

## Institutional Mechanisms and the Government Funding of Provincial Sport Organizations

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### Session 1: Organizational Theory Presentation (25-minute)

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Amateur sport organizations throughout the world are funded through a variety of means including government funding, corporate sponsorship, or private donations. In countries such as the UK and Canada amateur sport programs are primarily funded through government grants (Garrett, 2004; Kikulis, 2000; Slack & Hinings, 1994). Alberta's Provincial Sport Organizations (APSOs) are a specific example of a group of amateur sport organizations that receive annual funding from the Government of Alberta through a grant called the Association Development Program Grant (ADPG). This grant is administered by a funding agency called the Alberta Sport, Recreation Parks and Wildlife Foundation (ASRPWF), through the Sport and Recreation Branch (SRB) of the Government of Alberta. The regulatory nature (i.e. annual financial assistance) of the relationship between APSOs and the Government of Alberta creates a situation in which some APSOs are dependent on this financial support.

Management literature has used institutional theory (DiMaggio & Powell, 1983; Scott, 2001) to explain the impact of institutional mechanisms on financially dependent organizations. DiMaggio and Powell (1983) identified three institutional mechanisms: coercive, mimetic, and normative, which are present due to financial, social, political, or economic pressures that exist within an organization's environment. The presence of these institutional mechanisms can be influenced by an organization's objective of gaining legitimacy or being perceived as legitimate by a higher authority. Through the use of institutional theory, the purpose of this paper was to identify and explore the factors that create institutional mechanisms within the APSOs' environment. Furthermore this study determined the practical and theoretical implications of identifying the presence of these mechanisms within the context of the annual funding arrangement between an APSO and the ASRPWF.

The primary method for collecting data, were face-to-face semi-structured interviews with 16 APSOs (executive directors, a financial director, a former executive director, and board members). Interviews were also conducted with 2 SRB managers. Other sources of data originated from the Government of Alberta, Community Development of Alberta, ASRPWF, and the APSO websites. These websites provide information regarding organizational features (membership rates, contact information, and history of the organization), mission statements, and vision statements for the organizations. Analysis of the transcribed interviews consisted of coding the data and identifying new themes or factors regarding funding that would illustrate which institutional mechanisms existed within an APSO's environment.

Based on the analysis of the data, two factors emerged that provided evidence of the presence of institutional mechanisms: criteria and reporting requirements of the ADPG, and the geographic location of APSOs. A third factor that emerged was Brown Bag lunch Seminars; however, this factor was in the process of being implemented by the SRB employees, as a result, the intended outcome had yet to be determined.

Each factor that emerged was linked to at least one of the three institutional mechanisms. Criteria and reporting were found to be linked with coercive and mimetic mechanisms, while those APSOs in close office proximity of one another were more likely to interact, which can be described as a mimetic mechanism. Finally, Brown Bag lunch seminars are thought to contribute to the presence of mimetic and normative mechanisms.

The criteria and reporting requirements must be complied with by the APSOs in order to receive the ADPG. There are 12 minimum eligibility requirements that focus on an organization's membership, the reporting process, finances, legal status, and the structural characteristics of the APSOs. In an effort to comply with the regulations, interviewees stated that they would interact with other organizations to make sense of the criteria and reporting requirements. The interaction that occurs because of the uncertainty linked with the criteria and reporting requirements was associated with the second factor of geographic location. There are 65 APSOs housed in one building at the Percy Page Centre (PPC) in Edmonton, Alberta. According to the APSO participants that had a physical office location in this building, interaction occurred and information regarding grants was transferred between the managers of these organizations. Interviewees who had an office location outside the PPC responded differently when identifying the amount of interaction that they encounter with other organizations. Essentially, there was less interaction between management of APSOs who have an office outside the PPC, than those interviewees who had office location within the PPC. The Brown Bag lunch seminars are seminars in which APSO managers or professionals (i.e. insurance specialists) make presentations on a specific problem that other APSOs are encountering. These seminars are implemented by

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SRB management with the intention to develop and share solutions to problems that APSOs are encountering through the interaction of APSO managers with one another.

Results suggest that APSOs operate within a politically controlled environment, and the funding policies and procedures developed by the ASRPWF influence the operations and programs of APSOs. Furthermore, APSOs are continually trying to establish legitimacy with the hope they will receive an increase in funding. However, the reality of the situation is that the annual funding amounts have only increased once since the initial assessment of the each APSOs was made in the late 1970s. I suggest that because of a lack of change in the amount of funding APSOs will have to consider increasing their membership fees, decreasing the number of programs offered to the members, or reduce the number of paid staff that are employed with the organization.

Based on these implications, future research needs to be conducted to identify how a political environment impacts the efficiency of the criteria and reporting requirements, and to determine if the funding system that is in place for PSOs is meeting the overall sporting goals of the provincial sport organization, national sport organization, Provincial Government, and the Federal Government. This study has provided a foundation for future research areas in the understanding the funding relationship between the PSOs and the Provincial Governments.