
WITHIN THE LITERATURE, A SUCCESSFUL PERFORMANCE MANAGEMENT APPROACH CONSISTS OF A TOOL OR SYSTEM THAT ALIGNS ALL ORGANISATIONAL PROCESSES WITH THE EXISTING STRATEGIC IMPERATIVES WITHIN AN ORGANISATION (KAPLAN & NORTON, 1992, 1996; NEELY, ADAMS & KENNERLEY, 2002; FRANCO & BOURNE, 2003). THIS SYSTEM MUST BE UNEARNESS BY EFFECTIVE LEADERSHIP AND COMPETENCIES FROM SENIOR MANAGEMENT (ARNOLD, FLETCHER & MOLYNEUX, 2012; FLETCHER & ARNOLD, 2011); A CULTURE THAT IS FOCUSED ON PERFORMANCE IMPROVEMENT AS OPPOSED TO PUNISHMENT FOR POOR PERFORMANCE; INVOLVEMENT FROM AND COMMUNICATION WITH STAKEHOLDERS; AND CONSTANT MONITORING, FEEDBACK, DISSEMINATION AND LEARNING FROM RESULTS (FRYER, ANTHONY & OGDEN, 2009; WANG & BERMAN, 2001; DE...
A further important aspect of an effective performance management system as referred to by Bititci et al. (2006) is that it evolves with changes in the organisation which is of particular relevance to the NPSO sector given the various performance challenges these organisations face contained within equally variable timeframes.

Clearly, managing organisational performance is an integral component of an NPSO’s ability to deliver a consistent quality service to its stakeholders existing within all areas of its sporting reach, including those at local, regional, national and international levels. However, research results in this article show that many of these same organisations have failed to manage their performance in anything resembling a robust fashion, with many operating simply on an ad hoc basis, and instead serious flaws have come to exist within such organisations. This has given rise, in some cases, to the endemic underperformance of many of these entities, which has implications for the continued role in offering sporting opportunities for their current and future memberships. In the past, the mismanagement and underperformance of certain National Sport Organisations (NSOs) within New Zealand and indeed elsewhere in the world has led to calls for a fuller evaluation of such organisation’s policies and practices in relation to their overall performance; yet it would appear little progress has been made in this regard with sustained evidence of widespread management failures within the NPSO sector. Given such systemic management failures and the continued underperformance of some NPSOs, it is apparent that many such entities have failed, amongst other shortcomings, to properly engage with traditional performance management practices, which have proven to be successful within the wider corporate world (Kurtzman, 1997).

Thus the underperformance and mismanagement of sporting organisations in the non-profit sector have ultimately raised questions about how NPSOs manage their performance and has raised additional concerns around the activities of those charged with leading sport within different national settings. The need to question these processes and the individual capacity and skill set of such key players is justified given the sizeable amount of public funding (over NZ$100m annually) channelled into mass participation (grassroots/community level) sport and the predominantly volunteer-led approach that many NPSOs require to continue to operate effectively. Furthermore, a previous reliance upon personalities who may have achieved a degree of notoriety in sport, e.g. elite level success, to successfully oversee the work of large NPSO’s can no longer be justified (as in some cases this practice appears commonplace) as these organisations now require specific expertise and knowledge to compete and thrive within an ever more modern, commercially driven and professional environment (Kikulis, Slack & Hinings, 1995; Cuskelly, Taylor, Hoye & Darcy, 2006). The question remains, therefore, as to how exactly NPSOs can manage their performance...
in a more effective manner and what traditional performance management practices can be applied within this unique sector to ensure consistent high levels of performance within these entities.

This article seeks to explore the extent to which traditional business performance management practices (as defined previously) or unique bespoke performance management tools are deployed within NPSOs, whilst appreciating the specific context of sport management and the unique performance dimensions that affect such organisations (Chelladurai, Szyszlo, & Haggerty, 1987; Frisby, 1986; Shilbury and Moore, 2006; Slack & Parent, 2006). More to the point, each individual sporting organisation will adopt different measures and performance dimensions, which they consider to be of critical importance, so it is necessary to examine these issues from a localised perspective.

Implicit within the research process underpinning this study was an appreciation that the analysis of performance management within NPSOs represented a complex undertaking with a broad range of meanings and definitions being applied by different individuals, groups and organisations. Thus determining how performance could be improved within an NPSO might be dependent on the situational and contextual environments of the specific case (Ferkins, Shilbury & McDonald, 2005), and as such requires an analysis that locates such entities within a defined and well-understood local environment. Thus through the use of case study methodology the major state sport agency in New Zealand (Sport NZ) alongside two leading National Sport Organisations in the country (NSOs) (New Zealand Rugby Union (NZRU), New Zealand Cricket (NZC)) were selected as the primary organisations to be examined for this research study.

**Locating the Study: Extant Literature of Performance Management in NPSOs**

Although there has been a substantial body of research undertaken to date that has analysed the performance of traditional (for-profit) businesses (Sowa, Seldon, & Sandfort, 2004; Herman & Renz, 2008; Kaplan, 2001) and the use of performance management tools, such as the industry standard Balanced Scorecard (Kaplan & Norton, 1992; 1996) and its derivatives, scholarly work examining the performance of non-profit organisations and in particular, NPSOs in New Zealand, remains scarce. Of the few scholars who have carried out studies in this field, their research has generally focused on performance measurement—a quantitative assessment of performance (Chelladurai et al., 1987; Frisby, 1986; Shilbury & Moore, 2006; Slack & Parent, 2006), with few choosing to examine the field of performance management—the adoption of a sustainable management system/technique/process for improved performance. Due to the relatively small number of studies that have focussed exclusively on the measurement or management of organisational performance within NPSOs, the
research team working on this study are able to provide a critical analysis of each individual study as opposed to extracting thematic structures from a meta-analysis.

As one of the first studies to apply a performance measurement approach to NPSO organisational performance, Papadimitriou and Taylor (2000) deployed a multiple constituency approach to measuring Greek NPSO’s performances. The quantitative nature of this study provides an adequate overview of organisational performance within these organisations but failed to address how overall performance may be managed within such entities. Papadimitriou and Taylor’s (2000) research does however point to the importance of a multi-dimensional approach to assessing a NPSO’s performance, which given the emergent diverse range of performance pressures placed upon these organisations, is nevertheless an appropriate method of conducting such an analysis. The authors suggest that NPSOs should focus on the most important performance dimensions and “determine their relationship with the outputs of their organisations” (p. 43). The study argues that organisational performance can be determined by the level of satisfaction experienced by organisational stakeholders. Although there is a strong focus on stakeholders, the study surprisingly fails to include a number of important stakeholder groups, the most obvious being Greek NPSOs’ relationship with the Greek Olympic Committee and International Federations. Aside from this clear limitation to their work, the suggestion that performance can be determined through the satisfaction of stakeholders is an interesting concept of this research finding.

Papadimitriou and Taylor (2000) suggest stakeholder management is an integral part of the objective component of the performance measurement system. It may also unveil the imbalance between expectations of stakeholders and the actual results achieved by the organisation, allowing for better understanding of the organisation’s dysfunctions (Spriggs, 1994). These expectations allow the organisation to identify the implicit or explicit criteria for performance that give rise to the mechanisms for evaluating performance. The stakeholders of a NPSO have variable interests and expectations depending upon the position of the organisation and their relationship with it. It may be necessary for an organisation to place particular importance on satisfying the needs of one or a limited amount of stakeholders based on the level of financing or support they are receiving from those stakeholders (Papadimitriou & Taylor, 2000). Furthermore, as the organisation grows and the network of stakeholders increases, meeting the expectations of all the various stakeholders represents a very complex challenge for the management team.

In their work, Bayle and Madella (2002) attempt to establish performance indicators that can assist in generating various performance profiles for NPSOs. As part of a complex study, the authors establish a performance score according to the average of indicators
utilised for each dimension. The study found that the development of one area of performance can lead to the detriment of others and affect the overall performance of the organisation. For example, if a sporting entity has a substandard ‘organisational’ and ‘societal’ performance; this can explain issues of economic and financial performance degenerating over time. The study provides a number of descriptions for the performance of organisations but the terminology used and the lack of identification of the source of these performance failings result in a confusing study that provides little insight into the actual management of organisational performance within NPSOs. Perhaps the major benefit of the methodology employed in this research is that it allows for the comparison of performance between organisations, albeit only within French NGBs. Thus the major limitations contained within this study is that the approach adopted to the process of performance measurement remains essentially descriptive, limited to a specific time point and fails to provide evidence to identify effective performance management practices.

Building upon Bayle and Madella’s (2002) earlier work, Madella, Bayle and Tome’s (2005) research attempts to measure the performance of swimming NSOs in the European countries of Spain, Portugal, Italy and Greece. Within their research, the authors define organisational performance within an NSO in broad terms and compromising of five different dimensions: human resources; finance; institutional communication; partnership and inter-organisational relations, volume and quality services; and athletes’ international performances. The identification of performance dimensions is an important first step in terms of managing organisational performance but again, incorporating these dimensions into a specific organisational performance management tool is not adequately addressed within this study.

Indeed Madella et al.’s (2005) study has a number of other limitations in that it has not successfully identified all of the integral performance dimensions of an NSO, most notably omitting the issue of governance within such organisations (Ferkins et al., 2005, 2009; Ferkins & Shilbury, 2010; Hoye and Doherty, 2011). Furthermore, the authors use numerical indicators of various performance areas in an attempt to create an image of organisational performance, which it is argued, cannot uncover the true factors behind performance successes or failures.

Bayle and Robinson’s (2007) study attempts to provide a “holistic” (p. 250) view of organisational performance within sport, in contrast to previous published studies which simply undertook a measurement of organisational performance through analysis of various performance dimensions. In relation to an organisation’s performance at the strategic level, Bayle and Robinson (2007) suggest there are three principles that performance depends upon: the system of governance; the quality of the organisation’s network (affiliations, supporting bodies); and the positioning of
the organisation within its particular sport. The study refers to these principles as “The Strategic Performance Mix” but unfortunately fails to identify how exactly these dimensions are to be managed.

At the operational level, their study suggests there are three further performance issues that facilitate overall organisational performance. These are: (1) Forms and levels of professionalization: this refers to the delegation of responsibility which must be supported by a suitable organisational structure, accountability, and reporting mechanisms between paid and unpaid staff and board members and senior management; (2) The presence of a participatory organisational culture: refers to the ability of the organisation to have all stakeholders (mainly the board, professional staff and volunteers) contributing to a system of participatory management in order to share accountability for its performance. Although it is important to ensure the above stakeholders feel part of the development of the organisation, ultimately this has to be understood as a flawed management approach as the purpose of employing professional staff is to create a system of accountability that cannot be otherwise adequately applied to volunteers; (3) Adopting a partnership approach: The study correctly states that organisations must form vertical and horizontal relationships with entities such as clubs and leagues, other NSOs and ministries or agencies of sport, but this performance issue must be addressed at the strategic rather than operational level.

Although Bayle and Robinson’s (2007) study begins with the intentions of providing a holistic approach to organisational management within sport, ultimately the study falls short of fully uncovering the core issues of performance considered necessary for a sustainable high level of performance within a NPSO. The study correctly identifies governance and a system of control or evaluation as key factors in determining high levels of performance but fails to identify issues related to a performance management system or tool as a fundamental factor related to overall organisational performance.

In a more recent study, Winand, Zintz, Bayle and Robinson (2010) fail to move research findings in this field a great deal forward and in fact revert back to a “measurement” style of determining organisational performance rather than again identifying the conditions that impinge upon high levels of organisational performance. Their study identifies five main dimensions of performance: sport, customer, communication and image, finance, and organisation. These performance dimensions are analysed through adopting a quantitative approach, which simply offer an overview of performance and does not provide the same degree of depth as studies that have employed a qualitative or mixed methods approach. In contrast to Bayle and Robinson’s (2007) study, Winand et al. (2010) do not suggest that governance or again, the use of performance management tools, are important performance dimensions.
Winand et al.’s (2010) study uses the same methodology as Madella et al. (2005) who proposed seven basic steps for the development of a measurement system. Although measurement of performance is important, it does not necessarily show where specific failings of performance occur or how these failings may be overcome. This is further compounded by the quantitative nature of the methodology employed, which again does not allow for the uncovering of intricate causation associated with a lack of performance. However, an important aspect of the research methodology employed by Winand et al. (2010) is the comparison between the results of their quantitative research and the strategic goals and priorities of the selected organisations. It is widely accepted that the performance of any organisation must be driven by and compliment the specific objectives as identified within that organisation’s strategic plan. In fact, this is the basis for the development of a number of performance management tools and practices within the traditional business environment (Kaplan and Norton, 1992; Town, 2000; Neely et al., 2002; Lyons, 2006; Van Dooren & Van De Walle, 2008).

In conducting an analysis of strategic and operational goals, Winand et al. (2010) suggest that, in general, the performance dimensions in their study are relatively independent of each other, findings that are in direct contrast to Bayle and Madella’s (2002) study. However, Winand et al. (2010) do suggest that some relationships were able to be identified within their performance dimensions, most notably a positive correlation between their financial dimension and ‘sport for all’ initiatives (participation). Indeed the authors acknowledge the limitation of their quantitative design and suggest that future research focus on “qualitative judgements… in order to assess organisational performance” (p. 305) would be appropriate. Although Winand et al.’s (2010) study allows for some insight into organisational performance and may benefit the board in relation to executing its strategic imperative; their model does not provide analysis of organisational performance management practices and thus proves congruent with the majority of previous studies undertaken within this field. Furthermore, Winand et al.’s (2010) research sample is from NPSOs in the French speaking community within Belgium and given some of the unique qualities of these organisations, it is difficult to generalise these findings to NPSOs within other nations.

**Method**

It was clear that in order to obtain the necessary data relating to the extent of performance management practices within NPSOs a case study methodology would be the most appropriate manner of exploring themes pertinent to the key issues underpinning this work (Stake, 2003; Yin, 2009). The use of quantitative methods, as has been adopted by the majority of previous studies within the field, was considered inappropriate in order to conduct an in depth analysis of such organisations.
and ascertain the richness of information considered necessary. This research required an insightful and detailed description of characteristics associated with performance management practices within the case study organisations and research outcomes that were largely inductively determined. It is for this reason that a qualitative methodology was chosen for this research study, which typically involved consideration of subject matter which is by no means easy to quantify.

Key characteristics of case study methodology include in-depth analysis of the organisations and the primary use of interviews and document review for data gathering purposes. Edwards & Skinner (2009) refer to the value of the case study method and argue for its increased adoption within sport management research, particularly within studies that analyse certain sport management practices such as the broad field of performance management. The use of the case study is also advocated by a host of other scholars (Caza, 2000; Sharpe, 2006; Stevens & Slack, 1998) as an effective means of analysing issues within the sport management field. However, findings and results from investigations within qualitative research can often be difficult to manage and, even more so, generalise. Although there were clear challenges in choosing qualitative methods to conduct this type of research, the researchers felt it was the most appropriate and necessary method to employ in order to carry out the study in the most comprehensive, valid and reliable manner. It is not suggested that findings from the current study are generalisable across the entire NPSO sector either in New Zealand or elsewhere. Conversely, this study is consistent with a constructivist perspective (Guba & Lincoln, 2004; Misener & Doherty, 2008; Patton, 2002; Schwandt, 2001) which values multiple individual perspectives to develop understanding of performance management practices within the selected NPSOs. However, through a multiple case study perspective, it may indeed be possible to establish conceptual and empirical patterns that are transferable to NPSOs within similar settings in other parts of the developed world (Frisby, Crawford, & Dorer, 1997; Kemmis, 1980; Misener & Doherty, 2008).

As the case study represents a holistic view of an organisation’s environment, activities and operations (Merriam, 1988; Stake, 2000; Misener & Doherty, 2009), this method allows for the consideration of a range of variables that impacted upon each selected organisation’s ability to perform at its optimum level. Case study methodology proved to be a challenging and time consuming research method but equally rewarding due to the richness of data uncovered in relation to performance management practices within NPSOs. Consequently, significant advances in theory and practice in relation to performance management within the selected NPSOs have been achieved.
Case Study Organisations

Three NPSOs in New Zealand were chosen as the primary case study organisations. In choosing organisations for the study it was important to select those deemed to have undergone a process of modernization — to have ‘professionalized’ their practices — as it was assumed by the research team that these organisations would most likely have engaged more with traditional performance management practices as opposed to other smaller, wholly volunteer-led NPSOs within New Zealand. Furthermore, the major state sport agency in the country (Sport NZ) was selected as a case study organisation to examine those performance management practices currently in place in the organisation charged with leading best practice in New Zealand organisational sport management. The selection of Sport NZ is further justified as subjects from this organisation were also able to comment on the extent of performance management practices within New Zealand NSOs in general on account of their intimate knowledge of the management practices present within these entities.

The findings of the data collection phase were analysed for common emergent themes between the three organisations. Cross case analysis within case study methodology allows for greater generalisation of the results (Yin, 2009) and was an important part of the research design in this instance. Constant comparison of individual themes and supporting statements were undertaken by the researchers while also allowing for insights to emerge that were not previously considered (Benner, 1985; Shilbury, Ferkins & Smythe, 2013).

Data Collection

The methods used to collect data consisted of interviews supported by document review and analysis. Purposive sampling (n=15) was used to select relevant interview participants. In-depth interviews were then conducted with the selected participants with each interview lasting between 1-h to 1.5-h in duration. Follow-up interviews were also conducted with a selection of participants following initial transcription and analysis in order to clarify certain information or to return to particular emergent themes for additional information. All participants gave their consent to take part in the study and to have their anonymous views published as part of this research. Interviews were deemed to be the most appropriate data gathering method due to the nature of the information being sought and the ability of the interviewer to provide a relaxed setting (Boyce & Neale, 2006). The CEO and Chairman of the board governing each organisation were interviewed in the first instance followed by a number of other senior management figures and other employees/volunteers associated with each NPSO. It became apparent that a sufficient number of interviews had been conducted when data saturation was reached during each phase of the data collection process. All interviews were conducted over a pe-
period of six months (January 2011 to June 2011) allowing time for each interview to be transcribed and initially analysed. The time between interviews also allowed for the researchers to examine emergent themes and prepare a line of questioning for subsequent interviews.

Document review relating to performance management practices was also used as a data gathering technique in this study. The CEOs of each organisation were asked to provide relevant documentation to support analysis of the overarching themes being examined at interview in relation to the broad scope of performance management. Such documentation could include, but was not limited to, strategic plans; annual reports; mission statements; vision statements; philosophy statements; by-laws; organisational structure description; articles of incorporation; organisational budgets; personnel policies and procedures; information on fundraising and sponsorship initiatives; and organisational history description. This documentation was then scrutinised by the research team and triangulated with the results of the interview stage to ensure that the findings of the data gathering process were considered valid.

**Triangulation of Data to Ensure Validity**

The issue of validity in qualitative studies such as this is conceptualised differently than it typically is in predominantly quantitative studies. According to Polkinghorne (1989), the issue of validity in quantitative studies depends on whether the instruments used to measure a phenomenon do in fact achieve this outcome. In qualitative research, the term validity is used in a broader, more general sense. Polkinghorne (1989) adds that the issue concerns the question: “Does the general structural description provide an accurate portrait of the common features and structural connections that are manifested in the examples collected” (p. 57). The challenge for the researchers working on this study was to ensure accuracy both in fact and meaning from the work undertaken. To achieve this goal the researchers have deployed a qualitative approach method in a rigorously and sustained manner, which relays results that are both accurate and illuminating. Pollio, Henley and Thompson (1997) point out that “only when both criteria are met does research attain the rigor and insight that it aspires to attain” (p. 56). Also, in order to further ensure the validity of the results, the researchers sent participants the thematic structure that emerged from data collection and analysis and asked each participant confirm that it accurately represents their opinions, which they were happy to do so.

By combining document review data with data collected during interview, the validity of the findings was further strengthened, and any inconsistencies in responses which required additional inquiry were revealed. Attempts were made by the researchers to gain an understanding of issues relating to performance management practices present in documentation such as the mission
statement, vision statement, strategic plans, annual reports and other relevant written documentation, alluded to previously. In addition, the methods and internal formal norms of operations geared towards monitoring and increasing performance were examined. Written materials or budget entries, which suggested the development of specific areas of performance or policy shifts towards a performance management culture, were also sought out during this phase. Interviews were used to clarify and investigate various issues raised in document review along with other issues related to performance management within the organisation. All written notes, whilst anonymised and securely stored, have been retained on file.

**Findings**

In line with the major aims of the study, the research team sought out information from participants that was directly relevant to issues related to performance management within the case study organisations. It was found that two of the three case study organisations have engaged within performance management practices similar to those that are in operation within the private and public sectors. The other organisation had not engaged with these processes to the same degree. Various common themes emerged during the analysis of data including NPSOs inability to obtain reliable information from their partner organisations, the implementation of performance management approaches coinciding with a cultural change, and the impact that independent board members have had on the adoption of such systems within the case study organisations. The sections below detail the researchers interpretations of what emerged which is supported by relevant extracts from primary (interviews) and secondary (documentation) data.

**Sport NZ**

The data gathering process showed that a formal (on-going) performance management system does not exist within Sport NZ but participants believe the implementation of such an approach could offer real benefits in relation to managing performance objectives (Walsh, 2000) and its accountability function to federal government. A senior manager in Sport NZ believed the industry needed to move to a situation where NPSOs are “appraised as a commercial entity” (24 March, 2011) and the implementations of such practices are now essential. Another participant stated “using sustainable systems and processes... is critical and has to be led by a capable CEO and wise chairman of the board” (7 April, 2011). A further interviewee claimed it is “important to have a formalised system as a number of teams have to be aligned and there is a strong accountability function to government” (25 March, 2011). Currently, performance management within the organisation is limited to quarterly reporting against financial and business plan objectives and the evaluation of the
Statement of Intent (internal) and Letter of Expectation (external) provided by government at the beginning of each year. One participant claimed that a performance management culture, as described by Winand et al. (2010), does not currently exist within the organisation and concedes that it is a crucial “area for improvement” (18 March, 2011). They add a possible reason as to why such a practice does not currently exist in the organisation as being (that) “performance management can be seen as a frustrating timewaster that takes people away from their main roles and responsibilities” (18 March, 2011).

A common theme throughout the Sport NZ interviews was that a major issue within the organisation was the inability to measure its own performance but also to measure the performance of its partner organisations such as NSOs. “We want to create an environment for sport organisations to flourish” remarked one respondent from the organisation (18 March, 2011). Another senior manager in the organisation suggests partner organisations are currently “required to submit strategic plans and must report against those plans as a condition of funding but more needs be done to ensure a good return on investment of public finances” (17 March, 2011). However, as another participant pointed out, the organisation “must not be seen to be a bureaucracy but be highly flexible and be relevant to the sector” (20 January, 2011). The overall success of organisational objectives is largely dependent on the capability and willingness of Sport NZ partner organisations to align their resources and strategic direction with those of the state agency. “We deliver our objectives through NGBs and RSTs”, remarks one participant (7 April, 2011). Alarmingly, one senior figure from the organisation makes the statement; “ultimately NGBs will create direction for themselves. Hopefully it will be in line with our direction” (25 March, 2011).

Supporting Li’s (2009) research, which argued that NPSOs must become more familiar with traditional business practices, another interviewee from Sport NZ argued, “commercial sport organisations with a product to sell are good at gathering and using information; sport organisations need to do the same” (24 March, 2011). They add that the organisation is “starting to hold individuals to account and partner organisations to account” (24 March, 2011). Another participant concedes that in order to do this the organisation must “communicate expectations” (7 April, 2011) in a clear, accurate and transparent manner as “improving their ability [partner organisations] to perform is crucial” (7 April, 2011). This participant acknowledges that “the sector is not good at monitoring and evaluating performance” (7 April, 2011) but claims that Sport NZ has “invested heavily in this area” and the implementation of robust “performance management practices would provide better return on investment” (7 April, 2011). Further supporting calls for NPSOs to adopt traditional management practices, another senior manager offered an appropriate summary for the full adoption and engage-
ment with performance management practices in sport: “the closer New Zealand sport gets to adopting commercial and professional approaches the more change in the [performance management culture] culture will take place” (24 March, 2011).

Although an on-going organisational-wide performance management practice is currently absent from Sport NZ, the organisation has engaged with a once-off performance assessment tool. The organisational development tool (ODT) is a software application unique to this entity, which has been developed based on Malcolm Baldrige’s (2005) performance management criteria. This tool is a comprehensive “one-off application” (7 April, 2011) and analyses areas as diverse as culture, values, strategy, finances and human resources. Specifically the ODT examines various aspects of the organisation related to six different areas: leadership; planning; customer focus; sport delivery; people management; and sport management (Sport NZ, 2012). It is a self-assessment tool that has the ability to generate recommendations and can be applied to NSOs, Regional Sports Trusts (RSTs) and clubs which Sport NZ facilitates pro bono. In 2010, Sport NZ applied the tool to its own operations and plans to continue this practice at regular intervals. One participant, a senior figure in the organisation, claimed Sport NZ has invested heavily in its implementation and is planning on “taking all the regional sports bodies through it” (7 April, 2011).

New Zealand Rugby Union

Organisational performance management forms a large part of the daily and annual operations of the NZRU. From the strategic plan, specific targets are identified and refined into annual priorities through the implementation of the organisation’s business plan. Each year those priorities form the basis of a scoreboard (Balanced Scorecard: Kaplan & Norton, 1992; 1996) which captures the essence for the organisation’s existence and its various strategic imperatives. Each priority is given a specific percentage depending on its particular relevance within the annual business plan. A board member within the organisation describes how “the overall score is related to bonus pay within the organisation and is further broken down into individual performance” (11 April, 2011).

This form of balanced scorecard (Kaplan & Norton, 1992; 1996) coincided with the adoption of independent board members within the organisation and is regarded as a firmly embedded practice within the culture of the NZRU. One participant claimed that “all NZRU employees are fully aware of the scoreboard and the various priorities contained within it in any given year” (8 April, 2011). Another senior figure describes the scoreboard as an essential tool within the NZRU and attests to the transparent nature of the instrument, which details clear targets to be achieved: “if the organisation achieves the targets they get the percentage bonus allocation; if we do not achieve any
targets we get zero per cent” (11 April, 2011). Specific performance targets, as described by Walsh (2000), are prepared by NZRU management each year and then put before the board for its approval. Much like Kaplan and Norton’s (1992) 1st generation Balanced Scorecards; these targets are then placed within four quadrants within the scoreboard: Game Development; Representative Teams; Competitions; Governance and Financial. Financial reporting within the organisation is also based around these four quadrants disseminated by NZRU headquarters to all of the provincial unions.

Hoye and Doherty (2011) suggest that few attempts are made to evaluate the performance of the board within NPSOs; however, one NZRU board member claims “the scoreboard is also used to assess the performance of the CEO and the board and gives a clear indication of both parties’ progress towards realising the strategic vision of the organisation” (23 March, 2011). They suggest that this is the most appropriate manner to assess board performance in particular as they “have been on other boards where there is disconnect between the assessment and organisational goals” (23 March, 2011). Another participant, a senior manager, also alludes to the importance of a performance management approach within sport management and how this has contributed to the growth and success of the NZRU:

A lot of organisations are very good at saying what they would like to do, but they are poor at measuring what they have achieved towards it, and understand why they have not achieved; some organisations do achieve but do not understand how they did. (15 February, 2011)

**New Zealand Cricket**

Organisational performance management practices are beginning to play a major role within NZC as “a culture change is currently taking hold” (27 May, 2011). The organisation has adopted a form of Balanced Scorecard (Kaplan & Norton, 1992; 1996) to measure end of year performance and supplements this with a ‘traffic light’ system to assess on-going performance objectives. These practices have been driven by the board downwards providing evidence for the positive influence that corporate knowledge, as described by Hoye and Doherty (2011), can provide for a NPSO. One participant, a board member of NZC states: “all [traditional business] processes are 100% transferable to the sport organisation; there are no barriers to it” (6 June, 2011). Another board member claims that the adoption of the Kaplan and Norton (1992; 1996) Scorecard “allows all initiatives to be interlinked to deliver on strategic objectives” (13 April, 2011). Others suggest that through a combination of these tools the organisation can view “a clear illustration of how the business has gone over various components” (27 May, 2011).

This performance management tool, which has been adopted by the organisation, is not the traditional four quadrant Balanced Scorecard model as NZC
has grouped targets and objectives together under five performance dimensions of the organisation. “High Performing Teams” relates to the success of the national teams at international competitions and test matches. The performance of national teams is a strategic priority within NZC and its success is the driver for other elements of the organisation’s activities. An NZC annual report suggests “significant resources are invested in developing and supporting our elite teams, including specialised high-performance programmes, expert coaching at national and major association levels, comprehensive support systems and a focus on maintaining world-class playing grounds” (NZC, 2008). “Family of Cricket” is the organisation’s way of detailing the relationship it has with some vital stakeholders. Such stakeholders include the International Cricket Council (ICC), Major Associations and the New Zealand Cricket Players Association (NZC, 2011). “Sustainable Growth of the Game” relates to the organisation’s policies to stimulate participation of players, coaches, officials and volunteers. Like many NSOs, NZC relies heavily on the willingness of volunteers to carry out a number of functions related to its strategic objectives (Thibault, Slack & Hinings, 1991). “Volunteers are essential to the effective running of the game of cricket and every year hundreds of people give up their time to help grow the game at grassroots level” (NZC, 2011). A “Culture of Excellence” relates to a number of internal processes and structures and external initiatives with various stakeholders to optimise the performance of the organisation. The processes of attracting high calibre personnel (Papadimitriou & Taylor, 2000; Papadimitriou, 2007; Hoye & Doherty, 2011) within the organisation falls under this performance dimension along with training and development of current staff and fostering the strategic capability of the board (Ferkins, Shilbury & MacDonald, 2005, 2009; Ferkins & Shilbury, 2010). Finally, the so-called “Business of Cricket” is solely focused on the financial performance of the organisation in relation to income generation and expenditure. This section of the scorecard incorporates elements of commercial sponsorship, data relevant to ICC distributions, and income from gate receipts and other revenue streams. It also details where certain expenditure has been budgeted for directly related to objectives contained within the strategy (NZC, 2011).

One participant, a senior manager within NZC, suggests that the implementation of the Kaplan and Norton (1992) Balanced Scorecard is testament to the organisation’s commitment to “always be looking to go forward and keep pace with best practice” (13 April, 2011). Another participant believes the adoption of this performance management tool is of fundamental importance for NZC and claims there is “a good balance of cricket measures, business measures and internal staff measures within the tool” (6 June, 2011). This participant adds that the tool is similar to Balanced Scorecards used within the corporate environment but concedes
that “people are not used to it yet within NZC” (6 June, 2011). They also state that the Kaplan and Norton (1992) Balanced Scorecard “takes effort to set up and implement” (6 June, 2011) but the benefits for the organisation outweigh these issues in terms of managing on-going performance areas and aligning all organisational activities with the strategic plan. A further participant, a board member of NZC, attests to the transparency of the tool stating that “everyone can see what all the priorities are” (27 April, 2011) and claims that the organisation re-visits these priorities every quarter using the traffic light system. Although participants believe the organisation is moving in the right direction with performance management practices, they also claim that further improvement is necessary. One participant stated “we want to create a performance management culture throughout all of our operations” (27 April, 2011) but concedes as an organisation and governing body, “we are not there yet” (27 April, 2011). Lastly, another participant added:

“In time the performance management system will progress substantially; the expectations of stakeholders, the board and business partners are at such a high level that NZC needs to be managing and measuring all KPIs a lot better; there have been improvements in previous years but it is still in its infancy”. (6 June, 2011)

DISCUSSION

It is evident from the data collected in this research that the cultural change of the non-profit sport sector in New Zealand, as confirmed by numerous authors including Slack (1985) and Chappelet and Bayle (2005), remains very much underway. During a series of interviews with top executives, board members, and others within key sporting bodies in New Zealand, extracts of which have been relayed in this article, the words ‘cultural change’ were repeatedly used to describe how the adoption of performance management practices proved challenging as it coincided with calls for NPSOs in the country to operate in a more professional, transparent and accountable manner. Supporting this strong emergent theme throughout the data, Pulakos (2009) describes how some organisations find it difficult to fully engage with sustainable performance management approaches and suggests an individualised bespoke system should be adopted to meet the needs of each organisation. A performance management system that is seen to be a “time waster” (18 March, 2011) by staff, as alluded to by some participants, is clearly of little benefit to an organisation and instead such a system should be re-evaluated and examined to ensure it serves a valid purpose within the organisation (Pulakos, 2009). It may take some time and further detailed refinement to establish a system that truly addresses the needs of a specific organisation, such as those sporting bodies covered in this research, which have
multiple objectives operating within variable timeframes. Supporting Pulakos’ (2009) synopsis, one participant in the current study correctly identified (that): “there is a wide range of size and capability within sport organisations; not one model suits all” (25 March, 2011).

The ability to hold partner organisations accountable, such as those associated with Sport NZ or within a federated NSO model of governance, constituted another major theme that emerged during data analysis. The dispersal of funding to these organisations from the ‘main body’ often arrives unconditionally and the adoption of a common robust performance management process may ensure a key alignment of objectives, resources and efforts (Winand et al, 2010). Shilbury et al. (2013) refer to the issue of a collaborative approach to ensure the success of an NSO and suitable performance management practices may well contribute to addressing such critical issues within these organisations in the time ahead. One of the major challenges in relation to performance management and the implementation of the Balanced Scorecard (Kaplan & Norton, 1992; 1996), specifically within the NZRU, is the successful obtainment of data and reliable information to accurately report against priorities and targets (Walsh, 2000). This theme is also apparent within the Sport NZ case study covered here and, as in that case, it is essential for the NZRU to convey the importance and significance of obtaining reliable and accurate data to be reported within the scoreboard. One NZRU participant suggests there is a performance management “culture” (8 April, 2011) within the organisation but claimed the NZRU wants to turn this into a “high performance culture” (8 April, 2011). They add the Kaplan and Norton (1992; 1996) scoreboard is an important part of the organisation achieving this goal. Furthermore, as highlighted by Sport NZ and NZRU-aligned interviewees, the adoption of performance management practices may also address the prevalent issue of both organisations’ inability to obtain reliable information (data) from their partner organisations, which relate to various performance issues across each NPSO.

It was also abundantly clear from this research that the adoption of performance management practices in both the NZRU and NZC coincided with the restructuring of the overall governance arrangements within these organisations resulting in the incorporation of independent members within the board. The traditional delegate model of governance has long been considered outdated on account of its inability to ensure the required skill set will always be present in the boardroom of NPSOs (Shilbury et al., 2013) and this is further supported by the findings that emerge from this research study with a number of participants acknowledging that “board capability is a challenge” (8 April, 2011). The adoption of the ‘scoreboard’ in the NZRU and Balanced Scorecard in NZC has been led by these independent board members who have successfully addressed the perceived skills deficiencies within the organisati-
tions. Finally, the value of independent board members and their knowledge of traditional management practices are highlighted by one NZRU board member:

Management disciplines and accountabilities that are brought over [from independent board members] are very useful; they are the most important foundation of how the NZRU has been able to grow its performance. Without it the NZRU would not have had a chance of winning the hosting rights for the Rugby World Cup 2011. (23 March, 2011)

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

Several limitations may influence the results of this study. First, this research used predominantly qualitative methods in order to obtain the information required from which these conclusions are drawn. This was achieved primarily through in-depth interviews and document review to provide narrative descriptions of the characteristics of performance management practices. As a consequence, this research is prone to the criticisms typically associated with qualitative research, most notably the ability to generalise the findings to a wider population. Given the somewhat unique positioning of the two NSOs selected in this research (NZRU and NZC), the ability to generalise these findings to other NSOs within the New Zealand sporting landscape and abroad is further inhibited.

In line with studies involving human subjects, both the researchers and the participants can be affected by bias and “blind spots” (Mentzos, 2006, p. 248). There is an element of subjectivity in deriving analysis of the meaning of findings which can be a barrier in presenting unbiased facts about a particular case. However, often encouraging the subjectivity of the participants is a major goal within qualitative research in order to gain insight into different views and opinions surrounding a key issue, such as the use of performance management practices. The research questions were designed to ascertain information about performance management practices within NPSOs and other associated topics. Although the researchers can extrapolate meaning and speculate about issues within the emergent thematic structure, this still must be acknowledged as theory and requires further empirical research to be confirmed in certain cases.

An additional limitation to consider in this work is that this study was essentially a ‘snapshot’ of the case study organisations over a defined time period. As a consequence, some of the data is potentially transient due to CEOs, board members, senior management and stakeholders changing over time. As a result, the issues relating to performance management within the organisations may not be indicative of similar issues that emerge in the future under new leadership and management. The researchers have attempted to portray a view of the organisations over a significant period of time and have taken cer-
tain instances and circumstances into account that relate directly to performance management issues. As a consequence of this, the researchers were able to establish a detailed and accurate account of performance management within the case study organisations.

Further research is required in a number of areas to expand this field of enquiry and provide a greater understanding of issues raised within this article. Of particular importance is the area of stakeholder theory and its relationship in the formation of performance management practices within NPSOs. Although previously explored by Papadimitriou and Taylor (2000) among others, additional research related to stakeholder management (Rolf-off, 2008) should be undertaken, as this issue has been identified as a crucial performance dimension for the three case study organisations as they attempt to satisfy latent interests without losing focus of core strategic imperatives. One participant from the NZC case study suggests “support and buy-in of stakeholders can be hard; it takes over communication; it’s a constant challenge, we can never communicate well enough with stakeholders” (27 May, 2011).

One of the major themes within this study has been the revelation that the NPSOs find it difficult to obtain reliable and accurate data from their partner organisations—a requirement for the successful implementation of a robust performance management approach. Further research is required to examine how collaborative governance theory (Shilbury et al., 2013) may contribute to solving this issue and assist in the greater alignment of NPSOs and their partner organisations in the federated model of governance, which these organisations operate in. Barriers and inhibitors that impinge upon a successful performance management approach must be explored, as well as the conditions that facilitate the adoption of these practices through a common vision, mission and strategic priorities.

This research is a single study on the topic of performance management practices in NPSOs within New Zealand. It is only one step forward in attempting to understand issues surrounding the adoption of performance management practices and the obstacles in place relating to a NPSO’s ability to improve overall organisational performance. Some valuable insights have been unveiled within the research and significant advances in theory and practice in relation to performance management within the selected NPSOs have been achieved. It is anticipated that scholars will address the recommendations for areas of future research so that our understanding of performance management practices in NPSOs can be further enhanced and these entities can continue to function as key social institutions within our society.

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