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# A VERY SHORT POLICY BRIEF

## Improving Sport Governance in India

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# Improving Sport Governance in India

The Australia India Institute's A VERY SHORT POLICY BRIEF series examines key questions facing contemporary India and the Australia-India relationship. It combines in-depth academic analysis with clarity and policy relevance.

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# Summary

India's sport sector is growing at an explosive rate. While cricket remains the giant of the sector, sports such as kabaddi, table tennis, hockey, shooting, and football have demonstrated that India is not simply a one-sport country. Despite the growth in the sector, there continues to be concerns about Indian sport governance across four themes: roles and responsibilities, professionalisation, management and governance, and transparency and accountability. This policy brief recommends that Indian policy-makers can improve sport governance by:

- Defining the roles and responsibilities of the different actors in the Indian sport sector
- Supporting the professionalisation of the administration of Indian sport organisations
- Developing educational resources to help differentiate governance and management
- Enforcing requirements for transparency and accountability

# What is Sport Governance?

Sport governance can be defined as the process of oversight and direction of a sport organisation. Oversight refers to ensuring an organisation is run in accordance with the relevant rules and policies (e.g., legislation, organisational constitutions, codes of conduct, etc).[1] Direction refers to the mission, objectives, and strategies of an organisation.[2] Governance is central to any sport system as it involves envisioning the future and overseeing progress by setting the parameters for different elements of the sport system including talent identification and development, facilities, sport science, competition opportunities, and financial support.[3] Thus, "good governance does not in itself guarantee success … but its absence almost certainly guarantees failure."[4]

Governance occurs in, primarily, two forms within the sport sector: systemic and organisational governance.

Organisational governance focuses on how an organisation governs itself and is usually focused on the executive committee. This may include elements such as structures, group dynamics, composition, and the roles and responsibilities of the executive committee. At this level, good organisational governance has been linked with high-performing sport organisations.[5,6]

Systemic governance describes how impacts from the broader sector can influence the governance of an organisation. These influences include pressures from government and other stakeholders, global trends, and relationships with other sport organisations.[7] Overall, governance seeks to ensure that the sector, as a whole and as individual organisations, are collaborating towards a shared outcome while monitoring and evaluating organisational performance.

1 Inglis, S., *Roles of the board in amateur sport organizations.* Journal of Sport Management, 1997. 11(2): p. 160-176.

2 Shilbury, D., L. Ferkins, and L. Smythe, *Sport governance encounters: Insights from lived experiences.* Sport Management Review, 2013. 16(3): p. 349-363.

3 De Bosscher, V., et al., *Successful elite sport policies: an international comparison of the sports policy factors leading to international sporting success (SPLISS 2.0) in 15 nations*. 2015: Meyer & Meyer Sport.

4 Australian Sports Commission, *Governance reform in sport*. 2016, Canberra: Author.

5 Sport Australia, *Mandatory Sports Governance Principles*. 2015, Canberra: Author.

6 Hoye, R. and A. Doherty, *Nonprofit sport board performance: A review and directions for future research.* Journal of Sport Management, 2011. 25(3): p. 272-285.

7 Hoye, R. and G. Cuskelly, *Sport governance*. 2007, Sydney: Elsevier.

# Sport in India

Sport is booming in India. Khelo India, a national level youth sporting competition, is indicative of the increased government investment in sport. India recently hosted the FIFA U17 Boys World Cup. The Indian women's cricket team finished second in the 2017 World Cup. Since 2013, there have been more than a dozen new national sport leagues launched, with some achieving spectacular success.[8] Private investment in sport has skyrocketed with broadcast rights increasing and new partnerships forming such as Reliance Industries and Star India's joint ownership of the Indian Super League.[9] The inclusion of sport as part of the mandated corporate social responsibility program has led large Indian corporate organisations (e.g., the Tata Group) to create and fund grassroots sporting programs through their philanthropic arm, (e.g., the Tata Trust).

However, the booming interest in sport has not necessarily resulted in improved performances in the sector. While some sustainable professional leagues have been created in sports such as kabaddi and badminton, many other sporting leagues only operated for a single season (e.g., Super Boxing League), closed down (e.g., Golf Premier League), or were mired in financial and other controversies (e.g., Pro Wrestling League).[10,11] Critiques of the performance of Indian sport generally tend to attribute weakness to the sport system manifested or exemplified by difficulty in talent identification, lack of facilities, poor administration, limited financial support, a culture that undervalues sport, and limited numbers of trained support personnel (coaches, sport scientists, etc.). This leads to the common perspective that success in Indian sport comes despite the system rather than because of it.

The major challenge for India's policy makers is to reform and develop a sport system that meets the modern challenges in the sport sector. This system needs to combine the learnings of the global sport industry with the unique opportunities and challenges of the Indian context. As governance is the backbone of any sport system, policy makers must focus on strengthening sport governance in order to allow for the development of a robust sport system.

8 KPMG, *The Business of Sports*. 2016.

9 Laghate, G., *IMG exits Indian Super League, Reliance Industries ups stake to 65%* in *The Economic Times*. 2018.

10 Pritam, N., *Boom in Indian sports leagues fails to establish sustainable elite sports culture*, in *Play the Game*. 2016.

11 EY, *Sport in India*. 2017.

# Sport Governance in India

The Indian sport system is predominantly a federated model. Each sport is governed by different and autonomous sport governing bodies for each geographic area. National governing bodies such as the BCCI or Hockey India or the All India Tennis Association are responsible for governing the sport on behalf of their members—the state sport associations (e.g., Karnataka State Lawn Tennis Association). While the federated structure is common within many successful sporting nations, India's 29 states and 7 territories far exceed countries such as Canada (13) or Australia (8) making it difficult and complicated for the national body to meet the interests of each member—and this is before accounting for the differences between India's states.

There are also many significant organisations outside the federated structure. These include governments (central and state), government agencies (e.g., the Sports Authority of India), and the Indian Olympic Association (IOA). These organisations fulfil similar roles to their counterparts in other countries. Additionally, in India, there are private and not-for-profit organisations making innovative and significant contributions to the sport sector in a way not generally found in other countries. Globally, most professional sport leagues are not-for-profit organisations which run the competition on behalf of participating teams that may or may not be privately owned. However, in India, companies such as Reliance, Star Sports, and the Mahindra group have created private partnerships and ownership at a league level.

Other organisations worth considering in India's elite sport framework are not-for-profit athlete support foundations. These organisations—the two most notable of which being GoSports Foundation and Olympic Gold Quest—draw primarily on funding from corporate social responsibility programs to provide athletes with elite support services they may not be receiving through the more formalised sport system.

Thus, there is a high level of complexity in the Indian sport sector as these diverse organisations (e.g., governing bodies, government, private companies, not-for-profit foundations, etc) are responsible for delivering and managing sport in India. Ultimately, the size and complexity of the sector is a significant contributor to a series of specific governance challenges for sport in India.

# Challenges for Sport Governance in India

The size and complexity of India's sport sector gives rise to four governance challenges relating to: 1. unclear roles and responsibilities; 2. inadequate professionalisation; 3. inability to differentiate between governance and management; and 4. poor accountability and transparency.

## Unclear Roles and Responsibilities for Indian Sport Organisations

Sport is delivered by many different parties. These include individuals (e.g., athletes and coaches), sport governing bodies (e.g., sport associations and federations), facilities, sponsors/funding bodies, and governments, among others. An effectively governed system ensures these parties engage in collaboration to maximise the use of resources by minimising duplicate programs and services while ensuring there are no gaps in meeting the needs of sport.

In India, the different levels of government, sport organisations, and the private sector often provide similar services such as coaching, academies, and events while some key areas (e.g., strategy and compliance) are overlooked. Duplication of services is problematic as it leads to confusion among organisations and athletes regarding accountability, is inefficient, and can leave gaps in the sport development system (e.g., gaps in talent development pathways between regional and national level competitions).

## Need for Professionalisation

Like the sport industry globally, Indian sport is becoming more complex and commercialised. However, many Indian sport organisations, particularly the governing bodies, have not made structural adaptations to meet the associated challenges of a commercialised and professional sector. These organisations continue to rely on volunteers to manage the operations of the organisation rather than hiring skilled professionals to handle the increased workload. Global sport is estimated to have an annual impact of over US$ 500 billion,[8,12] indicating that sport is not just a recreational pastime, but an industry requiring professionalised and specialised staff. A reliance on volunteers in a complex environment can lead to the sort of administrative errors that led to Indian swimmers not being ranked properly and thus experiencing a competitive disadvantage at the 2018 Asian Games.[13]

## Limited Differentiation between Management and Governance

All organisations need to differentiate between governance and management. Governance refers to the oversight and direction of an organisation and can be viewed as the 'head' of an organisation while management is about implementation and operations and is the 'hands' of an organisation.[14] Within sport, examples of management work may be team selection, running events, or administering the logistics of athlete support. While this work is undeniably important for sport to function, it should be done by administrators or management and not by the executive committee.

Currently, there is very little distinction between management and governance within Indian sport. In many Indian sporting organisations, the executive committee — the body ostensibly responsible for governance — usually finds itself doing the management work. Consequently, the executive committee finds limited time to govern (i.e., provide direction and oversight) because it is too busy engaging in administrative work.[15] Part of this problem stems from, on the one hand, the lack of staff and resources as well as institutionalised views of the role of the executive committee and, on the other hand, from confusion in understanding the differences between management (i.e., the 'doing') and governance (i.e., the direction-setting and oversight).

## Poor Accountability and Transparency

Sport organisations are often funded by public money to deliver the associated benefits of sport and are expected to act on behalf of an organisation's members.[16,17] Accountability refers to the identification of whether an organisation is meeting its responsibilities and goals. Transparency refers to the openness and clarity of an organisation. Good governance ensures organisations are accountable and transparent.

Many sport governing bodies within the Indian sport sector lack transparency and accountability which can lead to questions regarding legitimacy and credibility.[18] The loss of legitimacy and credibility can lead to significant negative consequences for an organization such as lost partnerships, diminished funding, and increased scrutiny.[19] Losing legitimacy and credibility can, therefore, make it difficult for Indian sport governing bodies to fulfil their governance role.

12 Collignon, H., N. Sultan, and C. Santander, *The Sports Market*. 2011, Korea: A. T. Kearney, Inc.

13 Ninan, S., *A national travesty': The farce behind India's swimming duck*, in *ESPN*. 2018.

14 Shilbury, D. and L. Ferkins, *Professionalisation, sport governance and strategic capability.* Managing Leisure, 2011. 16(2): p. 108-127.

15 Inglis, S. and L. Weaver, *Designing agendas to reflect board roles and responsibilities: Results of a study.* Nonprofit Management & Leadership, 2000. 11(1): p. 65-77

16 Enjolras, B., *The commercialization of voluntary sport organizations in Norway.* Nonprofit and voluntary sector quarterly, 2002. 31(3): p. 352-376.

17 Misener, K. and A. Doherty, *Understanding capacity through the processes and outcomes of interorganizational relationships in nonprofit community sport organizations.* Sport Management Review, 2013. 16(2): p. 135-147.

18 Geeraert, A., J. Alm, and M. Groll, *Good governance in international sport organizations: An analysis of the 35 Olympic sport governing bodies.* International Journal of Sport Policy and Politics, 2014. 6(3): p. 281-306

19 Deephouse, D.L., et al., *Organizational legitimacy: Six key questions*, in *The SAGE handbook of organizational institutionalism*, R. Greenwood, et al., Editors. 2017. p. 27-54

# Improving Sport Governance in India

Growth and development in the sport sector has broad benefits for India in terms of improved social inclusion, development opportunities, happier and healthier youth and communities.[20] While there are undeniable issues with governance in Indian sport, there are also strategies that can be implemented and overseen by Indian policy makers. These initiatives, described below, would support the development of the robust governance system needed to ensure long-term and sustainable growth of sport in India.

## Define Roles and Responsibilities

With many different bodies involved in the Indian sport sector, there are issues with both duplication of services and missed services. Indian policy makers should seek to better define the roles and responsibilities of the different types of organisations in the sport sector. However, this needs to be done in conjunction and collaboration with the sector and cannot be dictatorial. Drawing on the principles of collaborative governance, the different organisations and bodies should work together establish a shared vision for the sport and identify corresponding roles and responsibilities for each body.[21] A traditional division of responsibilities includes governments providing services/programs/benefits that affect the whole of sport (e.g., new stadium, centralised training facilities) while the federated model assumes responsibility for specific sports (e.g., running leagues, coach development). Other bodies can then provide specialised support for under-resourced areas.

## Professionalise the Administration of Sport

Most nations with high-performing sport systems underwent a pronounced shift from volunteer-run organisations to professionally managed organisations in response to the commercialisation of the sector.[22] The increase in professionalisation has seen sport organisations switch from mutual benefit organisations, benefiting all members and decisions made by members, to service organisations, as hired staff selected by a group of people carries out the decisions of the same people.[23]

Indian policy makers should similarly pursue professionalisation of the sector by allocating resources to support the hiring of trained sport management professionals for Indian sport organisations. Ideally, the senior level professional positions should have the authority of a CEO/Executive Director. That is, rather than just performing administrative tasks, the new senior professionals should be given relative autonomy to achieve the goals set out by the elected committees.

20 Schulenkorf, N., E. Sherry, and K. Rowe, *Sport for development: An integrated literature review.* Journal of Sport Management, 2016. 30(1): p. 22-39.

21 Shilbury, D., I. O'Boyle, and L. Ferkins, *Towards a research agenda in collaborative sport governance.* Sport Management Review, 2016. 19(5): p. 479-491.

22 Thibault, L., T. Slack, and B. Hinings, *Professionalism, structures and systems: The impact of professional staff on voluntary sport organizations.* International Review for the Sociology of Sport, 1991. 26(2): p. 83-98

23 Auld, C., *Professionalisation of Australian sport administration: The effects of organizational decision making.* European Journal for Sport Management, 1997. 4(2): p. 17-39.

### Develop Educational Resources on Governance

More governance education is needed to help committee members and broader members of the sport sector to understand the nature and purpose of governance and its distinction from management. Indian policy makers should develop resources such as online modules, templates, and short courses to help executive committee and sport management professionals understand the importance of governance and its role in a sport system. Importantly, policy makers should draw on the wealth of available online tools through organisations like Sport Australia, Sport New Zealand, and Sport Canada to develop resources specific to sport in India. Additionally, the act of professionalisation, described above, will also contribute to creating a distinction between management and governance.

### Introduce and Enforce Accountability and Transparency Requirements

Policy makers need to develop and enforce improved accountability and transparency requirements. There are multiple sets of guidelines (e.g., Play the Game, Sport England) that provide sound recommendations for the standards of transparency and accountability required for good governance. Often these recommendations relate to topics such as election procedures, financial statements, board minutes, conflict of interest, and similar issues. By tying funding to governance practices, policy makers can improve transparency and accountability. Improved governance will have a positive follow-on effect in terms of greater legitimacy and credibility and in turn enable sport organisations to gain better access to resources and investment.

## Opportunities for Australia

Sport in India is growth sector and provides significant opportunities for Australia. Australia's experience and support can help strengthen governance in Indian sport and the Indian sport sector and broaden and deepen the sporting relationship between India and Australia.

There are multiple connections and projects between Australia and India regarding sport. These include government to government relationships, Australian universities working with Indian governments, Australian sport organisations working with Indian sport organisations, and partnerships between Australian government and private organisations to work in India. All these initiatives have created opportunities to enable richer ties within the sport sector and contribute to improved sport governance in India.

Additional recommendations for Australian government policy makers include:

1. *Support knowledge exchange* – Australian universities and Australian sport organisations have demonstrated an interest in pursuing partnerships with organisations involved in Indian sport. Within India, the sport industry requires expertise and investment across all areas of sport (i.e., technology, coaching, facilities, etc.) to maximise growth. However, without effective governance, strategies for growth may be disjointed resulting in white elephant investments. Thus, policy makers should look to support initiatives focused on improving sport governance. This support can be provided by modifying the objectives of existing grant programs (such as that of the Australia-India Council) to focus on sport governance or by creating new programs aimed to support Australian involvement in Indian sport governance.

2. *Support Sport Australia to engage with peak Indian bodies for developing capacity in sport governance* – Sport Australia, the government agency responsible for developing Australian sport, is one of the leading global bodies in sport governance policy. However, it is under-resourced to be an effective public diplomacy body for Australia. Introducing funding and resources specifically aimed at helping Sport Australia to engage with India would help the Indian sport sector. This can create improved trade between the two countries in the sport sector as well as strengthen ties between the nations to allow for the benefits associated with a strong relationship.

3. *Organise trade missions and provide support for Australian businesses to engage in India* – One of the drivers of sport governance reform in Australian sport was the increased commercialisation of the sector. Thus, the involvement of Australian businesses in Indian sport could have the same impact. Australian businesses are likely to require partner organisations in India to meet higher governance standards than are currently practiced which could help influence stronger governance in the sector.

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