“What should be in a ‘Good Governance Code’ for European Team Sport Federations?”

Master’s thesis presented to obtain the Executive Master in European Sport Governance

Alex PHILLIPS

Under the supervision of Petros MAVROIDIS

2010/2011
1 Executive Summary

This thesis is based around a simple concept, namely to answer the following question:
“What should be in a ‘Good Governance Code’ for European Team Sport Federations?”

A company listed on a stock exchange receives a “Good Governance Code” (or similar) from the stock exchange which explains the governance criteria that the company must comply with. Similar codes or, at least, good practice guides exist for NGOs, public bodies and other types of organisations. At the moment, however, the six members of the Association of European Team Sports (“ETS”) do not have any such code/criteria applicable to their specific type of organisation and activities. This does not necessarily mean that there is bad governance, but rather that the issue has never been addressed in a systematic, strategic way. There is, however, increasing evidence that supports the need for such a Good Governance Code (or similar).

The methodology of this thesis comprised three parts: firstly, an exhaustive literature review of both generic and sports-specific governance literature; secondly, a series of semi-structured interviews with a high-level, representative sample of sports organisations and stakeholders; and, thirdly, analysis and synopsis of the information gathered to reach conclusions. The areas examined as part of the interviews comprised an open evaluation of what constitutes good governance, followed by 16 general areas comprising 52 specific questions. The general conclusions can be summarised as follows. The creation of a “Good Governance Code” for ETS Federations is necessary and should, as a minimum, address the following eight areas:

- Organisational Structures, in particular regarding: the assurance of democratic structures and processes; the balance of powers between the different organs; the specific roles of the members, president, board, administration, committees and judicial bodies; and the involvement of stakeholders and minority views.

- Transparency, in particular regarding the communication of the organisational mission/vision/objectives/strategy, processes, key decisions and financial information.
• Accountability, with a focus on creating effective mechanisms of accountability, bearing in mind the difficulty of measuring success in sports organisations (compared to a company, for example, where shareholder value can be relatively easily measured).

• Ethical behaviour, in order to implement and maintain, and be seen to be maintaining, high ethical standards at all levels of sport.

• Commercial rights, in order to introduce best practice from outside sport regarding the awarding of commercial contracts, for example by adapting public procurement legislation.

• Selection of hosts for major events, ensuring that ETS members can illustrate that these increasingly important events are chosen in as transparent, rigorous and accountable a way as possible.

• Solidarity, which, although a “political” (rather than “corporate”) governance principle, is core to the activities of sports organisations i.e. not just running competitions but also directly developing sport. Here, corporate comparisons are less useful than those with standards set by NGOs (for example, regarding minimum proportions/amounts of development revenues/funding, controls and transparency over such distributions, etc.).

• Autonomy and relations with the political world, to define and establish best practice for relations with the political world where, in future, much work may need to be done by way of co-operation.

Based on these general conclusions, the main recommendation of this thesis is that the ETS should launch a process to further research, draft, agree and then implement a “Good Governance Code” (or similar). The research and conclusions of this thesis could potentially contribute to such a process. If successfully implemented, such a code would bring many benefits for both the organisations themselves and for their respective sports.
# Brief contents

1. Executive Summary ................................................................. 2
2. Brief contents ............................................................................. 4
3. Introduction .................................................................................. 5
   3.1 General context ................................................................. 5
   3.2 Definition of “governance” ............................................... 6
   3.3 Research question .......................................................... 7
   3.4 Scope of research ............................................................. 7
   3.5 Caveats and guidance for reading this thesis ....................... 8
4. Assumptions ................................................................................. 10
   4.1 Rationale for introducing a ‘Good Governance Code’ ........... 10
   4.2 Specific nature of sports federations .................................. 10
   4.3 Central analysis of governance practices in European Team Sport Federations ......................................................................... 12
   4.4 Additional assumptions .................................................... 12
5. Description of information-gathering methodology ..................... 14
6. Literature review .......................................................................... 16
   6.1 Non-sport governance literature ........................................ 17
   6.2 Sport-specific governance literature (academic documents and theory) ................................................................. 18
   6.3 Sport-specific governance literature (codes and guidelines) .................................................................................. 19
7. Analysis and synopsis of relevant data ........................................ 22
   7.1 General areas of good governance ..................................... 22
   7.2 Organisational structures: Overall ...................................... 23
   7.3 Organisational structures: Congress .................................... 30
   7.4 Organisational structures: Board ......................................... 33
   7.5 Organisational structures: President .................................... 40
   7.6 Organisational structures: Administration ........................... 43
   7.7 Organisational structures: Committees and specialist areas ................................................................. 44
   7.8 Organisational structures: Democratic processes ................. 47
   7.9 Organisational structures: Equality and Minorities ................ 49
   7.10 Transparency ...................................................................... 50
   7.11 Accountability .................................................................... 53
   7.12 Ethical behaviour ............................................................. 55
   7.13 Financial issues ................................................................. 57
   7.14 Selection of hosts of major events ...................................... 59
   7.15 Commercial rights ............................................................ 60
   7.16 Solidarity ............................................................................. 61
   7.17 Autonomy ........................................................................... 62
   7.18 Additional Areas ............................................................... 62
8. Conclusion .................................................................................... 64
9. Appendices ................................................................................... 66
10. Bibliography ............................................................................... 82
11. Glossary and Definitions .......................................................... 91
12. Table of Contents ...................................................................... 94
3 Introduction

This chapter introduces the thesis by covering the following five areas: describing the general context; selecting a definition of governance; outlining the research question; explaining the scope of research; and finally highlighting certain caveats and guidance needed when reading the thesis.

3.1 General context

The issue of governance has acquired a higher profile in a general sense in recent years for many reasons, not least due to a series of corporate scandals in various countries (e.g. Monks and Minow 2011, pp.xvii-xxv). For this and a number of other reasons the issue of governance and, more specifically, the need to improve governance, has risen up the agenda of all kinds of sports organisations and their stakeholders. For example, in 2011, both the European Club Association (ECA) (2011) and European Professional Football Leagues (EPFL) (2011) placed governance at the top of their agendas. There is now substantial evidence that improvements are needed in this area in European (and International) sport and some examples are listed in Appendix II. The written evidence is supported by the empirical evidence gathered through interview (hereafter abbreviated to “I/v” when citing a specific interview) as part of this thesis.

No “Good Governance Code” or other definition of what constitutes good governance currently exists for a European Team Sport Federation (hereafter “ETSF”). It is important context to explain why this is and the main reasons are as follows.

Firstly, European (or International) sports federations have never been classified into their own clearly defined categorisation or typology – unlike, for example, stock-exchange-listed corporations, unlisted corporations, charities, NGOS and so on. Lacking a clear categorisation, it has proved harder to describe/prescribe what is/should be good governance (this is dealt with in more detail in the in the assumptions and literature review in chapters 4 and 6 below respectively).
Secondly, there has been no single defining catalyst to provide the impulse for ETSFs to produce a good governance code. ETSFs have to date not been hit by the same level of scandal, or one big scandal – as affected the IOC with the Salt Lake City scandal in 1999 (Mallon, 2000) – thus resulting in less pressure to introduce a Good Governance Code (or similar). This contrasts with the corporate sector, for example, where scandals (as well as the pressure of profit-seeking investors) have both provided a much stronger and earlier stimulus for the implementation of good governance principles (Wearing 2008, p.7).

Thirdly, certain external pressures that exist at national level – notably the pressure from government and the pressure of the media – do not exist at European (and international) level to the same degree that they do at a national level (lv 35).

Fourthly, in most types of organisations the principals (i.e. the owners/members) are not as dependent on the agent as is the case with European (and International) team sports federations, at least in the higher-earning sports – especially where there is a preponderance of smaller and less wealthy members. Furthermore, it can be impossible for a National Federation (“NF”) to obtain similar services elsewhere (what Hirschman [1970] terms lack of ability to exit), unlike a company shareholder who can sell their shares and move their capital relatively easily. In fact, often the owners/members (NFs) begin to act as if they are owned by their European (or International) Federation which means that those (namely the principals/owners/members) who theoretically should have the main interest to effectively control the agents do not act effectively to control the agents (e.g. by implementing good governance principles) since they may see the exercise of such control as a potential threat to the resources and services that they receive (we return to these points later on e.g. in 7.11.3 below).

3.2 Definition of “governance”

In order to have a common understanding for the purpose of this thesis, it is necessary to define what is meant by “governance”. Many different definitions exist and some examples are listed in Appendix I, including the OECD definition which is the definition used for this
thesis, because of its international nature (and more concrete definition than the ecoDa definition).

3.3 Research question

In view of: (a) the general context; and (b) the definition of governance chosen, the research question chosen was: “What should be in a ‘Good Governance Code’ for European Team Sport Federations?” However, this thesis does not claim that it will or can achieve a final “Good Governance Code” – the ambition instead is to set the ground, examine the subjects as far as is possible within the restraints of such a research project, and potentially provide a basis for possible future action, should the ETSFs decide to pursue the matter.

3.4 Scope of research

The scope of the research is very wide and ambitious: some of the 52 specific questions in the interview questionnaire (see Appendix IV) could be the subject of a thesis in themselves. Given the wide scope of the subject area (governance) and ambitious nature of the research question chosen, together with the open-ended nature of some of the analysis (such as, for example, which general areas should be covered by a good governance code), a huge area and range of subjects are covered, requiring a vast amount of work. However, as part of the MESGO requirements the size of this thesis was limited to between 40 and 60 pages (not including the appendices [MESGO 2011, p.6], summary, bibliography, etc.). This means that, inevitably, many of the questions are not dealt with in the depth that they merit and, in particular, much evidence for the conclusions reached cannot be brought within this thesis. In this context, only a short summary analysis could be presented of each area examined.

During the course of research, additional related subjects were raised which for practical reasons could not be covered by this thesis. In particular, three important additional subjects were often mentioned in interviews but were not covered by the interview questionnaire. These are the following subjects:
• the basic membership structure of ETSFs (e.g. the membership, voting and power structure of the members, etc.);
• the relationship of ETSFs to their International (global) Federation; and
• the implementation of any ETS “Good Governance Code”, since such a code would have little or no value if not actually implemented.

These three areas are dealt with briefly here. Firstly, the reason that the membership, voting and power structures were not included was mainly for reasons of practicality (the existing number of subjects to be dealt with was already extremely high), but also because of their highly political and sensitive nature. Furthermore, the creation, purpose, membership and basic organisational arrangements of an organisation can be seen as separate to its on-going operation and governance. Nevertheless, this issue was raised by interviewees and is addressed to some degree under 7.3 below.

Secondly, relations between European and International Federations were not dealt with at the outset primarily for the same reasons as listed above, even though this issue for some interviewees (e.g. I/vs 31, 32) constitutes an important part of good governance.

Thirdly, perhaps the most difficult part of any Good Governance Code is its implementation. There is no single model of good governance and each country has their own framework (OECD 2004, p.14) Therefore, any future code would provide principles which would then need to be converted into something practical and relevant for each sport, adapted to its own particular circumstances. However, implementation is beyond the scope of this thesis. For reasons of practicality other important topics such as doping and match-fixing are not considered under the definition of good governance for the purpose of this thesis.

3.5 Caveats and guidance for reading this thesis

To conclude this introduction, certain explanations and caveats must also be made. Firstly, the wording of some of the recommendations in the various existing good governance codes is ambiguous (often through necessity). This is especially true regarding those codes that have to apply across many countries or jurisdictions. There are many uses of
terms such as “proportionate”, “reasonable”, “undue”, etc. Evidently, such terms are vague, ambiguous and can invite a large degree of interpretation. However, often this ambiguity is a benefit – thus allowing flexibility of implementation.

Secondly, partly because of the lack of specialised sports governance theory (see chapter 6 below), the literature review has, of necessity, used literature that was not aimed directly at ETSFs. Therefore, in the quotes and sources used from generic (non-sport-specific) sources there may be references to “companies”, “shareholders”, etc. In many cases a corporate analogy is not appropriate for ETSFs and what is relevant for a company is not relevant for a sports federation (and vice-versa). However, in some cases what is relevant for a company is also relevant for a sports federation and any references used in this thesis are judged to be applicable to the context of ETSFs (however without an individual explanation each time). A similar principle applies to the sport-specific literature where recommendations may be cited from the context of a specific organisation (e.g. FIFA, IOC, a UEFA NF, etc.): if the point is used it is because it was judged appropriate/potentially applicable to the context of ETSFs (however without an individual explanation each time).

Thirdly, to try to improve comparability and ease of understanding the same terminology is used consistently throughout this document (regardless of the correct or official term within one particular sport or organisation). So, for example, the term “Board” is used throughout – irrespective of the fact that at UEFA the term is “Executive Committee”, it is “Executive Board” at the IOC, etc.

Fourthly, there is a slight bias towards the English-speaking and Anglo-Saxon country governance sources due to availability and access of information and this should be taken into account. Fifthly, in order to respect the wishes of some interviewees, interview references have been anonymised but this does not detract from the quality of the empirical information, given the extremely high depth and quality of the interviewee sample.

Finally, a glossary and explanation of certain definitions is included as chapter 11 below in order to assist the reader.
4 Assumptions

There are three main assumptions underlying this thesis which are outlined hereafter.

4.1 Rationale for introducing a ‘Good Governance Code’

The first main assumption is that there is actually a need for a “Good Governance Code” for ETSFs in the first place. Good governance codes exist in many other sectors for many other types of organisations (some examples are given in chapter 6 below), and so an initial question would be: why should ETSFs be any different to these other sectors? Evidence supporting the need for such a code is extensive and, as mentioned in chapter 3 above, examples are listed in Appendix II.

4.2 Specific nature of sports federations

The second main assumption underlying this thesis is that, as mentioned in 3.1 above, sport federations have a unique, or at least unclassified, organisational typology. Sport federations are unlike other bodies. Yet they share certain characteristics/features of the following types of organisations:

(i) Businesses/Corporations;

(ii) Membership-based civil society organisations/movements (e.g. faith-based organisations, professional associations, trade unions, social movements, business associations, membership charities, etc.);

(iii) NGOs/INGOs (e.g. non-membership based organisations independent from government and providing services where the state is unable or unwilling to do so such as non-membership charities, advocacy groups, development non-governmental organisations, etc.); and

(iv) State/Public bodies/agencies.

Most of the above types of organisations have, to a greater or lesser degree, existing good governance codes or generally recognised good governance principles (unlike
European/International sports Federations). The crossover between these different types of organisations can be illustrated in Figure 1 below.

Figure 1  Sports Federations: organisational typology

Source: analysis by the author.

The problem is therefore that, if ETSFs cannot be characterised as any of these types of organisations, then the existing good governance codes existing for such types of organisations will not be fully applicable to sports organisations, as the following example describes: “the specific structure of FIFA makes it difficult to adapt what is considered best business practice to the governance challenges it is facing” (Transparency International 2011, p.2). Chapter 6 below illustrates that there is no major body of academic work or theory relating to the governance of European sports federations.

Although relatively speaking lower than on national level, sports federations have other differences too, such as very high media scrutiny compared to most industries (I/v 35, and as already mentioned in 3.1 above) and often a much higher degree of legal uncertainty (Arnaut, 2006) which is due to the parallel legal systems that sports organisations have to operate for sport to function effectively: systems which are under constant and increasing challenge in civil courts.

Not only is it unclear where sports federations sit vis-à-vis other types of organisations in general – it is even unclear how they see themselves, as Forster and Pope (2004, p.27)
describe: “Even though their constitutions are usually clear and explicit about their purposes and functions many GSOs [Global Sporting Organisations] do not seem sure how to interpret themselves, except in terms of rule-making. Are they, for example, to behave as a forum, as a political assembly, a governing body … a development body, a commercial body or as an events body?”

4.3 Central analysis of governance practices in European Team Sport Federations

The third main assumption is that there has been no central analysis of governance practices – and no definition of what constitutes good governance practices – for ETSFs to date. Both good and bad governance practices exist in European sport but these practices have never been analysed systematically from a central point of view (unlike specific sports or individual organisations where research/analysis does exist). Therefore, such an analysis might indicate that more, or different, practices are needed. This is addressed notably in chapter 7 of this thesis where examples of good and bad governance practices are used to illustrate the various points under review. This thesis is certainly also the first systematic attempt to gather and analyse data on governance practices of the six ETS members. Thus, one of the main initial tasks of this thesis was to examine existing governance practices in European sports federations in order to provide a sound basis for any good governance code to be drawn up.

The conclusion from the three main assumptions above is that a definition of good governance principles is needed for ETSFs. The aim of this thesis is to start to address this gap. Further additional assumptions also form the basis of the relevance of this research, including the following six supporting assumptions.

4.4 Additional assumptions

First, good governance is a good thing per sé (by definition), and so implementation of good governance principles (assuming they can be properly defined) should help sports
organisations fulfil their objectives more effectively. In other words, not only is good governance morally/ethically right, it also helps sports organisations to “do better sport” (I/v 35).

Second, stakeholders and the general public have a general perception that the sports sector as a whole has poor governance (e.g. Play the Game 2011). Good governance principles, if implemented, would help to counteract this negative perception which damages sport. Even if the main historical sport governance scandals have not directly implicated ETSFs, that does not mean that they will not in future, and furthermore such scandals still have a big impact on their image – since stakeholders and the general public often do not distinguish between sports organisations of different kinds.

Third, insiders may resist the implementation of certain good governance principles: since they may see no immediate benefit to themselves personally and/or because good governance may restrain some previously accepted practices or power concentrations.

Fourth, implementation of good governance helps justify (increased) autonomy. Sports organisations often request (increased) autonomy (however that may be defined), and good governance is often considered a minimum quid pro quo (e.g. as regards the EU institutions) for such autonomy to be recognised (European Commission 2011, p.14).

Fifth, ETSFs are role models for their members: NFs may wonder why they should implement good governance principles if their European body does not do the same. ETSFs need to lead by example.

Sixth, European sports governance is in transition (I/v 14) due to both:

- exogenous factors (e.g. increasing EU competence, for example via the courts, Article 165 of the Lisbon Treaty which mentions sport, etc.), and
- endogenous factors (e.g. internal reformist’s agenda for change).
5 Description of information-gathering methodology

The central research question was addressed using primarily qualitative methods but also with a degree of quantitative analysis. Adapting the same methodology employed by Henry and Lee (2004, p.30), the thesis adopts a mixture of both normative (or prescriptive, i.e. what should happen) and descriptive (i.e. what actually happens) approaches.

There were two main parts to the information-gathering methodology: literature review and a series of semi-structured interviews. The literature review is covered in chapter 6 below. The methodology employed in order to gather empirical data, via interview, was based on the development of a detailed questionnaire which was then used to conduct semi-structured interviews (Saunders et al 2009, pp.320-343) with a representative sample of key stakeholders. The literature review and informal preliminary (unstructured) discussions, together with my 13 years of professional experience in the area, were used to analyse each possible area (e.g. “transparency”, etc.) to form the basis for the specific questions and the final construction of the interview questionnaire, which addresses gaps in the literature. The full original questionnaire, which included explanatory notes for the interviewees, is included as Appendix IV. The questionnaire comprised two parts – general and specific, as follows:

- General area for discussion;
- 16 specific areas for discussion, comprising 52 specific questions (plus 12 further supplementary questions, each one related to one of the specific questions).

Part one comprised a very open question: “What are the 3-5 general areas of good governance for a European team sport federations?” By asking interviewees to list the most important general areas for good governance it was possible to determine whether an existing spontaneous consensus (or near-consensus) existed on what constitutes good governance. It was also a way for the interviewees to express their views as to the priorities that any good governance code should address. In part two, the purpose in
asking interviewees specific areas was to look at a series of key governance questions in detail.

The interviews were divided into two types, both using the same questionnaire as their basis. Firstly, a specific interview with the six European Team Sport Federations (President and/or General Secretary as a minimum) looked in a descriptive way at actual practices: in other words how things are (the “A interviews”). Secondly, a more general interview was conducted with the same A interviewees but also with a much wider range of participants with a varied perspective and knowledge of sports governance issues (mainly those directly involved in sport, but also certain interviewees from outside sport) to look at ideal or best practices – i.e. how things should be (the “B interviews”). The interviewee list is included in the bibliography to this document (36 in total including A and B interviews).

All 36 interviews (covering 18 nationalities) were conducted face-to-face (apart from one which was done by telephone) and ranged between 30 minutes and 3.5 hours in length.

The high level of the interview sample should be noted as well as the representative nature of the sample – see Appendix III for a graphical illustration of the interview sample range.

To summarise, the methodology comprised the following five areas:

A. literature review of generic (non-sports) governance literature;
B. literature review of specific (sports) governance literature;
C. review of the statutes and other documents of the six main ETSFs;
D. semi-structured interviews of the six main ETSFs to allow a detailed practical comparison of actual practices (descriptive) – the “A interviews”;
E. semi-structured interviews of a varied range of 36 well-qualified practitioners (including the six main ETSFs) to allow a detailed assessment of possible future practices (prescriptive) – the “B interviews”.

The key part of the thesis is chapter 7, the analysis and synopsis of the data, which aims to not only use the empirical data to reach conclusions to the research questions, but also to bring practical and concrete references from the literature review to work towards the final conclusions.
6 Literature review

The literature review comprises a key theoretical basis for the thesis. This chapter summarises and highlights key points (and gaps) from the literature. The application of specific points from the literature is contained in chapter 7 below.

The level of academic theory which is directly related to the topic of good governance in sports organisations is relatively low: compared to the large literature on corporate governance in general for example – even taking into account the differences in size of the sectors. This relatively underdeveloped theory base applies both to non-profit organisations in general (Cornforth 2003, p.6) and to sports organisations in particular (e.g. Forster 2006, p.75. Hoye and Cuskelly 2007, p.11).

The reasons for this lack of existing theory are many but include the fact that, as per one of the three main assumptions for this thesis, sports federations constitute a specific type of organisation which is not easy to classify or categorise. In the corporate sector, pressure and theory arrived much earlier (e.g. Berle and Means, 1932) to ensure good governance compared to the sports sector. As outlined in Wearing (2008), with stock-exchange listed corporations it was possible to first define the principal-agent relationship as the most important area (agency theory) and both theory and practitioner-based governance codes evolved over the years to reflect this. Later on, stakeholder theory (and other theories: stewardship theory, etc.) offered alternative (or complementary) views to agency theory as to what is, and what should be, good governance for stock-exchange listed corporations. The key question is to what degree, and how, such generic theories are relevant to and (if appropriate), can be made applicable to, sports federations.

Despite the lack of a developed theory specifically regarding good governance and sports organisations, there is nevertheless a small existing academic literature. Alongside this sports-specific academic governance theory, such as exists, there is also what can be termed as a practitioner-based literature including codes, guides and recommendations
that have been developed for sport and both types of sports-specific literature will be examined in this chapter.

Therefore, both the large existing generic governance literature applicable to corporations and, where applicable, other types of relevant entities (e.g. NGOs, other civil society organisations, public agencies/bodies) and the existing (albeit small) sports-specific governance literature (both academic and practitioner-based), will comprise the literature review of this thesis. A review of the literature in these areas follows hereafter.

6.1 Non-sport governance literature

Two main relevant practitioner-based documents from the non-sport-specific governance literature are the ecoDa “Corporate Governance Guidance and Principles for Unlisted Companies in Europe” (2010) and the OECD “Principles of Corporate Governance” (2004). These documents are comprehensive and evidently attempt the difficult task of defining corporate governance principles for companies across Europe and the world (respectively). Whilst forming a useful basis, the OECD Principles (together with more specific national codes such as the FRC “UK Corporate Governance Code” [2010] and the PIRC "UK Shareholder Voting Guidelines" [2010]) need to be treated with care based on the fact that they: “focus on governance problems that result from the separation of ownership and control.” (OECD 2004, p.12). By contrast, the separation of ownership and control in sports organisations, whilst important, is not the single most important governance issue. The definition of governance for unlisted companies is perhaps more appropriate, as follows: “establishing a framework of company processes and attitudes that add value to the business, help build its reputation and ensure its long-term continuity and success.” (ecoDa 2010, p.7). However, both of these key documents contain certain relevant governance principles which can be adapted to the sports world and many are applied in chapter 7.

Outside of the literature and theory aimed at corporations, potentially relevant examples include the ZEWO quality standard delivered to public service organisations (2008) and the SGS “NGO Benchmarking Standard” (2011). Both of these standards outline alternative
ways of improving governance in NGOs which, again, can be useful in the light of sports organisations. Perhaps the most interesting aspect of the SGS Standard is the detailed process used to measure performance in an NGO, aiming to quantify performance in 108 “Objectively Verifiable Indicators”. This would be potentially useful in any implementation phase for a Good Governance Code. The Commonwealth Foundation also published in 1995 a comprehensive document (Non-Governmental Organisations: Guidelines for Good Policy and Practice) containing recommendations on governance for NGOs.

In addition, detail on specific governance areas such as ethical behaviour and countering corruption exists, for example in Transparency International’s “Business Principles for Countering Bribery: a Multi-Stakeholder Initiative led by Transparency International” (2009a) and the “Reporting Guidance on the 10th Principle Against Corruption” (UN Global Compact and Transparency International, 2009).

6.2 Sport-specific governance literature (academic documents and theory)

In the academic literature works of theory do exist such as Sport Governance (Hoye and Cuskelley, 2007), The Political Economy of Global Sporting Organisations (Forster and Pope, 2004) and work by Ian Henry (e.g. Henry and Lee 2004). Forster and Pope (2004, pp.101-114) apply generic governance theories to sports organisations and conclude that stakeholder theory is probably more appropriate than agency theory. There is also the work of Chappelet: he and Kübler-Mabbott (2008, pp.177-181) develop the work of Pérez (2003) and apply it specifically to the IOC but also offer a more general good governance framework for sports organisations beyond the IOC.

It is of note that the Anglo-Saxon orientated literature focuses very much on the role of the board, for example Hoye and Cuskelley (2007) devote most chapters in their book to it, rather than other aspects of governance. Yet in reality one of the dynamics in some sports organisations is that the boards are ineffective when faced with their President and/or Administration (see for example in 7.3 below).
As mentioned in chapters 3 and 4 above, the specific nature and complexity of sports federations makes their governance more difficult to analyse and therefore prescribe good practice for. In particular, one aspect that separates the attempt to develop theory for sports organisations compared to corporations is that sports governance must, due to the democratic structure of its organisations, encompass both political and corporate governance principles, whilst simultaneously using assets to generate revenues as a company would. This, however, inevitably leads to a conflict between principles that are not necessarily compatible as Hoye and Cuskelly (2007, pp.14-15) describe: “it is these democratic ideas that sometimes thwart the ability of non-profit sport organizations to develop good governance structures, processes and systems.”

To conclude, quality sports-specific academic governance theory does exist but in the main it deals entirely either with specific individual GSOs (such as Transparency International [2011] or Sugden and Tomlinson [1998] on FIFA, or Chappelet and Kübler-Mabbott [2008] on the IOC), or, at best, with GSOs in general (e.g. Forster and Pope 2004). In many cases throughout this thesis, however, such theory as applicable to GSOs has been extrapolated to apply to European sport organisations where, as is often the case, similar dynamics exist, even if on a different scale.

6.3 Sport-specific governance literature (codes and guidelines)

The IOC’s "Basic Universal Principles of Good Governance of the Olympic and Sports Movement" (2008) is the closest existing document to what would be required for ETSFs and so to some degree forms the basis and starting point for this thesis. It was created following two seminars focusing on the autonomy of sport held in 2007 and 2008 and built on the detailed work already carried out in 2001 following a conference held in Brussels called The Rules of the Game (EOC, FIA and Herbert Smith).

Clearly a large amount of work has gone into it, and it is well thought-out and thorough. As Chappelet (2011) points out, it is wide in scope, and tries to cover two distinct types of governance principles: corporate and political. The document comprises seven
“Principles”, 38 “Themes”, 109 “Elements” and around 140 individual recommendations (depending on how you count them, since some elements contain more than one recommendation). The Principles were approved at the 2009 IOC Session and Olympic Congress (IOC 2009a, p.14) as a minimum standard to be adopted by all members of the Olympic Movement (the main constituents of which are the IOC, the IFs and the NOCs [IOC 2011, p.13]), subsequently incorporated into the IOC Code of Ethics and Olympic Charter, and are also actually being currently put into practice albeit not as fast as perhaps the IOC would wish.

We also have to understand the context of the document and its rationale. As mentioned in 4.4 above, the autonomy of sport is tolerated by governmental institutions only as a quid pro quo for good governance on the part of the sports organisations themselves. Therefore the idea of introducing good governance principles has often been seen, by those both within the sports world and in the political world, as a means to an end (“more autonomy”) rather than as an end in itself (“doing the right thing”). The document is also written mainly from an IOC/IF/NOC perspective, and therefore does not take continental or team sport factors into account directly: for example, it defines athletes as the only stakeholders. There are also certain points which could be interpreted as contradictory such as points 2.4/3.1 on p.3/p.5 regarding representation and competence respectively, reflecting the contradiction between political and corporate governance imperatives. Nevertheless, the document is a comprehensive starting point.

The UEFA "Good Governance Menu Card or UEFA Member Associations 2012-2016" (2011a) is comprehensive, containing eight “principles”, 23 “areas”, and over 50 examples of “Tangible objectives”. Caveats with regard to this document for the purposes of this analysis include the fact that it is aimed at NFs, not European-level associations, where governance dynamics can be very different, and also the fact that the recommendations require some guidance on their content and how in practice they can be applied. Nevertheless, despite the above caveats, this document comprises many recommendations which could also be applicable to ETSFs.
A topical (late 2011) document is the Transparency International document "Safe Hands: building integrity and transparency at FIFA" (2011) which provides extensive and detailed recommendations to one specific GSO (FIFA). As with all literature examined, concrete examples will be taken and adapted for potential future use by ETS members in chapter 7, but certain points should be borne in mind when doing so. Firstly, the document is aimed solely at one organisation (FIFA) and mainly in light of one set of issues (the corruption scandals of 2010 and 2011). Secondly, the organisation Transparency International comes from an anti-corruption perspective, which is only one aspect of good governance.

Although published in 2000, the Foreign Policy Centre publication "Democratising Global Sport" (Katwala 2000) provides a relevant series of concrete proposals to deal with a defined set of problems that it outlines in the governance of international sport, although, again, it has a global, rather than European perspective.

A third NGO document comes from the Play the Game Conference (2011) which produced a series of conclusions containing a recommendation for the development of a Global Code for Governance in Sport to cover at least eight international standards.

Beyond these documents, the Council of Europe's "Good Governance in Sport" (Chaker 2004) is a comprehensive evaluation of the relations between sport and the state within a majority of Council of Europe member states. It deals less with good governance in the prescriptive sense (i.e. a desire to define what is good governance), and more with how good governance in sport relates to the state (e.g. to what degree states had complied with the European Sport Charter [Council of Europe 1992]), or in a descriptive way regarding the overall structure of the sports movement [consolidated, confederated, etc.]). Additional relevant documents exist such as the "Voluntary Code of Good Governance for the Sport and Recreation Sector" (SRA, 2011) which provides a very useful good practice guide on national level although it focuses exclusively on the role of the board.

A review of the statutes and other key documents of the ETSFs was also conducted for this thesis in order to be able to conduct the A interviews mentioned in chapter 5 above.
7 Analysis and synopsis of relevant data

This chapter comprises the main part of the thesis. It brings the empirical evidence gathered from the interviews and combines it, where appropriate, with specific relevant points from the literature. Therefore, this chapter aims to “provide a link between the conceptual part of the research and its concrete application” (MESGO 2011, p.8). It comprises a short initial, normative, analysis of what interviewees believe should constitute “good governance” (7.1) followed by a much more detailed analysis of 16 specific areas (in 7.2 to 7.17 below) mixing both descriptive and normative approaches.

7.1 General areas of good governance

The main conclusion of the open analysis of which general areas should constitute “good governance” for a ETSF was that there are a very wide range of views about what constitutes “Good Governance”. This can be seen below in Figure 2.

Figure 2 Definition of what should be good governance for ETS Federations: spontaneous replies

Note: These were the five most frequently-mentioned topics by interviewees. Bubble size is in approximate proportion to the number of times the issue was raised by interviewees.

It is clear that one subject – transparency – was mentioned more than all others, followed by the area of dialogue/stakeholders/inclusiveness. Three other areas were mentioned most frequently after that: accountability, democracy and integrity. Beyond this there were 20 other subjects raised by interviewees. A summary of the general good governance
areas defined by nine of the documents from the sports-specific governance literature is included below in Appendix V. The conclusion of the above general analysis is that there is a loose, but not strong, consensus as to what should constitute “Good Governance” for ETSFs.

SPECIFIC AREAS FOR DISCUSSION:

The 16 specific areas for discussion dealt with from 7.2 to 7.17 below correspond approximately to the 52 specific questions, and 12 supplementary questions, in the interview questionnaire, complemented where appropriate by extracts from the literature. It should be noted that many of the suggestions on a specific point work in conjunction with suggestions on other specific points – many are therefore linked (for example, increased transparency assists increased accountability, and so on). Furthermore, some interviewees suggested “overall systems” and so qualified their feedback by saying that they would only support one recommendation if implemented in conjunction with another recommendation.

7.2 Organisational structures: Overall

This area covers four different, but related, points relating to overall organisational structure. Two introductory points from the interviews can be highlighted at this stage. Firstly, for one interviewee (I/v 27), good governance should not be classified as a series of standards, or a system, to be implemented; good governance was instead rather the fact of implementing and respecting the system that a ETSF has chosen. Secondly, as stated by Lord Denning in relation to ethics (cited in I/v 14), standards shift over time and so good governance, or appropriate governance, takes time to evolve. For example, one interviewee (I/v 5) cited his organisation as having experienced two extremes (excessive political power and excessive administration power) but that this could possibly, in future, lead them naturally to a middle ground, as the organisation’s members see the advantages and disadvantages of both systems. The latter point applies to good (or appropriate)
governance as a whole, but also specifically to the balance between the political and administrative levels.

7.2.1 Balance between the political and administration levels

Two key observations can be made in this respect. Firstly, what often happens in practice is that “one man will end up deciding everything anyway, whether it is the President or General Secretary” (I/v 36). This can lead to a kind of paternalistic benevolent dictatorship of either the President, the General Secretary, or a combination thereof. For example, one organisational head (I/v 25) described his board, and its consequences, as follows: “the problem with any political body is that everybody pulls the water towards their own garden … that’s why we decide everything from here [the centre] … although our proposals are often modified by them so the board does still add value. Our system is ‘autocratically democratic’”. This could also have described the situation of UEFA prior to 2007 (HEC 2006. I/v 5). Outside of sport certain corporate governance systems express this as clearly undesirable (e.g. “No one individual should have unfettered powers of decision” [FRC 2010, p.10]).

Secondly, Forster and Pope (2004, p.82) argue that, relatively speaking, the administrative bureaucracies of GSOs “have generally remained very small” (certainly compared to other, non-sport, international associations) and what this means in terms of governance is that “this reduces the potential contribution of large bureaucracies to the internal stabilisation of the organisations. Consequently permanent staff cannot consciously or unconsciously act to mitigate the personal element of GSO internal politics.” The implication of this point is that sports organisations are susceptible to deviation from good governance (by having an unbalanced political-administration situation) due to their relatively small bureaucracies.

This question of how to find the right balance between the two levels has two sides to it: avoiding politicisation of the administration on the one side, and avoiding a dictatorship of the administration (and concomitant disenfranchisement of the political level) on the other side. The question does not have one single concrete answer. It was mentioned many
times in interview that, for such an optimal balance to be found, it would require a good relationship between the President/Board and the General Secretary. According to some (e.g. I/v 19) the way to find the right balance is simple: “Write it down!” This means that the balance of powers between political and administration levels, their competences and boundaries need to be clearly defined, and potentially taken to a next level of detail and outlined in a “management regulation” or similar – the FRC (2010, p.10) express it as follows: “The division of responsibilities between the chairman [President] and chief executive [GS] should be clearly established, set out in writing and agreed by the board”. Whether tacit or not, the sovereign power of the organisation lies with the political level “so it depends on how much power they want to give away” (I/v 19), which, in turn, depends on where your starting point is (i.e. what the balance is today) – this belief that the power lies with the political level contrasts to the situation of a dominant Administration where the political level may only have what HEC (2006, p.5) termed as “residual” power (i.e. what is left over after the Administration has decided).

7.2.2 Separation of powers

“So the legislative power of making laws, the executive power of carrying them out and the judicial power of judging whether they had been broken should be separate. This theory (the separation of powers ...) … is now widely accepted.” (Honoré 1995)

This issue is related to both the previous point and the following one. The consensus from the literature review and interviews was that it is both desirable and necessary to implement a separation of powers. The concept of separation of powers in sport normally implies separating the disciplinary bodies from the political and executive arms of a sports body, and indeed in interview this was the most frequently mentioned separation of powers concept (this is also covered below under area 7.7).

The sports bodies also define this to some degree. UEFA, for example, refers to the need for a “Strict separation of power, i.e. prohibition of simultaneous membership at judicial and executive bodies” (UEFA 2011, p.3). However, the IOC states that there “should be a
balance of power between the bodies responsible for the management, supervision and control of the sport organisations” (2008, p.4) – thus referring to a balance of powers in general, and not specifically to the separation of judicial functions from legislative/executive functions.

However, there were other interesting interpretations of what this concept means, and should mean. For some it refers primarily to the separation between political and administration levels (I/vs 8 and 15). For another (I/v 24) it means a complete separation of representation and regulation.

The observation can be made that in the sports context the most important beliefs in separation of powers refer to bilateral separations (disciplinary and political/executive, political and administrative, etc.), not a trilateral separation as in the state-legal concept. Regardless of which types of separation exist, there is a need to understand, disclose and communicate an explanation of why such separation of powers exist in sports bodies, and this is also good governance practice in the business world (e.g. OECD 2004, p.54).

7.2.3 Checks and Balances

There is widespread agreement on the principle that a system of “checks and balances” is needed and constitutes good governance. The IOC (2008, p.4) refers to this principle and many interviewees gave interesting concrete examples or proposals of different scenarios such as the following:

- a dual-board structure with a supervisory board comprised of mainly independent, external, experts, controlling a management board (I/v 6);
- a unitary but totally independent board meeting frequently (once a month) to control the activities of the President and Administration (I/v 14);
- a completely separate and independent body, maybe even located in a different country to the federation itself, to deal with all disciplinary, doping, corruption, match-fixing and similar matters, including the power to initiate its own investigations (I/v 27);
- a system whereby the power is spread around amongst President, Board, Administration, Committees and stakeholders (I/v 36);
- a system similar to that of “scrutineers” at a Congress, potentially with partial or full independent, external membership, to check processes and ensure that good practice has been adhered to (I/vs 12 and 13). An already existing example of this type of system, albeit only in relation to financial matters, is cited in 7.13.1 below; and
- the introduction of an audit and remuneration sub-committee of the Board, as might exist for a company (I/v 28).

7.2.4 Stakeholder involvement and inclusiveness

The wider context to this point is that in the sports world governance has evolved from “the old, hierarchical model of […] the top-down system […] to a complex web of interrelationships between stakeholders in which different groups exert power in different ways and in different contexts by drawing on alliances with other stakeholders”: what is termed as systemic governance (Henry and Lee 2004, p.28). This evolution has happened for various reasons, and many interviewees (e.g. I/v 3) and documents from the literature (e.g. Katwala 2000) cite the growth of the professional and commercial side of sport without a concomitant parallel evolution on the structural/governance side.

Many stakeholders would dispute the degree to which they really can exert influence in practice under the shift to systemic governance, but they are nevertheless more involved now than in the past. This conforms to the wider trend for corporations to be more widely accountable to a wider range of stakeholders, a trend now arriving in sport (telephone conversation with Sylvia Schenk of Transparency International on October 12, 2011).

Sport is also affected in other ways by what is happening outside its own world, as can be seen with the social dialogue process which is seen by some (e.g. I/vs 17 and 34) as not only an instrument for labour relations but also as a mechanism of governance. Even if social dialogue in sport often (but not always) includes only two types of professional sport
stakeholders (clubs and players) it could still be a useful instrument to consider regarding
(good) governance in future.

In the corporate world, stakeholders are defined in a very different way to the sports world,
so direct parallels are hard to draw. It is often the case that the main stakeholders will be
defined (sometimes by law) and would typically include creditors, employees and suppliers
(OECD 2004, p.12, p.46), although other definitions also exist such as the Global Reporting
Initiative (2011) who also include communities, civil society and shareholders/providers of
capital as stakeholders. Evidently these are not the only stakeholders of a corporation but
rather those considered to be worthy of greater involvement.

As in the corporate world, in the sports world a similar recognition may exist but for different
types of stakeholders. So EHF and UEFA, for example, specifically name leagues, clubs
and players (and supporters as well in the case of UEFA) as stakeholders in their statutes
(EHF 2011, pp.11-12. UEFA 2010, pp.2-3). Yet there is no consensus as to the definition
of a stakeholder with some (e.g. l/v 24) seeing referees/umpires, for example, purely as
service providers not stakeholders, whilst in other countries referees/umpires are even
defined as stakeholders by law.

The majority of those interviewed outside the sports federations held that – as a principle of
good governance – there should be more stakeholder representation within the sports
federations and greater involvement in decision-making. It would however be a simplistic
analysis to say that it therefore follows directly that this should be implemented, for at least
two reasons. Firstly, many stakeholders are duty-bound by their own statutes to argue for
such changes, being lobby groups or specific interest groups. Secondly, an alternative
might be, as one stakeholder argued, to look differently at the current situation and instead
try to restructure the national-level bodies, rather than to restructure the constituents of the
European-level bodies (l/v 24): in other words if all NFs were truly representative of their
stakeholders on national level then there would be no need for stakeholders to have
additional direct representation on European level. This remains however a fairly
theoretical concept and is disputed by many (e.g. l/v 20), some of whom believe it should in
fact be the reverse, and that European-level federation structures should replicate what exists in many countries on national level, with a range of stakeholders directly involved in federation congresses and boards (e.g. I/v 4).

There is some support even from within the sports federations to further include stakeholders in their decision-making processes – or at least to find a better balance. A stakeholder argued concisely that doing so would lead to “better decisions and fewer disputes” (I/v 10). One federation organisational head asked rhetorically: “Is it right that we write our regulations without ever speaking to one of our athletes?” (I/v 15). One interviewee (I/v 14) believed that stakeholders should be involved at the very least in the legislative process and another, on the same theme, asked why a club should be obliged to agree to abide by statutes it if it were never consulted on their content (I/v 20). A governing body perspective was described by one interviewee as follows: “You have to be inclusive, that’s fundamental. But at the same time you can also be so inclusive that you never get anything done. Sometimes you just have to decide.” (I/v 31).

A further fundamental distinction can also be made between those federations who run professional club competitions and those who do not since this can have a major impact on their governance. Those running club competitions need to involve clubs much more closely in their decision-making process since in such cases club competitions can be seen as effectively joint-ventures between the federations and the clubs.

The general trend to involve stakeholders more closely is supported in the literature by: UEFA, also as regards recognition and consultation of stakeholders by its own member associations (“Formal recognition of stakeholders … Effective stakeholder involvement in decision-making process, e.g. in advisory committees” [2011, p.1]); Transparency International (“Wider representation of stakeholders and diversity on the Executive Committee and other committees” [2011, p.5]); and by the IOC who make a series of recommendations regarding the closer involvement of athletes specifically, as well as to their wellbeing (protection from unscrupulous agents, education, health, etc. [2008, p.10]).
Finally, on a human level, different interviewees cited the benefits of bringing federations and stakeholders face to face, be that on a practical level to (for example) jointly draft common regulations that everyone will understand and have bought into (I/v 7), or so that simply “they [the traditional federation representatives] can see that the stakeholders are not terrorists.” (I/v 5).

7.3 Organisational structures: Congress

The Congress, which gathers together the member/owner NFs, is the supreme controlling organ of the federation. The first governance element to this area is that members’ rights should be respected. This needs to be assured since, as in both democratic and corporate systems, groups or individuals may seek to subvert the rights of the members for their own ends (e.g. “Corporate boards, managers and controlling shareholders may have the opportunity to engage in activities that may advance their own interest at the expense of non-controlling shareholders.” [OECD 2004, p.20 p.40]). Such basic rights are similar to those of shareholders in a company and include the rights to: attend the Congress; propose agenda items; receive sufficient information in sufficient time; freely express their views (without fear of subsequent punishment); vote; hold the board to account on specific issues; and receive minutes after the meeting. The decision-making rights of the Congress need to be clearly defined in the statutes and the frequency with which Congresses should be held should also be determined (at least once year is advisable).

As mentioned in 3.4 above, there is one vital area affecting governance which this thesis does not address, namely the membership and voting structure of the federation itself. Although this subject was considered to be outside the scope of this thesis, for some interviewees (e.g. I/ vs 14, 31) this was in fact the single most critical governance dynamic. The reasons given for this were threefold. Firstly, depending on your definition of democracy, it may be considered undemocratic that a country with 140 million inhabitants has the same formal influence and voting rights as a country (or territory) with less than 50,000 inhabitants. Secondly, if a preponderance of votes rests with smaller members,
despite offering an alternative, and arguably equally valid, notion of democracy (i.e. one member one vote, all members treated equally, etc.), it may lead to poor governance practices since decisions can become more (sports) political and less objective as regards running and developing the sport. This political dynamic whereby, to a greater or lesser degree, the (political) “tail wags the dog” in sports organisations has been developed in works such as that of Sugden and Tomlinson (1998) and Forster and Pope (2004). The latter (p.111) state that: “national federations are largely powerless against the executive board or president … this lack of members’ voice is due to the size of the membership… Almost invariably the member federations have equal voting rights, enormously diluting the power of each member especially the larger federations.” It is possible to avoid, or mitigate, this situation as ETS members have done through increasing involvement and input of their members (cited in various interviews e.g. I/v 36) or through dual-chamber/board systems. Thirdly, as one interviewee (I/v 31) put it: “how can you operate a democratic system if many of your own members are not democratically elected themselves?”

The issue of membership is addressed to some degree in existing codes. For example, the IOC (2008, p.3) recommends that: “All sports organisations in the Olympic and Sports Movement should be based on the concept of membership within entities established in accordance with applicable laws” and that “The sports organisations should include as members legal or physical persons who constitute the organisation and contribute to form the will of the organisation”.

Examining the corporate governance literature for analogies does not provide conclusive answers. Many mechanisms have been created to try to avoid the potentially abusive behaviour of a controlling shareholder and protect the rights of minority shareholders. This is a very different dynamic to the world of ETSFs where all federations (the exception is the General Assembly of FIRA-AER) are structured by a one member one vote system and so no “controlling shareholder” situation can arise (although inevitably there can be de facto positions of greater or lesser power depending on the size of the member, its influence,
financial contribution, number of clubs/registered players, history, etc.). Despite the potential for abuse, a controlling shareholder can also, on the positive side, exert more control over management than a diffuse shareholder base.

Therefore, all things being equal, sports governance lacks the control mechanism of a controlling shareholder, and so would also suffer from the concomitant governance issue of minority shareholders not exerting control over management.

On the other side, there would be no abuse of minority shareholders (i.e. the members in the one-member one-vote sports system analogy) by a controlling shareholder. However, the conclusion of Forster and Pope (based on Berle and Means, 1932) is that, applied to the sports world, dispersion of shareholders (members) via the one-member one-vote sports system puts power in the hands of managers (which would include any Executive President) and so the governance problem of a controlling shareholder would simply move from one place to another. This theory would correspond to what interviewees (e.g. I/v 14) referred to as a form of “capture” of sports organisations: by either the President, the Administration, or a combination thereof thus potentially reducing the ability of the Congress, and its individual members, to exercise their rights effectively. Such a situation can also effectively “disenfranchise” the board (e.g. I/v 5).

Despite these intrinsic governance weaknesses when looking through a corporate governance prism, there are also intrinsic reasons why sports governance should have advantages over the corporate sector because of its membership. This is because NFs of a ETSF differ fundamentally from shareholders of a company in at least three ways. Firstly, because they are actually interested in what their European federation is doing and so should be theoretically more likely to attempt to exert control (unlike most shareholders who are only interested in dividends and share price increases). Secondly, again unlike most shareholders of companies, the NFs actually understand many of the activities that their European body is engaged in, and so are more able to exert control. By way of example, this contrasts with the situation in the banking sector in the crisis of 2008 where, if even the directors of the banks themselves did not understand their own business model
what chance did their shareholders have? Thirdly, “as members rather than shareholders there is a responsibility to develop a relationship” (I/v 19), as well as the need for the European body to provide services to the NFs. Therefore, the sport sector should theoretically have some intrinsic governance advantages over the corporate sector as regards control by the congress/membership.

Since the members’ primary activity is at home, running sport on a national level, their European body must act without their frequent input. Furthermore, the fact that a European team sport federation is made up of individuals and institutions whose interests, objectives and capabilities are extremely different means that a central power must act as arbitrator and moderator. A similar situation exists for corporations, in the sense that they cannot practically be managed by member/shareholder referendum (OECD 2004, p.32).

For this to happen, the members, normally at their Congress, must choose representatives to run their European organisation on their behalf and that is what is dealt with next in 7.4 (the Board), 7.5 (the President), 7.6 (the Administration) and 7.7 (Committees and specialist areas) below.

### 7.4 Organisational structures: Board

#### 7.4.1 Role of the Board

The board is there to function as the executive arm of the organisation with a monitoring role (over management). The overall board structures of the ETS members are shown in Figure 3 under areas 7.4.2/7.4.3 below. For the interviewees, how the role of the board should be defined was described in different ways, including the following examples:

- “to make sure that the organisation is well-run” (I/v 26);
- “to check on the General Secretary, and his directors [management], and that his finance, corporate governance, and targets are all met” (I/v 19);
- “to act as a professional [paid] watchdog on the [Executive] President and Administration, rather than primarily policy-making, but meeting once a month [rather than 5/6 times per year as is the case currently for all ETS members]” (I/v 14);
• “to act as a relay to the constituents, to explain decisions. If decisions are not explained properly then problems ensue.” (I/v 11);

• “to work with the management so that individual elected board members (maybe the Vice-Presidents) would effectively become Executive Directors and each work with a senior management counterpart: so the Treasurer would work with the Administration’s Finance Director, a board member with legal experience would work with the Legal Director, and so on. Then decision-making could be delegated with decisions only coming to the full board for major issues or in case of conflict.” (I/v 36); and

• “to focus on policy and strategy, and not on operational issues” (I/vs 9 and 15) – the “Executive Committee” should be renamed the “Non-Executive Committee” (I/v 19).

For the board to be able to effectively perform its role of supervision/control/oversight of the President and Administration, several factors are needed: quality, accurate and timely information; a clear definition of responsibilities; possible independent directors; an overall system of separation/balance of powers; an overall system of checks and balances; separate election structures/process/mechanisms; and ideally a propitious culture of the organisation (I/v 11).

When exercising this control function, it is also important that an appropriate balance be found between the Board and the President and/or Administration, and this has already been partly covered by areas 7.2.1, 7.2.2 and 7.2.3 above. Further ideas exist, such as, for example, allowing the board to have its own secretariat separate from that of the administration (I/v 14). Regardless of what its role should be, and it will vary from sport to sport, the essential overall point is that the role of the board, and how it operates, must be clearly defined (IOC 2008) and understood.

7.4.2 Size of Board
7.4.3 Unitary vs dual Board structures

The advice given by the IOC is that “The size of the governing bodies should be adequate and consistent with the size of the sports organisations” (2008, p.3) and the non-sport literature is just as open-ended, often all using exactly the same wording such as “The
board should not be so large as to be unwieldy” (e.g. ecoDa 2010, p.31. FRC 2010, p.12. PIRC 2010, p.5). The OECD Principles of Corporate Governance (2004, p.13) “do not advocate any particular board structure”. The board structures of the six European team sport federations are indeed extremely varied, as shown in Figure 3 below.

Figure 3  Number of board members, Unitary or Dual Board structures: ETS members

Notes: CEV Board of Administration “+5” = Committee Presidents not already elected by the Congress with no voting right. FIBA Europe Executive Committee “+1” = GS with no voting rights. IIHF Council and Executive Committee “+1” = GS with no voting rights. UEFA Executive Committee “+1” = one woman by invitation. NB: “Life-Presidents”, “Honorary Presidents”, etc. are not included.

Most interviewees had fixed views on whether there should be one or two boards, with no consensus. It seems that this is an issue very much of organisational culture so, in Germany for example, a two-tier board structure is normal whereas in the UK a unitary board is the main system (Johnson & Scholes, 2005). In ETS members where there are two board structures this is often so that one can act as a kind of Präsidium/Bureau in between meetings of the larger board.

Those who expressed a preference for a dual-board structure fell into two categories: those believing that there should be different members where the upper board acts as a supervisory board controlling management (e.g. l/v 6), and those believing that the main
board should be more representative and that some of its own members would form a second board to decide on issues between meetings of the main board.

7.4.4 Election/Appointment of Board members

The majority view within the sport-specific literature and the interviewees was that the Board should be elected by (and accountable to) the Congress. It would thus be a more representative, political organ, than the Board of a corporation. However, many viewpoints qualify this by adding a second board (such as a Management Board) or some other mechanism. Few support the idea that the President should choose his own Board members, although this is what would happen using a governmental analogy (I/v 3), and is the situation within the Executive Committee of FIRA-AER.

A key issue raised was whether certain interests should be represented or not. Stakeholders are discussed in 7.2.4 above, but others mention the need to find a right balance between the large and small, and the different geographical regions. This is achieved more often than not through convention rather than statute (e.g. I/vs 5, 25).

The election/appointment procedure should seek to ensure a mix of skills, backgrounds and opinions: a diversity of views and opinions is needed within the board because, according to one interviewee (I/v 4) “plurality of opinions will make sure that the right decision normally comes out – if the composition is right then we should trust in their wisdom”.

There were different views on whether a mix of elected and appointed/co-opted members should exist or not with some (e.g. I/v 27) believing it wrong for some board members to be there on a different basis to others, whilst others (e.g. I/v 12) believed it could help the President and the organisation to be able to co-opt members with specific expertise, which leads us to the difficult question of how to find the right balance between representation and competence.
7.4.5 Representation vs Competence

In an ideal world the board would be fully representative with the most competent people. However, this situation does not exist in practice and so the question is how to find the right balance.

The OECD makes an interesting point from an ETSF viewpoint when it recommends that “In carrying out its duties, the board should not be viewed, or act, as an assembly of individual representatives for various constituencies.” (OECD 2004, p.59) In other words, Board members should, even if nominated or elected by a specific interest or group, act in the interests of all shareholders and the company as a whole. The same dynamic should theoretically also apply to ETSFs – namely that the Board members take care of the overall organisational European interest, not the interest of the constituency that proposed or elected the board member. Either way, this fundamental point should be clarified.

However, in reality the experience is that it is a mixture of the two and that a Board with no or little representation of the membership would be neither desirable nor feasible. One reason for this is that in a corporation it may be possible to settle on such a competence-based board where corporate objectives are clear (e.g. shareholder return over a fixed period) but with ETSFs the constituents and stakeholders are so varied, and the objectives so hard to define and measure, that a representative board can be seen as an essential part of ensuring that the organisation operates in the interests of its members. On the other hand, if the knowledge gap between those elected and those in the management is too great then serious problems can arise for the organisation (l/v 11) – a problem that term limits can exacerbate, because many new elected members need time to build up equivalent knowledge and understanding to the incumbent management.

In order to find the right balance between representation and competence, the right people need to be attracted to the board. In addition to the electoral process, this could involve additional mechanisms such as, for example, high remuneration to attract good candidates (at least in those sports where finances allow that, l/v 14), or the creation of a nominations committee (l/v 11) (or similar) as exists with companies. Several interviewees indicated
that a two-board solution could be a way to address this issue by having a larger more representative board above a smaller more competence-based board. The next area also addresses to some degree the issue of competence.

7.4.6 “Independent” Board members

Evidently, this issue begs the initial question: independent of whom, or what? In corporate governance theory this refers to independence from management and the corporation so, for example: “The Board should be able to exercise objective independent judgement on corporate affairs” and “Independent board members can contribute significantly to the decision-making of the board. They can bring an objective view to the evaluation of the performance of the board and management.” (OECD 2004, p.64)

There has been a particularly strong movement towards “independent” directors in the US and UK, especially in the corporate world (e.g. FRC 2010) but also increasingly for sports bodies (e.g. SRA 2011). Outside the UK, in the rest of Europe there is a certain degree of scepticism towards this concept, especially in view of the repeated failure of Independent Non-Executive Directors to exert any real control over management in reference to many recent corporate scandals (I/v 4. Wearing 2008) in the UK and beyond. In French sport the concept of “personnalité indépendante” does exist, and some French sports bodies do have “independent” board members, however implementation has not been smooth (I/v 4). Others point to a positive experience of independent directors on national level in sports bodies (I/vs 8, 28).

There was no consensus amongst interviewees on whether there should be “independent directors” on the board, although Transparency International do recommend this (2011, p.3, p.5). In any case, in the sports world the term “independent” in reference to a board member is less defined and has different connotations, such as independent of a vested interest, whether that be of national federations or of a particular stakeholder interest group. In an individual NF or league it could mean independent of a club. One interviewee (I/v 14) offered a definition as: “not having been involved with any federation, league, club
or other organisation in that sport for four years prior to appointment”. Another interviewee was critical, describing it thus: “Independence is ignorance, being independent does not make you more competent … the independent director always gets tugged one way or the other, there is always a fight to control him.” (I/v 36)

In practical terms, one interviewee (I/v 27) saw it as unrealistic in the short-term: “If we don’t even have the different stakeholders in our board, how can we bring in independents?” Indeed, stakeholders would consider themselves as already bringing a more independent view (I/v 6).

7.4.7 Term limits

The majority view amongst the interviewees was that term limits can be a useful mechanism to bring new ideas and experience into the board, but that this principle was less important for the board members than for the President. The reason given was that excessive concentration of power is more of an issue for Presidents than for Board members (I/v 31). Figure 4 below illustrates the different views from the interview process.

Figure 4 Term limits for Board members

- YES 1x4
- YES 2x4
- YES 2/3x4
- YES 3x4
- NO

Note: “2x4” (for example) means that the interviewee recommended two mandates of four years each. “2/3x4” means that the interviewee recommended two or three mandates of four years each, and so on.

Of the six ETS members, the EHF and FIBA Europe have term limits for their Presidents. No ETS member currently has term limits for its board members. The IOC (IOC 2011) implements a term limit on its President (one mandate of eight years and one of four years
for a 12 year maximum) whereas for IOC Board members there is a two mandate limit but they can return after a two-year “sabbatical” (IOC 2011). Transparency International (2011, p.5) recommend a “maximum of two terms for positions including the Executive Committee and the Finance Committee” and go as far as to say that job rotation is an “enhanced anti-bribery measure”. One interviewee (l/v 14) recommended only one four-year mandate for board members (in order to avoid “regulatory capture”).

In any case, access for new candidates should be encouraged (IOC 2008, p.4) and a mandate limit is a tool to implement that as well as assisting implementation in other areas (e.g. those mentioned under 7.2.1, 7.2.2 and 7.2.3 above). Everyone agrees that access for new candidates should be encouraged but the difficulty is in the implementation (which “costs” someone else their position). Furthermore, many (e.g. l/v 2) cited the time that it takes to understand the subjects at hand, and to build relationships, especially on a European/international level, and strict term limits can impede the successful functioning of the Board in this respect. An alternative, or complementary, measure frequently suggested in interview is that of imposing age limits on committee members, which also ensures a degree of turnover.

7.5 Organisational structures: President

7.5.1 Role of the President

The role of the President is linked intrinsically to whether the role is executive or not. The sports governance literature does not address this issue (unlike the non-sports governance literature), but interviewees were split over whether the role should be executive or not, as can be seen in Figure 5 below (although many interviewees qualified their opinion by stating that it depends on what “executive” means in practice).
Various different concepts were expounded of what the President’s role should be:

- “to try to ensure that a common interest emerges from the many different interests within the board, since everyone is defending their own interest” (l/vs 4, 21);
- to help the organisation become stronger: it is not a zero-sum game between President and Administration – an Executive President can help the Administration become stronger if they lean on him/her appropriately (l/v 4);
- to act as a kind of “permanent representative” of the Board, i.e. the political level, towards the Administration, ensuring that an excessive concentration of power does not build up within the Administration (l/v 36);
- that the (Executive) President is not a member of the board which would instead have its own Chairman (l/v 14); and
- one Executive President stated himself that the role of a President should not be executive and that his role should be limited to: “Handing over trophies and making speeches.” (l/v 33).

What often happens in practice is that the Executive President effectively is (or becomes) also the CEO and so the GS becomes a form of COO (l/v 11). This can be seen to parallel, to some degree, both the French and US corporate systems of one person combining both the Chairman and CEO roles (“PDG – Président Directeur Général” in the case of France).
It appears impossible to be too prescriptive on this issue: different systems work in sport depending on the context. However, regardless of the system then relevant checks and balances need to be in place (e.g. on the Administration if the President is Non-Executive, or on the President if the latter is Executive).

7.5.2 Election/Appointment of the President

The general consensus was that the President/Chairman should be elected by, and accountable to, Congress, ideally with a super-majority to ensure higher legitimacy (I/v 14).

7.5.3 Term limits

‘[The] officials leading world football still give the impression of operating as an ‘old boy’s network’. With only three presidents since 1961 and the current president in his fourth term, FIFA does not match standards for rotation of top positions set by businesses or by other large organisations.’ (Transparency International 2011, p.3)

The same general principles apply to Presidential term limits as for board members (see 7.4.7 above), although there is a stronger belief that term limits should apply to the President than to Board members. The view of interviewees is outlined in Figure 6 below.

![Figure 6 Term limits for the President](image)

*Note: “2x4” (for example) means that the interviewee recommended two mandates of four years each. “2/3x4” means that the interviewee recommended two or three mandates of four years each. “8+4” means one term of 8 years and one of 4 years maximum (the IOC system).*
7.5.4 Excessive concentration of power: President

The answer of how to avoid an excessive concentration of power building up in the President, as has been observed in different sports federations (e.g. Katwala 2000, p.27), is a combination of some or all of many different mechanisms (including some mentioned elsewhere in this thesis), including: term limits; a properly functioning and effective board; an effective and independent administration; a selection system that attracts the right person to the post; open recruitment of the GS rather than by Presidential decision; and avoidance of the power to decide the committee membership (and other potential political patronage systems). Stakeholders consider that, were they represented on the board of an ETS member, their greater degree of independence (from the actual “federation system”) would also help to reduce the chance of concentration of power (I/v 6).

7.6 Organisational structures: Administration

7.6.1 Appointment/Election of the General Secretary

The role of the GS is to head up the Administration and, as one interviewee (I/v 2) put it, to be: “a servant of the board, he can have an opinion and should be able to express it privately”, although in practice the role can be different (e.g. see 7.5.1 above).

There was unanimity amongst interviewees that the General Secretary should be appointed, not elected, for a fixed period and for a substantial period of time (e.g. Transparency International 2011, p.5). Such period of time should be at least three or four years to provide relative security of tenure for the incumbent and in some cases contracts are given for more extensive periods of time (I/v 25). The UK’s new public appointments system was cited as best practice in this regard (I/v 22), but in practice often the GS will be appointed based on the wish of the President and it is of course vital that the two can work well together.

The question also arises of how those under the GS are appointed and what degree of involvement the political level (President, Board) should have in any such appointments – with the IOC (2011) or UEFA (2010), for example, the President is involved in appointment
of the Directors (on management level), be that by consultation or by having appointment power (on proposal of the GS).

7.6.2 Excessive concentration of power: Administration

To the extent that the Administration is exercising executive power, similar mechanisms that apply to avoiding excessive power concentration with an Executive President (see 7.5.4 above) would also apply to the Administration. So, for example: GS/Directors’ contract lengths that are not excessive; a President role which exercises oversight; a properly functioning and effective board; a selection system that attracts the right people; avoidance of the power to unilaterally decide/control the committee membership (and other potential political patronage systems), and so on. An interesting alternative from outside sport is the system whereby the GS reports to an outside board as in the case of the World Bank and IMF (telephone conversation with Roger Pielke Jr on October 26, 2011).

7.6.3 Additional points related to the Administration

During the course of the literature review and the interview process many other points were raised regarding the Administration that are not directly covered by the questionnaire used for this research but are nevertheless relevant for good governance. These points include the following (e.g. UEFA 2011, p.3. IOC 2008, p.5): working conditions and atmosphere; motivation and incentive policies; professional management with impeccable backgrounds; operational freedom for staff; job descriptions; quality management; staff regulations containing clear rules for financial and non-financial issues; and a systematic, objective and fair staff selection and exit process.

7.7 Organisational structures: Committees and specialist areas

7.7.1 Election/Appointment of the Committees and their role

As with the main board, to some degree this discussion is also one about finding the right balance between representation and competence. Committees are a standard feature of sports organisations (and most democratic systems) and have a range of functions varying
from sport to sport. They can broadly be divided into two categories of committee: political and technical. It would follow from this very fact that the election/appointment process should be political for the political committees but non-political (i.e. competence based) for the technical committees. Committees classed as “political” would typically include those dealing with, for example, distribution of revenues, or relations with international or national sports bodies. Committees classed as “technical” would typically include those dealing with issues where, by common consensus politics should ideally play no role such as, for example, disciplinary matters, refereeing, on-field technical development issues, medical matters, and so on.

The appointment process should be clear, and committees should have a clear definition of competence and reporting structure (UEFA 2011, p.3). Although often only consultative in role, they can also have an important role in the overall system of checks and balances if a certain degree of decision-making power is delegated to them (I/v 36). The members should have the right to propose candidates (which is not the case in all sports organisations).

7.7.2 Independent/Autonomous sports disciplinary/judicial bodies

The first question to ask here is whether this should be an issue for a good governance code and the views were mixed, since some sports, especially those with fewer competitions, do not report any significant problems in this area. Nevertheless, assuming that it is an area where good governance principles must be observed, there is a near consensus on certain points including the following: disciplinary regulations must be defined; protection of privacy must be respected; sanctions should be listed; the members of the disciplinary bodies should be qualified and “independent” (although of course “independent” is subject to varying interpretations), with assured tenure; the appointment process should be separate from the normal committee appointment process (best practice can be taken from judicial appointment processes in different countries); the judicial process should be de-politicised and insulated from potential political influence; and parties
should be able to appeal decisions and/or refer decisions to an impartial court of arbitration if necessary (for all of the above see, for example, IOC 2008, p.4 and UEFA 2011, p.3).

The definitions of independence vary quite differently. For example, for UEFA a member of one of its judicial bodies must be independent of the executive (i.e. not also a member of the Executive Committee or part of the Administration) but they can be members of the legislative (i.e. they can be national association presidents, general secretaries or nominees). Others state that they should not be dependent on the sport for their living (e.g. l/v 4), or that judges or lawyers should be chosen from outside the sports world for the first instance, with sport stakeholder representation on the second (appeal) instance (l/v 20).

Many interviewees (e.g. I/vs 14, 27, 31) believed that, in order to avoid the reality and/or perception of decisions being taken for political, personal or other non-objective reasons, disciplinary bodies should be separated as far as possible from the legislative and executive arms of the sports federation. One reason for this is that the reality of many sports organisations is that their Administrations do become politicised (at least to some degree) and so it follows that, to de-politicise the disciplinary instances, they would need to be removed not only from the political but also from the administrative arms of the sports federation. This strand of thought would potentially see the disciplinary bodies spun off from the federation with their own administrations/secretariats, even though that would risk a loss of knowledge and proximity (and therefore quality in the decisions) to the issues being decided on. A variation (l/v 14) would be to keep the prosecutor function within the sports federation but move the decision function outside (e.g. to CAS).

Others, on the other hand believe that it is simply not possible to find people with sufficient knowledge and experience of what are sometimes quite complex and detailed issues who do not come from the interior milieu of the sport itself (arguing that civil courts are theoretically purely independent, but also unaware of and insensitive to the needs of sports competitions and activities). According to this viewpoint, independence must and can be managed through good management by the administration and an effective internal separation of powers.
A final point on disciplinary functions is that regardless of how the system works, it should be effectively communicated to stakeholders and the public since this has often not been the case in the past for many sports and can lead to significant issues (I/v 31): the importance of education and communication of the sports judicial functions should not be underestimated.

7.7.3 Referees/Umpires

This issue is analogous to the disciplinary instances discussed in 7.7.2 above in some ways, although there is less belief that this should figure in a good governance code, the reasoning being that it is a purely “sports technical” issue. Nevertheless, in some sports interviewees believed that this was in fact a critical issue, also in terms of governance, and so should be subject to similar independence/autonomy requirements as would apply to the disciplinary bodies (regarding separation from the political committee selection process and so on). A radical solution could be to spin this function off from the federation (I/v 20).

7.8 Organisational structures: Democratic processes

7.8.1 Democratic processes

The democratic element of sports federations is a key part of their claim to legitimacy as governing bodies – and is also a key part of the quid pro quo with the political authorities (e.g. European Commission, 2011). It follows therefore that their legitimacy is dependent to some degree on the democratic processes that they operate. Because democracies all differ, and no democracy is perfect, it is impossible to prescribe a specific system, but it is always possible to improve a democratic system and maintain gains made in the past. Furthermore it is very easy, under certain conditions, for well-governed sports organisations to drift (back) into poor governance practices unless vigilance is maintained (I/v 12).

Certain basic principles emerge from the literature review and interviews, including the need for clear, transparent, fair and competitive rules and processes governing elections and appointments (see, for example, Transparency International 2011, p.5 and IOC 2008, p.3). More technical issues include whether members must vote at a Congress in person
or whether it is also possible in absentia (e.g. via proxy voting); what happens to any undirected proxy votes (OECD 2004, p.19, p.35); whether electronic voting is advisable or not, and so on.

The secret ballot system is defended in general by most interviewees, depending on the issue but mostly for elections of people. As one interviewee (I/v 25) put it: “It maintains the wishes of the voter. It is the only time that he can express himself openly – albeit secretly!”

A separate element to the democratic process is the democratic aspect of sporting decisions and that is a borderline issue for a good governance code. For example, should there be a right to participate in competitions for athletes and teams and, if yes, how this should be secured. The IOC attempts to address this issue by referring to basic rights of athletes to participate (2008, p.10).

Despite similarities between the sports political systems and state political systems, major differences remain. For example, sports political systems have an:

“… overwhelming concern with personal politics. In the broader context, it is explained by the simple but vital observation that the GSOs as a group do not have political parties. While they are political assemblies, in the absence of political parties there is little ideological as opposed to personal basis for their internal politics. Furthermore mainstream political parties provide organisational infrastructure, as well as officers (party headquarters … secretariat and so on), that are separate from governmental offices and structures.” (Forster and Pope 2004, p.81) This difference is a crucial one when examining the legitimacy of the sports bodies' democratic structures, so for sports bodies to improve the functioning of their democratic systems this issue needs to be addressed in any discussion on good governance.

7.8.2 Independence/objectivity in decision-making

This issue is to some degree addressed elsewhere, and a properly functioning overall system of checks and balances should ensure independence/objectivity in decision-making (I/v 14), but it can specifically be reinforced by the following measures: ensure as far as
possible that the people coming into decision-making positions are themselves independent and objective; account for those who may not act independently or objectively by setting up a framework to ensure that such people are constrained to behave in an independent/objective way (transparency, for example, can help in this sense); education of decision-makers, some of whom may be unaware of their duties (whether through lack of explanation/communication by the sports body and/or their own background and expectations); the inclusion of strong conflict clauses in employment/appointment agreements with decision-makers; making sure that the decision-maker is fully aware of all relevant information before taking a decision (IOC 2008, p.4); and finally, an attempt to shift the overall organisational culture. Guidelines can be of great assistance here (see also 7.12 below) and best practice can be looked at from outside sports (for example, the “BBC Editorial Guidelines” [2011] regarding standards of independence and objectivity).

The ability to review or appeal decisions can also act as a lever to ensure greater independence/objectivity in decision-making, as exists outside sport with challenges to Government Procurement Agreements (see for example, WTO 1996). One interviewee (I/v 14) believed that all decisions of the President or GS above a certain (defined) level or of a certain (defined) significance should be subject to scrutiny and that furthermore they should be challengeable, even outside the sports system. This interviewee believed that the potential legal paralysis that could follow such a situation (where all decisions could be challenged) would be the price worth paying for good governance and improved decision-making.

7.9 Organisational structures: Equality and Minorities

7.9.1 Equality and minorities

7.9.2 Homogeneity of opinions in decision-making bodies

There were mixed views among interviewees regarding whether the issue of equality as it applies to minorities belongs in a “Good Governance Code” or not. Various governance codes stress the importance of protecting minorities, or ensuring equality of treatment, in the sense of minority shareholders (e.g. OECD 2004, p.20, pp.40-45. ecoDa 2010, p.8,
p.39), as discussed in area 7.3 above. However, other pressure has arrived in recent times regarding other forms of minorities (ethnic minorities, women in male-dominated sports, and so on). In practical terms, three out of six ETS members (CEV, IIHF, UEFA) have minimum quotas of one form or another for women in one or other of their boards.

The need for plurality in order to avoid homogeneity of views, and for people with different mentalities (R/v 5), also militates in favour of diversity on the board. Independent directors (see 7.4.6 above) can bring this, as can a quota for minority groups. However, although many observers believe that there should be greater diversity in sports decision-making bodies (e.g. IOC 2008 p.3. Transparency International 2011 p.5), it can be hard to square the pressure for greater diversity and greater inclusiveness with properly representative and competent, yet smaller, boards. There are several different demands there that cannot easily be squared: more diversity, higher competence and greater representativeness – yet smaller boards. Dual-board/double-chamber structures potentially offer a solution in this respect.

7.9.3 Institutional discrimination

This point is evidently related to the previous two points. The base of the organisation is important, so if there are open non-discriminatory structures from the bottom up then institutional discrimination is less likely to arise. The European/International body can encourage such practices and also lead by example. To avoid a situation of institutional discrimination also requires an appropriate organisational culture, external pressure, athlete leadership, leadership from the top of the organisation, an anti-discrimination policy within the organisation, and partnership with relevant NGOs.

7.10 Transparency

“Failures of governance can often be linked to the failure to disclose the ‘whole picture’.” (OECD 2004, p.50)

“Transparency is a first line of defence against corruption.” (UN Global Compact and Transparency International 2009, p.2)
There is no doubt that this issue should form part of a Good Governance Code. Nearly all of the literature (both academic and existing codes/recommendations) mention it explicitly as an area in its own right. It was also the single issue most frequently mentioned by interviewees in the general analysis of which general areas should be covered by a code (see area 7.1 above).

The optimal degree of transparency is a function of the size of the organisation, since it is, for example, more important (and more practical) to have fuller disclosure from a federation with annual revenues of €1.4 billion than from a federation with annual revenues of €7-8 million. There should be a minimum that all federations could comply with and above that greater transparency dependent on the size of the organisation (the same principle could also apply to other governance standards).

The most important items to be communicated can be listed, and were defined by several of the interviewees. These items revolve around four main areas: (i) vision/purpose/objectives/strategy, (ii) financial matters, (iii) processes, and (iv) major decisions. As an example, UEFA (2011a, p.1) provides a detailed list of these areas for its members as follows: “statutes; vision, mission and strategy; value statement; organisation chart; composition of committees; decisions taken at Congress; decisions taken by ExCo; decisions taken by judicial bodies; circular letters; annual financial statements; annual activity report; Code of Ethics.” Even where disclosure may not be required by the laws of the country where the organisation is based, it is good practice to disclose extensive information in any case (see for example the very detailed audited financial statements made available by UEFA [UEFA 2011b]).

The OECD (2004, p.22) also provides a specific list and a general rule of thumb by recommending that all “material” matters be disclosed, defining “material” as “information whose omission or misstatement could influence the economic decisions taken by users of information.” (2004, p.49, p.50). How these should be disclosed is another question but certainly availability on the organisation’s website is a minimum.
None of the good governance points in this thesis are isolated and so transparency links to several other areas. It aids increased accountability as, for example, members receive more information and so are better able to hold their President, Board and Administration to account. It also raises ethical standards (e.g. OECD 2004, p.49. Transparency International 2011, p.6).

The fact that reporting should not be limited to financial reporting is supported by the literature and by different interviewees. Two interviewees (I/vs 6, 16) cited the awarding of the rights to host the UEFA Champions League Final in Munich (2012) and in London (2013), expressing the view that it was unclear what criteria had been used to choose these venues. This, in turn, led to a negative perception that, despite their trust for UEFA’s integrity, there could have been non-objective/non-sporting reasons for the decisions.

In terms of financial disclosure, the three main areas to be disclosed are: (a) an understandable, comprehensive picture of the financial situation and performance of the organisation, which is trustworthy (so at the very least externally checked by a qualified and independent auditing firm); (b) information about the payments to officials and senior management, whether that is salary, expenses, or whatever form of payment; and (c) details about the ultimate destination of any solidarity distribution to NFs.

On point (a), it is vital that financial reporting is understandable since a huge financial report can give the image of transparency through volume of information disclosed, but if it is not easily understandable or is presented in a confusing way, then it has little value. In an ideal world international and continental sports federations would disclose their financial statements in a comparable way (IOC 2008, p.7), which would allow for comparison/benchmarking, although that is not achievable in the short-term.

On (b), whether this information is the exact amounts or rather just information about the rules used to determine such payments is open to interpretation. Many interviewees believed that payments to Board members should be made public (e.g. I/vs 6, 12) and that, if properly explained, the public would accept such payments (I/v 2). In any case the rules relating to such payments should be transparent and predictable (IOC 2008, p.7).
Transparency International believe this (“Remuneration, bonuses and all other kinds of benefits and payments to officials”) to be a “high-risk area” and thus in need of full disclosure (2011, p.5).

Linking to the next point, “Transparency and accountability … means that all those involved in football need to understand the governance structure, policies, procedures and, above all, the finances of the organisation. They have to see how funds are used through more detailed reporting.” (Transparency International 2011, p.2) An interviewee (I/v 30) described it thus: “Transparency and Accountability are the basis of it all [good governance], you can’t hold someone to account if you don’t have transparency.”

7.11 Accountability

“Accountability is ultimately about ceding power: a completely unaccountable authority retains all its power.” (Telephone conversation with Roger Pielke Jr, October 26, 2011)

7.11.1 Levels of accountability

7.11.2 Setting and monitoring organisational objectives and strategy

This is also an area extensively mentioned by the literature and by the interviewees. The IOC and UEFA define a very simple and clearly understandable equivalent to the “governance chain” in a corporation (Johnson and Scholes use this term [2005, pp.165-170]) which theoretically operates as follows:

Figure 7 Sports organisation “governance chain” (accountability)

An interviewee described this system as “everybody should have someone, or a committee, above him to judge him” (I/v 19). UEFA specify that clear reporting structures need to be implemented and documented in an up-to-date organisation chart (UEFA 2011, p.2). It is also necessary to note that accountability is linked to funding since sports bodies primarily funded by one particular stakeholder (e.g. club competitions, government, TV, etc.), rather than by membership funding (which was the original funding model of most associations), will need to be more accountable to that stakeholder.

Thus, when looking at the governance chain in Figure 7 above it is important to bear in mind the accompanying point made by the IOC (2008, p.7), namely that “All bodies, whether elected or appointed, shall be accountable to the members of the organisation and, in certain cases, to their stakeholders” (emphasis added) and that “Adequate standards and processes for accountability should be in place and available to all organisations, and consistently applied and monitored”. Figure 7 does not take into account accountability to stakeholders. As Henry and Lee (2004) explain, despite their formal structures, sports federations (can) no longer act in a top-down manner as before, but rather as a network. Therefore, “unlike a public company, FIFA [for example] is not beholden to shareholders but a variety of stakeholders that require different information about FIFA’s financial and non-financial performance.” (Transparency International 2011, p.6).

The literature is quite clear on this issue although (as mentioned in 7.4.5 above) it is harder for sports organisations than corporations to set and measure objectives, since sports federations “have general and abstract objectives. This is as opposed to private enterprise where the overriding objective is to make profits … which can be quantified and benchmarked against all other corporations in similar markets.” (Forster and Pope 2004, p.103) Nevertheless, despite these difficulties, the ambition should still be to have a systematic approach to set clear and measurable objectives and targets for the organisation, and its people, with proper assessment (IOC 2008, p.7. UEFA 2011, p.1).
7.11.3 Membership dependency

This is a dynamic that faces arguably only the largest sports federations since the smaller ones do not generate enough revenues to be able to operate large solidarity or development programmes, and in some cases their NFs have higher revenues than their European/International organisation. This dynamic is summed up by the observation that: “FIFA is answerable to the 208 national football associations who themselves are partly dependent on the funds that FIFA allocates to them.” (Transparency International 2011, p.2)

Therefore, in practice, it means that instead of a chain of control from member/shareholder to board to management (as in Figure 7), the control has become two-way and even arguably reversed (l/v 36) whereby some of the members/shareholder/owners act as if they were subsidiaries of the entity that they in fact own themselves. This “ends-means” inversion is explored at length by Forster and Pope (2004, pp.102-106) although some practitioners say that, while it is true that this inversion exists, it has no real effect on governance (l/v 27).

The proposed solutions to address this dynamic include: basing solidarity payments on objective criteria (such as number of registered participants, etc.) rather than equal (or near-equal) payments to all members; adding another controlling body or mechanism outside of the congress (see 7.2.3 above); or weighting voting within the congress “to provide more democracy and political accountability” (l/v 31).

7.12 Ethical behaviour

7.12.1 Codes of Ethics, Ethics Committees

The biggest example of the introduction of an Ethics Commission into a sports context was the creation of the IOC Ethics Commission following the Salt Lake City scandal in 1999 (Mallon, 2000), based on what was happening outside sport (driven by the US culture of Ethics Committees). This had a knock-on effect in sport, as IFs in turn introduced Ethics Committees and Codes of Ethics.
From outside sport, the OECD (2004, p.60) points out that “An overall framework for ethical conduct goes beyond compliance with the law, which should always be a fundamental requirement” and makes several recommendations in this area regarding notably on insider trading (pp.44-45), conflicts of interest (p.20, p.45), reporting of unethical practices (p.21), and the advantage of having a company code of ethics (p.62). The SGS “NGO Benchmarking Standard” (2011) in its “Self-Assessment Questionnaire” provides a detailed list of eight areas that could be covered by a Code of Ethics for an NGO.

In a sport-specific context the IOC (2009b) and FIFA (2009) both have Codes of Ethics covering a similar range of issues and the IOC (2008, p.4, p.6), UEFA (2011, p.2) and Transparency International (2011, pp.4-6) also offer recommendations, all of them covering matters such as giving/receiving gifts, conflicts of interest and so on. In this context, one interviewee (I/v 11) noted that in practical terms it is easier for the “rich” sports to fund such initiatives as they have the funds to do so.

The process for selecting the members of any Ethics Committee is vital, to ensure the requisite quality and integrity of the members. Transparency International (2011, p.2) criticise FIFA’s approach because the “members of the [FIFA] Ethics Committee are appointed by FIFA’s Executive Committee, raising doubts about their independence”. The IOC Ethics Commission members are designated by the IOC President and ratified by the IOC Board, whilst the Chair of the Ethics Committee is appointed by the IOC President (IOC 2009b, p.133). One strong recommendation from the interviews (e.g. I/v 23) was that any such Ethics Commission should have the power to initiate investigations on its own, without the filter of a President or Administration, and should be combined with other measures such as whistle-blower protection.

Such commissions and codes are, however, only a means to an end, not ends in themselves and so some sports organisations believe that they can achieve the same ends without the need for an Ethics Committee or a Code of Ethics. Despite this, the process of drawing up an ethics code can be very valuable in itself (I/v 22) and ethics commissions,
like audit sub-committees in the financial area, can provide advice and comfort to sports organisations on ethical issues (I/vs 4, 28).

A further analysis beyond sport illustrates that there are other ways to try to achieve the same ends. For example, the IMF (IHT, 31.05.11) has an “Adviser” who is empowered to pursue allegations (albeit only against staff, not board members) and in the corporate world big companies (e.g. Daimler, McDonalds, Microsoft) are also increasingly using an individual such as an “Integrity tsar”, “Compliance Director” or equivalent, often independently accountable to the company’s audit (sub-)committee and so able to go “outside the chain of command” (FT, 07.06.11).

7.12.2 Corruption

A whole series of measures, taken together, can form the best way to counter possible corruption. Therefore, changes to the organisational structure, combined with improved transparency and accountability measures, additional specific ethical measures if appropriate, and specific anti-corruption measures, can combine together to effectively counter potential corruption. As regards such specific anti-corruption measures, practical recommendations exist in both in generic (see for example, Transparency International 2009a, or UN Global Compact and Transparency International 2009) and sport-specific form (see for example Transparency International 2009b and 2011, or Katwala 2000).

7.13 Financial issues

7.13.1 Principles of financial good governance

The OECD (2004, p.22, pp.54-56) cover this issue in detail, highlighting in particular the standards to which accounts should adhere as well as referring to the need for an independent, qualified auditor’s report to the board and shareholders. It also speaks about how an audit committee (effectively a sub-committee of the main Board) should function. Financial reporting should include information not just about the organisation’s finances, but also about the members (IOC 2008, p.7) and in particular what happens to any money distributed to members or other organisations (Transparency International 2011, p.5, and
as mentioned under 7.10 above). Further criteria can also be set, regarding for example the accounting policies used (e.g. using the “True and Fair View” concept), that the auditors be external, independent and that their opinion be “clean” (i.e. unqualified), or as regards cost accounting, budgeting, forecasting, power of signature, written process descriptions, and so on (UEFA 2011, p.2). Depending on the size of the organisation, such audited accounts in accordance with International Accounting Standards (IAS) are considered a minimum (UEFA 2011, p.2). Whether these should be in accordance with International Financial Reporting Standards (IFRS) as FIFA currently do (but UEFA do not) is a question of debate since it is possible that other solutions such as IPSAS (International Public Sector Accounting Standards) could offer a more appropriate alternative.

According to Transparency International, (2011, p.5) special attention should be paid to certain areas such as risk, setting up a remuneration committee, publication of an overview on distributions to members and other organisations, publishing the audit reports from the local as well as from central independent auditors, establishing an “Audit from below” and adaptation of financial reporting to take into account the special nature and the requirements of its different stakeholders.

The concept of a remuneration committee, including some independent directors, is widely recommended by the corporate governance literature (e.g. Financial Reporting Council 2010) but the benefits are disputed for the same reasons that independent directors are viewed with scepticism (see 7.4.6 above) in general.

The IOC recommends that accounts be established in accordance with the “True and Fair View” principle, that internationally recognised standards should be required for an international sports body, independent and qualified audits of financial statements, regular financial reporting (including information about remuneration and financial arrangements of the governing bodies’ members), and clear rules and transparent/predictable procedures on remuneration of the members of governing bodies and managers (IOC 2008, pp.7-8).

The EHF (2011, p.11) has a system of Comptrollers (not holding any other EHF function) elected by Congress who “are responsible for the business control and the examination of
the EHF’s account in respect of the correct accounting and the use of the EHF funds according to the statutes”.

7.13.2 Internal control and compliance

The IOC (2008, p.5) makes precise recommendations in this area with an overall recommendation that “Precise, clear and transparent regulations should be established and applied, and effective controlling systems and checks and balances should be put in place”. Going into more detail this involves an internal control system (variable depending on the size/importance of the organisation) regarding financial processes and operations, a compliance system, document retention system, information security system, and the creation of audit committees for large sports organisations (IOC 2008, p.8). Specifically, rules regarding powers of representation (in particular signing) should also be set up, approved and monitored at the highest level. The belief was that, individual signature should be avoided for binding obligations of an organization (IOC 2008, p.5)

7.14 Selection of hosts of major events

7.14.1 Good governance in bidding procedures for major events

The awarding of hosting rights of major events is deemed to be a “high-risk area” by Transparency International (2011, p.5) and thus requires “enhanced anti-bribery measures”. The IOC (2008, p.9) limits itself to recommend that “The opportunity to organise large sports events should be open” and that “The criteria for choosing venues for events should be fair and transparent”.

Certain interviewees proposed that a completely different approach be adopted and that, for example, best practice should be adapted from the public sector as regards awarding of major contracts so that public procurement rules should apply (l/v 31). Another interviewee (l/v 14) specified in particular the Agreement on Government Procurement (GPA) as best practice in this area that could be adapted to sports organisations.

However, assuming that the processes stay within the sports system then one fundamental point of best practice was that the technical and political criteria should be clear in advance
to allow anyone to judge whether they have a realistic chance to win or not (I/v 19). Another proposal was to have a technical screening as a first filter and then a shortlist of 2-3 bidders for a final political decision. Many other detailed suggestions were made regarding what constitutes best practice.

Regarding whether the congress or the board should decide on venue selection, different interviewees concurred that the essential problem was the dynamic observed in certain sports federations as follows: “the President and Administration together decide everything, so the board is effectively disenfranchised. This means that every four years the board members, when deciding on the hosts of a major event, by secret ballot, can for once really cash in.” (I/v 5, also I/vs 6, 31)

Under the current system, there was little consensus amongst interviewees regarding whether it made much difference if the Congress (as is the case of the IOC and the Olympic Games) or, alternatively, the Board (as is the case with UEFA and the EURO) decided on the host. There is a similar lack of consensus regarding whether the decision should be made by secret ballot or rather in public, with some (e.g. I/vs 28, 21) suggesting that those deciding should also be required to explain their decision.

An additional factor is the assurance of good governance after the decision is made, in other words regarding major infrastructure construction works that may be required in order to host the event in question. Transparency International (2011, p.8) recommend that the “organising committees ... should be obliged to use Integrity Pacts (anti-corruption contracts) for any construction projects”.

7.15 Commercial rights

7.15.1 Good governance in commercial contracts

“TV and sponsorship contracts” as well as “Ticket sales and distribution” are deemed to be “high-risk areas” by Transparency International (2011, p.5). One concrete improvement proposed was that, for commercial (e.g. TV, sponsorship) contracts above a certain size, “the standards applicable to contract awards by public bodies i.e. public procurement
legislation, should apply also to sports rights contracts” (l/v 14). More specifically, a proposal was to adapt the EU tendering processes to sports rights, as these were considered to represent best practice (l/v 31). A further consideration mentioned was that bidders should be selected on what they offer for the sport as a whole, not just on financial criteria (l/v 31).

A related point that is made consistently by stakeholders in professional sport is that those governing bodies which also operate large revenue-generating events can find themselves in a position of potential conflict of interests whereby they compete in a commercial market (e.g. sales of commercial rights) with those that they are also regulating. An argument could therefore be made for the commercial activities to be separated from the regulatory activities to ensure better governance of the sport overall (De Conninck and Bernard, 2010) – as long as the solidarity/development work of the federation was not adversely affected.

7.16 Solidarity

Solidarity is what Chappelet (2011) describes as a “political” (as opposed to a “corporate”) governance principle. This implies that it is even more difficult to prescribe good or best practice for a Good Governance Code. The IOC (2008, p.9), for example, makes general recommendations: that the proceeds of sport should go back to sport (development); that revenues should be distributed fairly/equitably and efficiently; and that the allocation policy should be clear and transparent. UEFA recommends to its members that they adopt a “Financial solidarity mechanism” and “Financial assistance programmes” (UEFA 2011, p.2)

Additional recommendations come, whether directly or indirectly, from those organisations who measure the quality of NGOs such as SGS (2011) or Zewo (2008). The ICRC (Sams, 2010) state that it is good practice for no more than a certain percentage of NGO funding to be spent on administrative costs (for the ICRC, “HQ costs” are no more than 10-15%), thus maximising development funding to be spent “in the field” (the equivalent to solidarity funding in sport under this analogy).
7.17 Autonomy
As with solidarity this important issue for sports organisations can be termed as a “political” governance principle and is specified by the IOC primarily with reference to autonomy from governments (IOC 2008, p.12).

7.18 Additional Areas
The literature review and interviews highlighted additional areas to those listed in the questionnaire as meriting inclusion, as follows hereafter.

7.18.1 Mission, Vision, Objectives, Strategy
This has been addressed partly under 7.10 above and is fairly standard across both the non-sporting and sporting recommendations. Some also make recommendations (e.g. IOC 2008, p.2) regarding what should be in such documents whereas others do not, focusing rather on the principle that the reason why an organisation exists (its mission/purpose), its long-term aim (vision), its objectives and its strategy should be made clear for members and stakeholders. For at least two interviewees (I/vs 24, 27) this issue was one of the, if not the, single most important issue – i.e. defining who a European team sport federation should be there to serve.

7.18.2 Legal stability and statutes/regulations
UEFA considers legal stability to be part of good governance (UEFA 2011, p.3), specifically as regards the legal order within its members. Elsewhere, whilst there is no prescription regarding the detail of what should be in a sport’s federations legal documents (statutes, regulations, etc.), the principle that they should be clear, disclosed, available, with a clear modification procedure was considered to be good governance (e.g. IOC 2008, p3).

7.18.3 Communications
This item can be considered to be partly covered already in 7.10 above, but is highlighted as regards the need to have a policy and effective communication channels (UEFA 2011, p.3) both in terms of external and internal communications (IOC 2008, p.5).
7.18.4 Information, education and training
According to the literature (e.g. UEFA 2011, p.3. IOC 2008, p.11) and interviews, good practice would appear to include: education regarding the governance standards; induction programmes; on-going education and training in general; promotion of self-education; and clear and detailed staff regulations.

7.18.5 Risk management
Good governance can be considered as a form of risk management in itself (Monks and Minnow, 2011), but is also highlighted as an area worthy of inclusion in a good governance code in its own right (e.g. IOC 2008, p.5. UEFA 2011, p.3). Furthermore, insurance for athletes and events in particular are key elements of good practice (IOC 2008, p.10) – for example, for one European team sport federation, final tournament athlete insurance constitutes around 12-13% of their annual budget (author’s information) and clubs consider this to be part of good governance (ECA 2011).

7.18.6 Corporate Social Responsibility
UEFA define CSR (or FSR – Football Social Responsibility) as an area to include under good governance (UEFA 2011, p.2), although it is to be considered whether many of the core activities of a properly functioning sports federation fall under the category of social responsibility themselves (i.e. encouraging/facilitating sports participation for all sectors of the population with all the educational, health, social and other benefits that sport brings).

7.18.7 Fairness/Equity and Fairplay
This area was included in the IOC recommendations (2011, pp.9-10).

7.18.8 Anti-doping and Match-fixing
Countering anti-doping and match-fixing may be considered to be part of good governance for a sport organisation, although as mentioned in 3.4 above these areas were not examined as part of this thesis.
8 Conclusion

A Good Governance Code for European Team Sport Federations is needed if they are to raise standards of governance and be seen to have high standards of governance by their members and stakeholders. This need is substantiated by both the existing literature in the area but also the empirical data gathered for this thesis.

What should be in such a Good Governance Code was the main purpose of this thesis and, through the research conducted, it was possible to highlight eight specific areas (see Executive Summary above). If appropriate, the research carried out for this thesis could help form the basis for a future Good Governance Code (or similar, “Good Governance Principles”, etc.) for practical use by the ETSFs. Nevertheless, the depth of complexity, and the practical limitations of this thesis in terms of size, mean that substantial further research and consultation is needed before any final recommendations can be made for the content of any such Good Governance Code.

If the content of any such Good Governance Code were agreed, then the subsequent phase would be that of implementation. This would pose several issues. To begin with, attempting to implement a code across several different sports based in different countries with widely different backgrounds is a challenge. This is accentuated by the widely differing sizes of the different organisations (e.g. ranging from 3 employees to around 400, to use just one metric). In addition to these implementation issues, most good governance codes of any kind are implemented on a voluntary basis – or at most on a “comply and explain” basis (e.g. FRC, 2010). This would be the real challenge, since sports organisations are often happy to sign up to principles but may then alter their opinion when faced with the reality of implementation. Furthermore, the practical experience of the IOC’s Good Governance Principles (I/v 18) has been that, if a range of recommendations is too ambitious/wide, then it may result in no or few principles being implemented, thus implying that a focus on core areas, and/or a phased implementation, could be appropriate.
Nevertheless, despite such implementation challenges, solutions do exist. For example, the ecoDa corporate governance recommendations (2010, pp.8-9) provide a two-stage / two-size approach which could offer a useful example.

To conclude one can state that European Team Sport Federations need to define and implement good governance practices: not just because it is the quid pro quo for autonomy from the political world; not just because it is in vogue; and not just because it is morally and ethically the right thing to do. They should also do it because it will help them focus more on their core tasks and help them do those tasks better: namely developing, running and promoting European sport. For the benefit of all.
9 Appendices

LIST OF APPENDICES

Appendix I  Definitions of Governance (and Corporate Governance): examples
Appendix II  Rationale and need for creating and implementing a Good Governance Code for European Team Sport Federations: examples
Appendix III  Interview sample
Appendix IV  Interview questionnaire
Appendix V  General areas of good governance: sport-specific governance literature
Appendix I

Definitions of Governance (and Corporate Governance): examples

“Governance is the sum of the many ways individuals and institutions, public and private, manage their common affairs…”
(Commission on Global Governance 1995, pp.2-3)

“The purpose of corporate governance is to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of the company.”
(Financial Reporting Council 2010, p.1)

“Establishing a framework of company processes and attitudes that add value to the business, help build its reputation and ensure its long-term continuity and success.”
(ecoDa 2010, p.7)

“[Corporate] Governance involves a set of relationships between a company’s management, its board, its shareholders and other stakeholders. [Corporate] Governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined. Good [corporate] governance should provide proper incentives for the board and management to pursue objectives that are in the interests of the company and its shareholders and should facilitate effective monitoring.” (OECD 2004, p.11)
(OECD 2004, p.11)

*Note: this is the definition used for this thesis.*
Definitions of sport(s) governance: examples

“Good governance in sport is a complex network of policy measures and private regulations used to promote integrity in the management of the core values of sport such as democratic, ethical, efficient and accountable sports activities; and that these measures apply equally to the public administration sector of sport and to the non-governmental sports sector.”

(Council of Europe, 2005)

“Governing sport organizations involves establishing a direction or overall strategy to guide the organization and ensuring that organizational members have some say in how that strategy is developed and articulated. Governance also involves controlling the activities of the organization, its members and staff so that individuals are acting in the best interests of the organization and working towards an agreed strategic direction. Regulating behaviour is the third element of governance and entails setting guidelines or policies for individual members or member organizations to follow. These concepts suggest that good organizational governance aims to ensure that the board and management seek to deliver outcomes for the benefit of the organization and its members and that the means used to attain these outcomes are monitored effectively.”

(Hoye and Cuskelley 2007, pp.9-10)
Appendix II

Rationale and need for creating and implementing a Good Governance Code for European Team Sport Federations: examples

“Good governance in sport is a condition for the autonomy and self-regulation of sport. While it is not possible to define a single model of governance in European sport across different disciplines and in view of various national differences, the Commission considers that there are inter-linked principles that underpin sport governance at European level, such as autonomy within the limits of the law, democracy, transparency and accountability in decision-making, and inclusiveness in the representation of interested stakeholders. Good governance in sport is a condition for addressing challenges regarding sport and the EU legal framework.”

(European Commission 2011, p.14)

“A systematic approach to sport governance has been lacking and is overdue. One reason is sufficient and that is the perception of corruption associated with several of the major GSOs”

(Forster 2006, p.72)

“As a survival strategy, given the increasing ability of purely commercial organisations as well as rival GSOs to enter their realms, they [GSOs] will need to change their structures. This is especially true of their internal governance and the culture this opacity creates.”

(Forster and Pope 2004, p.114)

“The importance of good governance in achieving high levels of organizational performance has become increasingly recognized by the government agencies that provide significant and ongoing funding to sport organizations.”

(Hoye and Cuskelly 2007, p.xv)
“Sporting bodies have reaped the benefits of a global revolution to become more powerful than ever before – but have proved unable to deal with the consequences […] While today’s sporting crisis is often expressed as a crisis of commercialism, in fact it is a broader crisis of governance. The key stakeholders in sport do not have confidence in those governing sport to govern it effectively or to do the right thing.”
(Katwala 2000, p.23)

“COLOGNE CONSENSUS: TOWARDS A GLOBAL CODE FOR GOVERNANCE IN SPORT

The participants in the Play the Game 2011 conference […] state that the problems related to mismanagement and corruption in sports are serious and widespread.
The conference participants, including stakeholders and experts from over 40 countries, are convinced that the fundamental integrity and credibility of the sports movement is at stake, and that this is weakening the role of sport as a positive force in society.
Existing principles, mechanisms and institutions to enhance good governance and counter corruption have proved inadequate.
The Play the Game initiative and its conference participants remain committed to influencing sports governing and oversight bodies, in every way possible, regarding the urgent need for change. […]
Therefore we propose the establishment of a Global Code for Governance in Sport … “
(Play the Game 2011)

“Sport, while not alone in the need for good governance, has been particularly deficient, especially with regard to transparency. Indeed, more than most organizations, sport has vigorously resisted any suggestion that its governance should be transparent…”
(Pound 2011, p.7)
“When … confederations … take steps to build integrity, they do more than prevent corruption within their own organisations: the positive impact of their example reverberates globally.

This is the unique responsibility that comes with sports governance today.”
(Transparency International 2011, p.1)

[Comment on the above quote: this approach not only justifies the need for better governance in sports organisations, it goes further, implying that sports organisations have a greater responsibility to implement good governance due to their reach and impact, via sport, on so many people across the world.]

“The pressure to reform is coming from everyone who has a stake in the game: the supporters and the teams, the communities of clubs and players, and the sponsors. To these must be added the media … as well as governments and international organisations – and finally, due to the massive popularity of the sport, the general public.”
(Transparency International 2011, p.2)
Appendix III

Interview sample

[Diagram showing various groups and the number of interviews conducted with each group.]

Note: the number corresponds to the number of interviews carried out with that type of group. The total number of interviewees adds up to 38 (not 36) in this graphic due to two interviewees having dual roles.
What should be in a “Good Governance Code” for European Team Sport Federations?

General and Specific areas for discussion

TWO PARTS:

A. General

B. Specific

A. GENERAL AREA FOR DISCUSSION:

What are the 3-5 general areas of good governance for a European team sport federation?

(in other words, what would be the general areas, the chapter headings if you like, that a “Good Governance Code” for European Team Sport Federations should cover)

DEFINITION:

“[Corporate] governance involves a set of relationships between a company’s management, its board, its shareholders and other stakeholders.”

Source: OECD Principles of Corporate Governance (2004) [Note: obviously European Team Sport Federations are not legally structured as companies however this provides a useful working definition.]
B. SPECIFIC AREAS FOR DISCUSSION:

PRELIMINARY NOTES TO SPECIFIC AREAS FOR DISCUSSION

• Following the above very general area/discussion, the rest of this document contains a list of more specific points for discussion.
• It is a non-exhaustive list of points because it is based on the assumption that most of the interviewees have only a limited amount of time available.
• It therefore does not cover all areas that might well be in a Good Governance Code. For example, it is a generally accepted good governance principle that the statutes and regulations of a sports federation should be (a) clear and (b) publicly available. However this point is not listed hereafter as it is assumed to be a consensual area where discussion should not be needed.
• Certain specific areas which might figure in a Good Governance Code – notably anti-doping and the fight against match-fixing – are not included in the list hereafter for reasons of scope, practicality and time.
• Good practices from outside sport and outside Europe should be considered in all areas.
• Only the content – not the implementation – of a Good Governance Code is covered by this exercise. The exercise looks at what would exist in an ideal world, without considering how easy or difficult it would be to implement a certain practice.
• Finally, everyone agrees that “it is the people that matter, not the structures”. So the question is: how can we set up structures to ensure that there are always good people in?

1. Organisational structures: Overall

1.1. How is it possible to find the optimal balance between the political and administration levels?

1.2. Is it desirable/necessary to implement a separation of powers between the different parts of the organisation? If yes, how best can such a separation of powers be implemented?

1.3. How can a system of “checks and balances” best be set up in the overall organisational structure? What types of “checks and balances”?

1.4. To what degree should stakeholders be involved in the organisational structures and/or decision-making process? Which ones? And how?
1.5. How best can members, board members, management and employees be informed/educated/trained on the governance standards?

2. Organisational structures: Congress/General Assembly

2.1. How should the Congress/General Assembly best operate? (e.g. Who should it be made up of? How often should it meet? What should it decide? etc etc)

3. Organisational structures: Board/Executive Committee

3.1. How should the Board/ExCo best operate?

3.2. Should there be term limits or rotation for Board/ExCo members? If yes, how many and how long should such terms be?

3.3. How should the Board/ExCo be elected or appointed? And by whom? And who should it be accountable to?

3.4. How can the optimal balance be found between representation and competence on the Board/ExCo? (in other words how can, on the one hand, the members/stakeholders be properly represented and, on the other hand, the best and most competent people be found?)

3.5. Should there be any “independent” directors on the Board/ExCo? (“Independence” must be defined of course, but for the purposes of this discussion it means not representing, and not nominated by, any existing sports interest group).

3.6. What is the optimal board size (number of members)?

3.7. Should there be one or two boards (or more)? (e.g. Supervisory Board + Management Board, or Board/ExCo + Bureau, etc.)

3.8. If there are two (or more) boards should they have the same or different members?
3.9. How should the board(s) best supervise/control/oversee the President / Administration?

3.10. And how can the best balance be found between the Board/ExCo on one side and the President and/or Administration on the other?

4. Organisational structures: President/Chairman

4.1. Should there be term limits for the President/Chairman? If yes, how many and how long should such terms be?

4.2. How should the President/Chairman be elected or appointed? And by whom? And who should he be accountable to?

4.3. Should the President/Chairman be an Executive or Non-Executive role?

4.4. How can an excessive concentration of power in the President be avoided? (e.g. which “checks and balances” or controls should be in place?)

5. Organisational structures: Administration

5.1. Should the General Secretary be appointed or elected? And for what time period?

5.2. How can an excessive concentration of power in the Administration be avoided? (e.g. which “checks and balances” or controls should be in place?)

5.3. How can “politicisation” of the Administration be avoided?
6. Organisational structures: Committees and specialist areas

6.1. How should the committees, or other bodies, best be elected/appointed?

6.2. And what should the role of the committees be?

6.3. How should disciplinary bodies best operate?

6.4. What should the definition of an “independent-autonomous” disciplinary body within a sports federation be?

6.5. How should refereeing (lists, appointments, etc.) best operate in terms of governance?

7. Organisational structures: Democratic processes

7.1. How best should any democratic processes (e.g. elections) be organised?

7.2. When decisions are taken, how can independence/objectivity be ensured?

7.3. What mechanisms should exist to review or appeal decisions?

8. Organisational structures: Equality and Minorities

8.1. Is this an issue for a Good Governance Code? If yes, how should equality best be ensured? And for whom?

8.2. How best can homogeneity of opinions be avoided in the decision-making bodies, and the different parts of society be represented?

8.3. How best can institutional discrimination (conscious or not) be avoided?
9. Transparency

9.1. How can the optimal level of transparency be achieved?

9.2. Which are the most important items that should be communicated?
And to which audiences?
(For example:
- Should the minutes/reports of Board meetings be made available to members? Even to the general public?
- Should Board members/top management remuneration be made public? And/or the process used in determining such remuneration? etc etc)

9.3. Specifically, what level of financial transparency is needed / desirable?
(For example:
- How detailed should the financial statements be that are made public?
- Should audits of any solidarity to members be carried out made public? etc etc)

10. Accountability

10.1. Who should be accountable to who? And how?

10.2. How best can a structure be created to set the organisational objectives, set the means of attaining those objectives (i.e. the strategy), and monitor whether such objectives have been met?

10.3. How can the members/Congress/General Assembly hold the President/Board/Administration accountable if the members are themselves financially dependent on the European federation?

11. Ethical behaviour

11.1. Should there be an Ethics Committee (or equivalent) and/or a Code of Ethics (or equivalent) or not?
And, if yes, in what way and with which powers / content?
11.2. What are the best ways and methods to counter possible corruption? (not including on-field corruption such as match-fixing)

12. Financial issues

12.1. What should the main principles of financial good governance be?
   (For example:
   - should there be internal and external auditors?
   - should the accounts be reported according to certain norms?
   - what level of financial information should be made available? And to whom?)

12.2. What type of internal control and/or compliance system(s), if any, should be established?
   And to what degree should it deal also with non-financial issues?

12.3. How best to avoid potential abuses of the power of representation? (e.g. power of signature)

13. Selection of hosts of major events

13.1. How should good governance best be achieved in the overall bidding process for major events?

13.2. Which body, or bodies, should take the decision on the host for the major final events/tournaments?

13.3. Should it be the Congress/General Assembly who decides? Or the Board/ExCo? Or does it not matter?

13.4. And how should they decide? What are the pros and cons of the secret ballot system?

13.5. Or should the selection be decided in a completely different way?
14. **Commercial rights**

14.1. How can good governance as regards the commercialisation of TV, sponsorship and other commercial rights best be defined?

15. **Solidarity**

15.1. Is this an issue for a Good Governance Code and if so how?

16. **Autonomy**

16.1. Is this an issue for a Good Governance Code and if so how? And which kinds of autonomy? (autonomy from government/politics? from commercial influences? etc etc)

16.2. In what way should relations with European political counterparts (mainly EU, but also Council of Europe and other bodies) best be managed?

* * *
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
10 Bibliography

Written sources


COUNCIL OF EUROPE (2005) *Recommendation Rec(2005)8 of the Committee of Ministers to member states on the principles of good governance in sport*. (Adopted by the Committee of Ministers on 20 April 2005 at the 924th meeting of the Ministers' Deputies).


ECA - EUROPEAN CLUB ASSOCIATION (2011) *The Clubs’ Perspective on the major issues impacting European football*. Nyon: ECA.


IOC (2009b) *Codes of Ethics and other texts*. Lausanne: IOC.


SRA (Sport and Recreation Alliance) [the UK confederation of sports federations] (2011) Voluntary Code of Good Governance for the Sport and Recreation Sector. London: SRA.


UEFA (2011a) Good Governance Menu Card for UEFA Member Associations 2012-2016. Nyon: UEFA. [Note: this document was approved by the UEFA National Associations Committee on November 2, 2011 but at the time of writing was still subject to approval by the UEFA Executive Committee in December 2011.]


ZEWO (2008) *Règlement relative au label de qualité ZEWO délivré aux organisations d’utilité publique* [Regulation relating to the ZEWO quality standard delivered to public service organisations. *Note: author’s translation*], Zürich: Stiftung ZEWO.
Interviews


BURGESS, Henry, Head of Professional and International Sport, Department of Culture, Media and Sport, UK Government. Interview by author. London, September 12, 2011.

CENTENARO, Michele – General Secretary, ECA (European Club Association). Interview by author. Nyon, November 15, 2011.

CHAPPELET, Jean-Loup – Professor of Public Management, Director, IDHEAP. Interview by author. Lausanne, May 17, 2011.

COLLINS MP, Damian – Member of the UK Parliamentary Culture, Media and Sport Select Committee. Interview by author. London, November 21, 2011.


DE KEPPER, Christophe – Director General, IOC. Interview by author. Lausanne, November 11, 2011.


GERLINGER, Michael – Legal Director, FC Bayern Munich. Interview by author. Munich, October 20, 2011.

 LICHTNER, Horst – General Secretary, International Ice Hockey Federation (IIHF). Interview by author. Zurich, August 18, 2011.


MAVROIDIS, Petros – Professor of Law at the European University Institute (EUI), Florence, Italy / Edwin B. Parker Professor of Foreign and Comparative Law, Columbia Law School, New York, USA / Professor of Law, University of Neuchâtel, Switzerland / Legal advisor to the WTO. Interview by author. Nyon, November 11, 2011.


MEYER, André – President, CEV (Confédération Européenne de Volleyball), with Thorsten ENDRES, Administrative Director, CEV. Interview by author. Luxembourg, October 18, 2011.

MITCHELL, Jeremy – Director, UK National Consumer Council, former Director of Consumer Affairs, UK Office of Fair Trading [“the UK’s consumer and competition authority” - www.of.t.gov.uk], former Non-Executive Independent Director, Personal Investment Authority. Interview by author. Edinburgh, August 30, 2011.


OMDAL, Per Ravn – former UEFA Vice-President, former FIFA Executive Committee member. Interview by author. Monaco, August 27, 2011.
PALMER, Walter – General Secretary, EU Athletes. Interview by author. Nyon, November 17, 2011.

PEDERSEN, Lars-Haue – Managing Director, TSE Consulting. Interview by author. Lausanne, June 29, 2011.

PLATINI, Michel – President, UEFA. Interview by author. Nyon, November 23, 2011.


RUMMENIGGE, Karl-Heinz – Chairman, ECA (European Club Association). Interview by author. Munich, October 20, 2011.

SEVERIS, Zenon – Member of Cabinet, EU Commissioner Androulla Vassiliou. Interview by author. Brussels, September 14, 2011.

TAYLOR, Marc – Lecturer, Sheffield Hallam University, Managing Director, Harlaxtons [consultancy], former Independent Non-Executive Director, The [English] Amateur Swimming Association. Interview by author, telephone, October 31, 2011.


THIRIEZ, Frédéric – Vice-President, EPFL (Association of European Professional Football Leagues), President, Ligue de Football Professionnel (LFP) [French Premier Football League], with Jean-Pierre HUGUES, General Secretary, LFP. Interview by author. Paris, November 4, 2011.

VARANAVICIUS, Liutauras – President, Lithuanian Football Federation, former UEFA Executive Committee member. Interview by author. Mainz, October 7, 2011.


WIEDERER, Michael – General Secretary, EHF (European Handball Federation). Interview by author. Vienna, October 19, 2011.

ZANOLIN, Nar – Secretary General, FIBA Europe. Interview by author. Munich, October 20, 2011.
### 11 Glossary and Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Board</strong></td>
<td>This term is used to refer to the main executive decision-making body.</td>
</tr>
<tr>
<td></td>
<td>Therefore, this could be Executive Committee, Executive Board, Board of</td>
</tr>
<tr>
<td></td>
<td>Administration, etc.</td>
</tr>
<tr>
<td><strong>CEO</strong></td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td><strong>CEV</strong></td>
<td>Confédération Européenne de Volleyball</td>
</tr>
<tr>
<td><strong>Congress</strong></td>
<td>This also refers to General Assembly or whichever is the organisation’s</td>
</tr>
<tr>
<td></td>
<td>supreme legislative body, made up of its members/owners/shareholders.</td>
</tr>
<tr>
<td><strong>COO</strong></td>
<td>Chief Operating Officer</td>
</tr>
<tr>
<td><strong>EHF</strong></td>
<td>European Handball Federation</td>
</tr>
<tr>
<td><strong>ETS</strong></td>
<td>Association of European Team Sports, comprising the following six members:</td>
</tr>
<tr>
<td></td>
<td>CEV, EHF, FIBA Europe, FIRA-AER, IIHF and UEFA.</td>
</tr>
<tr>
<td><strong>ETSF</strong></td>
<td>European Team Sport Federation</td>
</tr>
<tr>
<td><strong>FIRA-AER</strong></td>
<td>Fédération Internationale de Rugby Amateur-Association Européenne de</td>
</tr>
<tr>
<td></td>
<td>Rugby</td>
</tr>
<tr>
<td><strong>G.A.</strong></td>
<td>General Assembly, used interchangeably with Congress.</td>
</tr>
<tr>
<td><strong>General</strong></td>
<td>Used interchangeably with the terms GS, CEO, Chief Executive (Officer),</td>
</tr>
<tr>
<td>Secretary</td>
<td>Secretary General, Director General, etc. It refers to the head of the</td>
</tr>
<tr>
<td></td>
<td>Administration.</td>
</tr>
<tr>
<td><strong>Governance</strong></td>
<td>See Appendix I for the OECD definition used for this thesis.</td>
</tr>
<tr>
<td><strong>GS</strong></td>
<td>General Secretary. This also refers to the Head of the Administration</td>
</tr>
<tr>
<td></td>
<td>irrespective of the exact title (“CEO”, “Director General”, etc.).</td>
</tr>
<tr>
<td><strong>GSO</strong></td>
<td>Global Sporting Organisation</td>
</tr>
<tr>
<td><strong>IF</strong></td>
<td>International Federation, a global- and/or international-level sports</td>
</tr>
<tr>
<td></td>
<td>federation.</td>
</tr>
<tr>
<td><strong>IIHF</strong></td>
<td>International Ice Hockey Federation</td>
</tr>
<tr>
<td><strong>INGO</strong></td>
<td>International Non-Governmental Organisation</td>
</tr>
</tbody>
</table>
IOC  International Olympic Committee

I/v  Interview

MA  Member association, used interchangeably with the terms National Association (NA) and National Federation (NF)

Member  This term would also refer to shareholder in the case of a corporate analogy.

NF  National Federation. This is the default term used in this document.

NGO  Non-Governmental Organisation

NOC  National Olympic Committee

President  Used interchangeably with the term Chairman (although not always analogous, and some sports organisations may even have both, or more than one of either/both.

Stakeholder  A generic definition is as follows: A stakeholder in an organisation is any group or individual who can affect or who is affected by the achievement of the organisation's objectives (Freeman 1984, p.46). However, for the purposes of this thesis a stakeholder is a group or individual is not a direct member of a European Team Sport Federation but is still a member of that sport's wider “family” (e.g. clubs, leagues and players especially, but it could also refer to coaches, referees, officials, supporters in some cases and other members formally within the family) or outside its family (TV companies, sponsors, political bodies, supporters in some cases, other sports, etc.) and who has an impact on, is impacted by, the ETSF.

Statutes  Used interchangeably with the terms Constitution, Articles of Association, Bye-laws or whatever is the term used for the founding document(s) of an organisation.

UEFA  Union des Associations Europeéennes de Football
## 12 Table of Contents

1. Executive Summary ........................................................................................................ 2
2. Brief contents .................................................................................................................. 4
3. Introduction ...................................................................................................................... 5
   3.1 General context ........................................................................................................... 5
   3.2 Definition of “governance” ....................................................................................... 6
   3.3 Research question ..................................................................................................... 7
   3.4 Scope of research ....................................................................................................... 7
   3.5 Caveats and guidance for reading this thesis ............................................................ 8
4. Assumptions ..................................................................................................................... 10
   4.1 Rationale for introducing a ‘Good Governance Code’ ............................................... 10
   4.2 Specific nature of sports federations ........................................................................ 10
   4.3 Central analysis of governance practices in European Team Sport Federations .... 12
   4.4 Additional assumptions ............................................................................................ 12
5. Description of information-gathering methodology ....................................................... 14
6. Literature review ............................................................................................................. 16
   6.1 Non-sport governance literature ............................................................................... 17
   6.2 Sport-specific governance literature (academic documents and theory) ................... 18
   6.3 Sport-specific governance literature (codes and guidelines) ..................................... 19
7. Analysis and synopsis of relevant data ........................................................................... 22
   7.1 General areas of good governance .......................................................................... 22
   7.2 Organisational structures: Overall ............................................................................ 23
      7.2.1 Balance between the political and administration levels .................................. 24
      7.2.2 Separation of powers ......................................................................................... 25
      7.2.3 Checks and Balances ........................................................................................ 26
      7.2.4 Stakeholder involvement and inclusiveness ...................................................... 27
   7.3 Organisational structures: Congress ......................................................................... 30
   7.4 Organisational structures: Board .............................................................................. 33
      7.4.1 Role of the Board ............................................................................................... 33
      7.4.2 Size of Board ..................................................................................................... 34
      7.4.3 Unitary vs dual Board structures ...................................................................... 34
      7.4.4 Election/Appointment of Board members .......................................................... 36
      7.4.5 Representation vs Competence ........................................................................ 37
      7.4.6 “Independent” Board members ...................................................................... 38
      7.4.7 Term limits ........................................................................................................ 39
   7.5 Organisational structures: President ......................................................................... 40
      7.5.1 Role of the President ........................................................................................ 40
      7.5.2 Election/Appointment of the President .............................................................. 42
      7.5.3 Term limits ........................................................................................................ 42
      7.5.4 Excessive concentration of power: President .................................................... 43
   7.6 Organisational structures: Administration .................................................................. 43
      7.6.1 Appointment/Election of the General Secretary .................................................. 43
      7.6.2 Excessive concentration of power: Administration ............................................. 44
      7.6.3 Additional points related to the Administration ................................................ 44
   7.7 Organisational structures: Committees and specialist areas ..................................... 44
      7.7.1 Election/Appointment of the Committees and their role ..................................... 44
      7.7.2 Independent/Autonomous sports disciplinary/judicial bodies ............................ 45
      7.7.3 Referees/Umpires ............................................................................................. 47
   7.8 Organisational structures: Democratic processes ...................................................... 47
      7.8.1 Democratic processes ......................................................................................... 47
      7.8.2 Independence/objectivity in decision-making ..................................................... 48
   7.9 Organisational structures: Equality and Minorities ................................................... 49
      7.9.1 Equality and minorities ....................................................................................... 49
7.9.2 Homogeneity of opinions in decision-making bodies............................. 49
7.9.3 Institutional discrimination..................................................................... 50
7.10 Transparency............................................................................................ 50
7.11 Accountability............................................................................................ 53
  7.11.1 Levels of accountability...................................................................... 53
  7.11.2 Setting and monitoring organisational objectives and strategy.......... 53
  7.11.3 Membership dependency..................................................................... 55
7.12 Ethical behaviour....................................................................................... 55
  7.12.1 Codes of Ethics, Ethics Committees..................................................... 55
  7.12.2 Corruption........................................................................................... 57
7.13 Financial issues.......................................................................................... 57
  7.13.1 Principles of financial good governance............................................. 57
  7.13.2 Internal control and compliance.......................................................... 59
7.14 Selection of hosts of major events............................................................ 59
  7.14.1 Good governance in bidding procedures for major events............... 59
7.15 Commercial rights..................................................................................... 60
  7.15.1 Good governance in commercial contracts........................................ 60
7.16 Solidarity................................................................................................... 61
7.17 Autonomy.................................................................................................. 62
7.18 Additional Areas....................................................................................... 62
  7.18.1 Mission, Vision, Objectives, Strategy................................................... 62
  7.18.2 Legal stability and statutes/regulations................................................. 62
  7.18.3 Communications.................................................................................. 62
  7.18.4 Information, education and training..................................................... 63
  7.18.5 Risk management................................................................................ 63
  7.18.6 Corporate Social Responsibility.......................................................... 63
  7.18.7 Fairness/Equity and Fairplay................................................................. 63
  7.18.8 Anti-doping and Match-fixing............................................................... 63
8 Conclusion..................................................................................................... 64
9 Appendices.................................................................................................... 66
10 Bibliography.................................................................................................. 82
11 Glossary and Definitions.............................................................................. 91
12 Table of Contents.......................................................................................... 94

List of figures

Figure 1 Sports Federations: organisational typology........................................ 11
Figure 2 Definition of what should be good governance for ETS Federations: spontaneous replies................................................................. 22
Figure 3 Number of board members, Unitary or Dual Board structures: ETS members. 35
Figure 4 Term limits for Board members ........................................................... 39
Figure 5 Role of the President: should it be Executive or Non-Executive? ........ 41
Figure 6 Term limits for the President ............................................................... 42
Figure 7 Sports organisation “governance chain” (accountability) .................... 53
Abstract

The thesis addresses the question: “What should be in a ‘Good Governance Code’ for European Team Sport Federations?” There is increasing evidence that supports the need for such a Code. The methodology of the thesis comprised an exhaustive literature review and 36 semi-structured interviews with a top-level, representative sample. The general conclusions are that such a code is necessary and should, as a minimum, address the following areas. Organisational Structures, including: democratic structures and processes; balance/separation of powers; members, president, board, administration, committees and judicial bodies; and stakeholders/minority views. Transparency, to communicate mission/vision/objectives/strategy, processes, key decisions and financial information. Accountability, to create effective mechanisms to measure success. Ethical behaviour, to implement and maintain high ethical standards. Commercial rights, to introduce best practice from outside sport. Selection of hosts to major events, to ensure that events are chosen in as transparent, rigorous and accountable a way as possible. Solidarity, which is core to the activities of sports organisations. Autonomy and relations with the political world. Based on the conclusions, the main recommendation is that the ETS should launch a process to further research, draft, agree and then implement such a Code. If successfully implemented, there would be many benefits for both the organisations themselves and for their respective sports.

Keywords

- Sport
- Governance
- Federations
- Europe
- ETS
- European Team Sports