GOOD ORGANIZATIONAL GOVERNANCE AND DEVELOPMENT OF LEADERSHIP SKILLS IN SPORTS

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Abstract: The idea of what constitutes good organizational governance extends beyond the ideas of monitoring to ensure conformance and developing to improve performance. Henry and Lee (2004) provide a list of seven key principles for good organizational governance in sport organizations: 1. Transparency – ensuring the organization has clear procedures for resource allocation, reporting and decision-making; 2. Accountability – sports organizations need to be accountable to all their stakeholders; 3. Democracy – all stakeholder groups should be able to be represented in the governance structure; 4. Responsibility – the board has to be responsible for the organization and demonstrate ethical stewardship in carrying out that responsibility; 5. Equity – all stakeholder groups should be treated equitably; 6. Efficiency – process improvements should be undertaken to ensure the organization is making the best use of its resources; and 7. Effectiveness – the board should establish and monitor measures of performance in a strategic manner. This list of principles is not exhaustive but it does give us a clear indication of the philosophical approach organizations should adopt in designing and implementing an appropriate governance framework. The English legal system requires PL clubs to fulfill a number of obligations for communicating with shareholders, consultation with fans, the use of customer charters, and dialogue with supporters’ trusts. The FGRC noted that while the majority of PL clubs do an adequate job in this area, there was room for improvement. In addition PL clubs that are listed public companies must follow a combined code that sets out principles for the activities of directors, director’s remuneration, accountability and audit requirements, relations with shareholders, and institutional shareholders. The FGRC found that while PL clubs are moving towards having more independent directors, they fall short compared to other listed companies. There are now more than 70 supporters’ trusts for clubs in the FA, and about 60% of PL clubs have a supporter’s trust. The trusts fulfill an important governance role, with 25% of PL clubs having a trust representative on their board. This representation means that committed fans have the

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chance to participate in decision-making at the highest level in regard to the future of their club, and in return support the club in sport development, marketing and fundraising activities. Coaching experts give some guidelines as to how adopt leadership skills such as visualizing what one wants to accomplish, taking the lead, fighting for equitable funding, projecting oneself, putting one’s own "stamp" on each of the coached athletes, surrounding oneself with good people, adopting and being persistent with one’s philosophy, sharing commitment and knowing who your friends are, and finally identifying those who can positively influence one’s coaching career and being true to one’s values.

**Key words:** organizational governance, audit requirements, shareholders, decision-making, leadership skills, sport