

The Governance Review at the Hawthorn Bowling Club

Alan Reid and Graeme Alder, March 2021.

1. The governance review: terms of reference and process

In July 2020 the Board of the Hawthorn Bowling Club (HBC) agreed to review the governance of the club. Specifically, the review has two key elements:

- assessing the adequacy of the club's overall governance structure for achieving the club's philosophy, strategic plan and policy requirements, and enabling its ongoing management;
- ensuring that the club's documentation relating to its governance is up-to-date and fit for purpose.

Graeme Alder agreed to work with Alan Reid on this task. Since August they have met many times to discuss progress; talked with various individual Board members about specific aspects of the management of the club; attended a Bowls SA forum on club management; and conducted two forums – one with Board members (December 14, 2020), and one with HBC portfolio holders (March 15, 2021) – which explored the strengths and weaknesses of the current governance structure and alternative models.

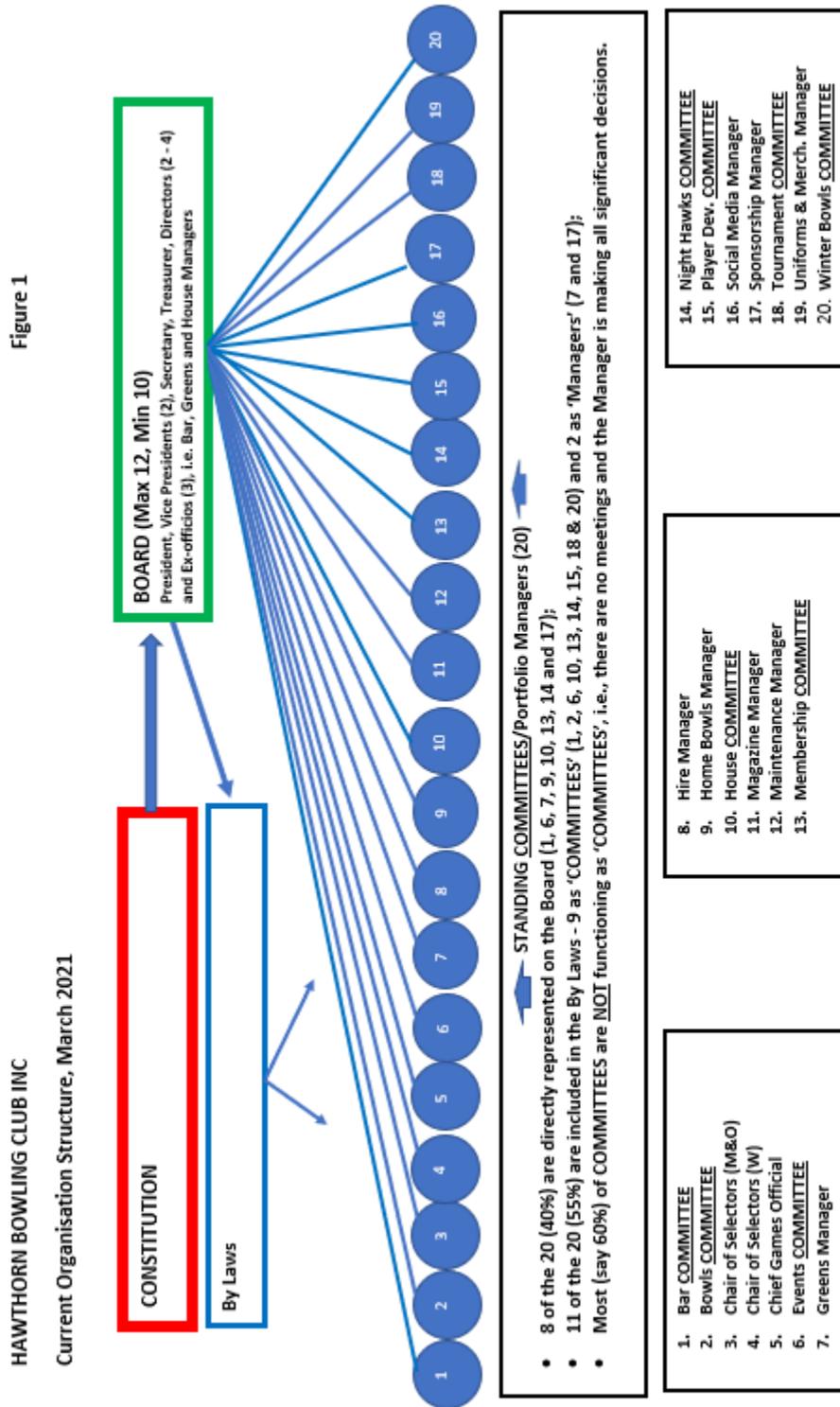
2. Why the governance review now?

If the concept of governance refers to the structures and processes that enable the decision-making of an organisation to be responsive, accountable, inclusive and strategic, it follows that its governance arrangements need to be regularly monitored and evaluated. For many years the HBC has been well served by its Boards and leadership and has maintained its status as one of the most successful bowling clubs in South Australia. However, it has been nearly a quarter of a century since there has been a wholesale consideration of governance at the HBC. In that time, not only has the club grown in size and complexity, but the context and environment in which the club operates is very different to what it was at the turn of this century. These factors make a wholesale review of the governance structures at HBC very timely.

3. Governance and HBC: Assessing the current structure

Hawthorn Bowling Club is an incorporated association with a constitution and by-laws. Its governance structure has evolved over time as successive Boards have adapted it to suit new circumstances.

The Chart in **Figure 1** is a simple diagrammatic representation of the club's organisational structure extant in 2020/21. It has a number of key elements:



- The constitution – which can only be altered by a specially called general meeting - sets out the composition of the Board. This comprises a Board President, two vice-Presidents (one female, one male), Secretary, Treasurer, at least two and no more than 4 other members, and three ex-officio members being the Board appointed managers of the Bar, Greens and House. The maximum Board membership is 12, the minimum is 10;
- The club constitution gives the Board the power to establish or abolish standing committees, and to make by-laws which set out the terms of reference of these committees. Currently the by-laws describe 11 Standing Committees (portfolios). In addition, there are a number of portfolios which have been established by the Board and are currently managed by club members which are not described in the by-laws. The circles numbered 1-20 in Figure 1 represent all of the club's committees. Although some of them are not represented on the Board, all are responsible to it.

The review analysed this structure, looking particularly at the extent to which it gets work done efficiently, enables a good flow of communication within the club, distributes the workload, and complies with the constitution. It became clear that whilst there are a number of strengths associated with the current model, so too are there some weaknesses.

3.1 Strengths of the current structure

One of the obvious strengths is that the structure broadly works. Hawthorn is a happy club and its day-to-day operational work gets done well. A number of Board members argued that the current structure breaks the work down into manageable chunks which is a considerable benefit when the club's workforce is based almost entirely on volunteers.

Although changes have been made over the years to meet certain exigencies, these have been comparatively minor and have tended to involve adding on to the existing structure rather than altering it. Thus, job descriptions and terms of reference for many portfolios are in place. Taken together, these strengths mean that the current structure has become familiar and trusted: why change something that is not broken?

3.2 Weaknesses of the current structure

Despite the feeling of comfort with the status quo, the review also unearthed a number of concerns with certain aspects of the prevailing structure.

First, the structure conflates strategy, management and operations. This means that Board meetings often oscillate between dealing with the minutiae of club operations while keeping an eye on broad strategic issues and directions. This can result in both levels receiving superficial treatment.

Second, the twenty portfolios are disparate and so the structure atomizes larger areas/aspects of club activity. While things get done, the isolation of each operational unit works against a sense of coherence and a strategic whole. It also makes communication across portfolios difficult, thus lessening the possibilities for cooperation.

Third, the structure establishes a single reporting line to the Board for all the portfolios, which in practical terms often ends up being the President. Thus, over the years the President has become a one-stop-shop for addressing many of the issues, concerns and problems which emerge regularly in a club the size of the HBC. This inevitably leads to the President assuming an unrealistic workload – a result which is clearly unsustainable and can only lead to burn-out, and may deter other club members from nominating for the position.

Fourth, there is a clear disjuncture between the by-laws and the ongoing operations of the club. For example, some portfolios exist but are not named in the by-laws, such as grants, infrastructure, hire, and communication (eg editor Abuzz). In addition, some portfolios are designated in the by-laws as comprising committees (eg., bar, tournament, social, night hawks and membership), whilst other areas are run by a single individual designated as a Manager (eg greens, sponsorship). There is no justification in the by-laws for why these differences exist.

Fifth, the fact that some portfolios are represented directly on the Board, whilst others lie outside the Board, consolidates the disparateness of the current model. There appears to be no internal logic about which standing committees or portfolios are represented directly on the Board. Those areas that do not score direct representation are forced to report indirectly to the Board or directly to the President (eg player development, winter bowls). All of this works against a sense of coherence.

4 Towards a new structure

4.1 What are the principles that should inform a new structure?

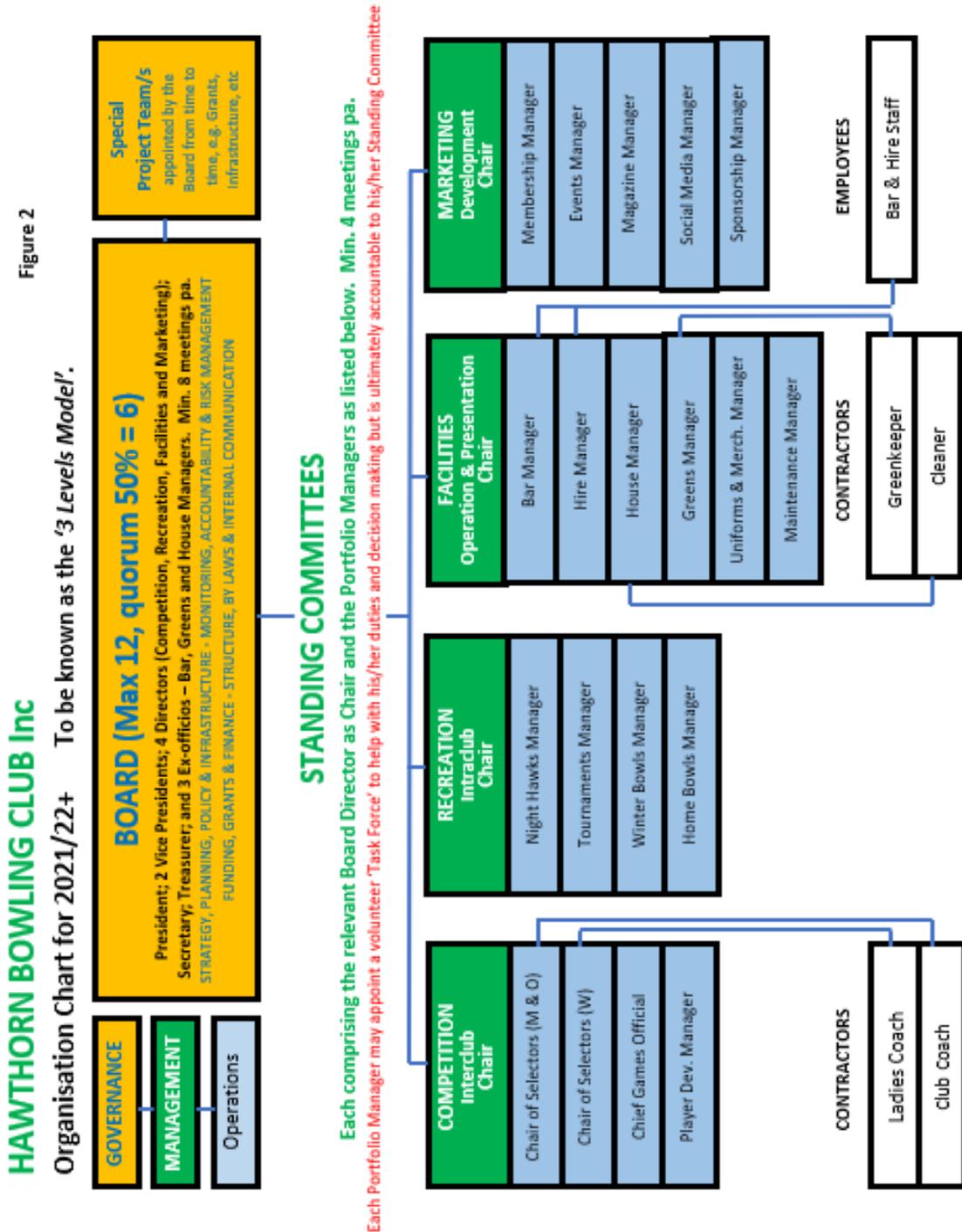
The fourth and fifth of the weaknesses outlined above could be dealt with by adapting the by-laws to suit the ways in which the club now operates; or changing the current operations to make them consistent with the by-laws. However, such a technical fix would not address the other significant weaknesses identified which demand that attention is paid to the structure itself. If that premise is accepted, then the first task is to develop a set of principles which might inform the design of a new structure. Those principles suggested by the analysis described in 3.2. above might be that a new governance model at the HBC must:

- address the weaknesses and anomalies of the current governance structure without disturbing its familiarity and ‘workability’;
- reduce the workload for office holders, especially the President;
- maintain the spirit of volunteerism – that is, the involvement of club members in contributing to the running of the club – and not discourage participation in club administration or organisation;
- separate strategy, management and operational functions within the club, and particularly enable the Board to focus more on strategy;
- ensure all areas of club activities are covered by the structure;
- facilitate communication and cooperation within the HBC;

- incorporate any changes to the club's structure in its constitution and by-laws, and ensure that the operations of the club accurately reflect these changes.

4.2 The contour of a new structure

Using the guiding framework of the principles set out above, the contour of a possible new structure is represented in **Figure 2**.



The first thing to note is that it retains just about all of the elements of the current structure, just arranged differently. Thus the Board membership is the same, as are all the current portfolios. However, it is the way in which related portfolios have been grouped under four broad Standing Committees that constitutes the big change. This has been brought about by an important conceptual shift which separates the levels of strategy, management and operations. It is labelled the 'three levels' model because this is the most important difference between it and the current governance structure.

4.2.1. The *first level* is located with the Board, the composition of which is exactly as it is now. The big difference is in its function which is focused on strategic governance, rather than the nuts-and-bolts details of the next two levels. That is, the Board is responsible for the big picture directions of the club (strategy, planning, policy and infrastructure); accountability (monitoring, risk management etc); club finances (funding, grants, budgets and financial statements); and structure (constitution, by-laws etc).

The Board will appoint a number of task forces which relate to broad cross-club matters such as future infrastructure plans or grant applications; and specific issues that require a broad club response. The two Vice-Presidents will be responsible for these task forces, sometimes chairing them, sometimes having a general oversight. In addition, the women's VP will look after matters which are specific to women in the club; and the men's VP will attend to those matters relating directly to men.

4.2.2. The *second level* is located with four Standing Committees (SC), each of which is focused on management of a broad area of club activity. In this example, the broad areas are

- **competition** – which covers all those matters related to running the main focus of the club – that is competitive bowls (inter-club);
- **recreation** – which covers all those activities which relate to the social side of the club (intra club);
- **facilities** – which covers the use and maintenance of the club facilities;
- **marketing and development** – which relates to all those areas which contribute to club identification and public relations both within, and external to, the club.

Within each SC sit a number of portfolios – each of which is led by a Manager - that are relevant to the broad area of activity of the SC. **Figure 2** spells out how this might be organized. For example, under the Standing Committee dealing with the broad area of Recreation sit such portfolios as night hawks, tournaments, winter bowls and home bowls, all of which have a common interest in intra-club bowls. It should be noted that the same portfolios operate currently, but rather than being grouped together they are independent of one another.

Each of the 4 general members of the Board is a Chair of one of the Standing Committees. The idea is that each SC will meet three or four times a year to share and discuss what is happening in the portfolios within it, raise issues, and identify possible ways to cooperate. The SC will have

its own budget and the leader of the SC will provide regular updates to the Board on what is happening within the SC and raise any issues that require Board approval.

4.2.3 The *third level* is located with the various portfolios that fall under each of the Standing Committees and is focused on operations. Each portfolio is headed by a portfolio manager who may appoint a task force to assist him/her but is ultimately accountable to the Chair of the relevant Standing Committee who represents his/her SC on the Board. Thus the activity within a portfolio may stay much the same as at present, but the reporting relationship changes. In addition, it provides the opportunity for each portfolio manager to share ideas with other managers who contribute to the same broad area of club activity.

5. The key features of a new structure

Whilst the proposed model contains many of the same committees and portfolios as the current structure, it has a number of key features that animate it very differently.

5.1 There is a dynamic relationship between each level of the structure

It is important to note that the three levels described above do not operate in isolation but are interdependent. Each person who chairs one of the four Standing Committees is a Board member. Her/his responsibility therefore reaches up to the Board and down to the portfolios. Thus, they supervise the ongoing operations of each portfolio, resolve issues that present within their portfolios, and represent the broad area of their Standing Committee at the Board level as it relates to strategy, accountability and finances.

For their part, portfolio managers look after the operations of their specific area of responsibility. But rather than every portfolio reporting to the Board as it does now, the portfolio managers report directly to the Standing Committee within which each is located, and to its Chair. In addition, the portfolios interact through the relevant Standing Committee, perhaps meeting every couple of months to consider matters related to the broader area of the club to which each contributes. Each Standing Committee has a level of management and operational independence with its own budget; will operate formally with agendas and minutes; and will be accountable to the Board.

5.2 The structure facilitates greater communication and cooperation

The dynamic relationship between the three levels of the structure will promote greater communication and cooperation within and between the various Standing Committees and portfolios than is possible at the moment. The current model emphasises the individuality of each portfolio. Those that are represented at the Board level report to each other, whilst those outside the Board have few avenues to communicate and cooperate with other portfolios.

The proposed structure changes that. Grouping the portfolios with related interests under the one Standing Committee umbrella, and having them meet as a group on a regular basis (eg every two months), will encourage communication and collaboration across portfolios within

the SC. And since the Board includes the four SC leaders, each of whom heads up a Standing Committee, the model also promotes collaboration across each area of SC responsibility.

5.3 The proposed structure formally recognizes roles that currently operate but do not officially exist.

As identified in the governance review, there are some important roles that are undertaken in the club which are not named in the by-laws or constitution and so do not officially exist in the formal organisational structure. This includes the 'grants' portfolio currently led by a Board member; an 'infrastructure' portfolio currently led by the past club President; and functions such as club 'hire' and 'communication' (e.g., the club Facebook and the club newsletter) which are undertaken by club members appointed by the President and/or Board. Since these portfolios cover essential functions, they should be recognized in the club's organizational structure and documentation.

The proposed model addresses this gap in two ways. First, those areas that relate to the strategic level of governance are naturally dealt with by the Board. For some areas, this may mean that the Board appoints special task forces on an ad hoc or permanent basis to undertake specific tasks such as grants, infrastructure, or strategic planning. The managers of each of these teams would be a VP or be supported by a VP, and in both cases would report directly to the Board.

Second, those areas that relate to the operational level are named as individual portfolios within one of the four Standing Committees. For example, a Magazine Manager, and a Social Media Manager will lead portfolios that sit within the Marketing Standing Committee; while a Hire Manager will lead a portfolio within the Facilities Standing Committee. All portfolio managers will have the option of enlisting volunteer helpers (as many already do), so making the portfolio a 'task-force', like a committee. In this way, the new structure formalizes activities which currently exist but are invisible in the formal documentation of the club; and locates them at the relevant level of activity to which they are best suited.

5.4 The proposed structure widens the possibilities for member involvement and supports succession planning

The proposed structure has the potential to make involvement in club administration more attractive to members. Currently, the holding of a portfolio can mean joining the Board. This suits some people but deters others who either do not feel they have the skills or time or interest needed to operate beyond the defined area of a specific portfolio. At the same time, the more expansive role offered by being chair of a Standing Committee, and thus also being a member of the Board, may appeal to those who have both the interest and necessary expertise to lead the development of a broad area of club activity, and to represent it at the strategic level of club governance.

The proposed structure will also assist in addressing two long-standing issues associated with Board membership: the role of the VPs, and succession planning. Currently the club has two

Vice Presidents – one male and one female. Incumbents in these positions have reported that the position of VP itself – as opposed to the other portfolios these people inevitably hold – are somewhat empty of responsibility, other than filling in at times when the President is absent. The proposed new structure addresses this vacuum by giving each VP responsibility for the Board’s task forces.

More than this, a positive consequence of having four Board members involved in leading the Standing Committees is that it widens the field when there is a Presidential vacancy. This is because the model would equip Board members and VPs with a broader understanding of the club and its strategic directions than the current model allows: it is a training ground for future club leaders. Combined with a reduction in the workload of the President, the model may offer a solution to the perennial problem of attracting people to leadership roles in the club.

5.5 The proposed structure is based on the notion of responsible volunteerism

Community sporting clubs usually rely heavily on the work of volunteers. This is certainly the case with HBC and it is something that should be cherished. However, relying on volunteers can never be used as an excuse for neglecting, or treating as unimportant, the various responsibilities that go with being an incorporated body. The fact that club office holders must understand the risks and liabilities, as well as responsibilities, that go with being a Board member, highlights the need for clubs to operate efficiently and strategically. Thus reorganising the club’s governance structure to smooth out inefficiencies and anomalies is not a blind adherence to corporate logic involving an attack on volunteer effort and ethic. Rather the proposed structure emphasises the notion of ‘responsible volunteerism’ which promotes and protects volunteers as well as the interests of the club.

6. What are the consequences of moving to a new structure?

This report has tried to make clear that what is being proposed is at once a significant change to the current organisational structure of the club, while at the same time retaining and bolstering many of its current features. The big shift is a conceptual one. By untangling the three levels of organizational focus – governance, management and operations – which are currently run together, the proposed model brings a sharper clarity to each level. However, it does not disturb the day-to-day operations of the many portfolios that keep the club running.

Another positive element of the proposal is that it will not require changes to the Constitution to implement it. This is because Board membership remains unaltered, even though the role of the VPs and the four general members elected to the Board will alter significantly. Thus, if the model is approved by the Board, members can be informed about the new structure, a new Board can be elected at the AGM in May 2021, and the ‘three levels’ model can be implemented for 2021/2. At the same time, the experience of rolling out a new structure will reveal any constitutional changes that might be required, and these can be made at a general meeting at an appropriate time.

The aspect that will require significant change is the by-laws. However, this does not have to be done immediately. Since the club constitution gives the Board the power to make by-laws, the new Board can simply pass a resolution to abolish the current by-laws. As an interim measure, each of the four Standing Committees established by the new structure could be given provisional terms of reference (ToR), and be charged with developing a new ToR over the next twelve months using the experience over the first 12 months as a guide. The various draft SC terms of reference could then be collated, made uniform, and turned into a by-laws document by the governance task force, with a view to adoption by the Board in about 12 months time.

As with the implementation of any new governance approach, there will be some unforeseen issues and outcomes. It will be important therefore that the Board closely monitors what is happening, especially at the level of the Standing Committees. In the first instance this will require sharing of information about experiences at the Board level, and support for the Chair of each SC where required.

Recommendation 1: That the HBC Board adopt the ‘three levels’ model - as described in this report - for its governance structure

Recommendation 2: That this report be uploaded to the club’s website, and members be advised about the changes to structure and invited to refer to the report.

Recommendation 3: That the call for nominations to the Board for election at the 2021 AGM take account of the new structure and be worded accordingly.

Recommendation 4: That the governance special projects team of the Board (Reid and Alder) (a) work with each Chair of the four Standing Committees to develop provisional terms of reference for the next 12 months; (b) monitor the implementation of the new structure with a view to recommending appropriate changes to the structure, the constitution and the by-laws by the 2022/3 AGM

Alan Reid and Graeme Alder

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