

BETTER GOVERNANCE PRINCIPLES

TOWARD BETTER GOVERNANCE

Governance is a broad and multi-dimensional concept. It's about oversight, steering, and directing, which can occur in 3 different spheres:

ORGANIZATIONAL: how sport organizations direct and manage the allocation of resources as well as their financial and non-financial profits and losses through ethically informed standards, norms and values

SYSTEMIC:

how organizations interact (for example, mutual adjustments, competition and cooperation) within a given system like the Canadian sport system ► POLITICAL: how governing bodies and governments steer sport organizations

Better sport governance is an ethically informed steering of a sport organization or system's structures and practices. This includes overseeing management, making decisions, allocating resources, integrating stakeholder voices, and rendering accounts.

At the organizational level, good governance is of particular interest. This is especially the case given the governance issues seen at national and international levels (for example, corruption, conflicts of interest, and match fixing). Good governance has its roots in the corporate world. It considers who has power, who makes decisions, how stakeholders' voices are included, and how accounts are rendered.

Although good governance is still a popular term, it leads to the idea of "good" versus "bad" governance. Instead, there's a trend to replace the term with better or improved governance to acknowledge that all (sport) organizations can do better in terms of their governance. Better governance means following ethically informed standards.



Table 1. Examples of governance principles from around the world

SOURCE	PRINCIPLES
Australian Sports Commission (2020)	 Values-driven culture and behaviours Aligning sport through collaborative governance Clear vision to inform strategy Diverse board for considered decision-making Documents outlining duties, powers, roles, and responsibilities Board processes for accountability and transparency System to ensure integrity Systems of internal review for continuous improvement
Canadian Audit and Accountability Foundation	 Accountability Leadership Integrity Stewardship Transparency
Chappelet and Mrkonjic (2019)	 Transparency and public communication Democratic processes Checks and balances Solidarity
De Waegeneer and Willem (2019)	 Participatory Consensus oriented Accountable Transparent Responsive Effective and efficient Equitable and inclusive Following rules of the game
International Olympic Committee	 Vision, mission, and strategy Structures, regulations, and democratic process Highest level of competence, integrity, and ethical standards Accountability, transparency, and control Solidarity and development Athlete involvement, participation, and care Harmonious relations with governments while preserving autonomy
Play the Game	 Transparency Democracy Internal accountability and control Societal responsibility
Sport and Recreation Alliance	 Increased trust Funding access Leadership direction Better decisions Managing risk Increased transparency Growing potential
United Nations Development Program (UNDP)	 Legitimacy and voice Direction Performance Accountability Fairness
Zintz and Gérard (2019)	 Integrity Autonomy and accountability Transparency Democracy, participation, and inclusivity



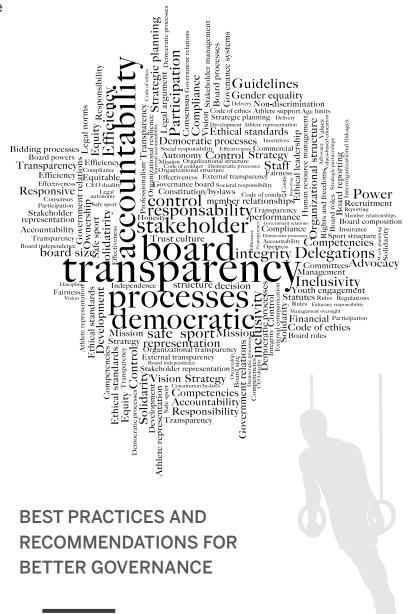
GOVERNANCE CHALLENGES

Improving governance continues to be a challenge for organizations and researchers. On one hand, there are hundreds of so-called better governance principles, guidelines, indicators, dimensions, factors, and aspects. Though most often, people tend to use the term principle. Table 1 presents a small sample of governance principles from different sources worldwide (see also Figure 1).

On the other hand, these lists of governance principles assume governance can be improved by simply following these lists. But so far, there's been little direct or practical evidence of the link between applying governance principles and improving organizational performance. Research has found a link between board composition or structure (namely diversity) and organizational performance. However, there's still a lack of direct evidence or research to know whether a sport organization's performance will improve if it follows stated governance principles.

In fact, some research that measured sport organization practices using governance indicators found certain sport organizations to excel in terms of better governance indicators. At the same time, the media was publishing accusations of corruptions in those sport organizations!

Finally, although small organizations can be good at governance, their funders or governing bodies' expectations often aren't aligned with small sport organizations' capacities. Funders and governing bodies tend to present blanket frameworks and guidelines that all organizations in their system must follow. Figure 1. Better governance principles



Improving governance is not a one-size-fits-all process

An organization's board of directors is responsible for the overall governance of the organization, but all organizational members should participate in improving the organization's governance.



When looking to improve your governance, include structures, practices, processes, and outcomes, such as:

STRUCTURES:

- Board structure and composition
- Board and organizational commissions
- Constitution and by-laws
- Organizational structure
- Delegation and separation of powers

PRACTICES AND PROCESSES:

- Accountability
- Control
- Compliance
- Autonomy
- Board processes
- Democracy and decision making
- Integrity
- Stakeholder engagement
- Strategic focus
- Sustainability
- Transparency

OUTCOMES:

- Corporate social responsibility
- Effectiveness
- Efficiency
- Equality and inclusivity
- Organizational resilience

At a minimum, consider adopting the following: **transparency**, **accountability**, and **democracy**. Finally, funders, government, and governing bodies should align their governance expectations with organizations' capacities.

DEFINITION	EXAMPLES
TRANSPARENCY refers to the accurate and timely disclosure of all materials, whether financial, performance or other, for the organization as a whole or a particular decision.	 Reporting decision-making processes and outcomes in an open and accurate manner.
ACCOUNTABILITY can take many forms. Internally, it can be administrative or financial. Externally, it can be legal, professional, personal or political/electoral in nature. Accountability and transparency are often discussed together, whereby transparency helps an organization be accountable.	 Accurately reporting financial statements in a timely manner. Having a governing body oversee budgetary matters and organizational performance. Reporting to members who elect you.
DEMOCRACY refers to an organization having electoral processes in place as well as to the participation of stakeholders in an organization's decision-making processes.	 Having a regular (annual) general meeting where members of the governing body are elected. Having stakeholders or partners be involved in strategic planning and other key organizational decisions and processes.

This report was prepared for SIRC by Milena M. Parent. It is based on the research paper:

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Key resources for further reading on better governance

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