From Beijing to Rio, Funding UK Elite Sport through the ‘No Compromise’ Policy

James Bostock

Abstract
In 2009, through its ‘No Compromise’ policy, UKSport allocated the last of its subsidies for the 2012 Summer Olympic funding cycle. The ‘No Compromise’ strategy allegedly targets ‘resources solely at those athletes/sports that are capable of delivering medal winning performances.’ While most Olympic sports saw significant increases in funding, the ‘rational’ nature of these funding decisions saw eight sports receive funding reductions of between 5% and 52%. This commitment to a ‘No Compromise’ model has continued with the announcement of the Rio de Janeiro 2016 funding allocations, with some sport losing 100% of their UKSport funding for their elite programmes. In response, the ‘No Compromise’ policy has been challenged by those sports that received reductions. The aim of this research is to deconstruct the funding decisions and to challenge the consequences of the ‘No Compromise’ model. The research will begin to place these decisions within the wider political and ideological environment to expose patterns of inequality faced by the sports that received a reduction in funding. Semi-structured interviews were conducted with the members of the management of two NGBs that received reduced levels of funding. This research paper seeks to achieve two objectives. The first is to determine the impacts of the funding decisions on the NGBs that received significant reductions in funding. The second objective examines how UKSport uses the ‘No Compromise’ funding regime to exert managerial control over NGBs.

Key Words: Sport management, Olympics, funding, elite sport, United Kingdom, governance, power.

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1. Funding and the National Governing Bodies of Sport
In 2006 UKSport, the body responsible for funding summer and winter Olympic elite level sports in the UK, adopted the ‘No Compromise’ approach to funding the National Governing Bodies of Sport (NGBs).¹ As part of a clear prioritisation of elite sport, the funding strategy not only targeted ‘resources solely at those athletes/sports that are capable of delivering medal winning performances,’ but also enabled UKSport to withdraw funding from the Olympic funding cycle from those NGBs that failed to achieve performance targets.² This occurred during the London 2012 funding cycle where eight Olympic sports saw their overall levels of funding reduced, even when several NGBs actually achieved their targets. The funding mechanism has continued into the Rio de Janeiro 2016...
funding cycle and has created a new relationship between UKSport and the NGBs, one based on resource-dependency, where if the sport achieves specific targets they will in principle receive their funding.³ As UKSport and the NGBs move into Rio de Janeiro 2016 Olympic funding cycle, which has seen the UK Government invest an unprecedented £283.6m into elite able bodied sport, nine NGBs saw their funding allocation from UKSport cut from between 9.3% and 100%.⁴

When deciding on these funding levels UKSport employed the ‘No Compromise’ funding strategy to rationalise the decisions they made in terms of reducing the funding allocated to nine of the NGBs. However, if the ‘No Compromise’ model is based on NGBs achieving performance based objectives, why did several sports receive significant reductions in funding when their objectives were met? The NGBs felt the process lacked transparency and the funding decisions have consequently damaged their ability to meet future performance based targets because they lack the resources to effectively create sport development pathways for their elite athletes. Richard Callicott, Chairman of the British Volleyball Federation, stated:

To all intents and purposes this decision shows that despite how well we have done, UKSport cannot see the significant progress we have made from a standing start... I dispute their argument that we don’t have the talent to win medals, what we don’t have is the programme and how are we supposed to put that in place without any funding.⁵

UKSport made the funding decision to reduce volleyball’s funding by nearly 90% based on the perception that the sport would find it extremely challenging to achieve medals at future Olympics, even though volleyball had actually achieved their minimum performance target. Table tennis also met their performance targets, but still saw their funding reduced by 100% (See table 1). What made this decision making process even less transparent is fencing, water polo and weightlifting received a funding increase without meeting their performance targets, with water polo seeing 55.1% increase in their funding.⁶ The NGBs that received funding reductions struggled to understand why their funding had been significantly reduced, particularly as one of the principle objectives of the London 2012 games was to achieve a sporting legacy. Chris McDermott, a British Handball Olympic Player, stated:

I think the whole tag and mantra of the Games was ‘legacy,’ and handball has shown we’re capable of producing a legacy. In England, participation in the sport has quadrupled since the Olympic Games. If you take away the elite end, what do these kids have to aspire towards?⁷
The drive to create a more performance driven elite sport programme is not something new, and is not exclusive to the UK. Stell’s work, in this volume, identifies that as countries began to monitor the outcomes (social impacts and legacy) of major events, such as the Olympics and Commonwealth games, the dominant discourse surrounding the rationale and support for these events was altered – particularly from an economic and political perspective. Tendai Chari, also in this volume, notes that sports which society deems to be culturally significant and have a high degree of perceived importance within the media will create a discourse of ‘practical and symbolic significance’ whereby institutions will support these sports above and beyond others. While the targeting of funds at ‘performing’ sports in the UK has been applied since the inception of the ‘No Compromise’ policy, the sport performance aspect is not the only criteria in terms of deciding who receives funding – there is also a ‘cultural criteria’ as well. With the UK re-aligning their funding mechanism and South Africa focusing on sports that ‘society’ deems to be culturally significant, both countries carry a risk of creating a more homogenous sporting landscape where government agencies, such as UKSport, will decide which sports are acceptable through their allocation of funding.

Table 1:
Comparison of UKSport Olympic Funding: Beijing 2008 and London 2012

<table>
<thead>
<tr>
<th>Sport</th>
<th>Funding for Beijing 2008 (£m)</th>
<th>Targets Achieved in Beijing?</th>
<th>Funding for London 2012 (£m)</th>
<th>% Change in funding</th>
<th>Targets Achieved in London 2012?</th>
<th>Funding for Rio 2016 (£m)</th>
<th>% Change in funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table tennis</td>
<td>2.53</td>
<td>No</td>
<td>1.21</td>
<td>-52.2</td>
<td>Yes</td>
<td>0</td>
<td>-100</td>
</tr>
<tr>
<td>Wrestling</td>
<td>2.13</td>
<td>No</td>
<td>1.43</td>
<td>-32.9</td>
<td>No</td>
<td>0</td>
<td>-100</td>
</tr>
<tr>
<td>Handball</td>
<td>2.99</td>
<td>N/A</td>
<td>2.92</td>
<td>-3.0</td>
<td>No</td>
<td>0</td>
<td>-100</td>
</tr>
<tr>
<td>Volleyball</td>
<td>4.11</td>
<td>N/A</td>
<td>3.54</td>
<td>-14.7</td>
<td>Yes~</td>
<td>0.514</td>
<td>-89</td>
</tr>
<tr>
<td>Archery</td>
<td>2.83</td>
<td>No</td>
<td>4.4</td>
<td>+55.5</td>
<td>No</td>
<td>3.13</td>
<td>-28.9</td>
</tr>
<tr>
<td>Badminton</td>
<td>8.8</td>
<td>No</td>
<td>7.4</td>
<td>-15.1</td>
<td>No</td>
<td>5.9</td>
<td>-20.5</td>
</tr>
<tr>
<td>Swimming</td>
<td>20.6</td>
<td>Yes</td>
<td>25.14</td>
<td>+23.9</td>
<td>No</td>
<td>21.4</td>
<td>-15.1</td>
</tr>
<tr>
<td>Basketball</td>
<td>3.7</td>
<td>Partial</td>
<td>8.6</td>
<td>+132.8</td>
<td>No</td>
<td>7.04</td>
<td>-18.1</td>
</tr>
<tr>
<td>Judo</td>
<td>6.94</td>
<td>No</td>
<td>7.48</td>
<td>+7.7</td>
<td>Yes</td>
<td>6.8</td>
<td>-9.3</td>
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<tr>
<td>Diving</td>
<td>5.87</td>
<td>No</td>
<td>6.54</td>
<td>+11.1</td>
<td>Yes</td>
<td>7.46</td>
<td>+17.5</td>
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<tr>
<td>Shooting</td>
<td>5.06</td>
<td>No</td>
<td>2.46</td>
<td>-51.5</td>
<td>Yes</td>
<td>2.99</td>
<td>+21.6</td>
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<tr>
<td>Fencing</td>
<td>3.07</td>
<td>Yes</td>
<td>2.53</td>
<td>-18.0</td>
<td>No</td>
<td>3.08</td>
<td>+21.9</td>
</tr>
<tr>
<td>Weightlifting</td>
<td>1.68</td>
<td>Yes</td>
<td>1.36</td>
<td>-19.3</td>
<td>No</td>
<td>1.79</td>
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<tr>
<td>Equestrian</td>
<td>11.72</td>
<td>No</td>
<td>13.39</td>
<td>+14.1</td>
<td>Yes</td>
<td>17.92</td>
<td>+33.9</td>
</tr>
<tr>
<td>Water polo</td>
<td>3.5</td>
<td>N/A</td>
<td>2.9</td>
<td>-7.8</td>
<td>No</td>
<td>4.54</td>
<td>+55.1</td>
</tr>
</tbody>
</table>

~maximum expectations were not meet however
2. The Olympic Funding Cycle and New Public Management
The changes to the funding criteria, elite sports policy and the governance of NGBs have clearly been influenced by the concepts and principles of ‘New Public Management’ (NPM). Through the NPM policy, UK central government has sought to place greater emphasis on managerial improvement within government agencies, such as UKSport, by giving them greater autonomy through a decentralised approach. Although this decentralised process has given UKSport access to higher levels of resource, it in turn expects the NGBs that it funds to adopt a more market based approach to management with a clear focus on efficiency and effectiveness. 

This approach has been described as a ‘good managerial approach’. Moreover, market approaches are results orientated, focusing on efficiency, effectiveness and service quality, in addition to placing higher levels of accountability on the NGBs that receive funding. This accountability is assessed by UKSport through a measure of whether the NGBs had achieved their criteria in terms of ‘good management’ and winning Olympic medals. With this ‘simplified’ measure of performance now in place, a key criticism of NPM becomes apparent as the NGBs actually face complex objectives because they meet the needs of more intricate accountabilities, while still lacking the degree of freedom that many market based organisations have. While this approach will generate greater autonomy within the NGBs, in terms of how they respond to the changes in funding, the increased freedom may actually result in responses that favour certain groups and are detrimental to others. The concept of inclusive/exclusive discourse, noted by Chari, is important to acknowledge here because certain groups will benefit from these funding decisions at the expense of others. With sport in the UK becoming more dependent on central government funding, this being a resource dependent relationship, the NGBs will see a shift in their relationship with key stakeholders – including amateur and elite athletes, coaches, administrative staff, volunteers and board members. This change in relationship between the NGBs and its stakeholders will see the focus of the NGBs accountability shifting from its stakeholders, to meeting the needs and wants of UKSport – meaning that groups, such as minority groups, can be bypassed with no recourse, as long as the sports targets are met. Ultimately the funding bodies maintain the power to decide who is included rather than the actual stakeholders within the NGBs. If a new strategy is to prove successful, then effective governance systems need to ensure that the decision making process is transparent, engaging and represents the interest of all stakeholders rather than just those in positions of power.

To move in a new strategic direction and to meet the challenges of ‘No Compromise,’ NGBs need to ensure that the strategy is not only harmonious with their stakeholders’ interests, but also meets their responsibilities to central government and UKSport. Painter argues that ‘most areas of public service and administration have distinct political, ethical, constitutional and social dimensions’
that render it different from the private sector. Indeed, an argument can be made that NPM may not be applicable to public sector organisations, nor should it be seen as a superior benchmark for NGBs as their managers will have to deliver ‘non-market’ objectives. A loss of accountability to stakeholders can result in what is described as a ‘democratic deficit.’ If NGBs do not implement a governance system that can monitor their new strategy and control their new strategic direction, they may see a further reduction in funding through the intervention of UKSport, as well as come into conflict with their stakeholders. This may prove to be problematic, especially as government influenced sport policies such as the ‘No Compromise’ funding model in the UK and the government’s financial support of the South Africa World Cup have led to dramatic shifts in sports policy. This shift will likely focus on short term benefits, such as winning medals and national pride, rather than long term investments in each sport – something which certain sports with complex development schemes and low participation levels need.

3. Power Relations and Governance

To further understand power relations and governance, with the creation of ‘No Compromise’ it could be argued that UKSport are seeking re-align the meaning/mission of the NGBs from that of regulatory bodies to organisations that have a stronger focus on elite athlete development. UKSport is exerting power on the NGBs by seeking to control outcomes. Chari acknowledged this as a source of contention when discussing the Football World Cup held in South Africa. The narrative portrayed was the event was a ‘Pan-African project for everyone of continental Africa.’ Although the narratives within both situations are seeking to create a dominate discourse, the desire to control the outcomes could be problematic as the new discourse may actually construct clearer paths of criticism. For example, Chari identifies clear criticisms of the South African World Cup because it failed to integrate its immigrant Zimbabwean population into the event – which resulted in many of them leaving the country. UKSport’s use of statistical evidence to define success could be problematic as their measure of success is more tangible, actually making it easier for all stakeholders to not only criticise the performance of the NGBs, but UKSport as well. Both examples show that rationalising funding decisions will marginalise certain groups, while promoting others. In the case of UKSport, by creating a funding model that is based on rewarding achievement, they are seeking to legitimise a nascent discourse within sport that is allowed to penalise NGBs that do not achieve their targets.

As the NGBs adapt to the changes imposed on them by their funding reductions the values, ideas and beliefs that underpin these organisations will come under pressure from not only key stakeholders within the organisations but also from other government agencies such UKSport, Sport England and the Department for Culture, Media and Sport (DCMS). However, the NGBs will not necessarily be
focused on short term solutions to halt their decline in performance. This is because management decisions usually seek to preserve the organisational ‘status quo,’ which can result in the values and structures that facilitated the decline not being challenged. Subunits within the organisation will seek to exert influence and authority to protect themselves from the perceived negatives of change, rather than seeking performance improvement. These problems can be exacerbated within NGBs as they balance the development of elite athletes and the need to increase grassroots participation rates within their own sport. This could have the effect of distorting the NGBs aims and strategies because of the conflicting objectives. However, this drive to improve elite level performance is the key rationale for its increased level of funding as it is seen that improved elite performance, in terms of the amount of medals won, will actually drive mass participation. Chari identified similar issues within the South African World Cup, where the rationale for funding this mega event was to provide a legacy of increased participation. However, an in-depth analysis suggests there is little evidence to support the viewpoint that funding elite sport and mega sport events actually have grassroots sport participation benefits. Funding is often redirected to elite sport and mega sport events because ‘self-interested actors’ control the strategic direction of sport within the given country and seek to not only control the resource base for sport, but to actually enforce these funding decisions. This is why ‘power relations’ are so important in the study of organisational change and decision making. All stakeholders that have a direct interest in the NGBs will engage in political manoeuvring – with the intent of persuading any opposing parties not to challenge these decisions by creating strategies, forming alliances or resisting decisions.

Dowding explains that the power relationships that exist between and within organisations, the NGBs and UKSport in this case, need to be analysed so that the actions of individuals/groups can be explained and put into context. If we adopt a more critical perspective, Alvesson and Deetz would argue that the funding allocations made by UKSport and the response by the NGBs, in the long run will largely serve those in positions of power. Consequently, this move to rewarding performance (medals) could be seen as being beneficial to these individuals/groups that have been achieving their performance targets. By using critical approaches, researchers seek to understand and address the perceived inequalities in the funding allocations by empowering the actors involved to make sense and understand what is happening around them. It has been suggested that sport reproduces ‘status quo’s’ within society, to the extent it is fundamentally affected by social relations and political environments. If this is the case then the funding decisions of UKSport and indeed the reaction of the NGBs will bring into question key issues surrounding the concept of governance. Governance will determine where funding is allocated, and as a result certain groups will be marginalised and others promoted. While there is a host of literature focusing on governance, there is little that has been applied to strategy formulation within NGBs.
issues are often at the forefront of debates, especially when the NGBs go through processes of change. Therefore, effective management is essential if change is to be realised. With the NGBs working with reduced levels of income, what constitutes an appropriate form of governance has been questioned. Clearly, the NGBs will be experiencing pressure to increase revenue generation, attract higher membership numbers and produce world class athletes. At the same time NGBs are being required to adopt practices more akin to a ‘business’ model of operations to prevent further reductions in their funding allocation. Governance has therefore become a critical component of the effective management of sport organisations, particularly those funded by UKSport.

Through the measures that are being imposed on the NGBs ‘No Compromise’ Competence Framework, UKSport is attempting to exert control, so that ultimately NGBs act in a manner that is intrinsically linked to UKSport’s own aims and objectives. The goal of UKSport is to achieve the maximum amount of medals from their investment, while the NGBs must contend with the interests and viewpoints of multiple stakeholders, including amateur and elite athletes, coaches, sponsors, volunteers and board members. It is apparent that these methods of ‘constraint’ have been adopted so that the NGBs (the agent) act in the interests of UKSport (the principal) rather than their own – a key tenet of principal agent theory of governance. Spear identifies key external factors such as government influence and the drive towards the professionalization of managers (as can be seen through UKSport’s NPM agenda) as tilting power towards the managers, out of the hands of stakeholders.

Spear goes on to state that this model of governance, ignores individual members, due to performance measures placed on them and therefore marginalises ‘collective, social or organizational factors…it tends to ignore non-financial motivations such as common values, shared benefits and trust.’

Walters, Tacon and Trenberth argue that NGBs need to become much better at identifying the intensions of their stakeholders, noting ‘all NGBs should bring key stakeholders to the board/committee to improve stakeholder representation.’

While NGBs are able to access additional sources of finance such as sponsorship, the one-way nature of the relationship between the UKSport and the NGBs create an inherent problem for governance. NGBs are required to act in a certain manner, which potentially means they could bypass the interests of their own stakeholders to achieve funding. Democratic theory is an alternative view of governance that sees the NGBs stakeholders as a group of culturally interconnected individuals, who share common norms and values. A key characteristic of this model is that through its methods of representation, it allows for greater transparency in decision making through engagement with organisational members and stakeholders. However, unless the democratic model can engage at both the internal and external level, the organisations that employ it are more concerned with how engagement and democracy can be institutionalised through practices


within the NGBs. A more critical perspective on organisational governance would seek to challenge this status quo and question how these democratic processes came about, how they were selected and whether they serve the interests of one particular group. A critical approach would ask whether the decision-making process would be enhanced if the NGBs were actively engaged and consulted with before their level of funding was determined by UKSport. However, as we move into the Rio de Janeiro 2016 funding cycle, it seems that this top-down form of governance and management will continue. This will leave the NGBs having little opportunity to consult over their funding allocations or to influence decisions in sport policy formulation.

Research within the field of sport management is often based on improving the efficiency and effectiveness of sport organisations. Little emphasis is placed on who these improvements are designed for, or their possible consequences and outcomes. From a governance perspective UKSport developed the ‘Competencies Framework’ because most of the NGBs lacked governance systems to ensure ‘transparency, financial controls, and monitoring and reporting.’ While this drive to create a more effective governance framework should not be dismissed, Habermas identifies two key critical issues. First, while these targets maybe viewed as rational by NGBs management, other stakeholders may understand this rhetoric differently. There is simply no objective truth about the NGBs governance obligations. Secondly, the relative ability of the NGBs to implement this structure modelled on the Competencies Framework would be based on the rhetorical and resource ability of the NGB concerned. What this means is that any engagement with stakeholders in the governance process will actually be distorted. Although it may be observed to be in good faith, it could actually be an act of coercion to meet the criteria set down by UKSport. Noland and Philips go on to state that ‘moral engagement is marked by specific conditions of communication which ensure that the communication is uncorrupted by power differences and strategic motivations.’ The issue here is that the criteria set out by UKSport make uncorrupted communication almost impossible.

4. Method
 Central to this research is the generation of a legitimate account of how the funding reductions have affected the NGBs. Silverman believes that legitimate accounts can be achieved through in-depth interviews with the actors involved. To generate the data, semi-structured interviews involving in-depth discussions focusing on key themes and questions were conducted with representatives from Olympic NGBs. Interviews are a type of data collection where the researcher has the opportunity to gather knowledge that is not available elsewhere. For the purpose of this study, conducting semi-structured interviews with representatives from two NGBs has allowed the researcher to further understand the impacts that funding reductions have had on their programmes. By engaging with the
participants so they can evaluate the impacts of the funding reductions, this study will assess the implications of the change programme on the organizations concerned. The researcher will use the key themes of organisational power, governance and change as a general guide for the interview so as to eliminate distortion and create a consensus of opinion between the actors involved. Under the semi-structured interview process, additional probing questions were asked to obtain supplemental detail needed to answer the research question. Probing questions further enable researchers to ‘home in’ on topics of relevance to the research agenda. Bourdieu supports this notion of the process of interviewing by stating:

…this craft is a real ‘disposition to pursue truth’, which enables one to improvise on the spot, in the pressing situation of the interview, strategies of self-presentation and adaptive responses, encouragement and opportune questions, etc., in such a manner as to help the research respondent give up her truth or, rather, to be delivered to her truth.

As noted above, semi-structured interviews were conducted with two current chief executives of Olympic NGBs to allow a comparative case study approach. Purposive sampling was chosen to select these NGBs because it was important to identify and select organisations that had received significant reductions in funding for the London 2012 funding cycle and had experienced negative consequences as a result. As a result of this sampling method the two NGBs were selected. To justify the reasoning for narrowing the focus of this research to these two sports, the first NGB was selected because they received a 52.3% reduction in funding for London 2012, resulting from targets not being met in Beijing 2008. Although this NGB actually met their targets for London 2012, their funding for Rio de Janeiro 2016 saw a 100% reduction. The second NGB experienced a 18% reduction in funding for London 2012 when their targets were not met in Beijing. Although this NGB did not meet their targets during London 2012 they actually received a 22.5% increase for the Rio de Janeiro funding cycle.

5. Case Studies Analysis of the Two NGBs

With UKSport adopting the ‘No Compromise’ funding model, the NGBs have had to change their daily operations and structure. This point is further reinforced by several authors, who argue there are a number of structure related issues surrounding NGBs. Now that the criteria for funding is focused on performance, the NGBs will be inclined to direct more resources (i.e. funding and coaching) towards athletes who will hit performance targets now, rather than focusing on the long-term development of younger athletes. Consequently, the respondents felt the funding decisions have impacted upon not only the organisational structure of their
NGB, but also upon its culture and mind set. Both respondents were of a similar view that performance had to be rewarded, but the representative from the first NGBs noted there also needed to be investment:

Well I understand the model perfectly and the ruthless ‘No Compromise’ approach to high performance is right. You don’t dilute excellence. However, the issue with it is that at some point there has to be an element of investment in a programme as opposed to purely rewarding a programme. Where will long-term investment come from?

When analysing the interview responses regarding the impact of the ‘No Compromise’ funding model, it can be argued they are the result of the participating NGBs being forced to adopt a more professional approach to their activities. This has resulted in the NGBs aligning themselves more closely with the private sector as opposed to remaining closely aligned with the voluntary sector. Consequently, based on the data collected for this research, different values are now emerging within at least some sporting NGBs. Changes in culture influences the values and beliefs of some organisation and daily operations and arguably the traditional perceived role of NGBs within UK sport. In supporting this perspective, the representative of the second NGBs mentioned:

If funding is going to be linked more and more to performance and medals, then the elite guys need to be supported. It’s incredibly tough to win medals – that is why the focus needs to be on high performance.

As the NGBs adapt to the changes imposed on them by their funding reductions the values, ideas and beliefs that underpin these organisations will come under pressure from not only key stakeholders within the organisations but also UKSport. The responsibility of adopting professional practices extolled by UKSport and a more intensive drive to gain additional commercial sponsorship is now considered an essential element in the role of the NGBs interviewed, and is arguably symptomatic of other NGBs within UK sport. However, Steen-Johnsen and Vidar Hanstad identified this as creating a dilution of purpose within Norwegian NGBs, who have little skill, ability or inclination to engage with the private sector because it distorts the NGBs aims and objectives and distracts them from their main purpose of representing and governing their specific sport.

The concept of control as a function of management through their relationship with UKSport was a key theme identified when analysing the interview data. For example, as a result of the drive to professionalise the NGBs, they have had to become more business-like (private sector ethos) in their approach to managing
their organisations by showing higher levels of accountability. NGBs that are not bound by funding mechanisms not linked to performance targets are generally in a better position to answer the needs and demands of their own internal stakeholders, such as athletes, coaches and clubs. When this relationship moves to one of resource dependency, the organisation providing the resources can exert greater demands over the NGBs and generally ignore other stakeholders. One particular pressure that UKSport was exerting over the NGBs was the drive away from their amateur footing to one where the representative of the second NGBs saw a greater role for the professional:

We needed to show UKSport that we were not only accountable for the money they gave us, but we also needed to show that we ran our organisation in a professional manner. The board committee needed to change and be put on a more professional footing. That is why we recruited Alex Newton (performance director) to show UKSport we were serious about winning medals, and showing a return on their investment. Within this role, we wanted the new performance director to move our athletes away from an amateur footing to a more professional, business like mentality.

It is clear that due to the massive reductions in funding the NGBs have to respond effectively and quickly as there is a danger that they won’t be able to deliver future Olympic development programmes. As a result, both of these NGBs have changed their existing strategies to try and meet these demands, though in completely different ways. The first NGBs has adopted a strategy whereby they move away from the use of voluntary staff and embrace a more ‘professional’ structure to meet the demands of UKSport. The second NGB sees the four-year funding cycle as entirely problematic as they need ‘a triple Olympic funding cycle (12rs) of sustained investment’ because of the time scales involved in the development of their elite athletes. This is because the development of elite athletes within sports that require 'complex skills' sets, require a higher degree of investment in terms of time, funding and coaching. Whilst there are no rigid guidelines to successfully implement ‘turnaround’ strategies, many researchers have supported Mordaunt and Cornforth’s assumptions that long-term stable investment is a key factor for an organisation to improve performance. With such a drastic reduction in funding, the first NGBs representative feels that their organisation warrants drastic changes in direction:

The funding reductions have destroyed moral, expertise and I think we have got to take it into our own hands to try and get the sustained support that is required…I just think we have got to
take our destiny into our own hands... and place greater emphasis on the club structure and somehow attract money into the sport and keep going. Grow the sport until we can generate enough financial resource and grow clubs up to the level where they can actual deliver more world class performers.

Both NGBs have adopted strategies to try and ‘turnaround’ their performance decline. Turnaround, in the context of the NGBs, are the operational decisions the organisation takes to halt a decline in organisational performance and the strategic choices taken to ensure a move to acceptable performance. To enact an operational and strategic reversal the NGBs have chosen a clearer focus on developing a professional structure and a drive to create a stronger club system. However, while senior management teams of the NGB seek to implement this new turnaround strategy and seem able to manage the influence of key stakeholders, the nadir of the incident (the funding decisions) seems to be completely out of their control or influence. This means that these NGBs are unlikely to be able to reverse their decline, because they do not have the stable investments needed for the development of their sport.

As the NGBs begin to respond, adapt and change to the funding reductions enforced upon them, the managerial and leadership skills of the CEOs have been placed under increased ‘pressure’ to meet future performance targets. However, both representatives interviewed felt that there was uncertainty as to whether they would receive their funding allocation even if they achieved their performance targets and a perception that some sports had a distinct advantage in achieving their goals. What accounts for these differences in perceptions is called the ‘shadow-side,’ where many of the leadership and management decisions take place but do not get identified, discussed or managed in the public domain. So while the achievement of medal targets is an objective measure of performance, the decision making process behind the level of funding received by the NGBs has been obscure. Although the representatives interviewed are entirely pragmatic about the funding levels, they still see an element of unfairness in the process:

When we received our reduced level of funding we didn’t see comparable levels of reduction in other sports. We could see that certain money has gone into basketball which doesn’t have the same incredible detailed sophisticated systems that we have in terms of our organisation. What we tried not to get into was saying ‘how come they got more and we got less’ it’s not our business but it just seemed unfair that we were being targeted.

To try and make sense of the impacts of the funding decisions, the concept of the ‘shadow-side’ can be linked to the concept of power through the application of
Luke’s three-dimensional model.\textsuperscript{70} The first dimension, overt, at its core is seen as behaviourist – suggesting acts of power are observable.\textsuperscript{71} In this regard, the CEOs of the NGBs are fully aware that if they fail to reach their medal target they will receive a significant reduction in their funding. Moreover, they understand the decision making process, but the key weakness here is that there is a clearly a difference between the rhetoric of UKSport and their decision because this dimension does not explain the discrepancy in funding levels. The second dimension (covert), is where power is exercised behind closed doors and where the decision making process can be manipulated or influenced by those that have the power to the set the agenda, whilst excluding those that do not have power. This dimension may explain why there is a discrepancy in funding levels, but does not explain why the NGBs seem resigned to accepting the funding allocations. Luke’s’ third dimension (ambivalence to being dominated) occurs when those with power have the ability to shape opinions to reflect the views of those in power, and more importantly those that are being controlled are acquiesce in their response. This compliance occurs at two levels, one where the groups actually believe the values which oppress them, or this as in this research, they are resigned to the decision as there is simply no alternative.\textsuperscript{72}

The hierarchical chain of power from government down to NGBs has effectively coerced the NGBs into delivering a narrow, Olympic-driven sports policy to meet governmentally set targets. This restricts the NGBs in terms of the time they have for other activities and may lead to a decline in their sports. Indeed, Spear found that what normally happens in NGBs that become more reliant on professional staff, is that volunteers, coaches and club officials are bypassed during the making of key decisions and as a consequence leave the NGBs.\textsuperscript{73} This in turn creates a knowledge ‘vacuum’ with an actual decline in the number of people in the NGB who have an intimate knowledge of the sport.\textsuperscript{74} It is observed that this has begun to happen in the NGBs researched, for instance:

The organisation was not run by professionals, so a key issue was to try and ‘remove’ the amateurs that held sway. Without their removal it would have been almost impossible for us to adopt a more professional footing – we had to start to think more like a business.

Spear identifies UKSport’s external drive towards professionalisation of the NGBs as tilting power towards the managers, out of the hands of stakeholders.\textsuperscript{75} Spear also goes on to state that if there is a concentration of professional staff (paid), volunteers will be ignored because the professional organisations ‘tend to ignore non-financial motivations such as common values, shared benefits and trust due to performance measures placed on them.’\textsuperscript{76} Walters, Tacon and Trenberth support this viewpoint by arguing that NGBs need to better identify their
stakeholders and ‘should bring key stakeholders to the board/committee to improve stakeholder representation.’ With UKSport directing NGBs to act in a performance, professionally orientated manner, there is little incentive to engage in this process and stakeholders will most likely continue to be marginalised.

6. Conclusion

Some key conclusions drawn from the research suggest that the ‘No Compromise’ funding system has created a new power relationship between UKSport and the NGBs. At the heart of this relationship is UKSport’s desire to coerce the NGBs into delivering much more focused Olympic-driven programmes to meet medal targets. Relating this study back to Stell’s work, she notes that a narrow focus on world class performance targets is likely to continue as performance expectations from all stakeholders will only increase. Indeed, the concept of performance within the Olympic Games is only likely to become more centred on the analysis of comparative medal tables. The consequence of the focus on winning medals is that it alienates stakeholders such as volunteers, which means the professional staff have less resources to address the factors behind the sport’s general decline because of the focus on elite athletes. The resource dependent nature of the relationship with UKSport means that the NGBs that received funding cuts need to decide if their organisation can achieve its targets by continuing with its existing strategy. However, with reduced resources resulting from severe funding cuts they may warrant the need for a drastic change in direction. With UKSport showing a clear commitment to the ‘No Compromise’ funding model following the allocations of funding for the 2016 Olympic Games in Rio de Janeiro, the management of the NGBs are extremely limited in their options. Unless the funding mechanisms change after 2016, the narrow focus of short-term medal targets on which UKSport judge the performance of the NGBs may actually force them to adopt practices that may well bring short-term gains. The adopted practices almost counter-intuitively put the long-term development and success of sports that receive funding reductions in jeopardy.

Notes

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**James Bostock** is a Senior Lecturer in the Centre for Tourism Hospitality and Events Research at Sheffield Hallam University. This paper forms part of his PhD research into the investigation of how sport national governing bodies have responded to reductions in their funding.