

Backgrounder
Sport Canada: Senior Leaders Forum
Calgary, AB – November 7, 2008

A. Introduction

The Senior Leaders Forum on November 7 provides an important opportunity for continued stimulating dialogue and exchange of ideas with the sport community. The time is right for this kind of conversation. Canada's sport system is developing in exciting ways, including the collective implementation of the *Canadian Sport Policy*, the development and implementation of *Canadian Sport for Life*, and the evolution of Podium Canada. In recent years Sport Canada has been building its toolkit of policy instruments and developing its programs. In doing so, there are a number of emerging themes deserving of more attention which touch on more than one of Sport Canada's areas of activity – not just excellence or participation, the new *Federal Policy for Hosting International Sport Events* or the Sport Funding and Accountability Framework.

This year we have chosen to focus discussion on the topic of building sustainable sport system capacity, given the importance of the subject as noted in conversations from the 2007 Senior Leaders Forum. Accordingly, this paper is intended to provide background information and stimulate thinking on this topic. We aim to build on the success of last year's Senior Leaders Forum, where the discussion findings informed a number of ongoing exercises – from the Women in Sport Policy review to the development of the SFAF IV. We expect that these discussions will enrich our understanding of these and related issues, and will continue to contribute to Sport Canada's work.

The information in this backgrounder and in the ensuing discussion on November 7 will necessarily be focused on Sport Canada's role within the Canadian sport system. We would encourage you to also think about the issues presented as they relate to the area(s) of sport in which you are involved, be it in a local, provincial/territorial, national or international context, and to share your perspectives with us.

Draft Agenda

8:30 *Introduction and overview*

9:00 *Group discussions: Building Sustainable Capacity*

9:45 *Break*

10:00 *Group discussions: Participants will have the opportunity to discuss Developing Effective Systems OR Developing Effective People*

11:00 *Group discussions: Moving Forward*

11:25 *Closing Remarks*

B. Building Sustainable Capacity

During the discussion of trends at the 2007 Senior Leaders Forum in Halifax, participants frequently referenced concerns about *a widening gap between national developments and delivery capacity*. This idea is closely related to the cited trend of *high performance sport becoming increasingly centralized, professionalized and institutionalized*, as well as *to increasing program or targeted funding relative to core organizational funding* together with *increasing reporting and accountability requirements*.¹ These observations reinforce feedback received in a variety of other fora, notably in the context of contribution discussions between Sport Canada program officers and funded sport organizations, where issues related to the capacity of sport organizations often arise.

Organizational capacity can be summarized as the ability of an organization to deliver its programs and services, while effectively managing its affairs in the context of the current environment. In examining organizational capacity, its elements can be divided into two categories: systems and people.

Systems are what an organization has in place in order to carry out its business. This primarily includes a governance structure, instruments such as policies and procedures, strategic plans and operational and communications procedures. These elements are constant within the organization and should be updated from time to time. Although organizations differ in how they develop and use these resources, these provide the underpinnings of effective governance and service delivery. The best systems are the ones that facilitate and guide the realization of the organization's mandate.

People are the individuals who are involved in the governance and program/service delivery of an organization. In the sport context, this includes both volunteers and staff (or contract) personnel. Job descriptions and terms of reference provide the structure for these individuals, but it is their efforts, knowledge, skills and expertise that make things happen.

For organizations with strong capacity, the capacity asset is almost invisible. In times of stress or challenges, the people and systems of an organization with strong capacity continue to function smoothly, and good decisions – not to mention the sometimes difficult ones – are made to keep programs and services on track. On the other hand, organizations with capacity gaps facing analogous situations experience hiccups or even significant setbacks that can all too easily spiral out of control. There is no single capacity problem, nor is there one way in which all organizations will experience capacity challenges.

Just as there are many potential capacity challenges for organizations, there is no one clear solution for capacity problems. An obvious remedy is “more money” to address whatever needs are the most pressing – however, there are two caveats that accompany this concept as “the” solution. The first is that while more money may provide opportunities to ease the pressure created by capacity issues, it does not necessarily solve

¹ These trends, as presented in the synopsis document, are described in Appendix A.

the problem. For instance, an organization might use additional resources to hire contract staff to complete a project, but while this might address short-term delivery, it would not address underlying issues of transfer and retention of knowledge within the organization that might exist, including gaps in the design of learning about best practices for program delivery.

The second caveat is that full or additional resources are not always available to address the capacity challenges faced by organizations. Sometimes capacity issues can even be triggered by initiatives designed to increase capacity in the long term. Examples include the increased pressure created by the introduction of funding for participation initiatives, the evolution of Podium Canada, and the development and implementation of *Canadian Sport for Life* or Competency Based Education and Training for coaching education.

Whether funding originates from the public, for profit, or not-for-profit sectors, there are typically expectations attached to the provision of funds, and these require capacity on the part of the funded organization. This might mean reporting to governments or Podium Canada, providing sponsorship services, or delivering programs to members. These expectations can also create capacity challenges. As importantly, most sources of funds have built-in contributions towards capacity and also typically assume that there is a certain amount of capacity pre-existing. For example, Sport Canada funding for long-term athlete development has included contributions towards both the work of the Expert Group and for National Sport Organizations. Implicit is the idea that NSOs and their provincial/territorial members have some capacity to plan, direct, develop, and deliver programs and services, and that the support for starting-up the initiative is also being used to integrate the initiative into these ongoing activities.

At the same time, there is often criticism attached to the ideas of “administration” or “overhead” that are often implicit in the creation of capacity. Funders often want to see their resources at work, and members want to see programs and services that are meaningful to their environment. However, organizations require a certain operational and human infrastructure in order to be able to provide quality delivery. A major challenge for an organization is to find the right balance between its program or service delivery, and its operational overhead, and to effectively and efficiently take advantage of existing resources.

Accordingly, the challenge with capacity issues is often the need to do things differently. Doing more can help in some situations, but may be contraindicated in others. For example, if an organization is having difficulty making critical decisions, the root causes may stem from existing procedures or policies, or be linked to the skills of the decision-making group in exploring options and reaching conclusions. In such a case, having more meetings or placing more pressure on the group to make a decision is unlikely to resolve either the decision-making impasse or address the underlying capacity issues.

These examples suggest two major considerations in any discussion of organizational capacity. The first is that capacity is a long-term consideration, and the second is that solutions to address capacity challenges are not likely to be simplistic in nature.

Therefore, it would be not only capacity that is important – the sustainability of that capacity is critical for ongoing organizational success. This would mean that capacity should be nurtured in such a way that organizations can continue to develop, both when additional financial resources are available, and when there is scarcity.

Some other questions to consider:

What are the sources of capacity for the organization(s) with which you work? How would you characterize these in terms of monetary resources? Functional systems? People resources?

What do you think are the most important capacity issues facing the sport system? How would you describe existing capacity gaps?

What are the most important capacity gaps for the organization(s) with which you work? How are these most often shown? To what would you attribute these capacity challenges?

What are the most important things that the organization(s) with which you work has (have) done to build capacity?

Beyond “systems” and “people” do you think there are there other areas of activity that need to be considered in building capacity?

What are the critical factors that will make developed capacity sustainable?

In ten years, what kind of capacity would you like to see within the sport organization(s) with which you are involved?

C. Developing Effective Systems

An important part of organizational capacity is having effective systems – in other words, the sound underpinnings for organizational functioning. These systems notably include an organization’s structure, governance, and procedures, encompassing both how the organization operates internally and how it directly relates to individuals or other organizations.

Many of an organization’s systems are concerned with internal capacity, or an organization’s ability to conduct its own affairs. Most sport organizations operate with a volunteer structure including a board of directors (which may be a governance, advisory, intervening or operating board²) and committees, as well as a staff structure where the composition is generally dictated by the resources of the organization as well as its major activity areas.

In addition to financial resources, the membership structure of the organization can often influence its systems and governance. An organization where decision-making is made by representatives of its members may have a particularly difficult time promoting the interests of the organization given the natural tendency of the members to protect their own real or perceived interests. This is particularly the case in situations where a certain dynamic tension exists. For example, there may be a disincentive to approve and implement a national program identified as important for the success of the organization – such as for talent identification – if some members have already implemented initiatives in their own regions.

Ensuring that an organization has “good systems in place” will entail considering first and foremost how these structures operate and how they relate to each other. For instance, we might consider the effectiveness of an organization’s governance or operating systems. For example, is the board of directors able to make decisions based on good information in a timely manner? Is there a clear flow of information between staff, committees and the board? Is it apparent within the organization how decisions are made and acted upon? Is there clear accountability?

There are three major components to consider with respect to systems for internal capacity. The first has to do with the organization’s “directing policies.” These include its by-laws or terms of reference, which then inform its organizational structure. These elements create the major lines of authority, and set up the due diligence, checks and balances required for decision making. Sometimes, a board of directors’ struggle with its fiduciary responsibilities or its relationship to staff or committees may be indicative of the need to revisit the policies and procedures that outline the board’s responsibilities and its relationships to other parts of the organization.

Another important component for internal capacity is planning, including the integration of strategic and operating plans into day-to-day activities. It is a common pitfall for organizations to invest in planning but fail to effectively align and adapt operations

² http://www.coach.ca/sportleadershipsportif/2007/e/presentations/documents/B5_Transforming_Gov.pdf

accordingly – either because the plan is not used or because resources are not appropriately assigned against the plan – and as a result have difficulty advancing towards identified directions. This can cause organizations to miss opportunities or experience challenges in implementing new ideas or concepts.

Another aspect of planning which can have a significant impact on capacity is the temptation for organizations to diversify and accordingly spread their resources thinly. The capacity to deliver core programs and services – and to do so well – can be an important indicator of success for organizations. Doing more and adding on services to address a real or perceived need within the sport community may advance a good idea, but may also do so at the cost of another program. In extreme cases, the health of the organization and the advancement of its mandate may also be jeopardized.

Operational systems – including communication – are a third plank for internal capacity. These systems are relational, concerned with the smooth running of the organization's affairs. If a committee makes a recommendation which required board ratification, or the attention of the organization's staff, it needs to "get there" and not languish unattended. Operational systems allow for the effective flow of information within an organization, so that decisions can be acted upon, or they can be made with complete, accurate and timely information. Insufficient operational systems will typically result in duplication of efforts and sometimes extend to inconsistent actions. As with some of the other internal systems considerations, gaps in operational capacity can exacerbate (other) capacity issues through inefficient use of resources.

These considerations for internal systems point to the critical importance of organizations investing in their own ongoing development. Updates to these systems can help ensure their continued relevance and effectiveness for the organization, including within a changing environment.

As important as systems are for the workings of an organization, they can be equally critical for the effectiveness with which an organization relates to those around it – from its members to its partners or sponsors, from individuals or organizations in receipt of programs to those providing services to the organization. These external stakeholders can represent both a potential source of additional or supporting capacity as well as present possible challenges.

The relationship of members to an organization presents a particularly important dynamic. Often the membership of an organization is involved in extending the reach of the organization, and/or providing regional or local programs and services which feed into the work of the organization in question. This type of association creates interdependence between an organization and its members. Not only can capacity gaps on the part of members become a concern of the organization, but the ability of an organization to create systems to effectively provide integrated programs/services and share information for those members to feed into may be critical to the capacity and success of the organization.

Vertical integration is often critical for the seamless delivery of a program or service. Within a sport, for instance, the ideal situation is that local programming (e.g. delivered by clubs within the community) provides the foundation for provincial/territorial programs (e.g. Canada Games preparation) which is in turn built upon by the National Sport Organization in its delivery of national championships and the national team program. A significant challenge for NSOs is the varying degrees of capacity which often exist within its P/TSO, as well as within its clubs or other community programming organizations.

Given the significant capacity challenges typically faced by many P/TSOs – particularly those from smaller jurisdictions – the onus tends to be placed on the NSO to provide the overriding direction and structure.³ By the same token, a strong club or P/TSO can contribute by providing a model that can be emulated – albeit with the requisite resources and capacity.

The importance of the relationship is furthermore reciprocal – the capacity of the ‘parent’ organization is critical to the members since its smooth functioning permits the provision of services as well as further opportunities for individual members. Integrated programming – for example, creating a clear development pathway within a sport – furthermore enables sports to more effectively deliver services and reduce demands on capacity as there is reduced need to compensate for gaps, which tends to create strains for programming and fiscal resources by reducing efficiency.

Another common type of external relationship that has a significant impact on capacity is one where programs or services provided by another group or organization can significantly support the functioning of another organization. For example, the anti-doping services of the Canadian Centre for Ethics in Sport generally assist organizations in managing the complex rules and processes regarding prohibited substances and practices in sport – a series of activities that, if required to be managed by each NSO, would likely result in a significant drain on capacity (not to mention the duplication of effort created).

Other Multisport Service Organizations and Canadian Sport Centres, as well as other groups such as Podium Canada or the LTAD Expert Group, also provide services that support the efforts of other organizations. In order to take advantage of these services, a certain amount of organizational capacity is generally required, typically to have mechanisms to identify the need and manage follow-up with the service organization in question. For some of these activities, significant capacity is required in order to meet requirements and/or to effectively integrate the change which is implied by these groups.

³ Interestingly, the same analogy does not always hold true for the national-international relationship. By and large, international sport organizations tend to articulate expectations but leave a fair degree of flexibility to its member national organizations. As Canadians have long participated in sport and Canada is not considered a developing nation, Canadian sport organizations have tended to not be included in initiatives for organizational development led by international sport organizations.

In considering the idea of systems capacity being developed between organizations, it quickly becomes clear that for maximal effectiveness, capacity issues need to be considered both organization-by-organization and on a system-wide basis. For instance, one consideration is how organizations can provide mutual support to each other, and how delivery of services or collaboration on programs can assist capacity by creating synergies or relieving capacity strains.

Some other questions to consider:

Are there other systems that we should be considering in terms of building capacity?

What do you think are the most important systems issues that need to be addressed within the sport system? Within the organization(s) with which you work?

What do you think are the most important things that the organization(s) with which you work could do to improve the effectiveness of its (their) systems? What kinds of supports should be in place?

In your experience, what are the hallmarks of a (truly) collaborative partnership? What are the key conditions that make these work? Are “service” relationships different from “vertical integration” relationships? How?

Given the idea of mutual support to build capacity within the sport system, are there other services that you think should be provided? Expanded or strengthened? Removed?

What are some of the ways in which mutual support can be encouraged or reinforced?

D. Developing Effective People

Another important element in building capacity is investing in people. All organizations are dependent on people to “get things done” and for the smooth and effective functioning of the organization. The Canadian sport system is run by skilled, knowledgeable and passionate people – the challenge for organizations is to translate these attributes into the right combinations to contribute to organizational capacity.

Sport organizations depend on both volunteers and paid staff (including contractors). While sport in Canada is becoming increasingly professionalized (see identified trends in Appendix A), it also continues to be true that the Canadian sport system is heavily dependent on volunteers, who perform a wide variety of roles. Each role requires knowledge and skill, ranging from basic to highly specialized. Some of these are specific to the sport or domain (e.g. technical information relating to judo or anti-doping) while others have some transferability from organization to organization, or context to context. The latter category would include such elements as knowledge of and experience in effective planning (i.e., for senior staff, members of boards of directors and committee chairs), organizational development, or event management.

While people are generally recruited to an organization because of their pre-existing knowledge, skills and perspectives, they typically also experience significant learning curves upon becoming part of the organization. This could include needing to learn about governance and processes, understanding the culture of the sport or organization, or further exploring the technical aspects with which the organization works. The ability of these individuals to “get up to speed” – quickly – can sometimes mean the difference between maintained or increased operational capacity, and a possible decline in capacity.

One significant challenge then for organizations is to determine how to develop skill and knowledge among volunteers and staff in a productive and proactive manner. This is true in the short-term (as in the case of a committee member with a two-year term – a “natural” learning curve might mean that he or she is “getting the hang of the role” just as the term ends), as well as over time. Are individuals being retained within the organization? Are they advancing and continuing to develop their skills, thereby promoting increasing capacity within the organization?

Orientation and professional development education (including for volunteers) is one obvious dimension in developing people. Equally important is appropriate remuneration, supports and/or recognition, in order to retain individuals in whom the organization has invested. Succession planning, to enable smooth operations through staff turnover is also critical. In the case of LTAD and other processes that occur over a period of time, having informed and knowledgeable personnel throughout the process allows smooth progression without needing to re-educate in order to bring decision-makers or others up to date.

Developing personnel to perform these roles well makes sense from a variety of perspectives. Most obviously, individuals who have the requisite skills, knowledge and

experience will be best positioned to “do” and advance the objectives of the organization. Supporting the development of individuals involved with an organization allows existing abilities to be built upon and refined.

Personnel development can also be important in attracting and retaining staff. Workers are now more mobile than ever; it is said that an individual should anticipate having seven careers over the course of a lifetime. It is therefore not difficult to envision that employees and volunteers will often be looking for new and interesting challenges, and it may be in the interests of an organization – and/or the sport sector as a whole – to look at ways to provide these opportunities in-house.

At the same time, organizations have to consider the needs of the collective in balance with the needs of an individual. Concentrating investments in one or few individuals to the exclusion of others can be an uncertain strategy that can jeopardize rather than strengthen an organization’s capacity, should these individuals decide to move on to other activities. Therefore succession planning is also an important factor to consider in looking at personnel development.

Succession planning can be viewed from two major perspectives. First, it allows for transfer of knowledge and continuation of activities. Second, it can provide other individuals within the organization with a sense of purpose and possibility. For example, an individual may be more likely to remain within an organization if there are possibilities for advancement or other types of involvement.

People make sport happen. Developing people in the context of their organizational involvement not only accrues benefit to the individuals involved, but also serves the development – and ultimately the capacity – of the organization.

Some other questions to consider:

What are the most important aspects of investing in people that are needed within the organizations with which you are involved?

What types of people development does it make sense to develop and deliver collectively within the sport sector? What opportunities are there to work together better? To share expertise? What would be the priority areas or topics?

Are there ways to collaborate on career development and succession planning within the sport community?

What are the best practices or key learnings within your organization with respect to personnel development and succession planning?

E. Building Capacity – Moving Forward

Considering and discussing the elements of capacity within the sport system is an important first step in looking at building sport system capacity. With an appreciation of the salient issues, it is then important to look at priority activities that will assist in building capacity within organizations individually and within the sport system as a whole.

Governments, with their interests in strengthening Canadian society via both the sport sector and in specific organizations' contributions to the sport system, are well positioned to facilitate and support capacity development. Sport sector organizations can also play an important role, particularly those that provide services to other organizations within the system.

One of the challenges when considering capacity is that many of the aspects designed to increase capacity can also create capacity issues. A frequently cited example is the complexity of application or reporting requirements and the drain that this can represent on an organization's capacity. Funding parties can therefore support capacity both by the investments that they make, and also by carefully considering the ways in which they set up application, reporting and accountability requirements.

At the same time, it is important to acknowledge that there are certain "home truths" about the sport environment that can be influenced, but are unlikely to substantively change. These include – but are not limited to – a probable stable level of funding (i.e. substantial new investments are not foreseen in the short-term), increased competitiveness and professionalization of sport, the need for private enterprise to demonstrate return on investment, and calls for transparency and accountability of public funding.

How, therefore, should sustainable capacity be advanced within the Canadian sport system? What should be the priority areas for consideration?

Some other questions to consider:

How can government(s) best assist organizations in building capacity? In supporting capacity development? How would you prioritize possible activities such as training, policy development guidance, and efficiency audits?

What kind of balance between supporting priority programming and supporting capacity infrastructure do you think is appropriate for public funding? Do you see this as being different from the ideal or appropriate balance of funding from other sources? Why?

Are there areas where governments and/or other funding parties should be collaborating in order to build capacity? What would the priorities be?

What services not currently offered within the sport system do you think would be the most helpful? What current services most need to be strengthened?

Given the interests of governments in developing sport systems within their jurisdictions, what do you think are their most important roles to support the development of effective systems, either directly with organizations or indirectly due to services provided by another supported organization? Most important roles for developing people?

Are there areas that create capacity challenges that need to be reviewed in order to reduce or limit capacity drains? Which would be the most important to address?

What are the key things that the organizations with which you work can do to address capacity in the current environment? What can you do in your role(s)?

Appendix A: Observations from the 2007 Senior Leaders Forum

A Sample of Identified Trends

- There is a *widening gap between national developments and delivery capacity*. Many exciting innovations are being led nationally – notably *Canadian Sport for Life* – but it is becoming increasingly difficult for national sport organizations and, in particular, provincial/territorial sport organizations to keep pace, deliver services and effectively implement change. While financial resources are an issue, human resources is highlighted as the most serious challenge.
- *High-performance sport is increasingly becoming centralized, professionalized and institutionalized*. As high-performance sport becomes progressively more sophisticated and competitive, the requirements to keep pace are exerting more pressure on countries such as Canada with volunteer-based sport systems to transform high-performance programs into more structured entities. Not only does this require significant investments in systems and human resources, it also points to the need for a dual strategy for community-based and high-performance sport development and new types of linkages between the two.
- *Increasing program or targeted funding* relative to core organizational funding means that organizations are tasked with delivering more programming with existing human resources, significantly taxing capacity. *Increasing reporting and accountability requirements* for funding are intensifying this trend, even while these requirements are recognized to be appropriate and largely positive.
- The *speed of change* within Canadian sport is a trend in and of itself. The keys are to ensure that Canadian sport is receiving the resources it needs vs. the “flavour of the day”, avoiding the duplication of services or fragmentation of primary mandate.

A Sample of Common Themes

- *Vertical Integration*: Linkages between national and provincial/territorial strategy, policy and programming should continue to be strengthened. Improved ongoing communication and collaboration, coupled with efforts to build capacity of provincial/territorial sport organization, would assist in advancing sport community priorities and in resolving issues (e.g. representative governance). Ways to involve municipal organizations and initiatives would also be valuable, while likely a longer-term initiative.
- *Core and Targeted Funding*: The balance between types of funding and expectations for reporting need to be examined. The trend towards increasing targeting of funds, coupled with increasing accountability requirements, is placing a growing strain on organizational capacity. Ways to streamline these processes should be examined, and expectations should be both realistic and practical.
- *Cross-Sector Collaboration*: There is a value in sport extending its reach through working with other sectors, notably education, justice, and health. Not only would this assist in promoting and positioning sport, but it would also help to bridge the present divides between sport and recreation/physical activity/active living/health promotion/physical education, etc. Long term athlete development is likely a useful frame for these discussions.