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Board Governance of Annual Sport Events: Skills, Relationships, and Structure

Communities looking to spur tourism demand by hosting annual sport events not only must build and maintain appropriate facilities, but an organization must also be in place to create, promote, and develop the sporting event. This research identifies necessary characteristics of governing boards for organizations that produce sport events. Board members of a major annual equine event in Lexington, Kentucky were interviewed using a framework for strategic board capacity developed by Ferkins and Shilbury (2012). This research tests and revises the Ferkins and Shilbury model.

Context of the Issue

Since the early 1990s, communities have increasingly recognized the longer-term economic benefits that hosting sport events can bring to a region through the increased exposure of the host destination and the subsequent induced visitation the event can generate (Dwyer, Forsyth, & Spurr, 2005; Jago & ShiNa, 2013). Annual sport events generate impacts that are much broader than simply economic, such as social impacts on the host community and infrastructure investment (Li & Jago, 2013). Of course, not all of these impacts are necessarily positive.

For sport events to be facilitated, an effective organization with a strategically capable board needs to be in place. The importance of sport organizations having effective governance systems and structures is increasingly recognized by national government sport agencies. These agencies have also highlighted the negative impacts that poor governance structures and practices can have on event performance (Hoye & Doherty, 2011). According to Ferkins and Shilbury (2012), good boards of sporting organizations possess a strategic capability, which means board members are highly capable, concerned for the well-being and future of the organization, knowledgeable about the issues of their respective sport, and skilled in board governance processes and practices.

Theoretical Contribution

The importance of a strategic orientation is vital for the organization to plan and to consider the impact of external environmental factors on the organization. Sport management and event research is growing, but the characteristics of the governing board is a topic infrequently explored by sport management scholars.

A theoretical construct put forth by Ferkins and Shilbury (2012) was used to examine the characteristics of a working board responsible for hosting annual sport championships. Based on analysis of data collected during in-depth personal interviews, the Ferkins and Shilbury model was tested and revised. Figure 1 shows a revised model based on this research.

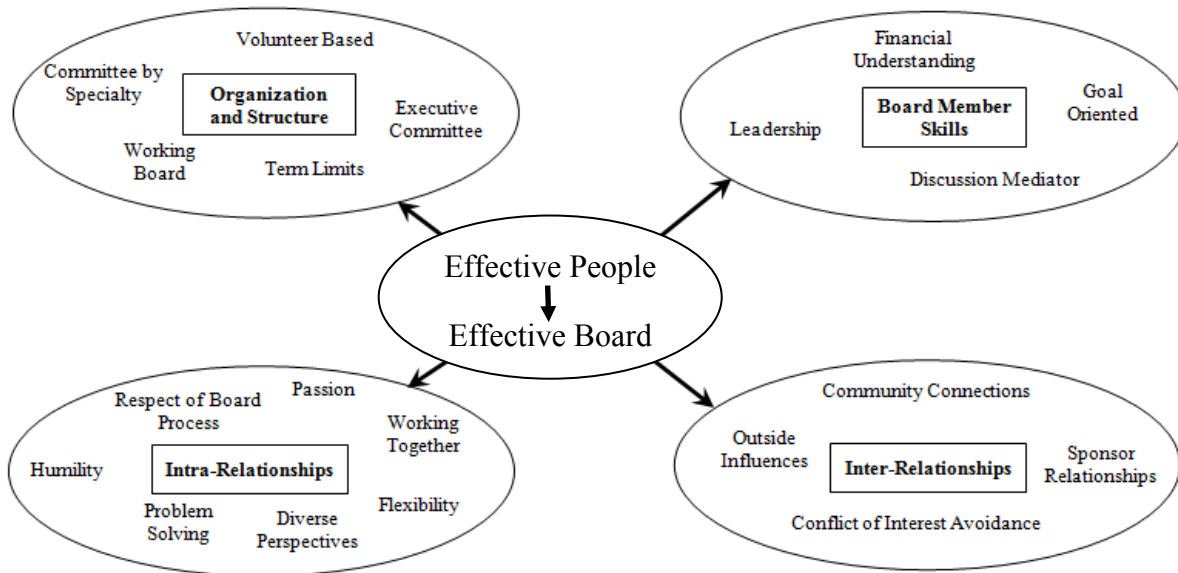


Figure 1. Revised Model of Board Strategic Capability for Sports Events

Putting people (i.e., board members) at the center of the model allows for more precision than the model that was tested. For example, the Ferkins and Shilbury model includes one category labeled *capable people* and other categories labeled *established frame of reference*, *facilitative board processes*, and *facilitative regional relationships*. As this research shows, an effective board is the result of effective people as board members. Categories of the revised model indicate the specific characteristics of effective board members.

Ferkins, Shilbury, and McDonald (2005) pointed out that most board governance literature is shaped by a normative approach (i.e., how things should be). This research is more positivist (i.e., how things are) in describing how the board of a sporting event actually functions. The positivist model developed in this research can now be tested to determine if it leads to more specificity and realistic characterization of how boards operate.

Methodology

Structured in-depth interviews were used to collect data. Eight members of the 28-person equine event board were individually interviewed for this study. Six of the interviewees were men and two were women. Two interviewees worked on or owned horse farms, one interviewee had an extensive background in landscaping, one was well experienced in construction, one worked with the local destination management organization. Most held various positions on different boards outside of the equine event organization.

A specific set of interview questions was developed to illicit in-depth responses and a robust discussion. The interview protocol was based on the Ferkins and Shilbury (2012) model. Questions from other research such as Dimitrios, Sakas, and Vlachos (2013) and Jaskyte (2012)

were placed in the proper core concept section along with questions developed specifically for this research. Interviews were continued until theoretical saturation was realized. Theoretical saturation is when new data collected provide little new to conceptualize the research findings (Corbin & Strauss, 2008).

Trust was established between the interviewees and the researchers based on a relationship developed during previous research with the equine event organization. This trust should have mitigated interviewees' tendency to exaggerate, distort, or protect themselves, particularly at the beginning of the interview (Krueger & Casey, 2000). Interviews were audio recorded and transcribed for content analysis. Content analysis was inductive and followed a hermeneutic approach, in which words and phrases were identified in the transcripts and summarized as themes.

Key Findings

Primary data categories (and sub-categories) found in the data were *organization and structure* (committee by specialty, volunteer based, executive committee, term limits, working board), *board member skills* (financial understanding, goal oriented, discussion mediator, leadership), *inter-relationships* (community connections, sponsor relations, conflict of interest avoidance, outside influences), and *intra-relationships* (passion, working together, flexibility, diverse perspectives, problem solving, humility, respect of board process).

Qualitative data is considered dense when all properties of a data category have been reasonably identified. Density gives a data category precision and increases explanatory power (Corbin & Strauss, 2008). Data sub-categories with the most density were *working board* (e.g., a board with members who go out into the field and implement board decisions), *diverse perspectives* (e.g., individuals on the board who approach the same problems from different angles), and *committee by specialty* (e.g., division of responsibilities among members by sub-committee assignments).

The most important finding may relate to the human element. People act as roots of the board from which skills, relationships, and structure branch off – and ultimately feed off of capable people.

Implications for Applied Tourism

Understanding the characteristics of an effective sport event organization board is important to tourism professionals for several reasons. First, the understanding could facilitate volunteering of leaders in the community as those with the correct skill set could be better identified to participate in sport event boards. Second, the understanding could strengthen community ties as relationships are developed among board members and between the board members and outside organizations. Third, well-run sport events managed by effective boards can help diversify the supply in a tourism destination thereby leading to increased competitiveness throughout the year and particularly during low seasons. Lastly, these benefits of the research may be applicable beyond sport events to other types of events, such as music festivals or food festivals that could also lead to increased visitation.

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