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The Application of Agency Theory to Managing Collaborative Relationships Between Sport Organizations: The Case of Sport Canada and Canadian Interuniversity Sport

by

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Abstract

The purpose of this study was to advance the discussion of collaboration between Canadian sport organizations beyond current levels of critical rhetoric and to (a) recommend improvements to the collaborative sport management processes specifically related to this particular case and (b) provide an analytical framework that will facilitate the application of this knowledge to others in similar interorganizational relationships.

The purpose was achieved by collecting empirical evidence on the collaborative process through a theoretically guided case study of the relationship between Sport Canada and Canadian Interuniversity Sport (CIS), which were selected for the study due to their prominence in the Canadian sport system. Agency theory was chosen to provide the primary guiding framework for development of the research questions, and data collection and analysis. Data collection included three sources: my personal narrative, a selection of relevant documents, and personal interviews with thirteen key informants familiar with the two sport organizations. Data analysis was guided by the key concepts of agency theory to provide structure for the process.

Consistent with the assumptions of agency theory, my findings indicated that the primary goals of Sport Canada and CIS are incongruent and that a managed contract is in place that includes financial incentives for CIS to collaborate with Sport Canada, but the incentives do not appear to work. Reporting and monitoring occur on an annual basis, but the relationship is essentially one of funding and accountability and not collaboration.

The results of this research suggest that the current paradigmatic approach to understanding the Canadian sport system, based on the assumption that the federal government controls funding and national policy and thereby controls the sport system,

is inappropriate and works directly against the espoused need for interorganizational collaboration. The opportunity for enhanced collaboration does exist, but intentional efforts to collaborate must be increased. The control paradigm should be rejected in favor of shared goal setting and decision-making and a negotiated contract between the organizations that identifies a measurable collaborative advantage.

This research confirmed and explained the contribution that can be made by agency theory to the study and management of collaboration in sport organizations.

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List of Abbreviations

AGM – Annual General Meeting

CAC – Coaching Association of Canada

CCES – Canadian Centre for Ethics in Sport

CEO – Chief Executive Officer

CIS – Canadian Interuniversity Sport

COC – Canadian Olympic Committee

FISU – Federation Internationale Sportive Universitaire

IOR – interorganizational relationship

LTAD – Long Term Athlete Development

MSO – Multi-sports Organization

NSO – National Sports Organization

SFAF – Sport Funding Accountability Framework

SIRC - Sport Information Resource Centre

VANOC – Vancouver Organizing Committee

Chapter 1: Introduction

In an article in *The Toronto Star* newspaper in December of 2000, columnist Randy Starkman stated:

> It's a given that the way amateur sport is being run in this country just doesn't cut it. The disappointing results at the 2000 Sydney Olympics only confirmed what most observers already knew about our inept sports system. . . . One of the biggest problems at present is that there is no cohesion between all the different amateur sports entities, too much bureaucracy and duplication of services, and most important, no real accountability.

Many individuals in the sport system must have agreed with this criticism, including the Right Honorable Denis Coderre, Secretary of State for Amateur Sport (who was the elected official responsible for Sport Canada), who initiated a nationwide consultation process to discuss the Canadian amateur sport system (Thibault & Babiak, 2005). In a brief personal conversation I had with Mr. Coderre, he explained that he was constantly hearing complaints about a lack of funding for amateur sport; however, he was reluctant to invest more taxpayers' dollars into sport because he felt Canadian amateur sport lacked a plan that would result in a coordinated and efficient use of additional funds (D. Coderre, personal communication, September, 2000).

I have been a participant and an observer within the Canadian amateur sport system for my entire adult life (as described in detail in Appendix A: Personal Narrative) including extensive professional experience in both community recreation and high performance sport. As one of many contributors to the consultation process to develop the *Canadian Sport Policy* (2002) between 2000 and 2002, I directly experienced the complexity of the Canadian sport system. Sport Canada managed the consultation process during which time virtually every part of the system was represented and conflicting voices from competing jurisdictions were frequently heard. Federal, provincial and

municipal government officials with different roles and responsibilities were prominent in the discussions and, apparently, had very different and divergent interests. Athletes, coaches, or administrators would speak on behalf of the best interests of sport at the outset of a conversation but their own self-interest for their specific sport would often emerge as deliberations wore on. The struggle to develop collaborative efforts out of competing interests was clearly a major issue, with collaboration proposed as a solution to previously cited concerns over cohesion, duplication and coordination.

As part of her justification for her recent study of interorganizational relationships in the Canadian sport system (specifically Canadian Sport Centres), Babiak (2007) cited Sport Canada's *Canadian Sport Policy* (2002) as reinforcing the importance of collaboration and partnerships. Collaboration is referred to in 19 different places throughout the *Canadian Sport Policy* (2002), but in the document the term is never defined and the references to it lapse into ubiquitous dogma that is not helpful in trying to understand how collaboration is supposed to occur and what it should accomplish. It appears that the need for collaborative effort was also one of the driving forces behind Sport Canada's current promotion of the model for *Long Term Athlete Development* (n.d.) (LTAD) for national and provincial sport organizations. This is a model created to assist sport organizations to, among other things, identify and define for their sport the collaborative contributions to be made by municipal (including club), educational, provincial and national sport organizations as athletes work towards their respective goals in each sport. (For detailed information on LTAD, see www.ltad.ca.)

Two goals are commonly recognized in the literature (Green, 2005) as forming the core purpose of sport organizations in amateur sport systems: (a) performance as

measured by the number of medals won at the Summer and Winter Olympics (Friesen, 2004; Smith, 2004; Spector, 2004), and (b) an improvement in the level of physical activity (of which sport is part) in the Canadian population which is known to reduce health risk (Katzmarzyk, Gagnon, Skinner, Wilmore, Rao, & Bouchard, 2001; Kennedy, 2005; McGregor, 2005; Pate, Pfeiffer, Trost, Ziegler & Dowda, 2004; Picard, 2005). These goals are outcomes of what are normally considered to be opposite ends of the sport delivery system continuum: high performance excellence and grass-roots participation (or mass sport). My research was delimited to a focus on the high performance end of this continuum. I took an organizational analysis approach to focus on the relationships between amateur sport organizations and the collaboration that needs to occur for high performance athletes to develop and move through the amateur sport system to an international level of success. I looked for insights into factors enhancing or reducing collaboration between sport organizations and how those factors could be managed to positively influence Canada's results in the high performance aspect of the Canadian sport system.

The high performance aspect of sport has two distinct advantages to sport system analysts. First, many high performance outcomes are objectively quantifiable. Competition occurs (and the competitors can be counted), standings and records are kept, and winners are declared. Given the access to viewing athletic performances provided by the global media, the success of the Canadian amateur sport system in producing the desired results is highly visible. Olympic medals are celebrated widely, at least for a brief period, while failures routinely create national concern. Observers can count medals and compare the counts to previous years or past events and use those measures to assess the

entire sport system. Whereas such an assessment is probably oversimplified, it does create an appetite for an analysis of the sport system and the effectiveness of the system in producing competitively successful high performance athletes.

The second advantage to analysts is that it is possible to define distinctly the structure, governance and roles of the sport organizations involved in the high performance sport system, from international to local sport organizations, which facilitates organizational analysis. A researcher interested in amateur sport can identify, at least conceptually, the required roles and responsibilities of the various sport organizations contributing to high performance athlete development. One way to conceptually organize the contributions of different organizations is in terms of the long-term development of athletes, from the earliest/youngest stages of involvement through the highly competitive period usually in late adolescence or early adulthood on to lifelong participation and engagement in sport. Organizations involved in early athlete development operate at the local level, providing physical education programs in the schools, introductory level programs at sports clubs or programs developed by municipal governments. Provincial sport organizations must then identify and train the athletes capable of advancing to and competing at the national level. Finally, national sport organizations must be capable of selecting and organizing the best Canadian amateur athletes and supporting them in their quest for international success.

Conceptually, the design of the system to produce high performance athletes is simple and the necessary linkages between the sport organizations are easily identified (Green, 2005), which facilitates the design of a study of the amateur sport system. However, clearly there is a lack of understanding of (a) why the collaboration between

the various sport organizations is a source of concern, and (b) why there is a widely held belief the amateur sport system lacks (as quoted above) “cohesion between all the different amateur sports entities”, and (c) has “too much bureaucracy and duplication of services, and most important, no real accountability.” Based on the legitimate assumption that, in Canada, amateur sport organizations must collaborate, and collaboration requires the management of relationships (Huxham, 2006) between organizations, my research will undertake a detailed examination of how one such collaborative relationship, Sport Canada and Canadian Interuniversity Sport (CIS), is currently managed. A further description of the significance and function of their relationship is provided in the following section.

To examine how collaboration is managed, I used an in-depth qualitative research methodology to conduct a single case study of the collaboration between two organizations functioning at the national level of the Canadian sport system. Hardy, Phillips, and Lawrence (2003) recommend this approach, “Although interorganizational collaborations have been examined widely, few studies provide rigorous, qualitative examinations of the effects of collaborative processes” (p. 322). The unit of analysis for the study is the relationship between the two organizations. Milward and Provan (1998) described this approach where “the unit of analysis is not the organization but the ties between the parts” (p. 203). Their study similarly included a dominant organization within the nonprofit sector that would be equivalent to Sport Canada in my study. The structure they studied “conformed closely to principal-agent theory” (p. 204), which focuses to a large extent on the ties between the parts, usually referred to as contracts. The management of a contractual relationship is the core concept of agency theory, and I

show that the centrality and prominence of the contract between the two organizations in this case study is evident throughout the research. Agency theory is concerned with the agency costs attributed to the management of the contractual relationship between a principal/owner and an agent/manager, and provides the theoretical perspective for the analysis of the case. I examine whether agency theory's concepts can help to explain the management of this relationship. The conclusion of the research process applies agency theory to management practice and recommends improvements to current collaborative management processes based on the observed relationship.

The dissertation proceeds as follows: Chapter 2 is a review of the literature related to the Canadian sport system, Sport Canada and CIS, followed in Chapter 3 by a discussion of the literature related to collaboration, including agency theory as the appropriate guiding framework for the research. In Chapter 3 the research questions providing the structure to the research process are presented. Chapter 4 describes the methodology, which explains both how the research process was designed and a rationale for the research design. Chapter 5 contains the results of the analyses of the data relating to each specific research question and a summary of the findings. Chapter 6 is the discussion, which is also structured according to the research questions and adds interpretation of the findings as they relate to the theory and the literature. Chapter 7 contains the conclusions and presents a series of recommendations for how this particular study could contribute more effectively to our understanding and practices in the sport system. This section also provides an evaluation of the contributions made by agency theory to the examination of these organizational issues.

Chapter 2: A Description of the Canadian Amateur Sport System

To address the issue of collaboration in the sport system, two important literature bases are reviewed. The first is the academic literature on the Canadian amateur sport system with a particular focus on research that will inform my interest in collaboration in the Canadian sport system. I review the research that has examined the role of Sport Canada and Sport Canada's relationships with other Canadian sport organizations. The second is a review of publicly available documents, supplemented by conversations with key informants, to provide a description of the Canadian amateur sport system with a focus on Sport Canada and Canadian Interuniversity Sport, and their relationship.

Research on the Canadian Amateur Sport System

My review of the academic literature on the Canadian amateur sport system begins with the seminal contributions of Donald MacIntosh, David Whitson, Trevor Slack, Jean Harvey and Hart Cantelon. These authors have provided an historical perspective on Canada's sport system, which provides some important background for this academic inquiry. Their contributions were grounded mainly in sport sociology and political science and created some of the knowledge that forms the basis for our understanding of the Canadian sport system.

A fundamental concept suggested by these authors has been the gradual shift towards a federal government focus on high performance sport (and away from mass participation) in Canada over the period from 1974 to 2004 (Green, 2004; Macintosh, Bedecki & Franks, 1987; Macintosh & Whitson, 1990; Priestner Allinger & Allinger, 2004). According to these authors, the shift has been accompanied by increased involvement in the governance and management of amateur sport by the federal

government which led to the emergence of Sport Canada as the federal sport leader and major funder (Macintosh, Bedecki & Franks, 1987; Macintosh & Whitson, 1990; Harvey & Proulx, 1988). Most of the extant literature on the Canadian sport system (Kikulis, 2000; Thibault & Babiak, 2005) has embraced the assumption that Sport Canada has become a dominant controlling influence over Canadian amateur sport. While this may be true, I believe it is important to investigate the validity of this assumption since the jurisdictional struggle (Macintosh, Bedecki & Franks, 1987) between Canadian federal and provincial governments is well known to all Canadians and has often made the levels of federal government control unclear. I would argue that any lack of jurisdictional clarity between organizations could make the collaborative program development and delivery being called for difficult and could make planning and management of the national amateur sport system a challenge.

One way that governments can gain some control over the voluntary non-profit sport organizations is through the provision of funding, and Macintosh (1988) documented the idea that these organizations have become more reliant on government funding. Reliance leads to the organizations acquiescing to government imposed conditions in order to qualify for their funding. The result, according to Macintosh and more recently Amis, Slack and Hinings (2004), has been a loss of autonomy in some areas of nonprofit decision-making. Nevertheless, the evidence presented by Amis, Slack and Hinings is quite clear in showing that despite some loss of autonomy, national sport organizations have not all changed in the way Sport Canada would desire and one might expect if they did, in fact, have control. Hence, the need to consider collaboration as an alternative management approach seems to be legitimate.

In summary, the effect of this body literature has been to characterize the Canadian sport system as being focused on high performance results but struggling with jurisdictional issues that create coordination problems between organizational levels. In my interpretation this literature has created and promoted a dominant paradigm in Canadian sport management studies; a paradigm that promotes the idea that Sport Canada has a dominant and controlling position in Canadian sport that is responsible for everything from a sport organization's management practices to actual and intended organizational outcomes. Paradigms, by definition, can be pervasive in their influence of research approaches in a relevant domain, but we must always be willing to question their currency and suitability. To empirically test this paradigm I have included a review and inquiry into the function of Sport Canada as a primary part of this research.

The empirical research that has been done on the Canadian sport system, according to a published review by Thibault and Babiak (2005), has either been undertaken from a public policy perspective or an organizational theory perspective. While I appreciate and agree with their review, I suggest that all of this research has been conducted within the paradigm of Sport Canada control[1]. The public policy work has proceeded on the assumption of a federal government that maintains a strong presence in the development of Canadian sport policy which appears to be supported by the recent development of the *Canadian Sport Policy* (2002) document. The dialogue within that document and the discussions (Robertson & Way, 2005) emanating from the implementation process of the model for Long Term Athlete Development (LTAD) seem to support the criticism that Canada's sport system is inefficient due to a lack of

[1] The term paradigm in this document refers to the Oxford Dictionary definition, "an example, pattern or model that serves as an explanation". The term paradigm in research is also used to refer to a "worldview", which is a more ambitious interpretation of the word than I am using.

integration and collaboration at all levels continues. To put this criticism into perspective, Green (2004) and Sam (2005) have investigated policy setting in Canada, the United Kingdom and New Zealand and have provided evidence that similar concerns over high performance results have been the impetus for policy discussions at the national level in other countries as well. Sam proposed "in countries like Canada, Australia, and New Zealand, inquiries no longer address sport in principally philosophical terms; they increasingly speak of the sport sector's fragmentation, as well as the need for partnerships and intersectoral collaboration" (p. 79). There seems to be general agreement that partnership and collaboration between sport organizations is essential in the functioning of a sport system. Research focused on the collaborative mechanisms will help to understand how to fulfill this need. Green (2004) cited Rose (2000) on the need to:

> bring into sharp relief a key concern . . . that is, the ways in which governments and governmental agencies in Canada and the UK steer and regulate—through the use of planning dictates and auditing and evaluation—to produce certain outcomes in terms of the conduct of the governed. (p. 323).

As I have said, Thibault and Babiak (2005) have also recognized the research that has been conducted on the Canadian sport system from an organizational theory perspective. The vast majority of that work has been about organizational change. Within this literature (Amis et al., 2002, 2004; Hinings, Thibault, Slack, & Kikulis, 1996; Kikulis et al., 1992, 1995a, 1995b; Slack & Hinings, 1992, 1994) there is no evidence to support the idea of Sport Canada having control and in fact in my view the evidence is more likely to support the argument that while Sport Canada might like to have some control over how national sport organizations function, they have not been successful in creating consistent and effective change. Although this research has been instrumental in understanding how national and provincial sport organizations have evolved over time,

we are left to wonder why the organizational changes have not led to, or satisfied the demand for, improved collaboration between Canada's sport organizations. In fact, the idea of collaboration between Sport Canada and the sport organizations is not raised in this work in any direct way. Instead the theme in this work is more aptly described as an organizational response to a government initiative than to any effort at collaboration between organizations. Therefore, I believe there is a substantial gap in our understanding of how organizations can or should collaborate, and how that collaboration can be managed and evaluated.

The amateur sport system is a management challenge because the outcomes are dependent upon the interrelated, interdependent, cumulative and collaborative activities of amateur sport organizations at the local, provincial and national levels. To provide an explanation of the system, the following section includes a description of the Canadian amateur sport system, the positioning of sport within the federal government structure, and the role of Sport Canada in the amateur sport system. In order to provide the background context for the remainder of the research, I will describe where amateur sport has been positioned by the federal government.

Description of Sport Canada

At the national level, Sport Canada acts as the "government's agent" (Amis, Slack & Hinings, 2004, p. 163) to set sport-related goals, policies and standards within its jurisdiction. Sport Canada is positioned within the federal Department of Canadian Heritage. The following excerpt from the *Sport Canada Strategic Plan* (n.d.) provides the relevant description.

The Department of Canadian Heritage, as the federal department responsible

> for sport, works to advance sport within the context of Government of Canada priorities. Sport Canada, through the grant and contribution programs it administers, works collaboratively with other Canadian Heritage programs and branches, as well as other federal departments, to ensure sound policy and program development to advance the objectives of the *Canadian Sport Policy*. *(Sport Canada Strategic Plan*, p. 3).

The mandate, goals, priorities, policies and procedures of Sport Canada are ultimately determined by the federal government and supervised by the Minister of Canadian Heritage. Within Canada's political system federal government ministers have the responsibility for establishing federal policy within their portfolios and overseeing a bureaucracy that is ultimately responsible for the implementation of the federal policy. The elected official appointed by the Prime Minister and given responsibility for Sport Canada is given the title of Secretary of State for Sport. The Secretary of State for Sport is responsible to the Minister of Canadian Heritage.

Canada has had six different individuals in the title of Secretary of State for Sport between 2000 and 2007: Denis Coderre, Paul DeVillers, Stephen Owen, Michael Chong, Peter Van Loan and Helena Guergis. Those individuals have reported to several different Ministers of Canadian Heritage. This is evidence of instability in the elected leadership positions responsible for amateur sport in Canada, and the potential for frequent changes to policy is ever present.

Sport Canada is managed by a Director General (in 2008 it is Mr. Tom Scrimger) who reports directly to an Assistant Deputy Minister (ADM). Both the Director General and the ADM are federal government staff. The positioning of sport in Canadian Heritage appears to be federal recognition of the international importance and the cultural importance of sport to Canadians. More information on the organizational structure of Sport Canada within the Department of Canadian Heritage is provided in Appendix B.

The role of Sport Canada

The following excerpt from the *Canadian Sport Policy* (2002) dealing with federal-provincial/territorial governments contributes to establishing and describing the federal government's role in amateur sport.

> The federal government supports high performance athlete, coach, and sport system development through national sport organizations, national sport centres, and *multi-sport organizations* (italics added); provides direct aid to athletes; supports the hosting of national and international events; ensures access to essential services in English and French and the inclusion of targeted underrepresented populations in sport; contributes to policy and program coordination amongst governments; and promotes Canadian sport and its values in international circumstances. (p. 15)

As indicated previously, the mandate of Sport Canada is to manage amateur sport on behalf of the federal government (Thibault & Harvey, 1997; Green, 2004). The involvement of local and provincial governments in amateur sport has necessitated a clarification of the roles of all levels of government in amateur sport delivery. The following excerpt from a personal discussion with Mr. Phil Schlote, member of the Sport Canada staff with over 20 years of experience, explains why Sport Canada came to focus on Canada's international sport performance as the appropriate role for them to play in the sport system:

> At that time Sport Canada's case was 'we are the only ones that are in this international sport game' so that's where the focus really came from although the focus was always there prior to that too as you know. . . . But then at that point in time that was what protected us [Sport Canada] from being declared almost surplus so that became the reason for being . . . and more recently with the Canadian Sport Policy there has been an expansion of roles again back into more of the sport system building and participation areas.

Mr. Schlote is referring here to a federal government program review conducted in the mid-1990s which concluded other aspects of sport (such as sport participation) could be handled by the provinces or other government departments, such as education

(with physical education), assuming of course that intergovernmental and interorganizational collaboration would occur. Canada's federal government has an inescapable responsibility for Canada's representation at international activities of all kinds, including sport. Sport Canada does have ownership of international sport missions representing Canada, as evidenced, for example, by Canada's withdrawal from the Moscow Olympics in 1980 (Pound, 2004, p. 101). As the federal government's agent, Sport Canada has ownership of the Canadian sporting reputation internationally; a reputation depending upon success (winning) in international events. It might, therefore, be appropriate to refine this discussion of Sport Canada's ownership by referring to Sport Canada's ownership of Canadian amateur sport results, as measured by Olympic and World Championship results; to speak about the ownership of the outcomes rather than the ownership of sport itself.

However, the *Canadian Sport Policy* (2002) also alludes to other priorities for Sport Canada. These additional priorities, such as the promotion of bilingualism and ethical behavior in sport and the provisions of equal opportunities in sport for women and minority groups, are important to recognize. Part of this research project is to determine whether these other priorities are equal, or secondary, in importance to the high performance priorities.

An important aspect of understanding the role of Sport Canada is recognizing Sport Canada does not conduct direct programming, although over time it has directly created national sport organizations responsible for the direct delivery of national sport programs. Examples of sport organizations created by Sport Canada include the Canadian Council for Ethics in Sport (CCES), the Coaching Association of Canada (CAC), and the

Sport Information Resource Centre (SIRC). These organizations play an important leadership and coordination role in specific areas of national concern in sport such as drug education, coach education and sport research. Beyond the direct creation of such organizations, Sport Canada relies on national voluntary non-profit amateur sport organizations (including CIS) to design, develop, deliver and coordinate amateur sport programs.

The most recent development in the Canadian sport system has been the creation of an organization called Podium, which has representation from the group responsible for organizing the 2010 Winter Olympic Games in Vancouver (the Vancouver Organizing Committee (VANOC)), the Canadian Olympic Committee (COC), Sport Canada, and selected representatives from national sport organizations. Podium has decision-making power and is responsible for the strategic distribution of funds targeted at achieving high performance results at the Olympics and World Championships. Podium has been the direct result of trying to resolve concerns over improving collaboration in the sport system, and is illustrative of the focus these organizations have on high performance results.

Sport Canada's delegation to agent organizations.

The Sport Canada website (http://www.pch.gc.ca/pc-ch/sujets-subjects/sport/org/index_e.cfm) was my source of data for the list of agents with which Sport Canada manages a relationship. The agents upon which Sport Canada depends for program delivery are incorporated non-profit voluntary sport organizations. Sport Canada acts (in the development of athletes and coaches) primarily through collaboration with the national sport organizations (NSOs) such as Tennis Canada and Basketball Canada and

national multi-sport organizations (MSOs) such as Canadian Interuniversity Sport and the Canadian Olympic Committee (COC). (These organizations are referred to as NSOs or MSOs throughout the remainder of this dissertation.) Sport programs are designed and delivered by these agents, which include 55 NSOs and 25 MSOs. The NSOs are sport specific and are concerned with the development of sport programs from the local to the international levels. Alternately, the MSOs normally have a very broad-based mandate and deal with many sports with a more restricted focus within the sports. So, for example, the Canadian Olympic Committee deals with high performance international athletes while Canadian Interuniversity Sport deals with high performance athletes in many sports that are attending universities across Canada. Given these mandates, the NSOs and MSOs usually have mandates that intersect at some level and both collaborate with Sport Canada on program development.

These 80 agents are Sport Canada's primary means of achieving its goals, and Sport Canada's success is ultimately a function of collaborative action with these agents. Canada's results in the world of high performance sport depends on the effectiveness of these 80 agents in contributing to the development of world class athletes. The agent organization which is the focus for this study is Canadian Interuniversity Sport.

The Agent: Canadian Interuniversity Sport (CIS)

Type of organization and membership description.

Canadian Interuniversity Sport is one of a group of twenty-five MSOs functioning within the Canadian amateur sport system. Canadian Interuniversity Sport is a voluntary non-profit national amateur sports organization comprising 51 Canadian universities (as of 2005) from all ten Canadian provinces. Canadian universities are publicly funded,

primarily through provincial grants, and from a governance perspective are relatively autonomous in setting determining their sport priorities. The universities are extremely diverse, as indicated by several measures (see Appendix C for complete descriptive data). The number of students, faculty and staff range from less than 3,000 to over 50,000. Geographically, they are located in communities ranging in size from Cape Breton, Nova Scotia to Toronto, Ontario. Various member universities offer the entire range of academic programs available in Canada. Some universities offer primarily undergraduate degrees and are considered to be teaching universities. Other member universities have graduate programs with research as an additional focus. A few universities have no academic programs related to sport, while others have faculties or schools with academic study in sport science, kinesiology, or coaching. The CIS programs at the universities are structured in a variety of ways, with some reporting within an academic structure and others reporting within a university services area.

CIS governance.

Decisions are made in CIS at a variety of levels: by the member universities at the Annual General Meeting (AGM), through various committees, by the elected Board of Directors, and by the office staff. The first level of governance is the General Assembly at the AGM where, according to the by-laws, each member university has two votes; one voter must be male and one must be female. The General Assembly has authority, but can and does delegate decision-making power to the committees, the Board and the staff when the General Assembly agrees delegation is appropriate. Changes to the governing by-Laws require a two-thirds majority of the votes cast, while other decisions require a simple majority.

Most of the policy development activity of CIS (policy provides a substantial amount of direction to staff and member universities) is done by Standing Committees of the Board. These Committees have regional representation and gender equity as their foundational principles, and make recommendations to the Board that can be either accepted or rejected. The Board, upon acceptance of a recommendation, then provides the recommendation to the Annual General Meeting where it can be either accepted or rejected. Ms. Marg McGregor, the Chief Executive Officer of CIS, summarized the governance of CIS and the role of the Committees as follows.

> Staff / Committee driven and then that gets rolled up to a Board discussion and approval and that gets carried forward to the AGM where it is . . . approved at the AGM but the greater level of engagement and discussion is at the committee level saying what is important for us to be doing next year and build into the budget in two years and three years and at the Board level.

Whereas policy is determined by the CIS General Assembly and Board of Directors, the quality of CIS championships and the contributions made to high performance sport are dependent upon the decisions made by the individual universities. Managers of university sport programs make decisions on a daily basis that determine sport program quality and ultimately influence the development of the participating athletes. For example, a university's commitment to the hiring of a full-time coach to lead a program has, in my experience, been a major factor in program quality and athlete development and this is a decision totally within the control of the university. These program-based decisions are beyond the bounds of CIS, although (as will be presented later) the restrictive policies of CIS do create limits on what the universities' sport managers can do.

Sport development initiatives in university sport are quite dependent upon the CIS coaches as the resident experts providing direct links to the national sport organizations. Each CIS sport has a Coaches' Association that makes sport-specific recommendations to the CIS Sport Committee on sport-specific rules, including national championship formats. The coaches' recommendations are normally approved by the Sport Committee and Board when they are technical in nature but are more likely to be rejected when there are budget implications.

Funding.

Funding of the university sport programs that lead to CIS championships varies across the membership. Funding sources include various combinations of student fees, university base budget allocations, sponsorship, event revenues, donations and fundraising activities. (The implications of this diversity will be dealt with in the discussion chapter). My personal experience has been that funding, and primarily the lack of funding provided by the universities for sport programs, is not only an ongoing concern for administrators and coaches at the university level, but probably their primary concern. As a result of its composition of financially-challenged members, CIS decision-makers are sensitive to budget concerns and finances are a prevalent operational issue for CIS. In considering the reasons why coach initiatives are turned down by CIS committees, this lack of funding might be the primary reason why there is a lack of sport development in CIS. Danylchuk and MacLean (2001), who both have extensive experience as administrators in university sport, argue:

> financial pressures will play a major role in the way sport is managed and delivered to university students. The role and value of intercollegiate sport on campus will remain fixed within the educational mission of the institution, and

> therefore the evolution of CIAU [now CIS] sport will be intricately linked to the change faced by institutions as a whole. (p. 377).

Their statement makes the case that CIS is inwardly focused on its members and the members are focused on their own internal problems, which would function to reduce the attention that can be given to collaboration with Sport Canada.

CIS Staff.

Based in Ottawa, CIS has an office staff of nine full-time individuals reporting to the Chief Executive Officer (CEO). As is traditional and normative practice in non-profit sport organizations, the staff undertake the implementation of plans and policies as dictated by the membership, within an approved budget. The daily operations of CIS are managed by the CEO, with tasks delegated to the staff. The CEO evaluates the staff and the Executive Committee of the Board evaluates the CEO.

CIS Programs.

As a national amateur sport organization partially funded by Sport Canada, CIS and its members contribute to the amateur sport system in areas such as facilities, coaching, program funding and athlete development. CIS currently hosts 21 national university championships, with men's and women's teams competing separately in some sports. Twelve sports are represented: athletics, basketball, cross country running, curling, field hockey, football, ice hockey, rugby, soccer, swimming, volleyball, and wrestling. This is a small subset of the Olympic roster of sports (28 summer and 15 winter). Many universities offer competitive sport programs beyond the CIS championship sports, and those sports are often organized into championships taking place strictly within conferences (regional associations). CIS also recognizes golf and cross-country skiing on its website's homepage (www.universitysport.ca) as being hosted

"in cooperation with CIS." Nevertheless, CIS represents less than 30% of the Olympic sports, within an important but narrow participant age group.

Member universities can opt in or out of any of the CIS sports and, as a result, the number of the sport programs of the member universities vary widely. The provision of the programs varies on factors such as the universities' support of full-time, versus part-time coaches, medical support, sport science support and budget allocations. In all, there are over 550 coaches, and 10,000 athletes supported by the CIS member universities.

CIS also holds the exclusive Canadian franchise for Canadian participation in the International University Sports Federation (FISU). As the franchise holder, CIS has the responsibility for selecting athletes, coaches and support staff to represent Canada at FISU events. Selection is undertaken in conjunction with the appropriate national sport organizations. The caliber of athletes sent by most countries to FISU events tends to be extremely high, but there have often been problems in sending the top Canadian athletes to FISU events. These problems include a lack of financial sport by Sport Canada or the NSO, and athletes choosing other competitions that they or their coaches feel are more appropriate. As a result the best Canadian athletes do not compete and those that do rarely accomplish medal placings and thereby fail to contribute to Canada's international success. Using the 2005 FISU games as an example, the Canadian contingent included 75 Winter Universiade athletes (1 gold) and 240 Summer Universiade athletes (3 gold, 6 silver, 3 bronze) in both CIS and non-CIS sports.

Summary

The information in Chapter 2 has shown that Sport Canada and CIS both play very significant roles in the Canadian amateur sport system. Sport Canada has a mandate

to support national sport system development and relies on partnership and collaboration with national organizations such as CIS to fulfill their development mandate. CIS provides developmental programs integral to university-aged athletes and coaches in a variety of sports at the national and international levels. It is clear that the two organizations interact, evidenced at the very least by Sport Canada's funding of CIS. Therefore, while the lack of collaboration in the sport system has been a source of concern, this one example shows that the system is not devoid of collaborative effort and it is therefore essential to recognize the collaboration that does take place.

What seems problematic is the lack of empirical research in the sport related literature that specifically defines what constitutes collaboration; a deficiency that leaves us to wonder how we would know whether collaboration is occurring and therefore how we can determine objectively whether collaboration has succeeded or failed. Were we able to determine whether collaboration had been successful, we might then be able to understand how to manage successful collaborative relationships.

Although the management and productivity of collaboration between Sport Canada and CIS is my focus, this study is intended to contribute to our general knowledge of the management of collaborative relationships in nonprofit sport organizations. Huxham (2000) specifically concurs that inquiry into this type of collaboration is interesting, and has stated "Partnerships, alliances and other forms of inter-organizational collaborative arrangements are now a commonplace part of institutional life. Government policy documents and advisory papers abound with quotations in the spirit of [the importance of collaborative effort] …" (p. 772). Shaw and Allen (2006) have also stated that "In order to maximize the benefit to sport and leisure

organisations from partnerships, it is useful to understand more about how they work, so that strengths and shortcomings may be identified. One way this might be achieved is to analyse partnership dynamics, which are defined as the key elements of a partnership, and their inter-relationships" (p. 204). Babiak (2007) also emphasized the importance of improving our knowledge of the management of interorganizational relationships,

> … one of the challenges nonprofit sport organizations face is the lack of knowledge regarding the formalization and strategic processes associated with the creation and management of interorganizational relationships … without a formal plan or map to guide the development of linkages, sport organizations might face managerial and organizational setbacks … (p. 340).

The purpose of this study is to advance the discussion of collaboration between sport organizations beyond current levels of critical rhetoric by collecting empirical evidence on the collaborative process through a theoretically guided case study of the relationship between Sport Canada and CIS. The contribution of this research process will be to (a) recommend improvements to the collaborative sport management processes specifically related to this particular case and (b) provide an analytical framework that will facilitate the application of this knowledge more broadly to others in similar interorganizational relationships. The importance of the latter purpose, which is the application of research-based knowledge to practice, has been emphasized by Chalip (2006), Costa (2005) and Weese (1995).

Chapter 3: The Study of Collaboration

It has been noted that collaboration among sport organizations at all levels is an important requirement for the effective function of the Canadian sport system. Despite a consensus on this point, the discussion in the media and sport literature lacks precision in its definition of collaboration. Neither is the discussion instructive as to what specifically must be done to improve collaboration between sport organizations, nor does it describe what we might expect to see if such improvements were to occur. As one of the outcomes of this study will be specific recommendations to managers of sport organizations regarding the management of collaborative relationships, there is a need to be clear and concise. Therefore, I will articulate an operational definition of collaboration as a foundational focus for this particular study.

An Operational Definition of Collaboration: Collaborative Advantage

Collaboration is a ubiquitous concept. The term collaboration, as commonly used in the literature, seems to refer to any interaction between two individuals, or two organizations. The reference is often not qualified, as though all interactions are collaboration and all collaborations are the same. To their credit, some authors (Huxham & Vangen, 2005) have specifically stated that collaboration not resulting in some accrued asset is simply a waste of time. This infers that collaboration should result in a benefit to one or both organizations, and should exceed the cost of the collaboration. The absence of this simplistic proviso would infer that collaboration should happen because it is better than a lack of collaboration, without saying how or why. But research on collaboration must consider not only whether collaboration occurs, but how it occurs, why it occurs, and what result has accrued. Here, then, is a strong argument for the development of

theory to study collaboration, and the testing of theories that have been previously developed. Theories exist to make sense of the world, and in their most applied form should assist us by predicting that if some situation is found to be present, that we might expect to see some other event occur. Through the application of theory to link actions to outcomes we can improve our understanding how to create and maintain productive collaborative relationships

A review of the academic literature confirms that a variety of definitions have been used to explain collaboration. The term is used in many domains and refers to individual, organizational and even global interactions. Additionally, a range of synonyms are equated to collaboration, including terms such as partnerships, alliances, networks, joint ventures and interorganizational relationships. Therefore, the need for an operational definition of the term collaboration as specifically related to this study is clear.

A definition provided by Huxham and Vangen (2004) states that collaboration is a relationship which is an effective interorganizational process that facilitates the achievement of goals that cannot be reached if the individual organizations were to act on their own. This definition of collaboration is focused on a process that is undertaken to achieve a unique outcome as a result of the collaborative effort. Goldman and Kahnweiler (2000) use a similar definition to Huxham and Vangen as exhibited by this quote, “Collaboration between organizations is defined for this study as a mutually beneficial and well-defined relationship entered into by two or more organizations to achieve common goals”. Some authors use definitions that equate partnership and collaboration, such as Shaw and Allen (2006, p. 204), who use the following definition, “More

specifically, a partnership may be defined as a relationship between organizations that share compatible goals, strive for mutual benefit … they join efforts to achieve goals that … acting alone, [they] could not attain easily (Mohr & Speckman, 1994, p. 135)". Throughout the literature, collaboration and partnership are defined in very similar ways, such that the research in the two areas can be considered collectively. Babiak (2007) writes extensively about collaboration in an article on interorganizational relationships in the Canadian sport system and states, "The terms collaboration, exchange, IOR (interorganizational relationships), and partnership are used in this article to describe the interaction between organizations" (p. 339). Her definition does not specify conditions, or a set of outcomes, but similarly refers to the process of interaction. However, I argue that the most useful definition of collaboration includes a reference to unique collaborative outcomes and therefore the operational definition of collaboration for this study refers to an interactive process whereby organizations work together to achieve some outcome that could not be achieved by the organization on its own. "The synergistic and otherwise unreachable outcomes available through cooperation" are referred to by Hibbert and Huxham (2005, p. 59) as a collaborative advantage, and the management of organizations in the pursuit of collaborative advantage is the focus of this study. Collaborative advantage incorporates a synergy argument; to gain real advantage from collaboration, something has to be achieved that could not have been achieved by any one of the organizations acting alone. This definition provides a consistent guiding light for the study of collaboration by focusing on the purpose of collaboration. A secondary concept, collaborative inertia, captures what happens very frequently in practice, where the output from a collaborative arrangement is negligible or the rate of output is extremely slow

(Hibbert & Huxham, 2005, p. 191). The goal is for organizations to adopt actions that will result in collaborative advantage while avoiding collaborative inertia.

The Characteristics of Collaborative Relationships.

The operational definition of collaboration (as interorganizational processes directed toward achieving a unique and mutual goal) creates a focus for the study but those involved in research on collaboration have found it necessary to additionally consider the context within which the collaboration occurs. Researchers have identified contextual characteristics that merit consideration in the examination of interorganizational relationships because those characteristics may influence how the collaborative process is managed and therefore how the research is designed, conducted and understood. The characteristics that appear to be most influential are: a) the reasons, or motives, for the collaboration, b) the degree of legitimate authority and the relative autonomy of the organizations, c) whether collaboration is managed at the individual or organizational level and d) whether the organizations function in the private or the public nonprofit sector. Each of these characteristics is explained in the following section.

Motives for collaboration.

In order to effectively study collaboration between organizations, there is a need to understand why the organizations are collaborating. Oliver's (1990) work focused on the motives for interorganizational (collaborative) relationships (IOR). She identified six motives for developing IORs including necessity, asymmetry, reciprocity, efficiency, stability and legitimacy. Each motive is said to be a sufficient cause for relationship formation, but they may also interact or function concurrently. The first motive, necessity, explains relationships that are mandated as opposed to voluntary. Oliver

maintains the importance of this distinction because the consequences of the relationship are different. The other five motives are relative to voluntary interactions, but this seems to suggest a dichotomy between regulated and voluntary interaction that others (Roussin Isett & Provan, 2005; Frisby, Thibault & Kikulis, 2004; Babiak, 2007) believe does not exist. It is argued that even in a regulated or mandated relationship the amount of attention given to the management of the relationship can vary according to decisions made by the organizations. For example, resource scarcity (which sport organizations always face) prompts organizations to manage relationships in a way that will result in stability (Pfeffer & Salancik, 1978). Despite the mandated necessity of the relationship, the sport organizations decide how to manage the relationship to achieve stability. The asymmetry motive refers to IORs that are prompted by the potential to exercise power or control over another organization or its resources. This motive could certainly relate to the Sport Canada-CIS relationship in that while the relationship is necessary, the need for Sport Canada to attempt to control the resources of NSOs may be a motive for them. Motives of reciprocity emphasize cooperation, collaboration and coordination for the purpose of pursuing common or mutually beneficial goals or interests. Reciprocity is a motive that should be evident in the high performance sport system. Efficiency is simply the organization's desire to improve its efficiency by collaborating with another organization. Legitimacy is the motive for organizations that collaborate with another organization in order to improve its reputation. All six of the motives proposed by Oliver appear to be relevant considerations in attempting to understand why sport organizations such as Sport Canada and CIS collaborate, and if we understand why they collaborate we should be one step closer to understanding how to manage the relationship.

Although Oliver's (1990) six factors were developed to relate primarily to the business environment, they served as the conceptual framework for the Babiak (2007) research on a Canadian national sport organization. Babiak looked at multiple partnerships of a focal organization, and concluded that there are multiple motives, as Oliver suggested. Due to the major differences between organizations in Babiak's study, however, it is possible that the differences in motives for creating partnerships are confounded by the differences in the organizations. However, we could theorize that if a motive for undertaking a collaborative relationship can be identified, that the motive can be linked to an outcome. Babiak found that improved efficiency, increased stability, enhanced legitimacy and increased power were the anticipated advantages of the IORs she studied.

Other authors also offer explanations as to why organizations collaborate. Pfeffer and Salancik (1978) developed resource dependency theory which is based on the premise that organizations collaborate because they are dependent upon one another for a stable flow of resources. Jensen and Meckling (1976) proposed agency theory, which is based on the need of a principal to collaborate with an agent that will work on the behalf of the principal. Both of these theories include motives that are similar to one or more of Oliver's six determinants and can provide some explanation for the formation of collaborative relationships between nonprofit sport organizations and the federal, provincial and municipal levels of government. The desire to understand the motive for collaboration and the extent to which collaboration occurs between Sport Canada and CIS is a purpose of this study.

Legitimate authority, autonomy, and conditions that encourage collaboration.

In addition to the motives for collaboration, researchers have also identified the degree of organizational autonomy as an important contextual factor to consider in studying collaboration. Hardy et al. (2003) distinguish collaboration that is negotiated from relationships that are either purchased or are based on some legitimate authority like that held by a state regulatory agency (such as Sport Canada). Hardy et al. (2003) appear to take the position that a relationship based on some form of legitimate authority (such as the relationship between Sport Canada and CIS) would not qualify as collaboration. Hardy et al.'s position may assume that a relationship based on legitimate authority is not subject to further ongoing negotiation, which is an arguable assumption. A relationship between organizations based on legitimate authority does not necessarily mean that a hierarchical relationship exists between the organizations. In fact, I would argue that when organizations have separate governance structures, legitimate authority does not pre-suppose a hierarchical relationship and does not guarantee a collaborative effort. To believe otherwise would assume that the lower-authority party will automatically do what the higher authority decides. It might be more reasonable to assume that there is such a thing as degrees of autonomy, and two organizations, provided they operate under separate governance structures, will in most cases retain some measure of autonomy. When autonomy is retained, the two organizations would be in a situation that Hardy et al. refer to as "a cooperative interorganizational relationship that is negotiated" (p. 323). Hibbert and Huxham (2005) argue that even when relationships are mandated by government policy (or legitimate authority) there is often some degree of flexibility (or autonomy) in how much the organizations have to be involved. Relationships can probably be characterized as functioning somewhere along a continuum between those

based on a high level of legitimate authority and those that are strictly voluntary, exhibiting a high level of autonomy. When a very high degree of legitimate authority is in force (and therefore limited autonomy for one of the organizations) collaboration may be a less appropriate term to use in referring to the relationship, as Hardy suggests. However, when governments work with nonprofit organizations, there is a measure of legitimate authority at work but the nonprofit organizations often retain a high degree of autonomy in the relationship. It is likely that Jensen and Meckling (1976) and other proponents of agency theory would argue that even in cases where one organization has ownership and control (a form of legitimate authority) of a business and engages an agent to work on their behalf, the owner has to actively manage the relationship because the agent will retain a degree of autonomy and will not automatically cooperate or collaborate fully.

The relationship between Sport Canada and CIS would be characterized as being initiated by the legitimate authority of Sport Canada, with both Sport Canada and CIS retaining autonomy over their own organizations and the amount of collaboration they undertake. In this type of situation, organizations would theoretically be more likely to focus their management resources on collaboration if their efforts will result in a collaborative advantage. Both organizations must make decisions as to how much effort they will invest in the relationship on an ongoing basis and those decisions would likely depend on the extent to which they value the collaborative advantage. The organizations could either meet the minimum requirements to sustain the relationship, or could voluntarily choose to maximize whatever collaborative advantage is possible. One of my goals is to understand which course of action Sport Canada and CIS have chosen to take.

Levels of management.

While it is necessary to consider the organizations' motives for collaboration and the degree of autonomy of the organizations, the level at which the collaboration is managed is also an important contextual factor. The literature describes three levels of management of collaboration: a) interpersonal (interactive) collaboration which is essentially the process referred to when individuals, acting on their own behalf, collaborate toward a common goal, b) interunit collaboration which is when individuals within organizations collaborate as a function of their role in an organization and, c) interorganizational collaboration which refers to collaboration between organizations, at the organizational level, involving one but possibly several individuals in each organization (Brass, Galaskiewicz, Greve & Tsai, 2004; San Martín-Rodríguez, Beaulieu, D'Amour & Ferrada-Videla, 2005). These types of management are probably best represented by a continuum between collaboration that occurs strictly at the individual level, and that which occurs only at the organizational level. In reality, most collaborative relationships likely sit somewhere between these two extremes. By this, I mean that in a collaboration which is managed at the interorganizational level, there is likely to be some individual collaboration as well, although it may be informal. Most theories, such as resource dependency theory (Pfeffer & Salancik, 1978) and institutional theory (Dimaggio & Powell, 1983) are used when research is undertaken in the interorganizational context. Agency theory is much more flexible, in that it has been used to study all three levels of management. The interorganizational management level is the context of this research.

Private sector and public nonprofit sector collaboration.

Roussin Isett and Provan (2005) contributed to the study of interorganizational relationships by advising us to recognize the differences between public (government or nonprofit) and private organizations. Roussin Isett and Provan (2005) mention, “There are some important differences between public and private operating environments that may affect the way organizations within these sectors create, organize and maintain relationships” (p. 151). Researchers interested in the public sector must take care not to borrow from perspectives that are heavily rooted in the private sector without due consideration for the possibility of the important differences which include governance and outcome related factors. The primary difference between the two is in the consideration of their outcomes; the private sector organizations normally determine whether collaboration is successful and effective based on reasonable gain in monetary value accrued by the organization. In nonprofits, monetary gain may be important but is often only one among many outcome measures of a collaborative effort (Roussin Isett & Provan, 2005).

Another difference of note between private and public nonprofit sector collaboration is linked to the characteristic of legitimate authority described earlier. Public sector organizations are very often operating with government funds and under some regulation, and according to Oliver (1990), the more the organization is dependent upon government funds the more the relationship will be influenced by the dependency. Thus, according to both Oliver, and Roussin Isett and Provan (2005), results of studies in the private sector should not necessarily be generalized to the public nonprofit sector.

Huxham and Vangen (2004) studied collaborative advantage in nonprofit organizations extensively. The work of Huxham and Vangen (2004) is particularly

relevant to collaboration in a sport system because of its focus on different types of mutual gain beyond monetary value creation. Whereas there is a vast amount of writing on collaboration in business most of that work ultimately focuses on value creation (and to be more specific, financial value) as the dependant variable, which is a measure that arguably lacks relevance in a nonprofit sport context.

Huxham and Vangen (2000, p. 773) list the challenges posed by collaboration, and particularly what they refer to as 'collaborative inertia'. I list those challenges here, and speak specifically to those challenges within the context of the nonprofit sport sector.

1. *difficulties in negotiating joint purpose because of the diversity of organizational and individual aims which those involved bring to the collaboration.* In amateur sport, this difficulty is best exemplified by the participation-competition conflict; local organizations are usually focused on expanding the participant base, whereas provincial and national organizations are focused on high performance. The most significant challenge for collaborators in the nonprofit sport system would likely be the alignment of organizational goals and priorities, and issues of power and control over decision-making.
2. *difficulties in communicating because of differences in professional (and sometimes natural) languages and organizational (and sometimes ethnic) cultures.* (Hibbert & Huxham 2005, p. 65) suggest that an understanding of the language used by "other professions and the cultures, traditions and procedures prevalent in partner organizations" ought to take place before the collaboration but "in practice it must take place in parallel."

3. *difficulties in developing joint modes of operating given that the partner organizations inevitably operate quite different internal procedures from each other.* Sport Canada and CIS are autonomous entities and their internal procedures are different. Huxham and Vangen's (2000) view in this case appears to be relevant.
4. *difficulties in managing the perceived power imbalances between partners and the associated problem of building trust.* Based on my personal experience, and on anecdotal evidence, I believe this factor is extremely relevant to collaboration in the sport system. In many cases, sport organizations collaborate due to hierarchical design, government policy, and funding relationships. Perceived power imbalances predominate. Disagreements over policy and planning between clubs and provincial associations, between provincial associations and their national counterparts, and between national sport organizations and Sport Canada are very common.
5. *difficulties of managing the accountability of the collaborative venture to each of the partner organizations and to other constituencies while maintaining a sufficient degree of autonomy to allow the collaborative work to proceed.* In the Canadian sport system, this could be a significant challenge.
6. *difficulties with the sheer logistics of working with others who are based in physically remote locations.* In Canada, geography is a dominant factor in developing collaborative effort in a national sport system.

Huxham and Vangen's six factors provide a useful summary of the management challenges associated with collaborative ventures in the nonprofit sector context. Both

Sport Canada and CIS operate in the public nonprofit sector, and as such, their outcomes and measures of success go beyond the creation of wealth and focus more on the achievement of goals such as competitive success; their relationship also includes regulation and funding. Therefore, the study of their collaborative interaction needs to be considered within this context.

Theories Related to Collaborative Relationships

The concept of collaboration as it has been discussed and studied in a variety of domains tends to be more definitional than theoretical. Thus, while there is an increasing awareness of collaboration's functional importance within certain contexts, and general agreement concerning what collaboration is, the researchers working on the idea of collaboration have mostly developed or adopted other theories to examine it. Researchers have chosen to employ theories to move beyond a description of how collaborative relationships are managed to attempt to explain why certain management approaches seem to be more effective in achieving significant collaborative outcomes.

Theoretical approaches are normally designed to identify key variables in a research problem and to study the relationships between those variables, rather than to simply describe the variables. When a researcher selects an appropriate existing theory to apply to a problem, they have the advantage of the key learning of other researchers who have been concerned with similar, if not identical, questions. The more complex the problem, the more advantageous it is to the researcher to have the assistance of a previously tested theory. Slack (1996) wrote "establishing ourselves as experts in the management of sport will not only require us to broaden the range of organizations we study, it will also necessitate a considerable change in the theoretical bases of our work"

(p. 102). Collaboration between organizations is an extremely complex process owing to the environments within which the organizations operate as much as to the diverse nature of organizations themselves and the use of theory can assist in navigating the complexity.

The review of the literature does not result in the identification of any one dominant theory that has been employed to address collaboration. In fact, collaboration has been explored and explained by many theories. While the reason for this is conjecture, it may be partly due to differences in the definitions of collaboration used in the various studies, and partly due to the wide variety of contexts within which collaboration occurs. Given this diversity and lack of consensus about the conditions leading to collaboration (although there is some definitional consensus on what collaboration is), it is unreasonable to expect any single theoretical approach to have emerged at this point in the development of this idea.

The theories used have included institutional theory, resource dependency theory, and agency theory. These theories have each been proven useful in this context and all contribute knowledge to the understanding of collaboration and interorganizational relationships, but each of them emphasizes a different particular aspect of the management process. Resource dependency theory was applied to the sport domain in a paper published in 1997 by Lucie Thibault and Jean Harvey entitled “Fostering Interorganizational Linkages in the Canadian Sport Delivery System”. Their topic was related specifically to the need for collaboration in the Canadian sport system. Thibault and Harvey (1997) claimed that the “major recurrent theme in the research on organizational linkages is resource dependency” (p. 58), and they used resource dependency theory to examine and discuss the mechanisms by which nonprofit sport

organizations interact, or are linked. Institutional theory has been used frequently in the study of nonprofit sport organizations. Sport management researchers using institutional theory have included Amis, Slack, and Hinings 2004; Kikulis, Slack, and Hinings, 1992, Slack and Hinings, 1994; Slack, 1996; and Washington, 2004. In institutional theory the unit of analysis is normally the organization, and organizational change is often the dependent variable and the subject of study. While these theories utilize different concepts, there is a large degree of conceptual overlap among them theories probably due to their emergence from common disciplines at a similar time.

In order to select the most appropriate theoretical perspective, the researcher must first seek to understand the organizations and the environments within which those organizations function individually and collectively. The theory is then selected based on the context, the research question, and what has been learned from studies done by other researchers. Each of the previously mentioned theories (which are discussed and summarized in more detail in Appendix H) tackles the problem of collaboration in a slightly different way, but the intent is the same; to identify variables, actions, or strategies which predict some type of change on the dependent variable. In organizational theory, the dependent variable is almost always the extent to which the organization has been able to achieve some positive change (goal), and the cause of the change is examined in terms of a management strategy or intervention that has been developed. In this case study, Sport Canada and CIS are concerned with the performance of athletes within high performance sport as the goal (dependent variable) and the management of their organizational collaboration should theoretically determine the extent to which the goal is achieved.

Theories that have been used to study collaboration share concepts such as the need for shared goals and the consideration of management costs in managing the relationship. Within the collaboration literature, all the theories reference the need for communication and reporting and the sharing of information between the organizations. Most of the theories share a belief of the need to understand the goals of the organizations in the relationships, and that mutual goals are highly desirable. These concepts are also important in my case, but a theory that includes a formalized contract between the organizations seems to be needed since the development and management of the contract between Sport Canada and CIS (as with all of the agents of Sport Canada) is a well known and highly visible process that is central to the function of their relationship. The research, then, is best served by a theory that has a commensurate focus on the contract[2], which is a fundamental assumption of agency theory; a theory that Mason and Slack (2005) suggest should be applied to the sport system, and in their article gave "examples from sport to emphasize the applicability of agency theory to sport organizations … so the agency model may provide a new stream in which empirical research in sport can follow" (p. 60). Agency theory has been used (Olson, 2000; Mason, Thibault and Misener, 2006) to study interorganizational collaboration between nonprofit organizations that are required to co-exist but can choose the extent of their collaborative action.

Another factor that differentiates agency theory from other theories used to study collaboration is its consideration of a principal organization's dominant role in decision-

[2] Transaction cost economics (Williamson, 1994) also has a focus on the contract but has not been used in research in sport management. TCE has a more rigid interpretation of the contract as a formal and legal document to bind the organizational relationship. I preferred the agency theory idea of the contract which has a reduced emphasis on legality, employing incentives, sanctions and monitoring to motivate the agent.

making (at least initially) combined with the principal's dependence on, and vulnerability to, the actions of the agent. The recognized tension between the dominant role of the principal and the principal's reliance on an agent that may not reliably be working toward the desired outcomes of the principal is at the core of the theory. In a perfect world, the principal and the agent should be striving to achieve mutually valued outcomes that could not occur should the collaboration between the two not exist but the collaborative process to achieve such congruence requires management. Given the mandate of Sport Canada and the relationship of Sport Canada to national sport organizations, the recognition of, and consideration for, the implications of this tension on the management of collaboration is an interesting factor that agency theorists consider as their data is collected and analyzed.

Agency theory also tends to be applied frequently to study the relationship between two entities (a dyad) rather than an organization collaborating within a network, which has been recognized by Roussin and Provan (2005) as an appropriate approach: "Relationships develop between two organizations at a time, and so the focus on dyads is not inappropriate" (p. 150). While both Sport Canada and CIS have relationships with many other organizations, the focus for this research is delimited to this one relationship and agency theory serves the research purpose well in such a case.

In the following section, I will explain agency theory in more detail and directly relate the concepts to the research problem

Agency Theory and the Research Questions

Agency theory, as the theoretical perspective for my research, provides, (a) structure to the organization of the research questions, (b) a focus for data collection, and

(c) the initial themes for data analysis. In this section, I explain the concepts of agency theory and use those concepts to frame five research questions related to the research topic.

Agency theory applies to situations where “one or more persons (the principal) engage another person (the agent) to perform some service on their behalf which involves delegating some decision-making authority to the agent” (Jensen & Meckling, 1976, p. 308). Principals may be individuals or organizations but hold management or ownership power. Agents may be employees or organizations. Key agency theory concepts deal with the dependency of principals on agents to achieve the outcomes desired by the principal. Even though a principal has ownership and control over some aspects of the relationship with the agent, the dependency of the principal on the agent increases the importance of goal congruence between the two organizations and clearly illustrates the need for collaborative action. Agency theorists assume that to some degree goal incongruence is inevitable (often referred to in agency theory literature as the agency problem). The principal continuously acts to align the goals of the two parties. Many of the actions taken by the principal to improve goal alignment with the agent are, according to the theory, articulated in a contract. The existence of a contract is a fundamental assumption of agency theory, with contracting options ranging from formal legal and written documents to implicit arrangements or mutual informal understandings. In fact, the contract is sometimes considered to be a metaphor for the actions taken by the principal to resolve the agency problem (Jensen & Meckling, 1976; Eisenhardt, 1998).

The creation, implementation and enforcement of the contract are actions that incur human and financial cost to both principal and agent. Those contracting costs are

agency costs, which reduce the productivity of the relationship between principals and agents. According to agency theorists, it is essential for the principal and agent to recognize the existence and impact of agency costs and to take collaborative action to minimize those costs. An improved understanding of the types of agency costs in the sport system, why those costs exist, and whether costs can be reduced is a practical and useful starting point for further discussion of the amateur sport system.

This research utilizes the principal-agent dyad, delimited to a focus on the federal level of the high performance amateur sport system, while recognizing principal-agent relationships are found throughout the high performance sport system. For example, federal, provincial and municipal governments all function at times as principals, depending upon volunteer nonprofit amateur sport organizations to help deliver high performance sport results. National sport organizations are principals, relying on collaboration with provincial sport organizations for a supply of elite athletes and coaches, while provincial sport organizations themselves function as principals dependent upon collaboration with local organizations as agents to provide talented competitors.

At the center of this research is Sport Canada, a federal government organization (the principal) which relies on volunteer-governed national sport organizations (the agents) to produce athletic talent aimed at achieving high performance measurable outcomes at the international level. The agent in this case is Canadian Interuniversity Sport (CIS), a national multi-sport organization partially funded by Sport Canada. Given the national sport goals of Sport Canada and the size and national scope of CIS, the relationship between the two is important to the development of an optimal Canadian high performance sport system. However, Danylchuk and MacLean (2001) give virtually

no consideration to the larger role or responsibility of CIS and its members to sport development in Canada. Therefore, it is useful to examine this relationship in detail to understand how and why Sport Canada and CIS collaborate and whether Sport Canada receives the contributions it requires from this particular agent. The remaining sections of this chapter will:

1. present an explanation of the concepts of agency theory which provide the theoretical framework for the development of the methodology; and,
2. use the concepts contained in the framework to articulate the research questions to guide data collection and data analysis.

The Antecedent Conditions of Agency Theory: Ownership, Measurable Outcomes, Engagement, and Control

Four antecedent conditions must be in place before agency theory can be properly applied to a research question:

1. the principal must have ownership of some domain, product, or service;
2. the principal must have measurable outcomes that can be understood by an agent and to which an agent can contribute;
3. the principal must engage an agent in some type of relationship; and
4. the principal must have control that can be delegated to an agent.

Agency theorists must establish the existence of clear ownership on behalf of a principal that can define the desired outcomes and control the flow of resources and delegation of authority to the agent. Sport Canada (as a principal) appears to meet the necessary ownership conditions (through the mandate provided to it by the federal government) by virtue of its authority over international sporting delegations. Given that

this first antecedent condition has been met, the principal must then be able to establish measurable outcomes.

Agency theory is more commonly applied in organizational studies in which the principal's measurable outcome (as an owner or shareholder) is the generation of profit or monetary value for its organization. Kiser (1999) stated that "Agency theory in economics has focused on two main types of agency relations in economic organizations - - between stockholders and managers, and between employers and employees" (p. 148). In fewer cases, agency theory has been applied to the study of government and nonprofit organizations (Waterman & Maier, 1998; Kiser, 1999) where the outcome desired by the principal is, by definition, less focused on profit or monetary value. Outcomes for non-profit and government organizations are less objectively measurable, such as the development or application of public policy, or the provision of public services (which could include sport). Fortunately, in the high performance sport context, the outcomes desired by the principal can be quantified. Competitions are won, or they are lost. The ability of a sport-based principal to establish and define quantifiable high performance outcomes fulfills an essential antecedent condition of agency theory; the principal can define measurable outcomes. Precisely what the measurable outcomes are for Sport Canada will be discussed later.

Sport Canada can only achieve its measurable outcomes through collaboration with the national sport organizations that become its agents. The selection of the agent is referred to by Jensen and Meckling (1976) as engaging an agent. Engage, and its corollary, disengage, both imply the principal has some degree of control over either the market or the agent. In a free market system the principal theoretically can select from

amongst a number of potential agents. The opportunity for the principal to choose an agent with similar goals could create a form of incentive for the agent to agree to those goals and collaborate with the principal. All principals are faced with the problem of finding agents and the options available to the principal are critical conditions in the establishment of the principal-agent relationship. Sport Canada is faced with a unique situation because, within a particular sport, there is no option in the selection of the agent. For example, if Sport Canada wants to win an Olympic medal in tennis, it must collaborate with Tennis Canada. Tennis Canada can also benefit by engaging in a collaborative relationship with Sport Canada. The lack of choice within a sport is a limitation for Sport Canada, in the absence of another option to select and contract with another agent as a means of controlling the relationship. In Sport Canada's case, the agent is engaged (and the relationship initiated) through the process of providing direct federal funding to the NSO.

The final antecedent condition of agency theory states the principal must have the potential and ability to control the relationship with the agent in some way. Theoretically, control could be exerted in several ways, including (a) the delegation of a level of decision-making authority to the agent, (b) the provision of funds, or (c) the assignment of resources to the agent. Notwithstanding the other options available to Sport Canada, funding is provided to the agents to support their sport development programs, and thus the antecedent condition of control is present in this relationship (although I will argue that the degree of control may vary).

The antecedent conditions of agency theory appear to be met. While these antecedent conditions establish the existence of a principal-agent relationship, the

conditions do not explain how the principal decides on the manner in which it will engage and collaborate with a particular agent. Understanding Sport Canada's decision-making process is necessary to understanding how the collaborative relationship is managed. Given the complexity of Sport Canada as a sport organization, the decision-making process needs to be examined and clarified. Agents would benefit from knowing, for example, the relative influence of bureaucrats on politicians in the process. Therefore my first research question deals with Sport Canada's decision-making process.

Research Question One: How does Sport Canada make the decisions that directly affect how they collaborate with agents?

The Fundamental Assumptions of Agency Theory: Goal Incongruence and Contracts

Goal congruence

Most if not all of the theoretical perspectives and frameworks previously discussed made reference to matching goals, mutual interests, or goal congruence as a primary consideration in the management of collaboration between organizations. In agency theory, goal incongruence between the principal and the agent (also referred to in the literature as divergent interests) is the agency problem and is the critical assumption of agency theory. "Incongruent interests held by principals and agents underpin the agency model; an agency problem arises where the agent acts . . . to the detriment of the principal while acting on behalf of the principal" (Mason & Slack, 2005, p. 50). The degree to which the principal and agent agree on the goals (and outcomes) established by the principal should dictate how the principal manages the relationship. Eisenhardt's (1989) proposition that "If there is no goal conflict, the agent will behave as the principal

would like, regardless of whether his or her behavior is monitored" (p. 62) suggests a need for researchers employing the agency theory perspective to assess the amount of goal conflict between a principal and an agent. However, a review of the research conducted using agency theory reveals that, in nearly every case, the focus of the investigation was on the management of the relationship, within an assumed scenario of goal incongruence. None of the studies reviewed contained measures of goal incongruence between the principal and the agent. Notwithstanding the argument that congruence is a relative term and somewhat abstract, researchers using an agency theory perspective should strive to understand and describe the degree of goal incongruence as a precursor to explaining the management of the relationship. If the principal and agent have extremely divergent goals, the management of the relationship must be more difficult and require more effort. In fact, in situations where there is a lack of a mandated or legislated authority, or necessity, as a motive (Oliver, 1990), organizations with extremely divergent goals could be expected to encounter major difficulties in their collaborative efforts.

All of the evidence cited previously from the work by Macintosh, Whitson, and Cantelon related to high performance versus mass sport issues, and federal-provincial jurisdictional struggles, indicates goals of collaborating sport organizations could be incongruent. As a precursor to understanding the agency problem in greater detail, the levels of goal congruence between the organizations warrant closer examination. Given the previously described size and scope of the principal and agent organizations, the examination of goal congruence will be complicated by the existence of multiple goals.

Therefore, I will strive to articulate all of the goals of the two organizations, and then compare them.

The second research question relates to the degree of goal incongruence between the principal and the agent.

Research Question Two: How congruent are the goals of Sport Canada and CIS?

Contracts

Given the assumption of goal incongruence, the principal must develop a mechanism to manage its relationship with an agent. All of the theoretical perspectives reviewed, including agency theory, recognize the mechanism to be some form of contract. The contract (which can be explicit or implicit; written or metaphorical) is central to agency theory, positioned as the functional relationship between the principal and the agent. According to agency theory, whenever a principal/agent relationship exists, a contract exists and according to Eisenhardt (1989) "Agency theory is most relevant in situations in which contracting problems are difficult" (p. 71). Contracting problems will be most difficult when, for example, the agent is not working in the best interests of the principal, or the principal has few options in the selection of the agent. If the principal has the power to engage (even co-opt) an agent of the principal's choosing, then the contract could be developed unilaterally and with little difficulty by the principal. However, knowing Sport Canada relies on collaboration with the agents and has limited options in engaging the agent, the contract development process should exhibit balanced negotiation, with the agent having considerable input into the terms and conditions of the contract. Sport Canada's absolute need for agents, its lack of choice of

agents, and incongruent goals certainly makes Sport Canada's contracting problems difficult. Thus my study of the contract is a central focus of the research.

I referred earlier to the process of engagement between the principal and the agent, which is essentially the creation of a contract. "The relationship between the owner [principal] . . . and manager [agent] will be governed by a contract that determines what duties are to be performed, and how the manager [agent] is to be compensated" (Mason & Slack, 2005, p. 50). Eisenhardt (1989) describes two contracting options related to the duties to be performed: a behavior-oriented contract and an outcome-oriented contract. Specifically, the question for the principal becomes, "is a behavior-oriented contract more efficient than an outcome-oriented contract" (p. 58). A behavior-oriented contract is an understanding between the principal and the agent that specified behaviors (tasks) will be undertaken by the agent. In amateur sport, an example of a behavior-oriented contract would be the National Coaching Certification Program, where Sport Canada and the Coaching Association of Canada expect NSOs to take on the task of developing coach education programs for their sports within specified parameters. In this example, the Coaching Association of Canada attempts to quite closely influence the tasks (the program development process) and the outcomes (coach education programs) of the NSOs. An outcome-oriented contract focuses specifically on the outcomes of the agent, with little or no concern for the behaviors leading to the outcomes. As an example, outcome-oriented contracts are used by Sport Canada when Sport Canada monitors competition results for the various sports. Behavior-based contracts would be preferable because the principal should be aware earlier of counter-productive behaviors prior to the outcomes. When a principal knows exactly what behavior is required by the agent to

achieve the desired goals, and the principal can acquire comprehensive information on those behaviors through monitoring, a contract based on agent behavior may be possible, and preferable. A consideration of the principal in arriving at a decision between behavior and outcome oriented contracts is an agency theory concept referred to as task programmability. As stated by Eisenhardt (1988), "Programmed jobs [tasks] are the ones in which behaviors can be precisely defined" (p. 493). When task programmability is high, it means the tasks to be performed to achieve a specific outcome are clear and identifiable, making it easier for the principal to monitor whether the work is being successfully done by the agent. In high performance amateur sport, the behaviors leading to the development of successful high performance athletes are the subject of debate and hence difficult to define precisely (Green, 2005); consequently, task programmability is low. Therefore, Sport Canada may have difficulty determining whether CIS's behaviors are appropriate, even if it knows everything the sport organization is doing. When the principal has insufficient information on agent behavior, a contract based on observable and measurable outcomes is the other option. An aspect of my research will be to determine whether the contract between Sport Canada and CIS is behavior or outcome based.

The contract in this case is the Sport Funding Accountability Framework (SFAF). The SFAF was established in 1995-96 and functions as the formal contract between Sport Canada and its agents, the National Sport and Multi-sport Organizations. The SFAF is a complex and detailed process governing the management of the relationship between Sport Canada and its agents, and is a focal point for this research. (A more detailed description of the SFAF is provided later in the dissertation).

In addition to the development of a contract, the principal must also be able to motivate the agent to adopt equivalent goals and collaborate to work toward the desired and established outcomes. Agency theory proposes that incentives (such as compensation) and sanctions are built into the contract and used to motivate agents.

Incentives and Sanctions

Barney and Hesterly (1996) suggest "A large part of the agency theory literature examines the incentives firms [organizations] use to induce agents to work in the interests of the principals" (p. 121). Stroh (1996) argues "principals can motivate agents by controlling their incentives (Eisenhardt, 1989; Gomez-Mejia & Balkin, 1992a, 1992b)" (p. 751). Agency theory researchers must know the terms of the contract in order to understand the incentives. If the incentives are strong enough, and appropriate, the agent should be motivated to collaborate with the principal. On the other hand, incentives are agency costs (to be described later) and the principal must ensure the motivation created by the incentive is offset by gains in the agent's productivity. Using a collaboration perspective, the gain should be an outcome that benefits both organizations: a collaborative advantage. Agency theory researchers have focused to a large extent on the compensation of managers (agents) to understand the incentive mechanism (Eisenhardt, 1989; Gomez-Mejia & Balkin, 1992). However, in the nonprofit sport environment where board governance is the norm, compensation of the agent may, for example, equate to increased funding from the principal to the agent organization. Compensation is not necessarily an incentive to the agent organization's members because individually they may not benefit from the funding increase. Therefore, influence exerted on the agent

organization's decisions by a compensation-based incentive may be less direct and predictable than in an owner-manager scenario.

In nonprofit organizations, the influence of incentives such as sharing financial profit on motivation and decision-making should be different than in for-profit organizations. A for-profit principal may attempt to motivate an agent by developing some type of agreement to share profits with an agent when outcomes exceed expectations. Profit is often referred to in agency theory as a residual. In for-profit organizations, residuals are a focus for the principal, and both the principal and the agent may have claims to the residuals. Agency theorists refer to this as residual claims. However, Fama and Jensen (1983) refer to "the absence of alienable [transferable] residual claims in non-profits" and state "claims to profits do not exist [in non-profits]" (p. 342). Olson (2000) has agreed "In a not-for-profit organization, there are no residual claims to be paid out and no owners expecting to earn a profit" (p. 283). So, while nonprofit organizations could encounter situations where outcomes exceed expectations, they are obligated to distribute those residuals to their members; thus the issue of the distribution of residuals (if any exist) is constitutionally predetermined. Residual claims are inalienable. Due to the lack of profit motive and residual claims, options for the principal to provide these incentives as motivators are affected. Hence, it appears there would be more limitations on the incentives a principal can provide to an agent in the nonprofit sport organization context. However, it seems that if both organizations value the outcome and the outcome is a unique product of collaboration, the outcome may act as an incentive.

My research will determine whether or not incentives are built into the SFAF, and if so, what form these incentives would take. As an example, since Sport Canada has high performance excellence as a goal, and Olympic medals are the measurable outcome, it is reasonable to ask what the incentives are for CIS to put a high priority on high performance. It is quite possible that an athlete could compete within CIS for five years, and then win an Olympic medal five years after that, and CIS would receive no credit at all for this success.

Agency theory also refers to the possibility of sanctions in the contract as a means of aligning the goals of the agent with the goals of the principal. The principal would likely want to have the power to invoke some form of sanction (or penalty) should the agent fail to deliver on the outcomes agreed to in the contract. Kiser (1999) refers to a variety of actions taken by the principal that could be considered sanctions, such as reducing the compensation to the agent, eliminating certain privileges provided to the agent, or replacing the agent. While Sport Canada may not be able to replace an NSO, it may reduce the NSOs compensation or somehow penalize underperforming NSOs. Sanctions might be operationally defined as the provision of differential funding to NSOs. Therefore I am interested in determining whether the SFAF contains incentives or sanctions, and if so, what form they take and whether they are effective.

Research Question Three: How does the SFAF contract contribute to collaboration between Sport Canada and CIS?

Monitoring

Agency theory assumes the agent has different goals than the principal: the agency problem. If incentives alone cannot solve the agency problem, then monitoring of

the agent by the principal increases in importance. For monitoring to occur, some type of contractual understanding must be in place between the principal and the agent, and an exchange of information must be arranged. The communication process, referred to in agency theory as monitoring, is consistently emphasized by those studying interorganizational relationships from the other perspectives previously described. Researchers agree that for collaborative relationships to be successful, ongoing and substantial information exchanges must be in place.

Most often, the agent would submit a report to the principal providing information related to the terms of the contractual agreement. The contractual agreement could be either behavior based, or outcome based, or some combination of both. If the agreement is behavior based, the report would include detailed information, such as the tasks to be completed by the agent. In an outcome based contract, the report would more likely focus on the expected accomplishments. Regardless, the information needed by the principal to enforce the contract and monitor the collaborative process will be essential and must be acquired.

The principal's information acquisition is limited according to an epistemological concept known as *bounded rationality* (Simon, 1957b), a term referring to the inability of people (such as principals or managers) to know all things about all situations. Bounded rationality leads to problems of information asymmetry, a core concern of the principal when monitoring agents. The principal contracts an agent to perform some type of duty or service, but due to bounded rationality, cannot know everything about the agent, or the actions of the agent. Consequently, the principal must decide what type and how much information is optimal in the monitoring process and the principal must be realistically

able to acquire the information. Therefore, the knowledge gap (information asymmetry) is a source of concern for the principal and managing the knowledge gap contributes to agency costs. "To protect the principal's interests, attempts must be made to reduce the possibility that agents will misbehave. In this attempt [monitoring], costs are incurred. These costs are called agency costs" (Barney & Hesterly, 1996, p. 118). Shapiro (2005) adds "principals contrive incentives to align agent interests with their own and undertake monitoring of agent behavior, activities that create agency costs" (p. 271). The need for monitoring, and the costs associated with monitoring, are important to explore to ascertain the impact on agency costs. In a collaborative relationship, monitoring costs are incurred by both the principal and the agent and my research will examine this monitoring process from the perspective of both CIS and Sport Canada.

Research Question Four: How do Sport Canada and CIS monitor their relationship?

Agency Costs

The final research question deals with the assessment of the agency costs in the relationship. Shapiro (2005) writes that "all agency relationships experience agency costs" (p. 281). She goes on to suggest there are many sources contributing to agency costs and she lists costs such as agent recruitment; incentives; agent self-interest; unethical behavior by the agent; monitoring and policing; self-regulation; and failures in these costly corrective devices. Agency costs are the human and financial costs incurred in the creation, implementation and enforcement of a contract between the principal and

the agent. “The trick, in structuring a principal-agent relationship, is to minimize them [agency costs]” (Shapiro, 2005, p. 265).

Agency costs are a critical consideration in the study of the relationship between a principal and an agent. All of the previously articulated research questions are important contributors to understanding a principal-agent relationship, but the agency costs ultimately determine whether the relationship is productive. The identification and analysis of agency costs will determine whether the costs are a productive investment in the relationship, or detract from the collaborative efforts. The collaborative advantage must be worth the cost. Agency costs must be analyzed and then strategies developed by both parties to deal with the costs in the most advantageous manner. Principals and agents should be mindful of the agency costs associated with managing the collaborative relationship, and if the costs of managing the relationship exceed the benefits accrued, one or both parties should be taking remedial action.

The last research question involves examining the agency costs in this relationship and how those costs are managed? The results from the first four research questions are used as an aggregated data set contributing to the assessment of the agency costs associated with the management of the relationship between the principal and the agent.

Research Question Five: How are the agency costs in this relationship managed?

The five research questions developed from the agency theory framework provide the structure for the presentation of the results that follow. The cumulative result of answering these research questions leads to the fulfillment of the first purpose of the

study, which is to recommend improvements to the collaborative sport management processes specifically related to this particular case. Given our understanding of agency costs, and measurable outcomes, is the maximum collaborative advantage being gained?

The next section explains the methodology was used to answer the five research questions articulated here.

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Chapter 4: Method

The method has been designed on the basis of the research topic, the agency theory framework, and the research questions to create the structure for the data collection and analysis. This research explores the management of the relationship between two important organizations in the Canadian high performance amateur sport system; Sport Canada and Canadian Interuniversity Sport.

The Case Study Design

A case study design is used. According to Yin (2003, p.1) case studies are the preferred strategy when:

1. "how" or "why" research questions are being posed,
2. the investigator has little control over events, and
3. the focus is on a contemporary phenomenon within some real-life context.

De Vaus (2003) has written that a case study is an empirical inquiry designed to investigate a phenomenon within its real-life context especially when the boundaries between phenomenon and context are not clearly evident and the researcher is interested in the contextual conditions. The case study is used when there is an "attempt to understand the significance of particular factors within the context of the whole case rather than by screening out this context" (deVaus, p.247). A case study is the appropriate research design for this study because the questions require the inclusion of the context in the research.

I have decided to use a single case study design (encompassing two organizations and their relationship), as the most realistic method to guide the collection and

organization of the data required to answer the research questions. While the comparison of cases may have been interesting, the single case study was chosen for a practical reason; the inclusion of two large sport organizations in the case makes the undertaking quite large and complex and multiple cases might be unmanageable for a single doctoral student researcher within a dissertation project.

The Population

The research question is concerned with how sport organizations manage their relationships with other sport organizations. The population associated with this research is defined as the population of inter-organizational relationships within the amateur sport domain. This research question is focused on one specific type of relationship; a relationship between a national government sport organization and a national nonprofit sport organization from the population. The specificity reduces the population size (as defined by the number of relationships) and population diversity. Therefore, while this single case study concerns only one relationship from the population, it may contribute valuable understanding relevant to other national sport organizations in similar relationships in this specific population.

The central focus in this case study is on the high performance component of the amateur sport system, and within this component, on the management of the relationship between the government and a nonprofit sector national amateur sport organization.

Case Selection

Inappropriate attention to case selection can seriously impair a case study in all phases, from data collection and analysis through to the conclusions. To maximize the impact of the research, a well-chosen case is essential and a well-written rationale is imperative.

Sport Canada has been chosen because of its significant role in the funding of Canadian high performance amateur sport. Using Van Evera's (2000) criteria, Sport Canada will be relevant to current policy problems and is intrinsically important to the Canadian sport system. The sport management literature cited earlier establishes the importance of Sport Canada in high performance sport, but it fails to describe how Sport Canada is managed, which is a gap this research will fill.

Sport Canada has relationships with at least 80 national sport organizations, and CIS was chosen for this case based on the following rationale:

1. I want to explore and document the role CIS plays in the high performance sport development system in Canada, because I believe it has intrinsic importance.
2. I have an interest in understanding CIS's relationship with Sport Canada and in developing a better understanding of how CIS and Sport Canada manage the relationship. A contribution to understanding current policy problems may result.
3. I have extensive experience with CIS which I will utilize as data and which should also provide access to individuals with additional information. A rich source of data is available.
4. CIS has twelve sports and twenty-one championships.
5. Over five hundred full-time coaches work in CIS programs.
6. Over ten thousand athletes compete in CIS programs.

7. CIS is a national level organization.
8. CIS is directly involved in international high performance sport competition.

In summary, this particular case would best be considered an intrinsic case study, which is "undertaken . . . because, in all its particularity and ordinariness, this case itself is of interest . . . because of an interest in this particular case" (Stake, 2003, p. 137).

Theory in the Case Study Design

My case study will use an idiographic approach to develop a complete and detailed understanding of the two organizations in the relationship by using qualitative methods. The research design is guided by agency theory. As stated by de Vaus, "Collecting and analyzing information from case studies must be guided by theory. . . . Without a theoretical dimension a case study will be of little value for wider generalization–one of the goals of research" (p. 223). Agency theory provides the theoretical framework for the research and is used extensively in the design of my case study. The theoretical perspective provides the framework for the development of the research questions guiding the data collection and analysis. Functionally, the theoretical perspective reduces the data before the research begins by delimiting the inquiry to concepts supported by the theory. The use of theory for data reduction in the research design stage is supported by many authors, but it is a controversial practice seen by some to blind the researcher to data that may be interesting or productive to the study. In my view, a single case study requires some preliminary data reduction because this case is likely to be extremely complex and the availability and range of data is massive. Without some preliminary structure, the research process could bog down due to the volume of data. A second benefit of the application of a theoretical framework at this stage is the

preliminary declaration of a data collection strategy and structure, which, as will be discussed later, is important in a study where all of the data are being collected by a single researcher. The early articulation of a data collection strategy should help alleviate the concern of researcher bias in the collection of data and in data analysis.

While agency theory is relied upon heavily in this case study, the analysis is not primarily intended to test agency theory, nor to confirm or revise agency theory, although it may indirectly and eventually test the application of agency theory's concepts to sport management problems. The theory provides structure to the data collection and analysis. The analysis is intended to provide an understanding of this case, and explain what can be learned from the study of this one principal agent relationship. The case study design focuses on acquiring data, guided by agency theory, to help understand the goals of the principal and the agent; the contract between them; and the agency costs inherent in the relationship. The research is designed to reflect these elements of the case study: the principal; the agent; the contract; and, most importantly, the management of the relationship between the organizations.

Consideration for the Role of the Researcher in the Case Study Design

In the main, qualitative researchers agree to describe, define and declare the vantage point of the qualitative researcher, which is a cumulative product of their history and experience in the domain. The vantage point influences the choice of research question and the research design, including the process of data collection and data analysis. It can be argued that research may be improved when the researcher has extensive personal experience related to a research question, given that the researcher has some expertise and authority regarding the issues in question.

Researcher bias can occur by unfairly selecting sources of data, pre-supposing the conclusions, or influencing the results to match the preferences of the researcher, instead of portraying the data from a neutral perspective. The degree to which the reader can believe the data are speaking in the conclusions, and not the researcher, is important in the credibility of the findings. Since bias cannot be completely eliminated, and is ignored at the expense of credibility, the research design must present the researcher's plan to cope with the bias in an optimal way. The strategy includes maximizing the advantage of having extensive personal experience in the research domain, and developing and implementing plans to overcome the negative influence of bias. As has been explained previously, part of the plan to control the influence of my personal vantage point and bias was the use of theory to frame the research design.

Data Collection

This research relied on three sources of data, collected in the following order:

1. Personal narrative,

2. Document / text analysis, and
3. Personal interviews.

Three sources of data were used to maximize the amount and quality of information available, with the intent of developing an objective, thorough and comprehensive understanding of the two organizations, and their relationship. The three data sources were also used to optimize the validity of the data. In qualitative research, internal validity is improved through data collection strategies which require question-specific data from multiple sources in the search for confirmatory evidence to increase confidence in the findings. The use of corroborating evidence is common practice in qualitative research design, and my personal experience gained during my years as a community planner helped me to realize the absolute necessity of multiple data points to inform a researcher on a complex issue. Of course, this also increases the challenge in data analysis, and increases the likelihood of finding contradictory evidence which is difficult to explain. However, credible conclusions are supported only by the exhaustive search for both confirmatory and contradictory evidence; therefore, diverse sources of data are required to accommodate the complexity of the research question and to establish internal validity. Combining personal interviews with document analysis is widely recommended in the case study design literature and is one method of enhancing validity in qualitative research (Yin, 2003).

Data collection was organized into phases: the personal narrative phase, the document review phase, and the personal interview phase. Data collection and data analysis overlapped within each phase, and the phases themselves also overlapped throughout the research process. Overlapping data analysis with data collection not only

gives the researcher a head start in analysis but, more importantly, allows researchers to take advantage of flexible data collection (Eisenhardt, 1989), thus allowing data collection and data analysis to occur simultaneously at some stages of the research. In this case study, the first priority was to establish a detailed description of the two organizations involved in the case as a precursor to studying the relationship between them. Therefore, data collection and analysis involved collecting the necessary descriptive data while simultaneously collecting and organizing the data required to answer the research questions.

Phase one – the personal narrative.

The first phase of data collection involved writing my personal narrative to declare the vantage point, and to contribute my personal history, experience, and perspective as a unique contribution to the data set. As stated by Markula and Denison (2005), ". . . qualitative researchers today are also concerned with how their own experiences influence the research process. For this reason, many qualitative researchers insert their own selves into their research texts" (p. 165). As a result, data analysis in this particular phase began during the narrative writing process by creating a data summary and organizing these data within the case study design and the framework of agency theory. Gaps in my knowledge were revealed, and the need to verify my statements became an essential part of further data collection efforts. The personal narrative process ultimately overlapped with document collection and analysis; there was a period of time when my focus moved back and forth between the two processes.

As the case study design required a description of the structure and governance of the two sport organizations, much of the data collection at this stage involved a

compilation of the descriptive data about the organizations. I was able, from my personal experience, to articulate much of the descriptive information required, and the apparent gaps were filled by subsequent data collection phases. However, even at the later stages of the data collection process, when personal interviews were conducted and unexpected issues began to emerge, it was necessary to return to the personal narrative to add forgotten details.

Phase two – document review.

Documents were selected for review based on criteria that included:

1. the applicability to the national high performance amateur sport system;
2. the relevance to either Sport Canada or CIS;
3. documents written within the last ten years; and
4. accessibility.

The documents reviewed are listed in Appendix D. The list includes the title, number of pages, content summary, and location in the files. This phase involved reviewing documents, aggregating the data from the entire set of documents, and comparing the document data to the personal narrative data. Two methods were used in reviewing the document data: visual inspection and making notes of the highlights, and the use of word processing software to search for key phrases. The review was guided by the research questions, and the key phrases were words or phrases such as *goals, funding, high performance sport, reporting,* or *universities.* The data from this phase contributed to a refinement of the personal interview guide for phase three. When references were

made to relevant documents by the key informants during the personal interviews, I added those documents to the document analysis.

Phase three – telephone interviews of key informants.

Prior to conducting personal interviews, ethics approval was obtained from the University of Alberta's Faculty of Physical Education and Recreation Research Ethics Board (documentation in Appendix E). Personal interviews commenced after the document reviews and analysis had begun. The interviews were undertaken to either verify or refute those understandings by asking relevant questions (see Appendix F for a sample of the interview questions) within the interviewing format labeled by Amis (2005) as the *General Interview Guide*:

> The utility of this type of interview is that there is a structure that ensures that certain themes will be covered and helps keep the individual focused on particular issues, but there is also the flexibility to develop questions as new themes emerge in the course of the interview (p. 108).

The individuals selected for interviews were purposively sampled from the population of individuals who have knowledge about Sport Canada, CIS, and the high performance sport environment. The purpose of the interviews was to use their knowledge to develop a complete and accurate description of both organizations, and to gain knowledge specifically related to the relationship between the two organizations.

Individuals were intentionally selected from both inside and outside the Sport Canada and CIS relationships. Selections were made based upon my access to the individuals and their length of experience with both organizations. I had the advantage of knowing personally many potential informants for this research, and therefore it was necessary to select a subset of those people. In the selection process, more experienced people were preferred over less experienced, and I needed to have easy access to at least

part of the sample to ensure I could launch the study and get the basic descriptive information collected. However, it was also important to the research to be open to the inclusion of people previously unknown to me if they were identified and available.

The interviews were conducted by telephone to reduce time and cost (Amis, 2005), and ultimately enabled more interviews to be conducted with individuals located in various locations across Canada. Interviews were recorded and transcribed to provide documented evidence of the conversations for inclusion in the database.

The names of the individuals interviewed will remain confidential, but they included three sources from CIS, four from Sport Canada, two from VANOC and three from national sport organizations. Each individual had some experience from another domain, either with one of the other organizations or as a high performance athlete or coach.

The personal interviews resulted in the discovery of additional documents, and the identification of key informants that were not part of the original list.

When interviews are the data source the interview process will be influenced by the specific interviewer. A respondent would likely speak differently to a young undergraduate student than to a graduate student, and differently to a graduate student than to a senior academic researcher. I recognize the possibility of the effect of the interviewer and raise a caution flag for the consumers of this research. Due to the nature of this project, it was not possible to include multiple interviewers in the study, which is often a strategy used to overcome the interviewer effect. Therefore, the strategy employed was to include informants unknown to the interviewer at the time of the study, and to use the *General Interview Guide*.

Data Analysis

The following section contains an overview of the data analysis process.

1. The research questions provide the framework for the results.
2. The three sources of data were reviewed for data relevant to each question.
3. Data displays (commonly presented in a time-ordered, role-ordered or conceptually-ordered format) were created based on the conceptual order as guided by the research questions.

Personal narrative data analysis.

The analysis of the personal narrative was a very different process from the one I had previously worked with during the analysis of other types of data. Obviously, I knew the contents of these data intimately; therefore, the analysis involved attempting to detach myself from the data sufficiently to objectively determine the importance of the data to the research questions of the case study. Data generation and data analysis, in this process, occur simultaneously and continuously. I began the analysis by focusing on a summary of the development of my personal philosophy (including sport and research) to summarize the basis for my interest in the research questions posed. During this summary, I went back to the data and added clarification to the personal narrative, as well as further developing relevant thoughts.

The second step in the analysis was to summarize the descriptive information on CIS and Sport Canada. This summary was used to identify gaps in the information (to be filled in during later phases of data collection), and to allow for a verification of the data from this phase. I returned to the personal narrative data constantly as the analysis of the document and interview data proceeded and the importance of specific themes became

more apparent. The strength of accessing multiple data sources in creating a valid qualitative data set became increasingly obvious as various data sources filled in gaps in the information.

The final step of the analysis was to go back to the personal narrative during the writing of the discussion and conclusions to ensure I had considered alternative explanations and interpretations of the results not consistent with my initial assumptions. This was an interpretation check to determine whether the conclusions were legitimately driven by the data and not predetermined by a personal bias.

Document data analysis.

Document analysis included an initial reading of each document to gain an understanding of the entire document. References to other documents were noted at this time and those documents were considered for inclusion in the research. A large number of documents were read in an attempt to begin the analysis with a broad, general perspective on the topic. After the initial reading, I had a strong sense that the documents I had included contained useful information on the operation of the two organizations involved in the case study, but comparatively less information on the relationship between them. I then went back through each document to search for specific data to either assist with the description of Sport Canada or CIS, or provide evidence of the type of relationship existing between the two sport organizations. Due to the large volume of data (in excess of 900 pages), I utilized a framework based on the concepts of agency theory. The concepts included the goals of the organizations as well as evidence of contracts, incentives, monitoring, and reporting. Using this framework, I was able to find,

compile, organize and summarize the relevant data for the study from amongst a massive volume of information.

Analysis of interview data.

While there seems to be a preference by some qualitative researchers to utilize text analysis software to analyze qualitative data, I decided against it. There were a few reasons for this decision. Firstly, I had no interest in developing any quantitative aspects of the data, such as counting the times terms were used. Secondly, since I had conducted the interviews and transcribed the data personally, I preferred to use this intimate experience with the data to gain a general understanding of what was being said as opposed to trying to reduce the data to computer generated terms or themes. As a result, there did not appear to be much to be gained from using the software packages currently available.

Prior to transcribing the interviews, I listened to all of the interviews to increase my familiarity with the data as a complete package. I then personally transcribed each interview. The transcripts, and the excerpts that are used in the results section, are verbatim quotes and as such represent the exact words of the source. Grammar has been left exactly as it was used by the source, and punctuation reflects the voice of the source as closely as possible. The transcribing process added to my familiarity with the content of the data and I was able to develop some general themes as the transcribing proceeded. After the interviews were completely transcribed, I began the process of looking for data directly relevant to the research questions. A variety of techniques were used (including doing searches for key terms such as *goals, control,* and *funding*; using color coding for relevant quotes within themes; and being vigilant for emerging themes). As analysis

proceeded, I copied quotes from the transcripts to the results section, grouping them by themes according to the theoretical framework. An important aspect of the analysis was to repeatedly review the data and, as quotes were used, to scrutinize at the remaining sections of the data for unexpected themes.

Chapter 5: Results

The following section contains the results of the data analysis from the single case study of Sport Canada and CIS within the high performance amateur sport system including the management of the relationship between the two organizations. The results are organized using the research questions developed within the agency theory framework, employing the theoretical concepts used to study the relationship between organizations in a principal-agent situation.

The results section combines data from the three data collection methods: personal narrative, document analysis, and personal interviews. Due to the voluminous nature of the data, as is the case in many qualitative multi-methods studies, the data must be reduced during the process of analysis. The challenge in a qualitative research project is to represent the data fairly, while displaying only portions of it in the research report. The strategy I have used is to display less data in the results when the data show unanimous agreement. However, when there appears to be divided opinion and multiple viewpoints, a more comprehensive presentation of the data is provided.

For ease of reading, the five research questions from Chapter 3 are repeated at the beginning of each section. The results related to each question are summarized at the end of the results section.

Research Question One: How does Sport Canada make the decisions that directly affect how they collaborate with agents?

Decision-Making in Sport Canada

The Director-General of Sport Canada functions as an advisor to the elected government officials on sport-related matters; as a liaison to other areas of government; and as the immediate supervisor of the Directors of Sport Canada.

> The Director-General position for Sport Canada is essentially the senior administrator, the senior bureaucrat within that part of our Department. In that role this is the individual that provides advice to the Deputy Minister and the Assistant Deputy Minister and other senior officials and often is providing advice directly to the Minister or the Minister's staff. (Sport Canada source#3)

To understand the function of Sport Canada, it is useful to investigate the functional relationship between the Director-General and the elected officials. Several knowledgeable sources provided informative comments on the relationship between the elected officials, and the staff of Sport Canada.

> It certainly is my experience that the Minister of the day can direct it [Sport Canada] entirely. . . . where the Minister has declared 'fix that organization' or 'solve that problem'. . . . So there's always that there that they can at any moment direct the whole thing but there is also long periods of time when the Director-General and staff direct things and are left alone to do that. (CIS source#2)

> Our job [Director-General and Sport Canada staff[is to provide fearless advice and once a decision is made which is the purview of the Minister then to implement loyally. [We give] our best analysis of what would be the appropriate direction and then the Minister ultimately makes a decision on what is put in front of them and it is our job to implement that afterwards. (Sport Canada source#3)

> If you talk to some of the people in Sport Canada, they have a term "feed the monster" and it's really keeping the Minister prepared and that whole political element and a lot of those officers are so concerned with doing that. (NSO source#1)

According to the evidence provided in the interviews, operating decisions are made by the Director-General and the Directors within the parameters set out by the

elected officials. The staff is expected to implement policy. According to the source below, the Director-General is very influential in determining priorities.

> The Director of Sport Canada plays a very, very influential role in determining where the priorities of high performance will be. . . . So when you ask where the influence comes from I would say 80 to 90% of the influence of what Sport Canada does comes internally from either the Directors of the various programs or from the more senior officials in the Departments such is Deputy Ministers or whatever and certainly some of it comes occasionally from the Minister himself or herself. (Sport Canada source#2)

The Director General, in addition to the aforementioned role in advising the Secretary of State for Sport, also has responsibility to manage the programs and staff of Sport Canada. Information explaining the organizational structure of Sport Canada in greater detail is given in Appendix B.

> There are six Directors and a Chief of Staff that are direct reports but essentially the Director-General is responsible for the close to 100 people that are in Sport Canada right now. When I left as Director-General in [year] we would have been in the low 50s in terms of our FTE so the organization has grown considerable in the last 4-5 years. (Sport Canada source#3)

I have delimited my results and discussion to the aspect of Sport Canada that deals directly with CIS: the Sport Support Division working with the MSOs.

> So in Sport Support there are two units. There is an NSO [national sport organization] unit which deals directly with NSOs, and they carved all of the [multi-sport organizations] MSOs and there is a new MSO unit which deals only with the MSOs. Before it used to be the Program Officers had NSOs, MSOs and CSCs [Canadian Sport Centres]. They have moved the Centres into the high performance division high performance unit and kept the NSOs and MSOs under Roger. They have split into an MSO group which works only with MSOs and an NSO group that works only with NSOs. (Sport Canada source#4).

The staff of Sport Canada appear to be primarily responsible for liaison with Canadian amateur sport organizations to monitor their activity, and most importantly to account for the expenditure of federal tax dollars on sport. These responsibilities are

reflected in the views of four people who each have different roles in the amateur sport delivery system. These people speak of their roles as being funding, accountability, stewardship and being responsible for taxpayer's dollars. The following quotes provide interesting insight.

> I think they've evolved to be a funding agency that you can check the boxes and say this meets this criteria and we're OK to fund this. (VANOC source#1)

> We're at a point where the accountability elements of taxpayers' dollars are driving this more than the interest to support sport. (NSO source#3)

> To ensure that the government's social and policy objectives are advanced through sport and physical activity in Canada so they have the greater purpose of the stewardship of the Canadian population's tax dollars to ensure that sport delivers on the government's social objectives as it relates to being active and involved in sport. (CIS source#1)

> At sort of the lowest level what Sport Canada is expecting of CIS is that they meet their mandate because the mandate has already been approved, they follow their strategic plan, they use the money that we provide them wisely because it is taxpayers' dollars so we are responsible for that. (Sport Canada source#4)

The liaison activities are important to the extent Sport Canada staff must be very familiar with Canadian amateur sport organizations in order to be able to fulfill their accountability functions. A member of the Sport Canada staff describes his role in the following quote.

> The main part is being the liaison between Sport Canada and the sport organization . . . supplying policy information to the organizations and bringing back info whether it is issues or financial info how they are spending money what directions they are going back to Sport Canada for us to use. The other thing is that on an annual basis the application for funding comes to us the Program Officers and the Program Officer has to analyze it and come out with a recommendation at the end of it within there is usually a reference level give first and then the program officer within that reference level comes up with a recommendation for funding. (Sport Canada source#4)

Given the number (about 80) and diversity of organizations (NSOs, MSOs, Canadian Sport Centres, Canadian Centre for Ethics in Sport (CCES), COC, CAC)

funded by Sport Canada, this liaison function is a complex and difficult task. Once the recommendations are made at the level of Sport Canada staff, more steps are required, as described by the data below. These data are important to the research, as it is the first indication of the probable costs associated with decision-making and due diligence.

> No it goes all the way up in fact goes right through, after it leaves Sport Canada, it goes through to the ADM and then the Minister's office. Nowadays the Minister signs off on each individual sport organization's funding. That is why it takes so long. Between my desk and the Minister's desk and then it goes outside of Sport Canada for a long period of time for what they call due diligence and enhanced monitoring where the Department of Canadian Heritage takes a look at it to make sure we have done our jobs right in terms of make sure the organizations are eligible organizations they meet the criteria make sure the programs that we are recommending meet the criteria, make sure that we have done all of our analysis there is a whole bunch of check offs there. (Sport Canada source#4)

These results provide a description of the decision-making process in Sport Canada. As mentioned by several informants, Sport Canada makes decisions on the federal funding allocated to amateur athletes and amateur sport organizations; funding which is vital to compete internationally. Sport Canada delegates the responsibility for action to the national sport organizations who in turn rely on provincial and municipal amateur sport organizations to achieve success. Sport Canada has the potential to exert control over the actions of the sport organizations through funding, but must decide how much, and what type of control, it wants.

> They [Sport Canada] are the national funding agency and as a result they have almost exclusive jurisdiction with many of the international projects that we get involved with whether it's Games, whether it's funding teams to go abroad or whatever. (Sport Canada source#2)

> That's [funding is] their major influencer . . . . I can think of an example or probably more than one where we felt controlled by Sport Canada and took decisions that we might not otherwise have taken had we not felt that control by virtue of their funding of us (CIS source#1)

Sport Canada (specifically the Director-General and his staff) makes decisions about funding allocations, and has been responsible for tying specific desired actions to funding, thus influencing the actions of the agencies it funds. According to some observers, there have been some very legitimate benefits from this type of control. These sources seem to agree that control is exerted, but seem to disagree over the appropriateness of the term:

> I think they do [control], and again it's a financial control. I don't think about that negatively because when I think about particularly the issue of women and women's programs the progress we have made I think is all due to government direction. (CIS source#2)

> And when you talk about direct control I'm not seeing control as a pejorative so when you use the word control I don't like that word at all because it doesn't reflect the interest that the government sports program particularly Sport Canada has had in trying to help advance and develop the sport community in a number of ways and I would punctuate that by saying that there is no other agency or group in Canada that has done so much for high performance sport or sport across Canada as has Sport Canada. (Sport Canada source#2)

Sport Canada achieves some measure of control over amateur sport through the criteria it puts on its allocation of funds. The amount of control Sport Canada can exert depends (according to the following three quotes) on the reliance of the sport organization on Sport Canada funding.

> Well its kinda the Golden Rule isn't it--he who has the gold makes the rules. The top sports that raise a lot of money on their own like soccer and hockey and tennis and figure skating they don't rely on the government so much so they are capable of operating without the government money to a large degree so they are less inclined to accept leadership. We did a study on funding--this is going back 10 years .. and I think there were only 6 organizations that were less than 80% dependent on government--total budgets--this is out of date of course--it was quite remarkable to learn how little money there really was coming into sport from outside of government. (Sport Canada source#1)

> I think there is this underlying assumption that I think Board members and membership would have in the CIS that Sport Canada determines its priorities and

> we are just a client group and we end up going along with it. We're not in a position of a NSO to change the mind of Sport Canada priorities. (CIS source#3)

> Primarily its financial actions right they put up a pot of money for this or a pot of money for that or they require you to do this to access their money and their money is hugely important in the sport system of course so that's a key way to direct the whole system. Take their $100M and figure what you need to do to access it. (CIS source#2)

There is compelling evidence that Sport Canada has a large degree of control over many aspects of high performance amateur sport, and the evidence here is very compatible with my own personal experience. One knowledgeable observer, however, describes a balance of control between the principal (Sport Canada) and the agent and argues there is a collaborative approach to decision-making within the relationship.

> Control implies an organization or an entity that essentially makes all of the decisions and determines the direction and then ensures those decisions are followed up on and the direction is followed. I think if Sport Canada attempted to do that in its strictest sense we probably would not accomplish a great deal because we need to provide some direction and we need to provide leadership and work with other partners and stakeholders to determine what the direction should be but then we need to work in concert with those other organizations and other levels of government if we are going to be successful. (Sport Canada source#3)

The above quote also raises the issue of leadership. The following quotes have been included to illustrate the difference of opinion on the topic of leadership in the Canadian sport system.

> Now, are there individuals within Sport Canada who have made a leadership contribution to the sport system and sport community over time? Are they the early leaders? No. Do they have some expertise that contributes to leadership? Yes. But if you were to ask me who are the movers and shakers and who are the really key leaders and leading organizations in sport in Canada they would not make the top 10. (CIS source#1)

> When I was an athlete, Sport Canada was heavily involved in the leadership of sport in the country and in my view they no longer are. They are a funding agency . . . my feeling is that Sport Canada does not take a leadership role in high performance sport in this country. (VANOC source#1)

> They [funding and leadership] are intimately connected of course. I think they drive a lot of policy and a lot of direction in the sport system and that to me says they are leading it. I don't object to that for the most part. (CIS source#2)

> I think what we are striving to do is funding and leadership. We often have debates about is Sport Canada a leader within the Canadian sport system. I don't think we would regard ourselves as the leader but there are some bodies that would look to Sport Canada to provide leadership within the sport community. . . . The example of the decision to go forward and create a partnership with COC, CPC and VANOC to do a better job of coordinating the use of the funds we have available for enhanced excellence I think is another example of leadership. Not leadership exclusively to Sport Canada but leadership of Sport Canada in combination with those other organizations. (Sport Canada source#3)

> What is the top priority--to lead the sport system in Canada. . . . One could argue whether they [Sport Canada] do it. But what I would say is, by setting policy, by being involved in partnership, and funding. (NSO source#2)

The lack of a common and shared definition of leadership may be at the root of these divided opinions on Sport Canada's leadership. It seems, however, to be a question of semantics, because we do see strong agreement over what Sport Canada actually does, which is to set national priorities and use funding to exert influence on the activities of the funded organizations. I think most observers would agree that funding and priority setting qualify as leadership, and are fundamental to the role of a principal. Given that sport organizations may develop their relationship management strategies based upon the expectation that Sport Canada will provide leadership, the fact that there is disagreement and uncertainty over what to expect from Sport Canada would likely make relationship management more difficult; hence the importance of recognizing leadership as a theme in this research.

There are additional results concerning the leadership issues related to CIS. From Sport Canada's perspective, at least in this particular case, Sport Canada believes the responsibility for leadership is shared by CIS, as indicated by the following quote.

> I think the perspective from Sport Canada that this is their [CIS] jurisdiction they have leadership and its up to the university leadership to decide which way they want to go. (Sport Canada source#2)

The need for CIS to show leadership within the university sport domain is relevant to the management of the relationship. Ironically, while the leadership role of Sport Canada is a source of disagreement in these results, there was strong consensus pointing to a lack of leadership from CIS in the sport system. CIS was not mentioned as a sport system leader by any of our data sources (even the CIS based informants), and some felt stronger leadership should be expected from an organization like CIS. The results were definitive, and while it cannot be concluded from these data that CIS does not attempt to lead, there was a strong and consistent perception that CIS lacks leadership in this context.

These results have established the potential for control, but the way Sport Canada decides to use its control and the way the agents respond to the control (which is inextricably linked to the organization's decision-making process) are core components of the collaborative management process. The process also depends on other factors to be described in the answers to the upcoming research questions concerning goal congruence, contracts, incentives and monitoring.

Research Question Two: How congruent are the goals of Sport Canada and CIS?

Goals

Sport Canada goals.

To lead off the results for this question, a quote from the Secretary of State for Sport will set the stage.

> Our government is investing a record $155M in sport programs this year. It's going to get more people involved in playing sports. To help our best athletes achieve their absolute best for Canada both nationally and on the world stage. Determined to spend this money in a wise and fruitful way. Because Canadians that have elected us want us to invest tax dollars responsibly. (Michael Chong, Secretary of State for Sport, November, 2006)

The above quote indicates that the federal government's goals include the broad spectrum from participation to world championships. However, due to the importance of goal congruence in agency theory, I require data describing the goals of Sport Canada and CIS in the most precise terms possible, so meaningful comparisons can be made. The *Canadian Sport Policy* (2002) (CSP) provides a starting point for the discussion of goals in Canadian amateur sport. While it contains general goal statements in a variety of areas, it does provide stated evidence of a desired focus on high performance sport as evidenced by the excerpt below.

> It is a Goal of the Canadian Sport Policy that by 2012. . . The pool of talented athletes has expanded and Canadian athletes and teams are systematically achieving world-class results at the highest levels of international competition through fair and ethical means. (*Canadian Sport Policy* (2002), p.17).

Admittedly, high performance sport is not a singular focus in the CSP but, for the purposes of this research, it establishes high performance sport as important in the sport system. Therefore, Sport Canada's previously described focus on high performance sport results is consistent with the CSP.

The written goals of Sport Canada were found in the *Sport Canada Strategic Plan 2004-2008* and the *Sport Canada Contribution Guidelines 2005-2007*, both of which adopt the goals of the *Canadian Sport Policy* (2002). The statement below summarizes the goals of Sport Canada.

To enhance opportunities for Canadians to participate and excel in sport. Sport Canada will work to:

- Increase the number of Canadians participating in sport
- Improve Canada's international sport results
- Strengthen Canada's ethically based athlete / participant-centred sport development system
- Build a more coordinated and connected Canadian sport system (*Sport Canada Strategic Plan*, p.4, bullets in original)

The data from these documents illustrate Sport Canada has a number of publicly stated goals, only a few of which are focused on high performance sport, but these data do not disclose whether Sport Canada prioritizes any one of these goals over the others. Further investigation was needed to determine which of these goals (if any) Sport Canada consider to be a priority, and as a result I looked for evidence of the priority given to high performance in the interview data. The following quotes provide compelling evidence from a variety of reputable sources of Sport Canada's focus on high performance results in international competitions.

> The percentage of the score that is attributable to excellence or high performance is about 60% and about 30% that's attributable to kind of sport development and participation but I would call it more sport development and then the other 10% is more I think what they call capacity building or administration. (Sport Canada source#1)

> Certainly the high performance or excellence element is probably the most prevalent of the work that they do. (CIS source#1)

> Its very clear, high performance, well it's not even high performance, it's World Championship and Olympic results are by far the most important. (NSO source#3)

> There is actually weighting in the SFAF. My sense is that still better performance equals more money. Medals. (CIS source#3)

The primary evidence given by most of these informants related to the weighting of international high performance results in the SFAF. According to these sources, sport

organizations winning medals at Olympics or World Championships are rewarded by Sport Canada. These opinions are consistent with previous results describing Sport Canada's ownership interest in high performance sport results. Therefore, while the documentation presents the illusion Sport Canada has a number of equally important goals, the reality appears to be that high performance sport is the priority.

When individuals were asked, "What is the top priority of Sport Canada?", an unexpected theme emerged: accountability. While the question was designed to elicit comments about the priority given by Sport Canada to high performance sport, the responses often included comments about accountability.

It is interesting to note that the stated goals, outcomes and strategies of Sport Canada do not include references to financial accountability. The evidence suggests, however, the financial accountability of agents receiving Sport Canada funding is a central focus of Sport Canada and I wonder if accountability is really Sport Canada's dominant goal. Based on the data collected, the discussion of accountability may have outweighed high performance results as a primary focus.

> As soon as they put a dollar into it they've got so many accountabilities back to so many constituent groups. (VANOC source#1)

> My most recent impression of Sport Canada is their top priority is to justify the dollars they spend so the justification changes a little bit with the political direction of the day but I think there is a primary focus on high performance sport, international success. (CIS source#2)

Previous quotes by Sport Canada staff have alluded to the centrality of the accountability process in Sport Canada staff roles. Sport Canada Director-General Mr. Tom Scrimger, during a public presentation which I attended at the Sport Leadership Conference in 2005 in Quebec City, was very clear in relating to those in attendance that

there will be no escaping the accountability process; accountability is linked to results and the predominant results will be high performance international success.

Beyond high performance results and accountability, which appear to be Sport Canada's priorities, Sport Canada has many secondary goals that, according to the perspective of those that do or have worked for Sport Canada, should be recognized. Evidence of secondary goals is found in documents such as the *SFAF,* the *Canadian Sport Policy*, and interview data. Secondary goals include ensuring the sport organizations have policies in place to deal with equity, bilingualism, ethics, dispute resolution, aboriginal sport, and sport for disadvantaged minorities. Some individuals disagreed that Sport Canada's focus is on high performance sport success, but while these people were in the minority, their opinions are important to relate.

> I think it [Sport Canada priorities] has a lot to do with fairness, things they fund as being looked at as fair not necessarily performance. They put a lot of weight on French, bilingualism, that weighs in quite a bit. Women in sport, that type of thing . . . politicians, they see that as the top priority rather than say winning in sport. Probably health and wellness comes into it also in terms of increasing participation for health reasons. (VANOC source#2)

> To look after the policies of the government. I wouldn't say its necessarily high performance quite frankly I find them more concerned with their social policies such as official bilingualism and areas like that than sport in and of itself. (NSO source#1)

> You can't really name one [priority]. They would argue they have objectives around high performance, they have objectives around participation, they have objectives around system building, they have objectives around hosting, major games, so if pressed they would say they are all of equal importance. If you look at the allocation of funding however you would see that the bulk of the funding is still oriented more towards I would say high performance in that they have hived off a chunk of money that you probably are aware of that is sort of virtually pooled with money from the COC and CPC and VANOC for OTP but they also have their own internal funds that are governed by the SFAF. Even within those funds the majority of them become oriented more toward high performance than anything else. (Sport Canada source#1)

My data establish the existence of secondary goals referred to as social goals or social priorities. Further discussions of Sport Canada must recognize the complexity of the organization and its diverse goals.

CIS goals.

The goals of CIS are clearly articulated in its planning documents entitled the *CIS Strategic Plan 2006-2009*. The document is publicly available on the CIS website, and can be interpreted as an accurate representation of how CIS wants to be perceived. The following excerpts are the CIS sport development objectives and have been extracted directly from the plan.

1. Work with universities and NSO partners to develop and deliver quality competitions and programs, such that Canada is the destination of choice for student-athletes and coaches.
2. Develop and implement programs and activities that assist in developing coaches and recognizing their valuable contribution to student-athletes, CIS, and the Canadian sport system.
3. Contribute to the Canadian sport system and the Canadian Sport Policy.

These objectives (and I use the term interchangeably with goals) establish universities and NSOs as partners of CIS (but not Sport Canada) in achieving goals. The CIS reference to quality competitions and student-athletes does seem to fall noticeably below any overt declaration of involvement in the attainment of high performance sport results.

Also listed in its plan are the marketing, branding and communication objectives, quoted below. While these objectives are clearly important to CIS, there is no reference made to the development of high performance athletes.

1. Generate television coverage and financial resources to sustain and grow the operations of Canadian Interuniversity Sport.
2. Promote and celebrate the values and achievements of student-athletes and university sport heroes.

3. Raise the profile of CIS such that it is recognized as a destination of choice for student-athletes.
4. Tell the story of the impact and contribution of university sport to the sport community and the university community.
5. Undertake initiatives to get more fans in the stands.

The quote below provides the governance and operations objectives of CIS. Of particular interest is the final objective, which talks about developing and strengthening strategic partnerships with key organizations. No further detail is provided and therefore it remains unclear whether Sport Canada is considered a key organization.

1. Ensure that CIS policy making and operations are informed by accurate and up to date research, and contribute to CIS becoming a destination of choice.
2. Review and improve upon business processes to ensure that CIS operates in the most efficient and effective manner consistent with its values.
3. Create a shift in culture so that CIS can more efficiently and effectively deliver on its strategic plan, and can become a destination of choice.
4. Review all aspects of the organization's spending to see where savings can be derived.
5. Develop and strengthen strategic partnerships with key organizations to advance CIS objectives.

When specifically questioned about the goals of CIS, the interview responses presented below were consistent with the written goals of CIS. The quotes below represent opinions from CIS, Sport Canada and NSO sources, showing evidence of consensus by internal and external sources.

> Be a national collective house of sport for . . . university based sport competition at the national level. That would be their top priority, it seems to me. (CIS source#3)

> I think its to provide the best programs they can for athletes that are in universities. (CIS source#2)

> My take on CIS is their top priority is offering national championships for their member institutions and their secondary priority is their involvement in U Games. (Sport Canada source#1)

> The top priority of CIS is ensuring policies, procedures for nationally sanctioned championships. Governance of championships but governance of policies around things like eligibility, competitions . . . (NSO source#2)

These data establish the provision of national championships for university students as the priority for CIS, and based on my experience in CIS, I agree with these data. It was my experience, as a member of Eligibility Committee and the Sport Committee for several years, that many of the recommendations of the Coaches' Associations aimed at moving beyond the focus on national championships and furthering the high performance agenda, such as removing restrictions on financial awards for athletes, removing the one-year penalty for student transfers, or allowing part-time students to participate were often defeated or amended by these Committees. Since the NSOs, such as Basketball Canada and Volleyball Canada, have an interest in the role CIS programs play in their high performance sport systems but have no direct voice or vote at CIS meetings, they rely on the CIS coaches or staff to represent and promote the interests of their sports at CIS. It is often the case, however, that the decision-making process of CIS acts as a filter that keeps progressive sport development initiatives off the agenda at the Annual General Meetings and the NSOs have no other direct mechanism to promote their interests. The following quote describes the situation:

> There are certainly times eh--you make choices all the time what priority trumps other priorities--given that--if we truly--not truly--if the interests of Sport Canada and high performance sport in Canada trumped the interests of universities, then we would have a very different looking set of eligibility rules. We wouldn't be concerned about years of eligibility or academic course load or progressing toward a degree or whatever it would become a different looking organization--but they don't--the interests of universities because we are housed within a universities environment and that is central to the members of CIS the academic objectives trump the high performance objectives so you are always in a situation of balancing the two and coming to the best place that respects and honors those two objectives which are sometimes complementary and sometimes conflicting. (CIS source#1)

The following quote describes the resistance to change in terms of the impediments in place.

> I always felt that the reason the CIS wasn't regarded as a big contributor for a number of years was its push to block any real financial support to amateur athletes. For people in high performance sport that is idiotic because you can't be a high performance athlete without some support. So that kind of open support of to athletes for their living expenses and their education expenses and year round training and all those sorts of things that are the reality of high performance sport those things have to be supported if you want to be a player on that scene so I think there is more to do in that area. We still have some dates you can't practice before in our conference and I presume in other conferences and some limits on the number of games you can play which are not really educationally based. Some limit on the amount of support you can get. I see Ontario just raised it to $3500 or something. These things to me are just silly and they block our presentation as on outfit that focuses seriously on the requirements of that athlete to do what they can do. Somehow we have got to keep athletes at home. I think that is a big issue too that--I know there are some reasons they go to the States that we can't overcome but some of them we can overcome. The financial piece is one piece we can overcome and the kinds of schedules we play and the practice situations are other things we can overcome. (CIS source#2)

Beyond the provision of national championships, CIS has other goals, and the respondent below spoke about FISU as an additional but lower priority.

> Within that would be to be the presenters of and the standard keepers of national championships. To be the selectors and implementers of the franchise to the FISU Games and FISU single sport championships. And in some small way to ensure that they match up with the priorities of development in many of the NSOs. In a smaller way though. (CIS source#3)

The recognition of the role of CIS in FISU is an important result, and while it does not seem to be referred to in these data as a priority, it must be considered in further review of the results. In addition to FISU, the provision of gender equitable opportunities is also a goal, and the actions of CIS are often influenced by gender equity as a measurable outcome. Drug-free sport is a goal, and doping and fair play policies are

prevalent in CIS. The recognition of these secondary goals is relevant to an understanding of CIS.

Goal congruence.

Analysis of these data provides substantial evidence to show that the top priorities of the two sport organizations are substantially different, although not diametrically opposed. Goal incongruence, as defined by agency theorists, is evident. As examples, CIS refers to the quality of the competition and program, and does not explicitly state it wants to deliver high performance programs. CIS documents refer to student-athletes rather than the high performance athletes. Reference is made to developing coaches, but not high performance coaches. While this difference might seem subtle, it does provide empirical evidence of a CIS focus which distinctly diverges from high performance. CIS does not have a goal to increase the number of full-time coaches despite evidence full-time coaches make important contributions to sport; Sport Canada documents recognize this need. CIS does not distinguish between a recruit and a high performance athlete (and by the time they are university age they would have been identified by their sport as high performance). Any eligible student-athlete will presumably suffice for CIS, with the high performance potential of the athlete not appearing to be an organizational focus. CIS does not prioritize the relationship with the NSO, yet Sport Canada continually refers to the importance of collaboration. All the documented plans I reviewed recognize the need for sport science research, and CIS is the only organization which represents sport at universities where this research would take place, but CIS does not refer to this as a goal.

While the secondary goals of CIS seem to match the secondary goals of Sport Canada, the top priorities seem to be quite different. The following comments provide important insight to this key issue.

> I don't believe that the intercollegiate sport group after observing them for a great number of years have an interest as a group to contribute to greater national goals. (Sport Canada source#2

> I would say if you were to ask the high performance people in sport, they would say the CIS institutions have a quite a broad continuum of commitment to high performance and if the CIS as an entity could increase the commitment of the lower level ones and therefore create a broader base of strong high performance programming most sports would want that. (Sport Canada source#1)

> What could CIS do to contribute more to high performance amateur sport? The difficulty with that question is the wide, wide, continuum of the smallest least involved U to the biggest and most involved university capabilities. (CIS source#3)

> It's an academic mindset though--the academics cannot get their arms around sport being a part of them. It has be peripheral, it has to be separate, . . . CIS is stuck. . . . Our University sport is not competitive. (VANOC source#1)

> The CIS is this group of 50 different institutions across the country all of which are competing in their own conferences and have their own objectives which may not be the same objectives which Sport Canada would have for CIS . . . you see where the decision makers are looking at an objective that is quite different than the objective that we [Sport Canada] have for the CIS. (Sport Canada source#4)

> Universities across the country are more participatory and more concerned with just kinda having teams than performing well and it kinda shows in their approach. . . . They don't necessarily see it as a significant part of the sport system. . . . I think it is significantly different than Sport Canada who is looking more international plans because obviously CIS is a domestic league. (NSO source#1)

> I don't know that the priorities they [CIS] have are the right ones if we truly are trying to develop strong student athletes there doesn't seem to be enough emphasis on the sports side to me . . . (VANOC source#1)

These comments, from key informants in the Canadian sport system, provide very strong evidence to show the priorities of CIS and Sport Canada are incongruent.

Research Question Three: How does the SFAF contract contribute to collaboration between Sport Canada and CIS?

Contracts

Within agency theory, the existence of a contract between a principal and an agent is a basic assumption, and the creation and enforcement of the contract is of central concern to agency theorists. Theoretically, the contract should provide a coherent statement of the expectations the principal has of the agent, and from the agent's perspective should provide a promise of action. Sport Canada relies upon the actions of national sport organizations to develop amateur sport in Canada, out of necessity, delegates the responsibility and authority for action to the NSOs. Sport Canada relies upon the various sport organizations to develop, select, and train their respective high performance athletes to become Team Canada.

> Sport Canada is a little different organization from the NSOs in that they themselves don't look after a single athlete or a single coach. (NSO source#1)

In this particular case, the contract-related focus is on the Sport Funding Accountability Framework (SFAF) which is a formal contract developed primarily by the principal. As articulated in several interviews, to develop the contract, Sport Canada would decide (using the decision-making process described earlier) on its priorities from among a variety of options, According to information provided by Sport Canada on its website:

> The Sport Funding and Accountability Framework is the process used by Canadian Heritage to identify which organizations are eligible for Sport Canada contributions under the Sport Support Program -- in what areas, at what level and under what conditions. The SFAF is a process with four components: Eligibility, Assessment, Funding and Accountability. Decisions to provide funding to an

organization are made upon completion of this process. (http://www.pch.gc.ca/progs/sc/prog/cfrs-sfaf/index_e.cfm)

The contracting process involves:

1. the offering of the contract to agents (NSOs and MSOs),
2. the response by the agent in the form of an application for recognition and funding,
3. the consideration of the application by the principal, and
4. the formal response of the principal in establishing an agreement between the parties.

The SFAF meets all the conditions of a formal contract. The SFAF contract formally documents the relationship between the two organizations and establishes conditions the agent must meet to qualify to become an agent. Sport Canada's conditions include a requirement for agents to meet certain operational standards that include bilingualism, ethical conduct, gender equity, and national representation. Also, given the focus of Sport Canada on accountability, the need for a formal contract to act as the basis for the establishment of accountability would seem to be necessary. The following excerpt from the Sport Canada website provides evidence of this:

> MSOs are required to work towards the National Standards outlined in the Sport Canada Accountability Framework for Multisport Service Organization. The *Accountability Framework* is the means by which the federal government ensures the achievement of key goals. All nationally funded organizations will be required to incorporate the Accountability policy areas within their strategic plans (including expected outcomes). (http://www.pch.gc.ca/progs/sc/prog/cfrs-sfaf/index_e.cfm#2)

I did not, during the personal interviews, specifically ask any of the individuals about the SFAF. However, every individual interviewed that worked for Sport Canada or

CIS did, without prompting, refer to the SFAF. In my opinion, the best way to relate the importance of the SFAF is to let those individuals describe it, and a number of quotes are provided below.

> We have our SFAF which is essentially a tool to determine who we will provide funding to, for what purpose, and how those organizations will be accountable to report back on the results they have achieved as a result of the money we have given them. (Sport Canada source#3)

> There is a team that develops the national accountability standards that sport organizations are held to and develops the criteria and the parameters on which they get assessed in order to determine if they are eligible for funding number one and whether they or how much funding they qualify for an for what purpose. (Sport Canada source#3)

> The SFAF so its that form they use to determine core funding so its based on participation numbers and where you rank in the world and all kinds of things like that and the French and women's rights and all this kind of thing so that's the core funding. (VANOC source#2)

> Well and that's the area that they've become very clear and very formal. When they introduced the SFAF, that was a really scientific analysis of I guess a ranking process if you like and obviously it was very weighted to high performance but so that was one way in terms of accountability so in other words we're only going to give you money based on your ranking. (NSO source#3)

High performance outcomes are the top priority for Sport Canada, and further evidence is provided here related to the targeting of funds for high performance sport activities and the rewarding of high performance success. However, the data provide compelling evidence Sport Canada has also decided to promote a social agenda through its contracting process. Sport Canada has developed very clear expectations for its agents to adhere to, including policies related to bilingualism, gender equity, fair and ethical standards, accessibility, and athlete well-being. The following specific example refers to the area of bilingualism.

> SFAF one of the areas they look at would be official languages. If you had problems, funding would be affected. Would get less points in the review process.

> Number of points you receive determines the amount of funding you get. (NSO source#1)

The evidence of these expectations in the contract must be emphasized as Sport Canada has issued a public statement as to the conditions within which high performance results should be pursued.

The contracting process is initiated when the NSO/MSO applies for Sport Canada funding. Evidence provided for this study by employees of both Sport Canada and the agents indicates a set of terms and conditions are put in place by Sport Canada. The agent prepares an application to demonstrate some measure of assurance that their sport organization will be able to meet those terms and conditions as required by the contract. Consistent with all types of contracts, this contract is a series of promises between the two organizations and, in this case, is formalized in writing. Then, depending on the information received from the respondents, funding is tied directly to the agents' fulfillment of their promises. It is the existence of the formalized contract that provides Sport Canada with the mechanism to monitor the agents and determine the return on the investment made by the people of Canada through Sport Canada. Finally, of particular interest to this case study is the emergence of a new (commencing in 2005) contracting process specific to multi-sport organizations such as CIS. The following data describes the concept.

> I know they have created in the last couple of years what they are calling a SFAF for MSO . . . Anyway they created a way of doing it there are several factors within that . . . So that's how they are now assessing the CIS. (Sport Canada source#1)

These results have established the existence of the contract, and have provided some basic description of the contracting process. The data describe a complex

contracting process requiring a significant amount of time and energy by both organizations. The following sections will present data further describing the impact the contract has on the relationship between Sport Canada and CIS. In the next section, I deal with the incentives for the agent to act in the best interests of the principal.

Incentives and Sanctions

In agency theory, the compensation to the agent by the principal is a key concept in the relationship, and is used to motivate the agent to contribute to the goals of the principal. In this case study, the compensation takes the form of financial support. The financial support, subsequently referred to as funding, is delivered through funding programs, and the delivery is governed by the Sport Funding Accountability Framework (SFAF). The evidence suggests Sport Canada's funding acts as the incentive for the CIS to work in the interests of Sport Canada. In my experience within CIS, the adherence to Sport Canada policies by CIS was motivated by the need for the funding Sport Canada provided.

The evidence is conclusive in this regard, and the following three quotes provide the perspective.

> They [Sport Canada] are a funding agency and you have to satisfy and meet their criteria . . . (VANOC source#1).

> Using the funding instrument but and then making sure that you have got some accountability provisions tied to that funding so that you can advance your objectives its basically a lever in order to accomplish your objectives. (Sport Canada source#3)

> Again it relates back to the sport community being not for profit, being cash starved and Sport Canada being a source of money and so there is some organizations that I worked for where our source of money was virtually 90% of it came from Sport Canada. CIS is probably around 25%. So there is a much different relationship in those two examples in that the organization that is 90%

> funded by Sport Canada they absolutely whatever they wanted we did because that was over fear of losing our major source of funding. At CIS there is less of a reliance on that. (CIS source#1)

As the above data suggest, funding is used to motivate agents to work toward the goals of the principal. However, if an agent does not rely on the funding, the motivation to work in the interests of the principal is reduced. While a member of the CIS Board of Directors, and as the Vice-President Marketing of CIS, I was personally involved in decisions that resulted in increasing the self-generated revenue of CIS in order to reduce dependency on what were felt, at the time, to be unreliable and unpredictable federal funds. Initiatives such as adding participation fees and increasing event host guarantees were part of the revenue generating strategies (see *Membership fees and contributions* and *Guarantees* in Table 1). The financial data presented in Table 1 show the compensation to CIS by Sport Canada. Through Sport Canada's SFAF approval process, a formal contract was agreed upon and Sport Canada provides financial resources to the agent to carry out the plan as promised by CIS in its SFAF application.

The data reveal the significance of the relationship from a CIS perspective. The Sport Canada funding, as displayed in Table 1, is a combination of core funding (about half), and funding provided to send CIS athletes to FISU events. A very important point emerges through these data--the significance of FISU activity in the allocation of funds. Combined with the data in the previously presented results related to CIS goals, the importance of FISU as a CIS activity is beginning to emerge. Sport Canada seems to support FISU directly, and apparently equally to other CIS programs. According to the data, CIS does not consider FISU to be a top priority, but Sport Canada funds FISU at the same level as the CIS domestic programs.

Table 1

CIS Finance Report 2005-06

Breakdown of Revenue		
Sport Canada	$ 728,000	28%
Sponsorship	$ 624,000	24%
Guarantees	$ 481,000	18%
Membership fees and contributions	$ 461,000	18%
International programs	$ 196,000	7%
Other	$ 68,500	3%
Contributions from previous year's surplus	$ 66,000	2%
Total	$ 2,624,500	
Breakdown of Expenditures		
Human resources	$ 659,000	27%
Championships	$ 561,000	23%
International	$ 524,000	21%
Marketing, communications advocacy	$ 467,500	19%
Administration, legal, translation	$ 240,000	10%
Contribution to reserve	$ 10,000	
Total	$ 2,461,500	

It seems reasonable to conclude from these data that Sport Canada's investment in CIS is very important to CIS and should be a motivational incentive for CIS to manage

the relationship according to the wishes of Sport Canada. Opinions on the influence of Sport Canada funding on CIS vary, as indicated in the quotes below.

> I think they [CIS] accept it as a necessary evil if you will whatever comes along with the money there is a price to take the money from the government and that's it. I don't think most organizations look to Sport Canada for much beyond that because by and large the attitude was give us the money and screw off. (Sport Canada source#1)

> So that [Field Hockey initiative] was an attempt by Sport Canada to push the CIS more into high performance than into what their comfort zone was what I would call just offering a national championship. (Sport Canada source#1)

From Sport Canada's perspective, however, the amount of funding provided to CIS is small relative to the funding provided to other national and multi-sport organizations. To illustrate this point, I will use data from the 2004-2005 fiscal year (which for CIS was a non-FISU year as compared to the 2005-2006 data presented in Table 1, which was a FISU year). The entire list of Sport Canada contributions is too long to include here, but is included in Appendix G. The average amount of funding provided by Sport Canada to the organizations it funded that year was approximately $814,000 according to the publicly available data on its website (http://www.pch.gc.ca/progs/sc/contributions/2004-2005-2/2004-5_e.cfm). In 2004-2005, CIS received only $357,000 from Sport Canada, which is less than half of that average. Of the 106 organizations receiving funds from Sport Canada, 66 received larger amounts and over 30 of them received in excess of $1 million. These data are important to keep in mind when considering the importance of CIS to Sport Canada.

It is also necessary to present information relating the amount of money invested by the CIS member universities in amateur sport and indirectly in Sport Canada's goals of high performance amateur sport. While precise numbers are not available, very

conservative estimates, using 51 CIS members at an average budget of $1 million, would mean the agent (CIS) represents a group of actors investing $50 million in amateur sport.

To gain a more accurate perspective on the investment made by the agent and its member institutions, further analysis is required. The CIS budget representing domestic and international events is about $2.5M. However, at the specific sport program level, the numbers grow dramatically. For example, CIS women's volleyball (which contributes substantially to Volleyball Canada's high performance program) has 39 schools with Head Coaches at an average estimated salary of $40G, which is over $1.4 M in coaching support alone. A reasonable estimate for team travel for the 39 teams for their entire seasons would be $500G, and another $200G would be spent on facility provision. Clearly, just in this sport alone, the investment is substantial. Based on estimates such as these, the Sport Canada contribution to CIS is nearly insignificant by comparison to the financial commitment made by the universities. The incentive for CIS to have goals congruent with Sport Canada's may not be as large as is first apparent.

In addition, Sport Canada funding is provided to CIS and does not flow directly to the universities. CIS must pay heed to the Sport Canada investment, but must also consider the universities as important investors. The members of CIS contribute nearly as much in membership fees to CIS as Sport Canada contributes (see Table 1), and therefore the CIS staff and Board must manage member relationships as well. The members cumulatively spend much more on sport programs than does CIS, and much more than Sport Canada contributes to CIS.

The data refer to the use of funding to motivate the agents to achieve specific aims determined to be appropriate by Sport Canada. Sport Canada seems to provide

incentives by promoting the idea that organizations contributing more to high performance sport outcomes will receive more Sport Canada support. Among those interviewed there was unanimous agreement indicating that funding is divided up amongst organizations based on their assessed contributions and this rewarding of the high performers creates a downward spiral for non-performing organizations. There were some individuals who believed a strategy aimed at investing in the non-performers might ultimately yield better results, but this is clearly not the direction Sport Canada is currently taking.

Agents need to believe funding will be increased if results are achieved. It is not clear from my experience, or from other evidence presented to this point, that CIS believes there is substantial funding available from Sport Canada commensurate with the efforts needed to earn it, but this possibility warrants further discussion.

Research Question Four: How do Sport Canada and CIS monitor their relationship?

Monitoring, Reporting and Accountability

The SFAF is a contractual agreement between the two sport organizations. The next step is to determine how the contract is enforced. Theoretically, the contract is enforced through some form of monitoring. Most often the monitoring involves an information exchange process (such as formal reporting) between the organizations by which the principal stays informed as to the actions and/or outcomes of the agent. The following is an excerpt from the *Sport Canada Strategic Plan* referring to Sport Canada's monitoring of key indicators. Although this excerpt specifically refers to Sport Canada

programs, the key indicators would include the outcomes from the funding program supporting NSOs and MSOs.

> Progress is monitored regularly and objectively through ongoing performance measurement strategies and program evaluation activities. The umbrella Results-based Management Accountability Framework (RMAF), for instance, is intended to monitor levels of sport participation and performance, coaching capacity, as well as other key indicators related to Sport Canada programs. (*Sport Canada Strategic Plan,* p. 8)

As a member of CIS, I personally did not feel Sport Canada had a good understanding of CIS beyond the basic provision of the championships. I felt this lack of information often led to the difficulty in securing additional funds from Sport Canada. The information exchange between Sport Canada and CIS seemed minimal and while little may have been known about CIS by Sport Canada, it is quite likely the average CIS voting delegate's knowledge of Sport Canada was minimal, too. This was alluded to by two respondents.

> I often felt that the general membership had an expectation that if we [CIS] could just explain what we were all about to Sport Canada they would get it and they would hop on board so there is a little bit of a naïve expectation that government is going to change its direction because what we are talking about is better for 10000 participants across the country so it's a little bit difficult for the general membership to sometimes grasp the fact that government [Sport Canada] has an agenda and we are not a huge player in setting that agenda. (CIS source#2)

> I would say Sport Canada has been reluctant to recognize . . . they [Sport Canada] recognize universities but they don't recognize universities in CIS . . . they don't recognize the brand of CIS and the power that CIS might have but they will recognize an individual university. They don't necessarily recognize the competition and the athlete development model that exists and the coach development model that exists within the CIS. (NSO source#2)

Sport Canada's Contribution Guidelines (2005) shows reporting requirements are put in place by Sport Canada as conditions to its funding of agents. Reference is made in the document to holdbacks of funds (sanctions) until all reports are submitted by the

MSO, further proof of the emphasis Sport Canada places on both financial reporting and activity-based reporting (which is relevant given the earlier discussion of outcome versus behaviour based contracts). The following quotes from the interviews refer specifically to the monitoring process Sport Canada has in place.

> And then he's got some staff that collect data and track results and the applications that sport submit with all of their information gets entered into a database and that database is developed and monitored as we go along. (Sport Canada source#3)

> then it [the SFAF report] goes outside of Sport Canada for a long period of time for what they call due diligence and enhanced monitoring. (Sport Canada source#4)

During the two year (2005-2006) course of this investigation, an unexpected but significant event occurred when Sport Canada unveiled a new process for evaluating its agents, including MSOs: "This [2005] is the first attempt to identify and focus on core services provided by Multisport Service Organizations" (MSO Questionnaire, p.1). Two concepts from this document are important to note here: (a) there is evidence of a need for reporting, and (b) the reference to "key" goals which implies some goals are key and others are not.

Reporting is contractually required but also appears to be essential in contributing to Sport Canada's understanding of what CIS actually does. I was told by a confidential source that the only contact CIS has with Sport Canada during the year occurs when there is a request for information. My own experience has been that a Sport Canada representative attends a portion of the Annual General Meeting and that, combined with the reported information, could be the sum of the existing communication between the two organizations. The unknown, then, is whether Sport Canada has a sufficient understanding of CIS and sees no urgent need to monitor CIS more closely, or whether

Sport Canada lacks understanding but lacks either the desire or the manpower to improve its understanding.

The information exchange occurs between the staff of the two sport organizations and does not formally involve the CIS Board or CIS members. The longevity and continuity of the relationship between CIS and Sport Canada, as well as the Sport Canada Program Officer assigned to the contract and their familiarity with the CIS and its staff, may be contributing factors in the attention paid to the monitoring and reporting process. I know from experience that Sport Canada consultants attend every CIS Annual General Meeting, and attend some CIS Championships. Sport Canada consultants also attend various FISU events, which reinforces previous financial data indicating FISU is a focus for Sport Canada. As further evidence, the minutes of the June 2006 Annual General Meeting were reviewed and it is noted that Carl Jacob of Sport Canada was in attendance at the AGM (p. 61). The following quotes are from individuals with a working knowledge of the relationship between Sport Canada and CIS.

> The [information exchange] activity is between the staff member and Sport Canada. . . . So I think you get a lesser paying attention to those Sport Canada priorities by the Board and by the members. (CIS source#3)

> It [the relationship] is primarily through the CIS office. Very little volunteer involvement. There is a practical element to that in that we are housed in Ottawa and Sport Canada is housed in Ottawa. But its also part of our model of the Board sets the priorities then the staff makes it so. (CIS source#1)

> I think there is a pretty deliberate effort by the CIS to manage that relationship [with Sport Canada]. There is good relationships with the Sport Canada consultants as near as I can see. (CIS source#2)

The contact is made by the Sport Canada staff to the CIS staff; the report is prepared and submitted annually by the CIS staff. It does not appear there is any input, and minimal awareness, of the contents of the report by the CIS President or any member

of the CIS Board. If we now consider this in the context of the organization, and recognize the complexity of CIS, it does reveal the potential for an information gap between the CIS members (universities) and Sport Canada. As a further example of this gap, the *Chief Executive Officer and President's Report - 2006 AGM* makes no mention of Sport Canada. In the absence of reference by the President, the member universities are even less likely to consider Sport Canada as an important organization. The National Collegiate Athletic Association (NCAA), the Association of Universities and Colleges of Canada (AUCC), and NSOs are mentioned by the President as priorities but Sport Canada is not, which could and I believe does indicate that the relationship with Sport Canada, at least from the CIS President's perspective, is not a high priority. Given the President's leadership role in setting priorities for the Board and the staff, this is a significant omission.

Several key documents were obtained and reviewed (listed in Appendix D) to understand the information provided in the CIS reports to Sport Canada. The key document in this regard is *The Sport Funding and Accountability Framework III Multisport Service Organization Assessment Questionnaire* provided by CIS to Sport Canada, which is "the Assessment Questionnaire for Multisport Service Organizations in the core service category of National Championships, as defined by the Eligibility Criteria in the MSO Sport Funding and Accountability Framework" (p.1). Two of these questionnaires are completed by the CIS staff; one in the core service category (to use the port Canada term) of domestic programs and one on international games. The former is basically a summary report on the CIS National Championships, plus a description of the

administration of the organization. The latter is a report on the activities related to the FISU Games.

A review of the domestic programs report reveals that when asked by Sport Canada to "Use the following table to describe the MSO relationship to NSOs," the report provides a very abbreviated list of three examples, along with the following statement: "A complete list of CIS involvement in National Team programs can be provided if it would be helpful" (p.14), which is a somewhat surprising admission that the developers of the report do not seem to believe providing detailed information on CIS involvement in national team programs would be helpful. To gain a better understanding of this key factor, I consulted with NSO websites and a CIS coach in each of the sports to collect the data provided in Table 2.

The data provide an indication of the contribution CIS programs make toward developing athletes for Canada's national teams in CIS sports. While these statistics are difficult to track precisely, due to ongoing national team program changes, the data are useful for the purposes of illustration. The number of CIS athletes in national team programs in wrestling, women's field hockey, women's rugby, volleyball, and swimming are the highest. (I included the volleyball and soccer junior national teams for purposes of illustration.) At the other end of the spectrum, football (which has no national team), ice hockey, basketball, soccer, and athletics currently make minimal contributions to Canada's national teams. Three of CIS' highest-profile sports (as measured by revenue generation and television ratings), men's football, hockey, and

Table 2 *CIS athletes on national teams*

Sport	*CIS*	*National team*
Men's Basketball	3	16
Women's Basketball	3	16
Women's Hockey	3	23
Field Hockey	23	24
Football	0	0
Women's Rugby	20	33
Athletics – Men	2	24
Athletics – Women	2	24
Men's Hockey	0	24
Men's Soccer	4	40
Women's Soccer	6	40
Men's Swimming	5	10
Women's Swimming	5	10
Men's Volleyball	24	27
Women's Volleyball	19	21
Men's and Women's XC	0	0
Men's Wrestling	4	7
Women's Wrestling	5	7
Total	128	346

basketball make minimal high performance contributions. Football is not an Olympic sport and is therefore of little interest to the high performance focus. Men's ice hockey is nowhere close to contributing to Olympic or World Championship results. Men's basketball makes very minimal contributions to the national team. Most of the national team athletes in soccer, basketball and women's volleyball are trained in the NCAA. The sports contributing to high performance results, such as field hockey and wrestling, struggle to survive as CIS managed activities. Men's and women's volleyball are the only examples of sports combining profile in terms of revenue, television, and participation while contributing in important ways to Canada's national teams.

There is a generic narrative at the end of the report for which there are no substantiating data. For example, the narrative talks about the pursuit of excellence but does not present, as articulated in the report's instructions, "expected results and outcomes and ways to measure them." Although this would appear to be a critical exchange of information with Sport Canada, there is no sport-specific program description of the universities and their sport programs. The reasons for this lack of information exchange would be conjecture at this stage of the research, but it may reflect a change in the type of information the principal wants as part of the new process. In the *April 2005 Board Minutes* there is a report entirely based on the CIS contributions to the *Canadian Sport Policy* (2002). The report contains both quantitative and qualitative data attesting to the contributions. A review of the *CIS Annual General Meeting Minutes 2005* (CEO Report, p. 53) gives a summary of CIS sport accomplishments. However, relative to Sport Canada's concern over a lack of carded athletes participating in FISU events (personal interview, plus Sport Canada report), there is no report of the number of carded

athletes in CIS. Based on the AGM report, there is very little reporting done to specifically quantify the number and quality of athletes, coaches, officials, trainers, etc. The reporting is done on a "contribution" basis, but the focus is on CIS events as opposed to CIS contributions to the Canadian amateur sport system. Reporting to the AGM is not done by each sport but is included in a summary report of the Sport Committee.

A review of the FISU Games report indicates an explicit and specific focus to make the connection between the CIS involvement in FISU and the Sport Canada focus on high performance sport. These data are important to the understanding of the relationship between the two organizations. The following quotes from two key informants describe the actions of CIS as it attempts to manage its relationship with Sport Canada. According to these data, CIS seems to attempt to report its actions (although not in a comprehensive format) in a manner consistent with the high performance priorities of Sport Canada.

> The fact that when we do go and pitch Sport Canada for money we are saying give us money because we are an important part of athlete development in Canada. (CIS source#1)

> CIS would always come back and say we are a high performance organization and we support the high performance program we support all of the 3 pillars we support participation because we have got so many institutions across the country that are participating. We have so many coaches that are being funded as full time coaches and paid coaches more than any of the other sectors. (Sport Canada source#4)

While there is clearly an argument being made by CIS that it makes an important contribution to high performance outcomes, it is also critical to this research to recognize that several of my sources had other perceptions of CIS. There were several comments about the obstacles to sport development created by CIS as a result of what is perceived

to be an excessive number of restrictive CIS rules. The following selection is representative of those comments.

> . . . there are so many impediments that are often put in place to supporting a quote unquote high performance contributing environment. (Sport Canada source#3)

The data above suggest there are two aspects to consider when examining the actions and outcomes of CIS: (a) the aspect describing all of the activities of CIS that are focused on sport development, and (b) the data presented earlier decrying CIS's lack of commitment to high performance outcomes (as defined by direct contributions to World Championship or Olympic results). When Sport Canada contracts an agent, there is clearly some expectation of contributions to high performance results. Sport Canada funds the agent based, to a large extent, upon those results, and an agent that can generate the results will be looked upon more favorably by Sport Canada. As can be clearly seen in Table 2, the CIS contributions do vary by sport, ranging from the impressive contributions made by CIS wrestling to sports having no links whatsoever to high performance results.

The following quote, however, is evidence that Sport Canada recognizes both the actions and the outcomes of CIS.

> As you can appreciate that got more focus as we got more focused and started to identify that we are really looking at when we talk about high performance sport are World Championships and Olympic and Paralympic Games and we measure everything as to how they contribute to those goals and objectives within each NSO. (Sport Canada source#4)

In some cases, principals may attempt to exert influence at the level of the agent's actions, and Sport Canada does, to some degree, monitor and influence the agent's

actions. At the same time, there is an indication CIS has a greater focus on the sport development process, and less on the high performance outcomes.

The data strongly support the importance of reporting and monitoring in this principal-agent relationship. Clearly the formal written reporting is of utmost importance in the monitoring function, but personal observation also plays a role on the part of both the principal and the agent. Sport Canada staff attend various meetings and events of CIS and, certainly, part of their assessment of CIS is based on their attendance and their observations during the meetings. It is impossible to know exactly what impact those observations have in the relationship.

The final theme emerging from these data was comment about the resources required to undertake the monitoring and reporting process. Sport Canada has a Program Officer to act as a liaison, analyze the reports, and arrive at a recommendation for funding. Resources are also invested in the process by the MSO, as referenced in the following quotes.

> SC requires a lot of .. we look at it this way .. he [our CEO] views Sport Canada as our biggest sponsor. So you have to spend a lot of time with that sponsor in order to have a solid relationship with them. We are constantly filling out forms and applications and my God it takes a huge amount of time the whole SFAF. It is really time consuming. (NSO source#1)

> So it all kind of broke down and in my view was a completely frustrating and meaningless exercise. So the whole SFAF in my view was a nightmare. They awarded complexity as opposed to outcomes. In my view it should all be about outcomes. As a result of what you are doing how is the sport system enhanced. That to me is the fundamental question. Not how complex is your business. If it is complicated and complex you get more points than if its not complicated so I thought it was missing the point and I expressed that on a number of occasions. Could very well be. Could be that next time around. I think they acknowledged as well at the end of the day that it was a bit of a nightmare after they had invested all this time and energy and spewed out the points and only to discover they really could not equate points to dollars because some organizations needed more money. I don't think they would say that it was a huge success. (CIS source#1)

These are very important points made by two well-informed sources. There is a cost to monitoring and reporting to consider in the management of the relationship. This will be discussed in more detail later.

Accountability

Monitoring and reporting are part of an accountability process, and results previously discussed have shown accountability is a dominant theme in the data. While accountability is not synonymous with monitoring, accountability does include monitoring as a necessary component. Accountability is a more appropriate term than monitoring when the process includes an expectation that an organization (the agent) will fulfill some perceived set of obligations owed to another organization. Without clear expectations and outcomes, and without an obligation, accountability is not owed. Given the context of this research, where a formal contract (the SFAF) is clearly in place, a discussion of accountability is appropriate in this section. The link between accountability and reporting is presented below.

> Accountability is the means by which the Government of Canada ensures the achievement of key goals. Accountability comprises part of the reporting requirements and is linked to the organisations and/or projects. (Contribution Guidelines, p.3)

The following quotes provide evidence of a very significant accountability function of Sport Canada. These are only samples of a very strong theme throughout the data of Sport Canada's emphasis on accountability, reporting and monitoring.

> I've seen a change in Sport Canada over the years as well where now we're at a point where the accountability elements of taxpayer's dollars are driving this more than the interest to support sport . . . .I'd say they are dealing with NSOs really more to ensuring that the NSOs are accountable, first and foremost. (NSO source#3)

> I think there was a move toward greater accountability anyway but the distinction I'll make is that accountability within government is more about accountability with big G government policies and the more recent shift which has become about as a result of this CSRP and OTP is a more of a program accountability in other words accountability for achieving results. (Sport Canada source#1)

The accountability function appears to have two aspects to it. The first is accountability for the use of the funds the agent receives. The second is Sport Canada's accountability for high performance results. Monitoring and reporting are necessary to fulfill these functions, and incur costs to both organizations.

Research Question Five: How are the agency costs in this relationship managed?

Agency Costs

Unlike the other four research questions, these results require aggregation of the previously-presented results on decision-making, goal congruence, contracts, incentives and monitoring. The relationships between these results must be analysed to arrive at an assessment of agency costs. In this section, I present the analysis of agency costs, and provide further comment on the implications of these costs in the discussion section.

Evidence of substantially incongruent goals between the two organizations is direct evidence of the agency problem which, according to agency theory, is the cause of agency costs. Sport Canada's priority is the achievement of high performance results at Olympics and World Championships, and its second priority is accountability for the expenditure of tax dollars. Neither of these priorities is shared as a top priority of CIS. Such incongruence contributes to agency costs because it creates the need for contracting, incentives, monitoring and reporting. As suggested by agency theory, if both

organizations shared these top priorities, the costs would be reduced. The agency problem is a reality.

Notwithstanding the mismatched priorities of the two sport organizations, Sport Canada provides funding to CIS, which is one of the easily identified and quantified agency costs. These financial costs are incurred by the principal, and while the rationale for the principal's expenditure cannot be the agent's contribution to the principal's top priorities, the agent's contributions to secondary priorities may be sufficient to justify the costs. Given that Sport Canada's financial contribution is low relative to its contributions to other sport organizations, the principal's low contribution to CIS might be a reflection of Sport Canada's efforts to minimize agency costs while still maintaining a relationship with the agent CIS. I have found no evidence to suggest Sport Canada has tried to increase its motivation of the agent through negotiated increases to the financial incentives. This may suggest that Sport Canada does not feel CIS is sensitive to such influence in terms of CIS' ability to improve its goal congruence (such as putting more focus on high performance results).

Contracting, monitoring and reporting costs incurred by both organizations also contribute to agency costs. There is evidence of financial costs (primarily due to salaries paid to staff managing the processes for both organizations). The costs, from the CIS perspective, are low in comparison to the funding received. While CIS staff have proclaimed sentiments that these processes are a waste of time, the returns are worthwhile and the reports appear to be minimalist. CIS informants have stated they do not believe additional investments in reporting (effectively increasing agency costs) would result in increased Sport Canada funding. From the Sport Canada perspective, the benefits

associated with these agency costs are less clear because CIS changes very little, if at all, from year to year and the real need for monitoring and reporting is likely hard to justify. Nevertheless, accountability is a top priority for Sport Canada and is an unavoidable cause of these costs.

Management costs beyond contracting, reporting and monitoring must also be included, given the need (based on previously presented data) of both organizations to collaborate with other principals and agents. Some agency theorists have recognized principal-agent relationships are complicated by the existence for both parties of multiple principal-agent relationships. The management of multiple relationships is a contributor to agency costs. My data show Sport Canada must deal with at least 80 agents, and CIS is faced with managing relationships consisting of 51 member universities as well as 12 affiliated national sport organizations and over 30 other sport organizations that are potential partners. There is evidence to suggest the need to manage this particular relationship diverts already limited resources and these resources may be more productively deployed elsewhere.

Summary of Results

The results, as presented in detail in the preceding section, are summarized below. The summary provides a succinct reminder of the key findings and will serve as a transition into the discussion and conclusions which follow.

Research Question One: How does Sport Canada make the decisions that directly affect how they collaborate with agents?

Findings:

One important finding was the amount of influence Sport Canada staff have on the decisions of Sport Canada. Certainly, the Secretary of State for Sport has the ultimate authority for major policy decisions (such as defining the measurable outcomes), but the decisions directly impacting the agents (such as CIS) are primarily made by the Director General and the Sport Canada staff. Interactions between Sport Canada and the agents are handled primarily by staff.

Sport Canada's influence over an agent is dependent upon the agent's reliance on Sport Canada funding. Sport Canada seems to be sensitive to the agent's perception that it wants to, or tries to, control the actions of the agents. In fact, Sport Canada appears to recognize the need to foster truly collaborative relationships with the agents in the sport system. Different sources had different views on Sport Canada's actual amount of control, or the amount of control Sport Canada decides to use.

Leadership was a dominant theme in the results. There was consensus that Sport Canada has reduced its leadership emphasis in favor of a move toward a greater emphasis on accountability. The opinions regarding CIS were that it should be taking a stronger leadership role in the sport system, and its current leadership contribution is virtually non-existent.

Research Question Two: How congruent are the goals of Sport Canada and CIS?

Findings:

The data related to the goals of Sport Canada and CIS is comprehensive and the goals are well described. There are some major similarities in the goals of the two sport organizations, but the top priorities are very different, with Sport Canada establishing high performance results at World Championships and Olympics as its top priority and CIS identifying domestic national championships for university students as its top priority. Accountability is also a priority for Sport Canada, but does not appear at all in the priorities of CIS. There is reasonable congruence in the secondary goals. There is no evidence of collaboration between the two organizations in the setting of their respective goals, nor is there any evidence of setting mutual goals that will result in collaborative advantage.

Research Question Three: How does the SFAF contract contribute to collaboration between Sport Canada and CIS?

Findings:

The contract establishes the conditions under which Sport Canada will provide funding to an agent. It formalizes the agent's promises of its intended actions and outcomes, and is the focal point of the initiation and ongoing maintenance of the relationship. It provides the basis for Sport Canada's funding decisions and its accountability process and is ultimately the focal point for the collaborative activity that does take place between the two organizations.

The contract establishes some parameters within which an agent must operate. The agent agrees to adhere to policies on bilingualism, fair play, gender equity and

regional representation, and to deliver the programs as promised in the contract. The agent agrees to report on its activities and to be accountable for the funds received.

The contract goes beyond what is normally considered to be an outcome-based contract, as the agent is required to apply for funding based on activities as well as outcomes. Behaviors such as the consistent adherence to bilingualism and the ongoing provision of gender equitable opportunities are expected.

National sport organizations such as CIS rely on the funding of Sport Canada, and the funding acts as an incentive to meet the criteria established by the funding agency. The sanctions are the threat of reduced funding, and CIS needs the funding Sport Canada provides. The incentives are explicit, but the sanctions seem to be more implicit; if certain conditions or obligations are not met, funding could be reduced. A significant amount of Sport Canada funding is targeted at supporting the FISU involvement of CIS, with the FISU program serving as direct evidence of a collaborative advantage. The incentives have not motivated CIS to make high performance sport its top priority. Alternately, CIS adheres to the social goals of Sport Canada and the funding has definitely influenced the collaboration of CIS in working toward those social outcomes.

The SFAF process required by Sport Canada is quite complex and would appear to require a significant investment of time and energy by both organizations.

Research Question Four: How do Sport Canada and CIS monitor their relationship?

Findings:

Monitoring of agents is a primary function of Sport Canada and accountability has become a major priority whenever federal funds are involved. CIS is required to file annual written reports. There are two reports required each year within *The Sport Funding and Accountability Framework III Multisport Service Organization Assessment Questionnaire:* one report is on domestic programs and one is focused on FISU. Both reports contain relatively basic information on the CIS sport programs, including data such as numbers of athletes and coaches participating in CIS domestic or international programs. There is minimal detail in the reports to explain contributions to high performance sport. Sport Canada Program Officers also attend CIS meetings and events annually. As a result, Sport Canada staff believe they are aware of the contributions made by CIS, although this awareness may not extend to the level of the programs of the member universities. Sport Canada's accountability process requires Sport Canada to be fully aware of both the actions and the outcomes of its agents, and to determine whether the agents have done what they said they would do in the SFAF application. Sport Canada's perception is that CIS lacks the ability to focus on high performance sport partly due to the CIS decision-making process which seems to include a penchant for

creating restrictive rules. I found minimal evidence of collaborative activity between the two organizations, beyond meeting the basic requirements of the contract.

There are costs associated with the monitoring process. Costs include staff time for both the principal and the agent, as well as travel and accommodation costs for both organizations. Some observers appear to believe the costs of the reporting process outweigh the benefits, but whether or not the costs are good investments for the two organizations is unclear.

Research Question Five: How are the agency costs in this relationship managed?

Findings:

Agency costs, as predicted by agency theory, are factors impacting the productivity of the relationship. The lack of congruence between the top priorities of the two organizations, combined with Sport Canada's financial incentives and its accountability-driven requirement for monitoring and reporting, make the costs significant, yet impossible to eliminate. Therefore, the costs need to be analyzed and managed effectively, assuming the relationship is going to continue.

In the ensuing sections, I discuss the management of the Sport Canada / CIS relationship and the importance of the relationship to the amateur sport system in Canada. I also examine whether an increased focus by the two organizations on the creation of a collaborative advantage could be a productive investment for Sport Canada and CIS and what impact that collaborative activity could have on the Canadian sport system.

Chapter 6: Discussion

The need for collaboration between sport organizations in the Canadian sport system has been documented. Collaboration is defined in the literature as an interorganizational relationship that results in collaborative advantage; an outcome that could not be achieved by either organization acting alone (Hardy, Phillips & Lawrence (2003). Several theories have been discussed in the literature to explain why interorganizational relationships should be created and how they should function (Gulati, 1999). One of those theories, agency theory, is primarily applied in this research to examine the case of the relationship between Sport Canada and CIS.

A condition of being a principal is a demonstration that the organization (Sport Canada in this case) has ownership of measurable outcomes (Olympic or world championship medals in this case), and control over their decisions in engaging an agent which normally includes a contract (the SFAF in this case). The principal-agent relationship between Sport Canada (the principal) and CIS (the agent) exhibits what Jensen and Meckling (1978) refer to as the agency problem; the primary goals of the two organizations are incongruent. Sport Canada's primary goal is for Canadian athletes to win medals at the Olympics or world championships, but the CIS focus is on domestic competition. Theoretically, to reduce goal incongruence the principal incurs agency costs such as developing a contract, providing incentives and monitoring the activities of the agent through reports. In this case, Sport Canada develops a formal funding-related contract to engage the agent. Sport Canada provides funding to support the domestic sport programs of CIS, but provides the minimal funding possible to the agent to minimize agency costs. The contract and the associated funding is the primary link

between these two nonprofit sport organizations. Communication between the organizations is based on, and limited to, formal reporting by CIS for accountability purposes. Reporting is an agency cost and both organizations do what is minimally required. Both organizations have important relationships with other organizations; as an example, Sport Canada has 80 agents to work with and CIS has 51 member universities to coordinate. Management of relationships incurs cost and organizations will spend the most time in the relationships that are the most productive or beneficial to their own outcomes.

There is minimal evidence in this relationship of collaborative action as described by authors such as Huxham and Vangen (2004) and Frisby, Thibault and Kikulis (2004) such as mutual goal setting and shared decision-making. Based on Sport Canada's own stated emphasis regarding the need for collaboration in the sport system, it seems as though some strategic change is needed to move toward a more collaborative relationship with CIS. The following section examines the relationship to explain how it is currently managed and what needs to change to develop a more collaborative approach within an agency theory framework.

The analysis of the data was organized using the five theoretically based research questions, and this discussion is organized in the same way. Agency theory, and the management of collaboration from a principal-agent perspective, provided the framework for the research questions. Other theories such as resource dependency theory, transaction cost economics, and Oliver's (1990) motives for interorganizational relationships are referred to periodically to explain the results.

How Does Sport Canada Make Decisions: The Level of Control

Sport Canada, as the federal government's designate to manage amateur sport, has ownership of Canada's involvement in sport at the international level, and they have control of federal funds allocated to amateur sport. My results indicate that policy and funding decisions made by Sport Canada have a major influence over the entire sport delivery system, which includes CIS. These findings are consistent with those of other authors (Green & Houlihan, 2004; Kikulis, Slack, & Hinings, 1995a; Slack, & Hinings, 1992) who have shown the link between Sport Canada's policy and change in national sport organizations. It also supports the arguments of Green (2004) and Sam (2005) regarding the importance of national policy to amateur sport. However, while Sport Canada unquestionably has ownership and influence as a major actor in the sport system, my results show that there is a difference of opinion regarding the degree of control Sport Canada has over other sport organizations. To understand the management of the Sport Canada-CIS relationship, it is necessary to further discuss this issue of control.

In the management of a principal-agent relationship, control is exerted by the principal (Jensen & Meckling, 1976). The principal is the owner and controls the desired outcomes of the relationship, which in this case include the policy, goal and priority-setting decisions of Sport Canada; decisions that have a major influence on how the collaborative relationship is managed by both organizations. However, the work of Amis, Slack and Hinings (2004), and Slack and Hinings (1994), has shown that despite attempts at control by Sport Canada, its agents (the NSOs and MSOs) operate in very different ways. As Amis, Slack and Hinings (2004) illustrated, some NSOs continue to operate in a volunteer driven structure, others have changed to an operation that is managed primarily by professional staff and still others operate with a combination of the two. This lack of

similarity in how the sport organizations are structured, and how they operate, supports the contention of those speaking on behalf of Sport Canada that they do not control the actions of sport organizations. The similarity of the organizations should be affected by coercive institutional pressures (DiMaggio & Powell, 1983) and should increase if they are actually controlled by Sport Canada and forced to adopt Sport Canada's prescribed professional model (Amis, Slack & Hinings, 2004). However, Amis, et al. have demonstrated that this has not happened. In further support of this argument, the organizations can even decide to opt out of the funding relationship with Sport Canada if they so desire, and are autonomous in their own organizational decision-making. So it could be argued that, contrary to the prevailing opinion in the literature (Green & Houlihan, 2004; Macintosh & Whitson, 1990; Slack & Hinings , 1992), Sport Canada has minimal, if any, control over sport organizations.

However, while national sport organizations have the option to minimize or even opt out of collaboration with Sport Canada, my informants for this case all agreed that the majority of amateur sport organizations are starved for funding and in an attempt to reduce uncertainty and secure financial resources have opted into a relationship with Sport Canada out of necessity (Oliver, 1990). In most cases, sport organizations will align their policies, goals and priorities to those of Sport Canada to the extent necessary to secure funding from them. The degree of Sport Canada's control varies to the extent that the agent (in this case CIS) depends upon the funding to function. As the reliance of an agent increases, the control of Sport Canada in that relationship increases. These results provide further proof of Provan's (1982) statement that, for any given organization, power is the reciprocal of dependence. They also corroborate one of the basic concepts of

resource dependency theory (Pfeffer & Salancik, 1978) which states that organizations attempt to secure required resources but use strategies to do so that allow the dependent organizations to retain their autonomy.

As my informants articulated, Sport Canada is totally reliant on collaboration with agents to achieve its goals and has the availability of funds as its contribution to the process. In addition to funding, the development of successful elite athletes requires excellent coaches, coaching and sport science knowledge, medical support, facilities, and access to competition organized; all resources provided by agent sport organizations. All principals rely on agents (Shapiro, 2005), so the challenge for Sport Canada is a common management challenge for a principal; they use contracts to engage their agents. In most cases, the contract between the principal and the agent is based on a financial arrangement and this is most certainly the situation in the case of Sport Canada and CIS. All of Sport Canada's control in their relationship with CIS is based on the terms of the contract and Sport Canada does control the development of the contract. The contracting process results in Sport Canada's decisions on federal funding for sport, whereby they differentially allocate funds to amateur sport organizations based on the expectations and outcome measures the funded organizations must meet. By linking outcome measures and funding levels through accountability processes, control is exerted (Oliver, 1990; Roussin Isett & Provan, 2005) on the organizations choosing to participate in a funding relationship with Sport Canada.

The results show that control is a variable construct that is not defined by its presence or absence in a relationship, but by degrees, and the variance is dependent upon the dependence or autonomy of the organizations in the relationship. Sport Canada has

minimal control of its agents and it may be more appropriate to describe their level of control as influence. For example, both organizations have a high degree of control (autonomy) over their own decisions (such as policies and goal setting), and have very little control over the operating level decisions of the other organization. In fact the only factor over which Sport Canada has a high degree of control is the amount of funding they provide and the management of the accountability process. All of the informants agreed that Sport Canada appears to have adopted funding, and subsequently a focus on the accountability for the use of the funding, as their means of control. But, according to Huxham (1996), a funding relationship of this type does not necessarily qualify as a collaborative relationship.

The role of leadership in collaboration

It is important to emphasize that the topic of leadership emerged inductively during data analysis. Without prompting, several informants stressed the importance of leadership and commented that accountability has gradually replaced leadership as a priority for Sport Canada. As a result, I have confidence that leadership is as valid and important an issue within the Sport Canada-CIS relationship today as it was when Mills (1998) recognized that "the future of sport in Canada depends on strong leadership, partnerships and accountability." (p. 1). The idea of whether Sport Canada provides leadership, or only provides funding, or both, was a very contentious issue among those interviewed.

While I did not find a single reference to leadership in the agency theory literature, the literature on collaboration has dealt with leadership. A few authors (Brass, Galaskiewicz, Greve, & Tsai, 2004; D'Amour, Ferrada-Videla, San Martín-Rodríguez,

Beaulieu, 2005, and San Martín-Rodríguez, Beaulieu, D'Amour, & Ferrada-Videla, M., 2005) studying interorganizational collaboration have identified the importance of leadership to the creation of successful collaborative ventures. Huxham and Vangen (2000) stated "Researching collaborations from the viewpoint of leadership thus adds an important dimension to theory … " (p. 1172). Authors within the sport management literature also agree on the importance of leadership to organizational success (Weinberg & McDermott, 2002; Chelladurai, 1999). In fact, Daprano et al. (2003) indicated that in their collaborative efforts, it was leadership that was responsible for their successful collaborative efforts.

To continue the discussion of leadership, a definition of leadership is necessary. Leadership is, as defined in *The Oxford Dictionary*, "to influence the actions or opinions of …." and there is evidence in the results that Sport Canada has influenced the actions of many sport organizations in Canada and therefore, according to the definition, has shown leadership. For some of those interviewed, leadership referred to individuals within an organization who take a forceful and visionary position to push for major change. Using this definition, many of the individuals interviewed disputed Sport Canada's leadership contribution. The discrepancy is important to the expectations of the sport organizations; some agents expect leadership and funding from Sport Canada (Amis, Slack & Hinings, 2004) and some seem to expect only funding.

On the other hand, Sport Canada seems to expect leadership from the agents as well, and the majority of informants that spoke about leadership from CIS as an organization were disappointed in the leadership role that CIS takes. In a principal-agent relationship (although not explicitly referenced in the theory), the principal does show

leadership in defining the desired outcomes and the agent should show leadership in developing the strategies to achieve those outcomes. Therefore, CIS should also be expected to take a leadership role in the relationship and in the sport system. The consensus in the results among all non-CIS informants was that CIS is not taking the necessary leadership role in its contributions to the sport system. In a collaborative relationship, leadership is required from both organizations to establish mutual goals and to maintain the motivation of the organizations to work toward those goals.

The distinction between leadership and control must be made. It has already been shown that Sport Canada has very little control over sport organizations. However, leadership and control are separate concepts, and although the definition of leadership refers to influence, it does not mention control. Leadership can emerge in the absence of control. Therefore, while Sport Canada may not have control, it would be possible for it to undertake a leadership position. However, the results seem conclusive that Sport Canada has placed its emphasis on accountability as its control mechanism and has taken less of a responsibility for leadership. The reasons for Sport Canada replacing leadership with accountability could be due to changeover in the individual leaders. Berger (1997) determined that the active involvement or absence of those in top political positions has an important influence on the management of relationships. Roussin Isett and Provan (2005) also state that turbulence due to changes caused by regular election cycles can disrupt agencies in the public or nonprofit sector. My results show that the leaders at the upper political levels have been constantly changing for several years which would definitely create turbulence and disruption, and create a challenge for taking a leadership position. Therefore, a government may need to adapt its strategy to assume a stable

position requiring minimal leadership. This may explain the result which shows that Sport Canada has increased its emphasis on accountability. By making accountability a top priority, leadership is downloaded to the agents such as the national sport organizations, the Canadian Olympic Committee, and Podium Canada. In this way, the federal government takes a less prominent leadership role in the sport system.

Due to this political instability (both in terms of changing governments and Cabinet shuffles) it is reasonable to suggest the actors and organizations in the Canadian amateur sport system would, in full knowledge of these circumstances, be hesitant to expect leadership and direction from elected officials such as the frequently changing Secretary of State for Sport. At least in the last six years, it is likely Sport Canada's strategic direction is increasingly provided by the Director General and his staff, as the Director General position has been held by the same individual for those six years. He makes decisions within his interpretation of the general priorities of a national government sensitive to accountability issues. Agents such as CIS must be aware that decisions are made by the Director General and Sport Canada staff and their decisions influence all aspects of relationship management, with the focus on funding recommendations and accountability processes as opposed to visionary leadership.

Some informants felt that Sport Canada has displayed leadership by setting national priorities for the sport system, and uses funding and accountability in an attempt to exert control over the actions of sport organizations to meet those priorities. This was a contentious point, as others interviewed did not equate Sport Canada's funding with leadership. The concern over Sport Canada's leadership was consistent with the findings of Amis, Slack and Hinings (2004) who reported that, when attempting to implement

changes in their organizations, the NSOs felt that Sport Canada did not provide the necessary leadership to support the changes Sport Canada prescribed. It seems important for Sport Canada to understand that funding is not perceived as an adequate replacement for leadership as a mechanism for working with agents such as CIS. The absence of leadership to direct the actions of the agent toward the desired outcomes of the principal (Shapiro, 2005) seems to be problematic, and may occur because Sport Canada believes it must leave the logistics and leadership of sport development to the national sport organizations, thereby avoiding the political risks that could result from interfering in the sport delivery system and their long term athlete development models. Alternately, their hands-off approach to sport delivery may also be caused by the autonomy and independence of nonprofit sport organizations.

Nevertheless, the Sport Canada approach of opting not to take a leadership role to encourage collaboration in this particular case is another example of what Frisby, Thibault and Kikulis (2004) were referring to as an under-managed partnership; a lack of action that is detrimental to the potential collaborative advantage. The actual role of Sport Canada is one of influence, but the organizations are being managed as though they are in an environment of control. The relationship should be managed with collaborative processes such as mutual goal setting and shared decision-making while striving for collaborative advantage (Huxham & Vangen, 2004). Sport Canada and CIS should adopt a more collaborative model, consistent with Sport Canada's own policy recommendations (*Canadian Sport Policy,* 2002*).*

How Congruent are the Goals of Sport Canada and CIS: The Agency Problem

Agency theory includes the assumption that the goals of the principal and the agent will be incongruent. As Huxham and Vangen (2000) state, "The process of agreeing upon collaborative goals can be extremely difficult because of the variety of goals" organizations have (p. 1160). The results of this research support that assumption. Although all of the goals of Sport Canada and CIS are not congruent, some are. As with control, there is a degree of congruence that needs to be recognized and the implications discussed.

Sport Canada has decided that high performance results and accountability are their top priorities. Sport Canada and the *Canadian Sport Policy* (2002) articulate a wide range of goal statements, and the official discourse (both verbal and written) from Sport Canada claims that all of the goals are important. However, there is overwhelming empirical and objective evidence that some of the goals are clearly more important than others. Specifically, high performance international sport success is Sport Canada's top priority, within a framework of accountability.

The actions and goals of CIS are not congruent with Sport Canada's high performance priorities. The goals of CIS are related to the provision of high quality domestic championships. Whereas it appears CIS has every intention of attracting and supporting high performance athletes (those aspiring to and capable of international success), an examination of the actions, rules, policies and language of CIS reveal an exclusionary environment that does not accommodate all of Canada's high performance athletes. Universities and college admissions are restricted to those individuals who qualify academically; CIS passes rules to restrict financial support to athletes; and CIS enforces rules requiring athletes to maintain their full-time academic status and to achieve

minimum academic standards. The rules are university-centred, rather than athlete-centred, and are not created with athlete development as the top priority. Some informants perceive this as an attempt by the member universities to create a level playing field, but even with the current policies there are many factors (such as the local availability of talented athletes, budgets, and quality and diversity of academic offerings) giving some universities advantages over others. The restrictive and exclusionary policies only serve to limit the pool of potential athletes that can participate in CIS.

Whereas CIS has the capacity to collaborate with Sport Canada more intensively by adopting an increased emphasis on high performance athlete development, some disagree as to whether CIS should change their goals to be a major contributor to high performance sport. Some informants felt the change should be made, but others made the case that the contribution made by CIS to the culture of Canadian sport, and the quality of life at Canadian universities, is an appropriate and adequate contribution to the goals of Canada's amateur sport system. Currently the vast majority of CIS athletes are below international high performance levels, but they are of high quality, are well coached in an ethical environment, and make useful contributions to Canadian society upon graduation. CIS provides an excellent program option for aspiring high school athletes. The evidence suggests that for the majority of the member universities, their local and regional sport focus is adequate and they do not have sufficient incentive to motivate change. CIS seems to resist changing its organization to one that emphasizes the development of high performance athletes as its top priority, which would bring CIS in line with Sport Canada's top priorities. Since both organizations set their priorities independently, with

no collaboration in the goal setting process, goal incongruence would be an expected outcome.

The lack of congruence between the top priorities of CIS as an organization and those of Sport Canada has likely contributed to CIS being virtually absent from the *Canadian Sport Policy* (2002), rarely mentioned in the dozens of documents and reports reviewed for this research, and having no representation on Podium (the Excellence Committee). I believe that CIS's exclusion from the inner circle of high performance sport in Canada is a harmful end result of its lack of collaborative goal setting and commitment to high performance outcomes. Not only is the CIS organization excluded from the dialogue occurring on high performance sport, the member universities also forego the opportunity to collaborate in the sport system through contributing their expertise or resources in appropriate ways. CIS is the only mechanism through which university sport programs can be fairly represented in collaborative discussions with Sport Canada, the COC, or Podium and a potential collaborative advantage is lost.

Given this evidence, and the importance placed on goal congruence in collaborative relationships by authors across all theories (Frisby, Thibault & Kikulis, 2004; Huxham & Vangen, 2000; Jensen & Meckling, 1976; Page, 2005; Shapiro, 2005) problems in this relationship should be expected. However, although the top priorities of the two organizations are incongruent, CIS contributes fully to the secondary goals of Sport Canada; goals such as the desire to have truly national championships; to increase participation in sport; and to have bilingual, equitable, and ethical sport are all espoused by Sport Canada and fulfilled by CIS. It appears CIS decisions and priorities have been influenced by Sport Canada's secondary goals, which are the qualifying criteria Sport

Canada uses to establish eligibility for funding. Certainly there is a degree of goal congruence. The divergence of interests between Sport Canada and CIS occurs primarily within the realm of high performance sport--and therein lies the heart of the problem in the management of the relationship between the two organizations. Since the top priorities of Sport Canada and CIS diverge, CIS does not receive top priority when funding decisions are made and is funded at a lower level than many other agents. An agency problem is evident and agency theory states the contract between the principal and the agent is an important mechanism in the management of the agency problem. If CIS wishes to improve their funding and their contract, they must be willing to reconsider their priorities. On the other hand, if Sport Canada wants to influence the priorities of CIS, they must also be willing to reconsider their funding levels, or provide other incentives in the contract. Collaboration is quite obviously required if the relationship is to improve. Management intensity (Frisby, Thibault & Kikulis, 2004; Shaw & Allen, 2006), beginning with mutual goal setting defining collaborative outcomes, must increase.

How Does the Contract (SFAF) Contribute to the Management of the Relationship

Roussin Isett and Provan (2005) state that "Formal contracts are necessary in a public sector context" (p. 162). The contract between Sport Canada and CIS is the Sport Funding Accountability Framework (SFAF) and as predicted by agency theory (Jensen & Meckling, 1976; Shapiro, 2005) their relationship is primarily defined by and focused on this formal and explicit contract. Like all principals, governments attempt to maximize their influence while minimizing their costs. Although Sport Canada has limited options as to the sport organizations it can contract, it has the capacity to fund organizations at

different levels depending upon the contributions those agents make to its priorities as the principal. The concept of differential funding is the core relationship management tool for Sport Canada, because the potential to provide more funding to the organizations it deems to be better performers creates competition among the agents (Kiser, 1999), and presumably promotes productivity toward desired outcomes. CIS, therefore, competes for Sport Canada funds with about 80 other sport organizations. For CIS to receive more funding, it must do a better job of contributing to Sport Canada priorities than other national sport organizations, and CIS must be able to prove it.

The contracting process results in Sport Canada's current compensation of $345,000 to CIS targeted for its annual domestic championships, which represents about 25% of the CIS budget. There is strong evidence to support the importance of this funding to CIS and CIS is dependent upon the funding to provide its current level of programs. The funding has remained relatively stable for several years (within the time frame of this study), and CIS has also had stable program offerings in terms of the sport programs that are provided. Whereas CIS sees the Sport Canada funding as being beneficial, and maybe even critical, the CIS informants expressed a belief that Sport Canada's decision-makers are not subject to influence by CIS and there is really nothing that can be done to increase the funding levels. Theoretically, according to Eisenhardt (1989), the compensation of the agent should be explicitly and overtly associated with outcomes. If this association does not exist in the agent's mind, then one might expect the agent to increase their efforts to work in their own self-interest to the detriment of the principal. This may be the reason CIS tends to be more focused on its internal management challenges than on the management of collaboration with Sport Canada.

Historically, CIS received its allocation from Sport Canada with no formal rationale from Sport Canada supporting the dollar amount. In the absence of a formal rationale from Sport Canada explaining its funding decisions, agents such as CIS cannot even consider strategies to align their goals with those of the principal. From the perspective of agency theory, there must be a logical relationship between the contracted incentives and desired outcomes (Eisenhardt, 1988) so an agent would have reason to work in the best interests of the principal.

Consistent with agency theory, there is evidence that Sport Canada has recognized and attempted to rectify this disconnect in the principal-agent relationship. The most recent and significant change to the contract has been the development of a unique new contract for multi-sport organizations (MSOs) such as CIS. With this new process, an overt attempt has been made by Sport Canada to establish transparent funding decisions based upon explicit criteria and outcomes MSOs can supposedly control. Although 2005 was the first year of this new process, it was quite clear that CIS felt the new process was a failure because it required a major investment of time and did not create, in the opinion of CIS, a clear link between Sport Canada's funding and the achievements of CIS. However, Sport Canada's management decision to use revisions to the contract to clarify roles and accountability and improve the productivity of the relationship with CIS is evidence of agency theory at work.

Another very important discussion point for this research is that whereas the $345,000 received by CIS is significant to the CIS organization, these funds have minimal impact on the budgets of the individual member universities comprising the CIS governing body (the direct sport program providers). The members make financial

contributions to CIS and the CIS sport programs that exceed the financial contributions of Sport Canada by a wide margin (a ratio of about 100 to 1). The universities have autonomy and power over the type of programs they run and, as a conglomerate, they decide how much emphasis is placed on high performance. The direct financial benefit from Sport Canada to the member universities depends primarily on the member's attendance at national championships and therefore the benefit ranges from potentially zero to a small travel subsidy. As a result, Sport Canada has very little influence on the behaviors or outcomes of the individual CIS members. Therefore, it would be unreasonable to think that Sport Canada's funding would have more influence on the priorities of CIS than would the decisions of the member universities. The investment in sport made by the universities is not reflected in (or part of) the CIS budget and is not emphasized in the CIS reports, but the investment is so much larger than Sport Canada's that Sport Canada's influence on the decisions of an individual member university is minimal. If the member universities were to perceive collaboration with Sport Canada as being a priority, the current situation could change. If a majority of the member universities were to believe that high performance results should be the priority of CIS, then CIS goals would gradually evolve to become more like those of Sport Canada.

How Does Sport Canada Monitor CIS?

Consistent with the predictions of agency theory, the evidence shows that Sport Canada monitors all of its agents through a formalized monitoring and reporting process. Sport Canada believes its monitoring yields the necessary understanding of what CIS does, probably because CIS has been doing the same things for many years and several of the Sport Canada Program Officers have many years of direct experience with CIS. There

is a degree of familiarity between the organizations that organizational theorists such as Roussin Isset and Provan (2005) and Gulati (1999) suggest would result in reduced information asymmetry, increased trust (Shaw & Allen, 2006) and lower costs of monitoring. If an agent changes dramatically, or frequently, which CIS does not, the challenge for the principal to know what the agent is doing would be greater, and hence the reporting and monitoring cost would also be much greater. Given the stability of the activities of CIS, Sport Canada uses standard accountability measures (Roussin Isett & Provan, 2005) such as reports and audited financial statements. These requirements are relatively easy for CIS to meet. Therefore, the monitoring of the contract has been a low-maintenance, low cost operation for both Sport Canada and CIS. In the past two years, however, the previously described changes to the assessment of MSOs and the evolution of a new SFAF specifically for MSOs did create additional work for Sport Canada and the MSOs. It was a process that resulted in extreme frustration for CIS because CIS invested significant hours into the new process but in the end perceived it to be a futile exercise (meaning they did not see a link between their actions and the decisions of the agent) and so a complete waste of time (time being a scarce resource and a contributor to agency costs for amateur sport organizations).

A review of the SFAF reports showed no evidence of requests by Sport Canada for data that would allow them to undertake a detailed assessment of the high performance contributions of CIS. For Sport Canada to assess high performance contributions accurately they would require information on the athlete development process in addition to data on the outcomes, but this type of information was neither requested by Sport Canada nor submitted by CIS. Both CIS staff and volunteers, when

interviewed, referred to their efforts to represent CIS to Sport Canada as an important contributor to high performance sport and argued in their reports that CIS has high performance goals. In contrast to the CIS opinions, informants from Sport Canada and VANOC were in agreement that CIS lacks legitimacy as a major actor in the high performance aspects of the sport system. The CIS related data included in this research do not, in Sport Canada's view, equate to substantial contributions to high performance athlete development This disagreement may be evidence of information asymmetry, or may be founded on a difference of opinion over what constitutes a contribution to high performance sport, with Sport Canada being very focused on Olympic and World Championship results (outcomes) and CIS reporting on its domestic developmental activities (process). A major problem for CIS in substantiating their claims of contributing to high performance athlete development is likely related to their lack of any involvement in most Olympic sports, and their student-athlete based demographic. The reported evidence depicts CIS as a domestic league with national championships as its primary goal. However, the reports submitted by CIS have minimal information about the contributions universities make to high performance sport.

The Sport Canada people interviewed seemed to believe they had an adequate understanding of the actions of both CIS, and the member institutions of CIS, but the reports do not contain data showing that CIS members collectively employ more coaches of high performance athletes than any other sport organization in Canada. The investment in coaches is critical to the recruitment, training and retention of athletes in the sport system, and is an investment that is directly linked to results. Failing to include these data and ignoring the impact of this investment by the universities is a major gap in the

reporting and monitoring process. Either Sport Canada does not consider this contribution to be linked directly to competitive success, or does not attempt to monitor processes as well as outcomes. According to Eisenhardt (1998), a principal can choose to monitor an agent based on either behaviors or outcomes. Clearly Sport Canada has chosen to focus primarily on the outcomes while an increased focus on the behaviors may be a more appropriate approach.

While collaboration is called for in Sport Canada's own documents, there is no evidence in the reporting and monitoring process that collaboration is occurring. This relationship is a good example of what Frisby, Thibault and Kikulis (2004) would refer to as an undermanaged relationship. There is no evidence of an attempt at collaboration by either party. It is a funding and accountability relationship at a time when collaboration is being explicitly called for.

How Are the Agency Costs Managed

The money invested by the principal in contracting the agent, and the costs of monitoring the behaviors and outcomes of an agent are included in agency costs. Theoretically, the principal and the agent strive to ensure the agency costs of managing the relationship are exceeded by the value of the outcomes achieved. Therefore, the management of the relationship between a principal and an agent involves attempting to identify and minimize agency costs incurred by both the principal and the agent, and/or to invest in activities resulting in unique and significant benefits (a collaborative advantage) exceeding the costs.

Sport Canada relies on agents for virtually every aspect of sport development at the national level (Thibault & Harvey, 1997). Efficient management of agency costs is

very important because Sport Canada must contract and monitor over 80 agents. Due to the large number of relationships that Sport Canada must manage, the potential roles Sport Canada can play in its relationship with any one agent sport organization are limited. CIS is faced with demands similar to those of Sport Canada as it also acts as an agent to other principals, with each relationship incurring agency costs. The other relationships involve the CIS regional associations, the member universities, the NSOs, and FISU, and whereas CIS's relationship to Sport Canada is important, it may not be the most important relationship for CIS. If CIS were to put more emphasis on the management of its relationship with Sport Canada, it would result in less emphasis on some other relationship.

Possibly due to the need for efficiency and cost reduction in the relationship management process, Sport Canada and CIS have reduced their relationship to (a) the information flow, which is the responsibility of relatively powerless individuals in the two organizations, and (b) peripheral and marginal references to each other in written documents and daily activity. Frisby, Thibault and Kikulis (2004) have recognized these types of reductions in the management of a relationship as deficiencies which forego potential productivity in an interorganizational relationship. It is difficult to understand and explain why more collaboration does not occur, since my data show that CIS wants more funding and leadership from Sport Canada and Sport Canada wants CIS to contribute more to high performance sport. Therefore, the two organizations appear to want to create a collaborative advantage. Nevertheless, the data also show that Sport Canada and CIS exert minimal effort in collaboration. From the results of this study and

from the perspective of the management of agency costs, there are several possible explanations.

The Return on Investment Argument

Principals manage their agency costs and invest their resources in ways that will motivate the agent and maximize their returns (Jensen & Meckling, 1976). The results show that Sport Canada's financial contribution to CIS is small (compared to its funding of other NSOs and MSOs) but sufficient to motivate the universities to continue (as evidenced by the program stability of CIS) to make their massive investment in sport in areas such as coaching, facilities and travel. Maybe Sport Canada is satisfied with the current CIS contribution to the secondary Sport Canada priorities, such as national championships and sport development.

Agents also analyse their return on investment, and the current return on investment for CIS is quite good. Agency costs incurred by CIS are due to reporting costs which would be far less than the $345,000 in revenue received from Sport Canada. CIS does not even incur a sponsor servicing cost. By comparison, smaller financial contributors to CIS such as Canadian Forces and Desjardins are displayed on the front page of the CIS website as sponsors, but Sport Canada is not acknowledged there despite Sport Canada's larger investment in CIS. Although CIS definitely receives enough value to warrant the costs of reporting and complying with Sport Canada's accountability measures, agency theorists (e.g., Jensen & Meckling, 1976) would question whether additional collaboration might improve the productivity of the relationship for both sport organizations.

The Change Argument

Most informants in this study expressed doubt that CIS can change, or wants to change, after years of observing the CIS governance model in action. Amis, Slack and Hinings (2004) stated that the likelihood that an organization will change is related to its ability to change, and many observers believe that CIS lacks this ability. As a principal considering an investment in an agent, a lack of ability for the agent to change would make any increases to agency costs difficult to justify. The theoretical models of collaboration reviewed do not refer to situations that include an organization without the potential or capacity for change. A basic assumption of interorganizational relationships, and organizational theory more generally, is that organizations can change. It may be, however, that this basic assumption is problematic. Some organizations change so slowly as to appear to be stagnant; potential collaborators should assess their partnerships with this in mind. It may be that Sport Canada does not believe that an increase in their efforts at collaboration would, due to this factor, result in a collaborative advantage. Alternately, CIS may also doubt that additional collaboration with Sport Canada will be productive.

The Nonprofit Context Argument

As long as CIS meets the SFAF eligibility criteria and the taxpayer's expenditure is consistent with the terms of the contract, Sport Canada's accountability requirements have been met and Sport Canada may feel no pressure from politicians or taxpayers to assess the expenditure relative to maximizing collaborative advantage. The nonprofit sector, especially government organizations, may be somewhat unique in accepting this standard of accountability, which may be less likely to result in critical examination of the return on the taxpayer's investment. The return on investment may be acceptable if it

is adequate, rather than maximal. By comparison, private sector principal-agent relationships would routinely conduct cost-benefit analyses (in an attempt to maximize their returns (which are usually measured by profits) and would be unlikely to approve of adequate results (Fama & Jenson, 1983). If this case is representative, it is further evidence that Roussin Isett and Provan (2005) are correct in asserting that organizational theory literature based in the private sector may not apply directly to nonprofit and public sector organizations. The need to maximize returns may be one of the key differences between the sectors.

The Link Argument

Agents will collaborate fully with the principal if there is sufficient incentive to do so. However, the agent must recognize a direct relationship between the efforts they expend and their compensation (Eisenhardt, 1998). CIS may exert minimal effort in collaborating with Sport Canada because they do not believe, despite the implementation by Sport Canada of a new reporting format, that there is a direct link between their actions and the funding decisions of Sport Canada.

The whole purpose of collaboration between sport organizations is to accomplish something together that neither can do on their own. Sport Canada and CIS must manage their relationship to create collaborative advantage, as opposed to their current funding and accountability approach.

Summary of Discussion: Has a Collaborative Advantage Been Achieved?

A funding relationship is not, by definition, always a collaborative relationship. When one organization has a high degree of control, truly collaboration activity can

decrease as goals or outcomes can be dictated by the controlling body (Shaw & Allen, 2006). When neither organization is in a controlling position, as is the case with Sport Canada and CIS, the need for voluntary collaboration becomes important if collaborative advantage is to be achieved. As one condition for initiating voluntary collaboration, leadership has been identified as an important determinant in the development of innovative and strategic decisions that lead to collaborative advantage. The research of Huxham and Vangen (2000) showed that leaders achieve the outcomes they wish for, but achieve them because they devote very significant attention to championing causes.

San Martin-Rodriquez, Beaulieu, D'Amour, and Ferrada-Videla (2005) found that one of the key conditions for collaboration is shared decision-making which does not appear to occur in this relationship. Leadership and shared, collaborative decision-making is needed to move beyond a funding relationship to one that deliberately creates a collaborative advantage. As well, authors who have studied collaboration from various perspectives have unanimously agreed that when two organizations have congruent goals, control is less of an issue as is the need for a contract, which suggests that shared decision-making should begin with setting mutual goals for the relationship. When one organization, Sport Canada, sets the goals for the relationship and, in the absence of direct control, expects the other organization to meet those goals without any shared decision-making, the inevitable end result would be a lack of collaboration.

It has been argued that collaboration builds capacities that enable organizations to address problems more effectively (Gray, 1989; Huxham, 1996). The pooling of resources and knowledge leads to the solution of otherwise insoluble problems (Trist, 1983). Hardy, Phillips and Lawrence (2003) explain that "Organizations should

collaborate to gain access to combinations of resources that produce new or improved capabilities that allow organizations to do things they could not do alone. They compete for funding, clients and government endorsement, and the acquisition of distinctive resources still has [creates] a 'competitive' advantage" (p. 325). It is obvious from these results that Sport Canada and CIS do not pool their resources or knowledge, and thereby forego the advantages that could accrue. The resources provided by the universities of CIS include major investments in coaching, facilities, and travel that create a national infrastructure for university sport programs. It would be worth exploring whether collaborative decision-making between the two sport organizations could result in unique solutions to otherwise insoluble problems. Given the resources and knowledge of these two national sport organizations, it makes intuitive sense for them to collaborate in the best interests of amateur sport. But clearly, based on the true meaning of collaboration, they do not.

The following points summarize the key learning from this research about Sport Canada, CIS and their relationship. :

1. Agency theory, supplemented by concepts from several other theories and frameworks, has provided an excellent perspective for the analysis of collaboration between these two nonprofit sport organizations.
2. Despite Sport Canada's own articulation of the importance of collaboration, collaboration between Sport Canada and CIS (as defined by Huxham and Vangen (2004), Hardy et al. (2003) and others) is minimal. It is an apathetic relationship that is best described as a funding and accountability process.

3. Sport Canada has ownership of Canada's international high performance results and winning medals at world championships and the Olympics are its top priority. Agency theory refers to the need for a principal to have a measurable outcome (Jensen & Meckling, 1976) and medals are an easily quantified outcome, but CIS athletes and programs are not positioned to contribute to this outcome.
4. Sport Canada uses differential funding as a means of controlling the resource dependent sport organizations receiving those funds but is also dependent upon the activities of the sport organizations and their athletes to win the medals. Although many authors (Green & Houlihan, 2004; Macintosh & Whitson, 1990; Slack & Hinings, 1992) suggest Sport Canada has power and control, my results do not support that idea.
5. Sport Canada has reduced its leadership role and increased its emphasis on accountability. CIS is not perceived by most informants to be playing a leadership role in the sport system. For collaboration to occur, both organizations must accept responsibility for increasing their leadership contributions in initiating and managing the collaborative process (Brass et al., 2004).
6. Sport Canada uses the SFAF as the contract, which is the formal mechanism by which Sport Canada exerts control in the relationship. If collaboration is to occur in this relationship, shared decision-making (Frisby, Thibault & Kikulis, 2004) should be used in the development of the contract.

7. Monitoring and, specifically, accountability for the use of taxpayer's dollars has become, along with high performance results, a top priority for Sport Canada. Accountability, by definition, occurs after the program is complete and for collaboration to occur the relationship must be managed much earlier, prior to the program getting underway. As Frisby, Thibault and Kikulis (2004) suggest, monitoring should include evidence of instances where successful outcomes have been achieved and partner contributions should be recognized if collaboration is to continue to occur.
8. The results show that CIS is an agent with an extremely complex organizational structure and a governance model that makes transformational decision-making very difficult. As Amis, Slack and Hinings (2004) have stated, the extent to which the agent organization is capable of changing will impact how a relationship will be managed. In a collaborative relationship, both organizations must be ready and willing to change if necessary.
9. CIS depends on Sport Canada funding in order to offer its domestic championships and pursue its international (FISU) programs. Oliver's (1990) motive of necessity appears to be the primary factor in the collaborative relationship. However, other motives such as legitimacy and reciprocity (Oliver, 1990) should be considered by both organizations. By taking into account other motives for collaboration, the benefits of collaboration would become more apparent. For example, CIS could strive to improve its reputation and legitimacy in the sport system as an outcome of collaboration.

Sport Canada could realize reciprocity by collaborating with CIS on new program development initiatives.

10. Sport Canada and CIS invest minimal time and effort in managing the relationship between the two organizations. Hardy et al. (2003) assert that successful collaboration involves deep interactions that engage employees and substantial information exchange between organizations. Frisby, Thibault and Kikulis (2004) posit that "partnership management plans that clearly stipulate roles, expectations, reporting mechanisms and policies" (p. 123) are required in the management of collaborative relationships. While this would increase the transaction costs and agency costs of the relationship, it also avoids the undermanaging of the relationship (Frisby, Thibault & Kikulis, 2004) likely to be causing collaborative inertia (Huxham & Vangen, 2004).

In the next chapter, I provide recommendations for managing the relationship between the two organizations to create a greater collaborative advantage.

Chapter 7: Conclusions

Sport Canada has formally called for enhanced collaboration between organizations in the sport system *(Canadian Sport Policy,* 2002*)*. Researchers have generally agreed that interorganizational collaboration can be a costly and difficult process and should therefore not be undertaken by organizations unless a collaborative advantage can be achieved. However, the extent to which Sport Canada depends upon national sport organizations, who in turn depend on provincial sport organizations, reinforces the need for system-wide collaboration. This study has gathered, organized and presented substantial descriptive evidence that the relationship between Sport Canada and CIS is one of funding and accountability and lacks collaborative action or advantage. While the finding is interesting and is important as foundational knowledge from which to initiate change, the question as to why the two organizations opt for a funding and accountability relationship rather than a collaborative relationship remain to be answered. As a conclusion to this study, I will discuss what I believe are some of the reasons why the problems exist, and will propose some strategic solutions for consideration.

A Paradigm Shift; From Control to Collaboration

One reason for the lack of collaboration between Sport Canada and CIS appears to be foundational and linked to a paradigmatic but faulty assumption. I have shown previously in this document that the sport management research related to Sport Canada has supported the idea of Sport Canada control to the extent that this assumption has become paradigmatic in discussion of the Canadian sport system. Relative to the collaboration Sport Canada is calling for, the control assumption is problematic as

collaboration has been found to be difficult to develop when assumptions of unequal power between organizations are made (Oliver, 1990).

While the researchers agree that Sport Canada does control federal funding and federal sport policy, there is no empirical evidence to support the extent to which that control directly influences the daily operations of national or provincial sport organizations such as CIS. In fact, the evidence supports a contrary position, which is that Sport Canada understands quite clearly that they lack such control, and efforts at gaining control of the actions of sport organizations in Canada have not proven successful (Amis, Slack & Hinings, 2004). In reality, Sport Canada is in an interdependent relationship with its agents. As a result, its approach to relationship management should be collaborative. Since Sport Canada has a mandate to develop federal policy to influence the management of the other organizations in the sport system (Thibault & Babiak, 2005), it seems reasonable to suggest that Sport Canada has a responsibility for using this mandate to move beyond their funding and accountability role to take a leadership role in the creation and management of collaborative relationships. A purposeful and profound change in Sport Canada's approach to relationship management is necessary.

Some readers may, at this point in my argument, suggest that Sport Canada's ability to make this change is questionable, and I cannot prove otherwise. Certainly it will be necessary for the Sport Canada's efforts to be reciprocated by simultaneous change in the ways national and provincial sport organizations approach their relationships to Sport Canada (and other organizations). The change cannot be either subtle or passive. To achieve true collaborative advantage will require a paradigm shift in management thought throughout the sport system, and transformational leadership. The leaders of the sport

organizations will have to begin to think and talk about interorganizational relationships and the assessment of outcomes in terms of collaborative advantage. Such a shift would be transformational, which according to Pettigrew (1987) would involve a challenge to the dominant ideology and power relationships in the organizations. For transformational change in these organizations to occur it will be necessary to question the assumptions upon which each organization and the relationship is based, which is the dominant ideology of government control (the power relationship), (Green & Houlihan, 2004). Developing these relationships from a faulty assumption of power and control has not been and will not be successful.

Leadership and Motives

While I argue that a foundational reason for Sport Canada and CIS failing to collaborate can probably be traced to a faulty assumption of control, the evidence suggests that another reason for failure is a lack of commitment to collaboration by the leadership of the organizations. It has been shown that leadership is essential to initiate the process of shared decision-making and goal setting that would articulate the specific outcomes that a collaborative Sport Canada-CIS relationship can achieve. Within the principal-agent scenario, the extent to which organizations will productively collaborate can vary greatly, and therefore the more an organization's leaders voluntarily engage with the strategic opportunities inherent in collaborative action, the more productive the relationship will be. As Oliver (1990) has suggested, the organization and its leadership will need to have one or more motives (as described earlier) to engage in the development of interorganizational relationships. When considering the relationship between Sport Canada and CIS, necessity (the motive that explains relationships that are

mandated as opposed to voluntary) is certainly a primary and prevailing motive. In fact, in this case it would appear to be the central motive, beyond which the leadership must move if the relationship is to become collaborative. Stability also seems to be a primary motive of the current leadership, which may explain why the relationship appears to be more stable than progressive. Of Oliver's four other motives, I think reciprocity (collaboration for the purpose of pursuing common or mutually beneficial goals) is a critical motivation. At the moment, there appears to be minimal effort in strategically developing mutual goals. One would think that efficiency would also be a strong motive for the leadership, given the limited resources of sport organizations. While these motives seem to be logical, and should strongly reinforce leadership actions, they have to be adopted by individuals. The danger in this is that due to the central importance of leadership in the process it simply cannot succeed if the leaders do not engage in, and believe in, the collaborative process. If they do, the process begins with mutual goal setting.

Applying Agency Theory to Achieve Collaborative Advantage

Incongruent goals will impair the productivity of any collaborative relationship. Organizations with similar goals collaborate most efficiently and effectively, and as a result mutual goal setting exercises contributing to goal congruence are beneficial to the relationship (Frisby, Thibault & Kikulis, 2004). Goal congruence is difficult to arrive at and is a process of consultation and negotiation, but it is a process that must occur if collaborative advantage is to be realized. In this case, mutual goals would be related to specific aspects of the athlete development process (which as Green (2005) suggests includes athlete recruitment, retention and advancement) to which CIS can uniquely and

effectively contribute and which would lead to high performance results. The current situation, in which Sport Canada and CIS set their goals independently, is unlikely to result in substantial congruence.

Large, complex organizations such as these cannot be expected to mutually set all of their goals. More reasonable would be the idea that organizations would selectively set strategic goals based on the collaborative advantage that can be achieved. In this case, it has been shown that Sport Canada controls national policy and federal funding and can conduct research, identify gaps in the sport delivery system and provide differentiated funding. CIS can use Sport Canada's intelligence and resources and decide where, without completely abandoning its own core purpose, should be able to contribute to the sport delivery system. The result would be goals and measurable outcomes in strategic areas.

To further this discussion, it is helpful to think in terms of a practical example. One strategic area where CIS could collaborate directly with Sport Canada would be coach education and coach development. Sport Canada has identified coach education as a goal (although admittedly a secondary goal when compared to high performance results) as evidenced by their funding of the Coaching Association of Canada and the National Coaching Certification Program, and CIS has the educational capacity to contribute to coach education (which is noticeably absent from its current strategic plans or reports). The advantage of having the two organizations developing coach education as a shared goal seems to fit perfectly with the motives of reciprocity and efficiency, and will be used to further illustrate the application of agency theory to the development of a collaborative relationship.

Even when collaborating organizations have developed mutual goals, contracts are needed (Roussin Isett & Provan, 2005). As part of the shift to a collaborative relationship, the leaders of Sport Canada and CIS must jointly negotiate their formal contract to articulate the mutually determined goals and measurable outcomes which in this example would be related to coach education. Contract development incurs agency costs and therefore the costs of the contract must be identified and controlled relative to the outcomes. Contracting costs can be a sound investment in the relationship because, unlike accountability, contracting is based on the strategic thinking of leaders rather than an historical audit. Emphasis on a negotiated contracting process directly linked to a shared goal such as coach development could reduce the evident frustration felt by both Sport Canada and CIS in attempting to assess the relationship on the basis of outcomes that have neither been mutually set nor strategically developed.

Contracted incentives are critical to the productivity of the principal-agent relationship and must provide sufficient motivation for both organizations to contribute to their mutual goals (Eisenhardt, 1998; Jensen & Meckling, 1976). While the incentives in this case are primarily financial contributions by Sport Canada, and while the funding is important to CIS, it has definitely not motivated the organizations to collaborate. While additional funding may be an incentive, collaboration may work better in nonprofit organizations when there are incentives that go beyond financial terms, such as dedication to a joint purpose (Shaw & Allen, 2006); coach development seems to be such a purpose. . Nevertheless, it is clear that the organizations must mutually develop some joint purpose to accompany the financial incentives if the relationship is to become more collaborative and productive. In addition, incentives are most effective when the

outcomes linked to the incentive are transparent and the agent has some reason to believe the incentive is related to its actions (Eisenhardt, 1989). At present, CIS believes that Sport Canada lacks understanding and appreciation for the contributions they make to the Canadian sport system and the financial incentive is not commensurate with either its actions or its contributions. Through a collaborative approach to the management of the relationship by the leaders of both organization in creating clear links between the activity, in this example coach development, and incentives provided by Sport Canada, the possibility of a collaborative advantage that is reciprocal and efficient seems very possible.

Monitoring and reporting activities are costly and must reduce information asymmetry in the relationship and contribute to the productive transfer of knowledge (Hardy, Phillips & Lawrence, 2003) rather than merely adding to agency costs. Sport Canada and CIS must both be conscious of, and evaluate, the costs and the benefits of monitoring and reporting. Having developed coach education and development as a shared goal, collaborative management would require a change to the current reporting process. CIS and Sport Canada would have to agree to consider behavior-based reporting rather than strictly outcome based reporting (Eisenhardt, 1998) which would more directly reflect the progress toward the mutually determined goal of coach development. Such reports would provide a more accurate representation of the contributions made by the member universities to the achievement of the shared goal. Toward this end, CIS would have to collect the required data from the universities which would include measures of the contributions and the impact the universities have on coach development. Comprehensive reports would include the salaries and benefits paid to CIS coaches (both

head coaches and assistant coaches) by the universities which is a massive, yet unrecognized and unreported contribution to the Canadian sport system. Practicum opportunities, including hours and learning outcomes for student coaches would be included in the reports, as well as formal coaching courses offered to undergraduate and graduate students. The formal and informal mentorship provided by CIS coaches to assistant coaches, community coaches and even coaches in other sports. CIS athletes that move on to become coaches in the sport system could also be tracked and reported. Reports would create benchmarks of current coach development activity from which progressive coach development systems could be designed including additional incentives for CIS coaches to develop other coaches in their communities and regions. Sport Canada would contribute to this process by identifying gaps in factors such as insufficient numbers of coaches at certain levels, or in specific sports or contexts which could assist the universities in setting priorities and adjusting educational programs. The end result of this process would be a distinct and significant collaborative advantage.

Another example where collaboration could be achieved would be in the area of knowledge transfer from sport science to coaches and their athletes. The leaders of Sport Canada and CIS could agree to focus on building capacity in the sport system through the utilization of university resources to develop university-based high performance coach education programs as a conduit for knowledge transfer from university based sport scientists to CIS coaches, and from CIS coaches to coaches in other contexts. Research has shown (Reade, Rodgers & Hall, 2008; Reade, Rodgers & Spriggs, 2008) that the proximity of sport scientists and coaches at universities does improve the knowledge transfer process between sport scientists and high performance coaches. Sport Canada

and CIS could adopt coach education outcomes and the contributions of the universities' sport scientists as part of their mutual goal setting process. Universities could easily have their sport scientists and coaches include a section on collaborative activity in their annual reports and Sport Canada could provide small differential financial incentives (such as $5000 annual grants to selected sport scientists) to universities as both an incentive and a reward. The result would be both increased awareness and recognition of the collaborative advantage achieved.

Another example where collaborative advantage could be achieved would be in the pursuit of athlete development. Sport Canada and the universities could select targeted sports identified by Sport Canada, CIS and the NSOs. Through the implementation of the concepts in the Long Term Athlete Development Model (*Long Term Athlete Development, 2008*), universities could be engaged to contribute to athlete development in those targeted sports. It would be reasonable, for example, for Sport Canada to follow the recommendations within *Own the Podium* to target a sport such as cross-country skiing and to identify specific universities with the capacity to collaborate with Sport Canada and Cross Country Canada to recruit, train and support athletes in the critical 18 to 24 age group. Collaborative action and leadership such as this could quickly lead to the engagement of Canadian universities in an important aspect of athlete development in a sport that has been targeted by *Own the Podium*. In a collaborative activity such as this, the universities and the CIS would negotiate a level of activity and some measurable outcomes and the program would be recognized for its contribution to long term athlete development.

If the examples provided above were implemented, incentives, monitoring and reporting would take a very different form than we currently see. The principal and agent would collaboratively develop goals and outcomes, the incentives would be targeted to the programs, and the reporting and monitoring would include coach education and coach development, contributions by member universities to sport science, and athlete development programs. Sport Canada and CIS would collaborate to contribute to the sport system in a more reasonable and productive manner.

The FISU Program

The FISU program is an example that reflects a current level of collaboration between Sport Canada and CIS. CIS collaborates with Sport Canada and the NSOs to set mutual goals for the FISU program as a high performance international program. The domestic programs of CIS will not automatically lead to international success unless, as Green (2005) suggests, there is a managed transition between the domestic and international levels. Most of the athletes involved in CIS domestic championships do not have the talent or ability to compete internationally and are not sent to FISU events merely to have an educational experience. Through collaborative planning, FISU participation is strategically positioned by Sport Canada, CIS and the NSOs as a developmental program for elite CIS athletes, coaches and support staff. The FISU program has a focus on high performance results, thus improving the goal congruence between Sport Canada and CIS. When the international FISU program is combined with the CIS domestic programs, the high performance contribution to Canadian sport is

greater. Collaboration between Sport Canada and CIS in this area definitely generates an outcome that neither organization could achieve alone.

Generalizing the Conclusions; Agency Theory, Collaboration, and Applications to Practice

Since agency theory recognizes the shared responsibility of the principal and the agent in generating a productive relationship, the theory prevailed as a useful framework throughout this research project. Agency theory provided the essential guidance required to organize and present a voluminous data set in an understandable way. Although it has been useful as a framework for this particular project, I would also suggest it is a theory applicable to a broad range of sport management questions--it serves to focus sport organizations on their relationships in useful and practical ways by raising issues such as control, goal congruence, contracting, and agency costs within a context of collaboration.

The Sport Canada / CIS relationship is a single case, but there are many other similar cases in the population of Canadian sport organizations. Included in this population would be all of the Sport Canada and MSO relationships, and also the Sport Canada and NSO relationships. I would also suggest any provincial sport organization receiving funding from a provincial government organization would benefit from what has been learned from this case. While the specifics of each relationship could differ, the fundamentals of this case (such as the delegation by the principal to an agent; the development of a contract; the link between incentives and reporting; and a focus on collaborative advantage) would apply to other cases where a principal-agent relationship exists between two amateur sport organizations. The need for collaboration between sport organizations can be met and managed more easily through the application of an agency

theory perspective to the problem. Finally, based on my significant experience as a sport manager, I believe this case study has provided a useful framework for sport organizations to use in the evaluation of their relationship management processes, including collaboration, and agency theory makes a very practical contribution to sport management.

Limitations

This research is limited by several factors. First, it is most applicable to sport organizations that are nonprofit and in a funding relationship with government, and most relevant to Sport Canada and those involved with Sport Canada. Second, a single case study is designed to elicit a detailed understanding of a complex relationship and does not claim to be representative of all similar cases. Third, the informants were experienced individuals with knowledge of this case, but they were purposefully and not randomly selected and therefore may not be representative of the population of individuals that could have provided data for the case study. Fourth, the case study is done at one single point in time and is therefore cross-sectional. The key informants provided information based on their views at that particular time and no follow-up interviews were done to determine whether their opinions were consistent over time.

Future Research

Thibault and Harvey (1997) stated that "The development of interorganizational linkages will lead to changes in Canada's sport delivery system and other systems around the world. Additional research will help unravel the impact of these changes" (p. 62). My research findings raise a number of interesting possibilities for future research which

would hopefully contribute to a better understanding of why this relationship has not been more collaborative and how change might be effected.. Firstly, the role of motives (as proposed by Oliver, 1990) in the development and management of collaborative relationships need to be better understood. Since the importance of leadership (or the lack thereof) emerged as an important finding in this study, an understanding of the motives might enhance our ability to identify leadership strategies leading to improved collaboration.

Secondly, a better understanding of the effectiveness of incentives (as discussed by Eisenhardt, 1988) related to the development of collaboration would be beneficial. Toward this end a comparative case study engaging two purposefully selected cases in similar contexts to this study could improve our understanding of how incentives are used and the impact they have.

Thirdly, a research study that incorporates all of the NSOs and MSOs would provide a better understanding of whether the lack of collaboration apparent between Sport Canada and CIS is a system-wide problem or is limited to a few isolated cases. While such a study would not likely be able to go into the depth in each organization that I have done in this case study, a questionnaire could be developed from my findings that could effectively determine the state of collaboration in our nation's sport system.

Finally, a study of the member universities of CIS aimed at understanding their views of the Sport Canada relationship would be useful in determining what potential there is to change the current role of CIS in sport. Further, such a study could test the recommendations in this study related to coach development, knowledge transfer, and targeting specific sports for development.

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Appendix A: Personal Narrative

Introduction

As the first phase in the research design stage, I began to develop a strategy for my personal involvement in the research and for my own contributions to the data. In a study incorporating primarily qualitative methods, such as document analysis and personal interviews, the vantage point of the researcher must be recognized and controlled. In a PhD research project, the researcher gains needed experience through personally analyzing the documents, conducting and transcribing the interviews, and doing the data analysis. As a result, the researcher has an influence on all aspects of the research. Unlike postdoctoral research projects, the PhD candidate is less likely to have options to involve others in data collection and analysis, due to limitations imposed by cost and time and the need to learn through experience. Therefore, this personal narrative will fulfill two primary purposes: to declare my assumptions and potential bias in the research process and to contribute my own extensive lived experience to the data.

Gaps, Bias and Assumptions

Gaps.

I have had minimal experience in dealing with organizational relationships at the national or international level. I have not been employed by government sport organizations at the national or provincial level, although I have worked indirectly for them on contracts and have been an elected member in a provincial non-profit organization. However, I have not been directly influenced by the politics associated with being employed within a government structure.

Bias.

National and provincial sport organizations are political. Political environments seem to produce very similar responses from individuals providing only the answers their political masters would approve of; hence the term “politically correct” has become part of the English language. There is a very clear perception in dealing with government bureaucrats that their actions are tightly controlled by the hierarchical structures within which they operate, and the bureaucratic design of their organization. The bureaucratic design is formalized and standardized to restrict the voicing of opinions and to enforce the adherence to policy and the government line.

My bias includes a belief that the current contributions of universities to amateur sport in Canada are underappreciated and undervalued by all levels of government, but also that universities are significantly underachieving in the contributions they could make to amateur sport. This belief can be labeled a bias because it may be that universities are valued for their contributions and are not, in fact, underachieving at all. My research is driven by the belief that universities are not on the national amateur sport radar and, if this belief can be verified, I want to know why it is so.

Assumptions.

The following assumptions provide some rationale for the selection of the research topic, the research questions, and the research design.

1. Relationships between sport organizations are important. The better we understand how those relationships are managed, the more effective the relationships can be.

2. Universities play an important role in sport delivery, yet function in the absence of significant relationships with other organizations.
3. Universities are autonomous entities.
4. Many universities lack commitment to high performance sport development, opting for a more participation-based model.
5. Universities in Canada, generally speaking, do not value excellence in sport as a core mandate of a university.
6. Universities, generally, are not involved in sport development in Canada in a coordinated or cohesive way.
7. The relatively small number of sports offered by CIS is a major detractor from the credibility of CIS as an important sport organization.
8. The actions of Sport Canada would indicate that it does not consider CIS to be an important sport organization.

My personal narrative included several components: a compilation of my knowledge, experience and understanding prior to finalizing the research design; the strategy for combining my personal data with the data from documents and interviews; and the need to convince the readers that the aggregated data are a valid representation and interpretation of the Sport Canada/CIS relationship.

The narrative data provided here have been intentionally reduced to a description of those aspects of my lifetime of involvement in sport that are relevant to this particular research topic. It includes my experience at a wide variety of levels, in diverse situations, and with different types of sport organizations, but excludes experiences which do not contribute in a meaningful way to this research. I recognize that the opinions expressed

herein are personal, and I have encountered many individuals that disagree with certain aspects of my perceptions of sport organizations and sport management. In sport, there are many controversial issues, including arguments over the value of high performance sport and the public subsidization of athletes, and the legitimacy of targeting funding to some sports at the expense of others. All sides of the controversial issues, by definition, have their proponents. For the purposes of this narrative, the salient point is to provide a public and transparent description of my opinions and perspective; these certainly influence my choice of research question and research design and are the sources of unintentional bias in both data collection and data analysis.

The Eearly Yyears

The following material is a relatively brief summary of my experience leading up to my involvement with Canadian Interuniversity Sport, and then a more detailed description of my experience with CIS. The CIS experiences are discussed from the perspective of the research topic for this study: in what ways do Sport Canada and CIS relate and how do they manage the relationship?

My experience with amateur sport is very diverse, including the management of various types of sport organizations, ranging from private tennis and badminton clubs , to Recreation Director in a small town responsible for local programming and arena and pool operations (partially funded by a provincial grant to hire recreation professionals), to Director of Athletics of a large Canadian university. Along the way, I organized hockey, softball and volleyball teams; officiated hockey, softball and volleyball; and coached hockey and baseball. I even started a new version of football in 1980–co-ed touch football–and developed a league that still exists twenty-five years later. I worked within

the retail sector of sport as a sales clerk for a sporting goods store, and also ran the pro shop for a private tennis club. I was fortunate to experience life as a marketing representative for a major brewery, which gave me experience as a sponsor of amateur sport and allowed me to gain a whole different perspective on sport sponsorship rarely acquired by sport managers. For a five-year period, I worked with many Western Canadian communities as a planning consultant, most often to do the necessary research for their Community Recreation Master Plans. Later in my career, I was involved in developing plans for organizations for which I volunteered or worked, plus I was involved in the development of the *Canadian Sport Policy*, the *Alberta Sport Plan*, and the *Barriers to Sport Participation Sub-Committee Report*. These experiences all reinforced my previous experiences about planning.

The cumulative effect of this experience is an appreciation for, and an understanding of, most aspects of the sport delivery system. As previously noted, the most relevant and significant gap in my experience is a lack of direct involvement with Sport Canada as an organization. I did become familiar with several Sport Canada Program Officers over my years of involvement with the CIS Board and FISU events, but that familiarity did not result in any real understanding of the way Sport Canada, as an organization, operates.

An amateur sport manager, or participant, encounters many challenges in pursuing the development of sport in Canada, and the best way to appreciate the challenges is to have experienced them--and to have survived.

Recreational Sport Background

I believe it is relevant to relate my early interest in recreational sport as those years were formative and some of the experiences from those years have molded my foundational philosophy. In both my undergraduate and graduate programs at university, and in my first few jobs, sport at the recreational level was my main focus. A major interest for me at the undergraduate level was the motivation of individuals to participate in recreational sport, and I retain that interest today. My final undergraduate term paper was entitled "Motivations to Participate" and resulted in being recruited by Dr. John Leicester to pursue a graduate degree. My graduate degree at the master's level had a very strong focus on research methods, and included a class in advanced sampling methodology and the study of questionnaire development. The master's thesis I completed dealt with participation in the sport of tennis; the research question was about the reasons why people participate in private facilities as opposed to public facilities. At the time, I believed it was an economic issue, but the data collected in the study indicated the individual's choice may be more a product of their playing experience and ability, which dictates the quality of the facility they find acceptable. Private facilities tend to be of much higher quality than public facilities and, therefore, the more avid players move to the private clubs. That particular finding influenced the way I have thought about sport to this day; I am less likely to believe that financial factors influence sport development, and more likely to believe that passion and motivation for a sport will predict both the success of an organization and an individual.

Earlier on, I had very little interest or experience in high performance sport and, in fact, believed that funding of sport for the elite few was difficult to justify. I remember specifically wondering why recreational athletes should become paying members of

provincial sport associations when only the elite athletes seemed to reap any of the benefits. As a recreational athlete, I shared this question with friends and teammates. Very few of us actually felt any responsibility to join provincial associations or to financially support sport organizations beyond our own teams. All of our effort, and our financial support, was dedicated to our own participation.

Subsidization of Sport by Government

I still believe very strongly in the benefits of recreational sport for all ages, although I do not believe that sport is for everyone. With regard to this issue, my opinions tend to diverge from those of my colleagues. The justification of investment in sport by claiming that it has massive health benefits and may be a preventive measure for disease is, in my opinion, simply an opportunistic strategy to ride the wave of popular opinion on the benefits of physical activity. The investment in sport that is being promoted is mostly aimed at high performance sport, which has as many inherent health related difficulties as benefits (including injury, doping issues, eating disorders, and others). Sport makes massive contributions to our culture and our quality of life, but the link to health is being made primarily in an attempt to influence funding. We should try to be honest. The population of Canada could reap the health benefits associated with sport (basically the benefits of being physically active) with virtually no financial investment in sport by any level of government. People can walk, run, cycle, and skate without building massive football stadiums. The credibility of the proponents of sport would, I believe, benefit more in the long term from honesty than distorted statistics. Having said that, I do believe in the pursuit of excellence and that governments need to provide public funding to bridge the gap between participation and high performance sport and thereby expedite

and encourage excellence in society. It is our inability to establish the desire for sporting excellence as important social capital and worthy of public investment that so often stands in the way of our progress.

Since early in my career, I have believed that people should be prepared to fund their own participation on a user pay basis, and that any form of public subsidization of sport would eventually create more problems than it would solve. Subsidization and government involvement has been an important theme in my sport experience (my first job as a Recreation Director was created by a provincial government grant), as financial subsidization creates some level of dependency (depending upon the amount of subsidization), and ultimately results in a loss of autonomy for organizations and individuals being subsidized. It also makes sport organizations sensitive to the whims of government changes in policy and funding and, when the political trend turns against sport, subsidized organizations are threatened.

Autonomous organizations are able to develop and pursue their strategies with less concern for the action or inaction of government. Government funding of sport, in my view, sometimes creates an artificial level of demand that could be unsustainable when government funding inevitably declines. The demand comes from both sport organizations and participants that expect a level of service at a particular subsidized price, and when that price is no longer possible the level of participation falls off. Some sports seem to recognize this and have built into their culture a user pay philosophy that, in the long term, allows for sustainable programming levels.

Governments have constantly stated their desire to have sport financially supported by donations, sponsorships, and corporate largesse, but while they espouse

those concepts, sport managers are constantly exposed to governments that use their financial resources to influence sport development. If sport organizations did become financially independent, government influence would disappear and one is left with the perpetual question as to whether or not governments really want to withdraw or decrease financial support at the expense of losing influence. For example, my experience with Sport Alberta has convinced me that the Government of Alberta uses implicit threats of decreased funding to stifle any potential organized criticism of the government. It is unlikely that organizations receiving funding, from whatever level of government, are likely to bite the hand that feeds them. A cynic might suggest that retaining influence and/or control over sport organizations might be government's primary motivation for providing funding.

The target of government funding is also interesting to consider. Governments seem to periodically contribute to facility development, and to athletes, but rarely contribute to administration or coaching, for example. Athletes are carded, while their coaches are often forced to work for nothing, or for small honoraria. Facilities and athletes tend to be high profile components of the sport system, while coaches and administrators work in obscurity.

However, my personal philosophy on the funding of amateur sport was initially developed in the recreational sport milieu, and that changed somewhat when my experience in high performance sport began. The costs incurred by Canadian athletes, given the expense of travel in Canada and the need for international experiences, are significant and their participation is impossible without the provision of funding to

supplement their own personal means. Where this funding comes from is, of course, a relevant question given the focus in this research on the role of Sport Canada.

I had experience in dealing with the relationship between a provincial nonprofit organization and a provincial government. While this experience occurred many years ago, it did spark an early interest in the relationship between government and the non-profit sector. Accompanying this spark was the emergence of a suspicion that it is difficult for sport and recreation organizations to deal with governments. While governments tend to voice their undying support for amateur sport and recreation organizations, that support never seems to materialize in any substantial way despite the best efforts of the non-profit organizations. Those formative experiences also taught me that non-profit organizations can be quite dysfunctional as well, and governments are justifiably wary of investing too heavily in them. I came to understand both of these perspectives, and this understanding became greatly enhanced during my years as a planner.

Organizations, Planning and Data Collection

My experience as a consultant during the planning period of my life gave me insight into the planning process at both the development and implementation stages and formulated my ability to distinguish between the theory and the reality of planning. It was my observation that community organizations, whether in the domain of recreation or sport, are interested in developing goals and objectives for their organizations but lack the ability or resources to implement the plans. Plans quickly become obsolete and their developers become cynical about planning and the planning process. Ultimately, planning gets a bad reputation and organizations forego planning for crisis management. The old adage, "Plan your work and work your plan" can be instructive here, but after the first part of the phrase is completed, organizations often lack the discipline required to adhere to the plan. There are a variety of reasons for the lack of plan implementation, but the reasons are not central to this research. It is, however, important to recognize that written plans are often not reflective of what organizations do and therefore the study of organizations must go deeper than a document review. To understand organizations you need to understand their goals and objectives, but you also need to understand what they do on a daily basis and on what activities they are expending their resources. This belief drives my current research strategy in that I need to access and analyze documents to understand the written plans, and I need to conduct interviews to get a sense of what organizations do.

Throughout my management career, I have developed an appreciation for data. In the beginning, the research questions I worked on were focused on community needs; we were trying to identify community needs and priorities for the planning process. I

traveled to many communities and gathered data by reading their old planning documents, minutes of meetings, and reports. I would drive around the community and observe (a skill that takes time to develop). Focus groups became a routine part of each project. Hundreds of personal interviews were conducted with community leaders and members of sport and recreation organizations. In virtually every study, a questionnaire was administered with various types of samples (mostly convenience samples) using telephone or mail, and in the later stages computer technology was used to conduct computerized questionnaires (I was, to my knowledge, the first person in Canada to use this method). While I had no knowledge of triangulation at the time, it was obvious to me that facts needed to be checked by using multiple sources, and therefore I used focus groups to uncover community issues, surveys to get a broad base of opinion, and interviews to develop detail. I realized that multiple sources were essential in gaining accurate insight to community needs, and that none of the sources on its own provided sufficient or accurate data.

As I moved through various jobs, both the need for data and the lack of data became more and more obvious. In each job, I increasingly prioritized the need for data in management decision-making. Several salient points emerge from this experience and need to be highlighted for this research:

1. Many, probably most, amateur sport organizations often lack even the most basic data for making decisions.
2. Data are rarely, if ever, conclusive.
3. As long as the consumer of the data has training and experience in data analysis, imperfect data can make important contributions.

This has been a foundational part of my personal philosophy, and was partly responsible for my interest in doctoral work. I wanted to learn more about the collection, analysis and application of data to research problems.

University Sport

This section of the narrative provides a descriptive account of Canadian Interuniversity Sport as an organization and provides the initial foundation for the research process.

I began my career in university athletics at the University of Alberta in 1990. One of my first recollections, very soon after I began the job, was going to a department meeting to discuss the elimination of the Golden Bears Football program. Attempts to retain Golden Bears Football, and other sport programs, dominated much of the first four years of my career. Financial issues dominated the agenda throughout the eleven years that I worked for University of Alberta Athletics and the ability to raise funds through events, programs, sponsorships and donations was essential to survival. As a result, the funding of university sport has always been of interest to me, and the financial contributions of Sport Canada to CIS are part of the picture.

The major factor in the success of a university sport program is definitely the recruitment and retention of full-time coaches. Assuming that the coaches are functioning at the required level of excellence, the longer a coach serves as the head of a university program, the better the program (for a variety of reasons) and the easier it is to raise funds to support the program. On the surface, it would appear to the uneducated observer that full-time coaches are a major expense, and that has been a source of contention. In fact, I

believe that excellent full-time coaches are actually revenue generators compared to the alternative.

As my involvement in university sport began to dominate my working life, I became interested in the role that university sport plays in Canadian amateur sport. I was the President of the Canada West Conference for three years. I became involved in various CIS committees (including Sport/Program, Eligibility, and Marketing), and acted as a CIS Board member and the Vice-President (Marketing). My understanding of the function of CIS grew, and I believe I understand every aspect of the function of CIS, including its politics and decision-making processes. The following sections describe the structure and governance of CIS.

CIS Structure and Governance

It is important to this research to understand the ownership and control aspects of both the principal and the agent. CIS is owned and controlled by the membership. The membership is very heterogenous; members are similar in that they are all universities, but the universities themselves differ from each other in important ways. They differ in size, scope of academic offerings, scope of sport offerings, organizational structure, number of athletes, type of coaches, size of budgets, and source of budgets. All of these variables are described in more detail in the dissertation, but the important point for this study is the degree to which such differences make decision-making difficult and consensus hard to achieve.

CIS is comprised of 51 member universities, all members of the Association of Universities and Colleges in Canada (AUCC). The primary function of the members is to provide sport teams at their universities to compete in CIS championships. The members

contribute to the management of their CIS Regional Associations (CIS has four), and also contribute at Annual General Meetings of CIS where individuals from the membership are elected to the CIS Board of Directors, and volunteer to participate on one of the CIS Committees. (It must be noted that in this organization, the Board members are themselves professionals in the domain; unlike many other NSOs or PSOs where Board members usually have skills in non-sport professions combined with a knowledge and passion for the sport, CIS Board members are sport management professionals and therefore have experience to contribute to the Board of CIS).

The Board is involved in all of the expected functions of a volunteer board, such as the approval of budgets (financial management is handled by professional staff); approval of strategic plans (written by professional staff); approval of playing regulations; and planning for national championships. The daily operations of CIS are handled by professional staff.

Due to the diversity of the membership, and the constitutional need for at least majority approval on all issues, members wishing to initiate change often encounter frustration in gaining consensus. This allows the actual power of CIS to reside in the hands of professional staff and they utilize that power in dictating agendas and controlling information.

I don't believe that any single Canadian university, regardless of its size, budget or prominence, has any significant influence on CIS decisions. In fact, my strategy as Athletic Director was simply to attempt to create a dominant program and thereby influence the way other universities managed their programs, rather than trying to convince other universities through CIS.

The CIS relationship with Sport Canada is managed by the CEO of CIS, with the assistance of professional staff. The CIS Board of Directors relies on the CEO for advice and information on the relationship, but the Board has never in my experience attempted to strategically manage the relationship beyond the management action undertaken by the CEO.

CIS cannot be studied through analysis of the individual member universities. CIS was created by the members and is governed by the members. The decisions made by the members can be collected and analyzed because they are written as bylaws, rules, and regulations. Discussions are recorded in minutes, and plans are developed and approved by the members. All of these aspects of CIS are the product of decisions made, and the decisions reflect a collective opinion, and a democratically-based decision. The interesting thing about these decisions is that they may actually not represent the wishes of any individual member; the decision may have resulted from negotiation, with each member giving up a bit of what they want to arrive at an acceptable decision. Many of the decisions may reflect a middle ground. The decisions are a product of the aggregate, not the individual, and might even be described using a statistical analogy as a “mean-like” decision. A reader might ask why this explanation is important to this research. The main reason is that the philosophy, goals, priorities and strategies of CIS are defined by the collective voice. Change occurs only when the majority agree, and change to major aspects such as by-laws or budgets normally require a two-thirds majority, making change even more difficult when topics are contentious.

As a result, the organization changes very little from year to year, and decade to decade. (It is very common for past Athletic Directors to observe the CIS issues and

comment that “nothing has changed.”) The importance of this inertia to this research topic is the ease of being in a relationship with an organization that never changes. Change is hard, but it is not a difficulty that is experienced often in CIS. The importance of this for organizational studies is the ability to observe a relatively stable organization. Since major decisions are reviewed by the members at the Annual General Meeting, it is really the ability of two-thirds of the members to agree on decisions that function as the control mechanism for CIS. All members have one vote, and very small universities can offset the votes of very large universities on any decision. (Large universities do not tend to think alike, so it would be inaccurate to say that any one particular size of university actually determines CIS decisions.) Power in CIS is dispersed in what could be considered to be a nearly random fashion. Groups of universities tend to band together based on issues, rather than size or geography.

In my opinion, much of the effort of CIS at its meetings is focused on issues that can best be described as “leveling the playing field.” For example, there is a great concern that the athletes be referred to as student-athletes, and that all the athletes be attending on a full-time basis, as it would be perceived by CIS delegates as an unfair advantage for a part-time student to compete with a full-time student. There is much more focus on keeping everyone equal through regulation than on motivating members to pursue excellence and high performance. When the University of Alberta began to dominate the winning of CIS championships, I observed an emerging concern that more controls needed to be put in place to ensure every university has an equal opportunity to win a championship. There was a perception that U of A had a larger budget and offered

scholarships outside of accepted practice to lure athletes. This perception, while untrue, actually helped to feed the U of A success.

Examples of a few dominant CIS issues are provided here. It has been my experience that CIS meetings are dominated by these issues, and that the workdays of the CIS staff and Board tend to be consumed by them. The first example is eligibility. CIS rules go far beyond what is necessary, as universities already deal with admissions, continuing students, financial assistance and academic standing. Yet CIS sees the need to duplicate this process by attempting to monitor and control student academic performance. CIS has also adopted rules that penalize student-athletes for transferring between institutions at the same time that governments have recognized the need to create a seamless transfer system. Universities and colleges have attempted to conform to this dictate; however, the fear that some universities will reap the rewards of transfers has driven this restrictive CIS practice. Restrictions on scholarships and awards have probably been the most divisive and pervasive issue for CIS. While a primary goal of universities is to create financial support programs for students (with bursaries, awards and scholarships all provided to students) those students that are athletes are subject to more restrictive rules. Again, the CIS rules work against student-athletes.

There has also been a reluctance to allow colleges to officially compete with universities on the playing fields. The rationale is supposedly that colleges might have either too large an advantage, or too large a disadvantage, depending on whom you talk to. Nevertheless, the gap is ridiculous and harmful to a sport system that desperately needs integration.

CIS Organization of Sport

To understand CIS, it is important to understand the way the twelve CIS sports (and 21 championships) are organized. Experienced sport managers are well aware of the cultural differences between sports, and the influence those cultural differences have on the way sports are managed. That topic, however, is not the central concept of this research. Rather, it is important to realize that differences exist and are part of the functional dynamic relationships that CIS has in the Canadian sport system. In the following section, I explain briefly how the sports are managed within CIS.

Every organization has some essential "reason for being," and for CIS it is the provision of CIS championships in each sport. The sport championships are the "capital" of CIS. The pursuit of CIS championships, and the value associated with those championships, attract the participation of the universities; the management of the championships dominates the agenda at CIS meetings. For the universities, winning games, striving to make the playoffs, and qualifying to attend CIS championships would be expected to be the goals of the university sport programs. Those goals are common to sport organizations throughout the sport system and, in this respect, the universities' goals are aligned with other sport organizations. The resultant coach and athlete development make a contribution to the sport system.

Realistically, the CIS sports are different from each other in several ways. Each sport has:

1. a different number of universities that compete for the CIS championship,
2. different dynamics in terms of having their best athletes competing in CIS,
3. a different commitment to coaching (full-time vs part-time),
4. different capacities to generate revenue,

5. differing levels of public and media interest,
6. differing relationships to the NSO and,
7. different status relative to the Olympics.

Within CIS, these sport differences are important. For example, CIS football is given a lot of attention for several reasons: it generates media interest; there is television coverage and revenue; all the universities that offer football have full-time coaches and the resources to make them competitive; and it has a long tradition at many of the universities resulting in significant alumni involvement. Some CIS football athletes move on to Canadian Football League careers. However, football is not an Olympic sport and, therefore, one of the major sports offered by CIS is lacking the contribution to the Olympic medal count that is the focus of Sport Canada. Also, only 27 of 51 universities offer football, and the others are therefore uninterested in the football-related discussions that can often dominate CIS meetings.

Men's ice hockey, which is undeniably the sport that ignites the greatest passion in Canadians, also makes no contribution to the high performance level that is the concern of Sport Canada. The entire men's Olympic ice hockey team is comprised of professional National Hockey League (NHL) players. Very few NHL players are developed by the CIS. Nevertheless, there are 32 men's teams competing for the CIS championship. There is the a long tradition of CIS hockey, and the sport generates media, television and public interest. Ice hockey is an expensive sport that is fully supported by those 32 CIS universities. Once again, a sport that is a high-profile program in CIS is really a non-factor in the high performance model and not likely to be of interest to Sport Canada.

Women's ice hockey is a relatively new addition to CIS, but growth has been steady and there are now 27 teams competing for the championship. When women's ice hockey was added by the International Olympic Committee to the Winter Olympics, the emphasis on women's hockey in Canada increased. The success of the Canadian women at the Winter Olympics further increased the interest in developing women's hockey in Canada, and more females have been entering the sport. The development of women's ice hockey has also been supported by desire for gender equity in CIS. While in many programs women's hockey does not receive exactly the same financial support as men's programs, there seems to be ongoing progress being made in this regard. Revenue sources such as alumni support, gate revenues, sport camp revenues, and sponsorships will continue to lag behind those for men for some time to come. It is interesting that given the support of Sport Canada and Hockey Canada for women's ice hockey, and the obvious need for development funds to make CIS hockey a viable product, there has been no direct financial support for the sport provided by either organization. From my perspective, it is another example of how the relationship between CIS and Sport Canada should be, or could be, managed differently. Sport Canada could partner with Hockey Canada and CIS (or CIS directly), to seek ways to support women's ice hockey in its developmental stages, but for some reason (which is a core question in this research), the relationship does not seem to develop.

Basketball and volleyball, both men's and women's, probably fit the optimal sport development in CIS. Both sports have successful televised national championships with good media interest, although they certainly do not generate the revenue that football and men's hockey generate. Across Canada, their coaches are mostly full-time. A large base

of universities compete, with 42 in each of men's and women's basketball; 28 in men's volleyball; and 39 in women's volleyball (the major difference being more women's teams in Atlantic Canada). As Canada has no professional volleyball or basketball leagues, CIS is the highest level of competition for all of them. Basketball and volleyball collaborate with the national team programs and national team coaches and contribute athletes directly from CIS to Team Canada. This is the model which, in my opinion, is the prototype for CIS sport development. The major problem in these sports, from a CIS sport development perspective, is the loss of very high-quality athletes to the NCAA. Of these four sports, men's volleyball loses the fewest high-quality athletes to the NCAA and therefore has, relatively speaking, the highest caliber of play. CIS teams regularly defeat top NCAA Division 1 teams in head-to-head competition; a feat which cannot be claimed by other sports.

Soccer also has a unique story. Soccer generates minimal interest from media, television, or sponsors. Many of the soccer coaches in CIS work on a part-time basis for the universities, which makes it very difficult for these soccer coaches to develop their programs. (In fact, this part-time coaching issue is important in the discussion of CIS). There are 40 men's soccer programs and 45 women's soccer programs, which makes soccer second only to basketball in the number of universities participating. The CIS soccer season does overlap with the NSO championships, and there are often conflicts for the athletes that want to participate in the CIS season and the NSO events. Competition from the NCAA for women's soccer athletes is extremely strong, while most of the best male athletes either opt for the NCAA or Europe to hone their talents for the national team. Therefore, CIS soccer does not seem to fill any important high performance role,

and neither is it a revenue generator for CIS. The lack of full-time CIS soccer coaches makes it difficult to manage the sport at the CIS level. However, the sheer number of universities participating may be the factor giving the sport credence at the CIS level.

Women's field hockey is an interesting CIS example. CIS women's field hockey is the most important direct feeder system for athletes to the national team. However, there are only 13 universities with teams, and only two Regional Associations have sufficient teams to offer championships. Interest in field hockey, in terms of athletes participating in the sport, is regional (based mostly in British Columbia and Ontario). It is reasonable to say that without CIS field hockey there would be no national elite level of competition in women's field hockey in Canada. Since CIS cannot claim that women's field hockey has strong media, public, or alumni interest (compared to most other CIS sports), the only argument for field hockey to be included as a CIS sport is found in their sport development model. In this sport, the argument has prevailed, and the sport has survived by developing a close relationship with Field Hockey Canada. In my opinion, sport development is the only reason that CIS needs in order to include any particular sport, and the field hockey model could reasonably be emulated by many other sports (such as tennis, golf, rowing, squash, etc). However, while this model is probably the optimal model, it has only emerged out of desperate circumstances; decreased funding support from Sport Canada and CIS, and the threat of being dropped as a CIS sport.

Women's rugby has been a part of CIS since 1998. The rationale for the addition of women's rugby appeared to be primarily rooted in a desire for gender equity; female participation in rugby at least partially offset men's football. In the initial years, game scores were very lopsided outside of Ontario, and very few teams competed. At present,

there are 24 universities with women's rugby teams. Media, public, and sponsor interest remains weak and, of course, there are few alumni. The strength of women's rugby is in its club base, which has a strong tradition and can support university rugby by providing facilities, coaching, athletes and some funding.

Men's and women's wrestling are included here because their sport development models are very much like field hockey in that the CIS programs are direct feeder systems to Team Canada. Like field hockey, the number of universities involved in wrestling is small (15), and media, television, and alumni interest is also limited. As a result, the sport generates minimal amounts of gate or sponsor revenue. Women's wrestling was added to the CIS program in 1998 (the same year as women's rugby), and is a significant contributor to the national team. Canada has been a strong influence in the inclusion of women's wrestling in FISU. Wrestling has survived as a CIS sport by developing a strong relationship with Wrestling Canada.

With sports such as field hockey and wrestling, the small number of universities competing makes it difficult for them to generate significant discussion at CIS meetings. Neither sport generally gets much attention at these meetings unless there is a major issue, which is usually negative. It is quite possible that a Board of Directors of CIS could be in place that would not have an individual from a university that offers wrestling or field hockey. This creates some difficulty and frustration for these sports when they try to undertake initiatives to improve their sport. While these are Olympic sports that would fit the Sport Canada mandate quite well, the CIS membership is often consumed by issues centered around football and men's hockey, which are not as essential to the Olympic goals of Sport Canada.

The story of swimming is, once again, quite different from the others. While a majority (30) of the CIS universities offer swimming, the sport at the CIS level generates minimal media or television interest, despite that fact the CIS championships include some of Canada's very best swimmers. Canadian records are frequently set at CIS championships, and athletes that have competed at CIS championships are frequently seen in Olympic competition. My perception is that CIS swimming holds very little value to most CIS members because the sport development model has set up National Team Centres at a couple of universities that have subsequently dominated the sport, giving no other universities a competitive chance. Therefore, we see a situation where sport development has been considered at the expense of the CIS championship, and there has been some debate over whether the sport development model for swimming has worked. The fact that swimming was the highest-profile failure at the Athens Olympics might be evidence that their model has not worked, but I would never claim that this has any relationship to the CIS swimming program.

Track and field (which in this document includes cross-country running) at the CIS level is somewhat similar to swimming, but fewer universities compete (24 in track and field, 30 in cross country). The sport generates no interest from television or sponsors. Unlike swimming, there are very few Olympians emerging from CIS programs as most of Canada's best athletes in this sport move to the NCAA. The strongest CIS programs seem to be in well-organized centers such as Saskatchewan and Windsor, with very little competitive depth in CIS (a few universities seem to dominate). The sport is maintained by a very well-organized core group of coaches and a supportive NSO.

This sport analysis raises relationship management issues. Sport Canada has a clear financial investment in CIS; an investment it makes for some as yet undetermined reason. It is, to some extent, involved with CIS and it is also involved with the NSOs that have jurisdiction over the sports offered by CIS.

CIS Domestic Sport Summary

All CIS sports have different logistics; they need to be, and are, managed differently. From a sport perspective, they interact with the NSO and Sport Canada in different ways. From a membership and Board perspective, they are functionally dealt with as a composite of programs. There is no separate organization for CIS hockey or football or field hockey. The Coaches Associations are sport specific, but the CIS staff are not assigned on the basis of a sport. Probably the most important difference between the various CIS sports is the existence of, or lack of, full-time coaches capable of providing leadership to the sport. The coaches are central to the development of each sport, and provide important links to NSOs but they are essentially disenfranchised in the CIS decision-making process. As a result, sport development issues have a very difficult time emerging. Sport development discussions succumb to the weight of an organization focused on restrictive rules.

A final question is constantly being asked in the sport community: Why those sports and not others? Why football and not rowing? Why swimming and not tennis? Satisfactory answers are not forthcoming on this important question.

CIS International Sport - FISU

CIS is the franchise holder for participation in the International University Sports Federation (FISU), which is the world governing body for the World University Games (or Universiade), and World University Championships in a variety of sports that are not included in the Universiades. When I describe CIS as the franchise holder, I mean that CIS has the authority to appoint Team Canada for these events, including all of the athletes, coaches and support staff.

As the national member of la Fédération Internationale du Sports Universitaire (FISU), CIS is mandated to facilitate high performance competitive opportunities for student-athletes who are Canadian citizens, between the ages of 17 and 28, and enrolled full-time in post secondary institutions. Separate Winter and Summer World University Games (Universiades) are held every two odd years, and offer competitive opportunities in over 20 sports. Twenty-seven (27) single sport World University Championships are currently offered every two even years, from April to December, and are generally sports not offered at the Universiades.

In my early years of involvement with CIS, I was very skeptical of the value to CIS of the FISU franchise. It seemed as though a lot of staff time was invested in organizing Canada's participation in FISU events, and it detracted from the CIS focus on the development of the domestic products (CIS championships). It seemed as though my opinion was shared by a lot of other CIS members, and gradually the resources allocated to the management of FISU activity dwindled to a small part of the job of one staff member. The governance for FISU activity was handled by a sub-committee of the Research and Development Committee and reported to the AGM and the Board back through the R&D Committee. Sport Canada provided funding for athletes to attend the

Summer Universiade, but not the Winter Universiade, and the lack of correspondence between CIS sports and FISU sports was also problematic.

Over time, however, I began to understand that, if CIS were to become an important part of the Canadian high performance sport system, international involvement would be critical. I can clearly remember the day when my opinion toward the FISU franchise changed. It was at a Canada West meeting in May, and Dr. Robert Corran (then University of Calgary Athletic Director), commented that with the rising costs of the Olympics and various scandals associated with the Olympics, the value of an event such as Universiade may rise. I was aware at that exact time that CIS was contemplating further reductions to staff involvement in FISU affairs, to the point that FISU could have revoked the franchise and possibly given the franchise to the Canadian Olympic Committee. I had a sense, based only on intuition, that this could drive Sport Canada completely away from CIS and further devalue CIS in the sport community. Therefore, I developed a proposal to move the CIS management of FISU to the University of Alberta and to assign a full-time staff member to rejuvenate the international programs. Part of the rationale for the move to the U of A was the legacy of the 1983 Universiade Games at the U of A, which included facilities, a scholarship program, and some financial endowment. The Dean of the Faculty at the time, Dr. Art Quinney, saw the value in this and agreed to allow Athletics to provide some funding (although we were subsequently misled by one of the potential funding partners and ended up paying far more than we originally planned). In 1996, Dr. Pierre Baudin was hired as the Director of International Programs, and we jointly developed a strategic plan to develop international programs within CIS.

The first obstacle to overcome was to change the CIS perception that the FISU events had no value to CIS athletes unless all of their costs were covered. Since athletes were often forced to cover their own costs, there was an opinion that athletes would not go. However, we believed that the opportunity to participate in any Team Canada mission to an individual event did have significant value to the majority of the eligible athletes and they would be able to find the funding to go. In the end, we were right about this in far more cases than we were wrong.

One example will exemplify the uphill battle that we faced in developing the international program. Sport Canada stated clearly that for them to provide funding for FISU participation, the respective NSOs would have to include FISU events in their sport development model. If FISU was not recognized as important by the NSO, then Sport Canada would not support the event. Therefore, we approached Basketball Canada to provide their stamp of approval, which would have cost them absolutely nothing, and they refused. There was a confrontation at a Men's Basketball Coaches meeting in Halifax, which Basketball Canada attended and bluntly refused to acknowledge the value of FISU participation. As a result, Dr. Baudin embarked on a mission to organize Canada's participation without Basketball Canada, which CIS had every right to do as the FISU franchise holder. The coaches were named without Basketball Canada input, and the athletes were chosen and invited to participate by the coaches. In the end, it appeared that Basketball Canada recognized the loss of control over an international Team Canada opportunity and did participate marginally. This is a good example of the relationship between Sport Canada, CIS and an NSO and how that relationship is managed. The direct

impact to CIS of having a national team that participates in international events is uncertain, but it would seem to hold important value to Sport Canada.

I personally attended the FISU Summer Universiade as an observer in Sicily (1997), and Mallorca (1999) as well as the Winter Universiade in Slovakia (1999). I was able to secure full accreditation for the events, and represented Canada at the technical meeting for snowboarding. I assisted various head coaches with organizing travel and practices, and accompanied the medical staff to events (and, ultimately, to a Slovakian hospital). Attending these events enabled me to immerse myself in aspects of the event to which a fan would not have access, and my knowledge of the FISU organization increased. I also attended a CESU (the Commission for University Sports Study) event, and visited the FISU Head Office in Brussels where I met with a few of the FISU staff headquartered there. During a trip to Paris, I set up a meeting with the French delegate to discuss the organization of CESU. I came to appreciate and understand the politics, power, structure, and governance of FISU (which is very interesting but not relevant to this research). The relevance of this experience to this research is my understanding of the significance of FISU in world sport, and the role that Canada plays in FISU. Note, for example, that at all times Sport Canada has a representative in attendance at Summer Universiades and as a result that individual also must understand the high quality of competition at the Universiades. In fact, a Universiade is really the only multi-sport championship that can be used as preparation and experience for athletes and coaches prior to the Olympics because it involves far more countries than events such as the Pan-Am Games or the Commonwealth Games. While participants are restricted to being

students, many of the participants are national team members and world champions from a wide range of countries.

The plan at the time that Dr. Baudin was hired to manage CIS's FISU program was to eventually return the function to the CIS staff. After several years at the U of A, this management function did move back to the CIS office in Ottawa. The plan was successful, and it is safe to say that the FISU franchise is now given much more respect in CIS than it had in many, many years. The international involvement has grown tremendously.

Important points to note regarding CIS and FISU are that FISU is the only aspect of CIS in which Sport Canada takes a direct, active interest. It is CIS's most direct high performance contribution and provides very attractive opportunities for CIS athletes to participate as part of Team Canada. Sport Canada provides some direct funding for the FISU Team Canada, further reinforcing the importance Sport Canada sees in the events. However, another important point is the lack of recognition and priority that CIS has historically given to their FISU franchise. The dichotomy is central to our research question; the evidence suggests this is Sport Canada's highest CIS-related priority and CIS's lowest organizational priority.

Sport Canada

My interaction with Sport Canada was always quite peripheral to my function with CIS. In fact, this research project has been the impetus for me to expand my knowledge of Sport Canada as a sport organization. I intend to study Sport Canada in sufficient detail to enable me to understand its relationship with CIS. The detail will

include the size, structure and budget of the organization, as well as attempting to understand its goals and strategies.

My knowledge up to this point was limited mostly to frequent comments made to me over the years by various actors in the amateur sport system. These people expressed frustration related to their perception that Sport Canada is a huge bureaucracy, essentially wasting valuable financial resources that could go toward more productive sport programs. My direct experience was with a few individual Sport Canada consultants. I personally knew all of the consultants assigned by Sport Canada to CIS, and I was occasionally privy to their (the consultant's) formal and informal input to the organization. Nevertheless, I did not clearly understand many aspects of Sport Canada as an organization. In the beginning of my experience with CIS, it seemed obvious to a neophyte sport manager that CIS and Sport Canada should be working together to develop the best university sport program possible. The Sport Canada consultant should, or so it seemed, be able to observe the sport contributions made by CIS and to collaborate and cooperate to move the sport agenda forward. Inevitably, the consultants would say the right things and leave me with positive and hopeful feelings. Only later did I arrive at my current belief that the consultants were merely being politically correct and actually consider CIS to be a peripheral or marginal contributor to Canadian sport. The consultants are, in my opinion, assigned to sport organizations such as CIS to deliver messages and to observe the organizations in action. They avoid making statements that could be construed as criticism or advice. They are passive observers. They are given a privileged vantage point (monitoring) in sport organizations due to the financial

contribution Sport Canada makes. Their political masters do not want political backlash, and want to maximize their influence at the least possible cost.

My direct experience could best be summarized by saying that Sport Canada never provided any direct guidance or advice to the CIS Board while I was a member. The Sport Funding Accountability Framework (SFAF) report that I assume was provided to Sport Canada was never created by, or reviewed by, the CIS Board. Sport Canada funding was always uncertain throughout my tenure at CIS. The reason for the funding amount provided by Sport Canada was never provided in detail to the CIS Board.

At least partially due to the uncertainty of funding levels, I took part in a process to increase CIS's self-generated revenue and decrease the organization's reliance on Sport Canada. The process involved increasing membership fees through sport participation fees, and moving to an open bidding process that increased the revenue generated by host guarantees.

The most substantial memories I have of Sport Canada's relationship with CIS relate to policy issues such as bilingualism, doping, athlete-centeredness, and harassment. Sport Canada's requirement that organizations funded by them meet bilingualism criteria must have been the impetus behind the constant concern over bilingualism at CIS National Championships. I was involved in hosting at the University of Alberta eleven CIS championships and attended dozens more at other universities. The provision of bilingual services was always a controversial topic, ranging from too much of one language to an excess of bilingualism. It did become apparent that the concerns were most often coming from fears that a lack of service in both official languages would be detrimental to Sport Canada's funding. Sport Canada used its funding to influence the

implementation of its bilingualism policy. Other policy-related issues such as drug education, harassment, and the involvement of athletes in CIS governance were also the target of Sport Canada's influence.

Sport Canada's influence on CIS was, in my opinion, exerted indirectly. As a member of the CIS Board, I never heard a Sport Canada consultant provide direct requests for CIS to adopt any specific policies. The influence was always exerted by the establishment of funding criteria, with the obvious implication that if the criteria were not met, funding would be reduced or eliminated. The threat of this type of sanction did seem effective in gaining the cooperation of the CIS in establishing appropriate policies. It did seem to me that the time spent on these policy issues was far in excess of the benefits to the membership or the athletes. The time spent was at the expense of dialogue on the development of sport, which might have had more positive long-term consequences for sport in Canada. In reality, CIS policy only affected participation within the CIS jurisdiction (at the CIS Championships), and the majority of CIS athletes do not attend CIS Championships in any given year. Clearly, athletes are much more affected by their own university's policies, and CIS jurisdiction is minimal. The point here is that Sport Canada policies, and subsequent funding, were always too far removed from the level of program delivery and were therefore quite ineffective from a pragmatic perspective. The bureaucracy, though, was well fed.

Despite the clear centrality of international competition to Sport Canada, its support of FISU participation was never made explicit at CIS Board meetings, or Annual General Meetings. Their consultant would always say it was a CIS decision, and would never explicitly say that Sport Canada wanted CIS to participate in FISU, or that it was

valued in any way by Sport Canada. Their formal position was that the NSOs would have to decide on the value of that event. (Sport Canada wants to appear to facilitate, and not intervene). They were very clear in their decision not to provide funding to Winter Universiades because the winter sports are not part of the CIS model (figure skating, skiing, etc.). NSOs in those sports did not, therefore, coordinate or cooperate with CIS. Their support of the Summer Universiades was always tentative due to the quality of athletes attending. FISU standards are low, and it is possible to send lower-tier athletes to the Games. Sport Canada never approved of these low standards, nor did the relevant NSOs.

One final point illustrates the importance of the FISU program to the Sport Canada-CIS relationship. The only Sport Canada link on the CIS website is found under the International Programs page of CIS. Also listed as a member of the International Programs Committee is a Sport Canada representative, the only place a Sport Canada staff member is identified within CIS.

The Sport Canada / CIS Relationship

I believe that CIS makes a substantial contribution to amateur sport in Canada, and that the contribution is not recognized by Sport Canada or the federal government. CIS is a massive organization that includes the facilities and staff of 51 Canadian universities, injecting in excess of $100 million into the sport system. Over 550 high performance coaches serve over 10,000 amateur athletes in sport development. Universities make important contributions to high performance sport through the employment of full-time coaches; the creation of knowledge through sport science; the provision of high quality facilities; undergraduate and graduate academic programs in

sport performance (labeled in a variety of ways); and the recruitment of athletes. Those student-athletes are trained in an environment where they have the opportunity to develop life skills that will serve them when their athletic abilities wane. One would expect that the development of a significant relationship with an organization with massive resources would be central to Sport Canada, but in my perception it is not central, and would barely qualify as a relationship at all.

A few reasons came to my mind when I considered the reasons for what appears to be the lack of a significant Sport Canada-CIS relationship. Maybe Sport Canada is completely satisfied with the contribution made by CIS and just want CIS to maintain the status quo. Maybe Sport Canada is partially satisfied with CIS, but does not feel it can, or should attempt to influence change in the organization. Maybe Sport Canada is completely dissatisfied with CIS, and (a) has no interest (Sport Canada believes (CIS) universities cannot contribute), or (b) no time (Sport Canada consultants are too busy with other things), or (c) no ability (Sport Canada does not see a mechanism for influence given the politics of CIS) to initiate any changes. It is within the realm of the aforementioned reasons that my research questions began to take shape for this dissertation. My experience has led me to these questions, but my experience has not sufficiently armed me with the knowledge to answer them.

Sport Canada has contributed to the creation of strategic plans entitled *Own the Podium* and *Road to Excellence*; of interest to this study is the lack of public distribution of the documents. One fact seems to be clear; Sport Canada has invested more money in amateur sport (now using Podium as the funding arm) in the past several years but has not invested more money in CIS (and CIS is not part of Podium). An old adage would

suggest that we can simply follow the money; organizations spend where their priorities are and if you want to understand the priorities of an organization you can determine those priorities by looking at where they expend their financial resources. This adage could likely be extended to include human resources, and inclusiveness in decision-making. It does not appear that Sport Canada has increased its financial commitment to CIS, nor its commitment of human resources. Clearly, this has implications to my data collection and analysis, in terms of searching for explanations for how this relationship is managed, or not managed.

> Marg noted that CIS will not know what the final allocation of funds will be from Sport Canada until approximately July. It was noted however, that the core funding from Sport Canada has been $342,000 a year over the past 4 years, and that the process of developing an accountability agreement between Sport Canada and Multi Sport Organizations is currently under way.
> http://www.universitysport.ca/e/meetings/minutes/_03apr23_bod.htm

Sport Canada recognition would include funding support, but also recognition in planning for the development of amateur sport in Canada. These two factors have really driven my interest in this topic. To me, the relationship seems very tentative, verging on breakdown, but I'm not sure if this is a valid belief, or merely a perception borne of the ignorance of the actual relationship.

Appendix B

The Organization of the Department of Canadian Heritage and Sport Canada

Appendix C: Descriptive Data of CIS Member Universities

CIS Member Institution Student Enrollment Totals for 2004

Name of Institution	Full Time Undergraduate	Full Time Graduate	Part Time Undergraduate	Part Time Graduate	Total Enrollment
University of Toronto	49,800	10,100	6,400	2,300	68,600
York University	34,900	2,650	7,100	1,650	46,300
University of British Columbia	23,066	6,551	11,388	877	41,882
Université Québec à Montréal	18,472	3,423	15,480	2,565	39,940
Universite Laval	19,798	5,182	9,049	3,861	37,890
University of Alberta	27,004	4,072	1,939	1,616	34,631
Université de Montréal	20,342	7,322	4,242	2,059	33,965
University of Western Ontario	25,650	3,450	3,900	500	33,500
University of Ottawa	22,500	2,900	5,550	1,300	32,250
McGill University	18,981	6,440	4,242	2,059	31,722
Concordia University	17,071	3,760	9,223	936	30,990
Ryerson University	13,800	450	13,600	150	28,000
University of Manitoba	17,952	2,313	6,665	898	27,828
University of Calgary	20,179	3,633	2,434	1,212	27,458
Carleton University	16,550	2,150	4,100	800	23,600
McMaster University	17,600	2,950	2,200	450	23,200
Simon Fraser University	10,373	2,603	8,931	667	22,574
University of Waterloo	17,250	2,250	2,100	500	22,100
Queen's University	14,000	2,600	3,900	400	20,900
University of Guelph	16,400	1,900	1,500	150	19,950
University of Saskatchewan	13,798	1,810	3,117	380	19,105
Memorial University of Newfoundland	13,837	1,260	2,182	1,048	18,327
University of Victoria	10,537	1,837	5,003	377	17,754
Université de Sherbrooke	9,548	2,699	2,983	1,997	17,227
Brock University	12,400	550	3,000	550	16,500
University of Windsor	11,650	900	3,100	200	15,850
Dalhousie University	10,878	2,734	1,344	884	15,840
University of New Brunswick	10,681	872	1,330	241	13,124
Wilfred Laurier University	10,300	550	1,800	300	12,950
University of Regina	9,186	551	2,328	681	12,746
Université du Québec à Trois Rivières	5,231	928	3,438	346	9,943
Laurentian University	6,500	200	2,350	300	9,350
University of Winnipeg	6,045	0	2,665	0	8,710
St. Mary's University	6,162	284	1,752	312	8,510
St. Francis-Xavier	6,162	284	1,752	312	8,510
University of Lethbridge	6,888	130	668	157	7,843
Nippissing University	3,050	0	4,450	200	7,700
Lakehead University	5,800	350	1,300	150	7,600
Trent University	5,650	150	1,450	25	7,275
Université de Moncton	4,764	400	1,042	163	6,369
Université de Québec École Technologie Supérieur	2,510	326	1,647	217	4,700
Acadia University	3,651	140	118	217	4,126
University of Prince Edward Island	3,430	74	509	90	4,103
University College of Cape Breton	2,919	69	647	0	3,635
Brandon University	2,344	4	920	84	3,352
St. Thomas University	2,938	0	273	0	3,211
Bishop's University	2,220	6	543	0	2,769
Trinity Western University	2,202	220	310	26	2,758
Mount Allison University	2,051	6	269	0	2,326
Royal Military College	0	269	0	383	652

Canadian Interuniversity Sport Member Institutions by Key Variables for Contributions to Canada's Sport Development System

Name of Institution	CCUPKEA member or not	PE/Kin Doctorate Degree Programs[1]	PE/Kin Masters Degree Programs	Primarily Undergraduate	CIS Teams 19>x>15	CIS Teams 14>x>10	CIS Teams <10
McMaster University	•	•	•		•		
Queen's University	•	•	•		•		
University of Alberta	•	•	•		•		
University of British Columbia	•	•	•		•		
University of Calgary	•	•	•		•		
University of Saskatchewan	•	•	•		•		
University of Toronto	•	•	•		•		
University of Waterloo	•	•	•		•		
University of Western Ontario	•	•	•		•		
York University	•	•	•		•		
Simon Fraser University	•	•	•			•	
Univeristy of Ottawa	•	•	•			•	
Université de Montréal	•	•	•				•
Université de Sherbrooke	•	•	•			•	
Université Laval	•	•	•			•	
University of Victoria	•	•	•			•	
Dalhousie University	•		•			•	
Lakehead University	•		•				•
McGill University	•		•		•		
Memorial University of Newfoundland	•		•			•	
St. Francis Xavier University	•		•			•	
Université du Québec à Trois Rivières	•		•				•
University of Lethbridge	•		•			•	
University of Manitoba	•		•			•	
University of New Brunswick	•		•			•	
University of Regina	•		•		•		
University of Windsor	•		•			•	
Acadia Univeristy	•			•			•
Brock University	•			•		•	
Concordia University	•			•		•	
Laurentian University	•			•			•
Trinity Western University	•			•			•
University of Winnipeg	•			•			•
Wilfred Laurier University	•			•		•	
Université Québec à Montréal			•				•
Guelph University				•	•		
Université de Moncton				•		•	
University College of Cape Breton				•			•
Bishop's University				N/A			•
Brandon University				N/A			•
Carleton University				N/A			•
Mount Allison				N/A			•
Nipissing				N/A			•
Royal Military College				N/A			•
Ryerson University				N/A			•
St. Mary's University				N/A	•		
St. Thomas University				N/A			•
Trent University				N/A			•
Université de Québec École Technologie Supérieur				N/A			•
University of Prince Edward Island				N/A		•	

[1] PE/Kin represents all related sport science programs

Appendix D: List of Documents Reviewed and Analyzed

Sport Canada website and associated links

Since Sport Canada is defined as the principal in my agency theory perspective, the public portrayal of Sport Canada (as illustrated in documents and text located on their website) is a first step in the research. Sport Canada's position in the government hierarchy can be explained, the agents that are associated with Sport Canada can be identified, and the programs of Sport Canada will be described.

National Sport and Multi-Sport Organization websites

The only feasible means to develop an understanding of the Canadian sport system is through a review of the websites of these organizations, which are agents in the research. The data collected through the process will help to determine the degree of heterogeneity of the agents and the scope of the amateur sport system. After the completion of the review, a basic description of the Canadian amateur sport system, viewed through the lens of agency theory, will be laid down.

The Mills Report

The Mills Report was selected to be part of the data collection due to its significance to amateur sport in the late 1990s. It is linked to Sport Canada because it was commissioned by the Federal Government and bears the name of the Member of Parliament that was responsible. It therefore provides important perspective to the research.

The Canadian Sport Policy

As a major Canadian process and an important document, it would be impossible to adequately discuss amateur sport without the data inherent in the Canadian Sport Policy. It followed on the Mills Report and attempted to formalize direction for amateur sport in Canada, and also involved the broad participation of sport leaders in the provinces and territories.

"Targets for Athlete Performance and the Sport System" – Sport Canada – author Therese Brisson

Maintaining the focus on the level of Sport Canada, I am including this document, which is directly relevant to the high performance sport system in Canada. Since my initial research question relates directly to high performance results, it is important to collect data that speaks directly to targets for athlete performance.

"Report of FPTSC Workgroup #1 on Increasing Participation in Sport" – Sport Canada – author Judy Sutcliffe

The tension between mass sport and high performance sport, as evidenced by Whitson and Macintosh, and by personal experience, cannot be ignored in the research. The inclusion of this report in the data will recognize the realities and challenges that may exist in issues of goal congruence in non-profit sport organizations.

Canadian Olympic Committee (COC) website

The COC is an agent of Sport Canada and will provide arms length evidence of the goals of Sport Canada. The website will provide the necessary information to describe the high performance sport system and the role of the principals and agents that are involved.

"Successful Programs, Best Practices and Future Challenges in Canadian High Performance Sport" - Canadian Olympic Committee

The intent of including this document as part of my data is to provide context to the research relevant to the relationship between agents and the principal. A direct comparison with the Canadian Sport Policy will be possible, and should provide another perspective on high performance goals.

Own the Podium – VANOC

The Vancouver Organizing Committee has completed this Winter Olympic focused report. As the most recent report on high performance amateur sport in Canada, it is an essential source for my research.

The Alberta Sport Plan

The Alberta Sport Plan was developed in concert with the Canadian Sport Policy to provide some direction for sport in Alberta. Contributions to the plan were made by many of the provincial sport organizations in Alberta, which for the purposes of my study are considered to be agents. A focus on one province is not indicative of the agency problems existing across Canada, but it will provide relevant evidence for the research in fundamental agency theory elements such as goal congruence.

Canadian Interuniversity Sport (CIS) website and Strategic Plan

The CIS is an organization that I am very familiar with and can use my personal experience in combination with the documents to describe the goals of CIS in the sport system.

Newspaper Articles

The Globe and Mail and the National Post will be the primary sources for newspaper articles that specifically refer to high performance amateur sport in Canada. These articles provide an interesting perspective on the goals of Sport Canada, and the degree to which the media supports the outcomes associated with those goals.

Sport Funding Accountability Framework

The SFAF document is available on the Sport Canada website and is the formal contract referred to herein. It will show how the contract is formed and how it would influence agency costs. It is a very important and central document in the data collection process due to its centrality in agency theory.

Sport Funding and Accountability Framework III Multisport Service Organization Assessment Questionnaire

The actual report provided by CIS to Sport Canada was analyzed. As an agency cost, reporting is an important aspect of the information needed to study the principal-agent relationship. The actual report will be invaluable in exploring this agency cost and it relationship to other agency costs.

Sport Funding and Accountability Framework III Multisport Service Organization Final Assessment and Rating Guide

This document is the actual assessment provided from Sport Canada to CIS that ultimately dictates the funding level for CIS.

Chief Executive Officer and President's Report – 2006 AGM

This is a Powerpoint presentation of the highlights of the 2005-2006 season.

Road to Excellence Business Plan

Roger Jackson was the primary author of this document, which provides recommendations for improvements to the Canadian amateur sport system.

Appendix E: Graduate Student Request for Ethics Review

<table>
<tr><td>Principal investigator and phone number(s) (Graduate Student):

Ian Reade, PhD Candidate, 492-8273

Co-investigator(s) and phone number(s): N/A</td><td>Research Supervisor Name and phone number(s):

Dr. Marvin Washington – 492-2311

By signing this form, I acknowledge that I have read this proposal and feel confident that it is ready for consideration by the Faculty of Physical Education & Recreation Research Ethics Board</td></tr>
<tr><td colspan="2">Names and phone numbers of research assistant(s) (all individuals involved in data acquisition):</td></tr>
<tr><td colspan="2">Location(s) where research will be conducted:
E471 Van Vliet Centre, University of Alberta</td></tr>
<tr><td colspan="2">Title of project: The Relationship Between Sport Canada and Canadian Interuniversity Sport: An Agency Theory Perspective</td></tr>
<tr><td colspan="2">Brief description of the project (to be attached: see attached page for information areas to be included):</td></tr>
<tr><td>Will the proposal be submitted for funding?

Yes ___ No __x__</td><td>If yes, to what agency?</td></tr>
<tr><td colspan="2">Sponsorship statement:
I have read the responsibilities set out for faculty sponsors of research in the current University of Alberta Policy Related to Ethics in Human Research and the Tri-Council Policy Statement “Ethical Conduct for Research Involving Humans” and agree to discharge those obligations with respect to this project.

Signature of Principal Investigator _____ Date _____</td></tr>
</table>

NOTE: IF THIS IS THESIS RESEARCH - IT MUST GO THROUGH A SUPERVISORY COMMITTEE MEETING PRIOR TO BEING CONSIDERED AT THE FACULTY OF PHYSICAL EDUCATION AND RECREATION RESEARCH ETHICS BOARD.

Information Letter

Title of Project: The Relationship Between Sport Canada and Canadian Interuniversity Sport: An Agency Theory Perspective

Co-Investigators Ian Reade, M. Sc., Faculty of Physical Education and Recreation, University of Alberta, Edmonton, AB T6G 2H9 Ph: 492-8273

Marvin Washington, Ph.D., Faculty of Physical Education and Recreation, University of Alberta, Edmonton, AB T6G 2H9 Ph: 492-2231

Dear Participant,

My name is Ian Reade and I am a doctoral student at the University of Alberta. Dr. Washington (my supervisor) and I share an interest in the Canadian high performance sport system. The goal of this research study is to develop an accurate description of Sport Canada and Canadian Interuniversity Sport and to explore the relationship between the two sport organizations. The focus of the study is on how these two sport organizations manage their relationship.

Part of the data collection for the study involves interviewing a sample of knowledgeable individuals that can comment on one or both organizations, and the relationship between them. You are being invited to participate in the study because I believe you have unique knowledge and experience regarding one or both organizations that will be important for developing an accurate description. I am asking you to participate in a 20 to 30 minute telephone interview with me. A brief follow-up interview may also be involved, and I will seek your permission for that interview, should it be necessary.

Your participation is completely voluntary. By agreeing to participate in the study, your consent to be a research participant is implied. You are not required to answer any questions you don't want to, and are free to withdraw without penalty at any time. You need only tell me that you do not wish to continue the interview. You will not be required to have your name associated with this study, in which case your identity will be completely protected at all stages of the process. Your comments will remain anonymous. Since I believe the quality of the research will be enhanced by describing the credibility of the informants, I am giving you the option of consenting to the use of your name in the published research. You may wish to have your name associated with some comments, in which case I will attribute those comments to you in the papers and presentations resulting from this research. If this is your wish, I will send you a list of comments you have made which could be attributed to you. You would have the opportunity to review these comments and to edit them or to request that they not be attributed to you. You may also change your mind following review of the comments and ask that your identity be kept confidential and that no comments be attributed to you. All data collected will be reported in research products (papers and presentations). You may choose whether or not you wish to have your comments attributed to you or to remain anonymous. Your identity or your link to any specific comments will not be revealed without your explicit approval via email or in writing.

Interviews will be audio taped by me, and then transcribed verbatim by me or a professional secretary. The audio tapes and transcripts will be stored separately in locked filing cabinets in my office at the University of Alberta. All transcripts will be coded and identifying information will be removed from the transcripts and stored separately. We plan to keep the anonymous transcripts indefinitely to allow for the possibility of secondary analysis. No information regarding your personal identity will be used in future research without your explicit approval. After the tapes are transcribed and the accuracy of the transcripts has been checked by me and Dr. Washington, the tapes will be destroyed. It is anticipated that all tapes will be destroyed within 3 months of your interview.

The final report will include aggregated and summarized information from the interviews to ensure the anonymity of the individuals being interviewed. However, direct quotes from the interviews will be used wherever it is possible without disclosing the identity of the informant, except as approved by you as outlined above. Only Mr. Reade and Dr. Washington will have access to the raw data.

As you have the option of complete confidentiality, there is no known risk to you of participating in this research. Because the Canadian sport community is small, it is possible that despite tremendous care in the preparation of research products, some information might be attributed to you by readers. Every precaution will be taken to protect the identity of those choosing to remain anonymous, but it remains a small possibility that a reader might recognize the source of some information. Whereas there are unlikely to be any direct benefits to you, you may agree that the amateur sport system could benefit from this study and many people agree that participating in research is rewarding and sometimes promotes personal growth through thinking about the research questions.

The potential products of this study include a doctoral dissertation, publication in professional and applied journals, presentation of information at local and national conferences, and presentations to undergraduate or graduate students in the Faculty.

This study has been approved by the Research Ethics Board of the Faculty of Physical Education and Recreation at the University of Alberta. If you have questions or concerns about the study, please feel free to contact the investigators listed above, or Dr. Brian Maraj, *Chair, RESEARCH Ethics BOARD, Faculty of Physical Education and Recreation*, at (780) 492-5910, who is otherwise not involved with this study.

Thank you for your consideration. Please indicate your willingness to participate by replying to the email that contained this letter. In the email, please indicate whether you wish your participation to be confidential and anonymous.

Sincerely,

Ian Reade, M.Sc., *Principal Investigator*

Appendix F: General Interview Guide

1. Introduction.
2. Assure confidentiality and ask for attribution. Refer to the Information Letter.
3. I'm interested in your opinion because of your knowledge of the Canadian amateur sport system. The purpose of the study is to investigate the role Canadian Interuniversity Sport plays in the Canadian amateur sport system, and the relationship of CIS to Sport Canada.
4. Have you ever worked for Sport Canada?
    a. When?
    b. For how long?
    c. Describe your role.
5. What would you say is the top priority of Sport Canada?
    a. It is difficult to identify the top priority in such a large organization, so it is fine to talk about more than one if necessary.
    b. Why do you think that is (those are) the top priority?
    c. Can you give me an example of a secondary (other) priority?
    d. Probe: If you haven't mentioned high performance sport, Why?
6. How does Sport Canada set priorities?

a. Centralized; Minister of Sport, Director General, or more decentralized
b. How decentralized? What type of decisions do staff make?

7. Please tell me what you know about the size and structure of Sport Canada?
    a. Do you know where I could get more of this type of information
8. What would you say is the primary focus of CIS?
    a. It is difficult to identify the top priority in such a large organization, so it is fine to talk about more than one if necessary.
    b. Why do you think that is (those are) the top priority?
    c. Can you give me an example of a secondary (other) priority?
    d. Probe: If you haven't mentioned high performance sport, Why?
9. I need to know about your relationship to CIS?
    a. Do you/have you worked for CIS?
    b. When?
    c. For how long?
    d. In what capacity?
    e. What other roles have you played within CIS?
        i. Voting delegate - # of years
        ii. Committee member - # of years
10. How do you think CIS sets priorities?

11. Would you say the primary focus (priorities) of the Sport Canada and CIS is similar?
    a. How similar or different?
12. What action does Sport Canada take to achieve its priorities?
13. What outcomes of CIS are expected (desired) by Sport Canada?
        i. Probe: How do you think Sport Canada views CIS?
14. Do you think CIS formally attempts to develop strategies to contribute to the priorities of Sport Canada?
    a. If yes, can you give an example?
15. What expectations do you think CIS has of Sport Canada?
16. What contribution does CIS make to the Canadian high performance sport system? How important is this contribution?
    a. If important, how is it important?
    b. If it is not important, why do you think it is not?
        i. Do you think it should be? What could CIS do to contribute more to high performance amateur sport?
17. Any further comments on the relationship between Sport Canada and the CIS?
18. Thank you for agreeing to participate. Based on our interview, are you willing to attribute your name to the comments you have made? I guarantee confidentiality unless you agree to attribution.

SUMMARY CHECKPOINTS:

1. Do I know the Sport Canada and CIS priorities?
2. Do I know about the management of the relationship?
3. Have I asked about Sport Canada to fill in the blanks about their decision-making process, budget, size, staff, etc.

Appendix G: Sport Canada Contributions to NSOs in 2004-2005

Sport Canada Contributions 2004-2005 ranked lowest to highest

Contribution Recipients 2004-2005

Recipients	Amount
Canadian Broomball Federation Inc.	$ 48,000
Canadian Sport Parachuting Association	$ 53,500
National Karate Association of Canada	$ 55,000
Bowls Canada Boulingrin	$ 58,000
Canadian Lacrosse Association	$ 69,500
Laurentian University	$ 75,000
Alter Go	$ 100,000
Province of Manitoba	$ 100,000
Sports Officials of Canada	$ 102,750
Canadian Ass. For Health, Physical Education & Recreation	$ 105,000
True Sport Foundation	$ 105,000
Ringette Canada	$ 117,166
Canadian Tire Foundation For Families	$ 125,000
Participaction	$ 129,100
Canadian Colleges Athletic Association	$ 157,500
Federation of Canadian Archers	$ 159,990
Canadian Deaf Sports Association	$ 165,000

Bowling Federation of Canada	$	170,500
Football Canada	$	171,000
Canadian Team Handball Federation	$	171,250
Canadian Blind Sports Association (Goalball)	$	176,200
Canadian Cerebral Palsy Sports Association (Boccia)	$	179,500
Province of New Brunswick	$	180,000
Canadian Weightlifting Federation	$	185,500
Government of Nunavut	$	191,620
Government of Yukon	$	191,800
Conseil du Sport de Haut Niveau de Québec	$	200,000
Province of Prince Edward Island	$	200,000
Quebec Foundation for Athletic Excellence	$	200,000
Province of Newfoundland and Labrador	$	213,000
Government of Northwest Territories	$	222,160
Shooting Federation of Canada	$	251,800
Province of Nova Scotia	$	254,540
Province of Saskatchewan	$	258,680
Canadian Sport Centre - Saskatchewan	$	270,000
Conference Board of Canada (The)	$	300,000
Province of Alberta	$	325,000
Canadian Interuniversity Sport	$	357,000
Racquetball Canada	$	361,000
Squash Canada	$	370,000

Canadian Association for the Advancement of Women in Sport and Physical Activity	$	396,000
Canadian Wheelchair Sports Association (Wheelchair Rugby/Powerlifting)	$	397,000
Province of Ontario - Sport and Recreation Branch	$	404,719
Canadian Sport Centre - Manitoba	$	430,000
Province of British Columbia	$	434,360
AthletesCAN	$	442,500
Esteem Team Association	$	446,500
WTF Taekwondo Association of Canada	$	460,000
Sport Information Ressource Centre	$	461,720
Commonwealth Games Canada	$	464,325
Canadian Sport Centre - Victoria	$	476,000
Aboriginal Sport Circle	$	485,500
Rugby Canada	$	541,400
Water Ski Canada	$	555,000
Canadian Amateur Boxing Association	$	575,000
Province du Québec - Direction du Sport et de l'Activité Physique	$	634,160
Biathlon Canada	$	642,300
Triathlon Canada	$	676,250
Equine Canada Hippique	$	715,000
Badminton Canada	$	736,650
Canadian Fencing Federation	$	743,500
Sportweb Society	$	745,000

Whitehorse 2007 Jeux du Canada Games Host Society	$	750,000
Canada Games Council	$	810,000
Canadian Sport Centre - Ontario	$	815,000
Canadian Table Tennis Association	$	875,000
Baseball Canada	$	890,000
Special Olympics Canada	$	900,665
Canadian Olympic Committee	$	903,075
Canadian Snowboard Federation	$	921,000
Sport Dispute Resolution Centre of Canada	$	975,000
PacificSport Canadian Sport Centre – Vancouver	$	1,021,000
Tennis Canada	$	1,041,400
Water Polo Canada	$	1,046,000
Softball Canada	$	1,080,000
Canadian Soccer Association	$	1,115,000
Field Hockey Canada	$	1,145,000
Judo Canada	$	1,155,000
Canadian Curling Association	$	1,168,300
Canadian Amateur Wrestling Association	$	1,237,500
Canadian Amateur Diving Association	$	1,248,000
Canadian Yachting Association	$	1,254,000
Bobsleigh and Luge Canada	$	1,274,750
Gymnastics Canada Gymnastique	$	1,305,000
National Multisport Centre - Montreal	$	1,345,000

Skate Canada	$ 1,350,000
Synchro Canada	$ 1,365,000
Volleyball Canada	$ 1,517,390
Canadian Sport Centre - Atlantic	$ 1,542,250
Canadian Freestyle Ski Association	$ 1,548,500
Canadian Sport Centre - Calgary	$ 1,548,750
Canadian Paralympic Committee	$ 1,667,000
Canada Basketball	$ 1,720,550
Cross Country Canada	$ 1,732,000
Canadian Cycling Association	$ 1,744,100
Alpine Canada Alpin	$ 1,779,750
Canadian Canoe Association	$ 1,889,500
Rowing Canada Aviron	$ 2,009,500
Speed Skating Canada	$ 2,270,500
Canadian Hockey Association	$ 2,380,000
Swimming/Natation Canada	$ 2,400,000
Athletics Canada	$ 2,523,780
Regina 2005 Canada Summer Games	$ 3,288,390
Canadian Centre for Ethics in Sport	$ 4,320,000
Coaching Association of Canada	$ 4,445,000
Sub-Total - Contributions	$ 86,306,590

Appendix H: An Overview of Theories Use in the Study of Collaboration

Resource dependency theory.

Thompson (1966) and later Pfeffer and Salancik (1978) are generally credited with the development of resource dependency theory. In general terms, this theory deals with the strategies used by organizations to acquire the resources upon which they depend for survival. The literature within the area of resource dependence has identified several strategies (Thibault & Harvey, 1997) that organizations use to deal with their resource dependence. Two strategies, labeled "acquiring ownership" and "merger", are used when organizations purchase, or merge with, other organizations to secure the resources they need. Strategies like these would be very unusual in the nonprofit sector as nonprofit sport organizations would very rarely have the opportunity to acquire other nonprofits, or the mandate to merge with other organizations. Another strategy, referred to as "co-optation", refers to a situation where a nonprofit organization co-opts a Board member from another organization who could be helpful in acquiring the necessary resources. Another strategy called "executive recruitment" is used when an organization retains an employee from a key organization due to the knowledge or resources that employee might bring. An example of executive recruitment would occur if CIS were to recruit staff from Sport Canada. The fifth strategy, "contracts and formal joint ventures" are used to formalize relationships and secure resources.

Resource dependency theory was applied to the sport domain in a paper published in 1997 by Lucie Thibault and Jean Harvey entitled "Fostering

Interorganizational Linkages in the Canadian Sport Delivery System". Their topic was related specifically to the need for collaboration in the Canadian sport system. Thibault and Harvey (1997) claimed that the "major recurrent theme in the research on organizational linkages is resource dependency" (p. 58), and they used resource dependency theory to examine and discuss the mechanisms by which nonprofit sport organizations interact, or are linked. They concluded that "contracts and formal joint ventures are probably the most extensively used strategies by the organizations involved in Canada's sport system" (p. 59). This is consistent with agency theory that claims the contract to be the primary mechanism for the development of a collaborative principal-agent relationship. In an application of resource dependency theory, Provan (1982) proposed that organizations seek to reduce the uncertainty in their environment by developing links (collaborations) with other organizations that can provide needed resources, but as a result of the increased interdependence they lose the freedom to make decisions without concern for the goals of the other organization. For organizations wishing to, or required to, collaborate there must be a consideration of the amount of power that can be lost to an organization when collaborative relationships develop. If dependence increases, power decreases. Therefore, in a situation where an organization is interdependent with another organization, such as in the nonprofit high performance sport system, power can be lost of interdependency increases.

One of the topics that researchers have been interested in are the conditions under which organizations will voluntarily increase the efforts to

collaborate. The interdependence of the organizations is one of those conditions. Gulati (1999) discussed conditions that are relevant when looking at relationships based on hierarchical, systemic, or legislated conditions and stated that "Interdependence is the most common explanation for the formation of interorganizational cooperative ties .. " (p. 1443). By this, Gulati means that when organizations depend on each other in some way, such as for resources (which in this case-study could be athletes or funding), their level of cooperation can be expected to increase. Gulati's discussion of interdependence is relevant for the sport system because Sport Canada and national sport organizations are highly interdependent in high performance athlete development. Therefore, according to the concepts of resource dependency theory it would be expected that collaboration should be occurring, and agency theory is consistent with this view.

Transaction cost economics.

Transaction cost economics (TCE) has been frequently used in the study of organizational relationships (Ruiter, 2005). TCE, which is generally attributed to Oliver Williamson (1981) incorporates a transaction as the unit of analysis. It is concerned with evaluating all nontrivial costs of a transaction between organizations and presumably minimizing those costs. The theory differentiates between the cost of the production of a good or service and the cost of the transaction. Transaction costs include acquiring market information, advertising and promotion of the product, reaching and enforcing agreements through bargaining, contracting, and monitoring performance and delivering the product (Ng, 2007). The emphasis on the recognition and reduction of cost is similar to

the concept of agency costs in agency theory, and there is a shared emphasis on the establishment and monitoring of a contract that defines the transaction. Agency theory differs in its principal-agent organizational relationship and its assumption that one organization is dominant. In agency theory a relationship is more likely to require active management of collaboration and include a long term contract, whereas the relationship between organizations in TCE is thought to be more opportunistic (Ng, 2007) with the contract related only to a specific set of transactions.

While TCE originally evolved within the business domain, Williamson also modified the theory for application within the public sector (Williamson, 1999), so there is some potential for broadening the application of the theory in future (Ruiter, 2005). To date, I am not aware of any published studies using this theory to study nonprofit sport organizations in Canada, or elsewhere.

Institutional theory.

Institutional theory has been used frequently in the study of nonprofit sport organizations. Sport management researchers using institutional theory have included Amis, Slack, and Hinings 2004; Kikulis, Slack, and Hinings, 1992, Slack and Hinings, 1994; Slack, 1996; and Washington, 2004. In institutional theory the unit of analysis is normally the organization, and organizational change is often the dependent variable and the subject of study. For example, researchers (Amis, Slack, & Hinings, 2004; Kikulis, Slack, & Hinings, 1992; Kikulis, Slack, & Hinings, 1995a; and Kikulis, 2000) make the case that organizations seeking government funding will be affected by coercive institutional pressures

(DiMaggio & Powell, 1983) in their pursuit to acquire that funding. Many of these articles employing institutional theory have discussed the relationship between Sport Canada and its agents and those descriptions were very helpful in the initial conception of this study. However, as Bayle (2002) notes, these studies were largely descriptive, explaining how and what type of change occurred, but neither the outcome of that change nor whether the changes were positive or negative to the organizations involved were addressed.

Frameworks for the Study of Collaborative Relationships

Frameworks offer researchers a way to organize and describe their data by identifying and incorporating factors that apply to their research questions. Frameworks are generally differentiated from theories by a reduced emphasis on prediction or correlation and are primarily used to explore or describe some phenomenon. I recognize that the distinction between theories and frameworks is subtle, and debatable, but I have taken this tact in an attempt to accurately reflect the intent of the perspectives described in the following section. The following frameworks have been reviewed due to their specific applications in nonprofit organizations, with some but not all specific to sport.

Interagency collaboration.

In a recent article on strategies for managing interagency collaboration, Page (2005) conducted a review of the literature on entrepreneurial public management and identified six themes that appear in nearly every analysis. These are themes that apply to the management of single agencies.

1). Establishing clear missions and goals to inspire staff and generate support for entrepreneurial efforts from external stakeholders.

2). Embracing accountability to overseers and other constituents, which can result in pressuring staff to perform.

3). Redesigning production processes to enhance flexibility and responsiveness to customers.

4). Adjusting administrative systems to support new processes.

5). Establishing consequences to motivate staff performance.

6). Changing organizational culture to sustain the other entrepreneurial strategies.

Page then equated these single agency themes with strategies used in interorganizational initiatives, and stated that "In key respects, managing complex single agencies is similar to managing interorganizational initiatives …" (p. 316), Page also cited coordination problems, competition for influence, dispersed implementation efforts, and the use of incomplete or distorted information to monitor multiple work settings as problems inherent in these themes. Page used the six themes as a framework to analyze and discuss interagency collaboration. The framework provides another possibility for researchers wishing to examine effective collaboration. The focus on goals and accountability make the themes similar to agency theory, but the weakness in Page's framework is the lack of discussion of the relationship among the six themes, which makes the framework more descriptive than theoretical. Describing these factors in the absence of an attempt to understand how they interrelate does little to advance the literature –

therefore a theoretical perspective (that includes relationships and predictions) would be preferential.

Framework for management of partnerships: identification of factors.

Frisby, Thibault and Kikulis (2004) present an "inductive theoretical framework that provides some initial theorizing about the factors that contribute to undermanaged partnerships" (p. 114). They also propose the framework as a diagnostic tool to assist public sector managers in managing partnerships. The framework incorporates factors such as inadequate managerial structures and processes, a lack of planning and guidelines, unclear roles and reporting channels, difficulties negotiating competing values, and a lack of partnership supervision and evaluation. The authors explain that these are the factors that vary in the management process, and depending on the presence and strength of each factor in a collaborative relationship, the actual costs of partnering would be affected. If the costs become significant, the chances of building long-term mutually beneficial relationships will decrease. Many of these factors such as competing values, reporting channels, supervision and evaluation are very similar to the concepts included in agency theory.

Shaw and Allen (2006) adopted Frisby, et al.'s (2004) general framework for examining managerial structures and processes and regarded structures "as the formally articulated aspects of a partnership, such as reporting channels. Processes were understood to be competing values, coordination and informal communication" (p. 207). Shaw and Allen also included the dynamics of formal communication and the intensity of partnership management as part of the

managerial structure and identified negotiated contracts or similar binding agreements as evidence of formal communication. They also added conflict, competing agendas, and trust as factors in the managerial processes.

The work of Hardy et al. (2003) identified two factors to capture particular patterns in the nature of organizational interactions: involvement and embeddedness. They defined collaborations as being highly involved when there are (1) deep interactions (working together), (2) partnerships (in providing programs), and (3) bilateral information flows (to improve programs). Second, they characterized collaborations with (1) interactions with third parties (other organizations such as FISU), (2) representation (FISU) and (3) multi-directional information flows as being highly embedded. In contrast to involvement, this dimension highlights the connection between the collaboration and the broader interorganizational network. As a result, embeddedness is less relevant to this study, as I focus on the dyad rather than the broader network. Gulati (1999) however, referred to a type of embeddedness labeled relational embeddedness that refers to alliances that are more likely to form, or endure, between organizations that develop trust, positive experiences and cohesiveness over time. In addition to explaining the likelihood of formation, relational embeddedness is also useful in explaining the amount of collaboration that organizations undertake even in relationships that are not strictly voluntary. While interdependence will encourage collaboration, a lack of trust or a history of negative experiences between organizations might, according to Gulati's argument, stall the collaborative efforts.

The factors identified as being important in the management of collaborative relationships through the research (Gulati, 1999; Hardy et al., 2003; Shaw & Allen, 2006; and Thibault & Harvey, 1997) have emerged from research conducted within the nonprofit sector, and at the organizational level. The factors are similar to the concepts of agency theory (Shapiro, 2005) in their concern with the need for mutual goals, information exchange, and the need to interact on a regular and meaningful basis.