1.8 Indicators and benchmarking tools for sports governance

Amout Geeraert

Introduction

Notwithstanding recent internal and external efforts, the impression is that there is still inertia hampering the establishment of better governance in the sports world. To a large extent, this can be explained by the lack of a generally accepted, homogeneous set of core principles and benchmarking tools for good governance in international sport organisations (ISOs). Arguments that underline the importance of indicators and benchmarking tools for sports governance are threefold. First, ISOs need to be informed as to how they can organise their affairs in a sustainable and effective manner. Existing codes usually include principles that are extremely broadly defined and, therefore, rather impractical.

Second, there is a need to put external pressure on ISOs in order to push for change towards better governance. Whereas empirical evidence suggests that international sport organisations lack good governance, internal accountability deficits render change from within an unrealistic scenario. Benchmarking has the potential to inflict the reputational costs associated with naming and shaming, which has been known to change the behaviour of powerful international actors.

Third, benchmarking instruments are needed in order to evaluate governance reform processes. In certain cases, governance scandals have led to governance reforms. Most recently, for instance, the governance reform process in the Fédération Internationale de Football Association (FIFA) resulted in some major organisational changes. The problem is, however, that several important reform proposals
were not implemented, on account of a lack of internal support. In the absence of independent benchmarking systems, it is difficult to fully appreciate the adequacy (or lack thereof) of the process.

This contribution highlights the challenges in developing benchmarking tools, as well as the limits and opportunities of existing tools. In addition, it aims to identify the way forward.

**The challenges in developing benchmarking tools for sports governance**

Good governance principles must always take account of the specificity of the relevant organisation. Consequently, there are important differences in existing codes across international boundaries, both at a commercial and at a non-profit level. In their capacity as regulators/promoters of their sports, ISOs comprise organisational structures that are found within state, market and civil society entities. Because of the *sui generis* structures of these organisations, existing codes from other sectors cannot simply be applied to them. They can serve as important sources for inspiration, however, so long as attention is paid to preserving sufficiently high standards in relevant areas.

Benchmarking tools for sports governance thus need to take into account the specificity of ISOs. At the same time, they have to be sufficiently generic in order to be applicable to the many different structures that can be discerned within these organisations, which only adds to the complexity of the issue. This implies that benchmarking tools can never capture all the nuances that exist within the governance structures of each organisation. Taking account of these considerations, it is possible to identify core elements for good governance in ISOs around which concrete indicators can be constructed.

**Core elements for good sports governance**
The core elements for good sports governance that emerge from the literature on good governance in both the public and private area are transparency, democracy, checks and balances, social responsibility, and equity and diversity.

**Transparency**

Transparency in general can be defined as ‘the availability of information about an organisation or actor allowing external actors to monitor the internal workings or performance of that organisation’.\(^8\) It is commonly assumed that increased transparency will lead to decreased misuse of power, financial mismanagement and corruption.\(^9\) It may also lead to stronger democracy, since it allows for better debate.

In order to be transparent, ISOs should adhere to strict disclosure requirements, including financial reporting, and adequately communicate their activities to their internal stakeholders and the general public. More specifically, they should produce regular narrative accounts that seek to justify decisions, actions and results and engage in a constructive dialogue with those who are publicly contesting these. Not every form of transparency benefits stakeholder empowerment and trust, though. The risk of misinformation, information overload and unjust blaming underlines the importance of publishing clear, objective and timely information.\(^10\)

**Democracy**

Participation in policy processes by those who are affected by the policy is a cornerstone of democracy.\(^11\) Democratic principles and procedures in the decision making of ISOs ensure that those who govern can be held accountable by their primary stakeholders. The main way in which member
federations can hold their respective ISOs accountable is through their statutory powers. Most notably, these relate to the election of the people who govern the organisation – i.e. the members of the executive body of the organisation – but they also relate to the selection process of the ISO’s major event.

Member federations are not the only primary stakeholders of ISOs, though. Among those affected by ISOs’ policies and decisions are clubs, referees, coaches, and, most importantly, athletes. According to Barrie Houlihan, sports policy is ‘rarely [carried out] in consultation with athletes, and almost never in partnership with athletes’.12 Specific attention should therefore be paid to involving stakeholders, notably athletes, in decision-making processes. It is widely accepted that this leads to more long-term effectiveness and to sustainable solutions for policy issues, on the one hand, and a reduced likelihood of corruption and concentration of power, on the other.13

Checks and balances

Mutual control procedures are paramount, to prevent the concentration of power and ensure that decision making is robust, independent and free from improper influence. They also ensure that no manager or board member or department has absolute control over decisions, and clearly define the assigned duties.14 Checks and balances should apply to all (senior) officials and staff working in the different departments of an ISO. To achieve this, the organisation should at the very least have an internal audit and ethics committee, financial controls, an ethics code, and conflict-of-interest rules in place.

Social responsibility
ISOs carry a responsibility to society at large. Given the socio-cultural value of sport, sports federations have the potential to make a positive contribution to social cohesion, cultural understanding and global dialogue. They are expected to ‘give something back’ to society, as sports activities often rely on public funds. It is important to determine clear standards in order to prevent such efforts from serving merely as ‘window dressing’.

An ISO’s social responsibility should encourage it to invest in the global development of grass-roots activities, mitigate the negative externalities of international organised sports, including environmental degradation, improve the circumstances of marginalised and/or fractured communities and adopt legacy requirements for the hosting of its major event.

**Equity and diversity**

Diversity is needed in ISOs in order to ensure that everybody’s best interests are being looked after. For instance, whereas sports governance is still male-dominated, studies indicate that female inclusion on boards leads to improved governance and reduces the influence of the ‘old boys’ network’. At the same time, it is important that equity is also promoted at lower levels, since grass-roots sports often form the foundation from which the leading sports officials of the future emerge.

**Existing benchmarking tools**

In recent years important progress has been made in the literature on good governance in sport. This has been translated not just into checklists for good governance in international sport organisations but also into concrete benchmarking tools. Especially noteworthy is the work by Jean-Loup Chappelet and
Michaël Mrkonjic, the ‘Action for Good Governance in International Sport’ (AGGIS) organisations group and the ‘Sport For Good Governance’ (s4gg) project.

Although all three of these tools use a Likert-type scale for measuring good governance, they are distinct in that they use different indicators and different measuring systems (self-evaluation, expert assessment and pre-defined scoring). The s4gg project devised an easy-to-use self-evaluation tool that is mainly targeted at sports federations operating at the national level. The tool consists of a set of indicators that are sufficiently broad to be applied to ISOs as well. The main advantage of the s4gg tool is that it is supported by the sports federation community. Self-evaluation precludes naming and shaming, however, and influences the reliability of outcomes.

Chappelet and Mrkonjic have suggested the ‘Basic Indicators for Better Governance in International Sport’ (BIBGIS), which are organised along seven dimensions: organisational transparency, reporting transparency, stakeholders’ representation, democratic process, control mechanisms, sport integrity, and solidarity. Their measuring system is based on expert assessment, and thus requires (independent) experts to give a score for each indicator.

The AGGIS group have devised the ‘Sports Governance Observer’, a benchmarking tool consisting of four dimensions, namely transparency and public communication, democratic process, checks and balances, and solidarity. Each of the (roughly) ten indicators per dimension is quantified by means of a predetermined scoring system.

**Conclusion: the way forward**
The benchmarking of good governance in ISOs is necessary in order to induce better governance in (international) sport. The different benchmarking tools that are emerging fill a void that to some extent impeded improvements in sports governance. These tools can coexist and complement each other, in the sense that they serve distinct goals and each have specific benefits.

It is important that they are tested and improved on a continuous basis, however. Special attention should be paid to concerns regarding their validity (the degree to which a tool succeeds in describing or quantifying what it is designed to measure) and reliability (the degree to which a tool generates the same results under the same conditions). Including stakeholders, notably ISOs, more in this process than thus far has been the case would facilitate exchanges of knowledge and increase the likelihood that the sports world will pay attention to the principles of good governance that are being promoted. This, of course, underlines the need for ISOs to ‘take the leap’ and adopt one or more of these benchmarking tools.

**Box 1.1 The Sports Governance Observer**

*Play the Game*

The concept of good governance in sport has climbed to the top of the global political agenda in the course of the past few years. Good governance is increasingly regarded as an essential quality if sports organisations are to become efficient partners in solving a number of complex international challenges: the fight against match-fixing, doping and other forms of corruption in sport; the demand for more sustainable international events; the social and gender imbalances in sport; and the decreasing level of physical activity across the globe.
Politicians worldwide increasingly expect the international sports movement to engage with these challenges. This was expressed, for instance, in the 2013 Berlin Declaration, which was approved by governments from more than 125 countries at the Fifth International Conference of Ministers and Senior Officials Responsible for Physical Education and Sport (MINEPS V). In addition, the European Union and the Council of Europe regard sports governance as a key issue in their range of activities, and the International Olympic Committee (IOC) intends to reinvigorate its efforts in the field.

In order to inspire international sport to raise its governance standards to a higher level, Play the Game and the Danish Institute for Sports Studies (Idan) have introduced the Sports Governance Observer, a benchmarking tool developed in cooperation with six European universities that is based on the best scientific theory and yet easily applicable in the day-to-day work of the various national and international sports federations. The Sports Governance Observer has been further elaborated with a robust scoring system, and in 2014 and 2015 the 35 international federations that support the IOC by governing each sport at a global level were analysed on the basis of the instrument.

The aim of the Sports Governance Observer is to enable an in-depth analysis of good governance in international sports federations, firmly rooted in state-of-the-art governance and management theory and building on the best international practices. A thorough knowledge of the state of affairs in this regard can lead to better-informed and more effective policy choices for these federations, and ultimately to a better relationship between sport and society in general.

Notes
Arnout Geeraert is a Research Fellow at the Leuven International and European Studies (LINES) institute, Catholic University of Leuven, and also works for the Danish Institute for Sports Studies.


Pieth (2014).


See www.s4gg.eu.

Play the Game, an international initiative under the auspices of the Danish Institute for Sports Studies, is currently in the process of reviewing the 35 Olympic sports federations on the basis of the ‘Sports Governance Observer’ benchmarking tool. Results are expected in the first half of 2015.