APPLICATION OF GOVERNANCE PRINCIPLES BY SPORTS FEDERATIONS IN KENYA

BY

SEBASTIAN ONYANGO OKECH

A MANAGEMENT RESEARCH PROJECT SUBMITTED IN
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR
THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION (MBA), FACULTY OF COMMERCE,
UNIVERSITY OF NAIROBI



MIVERSITY OF NAIRUS.

SEPTEMBER, 2005

DECLARATION

This research project is my original work and has not been presented for a degree in any other university.

Signed Signed

Date 26905

11. Date 26/9/2025

Sebastian Onyango Okech

This research project has been submitted for examination with my approval as the University supervisor.

Signed.

Dr. Martin Ogutu

Senior Lecturer,

Department of Business Administration

Faculty of Commerce

University of Nairobi

INVERBITY OF NAIROL.

DEDICATION

To William and Felgona, my parents, who always believe in giving everybody a chance in life.

ABSTRACT

While the sports industry continues to grow rapidly and develop as a vibrant and crowd pulling phenomenon, not much has been done to study the important area of governance relating to sports organizations in Kenya. This study therefore sought to address this state of affairs, and specifically to investigate the application of governance principles within these sports organizations.

A world Bank review on corporate governance (2000) observes that major corporate failures are often the result of fraud, incompetence and abuse of power and responsibilities and that only through an improved system of governance can organizations address these issues.

The study was carried out in Nairobi since all the sports organizations have their headquarters in the city. The primary data used in this study was collected using structured questionnaire and open-ended questions. The questionnaire was administered on a "drop and pick later" basis. About 25 out of 50 organizations responded favourably giving a response rate of 50%.

Analysis of data revealed that certain aspects of governance principles were blatantly ignored without reason. For example the auditing of organizational funds was seen to be not important across board, hence was not practiced at all.

It is also noted that it was not possible to reach officials of the large and famous sports organizations. Usually they are very busy either in power struggles or in organizing their athletes.

The finding of this study suggest the urgent need to implement policy which will compel sports organizations in Kenya to start embracing corporate governance principles.

ACKNOWLEDGMENT

A research project is a culmination of hard work and several challenges characteristic of the MBA course and which I surely would not have overcome without the major intervention of God himself, I am forever grateful to the Almighty God.

I additionally feel indebted to Dr. Martin Ogutu, my patient, competent and focused supervisor for always being available and concerned about my work. His occasional firmness was quite helpful in making me move on when I felt lethargic. I am grateful to him for giving me the much needed guidance.

I feel real tremendous indebtedness to my dear wife Sabina for constant encouragement and love when things were rough and most of my time was spent on MBA issues.

Equally, my son William who is an Engineering student at the University of Pennsylvania was outstanding when I needed encouragement. He sent me several E-mails, references and occasionally pep-talked me on virtues of persistence and perseverance in academic matters. Of course I cannot forget Esther my daughter who always believed that if I worked hard I would get a good job in the end! I thank God for these people because they were determined to see me complete my studies successfully.

ANTER KARETE LIBRARY

Lastly, I am grateful to all the individuals in various sports organizations who participated in this study and those classmates and friends who were always very encouraging. My special gratitude go to my friends Pastor Mulandi and his wife Levina, my classmates Otachi, Kwali and Kamuren. May God bless them all.

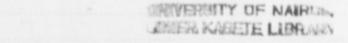


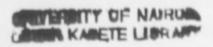
TABLE OF CONTENTS

	PAGI
DECLARATION	(i)
DEDICATION	(ii)
ABSTRACT	(iii)
ACKNOWLEDGEMENT	(iv)
LIST OF TABLES	(vi)
LIST OF CHARTS	(vii)
CHAPTER 1	1
1.0 INTRODUCTION	1
1.1 BACKGROUND	1
1.1.1 SPORTS ASSOCIATIONS IN KENYA	2
1.1.2 GOVERNANCE AND SPORTS IN KENYA	2
1.1.3 TRENDS IN SPORTS GOVERNANCE IN KENYA	3
1.2 PROBLEM STATEMENT	4
1.3 OBJECTIVES OF THE STUDY	6
1.4 SIGNIFICANCE OF THE STUDY	6
CHAPTER 2	8
2.0 LITERATURE REVIEW	8
2.1 THE CONCEPT OF CORPORATE GOVERNANCE	8
2.2 THE NEED FOR CORPORATE GOVERNANCE	10
2.3 CORPORATE GOVERNANCE PRINCIPLES	11
2.3.1 The Board of Directors	12
2.3.2 The Role of the Board	13
2.4 THE NEED FOR SPORTS GOVERNANCE	13
2.5 PILLARS OF SPORTS GOVERNANCE	15
2.6 ENHANCING SPORTS GOVERNANCE	18
CHAPTER 3	21
3.0 RESEARCH METHODOLOGY	21
3.1 RESEARCH DESIGN	21
3.2 THE POPULATION	21
3.3 DATA COLLECTION	21
3.4 DATA ANALYSIS	22
CHAPTER 4	23
DATA ANALYSIS AND RESEARCH EINDINGS	23

	4.0 INTRODUCTION.	23
	4.1 GENERAL INFORMATION	24
	4.2 DESCRIPTIVE ANALYSIS	26
	CHAPTER 5	45
	SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	45
	5.0 INTRODUCTION.	45
	5.1 SUMMARY	45
	5.2 IMPLICATION OF THE STUDY	48
	5.3 LIMITATIONS OF THE STUDY	50
	5.4 SUGGESTIONS FOR FURTHER RESEARCH	51
REF	ERENCES	52
APF	PENDIX	56
	Appendix 1: Introductory Letter	56
	Appendix 2: List of Organizations	57
	Annondix 3: Questionnaire	58

LIST OF TABLES

TABL	E NO.	Page
1.1	Organizations number of branches	24
1.2	Main activity of sports organizations	24
1.3	Respondents' position in the organization	25
1.4	Respondents' level of education	25
1.5	Respondents; experience in organization	26
1.6	Body that governs and supervises executive committee	26
1.7	Officials selection method	27
1.8	Duration of office term	27
1.9	Officials employed by the association	28
1.10	Methods of Conflict Resolution	30
1.11	Financial reporting and audit	31
1.12	Existence of organizational objectives	33
1.13	Example of a major objective in the association	33
1.14	Place of objective documentation	35
1.15	Most common mode of communication	36
1.16	Non-executive parties involved in organizational programming	36 .
1.17	When constitution was last revised	37
1.18	Constitutional provision for discipline	37
1.19	Role of government as stated in constitutions	38
1 20	Where to access constitutions	20



LIST OF CHARTS

CHART NO.	Page
1.1 Issues causing conflicts among committee members	29
1.2 Funding for Sports Organizations	30
1.3 Associations' spending decision makers	32
1.4 Who sets association objectives	34
1.5 Frequency of General Meetings	35
1.6 Provision for activities for the less fortunate members of society	39
1.7 – 1.9 Governance principles: Mean Rankings	40
1.10 – 1.12 Challenges in sports governance: Mean Rankings	43

Sports organizations have roles CHAPTER ONE as small see those of corporate

the need to achieve legitimacy (INTRODUCTION by to members and transparency,

1.1 BACKGROUND

Across Africa and indeed around the world, it is clear that sport is attracting enormous attention from various pockets of society including politicians, legislators, courts, marketers, the media and the health sector. This is natural and is to be expected as it reflects a growing recognition of the importance of sport in the social, cultural and commercial dimensions and realms (www.governanceandsport.com). Several governments in the world today support the independence of sports organizations and their right to organize themselves (Rogge, 2004). However, such support is with the assumption that the sports bodies should observe principles of democracy and transparency. Also, they are expected to show solidarity across the sport and observe a given code of ethics. The main aims of sports governing bodies are to draw up the rules for the sport, to develop and promote it, to widen its popularity and to represent the sport and those involved in it.

The sports governing bodies do in part achieve this through good governance and by ensuring that the principles of democracy, independence, fairness, solidarity, transparency and respect are observed. These sports federations must acknowledge that they hold the power to govern their sport as trustees and the power to govern is fundamentally vested in their members and exercised by them directly and indirectly through a system of representation (Kings Report, 1994). Governing federations are expected to provide a clear statement of their role and the functions they perform to support their members and other stakeholders. It is now common knowledge that some sports at some levels generate substantial revenues through broadcasting rights, sponsorships, ticket sales revenues, tournament fees and other sources. Nevertheless that remains a small part of sport and should not be allowed to detract from the fact that the main objective of responsible sports federations is to promote their respective sports and to increase participation at all levels (Rogge, 2004).

Sports organizations have roles and responsibilities similar to those of corporate boards, government and the judiciary. All these bodies share certain characteristics like the need to achieve legitimacy through accountability to members and transparency, including frequent summaries of the governing body's finances and financial activities (Appleton, 1974).

1.1.1 SPORTS ASSOCIATIONS IN KENYA

According to Kenyan National Sports Council updated records, there are 50 registered sports organizations in Kenya as at June 2005. this number is made up of individual sports disciplines and the multi-disciplinary sports organizations spread all over the country. The multi-disciplinary organizations are mainly found among large institutions such as universities, the police, prisons, municipalities, colleges, the disabled and the armed forces. The individual discipline sports include hockey, football, netball, athletics and many others.

The 50 registered sports organizations will be convenient to study because they do have clearly defined structures of leadership and management since this is one of the bases for registration. Indeed there are very many other sports disciplines in Kenya but because they are not registered with the Kenya National Sports Council, it is not feasible to contact them or to study them. Some of the registered organizations have established contacts and structures of management in the form of chairman, secretary, treasurer and even trustees in some cases.

1.1.2 GOVERNANCE AND SPORTS IN KENYA

The topic of governance has succeeded in attracting a great deal of attention because of its apparent importance to the economic health of corporations which include sports governing bodies both locally and worldwide. Governance has been described as the system by which business corporations are directed and controlled (Cadbury, 1992). The corporate structure specifies the distribution of rights and responsibilities among different participants in the corporation such as the board, the managers, shareholders

and other stakeholders and spells out the rules and procedures for decision-making (World Bank Review 2000).

Sports in Kenya, unlike many other sectors of economic activity cannot only be reduced to its economic and commercial dimensions; the organization of sport is based upon clubs which are gathered into federations. These federations are mostly organized at national levels, and are responsible for a whole range of issues, and commercial issues are only one aspect of the governing federations' activities. Sports governing bodies are at the same time executive bodies which manage sports, legislate in setting up of the rules of the games and are also judges whenever it comes to settling sports disputes. These manifold dimensions of sports governance are quite unique if compared with other sectors. Effective sports governance requires leadership, integrity and good judgement. Additionally, effective governance will ensure more effective decision-making, with the organization demonstrating transparency, accountability and responsibility in the activities undertaken and resources expended (Edington, 1995).

It is commonly accepted that governance structures have a significant impact on the performance of a sporting organization. Poor governance according to Jebet (2001) has a variety of causes including director inexperience, conflicts of interest, failure to manage risk, inadequate or inappropriate financial controls, and generally poor internal business systems and reporting. Ineffective governance practices not only impact on the sport where they are present, but also undermine confidence in a national sports industry as a whole. National sports organizations are subject to increasing levels of performance scrutiny, particularly in achieving the outcomes sought from government funds. This calls for advocating the strengthening of structures that support good leadership and decision making and ensure sound and effective governance (Kings Report, 1994).

1.1.3 TRENDS IN SPORTS GOVERNANCE IN KENYA

Several issues of sports governance are worth mentioning here to be able to understand certain trends in Kenya. Management practices in several sports

associations are central to the growth and development of these sports. Management lapse in the Kenya Football Federation has previously resulted in an international ban by the world body, FIFA. Other associations have also been victims of such lapses and the results have been deteriorating performance in athletics, manipulable electoral systems, dilapidated infrastructure, corruption, and loss of corporate sponsorships. Some of the constitutions used in these associations have outlived their relevance hence the stagnation of some associations. Government interventions have been lukewarm and in most cases more of rhetoric than practical solutions. A new trend that is emerging however is the appointment of some executive officers on permanent employment instead of electing them. This has been evident in the Kenya Cricket Association (KCA) and the Kenya Football Federation (KFF).

Financial management has also been a difficult issue to deal with within these associations. Issues range from diversion of funds meant for sports development to private interests, to issues of lack of accountability and lack of bank accounts. Some institutions in such cases have withdrawn corporate support and sponsorship for some of the teams and associations. When there is financial mismanagement, the sports suffer lack of equipment, facilities and even opportunities to travel and play abroad. Whereas Kenyans participate in various sports activities, there is an imbalance in numbers whereby men do participate more compared to women. According to Murithi (1996), some of the factors contributing to the imbalance may be psycho-social, including motivation and socialization.

1.2 PROBLEM STATEMENT

The concept of governance in the area of sports is attracting great concern and attention both locally here in Kenya and worldwide. Although it is known that national sports federations do organize competitions and tournaments for sportsmen, not much is known about the level and extent of realization of their overall objectives. The assumption is that by setting realistic objectives and eventually achieving those objectives, the sports organizations would be on the correct path to realizing adequate governance levels.

There is no available information however or research done in the area of sports governance in Kenya. In fact, to the best of my knowledge, nothing has been written or documented to specifically address this subject yet this is an important determinant in the performance by Kenyan sportsmen and women in various sports fields. The study of governance practices in sports is critical because governance affects the morale and motivation of sportsmen and women. The fame that Kenya has earned in the area of sports is likely to be affected if governance practices are not adequately checked.

Research on governance has been carried out in other sectors for example in the insurance industry, (Mwangi, 2002) governance in the motor vehicle industry, (Mucuvi, 2002), governance in companies quoted in the Nairobi Stock Exchange, (Jebet, 2001), governance in Micro-Finance Institutions, (Wainaina, 2001) and governance in Sacco Societies, (Wangombe, 2003). In all these studies, the researchers found that good governance must be practiced in an organization to ensure success in realizing organizational objectives. Evidently therefore, there is a knowledge gap requiring an empirical study. There are studies already carried out on governance in various sectors, but not in Kenyan sports organizations. This study therefore will investigate application of the governance principles within the national sports organizations in Kenya to determine the influence of such principles in sports performance, sports organization and sports management.

The study will seek to find answers to the following research questions.

- (i) What are the governance principles applied within the national sports federations in Kenya?
- (ii) What are the challenges in governance encountered by national sports federations in Kenya?
- (iii) To what extent are national sports federations in Kenya embracing best governance practices?

1.3 OBJECTIVES OF THE STUDY

The objectives of this study are:-

- To establish the current governance principles among national sports organizations in Kenya
- To establish the extent to which principles of governance are applied and embraced by national sports federations in Kenya.
- To identify the major governance challenges encountered in national sports organizations in Kenya.

1.4 SIGNIFICANCE OF THE STUDY

Controversies that surround the overall management of sports federations in Kenya have not been addressed systematically through formal research or study.

It is hoped that the findings of this study will shed some light and thus create awareness to various people.

This particular study is expected to benefit the following groups:-

1. Sports Managers

The study will assist managers of sports organizations who will be able to compare the various governance practices and to adopt approaches utilized by organizations which demonstrate best practice.

2. Sponsors and Investors in Sport

The proposed study will assist sponsors to understand the set-up of management and organization of sports federations. This will enable them make informed decisions.

3. Researchers

It is hoped that the study will enhance a knowledge base for scholars who might pursue this area or to narrow down the study to governance within individual sport disciplines.

4. Sports club and other stakeholders

The study findings are expected to enhance awareness and knowledge among sports clubs and stakeholders affiliated to the various sports federations.

5. The Sports Federations

It is hoped that the findings of the study shall provide specific data to act as a working platform for better understanding of governance issues among the sports federations.

CHAPTER TWO

LITERATURE REVIEW

2.1 THE CONCEPT OF CORPORATE GOVERNANCE

Governance can be defined generally as the manner in which power is exercised in the management of economic and social resources for sustainable human development (PS1CG, 1999), while maintaining a dynamic balance between the need for order and equality in society. It is therefore concerned with the process, systems, practices and procedures that govern institutions and the manner in which rules and regulations are applied and followed (PSICG, 1999). It can be seen as a vital ingredient in accountability in the use of power, protection of human rights and freedom and maintenance of an organized corporate framework. Each citizen within this framework can contribute fully towards finding innovative solutions to common problems.

Corporate governance is concerned with creating a balance between economic and social goals and between individual and communal goals while encouraging efficient use of resources and accountability in the use of power (Iskander, 2000). It seeks to promote organizations that are efficient, sustainable, responsive and accountable to society while at the same time recognizing and protecting stakeholder rights. Such organizations must meet well defined objectives and achieve long term goals that will satisfy stakeholders. The organizations must also be efficient in value creating and value adding while constantly ensuring that mechanisms exist to monitor effective and appropriate governance practices (Mucuvi, 2002).

Corporate governance therefore refers to the way in which the power of a corporation is exercised in the stewardship of a corporation's total portfolio of assets and resources with the objective of maintaining and increasing shareholder value and satisfaction of other stakeholders (PSICG, 1999). Simply put by Cadbury (1999), corporate governance is a system by which companies are directed and controlled by corporate

officers. Glaesser (2003) also summarizes corporate governance as the establishment of appropriate legal, economic and institutional environment allowing organizations to thrive and be responsible to stakeholders, the environment and the society in general.

Corporate governance systems have evolved over centuries, often in response to corporate failures or systemic crises. The first well-documented failure of governance was the South Sea Bubble in the 1700s, which revolutionized business laws and practices in England. Similarly, much of the securities law in the United States was put in place following the stock market crash of 1929. There has been no shortage of other crises, such as the secondary banking crisis of the 1970s in the United Kingdom and the U.S. savings and loan debacle of the 1980s. In addition to crises the history of corporate governance has also been punctuated by a series of well-known company failures: the Maxwell Group raid on the pension fund of the Mirror Group of newspapers, the collapse of the Bank of Credit and Commerce International and Barings Bank. Each crisis or major corporate failure — often a result of incompetence, fraud, and abuse — was met by new elements of an improved system of corporate governance (Iskander, 2000)

The developing world has also faced its own corporate governance challenges. For instance, in Russia, a substantive share of the profits of an oil company was siphoned off by its controlling shareholder, leaving the company in debt to its creditors, employees, and the state. In the Czech Republic, thousands of small shareholders lost their investments as "tunneling" schemes by insiders stripped privatized companies of their assets. The economic crises in East Asia and other regions have demonstrated how macro-economic difficulties can be exacerbated by a systemic failure of corporate governance stemming from weak legal and regulatory systems, inconsistent accounting and auditing standards, poor banking practices, thin and unregulated capital markets, ineffective oversight by corporate boards of directors, and little regard for the rights of minority shareholders. (Iskander 2000).

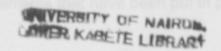
2.2 THE NEED FOR CORPORATE GOVERNANCE

The relationship between owners and managers continues to provide for much discussion as the issue of corporate monitoring and accountability are critically debated. Shareholders have become more vigilant and are likely to be more socially responsible as it is generally harder for a large group of active owners to agree on improper or illegal practices (Wainaina, J. N. 2002). Governance has been described as the system by which business corporations are directed and controlled. The corporate structure specifies the distribution of rights and responsibilities among different participants in the corporation such as the board, the managers, shareholders and other stakeholders, and spells the rules and procedures for decision-making (World Bank Review, 2000).

Ownership-based governance is likely to reduce the corrupting influence of unaccountable power on individuals. By transforming corporations into more democratic institutions, institutional investors are quick to highlight any corrupt activities and take corrective measures.

A country needs well governed and managed business enterprises (Murimi, 2004). Good corporate governance therefore becomes a prerequisite for national economic development where efficiency and accountability of the corporation is a matter of both public and private interest and comes to the head of international agenda (Iskander, 2000).

The need is therefore clearly visible and corporate governance is essential in attracting investors, creating competitive and efficient companies and organizations and enhancing accountability and performance of those entrusted to manage the corporations. According to Murimi (2004) good corporate governance also promotes efficient and effective use of limited resources and without such efficiency in companies and organizations, a country will not create wealth or employment, companies will stagnate and eventually collapse.



2.3 PRINCIPLES OF CORPORATE GOVERNANCE

Good Governance is founded upon the attitudes, ethics, practices and values of the society which in turn embraces certain principles that are widely accepted to be encompassing. These principles can be reduced to 4 main pillars on which good corporate governance is framed.

- (i) There must be an effective body responsible for governance, separate and independent of management to promote
 - (a) Accountability: (leadership that is ready to account).
 - (b) Efficiency and Effectiveness: (leadership by results).
 - (c) Probity and Integrity: (Honest, faithful, diligent leadership).
 - (d) Responsibility: (leadership conscious of its obligations).
 - (e) Transparent and open leadership: with accurate and timely disclosure of information(PSICG, 1999).
- (ii) The governance approach must be all inclusive to recognize and protect rights of members and all stakeholders.
- (iii) The organization must be governed and managed according to the mandate granted to it by its founders.
- (iv) The corporate governance framework should provide an enabling environment within which its human resource can contribute to problem-solving.

Corporate governance principles are intended to provide a framework for the management and accountability of key decision-making bodies (PSICG, 1999). Governance is in essence the organizational arrangements that have been put in place

to provide an appropriate set of checks and balances on the stewards of an organization. The quality of leadership is therefore critical in establishing good governance practices. The principles upon which good governance is founded may thus be summarised as follows:-

- Accountability
- · Efficiency and effectiveness
- Integrity and fairness
- · Responsibility and
- Transparency (PSICG, 1999)

2.3.1 The Board of Directors

Since a company has no physical existence, its affairs must be managed by someone who has the effective power and authority to act on its behalf, such a person is called a director (Perrins, 1970). State laws under which corporations are established almost invariably require that corporations be "managed" by a board of directors composed of at least three members. According to Koontz (1976), the logic behind the requirement is that the corporation is an artificial entity, established by a sovereign power through contact with a group of owners (the stockholders), and therefore must have real persons responsible for managing. Under the corporation laws, boards are charged with the duty of managing the entire corporation on behalf of the stockholders who are usually too numerous and unorganized to take part in policy determination (Koontz, 1976).

There is evidence that boards heading all kinds of enterprises – business corporations, charitable organizations, universities and others do not do effective jobs. Yet when crisis arise, the first question raised by the public is usually: where was the board? (Glaesser, 2003).

2.3.2 The Role of the Board

Trusteeship

Probably the most important function of the board of directors may be summed up in the term "trusteeship", the husbanding of the corporation assets for the long term benefit of the stockholders. Even the most ineffectual board cannot escape this obligation. The board has the duty to operate for the benefit of the stockholders (Koontz, 1976).

Determination of enterprise objectives

Another major role of the board of directors is the establishment of basic objectives of the business. All the activities of the organization must be achieved by establishing verifiable enterprise goals and basic strategies and policies by which to achieve these goals (Koontz, 1976).

Selection of Executives

Every action by a board regarding the choice of a chief executive involves basic policy examination. The boards function in selecting the chief executive of the organization is a planning matter with long-run implications. Basic policy-making and the choice of an executive are both functions of the board of directors (Perrins, 1970).

Other Roles

These include approval of budgets securing long range stability (Koontz 1976), distribution of earnings, checking results and assuring adequate plans.

2.4 NEED FOR SPORTS GOVERNANCE

Governance in sports according to Glaesser (2003) is about clarification between rules of the games and the economic and commercial dimensions related to the management

of a sport. Because sports is based on ethics and fair competition, the governance of sport should fulfill the highest standards in terms of transparency, democracy and accountability (Muriithi, 1996).

The basic principles of good governance will give sports bodies a point of reference to ensure they are governing their sports responsibly towards their members, although we must acknowledge the diversity of sports and their differing traditions. Previously, governing sports was less troublesome and less complex as sports bodies were established to codify rules and organize events (Appleton, 1974). However, rapid globalization and the commercialisation of sport created new conflict and competing interests, and this led numerous parties to challenge the ability of the sports industry to competently govern itself (Rogge, 2004). The introduction of the 2002 king report on corporate governance for South Africa (King II report) has placed new demands on companies and organizations in general to attain higher and more consistent standards of governance and is seen as the current international benchmark for principles of best practice (Kings Report, 1991). It is acknowledged by Rogge (2004) that sport produces important benefits for society including forging identity, bringing people together, providing entertainment and enjoyment and improving health and fitness. Further, the organization and commercial development of sport is an important sector of the economy, providing a major source of employment through sports activities as an industry in the broad sense (Appleton, 1974). The population involved in sport at different levels is very high. Consider children in school, adults in colleges and tertiary institutions, adults in competitive and recreational clubs and even the disabled members of society.

Essentially, the discipline of sport encompasses people from all walks of life and of all ages (Muriithi, 1996). It is undeniable that many sports at some levels now generate substantial revenues through broadcasting rights, sponsorship, ticket revenues, tournament fees and other sources (Rogge 2004). Good governance can be seen as the focused attention and commitment in striving towards CIP (Continuous Improvement Plans) which is an inherent quality of sport. It is so integral that it is embodied into the Olympic motto "Cittius, Altius, Fortius" (Swifter, higher, stronger) (Rogge, 2004). It is only fair therefore, that athletes who constantly strive for

improvement, should expect the same from the officials who govern their sports (Schmidt, 1988).

The aforegoing provide basis for the need to study sports governance. The vast numbers involved, the finances involved, the interest of varied stakeholders and communities, the rapid globalization and democracy, the infrastructure and assets, all call for a great emphasis on good governance practices. Needless to say, the key governance principles developed for corporations are highly relevant to the sports industry and its various sports bodies, from club level to national federations.

2.5 PILLARS OF SPORTS GOVERNANCE

A recent study under the auspice of the centre for leisure studies (Department of Biokinetics Sports and Leisure Sciences) and centre for professional and business ethics both in South Africa examined seven pillars of good governance formulated specifically for sports bodies. These principles can be summarized as follows:-

2.5.1 Accountability

Accountability ultimately lies with the parties that make decisions on specific issues of the respective associations. The same parties take action and implement measures in the associations (Kings Report, 1994). Not only must mechanisms exist, such mechanisms should also be effective in allowing for accountability. The mechanisms should also be effective in assigning accountability. This provide a means to query and to assess the actions of the governing officers and/or committees (PSICG, 1999).

2.5.2 Responsibility

Responsible management would when necessary introduce actions to direct the organization into the correct path in the even of mismanagement (manning, 2002). Management is a set of activities (including planning and decision making, organizing, leading and controlling) directed at an organization's resources (human, financial,

physical and information) with the aim of achieving organizational goals in an efficient and effective manner (Griffin 2000). The provision of resource mechanisms and measures ensures that the governors of an association are not only accountable to the organization but to all stakeholders (Perrins, 1970).

2.5.3 Transparency

In short, transparency (inclusive of the term disclosure) can be defined as the ease with which any outsider can make a meaningful assessment or analysis of the sports body's actions, its economic management fundamentals, and the non-financial aspects of that organization (Iskander, 2000). Transparency is in essence a measure of the success with which management makes necessary and important information available in a **Candid, accurate** and **timely** fashion – not only the audit and financial data but also general reports and press releases. It reflects ease in the ability to obtain a true picture of what is happening within an organization (PSICG, 1999).

2.5.4 Social Responsibility

A socially responsible sports body can be described as a well managed organization, which is aware of and successfully responds to external and internal social issues placing a high priority on the adherence of ethical standards (Glaesser, 2003). It is an organization that is increasingly seen as one that is non-discriminatory, non-exploitative and responsible with regard to environmental and human rights issues (Drucker, 1975). Such an organization stands to gain economic benefit through improved productivity, investment opportunities and better corporate reputation by taking these factors into consideration (Cole, 1996). The sports body should in addition to accountability to stakeholders and members alike identify other interest groups, which are likely to be affected by its decisions and actions, and pursue aims of cultural and social cohesion through their sports.

2.5.5 Independence

As a pillar of good governance, independence is mainly concerned with three distinct areas:-

- (i) The degree to which policies and guidelines are in place to minimize or avoid potential conflicts of interest, which may be wide ranging in nature. All decisions taken should in essence be objective and free from outside influence (Armstrong, 2001).
- (ii) The degree to which financial auditing which is integral for ensuring confidence in disclosure is in place. This ensures transparency and limits corruption. Public trust is crucial for confidence in the accuracy of financial reporting and applies to sports bodies just like it applies to corporations (Rogge, 2004).
- (iii) The assurance that procedures exist for resolving differences which include access to internal or external appeals or arbitration (Milkovich, 2000).

2.5.6 Fairness

Fairness points to a state of equilibrium which must exist within the organization to take account of all the stakeholders with a legitimate claim in the interests and future of the sport (Appleton, 1974). It ties in with the need for free and fair elections through which adequate representation of needs and requirements within the governing structures of the sports body is ensured. Fairness should encompass solidarity whereby fair and effective distribution of financial revenues encourages redistribution of income to all teams equitably (Appleton, 1974).

2.5.7 Discipline

According to Cole (1996) this is the commitment of senior management on behalf of the members to adhere to behaviour that is universally deemed correct, acceptable and proper. In particular this implies an awareness of, and commitment to, the underlying principles of best practice governance, especially at senior management level (Appleton, 1974). This calls for establishment and implementation of a suitable structure for management

2.6 ENHANCING GOVERNANCE IN SPORTS ORGANIZATIONS

The consideration of other supplementary factors may enhance best practice of governance in sports organizations. These are enumerated in the following sub-topics.

2.6.1 Governance or Management Structures

Not all organizations share the same business model or governance structure (Cadbury, 1992). However, irrespective of the structure, sports organizations should ensure a clear line of accountability and responsibility of management, which should be documented, thereby decreasing possible overlaps in power and accountability (Rogge, 2004)). Governing role is not directly responsible for the day-to-day management of the organization. Managerial role concerns the position of CEO and the full time staff working within the sports organization (Koontz, 1970).

2.6.2 Elections

In general, elected individuals are the representatives of the members of the sports body as decided upon through majority vote. This can only be true when elections are free and fair (Kings Report, 1991).

The following guidelines may aid this process:-

 (a) Election procedures must be documented and communicated to all voting members.

- (b) All key positions should be subject to a fixed office term, which must be documented.
- (c) Provide clear nomination guidelines.
- (d) Current election practices should be sought actively (Perrins, 1970).

2.6.3 Code of Ethics

A code of ethics helps people to understand which actions are acceptable as well as those that are not. Broadly defined, ethics represents those principles and standards that guide day-to-day activities and relationships with internal and external stakeholders, in accordance with the established organizational values (Griffin 2000). Any code of ethics should ideally address two main areas:-

- Managerial mischief:- This is illegal, unethical, or questionable practices of individuals in positions of power, as well as the underlying causes thereof.
- Moral Mazes:- This represents the numerous ethical dilemmas faced by organizations on a daily basis such as corruption, bribery, dishonesty, potential conflicts of interest, wrongful use of resources, mismanagement of contracts and agreements or self serving financial interest.

Quite often, business ethics relates to situations that have no clear right or wrong alternative (Koontz, 1976).

2.6.4 Conflict of Interest

Various forms of conflict arise in organizations including all sports associations. The resolution systems an organization uses depends on the problems it deals with as well as its compatibility with other organizational structures (Newstrom, 1998). The hierarchical systems is the most formal, the least independent and also the most common. In this system, a supervisor who might be arbitrary, wrong or ineffective becomes the police officer, judge and jury (Milkovich 2000). In contrast to hierarchical

systems where employees complain to managers, the peer system relies on independent or related peers to assess the situation and recommend action (Newstrom, 1998). Another approach to resolving conflicts is the use of an ombudsman who investigates complaints, hears all sides and tries to help the parties arrive at a solution they all can live with (Milkovich 2000).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

This is a descriptive survey to establish the extent of application of governance principles within national sports organizations in Kenya. The organizations to be studied were 50 in number (see appendix 2) which are registered with the Kenya National Sports Council. The study was carried out mainly within Nairobi since most of the organizations have their headquarters in Nairobi.

3.2 THE POPULATION

the population of interest in this study was all the sports organizations in Kenya, often referred to as federations or sports associations. As by June 2005, this population was 50 in number. In order to provide valid and adequate responses, a census study was be carried out.

3.3 DATA COLLECTION TECHNIQUE

The study relied on primary data that was gathered using a structured questionnaire (see appendix II). The questionnaire used was made up of both open and close ended questions and was intended to capture both quantitative and qualitative data. The questionnaire was be divided into 4 sections that covered the following areas.

- (i) General information
- (ii) Other information
- (iii) Governance principles in sports organizations
- (iv) Challenges in sports governance

The questionnaires were administered on a drop and pick-up later basis. This method provided respondents with adequate response time. A letter of introduction was given to each respondent prior to the research (see appendix 3).

The target respondents were the are chairmen, secretaries or treasurers of these organizations since they are the ones mainly responsible for governance in the respective organizations.

3.4 DATA ANALYSIS

Descriptive statistics were used to analyse data by way of percentages, mean scores, tables, charts and graphs which were in turn used to determine the challenges of governance, the practices and the extent to which the practices are embraced by the sports organizations.

Data was coded and cross-tabulated to enable the responses to be statistically analysed using the SPSS package which was used to capture and analyse the data to produce descriptive statistics.

CHAPTER FOUR

DATA ANALYSIS AND RESEARCH FINDINGS

4.0 INTRODUCTION

In this chapter, the results of the study are presented and discussed.

The population of this study was made up of the sports associations in Kenya which are registered with the Kenya National Sports Council as at June 2005.

Questionnaires were sent out to all the 50 registered associations out of which useful responses were obtained from 25 of them. This represents a response rate of 50 percent which was considered adequate for the study.

The SPSS package was used to capture and analyze the data to produce the following descriptive statistics. Frequency tables, charts and cross tabulations are extensively used to present the findings.

4.1 GENERAL INFORMATION

Table 1.1: Organization's Number of Branches

No. of active branches	Frequency	Percent
0	6	24.0
2	1	4.0
3	2	8.0
4	3	12.0
6	3	12.0
7	3	12.0
8	3	12.0
9	1	4.0
15	1	4.0
21	1	4.0
36	1	4.0
Total	25	100.0
Mean	6.56	
Minimum	0	
Maximum	36	

Source: Primary Data

It was found out that 24% of the associations did not have any active branch. A total of 12% of the associations had 15 or more active branches. The average branch number was found to be 6.56. (Table 1.1)

Table 1.2: Main Activity of the Sports Organization

Main Activity	Frequency	Percent
Organizing tournaments on national level	6	26.1
Marketing and promoting the sport	4	17.4
Developing and controlling the sport	12	52.2
To offer support to the game	nets one in the new	4.3
Total	23	100.0

Source: Primary Data

Table 1.2 shows that the main activity sports associations engaged was in developing and controlling sport. Supporting the sport was the least with 4.3%. In 26% of the associations, organizing tournaments was the main activity.

Table 1.3: Respondent's Position in the Organization

	Frequency	Percent
Manager	2	8.7
Governor	1	4.3
Secretary	9	39.1
Vice Treasurer	2	8.7
Committee	2	8.7
Chairman	4	17.4
Coach	3	13.0
Total	23	100.0

Source: Primary Data

As shown on the table above, 39% of the respondents were secretaries to the organization, 17% were chairmen while 4% were governors.

Table 1.4: Respondent's Level Of Education

reming book	Frequency	Percent
Secondary	4	16.0
College	8	32.0
Universitity	8	32.0
Post graduate	5	20.0
Total	25	100.0

Source: Primary Data

As evidenced by the table above, majority of the respondents had at least college level education. The least educated respondents held secondary level education and these constituted 16% of the respondents.

Table 1.5: Respondent's Experience in Organization

Years of experience

	Frequency	Percent
1-5 years	6	24.0
6-10 years	11	44.0
Above 10 years	8	32.0
Total	25	100.0

Source: Primary Data

As indicated on the table above, 44% of the respondents had 6-10 years of experience in the respective associations, 32% had more than 10 years experience while those with 1-5 years were 24%.

4.2 DESCRIPTIVE ANALYSIS

This section gives findings regarding the research questions explored.

4.2.1 Governance principles applied within national sports federations in Kenya

Table 1.6: Body that governs the organization and supervises the executive committee

Governing body	Frequency	Percent
National council	5	23.8
Kenya national teachers association	1	4.8
Board of trustees	2	9.5
Executive committee or Governing council	11	52.4
Board of special Olympic Kenya	1	4.8
Board of directors	1	4.8
Total	21	100.0

Source: Primary Data

It can be seen from the table above that majority (52%) of the sports organizations are governed by executive committees/governing councils. The national council governs 24% while a board of trustees governs 10%.

Table 1.7: Officials Selection Method

Literative union	Frequency	Percent
Elections	24	96.0
Nomination	1	4.0
Total	25	100.0

Source: Primary Data

An overwhelming majority of the organizations select their officials through ballot elections. Only 4% use nomination method. (Table 1.7)

Table 1.8: Duration of Office Term

Duration of office term	Frequency	Percent
2	3	12.5
3	3	12.5
4	17	70.8
5	1	4.2
Total	24	100.0

Source: Primary Data

Table 1.8 above indicates that 71% of the sports organizations have office terms that are 4 years long. 4% last 5 years while 2year and 3 year long office terms were found in 25% of the organizations.

These findings indicate that the 4-year long office term mostly adopted is fair enough to ensure continuity and stability in the operations of the associations.

Table 1.9: Officials Employed by the Associations

	Frequency	Percent
Coach	1	4
Executive officer	1	4
Secretary general	1	4
None	22	88
Total	25	100

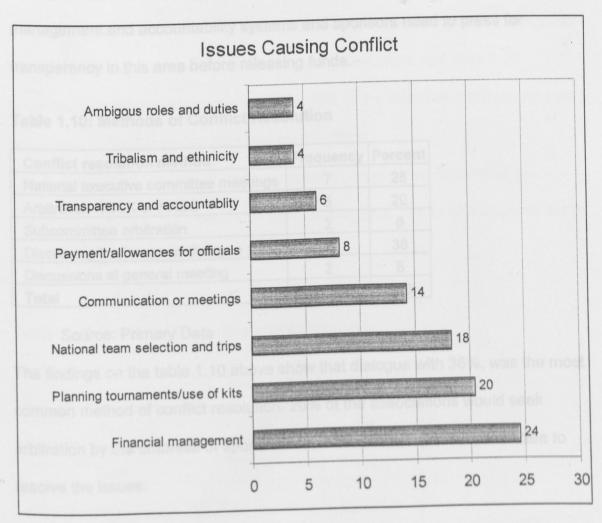
Source: Primary Data

It was found that majority of the sports associations have not employed any official.

Only 4% have employed a coach, with a similar proportion having an executive officer and a secretary general.

This finding may be an indicator that the sports associations cannot afford to engage a core staff that would ensure their efficient running at all times.

Chart 1.1: Issues Causing Conflicts Among the Committee Members



Source: Research Data

The chart above clearly illustrates that financial management was the area causing most conflict among the committee members as testified by 24% of the respondents. The least mentioned (4%) were tribalism and ethnicity together with ambiguous roles and duties.

The finding suggests that executive committee members were most divided on financial matters, the likely cause of this is dissimilar/vested interests among them. This situation would at most times cause squabbles that leave the officials fighting among themselves at the expense of developing the sport.

The sports associations needed to be advised to strengthen their financial management and accountability systems and sponsors need to press for transparency in this area before releasing funds.

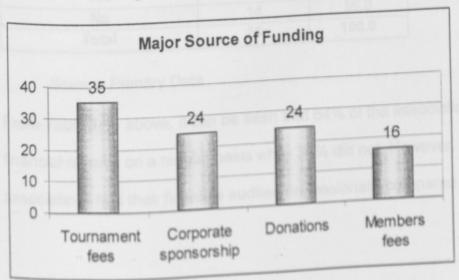
Table 1.10: Methods of Conflict Resolution

Conflict resolution method	Frequency	Percent
	7	28
National executive committee meetings	5	20
Arbitration NOCK or KNSC	5	0
Subcommittee arbitration	2	0
Discussing the issues or dialogue	9	36
	2	8
Discussions at general meeting	25	100
Total	25	_

Source: Primary Data

The findings on the table 1.10 above show that dialogue with 36%, was the most common method of conflict resolution. 20% of the associations would seek arbitration by the umbrella of sports bodies while 8% setup a subcommittee to resolve the issues.

Chart 1.2: Funding for Sports Organizations



Source: Primary Data

As clearly illustrated on chart 1.2 above, tournament fees comprised the highest source of funding for the associations' funding. Donations and corporate sponsorship together made up 48% while 16% of the associations financed their operations through member fees and contributions.

The findings imply that the sports associations can raise more revenue by marketing/attracting more people to their tournaments. These can be achieved by making the games more exciting and competitive.

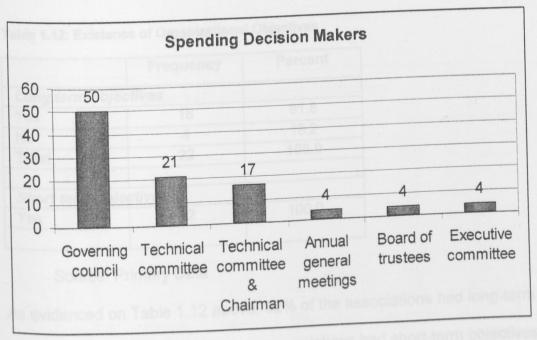
Table 1.11: Financial Reporting and Audit

	Frequency	Percent
Organization presents reg		
Yes	16	64.0
	9	36.0
No	25	100.0
Total	20	ast comm
Organization engages pro auditing		in financial
Yes	11	1 11 1
No	14	56.0
	25	100.0

Source: Primary Data

From Table 1.11 above, it can be seen that 64% of the associations presented their financial records on a regular basis while 36% did not. However, only 44% of the associations had their finances audited professionally compared to 56% that did not.

Chart 1.3: Associations' Spending Decision Makers



Source: Primary Data

As illustrated in chart 1.3 above the governing council was found to make spending decisions in 50% of the associations. The least common decision makers were AGMs, board of trustees and the executive committees, with 4% in each category. The indication of this finding was that spending decisions are likely to take long time to be made. The associations should consider bestowing such power on an individual for expediency. This person will also be held solely responsible incase of misappropriations.

Objectives

Table 1.12: Existence of Organizational Objectives

78 3.41 BOOY	Frequency	Percent
ng term object	tives	ociation O
S	18	81.8
80	4	18.2
tal	22	100.0
ort term objec	tives	
S	22	100.0
S	22	

Source: Primary Data

As evidenced on Table 1.12 above, 82% of the associations had long-term objectives while 18% did not. All the associations had short-term objectives.

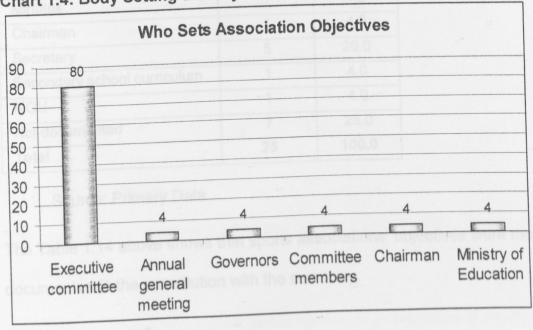
Table 1.13: Example of a Major Objective in the Association

amministrative contract that 1,4 gbove, exec	Frequency	Percent
Engage major corporate sponsor	4	18.2
Train youths from grassroots level	3	13.6
	2	9.1
Qualify for world cup Spread the game or sport across Kenya	7	31.8
	2	9.1
Promote self defense Assist the disabled in sports development	1	4.5
	1	4.5
Organizing national team	1	4.5
Make the game more accessible	1	4.5
Become a self-sustaining association	22	100.0
Total		

Source: Primary Data

The most widely shared objective among the sports associations was to spread the game across the country. 18% wanted to engage a corporate sponsor while 14% had the objective of training the youth at the grassroots level.

Chart 1.4: Body Setting the Objectives



Source: Primary Data

As illustrated by the chart 1.4 above, executive committees are most prominent in setting the objectives of the sports associations, hence it is these committees that give the associations the pace and direction.

It is therefore imperative for sports associations to always have competent and committed executive committee members.

Table 1.14: Place of Objectives Documentation

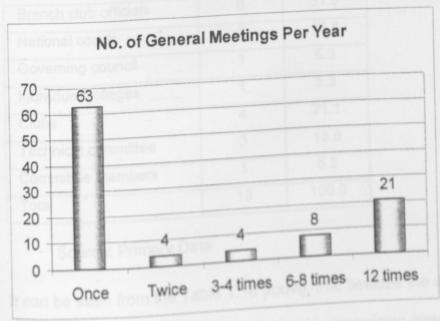
Place of documentation	Frequency	Percent
Constitution	5	20.0
Office files	4	16.0
Minutes	1	4.0
Chairman	1	4.0
Secretary	5	20.0
Secondary school curriculum	1	4.0
MOU	2 1	4.0
Not documented	7	28.0
Total	25	100.0

Source: Primary Data

The Table 1.14 above shows that sports associations' objectives were mostly documented in the constitution with the secretary.

Communication

Chart 1.5: Frequency of General Meetings



Source: Primary Data

According to the chart 1.5 above, general meetings take place once a year in 63% of the sports associations while 21% meet 12 times in a year.

Table 1.15: Most Common Mode of Communication

Mode of Communication	Frequency	Percent
Phones	15	60.0
Letters	8	32.0
E-mail	2	8.0
Total	25	100.0

Source: Primary Data

The most common mode of communication was by phone 60%. Email was the least used mode with 8%.

Table 1.16: Non-executive committee parties involved in programming of organizational events

Frequency	Percent
6	31.6
3	15.8
1	5.3
1	5.3
4	21.1
3	15.8
1	5.3
19	100.0
	6 3 1 1 4 3

Source: Primary Data

It can be seen from the Table 1.16 above, that besides the executive committees, branch club officials were mostly involved in organizing events.

Constitution

Table 1.17: When Constitution was Last Revised

rinarcial satisfall	Frequency	Percent
In progress	1	5
In progress	2	10
1 year	5	24
2 years ago	2	10
4 years ago	4	19
5 years ago	1	5
8 years	2	10
11 years	4	19
15 years Total	21	100

Source: Primary Data

The table above shows that in 49% of the sports associations, the revision of the constitution took place less than 4 years back. 19% had constitutions that were revised 5 years back, while 34% had constitutions revised more than 8 years back.

Table 1.18: Constitutional Provision for Discipline /Removal of Errant Officials

	Frequency	Percent
Yes	21	84.0
No	4	16.0
Total	25	100.0

Source: Primary Data

As clearly illustrated on the Table 1.18 above, 84% of the sports associations had a constitutional provision for removal of errant officers while 16% did not.

Table 1.19: Government's Role as Stated in Constitution

hart 1.6:	Frequency	Percent
Provide a favorable atmosphere for the sports	3	16.7
Financial assistance or support	7	38.9
Recognized as body with exclusive power	2	11.1
To send representative	1	5.6
To register the association	4	22.2
Trustee	1	5.6
Total	18	100.0

Source: Primary Research Data

In most sports associations, the government's role is envisaged in their constitutions as offering financial assistance and support. 22% indicate that the government is expected to register the associations. 6% provide for a representative from government in their meetings.

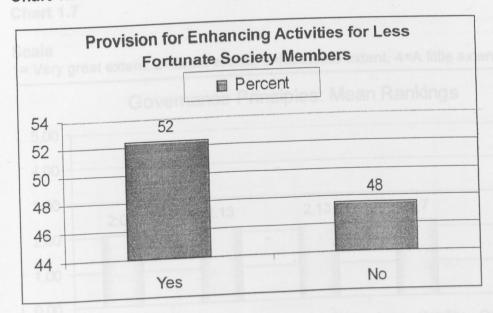
Table 1.20: Place where Association's Constitution can be accessed

	Frequency	Percent	
-	1	4	
National office	1	4	
KNSC	14	56	
From secretary general	2	8	
Committee members	7	28	
Registrar	1	4	
Chairman	1	4	
Director	1	4	
Ministry of Education	1	-	

Source: Primary Data

56% of the association's constitutions can be accessed at the secretary generals' office. (Table 1.20)

Chart 1.6:



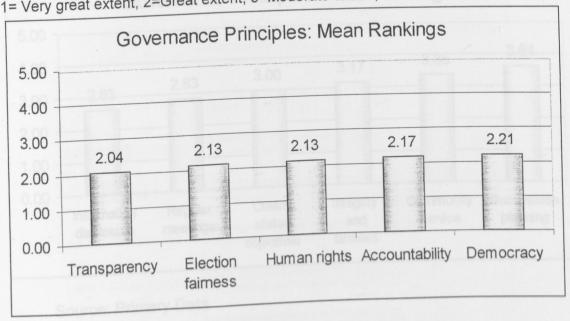
Source: Primary Data

The chart above shows that 52% of the sports associations have a provision for enhancing activities of the less fortunate members of the society while 48% do not. This indicates that sports associations need to do more to involve the physically and mentally challenged and other less fortunate members of society in sports activities.

4.2.2 Governance Principles

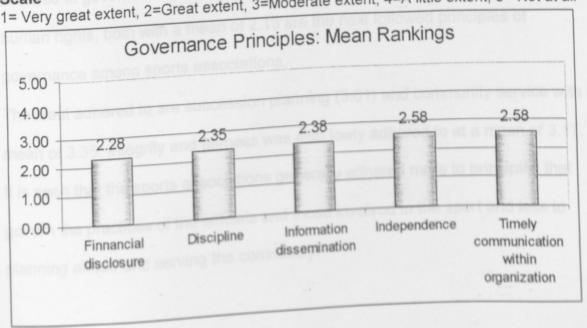
Chart 1.7

Scale
1= Very great extent, 2=Great extent, 3=Moderate extent, 4=A little extent, 5= Not at all



Source: Primary Data

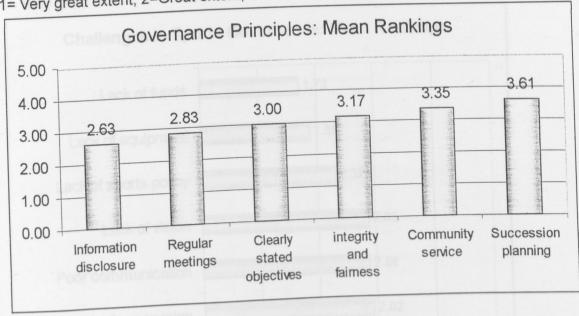
Chart 1.8
Scale
1= Very great extent, 2=Great extent, 3=Moderate extent, 4=A little extent, 5= Not at all



Source: Primary Data

Chart 1.9

1= Very great extent, 2=Great extent, 3=Moderate extent, 4=A little extent, 5= Not at all



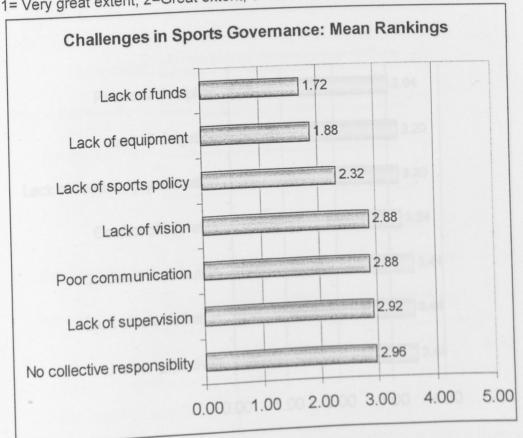
Source: Primary Data

Charts 1.7, 1.8 and 1.9 indicate that transparency, with a mean of 2.04 is the most adhered to governance principle in the sports associations. Election fairness and human rights, both with a mean of 2.13 are the next followed principles of governance among sports associations.

The least adhered to are succession planning (3.61) and community service with a mean of 3.35. Integrity and fairness was also lowly adhered to at a mean of 3.17. It is seen that the sports associations generally adhered more to principles that govern the practices of the officials and those involved in the sport and less to planning ahead and serving the community.

4.2.3 Challenges in Sports Governance

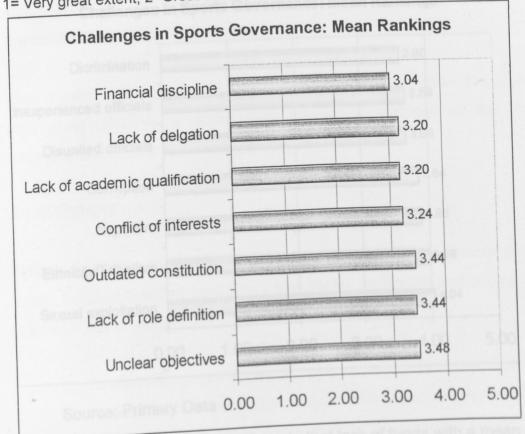
Chart 1.10
Scale
1= Very great extent, 2=Great extent, 3=Moderate extent, 4=A little extent, 5= Not at all



Source: Primary Data

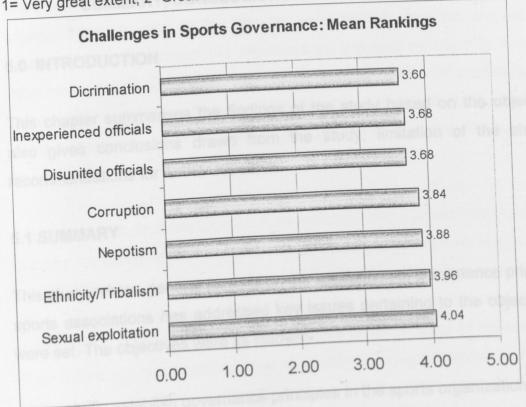
Chart 1.11

1= Very great extent, 2=Great extent, 3=Moderate extent, 4=A little extent, 5= Not at all



Source: Primary Data

1= Very great extent, 2=Great extent, 3=Moderate extent, 4=A little extent, 5= Not at all



Source: Primary Data

The charts 1.10, 1.11 and 1.12 illustrate that lack of funds with a mean of 1.72 is the most rated challenge among the sports associations. Lack of equipment (1.88) and lack of a proper policy governing sports (2.32) were the next highly rated challenges that sports associations face.

The least rated challenges were sexual exploitation (4.04), ethnicity (3.96) and nepotism (3.88)

It is generally seen that issues most sports associations consider as challenges are external- those that they have no control of. As regards funding, the sports associations need be more innovative and aggressive to raise funds and become self-sustaining.

CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 INTRODUCTION

This chapter summarises the findings of the study based on the objectives. It also gives conclusions drawn from the study, limitation of the study and recommendations for further research.

5.1 SUMMARY

This study, whose general focus is on the application of governance principles in sports associations has addressed key issues pertaining to the objectives that were set. The objectives were as follows:-

- a) To establish governance principles in the sports organizations.
- b) To establish extent of applications of the governance principles.
- c) To identify major challenges in sports governance in Kenya.

From the data collected using questionnaires, analysis was done and findings related to the objectives were made.

The sports organizations investigated were found to operate under executive committees but with the overall supervision by governing councils. The supervision of executive committees is similar to the supervision done by boards of directors in the corporate firms whereby a manager is answerable to the board. We see that about 52% of the associations have made provisions for governing councils which are made up of branch officials. Two of the associations actually had boards of directors as the overall governors, just like boards of directors in parastatals or private corporate firms.

On average, the organizations had about 6 branches each, although in some unique cases, some of the registered sports organizations did not have active branches. The possible explanations for this kind of situation may be that the organizations are new or the relevant equipment or facilities are not easing accessible. In some cases the organizations are also reluctant to spread into other parts of the country to form branches because of fear of challenge. This is contradictory considering that many respondents indicated that the major activity of their organizations is to develop and spread and control the sport in the country.

A large percentage of the organizations indicated that election was the way used to bring managers into office, and only very few organizations like cricket and football have one fulltime employee. Indications are that the average term of office- bearers is 4 years for most of the sports organizations. It has since been established that this is a government directive although some of the associations have defied this requirement. The duration of 4 years seems a reasonable enough period to allow for office bearers to get into office and adjust carry out their duties effectively. A longer stay would result in abuse of power, complacency and indifference by such officials, yet a shorter period would not offer adequate time to learn the requirements of the job and to work effectively. By subjecting

the candidates to the rig ours of free and fair elections, a semblance of democracy is evident since the stakeholders are given a chance to decide who are the best leaders through the ballot.

All the organizations studied indicated that various forms of conflicts do exist among the officials, are caused by certain well known issues and are resolved in various ways. The major source of conflicts was seen to emanate from issues to do with finance and financial management. Other sources of interpersonal conflicts were to do with team selection and tournament planning. Role ambiguity was seen as the least cause of conflicts among the officials.

In resolving the conflicts, it was indicated that the most common approach was to use dialogue and to resolve issues during national executive committee meetings.

On financial reporting and engagement of auditors, we see that there is a consistency about lack of accountability in some organizations studied Only 36% gave regular financial reports and only a small proportion engaged a professional auditor to scrutinize their books of accounts. Further, it is not clear who should make the spending decision in the organizations. Many organizations seem to rely on governing councils to make that decision yet in reality, to convene a governing council to make decisions on how much stationery to buy may not be a cost-effective system. A few cases indicated that the treasurer in conjunction with the chairman do make this decision.

Although some organizations stated their objectives, the objective of these organizations might have all the qualities of a good objective, except that of being measurable. This may be so because sports as a service is difficult to measure. The qualities of good objectives are that they should be specific, measurable attainable, reasonable and have a time frame (SMART). But most of the stated objectives were more like goals because goals are not specified in measurable terms some of the objectives, which are set mainly by the executive committee include training youths, spreading the sport or to engage corporate sponsors.

From summary of the charts and tables in chapter 4, it is seen that communication among the officials is mainly by telephones, this indicates that the speed of communication is quick, therefore, although many organizations only have one general meeting in a year, the officers of the sport can contact each other quickly. However, the indication of one meeting per year is quite absurd because face-to-face discussion forums are not provided for in many organizations. Some of the organizations have monthly meetings and this sometimes results in improved efficiency because discussions and work plans are followed up and reports given every month.

Notably, over 60% of the associations are operating with reasonably recently revised or current constitutions. This is an indication of the rapid changes and vibrancy of these organizations. When constitutions are revised, usually they reflect the wishes of the stakeholders and the currency of ideas. These constitutions were found to cover various issues including the role of government and the provision for punishing errant officials.

When it comes to the ranking of the governance principles to indicate the extent of application of such principles, transparency, election fairness, human rights, accountability and democracy were most highly ranked in that order. In other words, most organizations reported that transparency was the governance principle practiced to the greatest extent, followed by election fairness.

The principles that were ranked the least were succession, planning, community service, integrity, objectives, regular meetings and information disclosure in that order. In other words, most respondents reported that the least practiced principle was succession planning followed by community service.

All the organizations studied reported that the greatest challenge was lack of funds and lack of equipment which affect the associations to a great extent. Lack of collective responsibility and lack of supervision only provided governance challenges to a moderate extent, just like lack of vision and poor communication was also an issue providing challenges to governance.

The areas that were reported not to offer much challenge to governance were sexual exploitation, ethnicity and tribalism.

5.2 IMPLICATION OF THE STUDY

While most of the organizations studied indicate compliance to various principles of governance, it is noted that not a single organization displays total adherence

to all the principles. And even the extent of adherence varies from one organization to the next.

The principles of sports governance that were studied here included transparency, accountability, fairness and discipline. What needs to be emphasized to these sports organizations is the need to embrace all these principles in order to fulfill total compliance to good governance. Since there is currently a lot of emphasis on transparency and accountability, some organizations tend to forget about the other principles. It is worth noting that the principles complement each other for the purpose of developing associations that are strongly adhered to sports governance principles. Sports associations in other parts of the world are compelled to comply with all the required principles.

Sports Associations in Kenya need to move to the next level of governance by establishing strong self regulatory systems that reviews compliance to the set governance principles.

The government also needs to establish an inspectorate that deals specifically with sports governance issues and ensures that all associations are compliant. Such an inspectorate will provide guidelines of what constitutes effective accountability, transparency, social responsibility, fairness, independence and discipline.

The inspectorate could also act as a complaints centre where stakeholders can forward their complaints and displeasure. The government must be seen to come up and provide assistance to these associations in the form of training, providing offices to those organizations that do not have, and providing reasonable inspection over the associations. There is no doubt that if all these sports governance principles are applied in an association, there is bound to be marked improvement in the growth and development of sports in the country.

5.3 LIMITATIONS OF THE STUDY

This study was constrained by certain factors which are worth noting and mentioning here.

- a) The whole study was carried out in a period of about three months and with meager resources. This made it quite difficult to conduct an effective pilot study. It also affected the number of respondents because some of the respondents needed more time to be able to give better answers in the questionnaire. As a result, even the time available was not adequate for carrying out a detailed analysis.
- The study respondents were extremely difficult to find since most sports organizations in Kenya do not have offices. The officials either work from their homes or in their private offices or in places of work not easily accessible.
- Even though the letter attached to the questionnaire explained the purpose of the research, many respondents were suspicious, hence collecting data from them could lead to moderation of responses to safeguard confidentiality.
- d) The questionnaire appeared to have been quite long for some of the respondents hence some could have lost interest in answering it. Some did not complete the process.
- Not much relevant literature is available in Kenya about this topic of study.

5.4 SUGGESTIONS FOR FURTHER RESEARCH

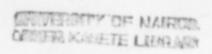
- a) This research was conducted for all the sports associations in Kenya. It could also be carried out for individual sports organizations like the Football federation or Athletics Association.
- b) The research was conducted in the area of sports governance as a whole but research could also be carried out targeting only one aspect of governance. Further research could investigate for example the application of transparency in sports associations.
- c) The study could also be conducted focusing on the governed segment so that the respondents are the members or the clubs instead of the managers and executive officials. One may need to know the perception of members towards governance practices.

REFERENCES

- Appleton, I (1974), <u>Leisure Research and Policy</u> 5th Ed., Prentice-Hall Inc., London.
- Armstrong, M. (2001), <u>A Handbook of Human Resource Management,</u> 8th Edition, Koogan Page Publishers, Bath.
- Cadbury, A. (1992), The Cadbury Committee Report,

 Committee on financial aspects of corporate governance in UK.
- Cole G. A. (1996), Management theory and practice, 5th Ed., ELST, London.
- Commonwealth Association of Corporate Governance and the King Report, (1991), Corporate Governance in South Africa, Institute of Directors.
- Drucker, P.F. (1975), <u>The Practice of Management</u>,
 Panbooks Limited, the Chaucer Press London.
- Edginton, R. C. et al. (1995), <u>Leisure and Life Satisfaction</u>,

 Brown and Benchmark Publishers, Dubuque.
- Glaesser, E. (2003), <u>Governance of not-for-profit organization</u>, University of Chicago Press, Chicago.
- Griffin R. W., (2000), Management,
 5th edition, AITBS Publishers, Delhi
 - Jebet, C. (2001), A Study of Corporate governance in companies quoted in the Nairobi Stock Exchange,
 Unpublished MBA Project, University of Nairobi.



- Iskander, R. M. (2000), <u>Corporate Governance: A framework of Implementation world bank group,</u>
 Washington D.C.
- Johnson G. and Scholes K. (2002), <u>Exploring Corporate strategy</u>, 6th edition. Tata McGraw-Hill Publishers, New Delhi.
- Kabiru, A. (2002), How to Manage Change. Market Intelligence, The Business and Finance Journal.
- KASNEB Newsline (2001), <u>Strengthening organizations</u>, Issue No.3 & 4
- King's committee report and code for corporate governance in South Africa (1994).
- Koontz, H. and Donnel, C. (1976), MANAGEMENT: A Systems and contingency analysis of managerial functions. 6th edition, McGraw-Hill book company, New York.
- Kumar, J. (2003), How to Create a Winning Organization, English edition publishers, Mumbai.
 - Lawler III, E. E. et al, (1998), <u>Strategies for High Performance Organizations</u>.

 <u>The CEO Report</u>,

 1st edition, Jossey-Bass Publishers.
 - Lusthaus, C. et al., (1999), Enhancing Organizational Performance: a toolbox for self assessment, IDRC Publishers, Ottawa
 - Manning, T. (2002), <u>Discovering the essence of Leadership, SUCCEED: South</u>

 Africa Journal of entrepreneurship and Management.

- Milkorich, G.T. and Vourdreau, J. W. (2000), <u>Personnel/Human resource</u>

 <u>management a diagnostic approach</u>. 5th edition. All India Traveller

 Bookseller Publishers.
- Mohrman, S. A. et al (1998), <u>Tomorrow's Organization</u>:

 1st edition, Jossey-Bass Publishers, San Francisco
- Mucuvi, E. (2992), A survey of corporate governance practices in the motor vehicle industry in Kenya, Unpublished MBA Project, University of Nairobi.
- Murithi, M. (1996), Investigating psycho-social issues affecting women participation in international sports competitions, unpublished M.Ed. Thesis, Kenyatta University.
- Newstrom J. W. and Davis K., 10th edition (1998), <u>Organizational behaviour:</u>

 <u>Human behaviour at work.</u>, 10th edition, Tata-McGraw Publishers,

 New Delhi.
- Perrins, R. E. G. and Jeffreys A. (1970), <u>Company Law.</u> 11th edition, ELBS/HFL Publishers, Hatfield.
- Private Sector initiative for Corporate Governance (1999), PRINCIPLES FOR CORPORATE GOVERNANCE IN KENYA.
- Rogge, J. (2004), Governance in Sports: a challenge for the future,

 A keynote address by the IOC chairman at The Athens Olympic Games.
- Schmidt, O. B. (1988), The training concept of the 'German Sport Federation'.

 International journal of physical education.

Wainaina J. N. (2002), <u>Governance Practices of MFI's in Kenya</u>, Unpublished MBA project, University of Nairobi.

World Bank Review (1999), <u>Corporate Governance: A framework for implementation overview</u>.

World Bank Review (2000), Corporate Governance: A framework for implementation overview

INTRODUCTORY LETTER

Faculty of Commerce C/o. MBA Office Department of Business Administration University of Nairobi P. O. Box 30197 Nairobi

Dear respondent,

RE: Collection of Survey Data

I am a postgraduate student at the University of Nairobi, Faculty of Commerce. In order to fulfill the degree requirement, I am undertaking a management research project to investigate the application of governance principles by sports organizations in Kenya.

You have been selected to form part of this study. This is to kindly request you to assist me collect the data by filling out the accompanying questionnaire which will be collected from you later.

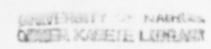
The information you provide will be used exclusively for academic purposes. My supervisor and I assure you that the information you give will be treated with strict confidence. At no time will your name appear in my report. A copy of the final paper will be availed to you upon request.

Your co-operation will be highly appreciated.

Thank you in advance.

Yours faithfully,

S. O. Okech MBA Student Dr. M. Ogutu Lecturer/Supervisor



APPENDIX 2: LIST OF SPORTS ASSOCIATIONS AFFILIATED TO KENYA NATIONAL SPORTS COUNCIL

- 1. Athletics Kenya
- 2. Amateur Wrestling Association
- 3. Ajua Association
- 4. Armed Forces Sports Association
- 5. Archery Association
- 6. Badminton Association
- 7. Baseball Association
- 8. Basketball Federation
- 9. Curling Association of Kenya
- 10. Body Building Association
- 11. Bowling Association
- 12. Boxing Association
- 13. Secondary Schools Sports Assoc.
- 14. Chess Association
- 15. Cricket Association
- 16.Cycling Association
- 17.Darts Association
- 18.Draughts Association
- 19.Golf Union
- 20. Handball Association
- 21. Hockey Union
- 22. Teachers Colleges Sports Assoc.
- 23. Judo Association
- 24.Karate-do Association
- 25. Ladies Golf Association
- 26.Lawn Tennis Association

- 27. Paralympic Association
- 28. Police Sports Council
- 29. Polo Association
- 30. Pool Association
- 31. Prisons Sports Council
- 32. Professional Golfers Union
- 33. Professional Boxing
- 34. Kenya Kick Boxing Federation
- 35. Roller Skating Federation
- 36. Rugby Football Association
- 37. Scrabble Association
- 38. Softball Association
- 39. Special Olympics
- 40. Squash Rackets Association
- 41. Swimming Association
- 42. Table Tennis Association
- 43. Taekwon do Association
- 44. Tug-of-war Association
- 45. Universities Sports Association
- 46. Football Federation
- 47. Volleyball Federation
- 48. Weightlifting Association
- 49. Communications Sports Council
- 50. Netball Association

APPENDIX 3: QUESTIONNAIRE

Please take a few moments of your time to answer the following questions concerning sports governance in Kenya.

SECTION 1: GENERAL INFORMATION

SECTION 2
(a) Organization
1. What is the name of the association/federation
Where are the office headquarters located?
3 How many active branches does the organization have?
4 What is the title of the chief executive?
5 What is the main activity of the organization?
TR to which comes do you are interested of conflicts among the executive
6 What is the organization's E-mail address?
7. Does the organization have a website?
(b) Respondent
What is your position in the organization?
9. What is your occupation?
10. What is your gender (M/F)
10. What is your gender (122) [126-35] [26-35] [36-45] [46-55] [>55]
12. Please tick your highest level of formal education
Primary []
Secondary []
College []
University []
Post graduate []
Other, specify [
13. How many years of experience do you have in this organization?

SECTION 2

ADDITIONAL INFORMATION

(a) Governance	
14. What is the body that governs the organization and supervise the executive	
committee?	
15. What method is used to nominate and select office-bearers into leadership	
positions?	
16. How long is the office term for the office-bearers?	
17. Who among the officials are employed by the association?	
17. WHO date-18	
18.In which areas do you experience a lot of conflicts among the executive	
committee members?	
(i)	
(ii)	
(ii)	
19. How does the organization resolve conflicts?	
19. How does the organization reserve comments and the organization reserve comments are also a comments and the organization reserve comments are also a comments and the organization reserve comments are also a comments and the organization reserve comments are also a comments and the organization reserve comments are also a comments and the organization reserve comments are also a comment of the organization reserve comments are also a comments and the organization reserve comments are also a comment of the organization reserve comments are also a comment of the organization reserve comments are also a comment of the organization reserve comments are also a comment of the organization reserve comments are	
20. How many members constitute the governing council?	
21. Are the governors known to the members? (Yes/No)	
(b) Finances	
22. What is the major source of funding in the organization? (tick one)	
Tournament fees [] corporate sponsorship [] donations []	
Members fees [] Government funding [] other, specify	
23. Does the organization present regular financial reports ? (yes/No)	
24. Does the organization engage professional audit firms in financial auditing?	
Yes/No	-

SECTION 3

GOVERNANCE PRINCIPLES

41. To what extent does your organization adhere to the following principles of governance? Please indicate by ticking the extent to which you think the organization has played a part.

	organization has playe	da	part.					. 1		Not a	+ 011
		Ve	ry great	Grea	at extent	Mod	erate	A li		NOT a	ii an
		,	extent			ext	ent	ext	ent		
a)	Financial Disclosure]]	[]	[]	[]	[]
b)	Community service	[]	[]	[]	[]	[]
c)	Information]]]]-	[]	[I]
	Dissemination						,	r	1	Г	1
d)	Accountability	[]	[]	[]	l]	L	1
e)	Democracy	[]	[]	[]	1	1	L	1
f)	Independence	[]	[]]]	[1	l	1
	Election fairness	1]	[-]]]] []	l	1
g)	Transparency	1	-]	[]	[.]	1]	[1
h)	Human rights	1	1	[]	[]]]	[1
i)		ſ	1	1]]]]]	[]
j)	Integrity and fairness	L	1	1	1]]	[]	[]
k)		r	1	-	1	1	1]]	[]
1)	Timely communication	L	1		,						
	within the organization				1	1	1	1	1	1]
n	n) Succession planning	[]	- 1	1		,	1	1	1	1
n) Clearly stated objectives	[]	[]	1	1		1		1
C) Information disclosure	[]	[]	1]	l	1		1
	e) Regular meetings	[]	[]	- 1]	1	1	1	1

SECTION 4:

CHALLENGES IN SPORTS GOVERNANCE

42. To what extent would you consider the following as challenges to the organization? Please indicate by ticking.

by ticking.				
Very	Great	Moderate	A little	Not at
great	extent	extent	extent	all
	r 1	r 1	[]	[]
[]	[]	[]	[]	[]
[]		[]	[]	L]
[]	[]			[]
[]	[]	[]		
[]	[]	[]	[]	[]
[]	[-]	[]		
[]	[]		[]	[]
[]	[]	[]	[]	[]
[]	[]		[]	[]
[]	[]		[]	[]
[]	[]	[]	[]	[]
[]	[]	[]		[]
[]	[]	[]	[]	[]
[]	[]	[]		[]
[]	[]	[]	[]	[]
[]	[]	[]	[]	[]
[]	[]	[]	[]	
[]	[]	[]	[]	[]
[]	[]	[]	[]	[]
[]	[]	[]	[]	[]
[]	[]	[]	[]	[]
		Very Great great extent extent	Very Great Moderate great extent extent extent	Very Great Moderate A little great extent extent extent extent

Thank you for your time, please indicate by ticking if you will require a copy of the final document at the end of this study. Yes [] No []