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Board Involvement in Strategy: Advancing the Governance of Sport Organizations

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This study investigated how boards of national sport organizations might enhance their strategic capability. Utilizing an action research method and focusing on the case of New Zealand Football (soccer), findings established that greater board involvement in strategy advanced the board's ability to perform its strategic function. Further findings determined the importance of shared leadership between the board and the CEO, the complex interplay in balancing this relationship and the need to integrate strategy into board processes.

The term "sport governance" has come to mean the practice of governance applied to the sport context (Hoye & Cuskelly, 2007). In essence, sport governance is the responsibility for the functioning and overall direction of the organization and is a necessary and institutionalized component of all sport codes from club level to national bodies, government agencies, sport service organizations and professional teams around the world (Kikulis, 2000). Many scholars in this field have taken their lead from more established research domains in seeking to determine the efficacy of applying major theoretical constructs to sport organizations. Consequently, multiple constituency theory, agency theory, stewardship theory, managerial hegemony theory, institutional theory, and stakeholder theory, for example, have been employed to help explain the sport governance phenomenon. Curiously, none as yet has specifically addressed the strategic role of the board. Many of the findings from research specific to sport governance (Kikulis, 2000; Papadimitriou, 1999; Shilbury, 2001), however, have important implications for an investigation that places strategic development as its central theme.

This study seeks to take another step in our understanding of the topic by investigating the strategic capability of national sport organization (NSO) boards. NSOs are the agencies responsible for the direction and coordination of a particular sport code. Typically, members of an NSO are made up of associations located

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throughout metropolitan and regional New Zealand which in turn are made up of local clubs. In most instances, individual players are members of the local club rather than the NSO. This study used an action research method with three NSO boards which facilitated a level of direct engagement rarely reported in the literature. Given space limitations and the depth of data garnered through this longitudinal research, results of one of the action research interventions, designed in consultation with the board of New Zealand Football (NZF; soccer), are presented in this article. Consequently, this paper describes and reports on the use of a rarely employed method in governance research with a concomitant level of access to board dynamics and specifically, rich qualitative data describing how boards can enhance their strategic capability.

Obvious gaps are apparent in the body of empirical knowledge on sport governance, specifically as it applies to board strategic capability by virtue of this emerging discipline and the small number of active researchers in the field (Ferkins, Shilbury, & McDonald, 2005). This lack of academic interest is by no means reflective of the intensifying interest from practitioners. Over the last decade, for example, both the New Zealand and Australian governments have commissioned extensive reviews of the sport and recreation industry in their respective countries that have illuminated governance as a central issue for the sector. Major findings of the Standing Committee on Recreation and Sport and the Ministerial Inquiry in Sport, Fitness and Leisure (Ministerial Taskforce, 2001) cited disunity within sports, ineffective governance, lack of shared national leadership, poor communication, a lack of confidence in national and regional structures by their constituency, duplication of resources and failure to achieve economies of scale (Standing Committee on Recreation and Sport, 1997; Ministerial Taskforce, 2001). As well as specifically highlighting governance, the other issues cited also ultimately lead back to the governing function.

No studies exist in sport governance on the strategic contribution of board members, and leading scholars in sport management have expressed their concern at the lack of studies on strategy development in this field (Thibault, Slack, & Hinings, 1993; Slack & Parent, 2006). Researchers have, only recently, turned their attention to this topic (Auld & Godbey, 1998; Hoye, 2006; Hoye & Cuskelly, 2003a, 2007; Inglis, 1997a; Kikulis, 2000; Papadimitriou, 1999; Shilbury, 2001). As a result, there are a small but growing number of empirical studies that seek to address sport governance. In particular, scholars have concentrated on the areas of shared leadership, board power and performance, board motivation, board roles, and board structure. Some address contemporary issues of practice and some signal issues of future concern, but all recognize the multiple theories that impact research in this domain.

In engaging theories across multiple domains (corporate, nonprofit, sport management), the distinctions between governance issues in the private for-profit settings and in public and nonprofit settings have been recognized. A well established body of literature on the differences between public sector organizations and private sector companies as it pertains to governance explains these distinctions (Cornforth, 2003; Miller-Millesen, 2003; Olsen, 2000; Ruigrok, Peck, & Keller, 2006). According to Shilbury (2001), the key variance can be found in the purpose for existence. Financial motivations and the responsibility to create shareholder wealth dominate the mission of for-profit organizations. Nonprofit organizations,

by contrast, are motivated by a preponderance of goals, are not solely driven by financial gain, and instead are charged to protect service-to-mission. Curiously, sport occurs in all three settings (public, private for-profit, and private nonprofit) with organizations such as national bodies charged with overseeing a mix of private for-profit franchises, nonprofit associations and clubs, and interacting with public funding agencies. NZF is a nonprofit organization made up of seven regional associations, 325 local clubs and 105,000 individual members and it interacts with a range of commercial (e.g., Phoenix Football/soccer Franchise) public (e.g., Sport and Recreation New Zealand) and nonprofit (e.g., clubs) entities. Notwithstanding these distinctions, this study of board strategic capability within NSOs is an extension of existing research and is one of few studies with a singular and in-depth focus on strategy in sport organizations.

Theoretical Framework

Three broad and arguably competing theoretical concepts (agency, stewardship, and managerial hegemony theory) have been used as a backdrop to this study. In addition, the notion of board strategic function, board involvement in strategy and shared leadership between the board and CEO have influenced and are influenced by the design of this study. These theoretical constructs can be found in empirical work spanning the corporate (e.g., Ruigrok et al., 2006), nonprofit (e.g., Brown & Iverson, 2004) and sport governance sectors (e.g., Hoye, 2006).

Broad Theoretical Influences

Agency theory is concerned with the internal monitoring issues of governance and contributes to an understanding of the power relationships between the CEO and board (Stiles, 2001). The theory posits that the primary role of the board is to monitor the CEO as an agent who may have different interests than those of the owners (board) and therefore must be controlled by the shareholders (Sapienza, Korsgaard, Goulet, & Hoogendam, 2000). Stewardship theory, by contrast, considers situations where managers, as stewards, are motivated to act not out of self-interest but in the best interests of their principals (Miller-Millesen, 2003). Stewardship theory negates the so-called agency costs by assuming that a steward's behavior will not depart from the interests of the organization. A steward's behavior is based on co-operation, pro-organizational and collectivistic actions. This type of behavior is placed as a higher priority than self-serving behavior (Cornforth, 2003). In terms of board involvement in strategy, stewardship theory prioritizes a focus on enhancing the performance of the organization rather than compliance of the CEO. This focus is enabled because, according to stewardship theory, the CEO is motivated by the need for achievement of organization goals that should match the owners' goals (Edwards & Cornforth, 2003). The domination of agency theory as the primary theory used to understand governance dynamics may help explain why empirical work has focused on the compliance aspects of governance.

A third major theoretical influence is managerial hegemony. This theory asserts that while the board has power by legal right, the real responsibility for the organization is assumed by management (Stiles, 2001). Dallas (1996) identified a

number of reasons for this which included the considerable influence management has over the selection of board nominees; pressure for conformity; and increased opportunity for deeper knowledge of organizational issues. In his discussion of contrahegemony theory, Dallas (1996) concluded that the theory is based on the notions that “management should not have substantial influence over the board” (p. 2) and that the board’s most important function is to “ensure that management acts in the best interest of shareholders” (p. 2).

Studies in sport management employing the constructs of professionalization and bureaucratization of sport organizations strongly indicate there are issues surrounding ownership and control within the sport context (Amis & Slack, 1996; Amis, Slack, & Hinings, 2004; Shilbury, 2001; O’Brien & Slack 2004). Shilbury (2001) for example, considered that national and state sport organizations have been “grappling with the issue of control as volunteer officials have slowly ceded control to professionally employed managers” (p. 255). These three broad theories created a fertile basis from which to investigate how boards of NSOs might become more strategic. They signaled the need to consider the power relationship between the volunteer board and paid management in strategy design and implementation.

Board Strategic Function and Strategy in the Corporate Setting

In defining the strategic role of the board within the corporate setting the dominant scholarly interpretation fuses strategic function with strategy development (Ingley & van der Walt, 2003; Schmidt & Brauer, 2006; Stiles, 2001). Nadler (2004), for example, identified four aspects of strategic activity as strategic thinking, strategic decision-making, strategic planning, and strategic execution. Gopinath, Siciliano, and Murray (1994) considered that when “boards adopt a strategic role, the directors guide the definition of the corporate mission and are called upon to assist in the development, implementation and monitoring of the firm’s strategies” (p. 176). In a more recent study, van der Walt and Ingley (2003) considered that the “strategic function of the board involves making critical decisions, particularly in relation to strategic changes, so the organization can adapt to environmental changes” (p. 17). Clearly, a critical part of board strategic capability is its involvement in organization strategy. McNulty and Pettigrew (1999) offered that, “To understand strategy, we need to know more about the strategists. To better understand boards, we need to know more about the behavior of those who sit on boards” (p. 47). Their research on top United Kingdom companies gathered data from interviews with 108 company directors and asked how, if at all, do part-time board members influence strategy? The findings demonstrated that, contrary to managerial hegemony theory, part-time board members play an important role in strategy. Their conceptual model represents the levels at which this occurs:

- Level one is involvement in taking strategic decisions. Here, influence is exerted inside the boardroom to either accept or reject proposals presented by management. They found that “all boards take strategic decisions” (p. 55).
- Level two is involvement in shaping strategic decisions. In this instance, influence occurs early in the decision process as board members are consulted

before the proposal is presented and help shape ideas. Some boards are involved at this level.

- Level three is involvement in shaping the content, context, and conduct of strategy. Here, influence is continuous and not confined to specific proposals or decision episodes. The board helps create an environment where strategic debate can take place and influences the way management develops strategy and what is considered. McNulty and Pettigrew found that a minority of boards shape the content, context, and conduct of strategy.

In translating this learning to the sport-related context obvious questions arise, such as, to what extent are boards of national sport organizations involved in the strategy process? How might greater involvement in strategy enhance the board's strategic capability? How dominant is the CEO and how do boards share this leadership role? While no empirical work has been undertaken in the sport setting to provide answers to such questions, a small number of authors provide guidance from the nonprofit setting.

Strategic Function of the Nonprofit Board

Inglis, Alexander, and Weaver (1999), in studying the roles and responsibilities of community nonprofit boards, established empirical support for involvement by board members in strategic activities. The authors define "strategic activities" as roles relating to planning, setting the mission and vision, policy development, evaluating the executive director, and a strong external focus. "Strategic activities are future focused with an eye to the external community. They represent the broad community context for the organization" (p. 163). The study helps define board strategic activity and confirms the importance of a strategic orientation for nonprofit boards.

In their assessment of nonprofit boards, Edwards and Cornforth (2003) considered there to be problems in defining board strategic contribution to an organization. In particular, the "fuzziness of the boundary between operational detail and strategic focus" (p. 78) is problematic. They noted, "It is not only that the two can be difficult to distinguish, but our understanding of strategic issues may come from exposure to operational detail" (p. 78). In other words, operational detail may be an important aspect of strategic decision making and therefore needs to be presented in a manner that enhances strategic function. The authors argued that "To identify and present to the board what is strategically significant in operational information, reports and activities requires time, skilled board input and a high degree of trust between board members and senior managers" (p. 78).

An outcome of the research conducted by Edwards and Cornforth (2003) was the presentation of a model that identifies influences on board strategic outputs. Founded on a model from the work of Dulewicz, MacMillan, and Herbert (1995), Edwards and Cornforth (2003) considered there to be three categories of influences on strategic contribution: context (e.g., institutional influences), inputs (e.g., board member skills and experience), and processes (e.g., organizing and running the board). This model helps conceptualize what is meant by strategic contribution and adds to the theoretical understanding of this topic in the nonprofit sector.

Shared Leadership in Sport Governance

The final construct used to guide this research was the notion of shared leadership between the CEO and board and is drawn from work specifically relating to non-profit sport organizations (Inglis, 1997a; Shilbury, 2001). In a recent summation of the issues regarding the strategic contribution of sport boards, Hoye and Cuskelly (2007) considered that at “the heart of the issue for sport organizations “seems to be clarifying the respective roles of the board and staff in all strategic activities” (p. 117). This statement is consistent with findings from Shilbury (2001) on board roles in state sport organizations. He stated that it is not necessarily a negative outcome that there is increasing influence by the CEO. In his study, he found that “the executive directors were seeking shared control and leadership specifically through their preference for greater influence by the board in the strategic planning process” (p. 275). Shilbury accurately assessed this “leadership paradox” to be an unresolved dilemma facing the governance of sport.

As evidenced by the above discussion, learning relating to the complexities of board strategic function traverses the corporate, nonprofit and sport settings. There are also clear gaps in our understanding of board strategic capability in each of these contexts. This study, guided by existing theoretical constructs, advances our understanding of board involvement in strategy and the associated paradoxes in the relationship between CEO and board. It offers new learning by engaging in a little-used method in governance research, designed to create change in tandem with developing knowledge and advancing our understanding of the dynamics of sport boards.

Method

This section outlines the method used for the study. It summarizes the choice of research sites, the participants involved in the study and the techniques used in data generation and analysis. The action research method is explained using four primary phases of issue identification, context analysis, intervention and action, and evaluation. Finally, issues of validity are discussed and addressed.

Choice of Research Sites and Participants

In qualitative research, purposive sampling is needed to select a case that presents an opportunity for intensive study of the phenomena in question (Stake, 2000). Stake also considered that while some typicality is useful when selecting a case, selection should be primarily based on the potential to learn about the phenomena. With this in mind, seven NSO research sites were deliberately selected by the research team based on willingness and ability to engage with the action research process (Reason & Bradbury, 2001), logistical considerations (e.g., proximity and access; Tolich & Davidson, 1999), high experience levels of the phenomena under study (Pettigrew, 1990), and evidence of some diversity between NSOs selected.

The researchers determined that it was important that the sites were also considered case studies. “A qualitative case study is an intensive, holistic description and analysis of a single instance, phenomenon, or social unit” (Merriam, 1988, p. 21). This encouraged the researchers to consider the research question within a

bounded context and integrated system (Miles & Huberman, 1994). Use of the case study assisted the researchers to understand the specific context of each NSO and therefore what factors might be impacting on the board's ability to develop its strategic capability.

From a list of seven possible sites, three case study organizations were selected. This number provided sampling diversity consistent with the above criteria but also enabled intensive study by limiting the amount of data collected. As noted earlier, due to space limitations and a desire to capture the depth of data associated with each case unit, this article reports on the experience of one NSO case study, namely New Zealand Football (NZF; soccer). The researchers were not previously known to personnel within the NZF and referenced a mutually known colleague to initiate discussion, first established with the CEO. The primary research participants within NZF thereafter consisted of the CEO and seven board members including the chairperson. The fieldwork component of the study spanned 18 months, commencing in July 2005 and concluding in December 2006. The lead researcher attended almost all monthly board meetings during this period.

Data Generation and Analysis: Action Research Phases and Steps

Action research has been described as both a research method and methodology in its own right (Cardno, 2003). The style chosen for this study was drawn from the work of Heron and Reason (2001), Cardno (2003), and Coghlan and Brannick (2001) and engaged a range of data generation and analysis tools, namely interviews, focus groups, document analysis, participant observation, reflective journaling, memorandums, theming, writing and member checking. The lead researcher also acted as facilitator in many situations, drawing out data and testing and reflecting on conclusions with the research participants. At other times, the lead researcher played an observatory role during board meetings, particularly toward the end of the fieldwork phase. All focus groups, board meetings and interview situations were video or audio taped, producing a total of seventeen tapes, comprising over one thousand one hundred hours of data for NZF. For the purposes of this paper, quotations used from the NZF case study data have been coded as "2" followed by the letters ranging between "a-h". This allows data to be cross referenced back to individual participants, demonstrating diligence in the data generation and analysis process.

A feature of the data generation and analysis process was its reflexive nature where researchers and participants regularly engaged in reflecting on, and analysis of, events that took place. The action research models developed by the authors noted above emphasize a cyclical process that allows for refinement and/or deepening in understanding of the issues presented by the research participants. Such an approach also contributes to the validity of the research process (Cardno, 2003). An amalgam of the three models was developed for the purposes of the current study as set out in Figure 1. Four main phases were used for the action research process as also noted in Figure 1.

In phase one, Issue Identification, the lead researcher and research participants came together to explore and agree on a focal area of study. For the current study, a broad question derived from the literature review and informal discussion

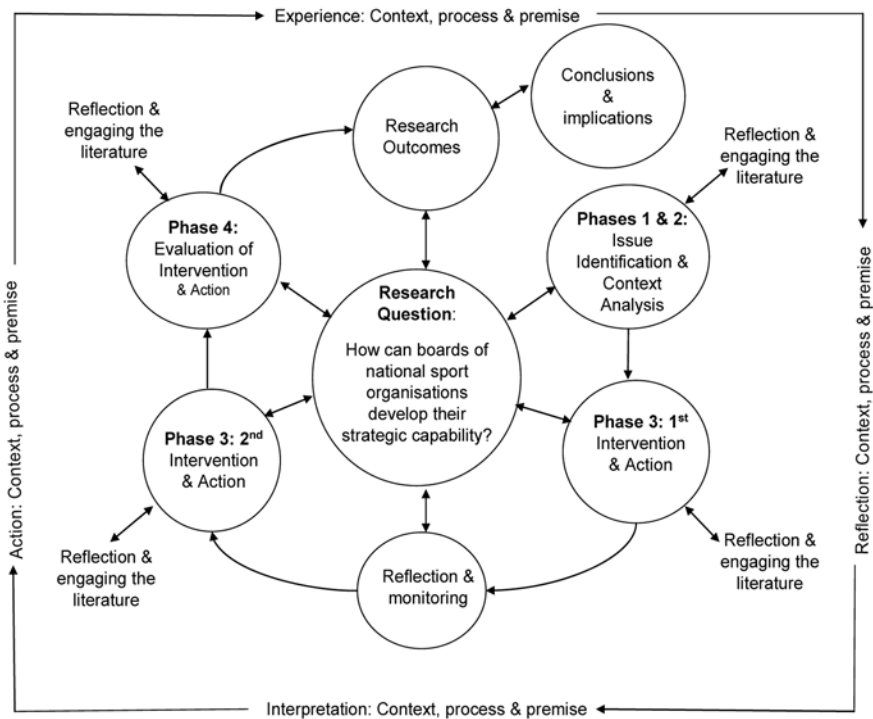


Figure 1 — Action research model for developing strategic capability.

with board members and other governance practitioners, was established by the researchers. This was used as the starting point for collaboration in relation to designing an appropriate intervention. It was in this phase that the notion of governance and the role of the board were explored and the participants’ interpretation of the concept of “strategic capability” was also teased out.

Phase two, Context Analysis, served as a reconnaissance phase where background information on the organization and its environment was gathered by the researchers to understand the contributing factors that were constraining the board in their efforts to “be strategic”. Guided by the literature, those elements that acted or might act as barriers and enablers to board strategic capability were also explored in a facilitated session by the lead researcher with the research participants. The types of data that needed to be gathered and how this might occur were also further developed by the researchers in consultation with the research participants and included an emphasis on how different perspectives might be incorporated into the data set. There were numerous overlaps between phases one and two. For this reason and in the interests of space, the two phases have been combined in the results and discussion of this article.

The third phase, Intervention and Action, focused on designing an intervention that might help the board to develop their strategic capability and it was

designed in a collaborative manner with the organization. The research participants' past experiences as well as theoretical concepts, such as, environmental analysis and strategy formulation, introduced by the researchers also informed the design of the intervention. In this phase, the planned strategies were put into action. An important aspect of phase three was the purposeful monitoring and reflection that took place by the researchers and with the research participants to inform further action. As depicted in Figure 1, a second intervention and actions occurred within the organization.

In the fourth phase, Evaluation of Intervention and Action, the researchers and participants critically reflected on the value of the planned action in terms of developing the board's strategic capability with an emphasis on change and learning. The evaluation was carried out by individually interviewing research participants. As in phase three, this step was influenced by theoretical concepts as well as the experience of the research intervention.

A final component of the action research model developed for this research was the inclusion of Coghlan and Brannick's (2001) concept of meta learning. A replication of the mini-cycles of experiencing, reflecting, interpreting, and taking action was placed around the outside of the square (see Figure 1), to encourage a strategic view of the cycles and phases that took place. This strategic view also encompassed consideration in terms of content (what was happening); process (how it was happening); and premise (why it was happening). "It is the dynamic of this learning cycle that incorporates the learning process of the action research cycle and enables action research to be more than everyday problem solving. Hence, it is learning about learning, in other words meta learning" (Coghlan & Brannick, 2001, p. 19). Figure 1 also illustrates this component of the process.

Issues of Validity

In terms of validity, the aim of this research was to ensure the way data were gathered, analyzed, and presented, reflected the phenomenon under investigation (Cardno, 2003), that is, the development of strategic capability in NSO boards. Being explicit in all aspects of the research endeavor was another important component of validity for this study. Dick (2002) also urges rigor in action research, by ensuring that the quality of the data collected and the accuracy of the research interpretations are tested by engaging in multiple cycles that challenge original conclusions.

These considerations of validity and rigor were addressed on a number of levels. The nature of the collaborative approach encouraged continuous involvement by the research participants. In particular, the research participants were involved in checking conclusions and written summaries to verify the findings. This included regularly checking that the goals of the research were being met as well as verifying what was recorded, matched their reality. Another way that the validity of the study was protected was through the use of triangulation. In addition to multiple methods of data collection, information from multiple sources was also gathered to generate layers of data. Such sources included official documents (e.g., annual reports, strategic plans, board minutes), paid full-time CEOs, and volunteer board members. This information was used to analyze consistencies and inconsistencies in establishing a picture of critical events.

One of the major criticisms to the validity of qualitative action research is the potential for researcher bias. The collaborative nature of the research inquiry creates the potential for the researcher to unduly exert their values and influence on the outcomes of the research (Dick, 2002). While it is the goal of the researcher to immerse himself/herself and become actively involved, it is also important to “let those being researched ‘speak through’ the researcher in order to gain access to the ‘direct experience’ of their world” (Tolich & Davidson, 1999, p. 37). To achieve this, the notion of ‘reflexivity’ was used. Hammersley and Atkinson (1995) observed that reflexivity allows for social researchers to acknowledge that they remain part of the social world they are studying instead of attempting to become an objective observer. Reflexivity also encourages the researcher to reflect upon and question assumptions and that “researchers must self-consciously reflect upon what they did, why they did it, and how they did it” (Tolich & Davidson, 1999, p. 39).

Reflexivity was achieved in this research by the use of the action cycles, particularly the mini-cycles that questioned the progress and outcome of each phase, as well as the meta learning cycle which encouraged holistic reflection on the process. This holistic view considered questions of content, process, and premise. As part of this process, the researchers constantly challenged their assumptions, conclusions and interpretations, testing the coherence of the emerging outcomes against the literature, the participants and each other. This was recorded using reflexive journal notes. The reflexive and iterative process of the action research cycles facilitates rigor within the research (Reason & Bradbury, 2001). This project used two action steps and three layers of reflexivity (including the more structured evaluation phase).

Results and Discussion

This section summarizes what happened during the four phases of the action research process. By integrating relevant literature, it also highlights insights discovered and changes that occurred within the NZF governing setting in relation to board strategic function.

Phases One and Two: Issue Identification and Context Analysis

At the time the fieldwork commenced, the national office of NZF, located in Auckland, New Zealand, employed 15 staff. As noted earlier, there were approximately 105,000 registered football (soccer) players (female and male), 325 football clubs and seven regional associations in a country with a population of approximately 4 million. NZF turnover was in excess of \$NZ4.4 million. However, a major issue facing the organization was a lack of financial reserves. The board comprised seven members with one additional position co-opted. All seven members were nominated and elected by the membership with four of the seven subject to an additional nation-wide recruitment process including interviews. This model encouraged three positions for the board to be drawn from the regions and four “outsiders” recommended by a recruitment panel for their governance

skills and independence. In reality, the majority of board members were “close” to the game with three former international players and two heavily involved in club and/or regional administration of the game before their appointment. One member of the board was female, the remaining were male. The CEO, also a male, was appointed by the board and was a nonvoting executive at board meetings.

The board members involved in this research were drawn from a range of professional backgrounds at senior level including legal, information technology, accountancy, teaching and business management. In addition to the three international players, two had been on the board since 1999, with the newest member joining the board three months earlier. In an e-mail exchange, the CEO described his view regarding the board environment. “They are hugely positive, supportive, and know where governance stops and management starts – they give me a lot of space to run the show (personal communication, 1 August, 2005). In an earlier meeting, the CEO also noted he wants to “get more out of the board as there are some good people on it” (4 July 2005).

The CEO was appointed just five months before the commencement of this research and came into the position from a commercial background in sport sponsorship with a major brewing company as well as experience as an athlete and manager at Olympic and Commonwealth Games. He was in his late 40s at the time of the research. In talking with both the CEO and individual board members, the researchers noted a sense of anticipation for the future of the organization and a “changing of the guard.” The short time both the CEO and some of the board members had been in the job at the start of the research contributed to this observation as well as a restructuring of the administration and major changes in staffing at the national office. The CEO noted in the annual report: “2005 was very much a transitional year, as New Zealand Football positioned itself to move forward positively” (New Zealand Soccer, 2005, p. 4). The task ahead for the board would no doubt involve aligning to a new CEO, a new administrative delivery structure and new members in its own ranks.

NZF reconnaissance work consisted of five meetings with the CEO and two e-mail and telephone exchanges with board members before the first board meeting. A review of NZF documents was also undertaken to establish the environment within which the study took place. The meetings with the CEO canvassed background information on the organization, board function and also sought to identify a particular focus for the research relevant to the research question. The reconnaissance process also included undertaking a facilitated session at the first board meeting attended (26 October 2006). The first step therefore sought to identify the board’s notion of what “being strategic” is and the second step assessed how participants thought the NZF board performed in relation to this notion. The lead researcher, most active in the fieldwork phase, acted as a facilitator, used mind-mapping techniques on a whiteboard, and video taped the session to aid subsequent analysis. A question guide was also prepared providing structure for the session.

Identifying a Strategically Capable Board. The participants noted eight different aspects they believed contributed to a strategically capable board. These were: a highly focused board; paternalistic; a board that is detached and beholden to no one particular faction; has an overview that covers all areas of the business;

determines long term goals and provides the roadmap; has the ability to determine the strategic focus and is able to facilitate the execution (as distinct from doing); monitors; and knows where the line is between setting policy and executing it. All board members contributed to this list of characteristics and there appeared to be general agreement.

When asked how the board distinguishes between governance and operations, one member responded by stating: "I think there's a lack of understanding about what a board of governance actually is and . . . in football, historically, we have not been that clear about it, but now we know what we should and should not be doing" (2a). There was agreement from two other longer serving board members that historically the board had been too involved in management. One noted: "Yes there's been a shift in the way we work" (2c). Another board member countered this by stating: "I would also caution that the balance for us is fragile". He went on to say that "in the absence of strategy you force the CEO to act in a certain way and then you wake up and realize the CEO is calling the shots" (2f). In emphasizing the importance of an agreed strategy developed by the board, the same board member stated that, "If we have a good strategy we can step back but we have some work to do there. We are still getting involved in management because we don't have a well defined strategy" (2f).

The last point related to instances when it is useful to have board members offering operational expertise. "A good board has people who can do operational functions so you don't want to isolate the board from doing those functions either and you need those skills in sport" (2d). In relation to that point, the same board member also stressed that, "As long as the operational work is within the strategic framework then being involved operationally doesn't undermine the strategic focus" (2d).

The same set of questions was asked of the CEO before the facilitated session with the board, and the CEO also contributed to the board session on 26 October 2006. While there was no major difference in perspective between the CEO's responses to the questions and the board's, the CEO provided an illustration of board strategic behavior that proved significant in identifying the issue that became an important focus for the NZF case study (23 August 2005):

We were discussing what our response would be . . . both actively in the short-term and more subtly in the long-term and one board member said I can't actually make a comment on the validity of the tactical things x (CEO) is doing, because I haven't got a framework. I don't know what our overall objective is. Is our objective to increase participation numbers or is our objective to win the World Cup? Now they are not necessarily mutually exclusive but if our objective was to increase participation numbers, I might have one answer to approach this thing. If our objective was to win/make the World Cup, I'd have a different answer. I don't know which it is so it's hard for me to know.

The exploration of what a strategically capable board means to the NZF board appeared to fit with generic theoretical concepts of what constitutes "being strategic" (Edwards & Cornforth, 2003). Creating a picture of what a strategically capable board might look like, did not appear to be a difficult task for the group and it was clear there was consensus among the group regarding the responses. In summary, the NZF board captured the core elements of what is currently known

about strategic function (Ingley & van der Walt, 2001). This was confirmed when the lead researcher provided the group with a summary of points relating to board strategic function. As stated by one of the board members: "If we go through the handouts, we cover off most bases" (2e, 26 October 2005). Indeed, most of the points noted by the board appeared in this description of a strategic board. Importantly, both board members and the CEO emphasized the significance of a well-defined strategy in enabling the board to maintain a strategic focus. Both parties also noted there was progress to be made in that area.

How Are We Doing? In response to questions relating to how board members felt they compared with their ideal notion of a strategically capable board, the most common theme was that they were heading in the right direction and that recent improvements had been made. Several agreed with the sentiment: "I think we have started to put the building blocks in place and the next steps will be the test" (2e, 26 October 2005). Another member (2c) added that "the test" will also be in relation to how they respond to significant changes in their competitive environment (for example, Australia's shift out of the Oceania region into the Asia region in terms of the World Cup qualifying process). Another member confirmed that they are more conscious of the need to operate strategically and in that regard he would rate the board a 7 out of 10 (2f). A further member concurred stating that, "I think we are really trying to do the right thing" (2a). Finally, the discussion returned to a focus on strategy. "I think we are on the cusp of doing well. We've got all the great ideas but we need to be 100% confident in our strategy" (2f).

In a separate interview the CEO was asked what might enable a "10 out of 10 rating". He noted, "The quality of the strategic plan and making sure that I don't divert it (the meeting) into what I did last month, getting into the detail" (personal communication, 23 August 2005). When asked what might get in the way of achieving a "10 out of 10" rating, the CEO talked about the reporting process. He stated:

Me getting bogged down in detail and wanting their involvement in it albeit just through support. I think it happens when CEOs seek recognition for what they're doing. It's hard when you do a really good job for two months in 20 different areas and then rock up to a meeting and all they are talking about is next year and the year after and you probably think to yourself—hey guys—I've done all these things—you want to tell them all. I think people do it through a need for security. (personal communication, 23 August, 2005)

As the above summary of discussion demonstrates, a key premise for NZF board members was an awareness of the need to operate strategically and that they understood and could articulate the notion of a strategically capable board. In comparing themselves to the ideal, they felt they were improving but still had some way to go. The need to formulate a robust strategy was linked by some members to this sense of developing capability. While historically it has been found that boards have not played a major part in strategy development (McNulty & Pettigrew, 1999), Ruigrok et al. (2006) confirmed the significance of board involvement in strategy as one of the key roles for the contemporary strategic board. The honest and insightful observation by the CEO relating to the level of, and motivation for, reporting at board meetings provided an additional element for consideration in the action research process.

As noted earlier, this facilitated session was designed to establish the context and allow issues to emerge. The session was supported by prior individual telephone interviews with board members, a face-to-face interview with the chairperson, and meetings with the CEO. It was from a combination of these methods that the issue, which would become the focus of the research intervention, emerged.

The Emerging Issues for New Zealand Football

Of the six board members initially interviewed for background purposes, five noted the need for an articulated strategy. Interestingly, this aspect emerged as part of a series of background questions and not in response to a direct query about strategic board function. The first issue arose in a distinctly unique way from each of the five interviewees in response to a general question about the issues facing the organization. For example, one board member stated that, "The strategic plan needs to be documented and laid out and available to regions through online/e-mechanisms" (2d, 1 September 2005). Another noted that, "We've improved—but in the past we haven't really looked ahead and if we could change that, it would be a massive leap forward" (2c, 1 September 2005). The link to strategic board function was confirmed in an interview with the CEO (23 August 2005) and at the facilitated board session (26 October 2005).

The second issue to emerge that would become an aspect of the research intervention, was also raised in individual interviews with board members. In one participant's words: "We need a board that is not marching to the CEO or any other person's agenda". He emphasized that the board needs to ensure it is a governing board and not operationally driven. For him this meant a "board operating as being in charge . . . where the tail is not wagging the dog" (2f, 25 August 2005). In contrast, another board member felt that sometimes boards hide behind the word governance and do not become informed enough to govern. He considered there needed to be an overlap in management function and governance for the board. In his words, "We have been very much in the hands of the office . . . for the way the board operates" (2h, 29 August 2005). A third board member also expressed the view that: "NZF (board) takes the lead from the CEO, rather than the other way around" (2d, 1 September 2005).

An interest in the interaction between the CEO and board has been the dominating topic for researchers in sport governance (Auld & Godbey, 1998; Hoye, 2006; Hoye & Cuskelly, 2003a, b; Inglis, 1994, 1997b; Kikulis, 2000; Searle, 1989; Shilbury, 2001). Referred to as "shared leadership", these studies have considered the balance of influence and power between the CEO and board. Predominantly, the findings have noted increasing influence by the CEO. As exemplified by the NZF situation, understanding how shared leadership operates is crucial to developing the strategic role of the board. McNulty and Pettigrew's (1999) conceptualization of board involvement in strategy also addresses the balance between board and CEO influence. In applying their three-level model, noted earlier, it appeared that the NZF board may have been operating at both levels one and two. At level one, board influence occurs at the final approval stage and at level two, board influence occurs earlier in the decision process with board members offered the opportunity to shape ideas before they are presented by the CEO.

In framing the issue with board members the researchers acknowledged the following conditions: that the NZF board appeared to have personnel who were strategic thinkers, skilled professionals and had a sound understanding of the sport and its environmental influences. In addition, the board was at the initial stages of designing and articulating its strategic priorities but was, at present, not following an agreed strategy. There was also some desire by the board members to seek a shift in dominance and leadership from the CEO to the board.

For the purposes of this research, the issue that emerged within the NZF case study was therefore articulated as: in order for the NZF board to develop its strategic capability, it needs to establish a frame of reference for the board to steer the organization. It also needs to consider the balance of leadership between the CEO and board and ensure board involvement in the forthcoming strategy. This articulation of the issue was reaffirmed with the CEO in a meeting (2 October 2005). The next stage of the action research process was to create an intervention designed to address these issues and lead the board toward greater strategic functioning.

Phase Three: Intervention and Action

Throughout the eight month period identified as the intervention and action phase, multiple “mini-cycles” or iterations took place. The terms “intervention” and “action” have been carefully chosen to represent a distinction between researcher-led steps (i.e., intervention) and participant-led steps (i.e., action). In some instances both terms are used together denoting integration between researcher-led intervention and participant-led action. This is done to help clarify researcher and participant roles and to further aid transparency of the process and ultimately research validity. In utilizing these terms it is also made explicit as to why the interventions and action steps were designed, the major steps in implementation and the significant aspects of monitoring the process. In essence, “tentative explanations are being formed as the story unfolds” (Coghlan & Brannick, 2001, p. 100).

A facilitated environmental analysis and strategy formulation workshop was the first major step in the intervention and action phase with the board. Led by an external consultant with input from the lead researcher, this workshop took place at the lead researcher’s home institution on 30 November 2005. At the commencement of the session, the lead researcher asked the board and senior management present a series of questions regarding purpose and expectations of a strategic planning process. These questions and answers are summarized in Table 1.

An outcome of the environmental analysis phase of the workshop was the identification of eight “high priority challenges” facing NZF. As agreed by the group, these challenges needed to be addressed by the organization in light of its overall vision and mission. This was followed by an analysis of the organization’s internal strengths and weaknesses. Finally, by utilizing data from the internal and external environmental analysis, the group began to articulate objectives that would form the “strategic outcomes” and “strategic initiatives” sections of the plan.

The board and senior management appeared committed to the strategic planning process and were aware of its potential benefits. In particular, staff members were encouraged by board member comments relating to the intention by the board to “own the strategy” (2f, 30 November 2006). “This is a very positive thing

Table 1 Purpose and Expectations of a Strategic Planning Process

Questions Posed Regarding Purpose and Expectations of a Strategic Planning Process	Summary of Response Provided by the Board and Other Members of the Strategy Group (e.g., Senior Management)
Why bother spending time on strategy?	<ul style="list-style-type: none">• Provides a road map; gives purpose to our organization; enables staff to have clarity; provides a united purpose for all stakeholders including our regions.
What “shape or form” would you like the strategy to take?	<ul style="list-style-type: none">• Has flexibility; reference document going forward; format we can refer back to as a decision making tool; has broad key performance indicators and broad timeframes; sets out priorities.
How involved should the board be in this process?	<ul style="list-style-type: none">• Board has to own it; board needs to see it through; board meetings should revolve around the strategic plan; we should reference back to it and schedule regular review periods; there should also be input from staff.
What might prevent NZF achieving the intended purpose of the strategic plan?	<ul style="list-style-type: none">• Regions not being on board with plan; regions not being able to deliver on it; lack of resources; money, volunteers, staff capability to implement it; board not using it, not keeping it front of mind.

from our point of view” (senior staff member, 30 November 2006). Of significance, were comments noted by board members indicating the centrality of the strategic plan to board deliberations. The researchers pondered why a strategic plan had not been developed already if it was considered so central to board decision making. Perhaps understanding this might assist in knowledge development in this important area.

The researchers also noted that once the context had been identified and the environmental issues articulated and prioritized, the identification of strategic objectives became straightforward. As the theorists assured “strategy is the match or interface between an organization and its external environment” (Hoye, Smith, Westerbeek, Stewart, & Nicholson, 2006, p. 70). “While a call to action is a natural inclination . . . many strategies can fail because . . . ‘advance’ work (i.e., a comprehensive review of the internal and external environments) has not been done properly” (Hoye et al., 2006, p. 75). The strategy emerging from the facilitated session appeared far more comprehensive and robust than earlier attempts by the board and CEO to identify priorities in the absence of context. In addition, in terms of the McNulty and Pettigrew (1999) model of board involvement in strategy, it appeared the board was moving to embrace elements of level three.

A Second Intervention and Action Step: Agenda Redesign

Work by the CEO in completing the strategic plan continued and the lead researcher and CEO met on 27 January 2006 to discuss progress. Of particular interest to the lead researcher was the ongoing involvement by the board in the plan’s design. In response to a question regarding this, the CEO considered that “The board is all over this plan” (27 January 2006). The lead researcher and CEO also discussed the challenges noted above in aligning board discussion with strategic priorities. The CEO questioned how the strategic plan could be incorporated into board meetings. In drawing on work by Inglis et al. (1999) and Inglis and Weaver (2000), the lead researcher suggested the agenda could be restructured to represent the six “strategic challenges” emerging as the strategy areas that would lead to achievement of the overall vision. “Although agenda setting may be seen as a relatively routine matter, it may have profound influence on the quality of board deliberations and outcomes” (Inglis & Weaver, 2000, p. 66).

As a next step, it was agreed that the CEO would seek board approval or “sign-off” on the strategic plan once finalized, and also redesign the agenda around the six strategic challenges set out in the plan. The lead researcher subsequently emailed the CEO a range of strategic plan formats as well as an example of an agenda designed around strategic priorities. This intervention resulted in a significantly revamped agenda and papers for the next board meeting on 8 February 2006. The 21 December 2005 agenda and accompanying board papers were largely set out as a reporting mechanism with significant emphasis given to financial reporting, subcommittee, advisory committee, and CEO reporting. By contrast, the revamped agenda and board papers for the February meeting placed the strategic plan at item six on the 13-point agenda, directly after technical matters such as apologies, minutes, and matters arising. This was followed by the six “strategic challenges” which were listed on the agenda as the six strategic priorities for the organization.

The accompanying board papers detailed the nature of these challenges, setting out the desired outcome, who was responsible for what and a selected number of “strategic initiatives” detailing how the challenges would be addressed. This adjusted format for the board papers also allowed for a reporting section on the six priority areas providing the board with a summary of progress to date, the CEO’s opinion on specific issues and a simple indication as to whether the initiative was “on or off track.”

This design was further modified for subsequent board meetings (22 March, 3 May and 26 July 2006). While the board papers for these later meetings reported on all strategic challenges/priorities (1–6), agenda items were more selective. Only those strategic initiatives considered by the CEO to require board discussion and decision were listed on the agenda. Of the 22 strategic initiatives detailed within the six challenge and outcome areas, the same five initiatives were listed for the March and May meetings. Three of those five items also appeared on the agenda for the July meeting.

Feedback from the board to the CEO regarding progress made in drafting the strategic plan was very positive. At the 8 February 2006 board meeting, one board member noted: “I see this strategic plan as a great advance and am very comfortable with the set up going forward” (2a). Another commented that “I’d like to strongly support x’s (CEO’s) initiatives. I think there is a great new feel within the organization (2b). Another member (2d) asked to whom the document should be made available and suggested it be circulated as widely as possible. The CEO advised that he “already had a great deal of positive comment . . . on the plan from presentations to stakeholders.”

The researchers observed that while similar items were discussed at the meetings before the agenda restructure and at the meetings following, the discussion appeared more directed toward the strategic priorities. Inglis and Weaver (2000) found similar results in their research. They used a framework that structured the agenda into three areas: strategic activities, resource planning, and operations. In implementing and evaluating this new design with a nonprofit board, Inglis and Weaver found, “The framework used in this study is one way to help boards think strategically about their roles and how they can plan their work to fulfill their roles and responsibilities” (p. 76). They also noted that for each agenda item, an outcome of the discussion was identified. They considered this helped board members to understand the expectations associated with each agenda item.

In an e-mail exchange between the lead researcher and CEO following the February board meeting, the CEO asked: “How did you think the board meeting went today? I felt it was a good step-up in terms of quality strategic input. I have a few thoughts on how to refine it further and I am interested in your comments” (CEO, 8 February 2006). The lead researcher replied with a detailed e-mail within which she suggested framing questions and recommendations to direct board thinking so that members were aware of the CEO’s expectations associated with each reported initiative. The lead researcher also considered that providing recommendations and questions could also stimulate more proactive board involvement in issues. “If this occurred and because you provide such good written reporting—you could probably get away with less verbal reporting—allowing more time for board input” (13 February 2006).

In providing feedback to the CEO on the draft strategic plan document, the lead researcher commented in her e-mail:

To me the strategic plan now seems to be derived from a clear articulation of the environmental conditions facing the sport plus it has succinctly identified the priorities over the next few years. Maybe at some stage you and the board need to agree on the priorities for this year. Given your energy, enthusiasm and competence, there could be a danger that, now you have the strategic plan, you will set about trying to achieve it all, now!! (13 February, 2006)

The lead researcher met again with the CEO two days before the next board meeting, scheduled for 22 March 2006. The CEO explained how he had chosen five strategic initiatives out of 22 for the board to focus on. In going through the agenda papers, the lead researcher asked what the CEO wanted from the board on each initiative in terms of discussion and decisions. This preparation process for board meetings, which usually occurred a week before the meetings, appeared to assist the CEO in clarifying ways to create a board environment conducive to strategic function. "Between your suggestions, and my ideas—building on progress thus far, I think the next meeting will be right on the strategic button" (CEO, personal communication, 16 February 2006).

The final steps in monitoring the intervention and actions that had taken place, was to observe subsequent board meetings and review the agenda papers and minutes (22 March, 3 May, 26 July 2006). The lead researcher noted in her diary regarding the 22 March board meeting that, "There seems to be much more input from board members and less from the CEO". In terms of the reporting process one board member asked for more specific reporting on international activity so the board could be more informed in making future funding decisions (2f, 22 March 2006). Regarding the framework of the strategic plan, the CEO explained that "It feeds right through the board reports, it feeds right through staff work-plans, so everyone is now on strategy" (22 March 2006). There was positive feedback from the board regarding this alignment of strategic priorities.

However, in observing the July meeting, the lead researcher noted concern that the agenda structuring and reporting was perhaps not working as intended. In this meeting, there appeared to be significant emphasis on reporting and the meeting format did not appear conducive to board decision making. The reporting, however, was now aligned with the agreed strategic priorities for the organization and as such still held a strategic purpose. The researchers wondered how much input there had been from the chairperson/and or board into the agenda restructure and reporting framework. The researchers also noted that it might aid board discussion if the expectations associated with each agenda item were outlined for the board. The evaluation of action and intervention (phase 4 of the research process) would provide greater insight into the outcomes of this process from the board's point of view.

Phase Four: Evaluation of Intervention and Action

The evaluation phase focused on change and learning, elements noted by Coghlan and Brannick (2001) to be central to the action research process. The phase therefore sought to identify what had changed and what was learned within the NZF

organization setting, in relation to board strategic capability in general and the action and intervention in particular. How this process might take place was discussed with the CEO and it was decided that each board member would be contacted for an evaluation interview. Drawing on questionnaires used by Inglis (1997b), Inglis et al. (1999), Inglis and Weaver (2000) and Shilbury (2001), a set of open-ended questions for board members and the CEO was designed based on three themes. First, there were questions relating to the perceived impact of the strategic plan and planning process on board strategic function. Second, there were questions regarding the perceived impact of the agenda changes and redesign of board papers on board strategic function. Third, there were questions relating to perceived change in the balance of leadership between the CEO and board within the governance setting.

Impact of Strategic Plan and Formulation Process

On the whole, board members considered the development of the strategic plan to be a significant and positive change for the board. For example, one board member stated "having the strategic plan in place was great and a very positive thing" (2e, 15 September 2006). "We've made huge strides in getting the strategic plan out" (2a, 7 September 2006). In particular, there was a sense that the plan now provided a context for board strategic discussion.

It gives a point of reference and makes it easier to relate issues back to the overall direction. We previously worried about operational stuff and now we relate those issues to strategy. Discussions were previously done in isolation, now we have a context (2c, 22 August 2006).

Another board member commented: "We now have more focus with a game plan" (2f, 11 September 2006). He explained that previously board discussion was more of a "scatter-gun approach that wasn't giving us enough focus. Now a specific focus has been achieved (2f)". Similarly, a different board member stated that, "We know what we want to do long term now" (2h, 31 August 2006). The CEO's comments regarding the impact of the strategic plan in terms of providing focus and context were consistent with the board consensus. "Now they've got a framework . . . a context. It has allowed us to review our priorities and to maintain them . . . We know what we are trying to achieve, we now can make decisions" (5 December 2006).

Board members and the CEO were also asked whether their strategic priorities for NZF had changed as a result of the strategic planning process. To assist in this, interviewees were asked to compare current priorities with a list gleaned from interviews in August 2005. Three board members emphasized strongly that the financial viability of NZF was not captured as a priority at that time. "My number one is not mentioned, that is, that we are financially solvent" (2h, 31 August 2006). In reference to this, another board member stated, "Sustainability of the game/financial security needs to be added" (2f, 11 September 2006). A third said "I would add: to be financially viable—to continue to generate income streams. It's very revealing that this was not on the original list. I think we took it for granted" (2e, 15 September 2006).

Another point raised, was the progress made in establishing a shared confidence in the new strategy. In particular, the CEO noted the value of formally

assessing the environmental conditions as adding to the credibility of the planning process. "Having stepped back from the process, I can see that it gives us more confidence in the strategy . . . it grounded it" (5 December 2006). He also noted that "it has given us a degree of credibility externally." This can be contrasted with a statement made by a board member before the facilitated environmental scanning session: "We've got all the great ideas but we need to be 100% confident in our strategy" (2f, 26 October 2006). Within the evaluation interviews, there were also a number of statements made by different board members that indicated confidence in the new strategy. "Because we all did it together, everyone had buy-in. We couldn't say this isn't my plan. By going through the process we have aligned our views" (2c, 22 August 2006). "We are now all singing from the same song sheet in terms of what we want for the game" (2a, 7 September 2006).

With regard to the process of formulating the strategic plan, some board members noted change in both individual and collective strategic thinking. "For me, the exercise of creating the strategic plan forced me to think long term. I enjoyed the process of going through it. It helped my thinking and I think it forced us to question what we thought were priorities (2c, 22 August, 2006). Another board member considered that the "facilitated sessions gave us some real focus on strategic priorities . . . we did a lot of strategic thinking then." (2f, 11 September 2006). However, two board members also noted that since the formulation phase, there has been some regression in terms of board strategic thinking noting that "there is a gap now. We need to get back to reviewing strategic decisions. . . . We've taken our eye off the ball since" (2f, 11 September 2006). Another noted "Initially, yes the strategic plan did help me focus on strategic issues—but we have since lost our way" (2e, 15 September 2006). For one board member, there was no change in strategic thinking as a result of the strategic planning process. "I don't think a hell of a lot has changed" (2h, 31 August 2006).

Based on evidence from the evaluation interviews, there appeared to be an important change in the way the CEO and all but one of the board members viewed the strategic functioning of the board. By developing the strategic plan collaboratively, there appeared to be a greater "collective sense" of strategy rather than the individual views previously held. In conjunction with this shared notion of strategy there also appeared to be a sense of confidence in the newly articulated strategy and in future decision making. The strategy, derived from an environmental assessment and subject to a formulation process that most considered robust, provided a context and reference point for strategic decision making. As a consequence, the comments regarding board strategic function that came from the evaluation interviews contrasted strongly with those made a year previously by board members.

Impact of Agenda Changes. The second major objective of the evaluation phase was to examine the impact of changes to the agenda structuring and associated board papers on board strategic function. There were mixed views regarding the extent this change had aided the board's ability to function strategically. The CEO considered that the agenda restructuring created, "a significant change that allowed priorities to come up each time" (CEO, 5 December 2006). However, some board members interviewed noted some apprehension. "Sometimes there is

still too much information and sometimes it's a bit confusing. I would like the agenda and reporting developed into a variance report so that we can see the evolving story" (2a, 7 September 2006). Another board member stated:

It needs to be de-cluttered. There are too many issues in front of us. We need to have the overall statements on our agenda so that we can be reminded of our vision etc at each meeting—we need a one pager in front of our face each time. In essence, we need to have the board papers fit with our overall puzzle so that as a board we are dealing with the big issues and we also need to include an integration of our financial position. (2e, 15 September, 2006)

Another board member also considered that the financial reporting needed to be better integrated into the reporting on strategic priorities. "We needed to match the money side up in the reporting process" (2h, 31 August 2006).

In addition to these concerns, there was also affirming comment from board members about the agenda changes in relation to board strategic function. In considering how the strategic plan could remain a dynamic document, one board member stated that, "the structured format provides more opportunity for us to question it (the strategic plan) . . . and how the priorities might move up and down the list" (2f, 11 September 2006). In relation to the board papers and CEO reporting against the strategic priorities, the board member also considered that "as the data comes through, it helps us make decisions" (2f, 11 September 2006). However, this board member also cautioned against a total acceptance of the CEO reports as the only version of the organization's performance. "A big problem could be accuracy. The value of our discussion is based on the data we receive." In adding to the list generated before the research intervention of a strategically capable board, another board member made a similar observation in noting that the board, "needs full knowledge of what's going on and not just rely on information given to them" (2h, 31 August 2006).

The CEO also noted the significance of the information put before the board. When asked what he had learned regarding board strategic capability, the CEO replied: "If you give them detail—you'll get detail back. If you give them a strategic framework—you'll get strategic discussion" (CEO, 5 December 2006). Another board member considered the change in agenda format had strengthened the strategic focus of the board. "We spend more time looking forward now at the priorities we have identified and this is because of the agenda re-structuring" (2c, 22 August 2006). This board member also considered that "the meetings were now geared towards the plan and because of that there is much more focus to the meetings". Another board member concurred: "There is now a linking of his (the CEO's) reports to strategic initiatives" (2a, 7 September 2006). On an individual level, this board member explained that he had "learned more about strategic focus—you need to be structured and focused—you can't be ad-hoc" A third stated that "There has been a subtle change in the way meetings are run. This is a shift more toward a board of governance rather than a board of management" (2f, 11 September 2006).

The differing views from board members regarding the agenda changes were somewhat perplexing. It demonstrated there was still some way to go to achieve "a process for ensuring the organization's purpose, desired strategic outcomes and values are constantly kept 'in the frame' and relevant" (Sport & Recreation

New Zealand, 2006, p. 62). In comparing the agenda documents before and after the research intervention, there is clearly a change to the format that reflects the newly established strategic priorities. However, as evidenced above, at least two board members considered the agenda and corresponding papers still needed to be “de-cluttered”. In their view, the overall picture needed to be more evident and there needed to be a stronger integration of their financial position and reporting of budget variance within the board papers.

Some progress had been made regarding the integration of the strategic plan into regular board meetings thus creating a better strategic focus. However, it appeared further steps were still required to satisfy all board members. Potentially, the concerns noted by board members regarding the sustainability of the strategic priorities could be addressed through a more effective design of board agenda papers as suggested above. Certainly, one of the learning areas noted by the CEO and board members was the significance of the board documentation (prepared by the CEO) in shaping board strategic focus. Hoyer and Cuskelly (2007) also make this point in their assessment of how well boards engage with strategy. Drawing on an empirical study undertaken by Bart and Deal (2006), they noted that “board members spend time discussing whatever information is placed before them, rather than discriminating between important and trivial issues” (Hoyer & Cuskelly, 2007, p. 114–115). In the CEO’s words: “I have a greater understanding about what being a strategic board is about. It’s about what you provide them with and what you expect from them” (CEO, 5 December 2006).

Change to CEO-Board Shared Leadership. The third objective of the evaluation phase was to examine the impact of development of the strategic plan and agenda redesign on the CEO-board dynamic in terms of shared leadership. Board member comment on this in the evaluation interviews was consistent across the group with the exception of one board member. For the majority of board members, there was little doubt the strategic plan and agenda redesign had significantly contributed to a shift in the balance of influence from the CEO to the board. “We are more autonomous now. We aren’t led by the CEO as much as we used to be which is a good thing” (2c, 22 August 2006).

Another board member considered that the, “board has become more involved in strategic decisions. We are more privy and know where we are going.” (2a, 7 September 2006). This board member also stated that “without the strategic plan we left the initiative to management . . . we left it too much to management before, to decide on the priorities”. Another board member stated that “The board through this process has taken more leadership through the chair” (2f, 11 September 2006). On an individual level a board member stated that “Being more involved and knowing more has helped me to strategize better. I’m more thoughtful about it” (2a, 7 September 2006). In a follow up e-mail, a board member confirmed: “The board has stepped up in terms of exerting its influence” (2f, 13 November 2006).

Couched within the context of the financial difficulties experienced by the organization, another board member considered in a more general sense the following:

Boards do hang off and when they do come in and are assertive, they are not welcome. The financial issue has meant the board has had to step in. SPARC has revved us up and the board has revved up x (the CEO). (2e, 15 September, 2006)

In considering the increased influence of the board, this board member also noted that the balance of shared leadership had, “potentially swung too far” in favor of the board (2e, 15 September 2006). The board member used the metaphor created in the first facilitated session that described a strategically capable board as operating within an expansive green field—a wide-open space with broad limitations—like a “paddock with boundaries” (26 October 2005). Now, this board member considered the paddock had become too large and that the board “needs to bring a few fences in. Even though we love that paddock being big . . . the fences have been thrown open and the horses have been let go.” This was an aspect also noted by the CEO. In considering possible change to the balance of influence, the CEO considered that the, “pendulum has swung back and forward regarding the financial issues. It’s about finding the right position” (5 December 2006).

One board member had an even more extreme perspective on the impact of the strategic plan and agenda changes on the balance of board-CEO shared leadership:

The CEO has become much wider in his sphere of activity and the board would know less about what’s going on. Everything is reported somewhat differently than what it was—because of strategic plan . . . X (the CEO) now reports to the strategic plan. It has put even more reliance on the CEO. . . . He (the CEO) was instrumental in the plan and execution. Some strategies have gone ahead without worrying about the money. (2h, 31 August, 2006)

The difficult financial environment could have created a magnified perspective for this particular board member, who was more closely involved in the financial aspects of the organization. However, other board members also noted the importance of following up the expansive strategy development process with agreed operational detail and limitations, particularly financial. “The financial control has not been there because we got used to an x (previous CEO) . . . We need to be cognizant of the CEO’s style and be clear of the expectations . . . (2e, 15 September, 2006). A further board member stated that “The strategic plan hasn’t set limits . . . we are currently writing the delegated authorities” (2a, 7 September 2006). “We need policies and procedures in place irrespective of the person . . . (2e, 15 September, 2006). Similarly, two other board members stated: “The priorities are very vague—we need to make sure they progress” (2c, 22 August 2006). “There are gaps in the operational side which supports the plan. This needs to be developed so that our influence is clearer” (2f, 11 September 2006).

In terms of other future actions to create greater influence on the board’s behalf, one board member stated “We should have time on our own, without the CEO. We are still influenced a lot by the CEO—it’s hard not to be—he knows the day to day detail” (2c, 22 August 2006). Three board members considered that the board should meet more regularly and that greater utilization of board subcommittees would enhance board influence (2a, 2c, 2h). Significantly, one board member stated, “I thought you could influence decisions more than you can” (2c, 22 August 2006).

Based on the evaluation interviews, there are strong indications that a shift toward greater board influence had occurred. Previously, board members had described the relationship in such terms as the “tail wagging the dog.” However,

from the number of comments made regarding possible improvements, it appeared the board wanted to increase its influence still further. It also appeared the board was conscious of too much involvement and encroaching on the CEO's operational domain.

Achieving the optimum balance in shared leadership was perhaps not something this board had yet achieved. It did appear that the board had gained an increased understanding of what it means to be strategic and considered themselves to have "stepped up" in terms of strategic influence aided by the strategic plan. However, there were indications that a potential impact of the strategy process had created a situation where an unchecked CEO could possibly take too much initiative. In this situation, there was a lag between the expansive "blue sky" visioning of the strategy formulation process and corresponding controls such as CEO delegated authorities and an implementation plan. The organization was also facing a financial short-fall which impacted on future initiatives. Consequently, the board responded with a "heavier hand" than it may have preferred in addressing the financial difficulties. The sequence of these events appeared to create an insightful learning environment for both the researchers and participants. "I thought it was down to the people but you have to have processes in place so that the legacy can carry on" (2e, 15 September 2006). I've learned that I need to stop and think, am I being operational or strategic? I'm much more conscious and aware of when you're slipping into operational" (2f, 11 September 2006).

It was apparent to the researchers that the board and CEO had greater insight regarding how they could go about achieving an optimum balance in influence and why they had found themselves in an environment where the CEO had dominated. "There was no strategic plan. The board meetings were about the CEO reporting. . . . When I came on board, I just followed the same format. . . . Now they've got a framework" (CEO, 5 December 2006). From the view of a board member "We needed, as a board, to speak with one voice. We needed, as a board, to ask for more (2e, 15 September, 2006). In a follow up email, the board member explained there was "An inability to really drive a new plan at any earlier time due to the lack of consensus . . . with the CEO" (2e, 9 November 2006). An understanding of how the plan had become a tool for greater board influence and, potentially, consensus with the CEO was experienced. Similarly, there also appeared to be an awareness of the significance of the CEO's preparatory board documents, his potential to direct board meetings as a consequence, and the impact that an imbalance in shared leadership might have on board strategic function.

Conclusions: Synthesizing the Research Outcomes

This concluding section draws together the salient insights detailed in the results and discussion section. By employing specific theoretical concepts, it also demonstrates how outcomes from the fieldwork contribute to theory relating to board strategic function. The action research program with NZF allowed an unprecedented level of access to a setting often highly guarded. As a result, a unique opportunity to extend theoretical notions of shared leadership, board involvement in strategy, and board strategic function was created. The research program also provided the opportunity to consider the utility, within the NSO governance

context, of the broad theories that underpin these concepts. Agency, stewardship, and managerial hegemony theories were used to establish the framework for this study and while each have contributed to ideas explored; stewardship theory has the most potential to frame the complex dynamics of this case study. As noted earlier, a steward's behavior is based on co-operation, pro-organizational, and collectivistic actions. These elements are precisely those needed to create an environment where the board can become more involved in strategy and can share the leadership function with the CEO. Findings from this study which link board-CEO shared leadership with enhanced board strategic capability therefore establish that stewardship theory can also serve as an underpinning idea for the development of strategic capability within the governance setting.

In terms of the more specific theoretical concepts of shared leadership and board strategic function, Hoye and Cuskelly (2007) considered a central issue for sport organizations is the need to clarify roles of the board and staff in all of the strategic activities undertaken. They also claimed that there remains a need to gather more empirical evidence about the relationship between volunteers and professional staff leadership roles and how the dynamics of these relationships influence board and organizational effectiveness. Sport and Recreation New Zealand (2006) also maintained that the board-CEO relationship is full of contradictions. They noted that while it is the chief executive that is expected to "make things happen," and often lead a volunteer board, the chief executive's only authority is granted by the board.

This case study also demonstrates a dynamic and complex relationship between the board and CEO which, if unexamined, may result in impaired strategic capability on behalf of the board. The leadership paradox referred to by Shilbury (2001) and described by Sport and Recreation New Zealand (2006) may help to explain why the board found it difficult once the agenda changes were instigated. The increased collaboration between the board and CEO in developing the strategic plan should have led to increased shared leadership. Paradoxically, however, a confounding view could be that while the board felt greater ownership of the strategy, they also noted a lack of control, particularly in relation to the activities of the CEO. A further issue was the reports being produced by the CEO and the board's reliance on this information. If left unchecked, even within the framework of an agreed strategy, this situation in which the board appears to be "stepping up" has the potential to create a new set of challenges for the board.

As noted earlier, the volunteer nature of board members may also have considerable impact on the board's ability to influence and control. Conclusions from this study indicate that boards need to become more involved in the strategic development of the organization, however, becoming more involved means a greater demand on their time, expertise, and intellectual commitment. As noted in the case of the football board, most had considerable experience and education relevant to their positions as directors. Despite this and by their own admission, members still struggled with the increasing level of sophistication being introduced by the CEO as part of the strategic capability building process.

Being voluntary, there are significant limitations on the time and focused attention individuals can offer. Herein lies the paradox, board members are ultimately responsible for organizational outcomes yet have limited involvement and

therefore, potentially, control. The voluntary model does not necessarily allow for boards to have full access to information from a range of perspectives that would allow for fully informed decision making. Furthermore, as the football directors found, the more complex the information provided, the greater the need became to “de-clutter” the agenda papers. This seemed to create greater reliance on the CEO and on his ability to distil and summarize information for the board. Due to the limitations of volunteer involvement, the CEO remains the pivotal “player” who controls the flow of information to the board and, indeed, also has the opportunity to control the strategic functioning of the board. In a situation where the CEO has a different perception of financial risk to that of the board, for example, this could be problematic.

Sport and Recreation New Zealand (2006) suggested that these contradictions can only be resolved when the CEO and board work as a team. Putting aside for the moment the dilemma regarding the limitations of volunteer time and expertise, the work of McNulty and Pettigrew (1999) provides a conceptualization of board involvement in strategy. In so doing, it provides a basis for considering how the board and CEO might further work together. McNulty and Pettigrew found that board behavior in shaping the content, context, and conduct of strategy and helping to create an environment for strategic debate was “the deepest form of part-time board member involvement in strategy” (p. 56). Figure 2 sets out a continuum of board involvement in strategy that extends McNulty and Pettigrew’s (1999) conceptualization of this dynamic by adding two further dimensions.

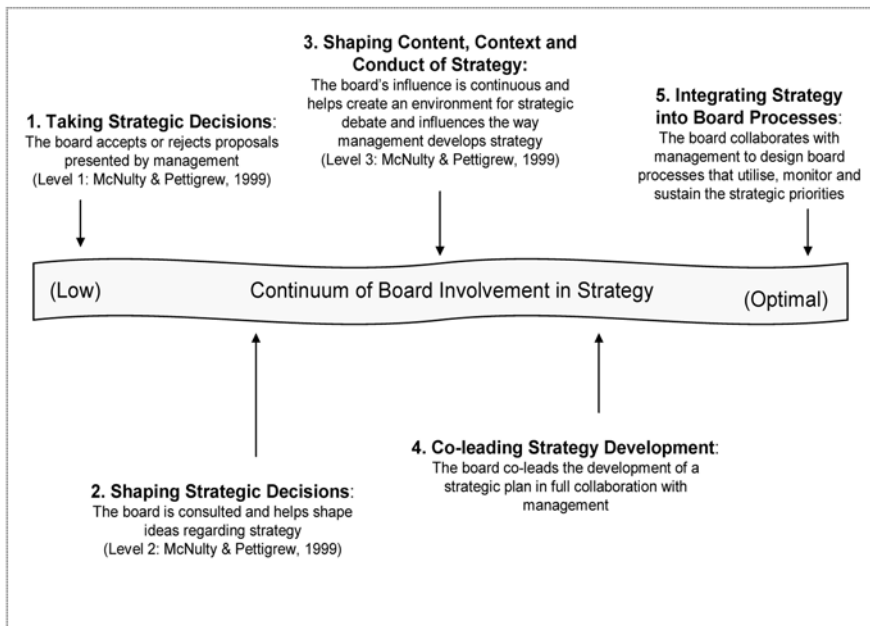


Figure 2 — Continuum of board involvement in strategy.

The continuum builds on the notion that the board is and should be involved in shaping strategy, and, according to McNulty and Pettigrew (1999), challenges previous research outcomes regarding managerial hegemony on boards. In promoting the benefits of increased collaboration, the continuum is further expanded to include board/CEO coleadership of strategy development where there exists full collaboration between the two. The final extension is where the board continues its collaborative approach with the CEO to codesign board processes that use, monitor and sustain the jointly developed strategic priorities. This outcome also confirms the findings of Inglis and Weaver (2000) in designing agendas to assist boards to think strategically about their roles and upon which the second iteration of this action research process was founded.

Indeed, findings from this research indicate that the further along the collaborative continuum the board and CEO position themselves, the more opportunity the board will have to perform its strategic functions. The assumption is that should a further step occur, where the board overly dominates these processes, the optimization of this dual leadership dynamic will decrease. In this situation, the CEO might not be an active partner in designing the strategic priorities and might only be responsible for implementation and performing an administrative function at board meetings. This is not considered a desirable situation. In this conceptualization of board involvement, there is no question of the need to have the CEO also fully engaged.

This extension of McNulty and Pettigrew's (1999) thinking on board involvement in strategy also applies to the model presented by Nadler (2004). Nadler promoted a middle position in terms of the level of board involvement in strategy and one that he calls "value-added engagement". In this approach, the CEO leads and develops the plan with input from the directors. Nadler (2004) also noted that the challenge is for the CEO to develop ways to engage the board in the "right kinds of work—and in the right way" (p. 25). Outcomes from this research indicate that the challenge would also be for the board and, in particular, the chairperson to take equal responsibility in developing processes that engages the board in the right kind of work. The learning from this research may, therefore, provide some clarification of the evolving role of the board. In simple terms, if boards are to become more strategic in their approach, they need to become more involved in core strategic functions that include not just establishing strategy but collaborating with the CEO in board processes that focus the board on those priorities.

In explaining the leadership paradox that emerged from his study, Shilbury (2001) questioned whether the redefinition of board roles (in favor of greater CEO control) might be the first signal of genuine cooperative power between the board and CEO. "This redefinition might signify a less visible role performed by the board in establishing and maintaining direction for the organization" (p. 276). Certainly, outcomes from the current study have led the researchers to promote the benefits of greater cooperation between the two parties. However, the notion that an NSO board may need to be a full and visible partner in the functions noted above to further develop its strategic capability, is a key contribution to this debate. Figure 2 demonstrates the evolution of the board's increasing involvement in which the first three steps, articulated by McNulty and Pettigrew (1999) are drawn from a corporate, "for-profit" context.

In considering both for-profit and nonprofit organizations, Bart and Deal (2006) asserted “That a board should be an active participant in an organization’s direction setting activities is rapidly declining as a matter for speculation and debate” (p. 3). Like most contemporary thinking, Bart and Deal considered that an “organization’s strategy is one of the most important activities that a CEO and his or her executive team can perform” (p. 3). To what extent the board could or should actively participate is, of course, situational. Nonetheless, the continuum of involvement perhaps challenges boards and CEOs, in whatever context, to consider whether greater collaboration than their current situation might produce a more capable strategic board. One would suspect that many could well benefit from a shift to the right.

While greater collaboration might mean a better understanding by the board regarding its strategic function, it may also mean greater commitment, time and expertise. This has implications for current expectations of volunteer board members and most particularly the contribution of the chairperson. However, there are benefits in the knowledge that in order for boards to become more strategic, they need to become more involved. Figure 2 sets out what “more involved” means and the steps a board might need to undertake to be fully collaborative. Like the collaborative approach to action research, there are profound benefits from full involvement in decisions and actions, but this may not always be logistically possible or appropriate. However, the conceptual shift from the idea that the CEO should lead strategy development with some board involvement (Nadler, 2004) to striving for a truly shared situation may bring greater rewards for board strategic capability.

What remains unanswered is how the present sport governance model that draws on part-time volunteers, can be reconciled with greater board involvement and increased responsibility and control. Certainly, clearer role definition regarding the expectations of board members will help so that from the outset, sport directors are recruited on the basis of performing time consuming and complex strategic functions. Perhaps in the future, the chairperson in particular and board members in general may need to be compensated for their expertise and time so that the transformation from an amateur to a professional operating environment within national sport organizations may be further advanced.

Implications for Practice

In breaking down the theoretical outcomes from this research, the first implication for board members is the need to consider their balance of involvement in strategy. In practical terms, the use of Figure 2 allows the board to place itself along the continuum and to consider the implications of this positioning. By undergoing such a process the board can more readily identify whether it needs to become more involved and whether that involvement can be sustained by integrating strategy into board processes.

Making expectations explicit and collectively agreeing on the board’s involvement in strategy may alleviate any confusion within the boardroom setting regarding the role of the board. Although not fully explored in this study, the role of the chairperson in leading this process is also an important consideration for practitioners. Similarly, the role of the CEO in strategy development needs to

be clearly defined, and negotiation of the collaborative effort must be an ongoing focus. As established by this study, at the same time as engaging in strategy development and partnering with the CEO, the board needs to be aware of maintaining its other functions, particularly the CEO monitoring role. Partnering and performance managing the CEO are part of a potential leadership paradox highlighted by this study. In practical terms, the way the board maintains ultimate control and responsibility over the activities of the CEO, while also collaborating with him/her, needs to be carefully considered.

Similarly, the process by which the board receives information about the performance of the organization from the CEO and, as noted above, board involvement in “keeping the strategy alive” may also create a leadership paradox. Governance practitioners need to be alert to this potential paradox and establish methods and processes for working through any challenges that such inconsistencies might create.

Further Research

This research has explored how boards of national sport organizations can develop their strategic capability by becoming, in this case, more involved in strategy. In addressing the research question, the study has also raised a number of further questions. In particular, the role of the chairperson in board strategic capability is an area of research that warrants further investigation. Although not fully explored within this study, there were indications that probing the responsibilities of the chairperson in, for example, agenda setting and board shared leadership would further add to our understanding of strategic capability. Further research could clarify the role of the chairperson in relation to the role of other board members within these areas. In addition, to further the work of Hoye (2006), investigation of the dyadic relationship between the chairperson and CEO and how these two individuals share leadership in strategy development and board processes is also recommended.

Related to the above is the need to further the action research process in terms of the success of greater board collaboration in the integration of strategy into board processes. As Nadler (2004) found, “By participating in the process, the strategy becomes ‘our’ strategy as opposed to ‘their’ strategy. With increased ownership comes increased commitment to help the strategy succeed and to defend it when under attack” (p. 28). A further action research project to test greater board involvement in the processes that would use, monitor, and sustain the strategic priorities has the potential to contribute to the understanding of the shared leadership dynamic developed by the current study.

Another unanswered question raised by this research is how the present sport governance “model” that draws on volunteers can be reconciled with the need for greater board involvement and increased responsibility and control. Future research needs to investigate the impact of this change in expectation on the role of the board and determine ways that increased responsibility might be integrated into board function. There is the potential to expect more from voluntary board members than is realistically possible under the present system. Creative solutions to this problem are needed and are well suited to the action research approach

where possible solutions could be “tested” as part of the study. In particular, the tension between involvement in strategy formulation and performing a monitoring function as well as the level of operation knowledge required is a recommended area for further research.

In conclusion, this study found that board strategic capability, in the case of NZF, is enhanced by greater board involvement in strategy thus creating greater demands on voluntary personnel. Being a board member of a national sport organization is a challenging role requiring high level skills and capabilities. In striving to become more strategically orientated, the demand on individuals to cope with the increasing complexities is ever growing. Sport organizations in New Zealand are fortunate to have volunteers of such caliber taking on these responsibilities. It is hoped that research studies of this nature will continue to contribute to the understanding of this important and demanding role so that sport organizations may prosper as key social institutions within our society.

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