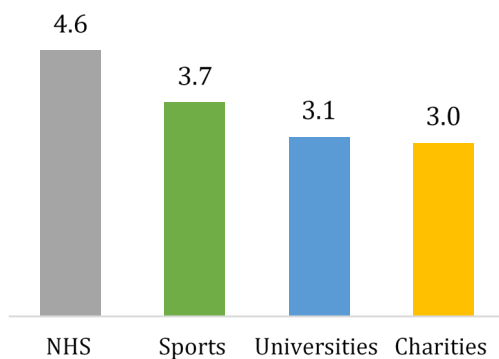


Figure 4 Average Duration of Board Meetings (percentage of respondents)

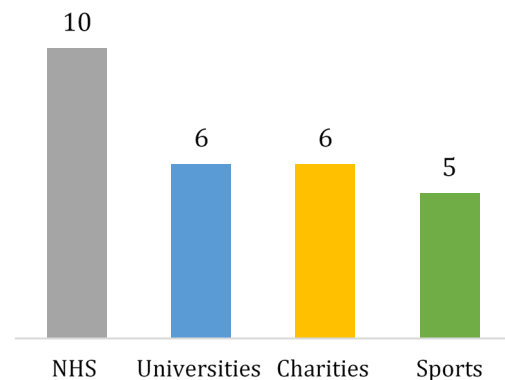
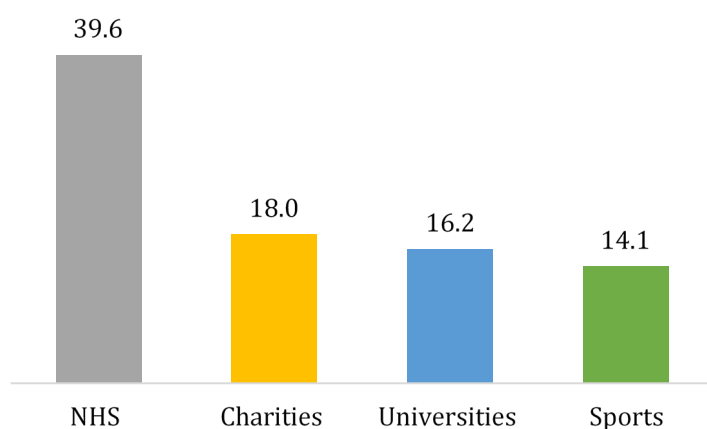


Figure 5 shows the **number of days devoted by non-executive directors to the role** in a typical year. Again, NHS directors stand out by giving an average of 39.6 days-a-year to the role.

This is followed by charities (18 days per year), and universities - 16.2 days a year.

Sports sector non-executive directors reported giving only 14.1 days a year to their role, or approximately one day per month. This limited amount of time makes it much harder for directors to be in touch with organisations and the reality of their performances, other than through information provided by the executive. In fact, many directors surveyed advocate that non-executives and chairs should be **better remunerated for their role to match an increase in their time commitment**.

Figure 5: Average No. of Days/Year NEDs devote to the Role (percentage of respondents)



In terms of **time spent on strategic direction and monitoring tasks**, university directors spend the least time on **strategic direction**, with 96% spending one day or less, followed by the NHS (91%), sports (90%) and charities (81%).

NHS directors spend considerably more time **monitoring performance**, with 54% of directors spending one to two days or more every month on this task. Other sectors spend considerably less time on average: universities (96%), sports (94%) and charities (86%) allocating only one day or less every month.

Sports' boards have fewer board meetings each year and directors also give less time to their roles. This, in combination with relatively younger directors possessing less "other board experience" may mean that independent sports NEDs find it difficult to have real insight into the organisations they are overseeing.

Many respondents to the survey emphasised a need to have longer and more frequent board meetings, and more time to give to the role:

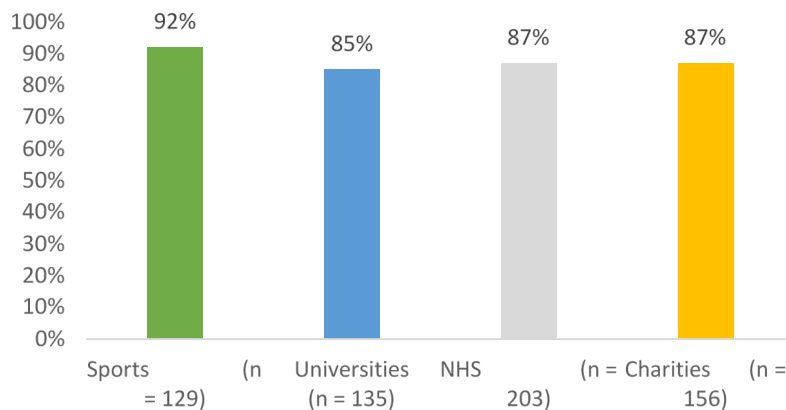
"More face-to-face board meetings and attendance to events of different levels to meet competitors, organisers, members of the executive and the board...and develop greater awareness of the day-to-day challenges of running the sport and knowledge of the individuals involved" (Independent Non-Executive Director)

Comments like this underscore that many NEDs in the sector feel that to become truly effective, they need to engage more widely throughout the organisation, collecting information and insights from a variety of sources, not just the executive.

Section 3: Chair Qualities, Role and Practice

The respondents were asked about the effectiveness of the Chair of the Board in terms of their personal qualities, role and performance proficiency. **Figure 6** highlights how directors across the four sectors rate the quality of their chairs.

Figure 6: Chairs with the right qualities for the role (% agree/strongly agree)



In comparison to the other sectors, chairs of sports organisations scored higher (92%) in terms of their personal qualities.

Table 1: Chair Qualities (% agree/strongly agree)

Chair Qualities	Sports (n = 129)	Universities (n = 135)	NHS (n = 203)	Charities (n = 156)
Is skilful at facilitating debate at board level	93%	85%	88%	88%
Effectively uses their experience from a similar role in another charity	86%	90%	82%	65%
Is a strategic thinker	95%	84%	84%	86%
Takes a long-term view of what it takes to be a sustainable organisation	95%	88%	86%	90%
Has experience in operating in a similar role in another sector	80%	73%	74%	69%
Leads by example	94%	84%	90%	91%
Has effective relationships with others	92%	89%	91%	94%
Demonstrates high moral values	98%	90%	96%	95%
Has values that are aligned with those of the organisation	97%	89%	96%	98%
Uses an evidence-based approach	92%	84%	84%	83%
Has an in-depth understanding of the organisation	91%	84%	86%	92%
Is effective in their role	94%	84%	89%	88%
Total Average	92%	85%	87%	87%

Particularly strong performance was also recognised in facilitating debate at the board level (93%); strategic thinking (95%); taking a long-term view (95%); leading by example (94%); high moral values (98%); evidence-determined strategy and operations (92%), and being effective in role (94%). Overall chairs of sports organisations are rated more highly (92%) than their counterparts in the other three sectors surveyed.

Concerning role and practice effectiveness, chairs of sports organisations (75%) compare favourably with chairs of NHS institutions (76%).

Figure 7: Chair role and practice effectiveness (% agree/strongly agree)

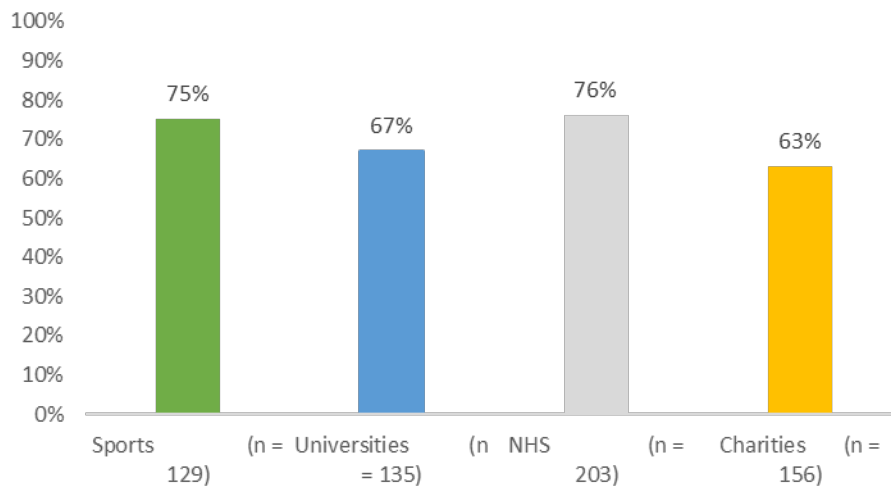


Table 2 offers greater detail on the key elements around chair role and practice in comparison to the other three sectors.

Table 2: Chair Role and Practice (% agree/strongly agree)

Chair Role and Practice	Sports (n = 129)	Universities (n = 135)	NHS (n = 203)	Charities n = 156)
Creates a shared purpose, values and norms of behaviours that guides the future of the Board / organisation	92%	80%	90%	90%
Establishes the boundaries between independent directors and executive and is prepared to cross them if necessary	79%	62%	74%	70%
Promotes independent directors only meetings to discuss issues, share ideas and thinking, and gain greater alignment	41%	45%	79%	62%
Ensures there is an appropriate level and quality of information for debate	91%	80%	85%	85%
Effectively deals with/removes non-performing and/or disruptive Board members	55%	44%	55%	47%
Takes responsibility for Board composition	88%	84%	88%	75%
Conducts a thorough appraisal of the Chief Executive	80%	76%	82%	62%
Effectively takes responsibility for the composition of committees and how they operate	77%	78%	80%	60%
Ensures that the board is independently evaluated on a regular basis	77%	77%	73%	39%
Has effective relations with external stakeholders	85%	63%	87%	65%
Instil confidence in key stakeholders in the way the organisation is run	81%	70%	83%	70%
Is effective in times of crisis	72%	62%	71%	67%
Has positive relations with the media	42%	42%	47%	33%
Effectively maps board skills against the challenges the organisation / board faces	86%	74%	76%	62%
Average	75%	67%	76%	63%

Qualities of particular note include: nurturing shared purpose, values and norms (92%); establishing clear boundaries between independent NEDs and executive members (79%); ensuring quality information to feed debate (91%); being effective in crises (72%), and determining and mapping out board skills against challenges to be faced (96%).

These are key performance characteristics of chairs of sports organisations. In terms of the chair role's effectiveness and practice, sports organisations (75%) are on a par with NHS

organisations (76%), and both compare favourably against their counterparts in universities, colleges and charities.

The results of previous Henley studies highlight the importance of the chair in determining board contribution and the adoption of good governance throughout the organisation. The key finding from all of these previous studies is that “a good chair is a good board.”

The opposite equally applies in that a bad chair is a bad board.” **Tables 1** and **2** illustrate how favourably chairs of sports organisations are rated by their board directors when compared to board directors across the other three sectors.

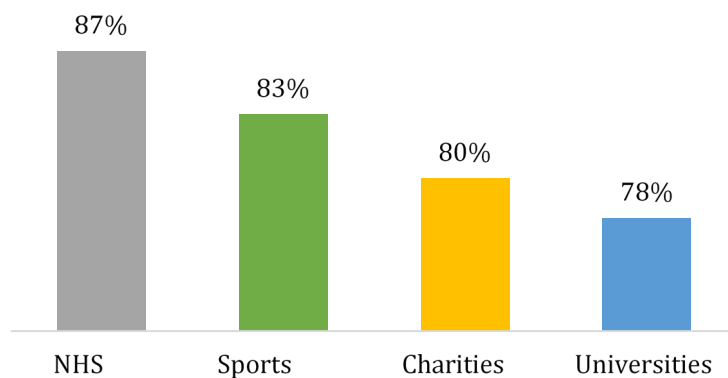
Section 4: Board and Director Effectiveness in Monitoring & Stewardship Roles

Directors were asked a series of questions about board culture, information flows and the behavioural effectiveness of various board roles.

The **availability of good quality data alongside the ability of directors to collect evidence from a variety of sources** – and not just the CEO and the executive team – emerged as a fundamental requirement for directors to independently articulate informed and new perspectives, contribute to a shared purpose, and perform their monitoring and stewardship roles effectively.

Figure 8 illustrates how directors rate their boards in relation to **evidence-based governance**.

Figure 8: Availability, Quality and Use of good Data/Evidence by Directors
(% agree/strongly agree)



The survey data shows that 83% of directors in sports agree/strongly agree that good quality data and evidence are available and used by directors to make evidence-based decisions and present their case accordingly.

However, **17% of sports directors do not believe this is the case and that the practice could be improved**. Specifically, **only 56% of directors in sports say they independently “visit operations and talk to other layers of management”** to gain unfiltered information and insight; **only 78%** see regular updates and **“presentations on the board from internal/external experts”** other than the management team.

86% of directors believe that they are “given all the data/information necessary for the board agenda to play an effective role during meetings,” while 90% say they have “effective dialogue with other independent directors to cross-check information, and ensure that the data and evidence is robust.”

A significant proportion of directors commented on the need to ensure they could benefit from better quality information from the management.

Examples of this included improved accounting analysis and reporting; enhanced strategy analysis and debate; more frequent updates on operational and sector issues, fewer presentations at board meetings, and greater interaction and the opportunities for Q&A sessions.

Many directors also commented on the need to engage more effectively with organisation stakeholders, including staff, local associations and government amongst others. The need for “NED-only meetings” was also stressed, in order to “develop a stronger relationship and more knowledge of the business.”

In effect, directors want to have better information along with a clearer line of sight into the *actual* performance and culture of the organisation.

“[We require] greater exposure to the implementation of policy and strategy to inform decision-making.” **(Independent Non-Executive Director)**

Despite some issues with data quality and availability, a very high percentage of sports directors agree or strongly agree that independent directors can articulate different perspectives and contribute effectively to a shared purpose **(Figures 9 and 10)**.

Figure 9 Independent Directors' ability to "articulate a different perspective" (% agree/strongly agree)

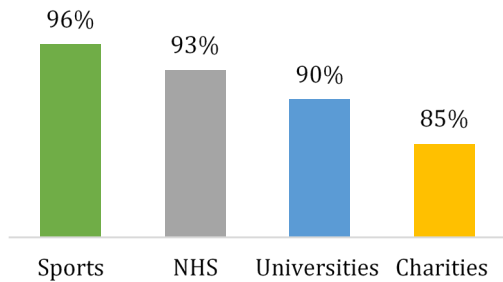
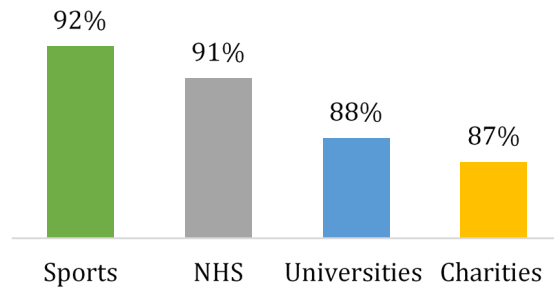


Figure 10 Independent Directors' ability to "contribute to a shared purpose" (% agree/strongly agree)



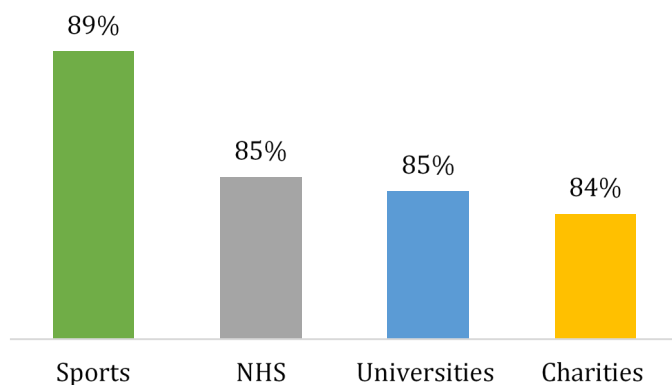
Sports directors additionally agree/strongly agree that they are able to “articulate a different perspective” that is not necessarily the one held by management or the majority of the board, and they feel that they are able to “contribute to a shared purpose” at board level.

These are important aspects of board activity that reflect independent behaviour. The skill and will to engage in strong debate and bring different perspectives and experience, while also ensuring this is conducted in relation to a shared purpose.

The ability to generate diverse perspectives while realising a shared purpose and direction is a critical board function. Sports directors in this survey rate themselves ‘better’ at this when compared to the other sectors under analysis.

In terms of the **board culture that enables independent behaviour to thrive**, some **89%** of sports directors surveyed agree/strongly agree that such a culture exists, which again scores more highly than any of the other sector under review (**Figure 11**).

Figure 11: Culture of Independence on the Board (% agree/strongly agree)



In particular, sports directors believe that independent behaviour is most affected by “external stakeholders who have a strong influence on how the organisation is managed” (37% agree or strongly agree); by the “variable quality of information that makes scrutiny harder” (19% agree or strongly agree), and by “difficulties in challenging certain personalities on the boards” (12% agree or strongly agree).

The survey also asked a set of questions relating to the individual director’s effectiveness in fulfilling a “monitoring role” of scrutiny and challenge, and conversely a “stewardship role” of advice, support and counsel (**Figures 12 and 13**).

Figure 12: Directors' Monitoring Effectiveness (% agree/strongly agree)

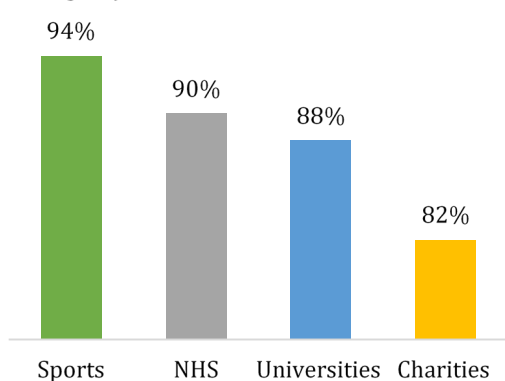
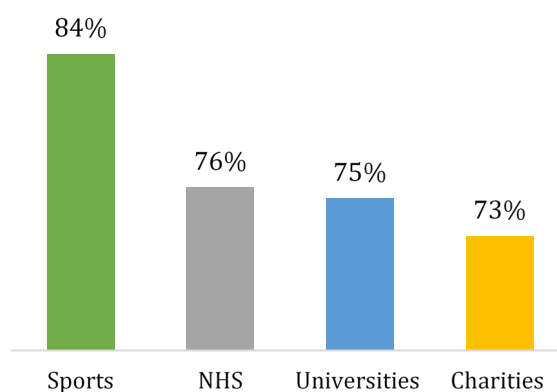


Figure 13: Directors' Stewardship Effectiveness (% agree/strongly agree)



Again, sports directors rate themselves as being more effective than other sectors in both monitoring (94% agree/strongly agree) and stewardship (84%) roles.

While sports directors believe they are effective/very effective in monitoring tasks, 16% feel improvements can be made in their stewardship role.

Specifically, 28% state that independent directors do not “act as effective bridges to the outside world;” 19% feel “their opinion is not actively sought by the executive team;” 16% say that independent directors do not “bring resources or access to networks that are invaluable to the board,” and 13% say that “independent directors are not effective mentors or advisors to the executive team.”

Sports directors have commented that there is a need to make the role and responsibilities of the independent non-executive director much clearer to the executive team, and to the wider organisation as a whole. Additionally, much greater investment is required from the funding bodies for NED induction, training and development.

“[I suggest] stronger support from funding bodies to the importance of the independent chair and non-executive directors.” **(Chairman)**

“[There is a need for] clearer guidelines of roles and responsibilities and external training for NEDs – Can Sport England fund the training for all newly appointed NEDs?” **(Chairman)**

Improving the clarity of the independent director role and supporting them through enhanced training and mentoring is clearly an important part of developing the correct mind-set and culture that enables directors to operate effectively.

Section 5: Challenges, Board Competence and Relationships

Respondents to the survey were asked to rank specific and major challenges facing their organisation and sector in order of importance. **Table 3** depicts sport directors' responses.

Table 3: Top Challenges facing Sports Boards (% of respondents)

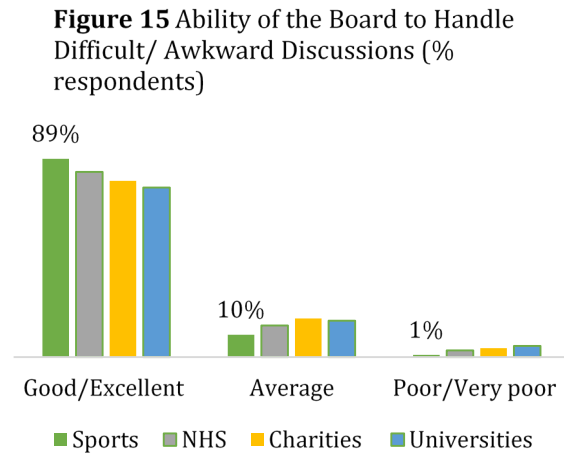
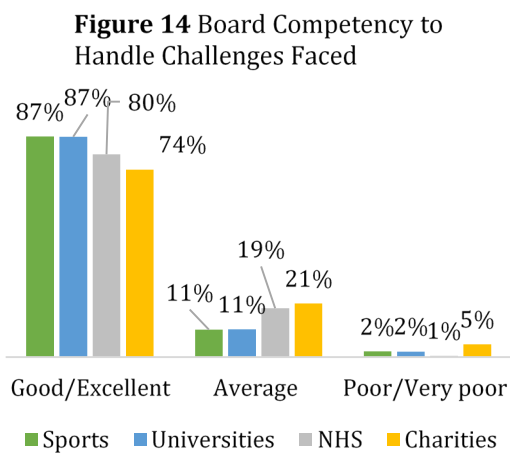
Challenges facing Sports	Total
Dependency on lottery/public funding	78.3%
Lack of resources	66.0%
A constantly changing landscape / environment	65.1%
Remaining relevant to future generations	47.3%
Duplication and competition for declining resources	38.0%
Adherence to legal and regulatory obligations (e.g. GDPR)	30.4%
Governance and sustainability at lower levels within sport	29.5%
Lack of appropriate skills and competencies to meet current and future challenges	25.7%
Lack of investment in new facilities	24.8%
Ability to advocate and make the case for sport and physical activity	24.1%
Lack of understanding of sports sector by organisations/ individuals outside it	24.1%
The Olympics focus on winning medals	21.0%
Reputation (scandals, lack of transparency, drug abuse, etc.)	12.5%
Unclear governance arrangements	8.6%
Lack of accountability at the top	3.2%
Not professionally run	2.4%

Sports directors expressed widespread concern about the lack of support and over dependency on particular sources of funding, with challenges around resource scarcity occupying three of the top five challenges listed.

There are also key concerns about the stability of funding and regulation across the sector, which generates uncertainty and makes it harder to plan for the future. Boards are focused on ensuring that sports remain attractive to younger generations, and must consider how the sector can remain sustainable in the long-term.

Interestingly, and despite the last five years being rife with UK sporting scandals and failures of leadership, of the 16 challenges listed concerns over governance and sustainability

ranks seventh (29.5%), reputation scandals are thirteenth (12.5%), and unclear governance arrangements comes in at a lowly-placed fourteenth (8.6%).



With such a range of challenges facing sports organisations, the board’s ability to raise uncomfortable issues and confront complex challenges are critical capabilities that need practice and development.

Figure 14 (above) shows how directors rate the ability of the board to handle identified challenges effectively. While sports directors rate their boards as good or excellent in terms of their competency to handle the challenges faced (87%), 13% of directors recognise their boards are average or even poor/very poor, suggesting the existence of underlying problems with board composition, operation and leadership.

A similar picture emerged when directors were asked to rate their boards’ ability to handle awkward and sensitive discussions (Figure 15).

The chart indicates that the ability of boards to handle difficult, awkward and sensitive discussions is generally rated by directors as good to excellent (89%). However, there is still cause for concern in that a significant percentage of boards are not highly perceived for their abilities in this area.

Substantive evidence from past and present Henley research suggests that boards must be able to raise and debate difficult, awkward and uncomfortable issues if they are to succeed. This is a key component of their oversight and counselling function. The sports sector appears better than most at this, with only 11% of respondents referring to this crucial capability as “average” or “poor.”

Conclusion and Recommendations

Sports boards have made significant progress since the introduction of the Sport Governance Code in 2017.

However, a number of challenges and opportunities remain for boards and directors in the sector. In particular, it is important to ensure that compliance with code provisions translates into effective board performance.

How can sports boards ensure that they are fit for purpose and that a culture of engaged stewardship exists and permeates throughout the organisation? Indeed, how can directors be effective and become engaged stewards of the organisations they serve?

This research suggests that there is a degree of complacency within the sector. The majority of directors rate themselves and their boards as highly effective, but at the same time they recognise and reveal that board composition, time devoted to roles, engagement with the organisation and stakeholders, and the quality of information made available have significant shortcomings.

Furthermore, the role of the independent non-executive director remains unclear within boards and throughout many sports organisations. There is also a distinct lack of director development – with little or no training being offered to directors to enable them to keep pace with the difficulties of the role.

The picture emerging from this report points towards a number of recommendations that act as an important starting point for embedding a culture of engaged stewardship in sports boards. The recommendations are:

- 1. Feedback sessions to board chairs.** It is important that the results presented here are discussed and debated with chairs and other directors to raise awareness and identify how governance and leadership in the sector can be best supported.
- 2. Consultation on director pay.** A significant majority of directors believe there is a link between pay and time spent in the role. This may also support the board diversity agenda by attracting individuals who might otherwise not apply. While there is a danger that remuneration could become the driven-force behind becoming a director, potentially eroding independence and board dynamics, the debate should still take place.

- 3. Evidence of engagement.** Director engagement with the organisation and its stakeholders appears to be low. The board and directors need to do more in this area, which could become a reporting requirement. The board should provide evidence that they have specific engagement practices, and that directors proactively engage across and beyond the organisation, obtaining information and insight from a variety of sources.
- 4. Director development.** With so many entering sports boards for the first time, and in a constantly shifting landscape, individual directors and collective boards need opportunities to enhance their skills and improve ways of working together to deliver positive outcomes.

Appendix 1: Study Methodology

This report is part of a two-year research programme conducted by a team of researchers at Henley Business School.

The team conducted in-depth, qualitative interviews with 43 key opinion leaders, including chairs, vice-chancellors, CEOs and independent directors across the NHS, charities, sports and university sectors.

The interviews explored board governance across these sectors and focused on independence and the independent director role. It asked the key question: how can independence be gained, sustained and lost?

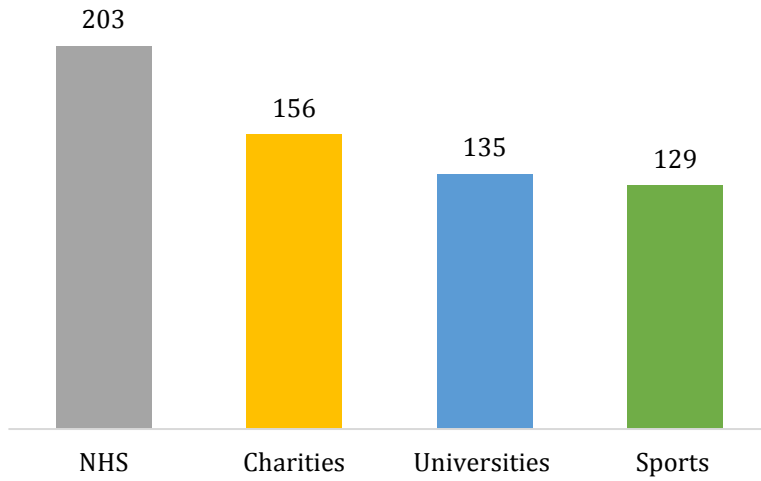
The resulting report identified numerous themes and provided insights that subsequently formed the basis of our survey design, which was then tested with directors face-to-face and online in order to eliminate any ambiguities, duplications and to clarify questions. Following this process, the length of the survey was substantially reduced and also discussed with key stakeholders in each sector who helped finesse the final version.

Sport England (SE) supported the Henley team by distributing the survey online to as many sports directors as possible.

The survey was sent to be completed by directors in each of these sectors and returned 623 responses from across the NHS, universities, charities and sports sectors. For sports, the number of completed surveys was 129. About 68% of respondents were from National Governing Bodies (NGBs), or similar, and 32% from County Sports Partnerships (CSPs). Some 43% of respondents were chairs, 39% were Independent non-executives, and 10% were “other” non-executive directors, with 8% being executives.

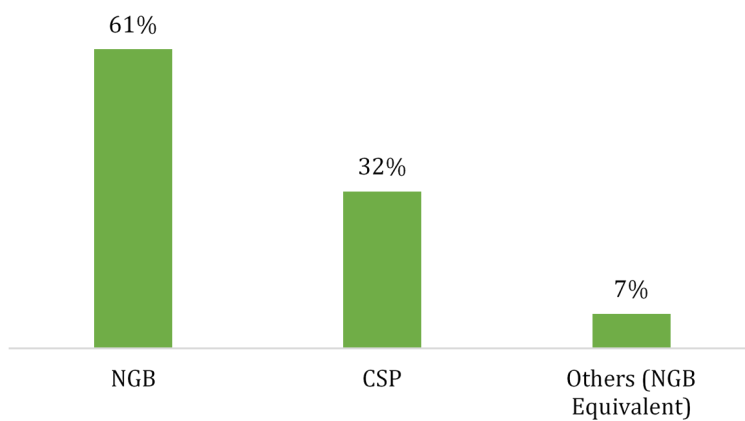
Appendix 2: Survey Demographics

No. of Survey Respondents per Sector (N=623)

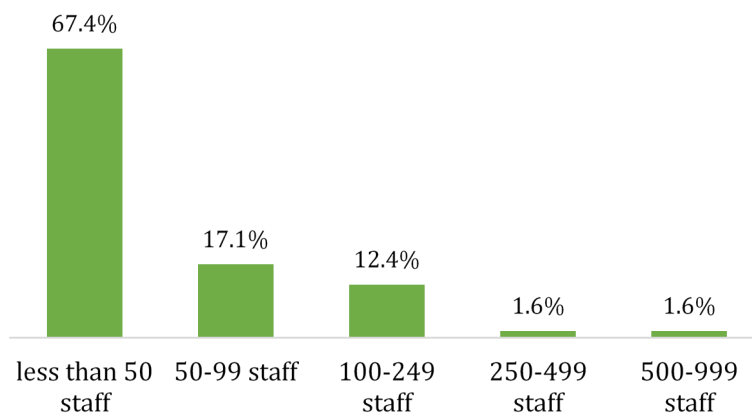


Sports Sector Demographics

Type of Sports Organisation



Sports Organisation Size (number of staff) - % of respondents



Sports Respondents by Board Role (No. of respondents)

