Perceptions of Australian Sports Commission (ASC) and National Sporting Organisation (NSO) high performance staff on their organisational relationship and its effect on managing Olympic performance.

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Abstract

The Australian sports system is a top-down hierarchy overseen by the federal government. The Australian Sports Commission (ASC), a federal agency, is the government body responsible for overseeing the governance, management and funding of National Sporting Organisations (NSOs) which are responsible for achieving success at international sporting competitions, including the Olympic Games (Australian Sports Commission, 2009b). The NSOs rely heavily on this support to operate effectively. Because of this arrangement, the ASC and NSOs work closely together to achieve the best possible sporting outcomes.

The purpose of this study was to examine the relationship between the ASC and Olympic NSOs to determine the effect the relationship had on Olympic performance. Five Olympic NSOs were examined: Athletics Australia, Cycling Australia, Rowing Australia, Swimming Australia and Yachting Australia. All five NSOs represent sports in which Australia has consistently achieved good results at previous Olympic Games. Furthermore, each NSO receives significant funding from the ASC and as such, is expected to continue to achieve success at the Olympic Games.

Following an independent review of the Australian sport system in 2009, the review panel described the Australian high performance sport system as “one of the greatest inefficiencies in delivering elite success on the world stage” (Crawford, 2009, p. 17). As a result, the attention of this thesis was directed towards the ASC–NSO relationship and the governance of these organisations. Findings by Arnold, Fletcher and Molyneux (2012) suggested that leaders and managers within elite sport must: focus on establishing an approach to strengthen relationships; attempt to understand roles within each other’s organisations; and develop contextual awareness of tasks, in order to maximise the attainment of international sporting performance objectives. Thus, their study concluded that Olympic sport programs, if successfully led, managed and supported, will ultimately produce positive performance outcomes in elite sport.

The ASC–NSO relationship was examined through an agency theory framework. According to agency theorists, problems between organisations are usually associated with the underlying ‘contracts’ or working arrangements that are the basis of these relationships (Mason & Slack, 2005). This research examined the ‘contracts’ between
the ASC and the NSOs, gaining an understanding of the ASC–NSO working arrangements, as well as identifying potential issues that may affect Olympic performance, such as agent or principal opportunism. The research incorporated a qualitative methodology that utilised content analysis, insider information and semi-structured in-depth interviews.

The findings identified reasons why governments are involved in high performance sport and highlighted the implications associated with government involvement in daily NSO operations. The NSOs suggested the ASC’s involvement in high performance sport should be as a funding provider only, and resented the ASC directing and governing their programs and operations. The NSOs’ preference was to gain high performance advice and leadership from the Australian Institute of Sport (AIS), as the ASC staff were not perceived as experts in high performance sport. The findings indicated a lack of synergy between ASC expectations and the NSOs’ operational capacities. The ASC implemented national policy documents, planning and reporting procedures for NSOs in order to provide accountability measures for government funding and for measuring international sporting performance. The findings highlighted concerns regarding the sustainability of high performance sport and international sporting success in Australia. Furthermore, the findings also identified a lack of a unified and collaborative high performance sport system in Australia. The ASC identified itself as the leader of high performance sport in Australia; however, this research concluded that the NSOs do not believe that the ASC has the capacity, capability and knowledge to fulfil this role.
Statement of Originality

This work has not been submitted previously for a degree or diploma in any university. To the best of my knowledge and belief, this thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

Signature of candidate: ________________________________

Date: ________________________________
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<td>Chief Executive Officer</td>
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<td>National Governing Body</td>
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Finally, I must acknowledge the contributions made by all respondents from the ASC, AIS and NSOs. Without their candid responses and willingness to give up their time for interviews, this thesis would not have been completed. Thanks to all of you!
Now let the real fun and games begin...
Chapter One: Introduction

1.1 Chapter Overview

This research used a multiple case study approach to examine the relationship between the Australian Sports Commission (ASC) and five Olympic national sporting organisations (NSOs), to determine perceptions regarding what effect, if any, the relationship between the ASC and the NSOs have on Olympic performance. The five NSOs chosen as case study organisations were: Athletics Australia; Cycling Australia; Rowing Australia; Swimming Australia; and Yachting Australia. All five NSOs have a responsibility to achieve international success at significant sporting events, such as the Olympic Games. Each of the chosen NSOs receives significant funding from the federal government, through the ASC, to achieve international sporting success. Thus, as the ASC is the primary funding agent to the NSOs, it has an obligation to protect its investments, and carefully monitors and evaluates NSO operations and performances. This research examined how the ASC monitors the NSOs’ Olympic high performance outcomes and the systems and structures used to measure NSOs’ performance in terms of achieving Olympic success.

Following a disappointing performance at the London 2012 Olympic Games, the ASC, the Australian Institute of Sport (AIS) and the NSOs were scrutinised by the media and the general public. The cartoon on the previous page depicts the review process undertaken as the 2012 Australian Olympic Team performance was described as the worst in 20 years (Smith, 2012).

This introductory chapter begins with an overview of the Australian sports system to provide an understanding of the research context. Next, an outline of the theoretical framework underpinning this research is presented. Following this, the research questions are stated and explained, with an overview of the a priori codes used to classify and prioritise data findings. An overview of the research methodology is then presented, followed by an introduction to the case organisations. And finally, the chapter concludes with an overview of the thesis structure.
1.2 Research Background

Australian sport has gone through a series of major changes over the past 40 years (Stewart, Nicholson, Smith, & Westerbeek, 2004) in an attempt to improve the way high performance sport is managed, and to achieve greater international sport results. The most significant change was the establishment of the Australian Institute of Sport (AIS) in 1981 as a result of the disappointing performance of the Australian Olympic Team at the 1976 Montreal Olympic Games (Bloomfield, 2003; Cashman, 2002; Gordon, 1994). It played a significant role in shaping the structure of high performance sport in Australia, providing a dedicated facility to train and house elite Australian athletes as well as providing comprehensive sports science and sports medicine services to athletes and national teams (Australian Sports Commission, 1998). Since its inception, there has been minimal change to the AIS concept, even though other countries have refined and improved Australia’s model. This international adoption of the AIS model has led to a concern that Australia may have reached its maximum potential in the international sporting arena, as other countries are becoming more competitive through their implementation of structured high performance systems and generous funding levels (Bloomfield, 2003).

The stagnation of Australia’s high performance systems and structures has led to Australia’s current high performance sport system being described as ‘one of the greatest inefficiencies in delivering elite success on the world stage’ (Crawford, 2009, p. 17). In 2010, the federal government stated ‘we are not keeping pace with competing nations’ and we are rapidly losing our highly coveted competitive edge’ (Australian Government, 2010, p. 1). Academic literature has reached similar conclusions. For example, Sotiriadou (2009) believes the Australian sport system will not result in sustainable sporting success unless the right ‘strategies, actions, practices and relationships’ (p. 855) are put in place.

The Federal Government commissioned an independent review of the Australian sport system that was conducted in 2009 following a change in federal government leadership, and after predictions by the Australian Olympic Committee (AOC) that Australia’s Olympic performances at the London 2012 Olympic Games would be poor due to a lack of funding for Olympic sports. The review was conducted by a panel led by David Crawford who had previously conducted reviews of the structure of the Australian Football League (AFL) and of the structure, governance and management of football (soccer) within Australia. The 2009 review, titled ‘The Future of Sport in Australia’, is
known colloquially as the Crawford Report, and concluded that most aspects of
Australian sport are managed across multiple organisations and involve collaboration by
many stakeholders, making cooperation and communication between organisations a
challenging task. The Report concluded: ‘the current Australian sports system is very
complex, inefficient and cumbersome’ (Crawford, 2009, p. 12). This complexity results
in an ineffective system, with many managers unable to make decisions quickly or
efficiently. Despite these structural impediments, the nation demands and expects success
at the Olympic Games, to the extent that the Australian Olympic Committee (AOC), has
stated that success at the Games is considered ‘a national priority’ (Australian Olympic
Committee, 2009b, p. 8).

The Report made 39 recommendations to the government in eight focus areas. The
areas relevant to high performance sport included: reforming the ASC, merging the state
and federal institutes of sport, and increasing NSO capabilities. The Crawford Report is
salient to this research as it highlights issues within the Australian high performance sport
system that are further examined in this thesis. Specifically, this research aims at gaining
an in-depth understanding of the management of the ASC–NSO relationship and its
impact on Olympic performance outcomes. In addition, the Australian Federal
Government’s response to the Crawford Report and its new high performance sport
policy is also of importance to this research.

The federal government responded to the Crawford Report in a document titled,
‘Australian Sport: The Pathway to Success’ (Australian Sports Commissions, 2010), in
which it outlined the government’s objectives relating to high performance sport and the
funding to be allocated to meet those objectives. For example, the federal government
allocated a record AUS$1.2 billion to sport over the 2010–2014 period. Of this funding,
$324.8 million was allocated to supporting Australia’s high performance sport programs
(Australian Government, 2010). In addition, the federal government’s document
addressed the recommendations made within the Crawford Report. For example, the
document outlined the roles and responsibilities of the ASC and emphasised the capacity
and capability required by the NSOs to meet agreed objectives. Thus, this thesis will
further investigate the roles and responsibilities of the ASC and selected NSOs, and the
capacity and capability of each organisation to meet expected outcomes. Literature is
examined to provide a background to the ASC–NSO relationship and also to provide an
understanding of why the federal government is involved in high performance sport operations.

The literature suggests governments can use elite sport as a means to achieve non-sport objectives such as cultural, economic and social development (Houlihan, 2013). Most governments in economically developed nations, such as Australia, regulate high performance sport to some extent (Houlihan, 2013). Many governments have established systems and structures to monitor and control high performance sport operations. In Australia, for instance, the federal government controls and monitors high performance sport through the allocation of funding and resources. Literature suggests that the Australian Federal Government is heavily involved in all aspects of high performance sport operations, and plays a key role in driving international sporting success (Green & Houlihan, 2006).

However, achieving international sporting success is becoming increasingly difficult, with many nations vying for international medals and an increasing number of nations accessing high levels of funding, sports science services, facilities and equipment (De Bosscher, De Knop, Van Bottenburg, & Shibli, 2006). Many nations have moved beyond the Australian high performance model and are achieving significant improvements in international sporting performance (Bloomfield, 2003). The Australian Government has acknowledged that to maintain a competitive edge, the country must keep creating high performance sport systems that will ensure the continual identification and development of elite athletes who are able to compete successfully on the international stage (Australian Government, 2010).

The next section will briefly describe the structure and function of the ASC and the NSOs in order to explain their place in the Australian high performance sport system.

1.2.1 The Australian Sports Commission (ASC)

The ASC was established in 1989 and is a statutory authority of the federal government. It is tasked with improving sport performance and development, as well as leading and coordinating the Australian sports system (Australian Sports Commission, 2006). It is governed by a board of commissioners who are appointed by the federal government to determine its direction, allocate resources and guide policy development. The board is accountable to the Minister for Sport and to the Australian Federal Government (Australian Sports Commission, 2009a).
The ASC is thus the federal government agency responsible for sport at all levels throughout Australia. Its mission is to ‘enrich the lives of all Australians through sport’ (Australian Sports Commissions, 2010) and it strives for increased participation at the recreational level, and at the elite level. In terms of its organisational structure, the ASC has three key areas of responsibility: (1) the Australian Institute of Sport (AIS); (2) sport development; and (3) corporate services. Within its area of ‘sport development’, a sport performance unit is tasked with providing leadership, guidance and support to the NSOs, in an effort to achieve international sporting success (Australian Sports Commission, 2007). The ASC has implemented performance-based agreements with the NSOs to monitor their operations and results, and to confirm that NSOs are on track to achieve the desired Olympic goals (Shilbury, Deane, & Kellett, 2006).

The AIS is a key area of responsibility for the ASC and is important to this research. It presents itself as a premier sports training institute that combines skilled coaches, world-class facilities and cutting edge sport science and sport medicine services (Australian Institute of Sport, 2011b). The AIS was portrayed as a ‘gold medal factory’ (Bloomfield, 2003) and from 1989 became the responsibility of the ASC.

### 1.2.2 National Sporting Organisations (NSOs)

In Australia, each NSO governs a sport nationally and is ‘responsible for the management of the overall elite athlete pathway’ (Australian Sports Commission, 2006, p. 6). The ASC has established criteria to determine what activities are classified as sports and has also published guidelines that identify the criteria a sport organisation needs to satisfy to gain status as an NSO. For the 2009–2013 period, 91 sport organisations have been recognised by the ASC as NSOs (Australian Sports Commission, 2010). Recognition criteria for NSOs include evidence of: national perspective; primary responsibility for the development of their sport in Australia; not-for-profit status; independent financial statements; and a committed governance structure (Australian Sports Commission, 2009b). Once recognised as an NSO, an organisation may be eligible to receive funding and support from the ASC.

In 2011–2012, the ASC allocated specific high performance funding to 50 NSOs (Australian Sports Commission, 2012a). To receive this funding each NSO prepared a performance sport plan that outlined the Key Performance Indicators (KPIs) and goals, and identified the service support the sport received through the various state institutes of
sport within Australia. Service support included the use of sports science (i.e. biomechanics, physiologists, etc) and sports medicine specialists such as sport doctors, physiotherapists etc. The KPIs included predicted performance results of athletes at specific events, usually measured by a medal count or the team/athlete’s placing at the event.

The ASC monitors and evaluates the NSOs’ high performance plans through performance evaluation meetings that occur twice yearly. According to the ASC, a key goal in achieving excellence in sports performance is to ensure that the NSOs are regularly evaluated by the ASC. The evaluations are to ensure that NSOs improve their efficiency and effectiveness, while at the same time meeting agreed high performance targets and outcomes (Australian Sports Commission, 2009a).

1.3 Research Purpose and Rationale

As noted above, the ASC provides high performance funding to 50 NSOs, however it also provides funding to an additional 40 NSOs for sport participation and sport development programs. The literature suggested that the ASC cannot continue to fund and service so many sports and expect to maintain Australia’s international sporting success (Bloomfield, 2003; Crawford, 2009; Ferguson, 2006; Stewart et al., 2004). This raises the issue of how many NSOs the ASC should support and also, what criteria should be used to determine the levels of support they receive. Sotiriadou (2009) suggests the dependency of the NSOs on ASC funding does not work, as any reduction in expected funding can have a negative impact on elite performance. A paradox associated with NSOs reliance on government funding, as suggested by Shilbury, et al. (2006), is that ‘high levels of funding inevitably lead to increased dependence rather than independence’ (p. 102). The expectation by the federal government is that continued investment in Olympic NSO high performance programs will continue to result in international Olympic success (Australian Sports Commission, 2012b).

In the current Australian high performance sport system, a successful relationship between the ASC and the NSOs is crucial for elite sport outcomes. This research examined the perceived effect the management of the ASC–NSO relationship has on Olympic performance. It also considered the other roles and responsibilities the NSOs undertake and how these can impact high performance sport results, especially as the
government plan financially rewards NSOs that have successful mass-participation strategies in place in an attempt to encourage more Australians to participate in organised sport (Australian Government, 2010). Recreational or ‘sport for all’ and elite sport are at different ends of the performance continuum and attempting to balance the objectives and funding requirements of these two roles is a difficult task, and for many NSOs becomes problematic (Shilbury et al., 2006).

The results of this research may assist ASC, AIS and NSO managers identify strengths and weaknesses within their organisations and assist them in developing a greater understanding of the current sport system, especially key relationships that impact Olympic performance. In addition, the findings may provide an understanding of the relationship between the ASC and the NSOs and highlight the issues and concerns surrounding the management of these relationships, in an attempt to determine the perceived effect these issues have on Olympic performance.

### 1.4 Overview of the Theoretical Framework

The decision to develop a relationship with another organisation is based upon various determinants: asymmetry, reciprocity, necessity, legitimacy, efficiency and stability (Oliver, 1990). Determining why organisations are seeking relationships and investigating how these inter-organisational relationships are managed is a key focus of this study. The ASC and the NSOs is considered an inter-organisational relationship, whereby the relationship was formed in order to meet regulatory requirements from the Federal Government. However, according to Oliver (1990) the determinants may explain the motives behind the inter-organisational relationship, but they do not explain the conditions of the inter-organisational relationship. In other words, it does not provide an understanding as to how the relationship is managed, and what roles each organisation plays in the relationship. Therefore, the theoretical framework underpinning this research is agency theory.

Agency theory is used to understand human performance within organisations and examines the relationship between two parties, the principal and the agent (Pratt & Zeckhauser, 1985). In agency theory, a relationship is defined as one ‘whereby a party, the principal, tries to motivate another (or others), the agents, to act in a manner advantageous to the principal’ (Mason & Slack, 2005, p.49). Jensen and Meckling (1976)
describe a principal–agent relationship as a contract whereby the principal directs the agent to perform services on their behalf.

Agency theory seeks to understand the relationship that exists between principals and agents, whereby the services of the agent are acquired by the principal, who typically does not possess the skills or knowledge to perform the services (Mason & Slack, 2005). Consequently, information asymmetry can emerge as the principal may not be completely aware of the activities an agent undertakes while acting on their behalf (Mason, Thibault, & Misener, 2006). Furthermore, the principal cannot ‘perfectly and costlessly’ (p. 2) monitor the agent’s action and information (Pratt & Zeckhauser, 1985). As a result, problems may arise when the opportunities occur for an agent to act out of self-interest, especially if this can be done without detection (Jensen & Meckling, 1976). Agency theory therefore examines the monitoring mechanisms in place to ensure the agent achieves the outcomes desired by the principal.

In this research, the relationship between the ASC and NSOs are examined through an agency theory lens, where the ASC (the principal organisation) requires the expertise of the NSOs (the agents) to achieve Olympic success. As identified by Kivisto (2008), the principal must meet certain conditions within a principal–agent relationship. These conditions include: (1) the principal allocates tasks to the agents; (2) the principal allocates resources to the agents to complete the tasks; and (3) the principal has an interest in governing the task completion. All three conditions are met by the ASC, supporting the application of agency theory in this research. In high performance sport, the specific behaviours leading to successful international results, especially Olympic medals can be difficult to define and may vary from sport to sport (Green & Oakley, 2001). However, the ability to measure the outcome is easy, either by the number of medals won, or the number of athletes/teams placing at the event. Therefore, outcome-based contracts, through a high performance plans between the ASC and each NSO, have been developed that stipulate the desired results each NSO is expected to obtain at significant international sporting events. The high performance plans also stipulate the roles and responsibilities that the ASC is required to carry out in order to ensure collective goals and objectives are met. Therefore, the ‘contracts’ between the ASC and NSOs are a key focus of this research, as they provide an understanding of the obligations, behaviours and expectations of the ASC and
the NSOs in the principal–agent relationship. In order to understand this relationship, research questions have been developed.

The following sections introduce these research questions, followed by an overview of the research design.

1.5 The Research Questions

The aim of this research was to examine the relationship between the ASC and five selected Australian Olympic NSOs to determine the perceived effect the relationship has on the NSOs’ Olympic performances. The study empirically examined organisational relationships and drew conclusions based on the data collected and analysed. The data gathered related to the ASC and NSO staffs’ perceptions of capacity, capabilities and roles and responsibilities of each organisation. The overarching research question was:

*How do ASC and NSO high performance staff perceive the relationship between the ASC and NSOs and its effect on Olympic performance?*

To fully address the overarching research question, the following three sub-questions were required:

1. What are the perceived issues arising from the management of the ASC–NSO relationship?
2. How are these issues perceived to impact Olympic performance outcomes?
3. Why have these issues occurred?

Asking the sub-questions provided a means of obtaining and classifying specific information relating to the roles, responsibilities, expectations and capabilities of each case organisation, as well as the objectives and goals. The sub-questions sought to focus on specific areas of the ASC–NSO relationship in order to ascertain perceptions of each organisation’s capacities and overall ability to achieve the objectives of both organisations. The findings within each sub-question contributed to addressing the overarching research question.

The next section presents a structure and overview of the thesis.
1.6 Overview of the Research Design

This section presents an overview of the methodological approach employed in this research. A more thorough justification and explanation of the methodology is provided in Chapter Four.

This qualitative research project incorporated a case study design. Case study research is conducted in a real-life context that allows investigation of a particular situation, event, program or phenomenon (Edwards & Skinner, 2009). The characteristics of case study design are well suited to this research for two reasons: a) they allowed the researcher to investigate each case within a real-life context; and b) they allowed for in-depth examination of the complex organisational relationship between the ASC and the NSO, providing the researcher with the best opportunity to address the research questions. Multiple cases were investigated in order to obtain robust data (Edwards & Skinner, 2009). This multiple case study approach included five NSO case organisations: Athletics Australia; Cycling Australia; Rowing Australia; Swimming Australia; and Yachting Australia.

Throughout the duration of the study, the researcher was an employee of the AIS and was thus technically an employee of the ASC. According to Yin (2011) and Dandelion (1997), researchers who study their current organisations are considered to be conducting insider research. Advantages associated with insider research include the ease of access to organisations and an already formed relationship with key participants (Bryman & Bell, 2011). In addition, an insider researcher is well placed to ask the right questions to the right people (Walsh, 2011). A disadvantage associated with insider research is that the researcher may be too close to the subject matter and may have preconceived ideas and conclusions (Brannick & Coghlan, 2007). Chapter four will address how the researcher overcame the issues associated with insider research.

The research methodology incorporated a three-phase sequential process: (1) content analysis; (2) self-administered questionnaires; and (3) semi-structured in-depth interviews. The data collection for each phase was completed and analysed before moving onto the next phase of the research. The methodology included in-depth interviews and document analysis to provide an understanding of the ASC–NSO relationship. In addition, the methodology sought to determine the expectations each case NSO has of the ASC, and also the ASC expectations of Olympic NSOs. Overall, 37 questionnaires were completed, 32 in-depth interviews were conducted with ASC, AIS
and NSO employees, and over 65 documents and websites were reviewed. The majority of the key findings emerged from the final phase of the data collection, due to the nature of semi-structured in-depth interviews, when a large quantity of robust data was collected from participants.

1.7 Significance of the Research

As successful results at an Olympic Games build national pride and unity within the country (Houlihan & Green, 2008), Australia’s performance at the Olympic Games is a key priority for the Australian Government and the nation as a whole (Australian Sports Commission, 2012b). Australia has consistently achieved success at the Olympic Games, however it is believed that the country’s performance is on a downward trend and that the nation cannot maintain its current international sporting performances (Australian Olympic Committee, 2009b; Crawford, 2009; Halsey, 2009). For instance, Australia finished fourth on the Sydney 2000 Olympic Games medal tally, and at the London 2012 Olympic Games finished tenth. While previously blame has been placed on federal government funding of high performance sport (Oakes, 2012), a recent explanation for the decline has been suggested by the AOC’s President, John Coates, who claimed it is management and high performance operations that are impacting performance, rather than a lack of funding (Lane, 2012).

Arnold, Fletcher and Molyneux (2012) believed that examining the performance of Olympic organisations and their relationships may help to improve Olympic performances:

If nations wish to maximise the likelihood of success at the Olympic Games, they must not only design and develop effective elite sport policies, they must also have the right personnel in place to lead and manage their Olympic programmes, competently respond to and address issues, and create, optimise and maintain a high performance environment (p. 318).

Apart from the government-commissioned investigation into the Australian sports system in 2009 by an independent businessman, David Crawford, there has been little research into the role government plays in high performance sport in Australia. Furthermore, there is no empirical evidence that evaluates the capabilities and capacities
of the organisations tasked with achieving Olympic success for Australia. Therefore, this research examined the ASC–NSO relationship in order to obtain an understanding of the capabilities, capacities and competencies each case organisation employs in its efforts to achieve high performance sporting success. From this examination, conclusions are drawn about what issues are associated with the management of the ASC–NSO relationship and, furthermore, how these issues are perceived to affect Olympic performances. The research provides a foundation for a more thorough understanding of the relationship between the ASC and NSOs, and the environment in which they operate.

1.8 Chapter Summary and Thesis Structure

This chapter has provided an overview of this research, highlighting: the background to the research; the research questions; the theoretical framework underpinning the study; the methods of data collection; and the significance of the research.

Figure 1.1 below illustrates the layout of the thesis, including key headings which show the research sub-questions and identified codes and themes. The arrows indicate the flow and sequence of the methodology and the discussion that follows the data analysis. Following Figure 1.1 is a brief synopsis of each chapter.
Figure 1.1 Overview of thesis structure.

Chapter 2 presents a review of literature relevant to the research topic, and is divided into Part A and Part B. Part A presents literature on the Australian high performance sport system and its history, the Olympic Games and Australia’s involvement at the Games. Part B presents literature on government involvement in elite sport and sport governance.

Chapter 3 presents the theoretical framework underpinning this research. The chapter examines the varying academic views of agency theory, followed by the application of agency theory to non-profit organisations and sport. The chapter concludes with a discussion of agency theory within this research context and the limitations associated with this theoretical framework.

Chapter 4 presents the methodology, outlining the research questions, case selection and the methods with which data was collected (in three phases) and analysed. The chapter provides information relating to the validity and reliability of the chosen research methods, and concludes with a discussion of ethical considerations.
Chapter 5 presents the descriptive results of Phase 1, content analysis. The chapter examines key documents used to manage ASC–NSO relationship, and provides an explanation of each document and the impact the documents have on ASC–NSO relationship. The chapter concludes by discussing the implications of Phase 1 findings for the subsequent phases.

Chapter 6 presents the descriptive results of Phase 2 and Phase 3, the questionnaires and semi-structured interviews. The data is presented in the form of respondent quotes in order to display the perceptions, opinions and attitudes of all respondents. They are presented under the codes of Communication, Roles and Responsibilities and Olympic Performance. The chapter also includes the data analysis results obtained using the software program Leximancer.

Chapter 7 presents a discussion of the results incorporating agency theory and the literature. The discussion is presented under the research sub-questions and concludes with a summary of findings presented in Table 7.3.

Chapter 8 presents the conclusion of this thesis. The chapter includes a summary of key research findings and concludes with a discussion of the contributions made by the thesis to the knowledge of sport management and the understanding of the application of agency theory in non-profit sport organisations. The chapter concludes with a discussion of practical applications and the overall limitations of this research project.

The next chapter, the literature review, will now present literature associated with the Australian sport system, the Olympic Games and sport governance.
Chapter Two: Literature Review

2.1 Chapter Overview

This chapter presents a review of literature relevant to the topic being investigated. The chapter is divided into two parts, Part A and Part B. Part A commences with an examination of the Australian sport system, its history and development. It includes a brief introduction to the organisations being examined in this research. This is followed by a review of literature on Australia’s involvement in the Olympic Games, concluding with discussion on measuring high performance sporting success. The review of the literature indicated that there was an absence of research directly associated with the interactions between the ASC and NSOs, and of the effect this relationship has on Olympic performance. Consequently, this chapter presents literature relating to the broader context in which the ASC–NSO relationship exists, including an examination of independent reviews undertaken to assess the state of the Australian sport system, and the ASC–NSO relationship. In addition, the recommendations from the recent review of the Australian sport system, known as the Crawford Report (2009), will be discussed, as well as the federal government’s 2010 sports plan. Both documents have guided the research design, allowing the research findings and discussions to align with the future direction of Australian sport proposed by the ASC and AIS.

Part B of this chapter presents a review of the literature on government involvement in elite sport and the governance of sporting organisations in general. Literature relating to the extent of government involvement in high performance sport will be presented, followed by a general definition of governance. Next, the literature associated with the governance of sporting organisations will be reviewed. The chapter concludes by highlighting existing gaps in the current literature and by describing how this research contributes to the understanding of the effect that the management of the ASC–NSO relationship has on Olympic performance.
2.2 The Australian Sport System

The history of the Australian sports system provides important context for this research, as it offers a foundation to understand why it operates as it does today. Bloomfield (2003) suggested that the sport system in Australia has moved through two distinct phases: a) the evolution of the amateur system; and b) the central control of sport by the federal government. Many important influences throughout the history of Australian sport have determined its current direction (Shilbury et al., 2006). The most influential event that led to a significant change in the nation’s sport system was Australia’s disappointing results at the Montreal 1976 Olympics Games. In response to those results, the federal government implemented systems and structures to cater for elite athlete development with specific funding and facilities (such as the AIS), to ensure better international results in the future (Stewart et al., 2004; Toohey, 1990).

As a result, Australia has, since then, ‘punched above its weight’ in high performance sport, with the Australian Olympic team achieving its best-ever performance at the Athens 2004 Olympic Games, placing fourth on the Olympic medal table and winning 17 gold medals. Currently, however, there is concern surrounding the future direction of the Australian sport system and its ability to sustain the international sporting success that the Australian public and government have come to expect (Australian Olympic Committee, 2009a; Bloomfield, 2003; Crawford, 2009; Shilbury, 2000).

The focus for improving high performance sport success is on reviewing the effectiveness of current systems and structures within the Australian high performance sport system, and clarifying the role of government in high performance sport. Recent results by the Australian Olympic Team in London 2012, where the team placed tenth instead of the expected sixth on the Olympic medal table, reinforced the general concerns regarding the effectiveness of the country’s high performance sport system. John Coates, AOC’s President, suggested that the poor performance of the team was not a result of a lack of high performance funding, and stated: ‘I’m absolutely certain that the sports have to look at themselves rather than look for more money’ (Lane, 2012).

The following sections will provide a background to the systems and structures in the current Australian sports system as well as provide a history and brief overview of the various influential organisations in the Australian sport system.
2.2.1 Structure

The current structure of the Australian sports system is a top-down hierarchy overseen by the federal government (Sotiriadou, 2009). At its peak is the ASC, which is the government body responsible for overseeing the governance, management and funding of NSOs, and for providing assistance to State Sporting Organisations (SSOs), school education, coach and officials’ education, active after-school programs and to local sport clubs. The ASC ‘manages, develops and invests in sport at all levels in Australia’ (Australian Sports Commission, 2009a, p. 6). Sport delivery in Australia generally operates at three levels: the club level, the state level and the national level.

Clubs, or community sport organisations, are predominantly non-profit organisations and are the basis of recreational sport participation and early talent development within Australia (Cuskelly, 2004). These organisations are primarily controlled, managed and run by volunteers. According to Cuskelly (2004), these community sport organisations: ‘provide important, accessible and affordable pathways for children and adults alike to participate in and contribute to the development of a strong and dynamic sports system’ (p. 59).

At the state level, SSOs manage and govern the rules, registrations and regulations of their sports within their state. They are predominantly staffed by volunteers and provide invaluable support to clubs at all levels (Cuskelly, 2004). In most cases they receive funding support from their respective state governments, however this income source has declined and many SSOs need to increase their ability to generate revenue and be less reliant on government funding (Shilbury et al., 2006). The federal government’s plan, ‘Australian Sport: The Pathway to Success’ (2010), emphasised the need for NSOs to expand their capabilities at the community level, and to develop participation plans with SSOs. This may also involve the NSOs providing additional financial assistance to SSOs and community clubs (Australian Government, 2010).

At the national level, each NSO governs a specific sport nationally and complies with the relevant international federation’s (IF’s) rules, competition regulations and policies within the nation. Because the NSOs are important organisations within the Australian sport system, they require effective management and direction to be successful (Stewart et al., 2004). The Crawford Report (2009) identified the need for Australian NSOs to build their capacity and capability, while the need to improve the effectiveness and efficiency of NSOs was highlighted in the federal government’s sport plan (2010).
The Report recommended that the ASC lead the Australian sport system and provide support to NSOs for the enhancement of their capacity and to guide governance practices and assist in planning and participation outcomes. A more in-depth examination of NSOs is provided in Section 2.2.5.

The structure of the Australian sport system and of the tiers identified above is displayed in Figure 2.1, which is a simplistic diagrammatical representation of Australia’s current sport system. According to Ferkins and van Bottenburg (2013) ‘none of these sport organisations can act independently of other sporting agencies’ (p.116). As the ASC and NSOs are the focus of this research, they are highlighted in the figure below.

*Figure 2.1* The Australian sport system (Shilbury et al., 2006, p. 21).

The next section presents a short history of the development of the Australian sport system in order to provide an understanding of how the current sport system has emerged, especially in relation to Olympic sports.

### 2.2.2 History

Australian sport developed rapidly between federation in 1901 and the beginning of World War II in 1939, aided by local governments, which played a key role in the development of recreational sport through the provision of facilities and by creating the club-based structures that are a strong part of today’s sport system (Stewart et al., 2004).
During that time the federal government had no formal relationship with the NSOs and only began its contribution to the Australian Olympic Federation (now the AOC), as early as 1920, by providing financial assistance for the Antwerp 1920 Olympic Games team (Gordon, 1994).

The first initiative by the federal government in the area of sport occurred in 1941 through the establishment of the Commonwealth Council for National Fitness, incorporating the six state members, in an attempt to develop higher levels of physical fitness, especially for young males who had enlisted in the nation’s armed forces (Bloomfield, 2003). However, it was not until after World War II that the importance of the nation’s physical fitness and Australia’s lack of international sporting success highlighted the need for greater government involvement in high performance sport (Stewart et al., 2004).

Australia experienced unprecedented sporting success immediately following World War II, especially in cricket and at the London 1948 and Helsinki 1952 Olympic Games. By 1956, Australia’s sporting performances were highly competitive with the rest of the world and results at the Melbourne 1956 Olympic Games positioned the nation well on the international sporting stage. Following the 1956 Games, the nation’s continued dominance in swimming, golf, athletics and tennis further strengthened Australia’s international sporting success and led the nation to believe that this trend would continue without significant government financial assistance or direction (Jaques & Pavia, 1976). However, toward the end of the 1960s, Australia’s international sporting success began to decline. Australians, who were for the most part amateurs, were not competitive with their international rivals who had the benefit of national talent identification programs and sport science and sports medicine support, and who trained in new and exciting ways. The Australian sports system still followed an amateur ethos, while other countries developed their athletes in a more professional and scientific way. Australia’s reluctance to adapt to the professional ethos saw the early advantage of a comprehensive developed sport system diminish (Westerbeek, Shilbury, & Deane, 1995).

At the Montreal 1976 Olympic Games, for the first time in forty years, Australia did not win a single gold medal at an Olympic Games. While Australia was never expected to match the Olympic super-powers (USA and Russia for example), it was still expected that the team would win gold medals. The nation’s results were the catalyst for changes within the Australian sports system and for the formation of the Confederation of
Australian Sport (CAS) in 1976. The aim of CAS was to obtain government funding in order to better support sport in Australia (Shilbury et al., 2006). One of the first issues CAS raised was the development of a new sports institute, as supported by commissioned reports to the government submitted by Bloomfield and Coles in 1973 and 1974 respectively. Following their recommendations, in 1981, the Australian Institute of Sport (AIS) was opened by Prime Minister Malcolm Fraser, who declared that as far as elite sport was concerned, ‘we are no longer going to let the rest of the world pass us by’ (Bloomfield, 2003, p. 57).

Following the establishment of the AIS, the nation’s Olympic results improved. However, complaints emerged from interstate sporting organisations concerning the centralised nature of the facility. In an attempt to develop and keep talented local athletes, State Institutes of Sport (SIS) were formed (Bloomfield, 2003). The implementation of the state institutes provided athletes with the opportunity to train within their home states, with their own coaches and receive benefits similar to athletes living at the AIS. However, according to Bloomfield (2003) the establishment of the SIS resulted in the state institutes ‘operating in isolation and often in competition with one another’ (p. 140). This concern was later also identified as problematic in the Crawford Report (2009) and similarly addressed in the recent federal government (2010) sport plan (discussed in Sections 2.2.6 and 2.2.7 respectively), with both documents recommending the unification of the institutes to ensure cooperation, shared resources and a better national approach to international success (Australian Government, 2010).

The federal government’s (2010) sport plan, ‘Australian Sport: The Pathway to Success,’ acknowledged new challenges facing Australian sport in the future and admitted that there is a need for urgent changes to the nation’s sport structures. The federal government has identified a need to place a ‘strategic focus on collaboration, reform and investment’ (p. 1) within the Australian high performance sport system. The organisation identified to undertake this task was the ASC.

2.2.3 The Australian Sports Commission (ASC)

The ASC was established in 1989, emerging from an earlier organisation that focused on health, fitness and social cohesion. The ASC amalgamated with the AIS to form the new ASC, under the Australian Sports Commission Act in 1989 (Ferguson, 2006). The newly established ASC had input and control over high performance funding
and elite athlete development, due to the AIS being included as one of its areas of responsibility. Westerbeek et al., (1995) suggested that the amalgamation of the two organisations made it easier for the government to direct funds effectively and efficiently to NSOs for their high performance programs as well as for sport participation initiatives. However, following the amalgamation of the ASC and AIS, international sporting success, especially at the Olympic Games, became a priority for the ASC (Bloomfield, 2003).

In its 2009 annual report the ASC acknowledged the need for excellence in sports performance by Australians, and declared: ‘The federal government is committed to supporting the delivery of high-quality sports excellence programs that enable Australian athletes to excel at the highest levels of international competition’ (Australian Sports Commission, 2009a, p. 2). However, the ASC realised that achieving this would be difficult as it had also identified that ‘underlying challenges have been emerging for Australian sport over a number of years’ (Australian Sports Commission, 2009b, p. 45). Specifically, these challenges included the allocation and division of funding to meet the challenges associated with increasing sport participation (sport for all) and to sustain international sporting success. While it is acknowledged that funding has a direct link to international sporting success (De Bosscher et al., 2006), the impact of ASC funding on NSOs is not the primary focus of this research. However, understanding funding criteria and government decision-making in relation to high performance sport funding allocations is necessary to provide context for this research.

The ASC has developed three criteria to determine elite funding decisions: (1) excellence – results of NSOs at major benchmark events, such as world championships and Olympic Games; (2) relevance – the sport’s significance to Australians, with a component related to the NSO status as an Olympic sport; and (3) effectiveness – assessment of the NSOs’ ability to deliver ‘sport for all’, governance and management (Australian Sports Commission, 2009a). Crawford (2009) noted that the ASC funding criteria are heavily skewed towards Olympic sports and Olympic performance, and suggests that support for other sports that encompass the Australian way of life, such as cricket and surfing, should receive more ASC funding support. However, using set criteria, the ASC has ranked sports in tiers according to their status as an Olympic sport, with an emphasis on their potential to win Olympic medals (Australian Sports
Commission, 2011a). Therefore, sports with the most likelihood of medalling at the Olympic Games or at world championships were given the most support.

The Crawford Report (2009) suggested that there is a need for greater support for the ‘sport for all’ philosophy and a reduction of funding to elite sport within Australia, especially to those sports that are not seen to be congruent with the values and culture of Australia, such as wrestling and table tennis. Despite the ongoing debate, support for high performance sport, and in particular Olympic sports, is still a priority for the government as demonstrated in their sport plan, ‘Australian Sport: The Pathway for Success’ (2010). Funding to high performance Olympic sports has increased over the past few years, with Olympic NSOs securing an additional $124 million from 2010 through to 2016, demonstrating the importance of international sporting results to the government and Australia (Australian Government, 2010). In addition, the government has continued to trust the ASC as the federal agency responsible for the distribution of sport funds through to 2016.

According to the ASC 2011–2012 annual report, a total of $209,462,000 was distributed to NSOs, athletes and scientific research, in order to meet the outcome of ‘excellence in sports performance and continued international sporting success’ (Australian Sports Commission, 2012a p. 31). Funding was allocated to 31 NSOs to implement their high performance plans, with 12 NSOs receiving additional financial support based on their potential to win medals at the London 2012 Olympic Games. This additional funding was known as the ‘Green and Gold’ initiative (Australian Sports Commission, 2012a). Not all NSOs operate a high performance program within their organisations, and those which did not were therefore not eligible to receive additional funding through the ‘excellence in sports’ program managed by the ASC. Funding was allocated to NSOs based on performances at major international events, such as the Olympic Games and world championships (Australian Sports Commission, 2011e). In 2008, the ASC (2009b) suggested ‘the effectiveness of the Australian elite sports system can be measured in part by the strong results achieved at the Beijing 2008 Olympic Games’ (p. 45). In research conducted by Hogan and Norton (2000), the cost to produce a single Olympic gold medal was found to be approximately $37 million, with findings indicating there was a correlation between a nation’s funding of high performance sport and total medals won.
Stewart, et al., (2004) identified various anomalies related to the federal government funding of Olympic sport, with Olympic sport performance not necessarily being the largest influence on funding allocation. They suggested there were biases and preferences towards certain sports that are seen as ‘deserving’ (p. 107), or towards NSOs that have influence over Ministers or advisors. For example, selected sports may have the appropriate structures, systems and governance in place, but are yet to achieve international success. To overcome this presumed bias, Sotiriadou (2009) argued that sport organisations need to reduce their reliance on federal government funding and find other means to become financially viable. NSOs need to build capacities and improve effectiveness in order to manage their organisation and be accountable for their results (Crawford, 2009). The Crawford Report (2009) recommended that NSOs should have increased responsibility in the management of their high performance programs and budgets, with the ASC’s role reduced to monitoring and evaluating their performance.

As previously stated, the ASC plays a key role in developing, governing and educating NSOs to ensure there is a significant standard of management within these sport organisations. A key role undertaken by the ASC is to ensure that NSOs implement strategic and operational plans that measure NSO performance against clear KPIs. In addition, the ASC requires that each NSO demonstrates an effective system of internal governance. In effect, the ‘NSOs implement the strategies the Commission (ASC) formulates’ (Sotiriadou, 2009, p. 848). This means that NSOs need to work closely with the ASC to ensure government policies are delivered, and currently it is through this relationship that decisions are made and funding is allocated.

The role of the AIS is significant in the ASC–NSO relationship, as it is tasked with the responsibility of achieving high performance sporting success across many sports. Since its inception, the AIS has had various restructures and has undertaken varying roles and responsibilities from centralised scholarship sport programs through to advising and guiding high performance operations within NSOs. The next section presents a brief overview of the AIS and its role in the Australian sport system.

2.2.4 The Australian Institute of Sport (AIS)

The AIS was developed as a centralised ‘gold medal factory’ where athletes could live in a high performance environment (Bloomfield, 2003). The AIS claims it has achieved outstanding athletic results through the combination of expert coaches, world-
class facilities and dynamic sports science and sports medicine services (Australian Institute of Sport, 2011b). In 2012, the institute offered 36 sports programs in 26 sports, with the majority based in Canberra, and several programs, such as cycling and canoe/kayak, being based interstate. The AIS has extended its operations to include overseas centres in Spain, Italy and the UK (Australian Institute of Sport, 2011b). The AIS supported 700 scholarship athletes in 2011–2012. That support included the provision of coaching, sport science, sport medicine, welfare, education and vocational support for Australian athletes (Australian Sports Commission, 2012a).

Detailed information relating to the roles, responsibilities and structure of the AIS is presented in Chapter Five, as part of the descriptive results from the content analysis. The AIS has undergone significant directional, organisational and structural changes throughout the duration of this research project, and therefore relevant content from industry documents and media articles is included and presented in Section 5.3.1.

The next section describes the NSOs and their role in the Australian sports system.

2.2.5 The National Sporting Organisations (NSOs)

NSOs are defined as the peak organising bodies within Australia for their respective sports (Shilbury & Kellett, 2011). There has been considerable research into the governance and management of NSOs, highlighting the importance of the NSOs in the Australian sport system, while also highlighting issues associated with the governance of NSOs (Cuskelly, 2004; Hoye & Cuskelly, 2007; Shilbury et al., 2006; Sotiriadou, 2009). A review of the literature suggested that some of the issues associated with NSO governance stem from the requirement of NSOs to embrace commercial and professional outcomes, in an attempt to receive more federal funding, attract sponsors and succeed internationally (L. Ferkins & Van Bottenburg, 2013).

The ASC has implemented various programs for NSOs to ensure they meet professional and commercial outcomes. Auld and Godbey (1998) noted that increased government funding has led to greater professionalism, better management and the employment of more full-time staff within the NSOs. Similarly, Sotiriadou (2009) suggested that the high level of federal government funding has contributed to the professionalism of Australian sport organisations that would have otherwise remained under systems of ‘institutionalised amateurism’ (p. 846).
However, despite the literature findings, the Crawford Report (2009) highlighted a need to build NSOs’ capacities and capabilities in order for them to independently manage their sports by improving their governance and management processes (Australian Sports Commission, 2008). The current Australian sport system and the federated structure of NSOs have led to many levels of governance and control. Thus, sports are being managed by too many organisations, resulting in poor coordination and an ineffective sport delivery system (Crawford, 2009).

Stakeholders in the current federal sport structure that have direct input into NSO operations include: the ASC, NSO boards of directors, the AIS, the State Institutes of Sport/State Academies of Sport (SIS/SAS), the AOC, State Sporting Organisations (SSOs), federal and state governments (through Minister requests etc.) and the Australian Sports Anti-Doping Authority (ASADA). The following international organisations also have an impact on NSO operations: International Sporting Federations (ISFs), the International Olympic Committee (IOC), and the World Anti-Doping Authority (WADA). The many levels of governance and stakeholder control may have an impact of the day-to-day operations and effectiveness of the NSOs. Figure 2.2 represents the stakeholders of an NSO.

*Figure 2.2* Stakeholders for NSOs (Hoye & Cuskelly, 2007, p. 29).
Due to the volume of stakeholder involvement in NSO operations, it is becoming more challenging to ensure NSOs are governed and managed appropriately (Sotiriadou, 2009). The importance of good governance of NSOs is a major focus in the literature and will be discussed further in Part B of this chapter. Recommendations from the Crawford Report (2009) recognised that ‘organisations best qualified to run elite programs are the sports themselves’ (p. 20). Moreover, the Report also highlighted the need for each Australian elite sport to be ‘run as a business with a governance board selected on the basis of skills’ (p. 24). Further recommendations made in the Report are discussed in the next section, with a focus on those recommendations that have a significant impact on this research.

2.2.6 The Crawford Report

When the federal government requested an independent review of the Australian sports system in 2009, recommendations from the review caused debate amongst Australia’s sporting officials. The independent expert panel led by David Crawford had four other members (Sam Mostyn, Pamela Tye, Colin Carter and Mark Bouris). Their brief was to examine both the elite and grassroots levels of sport in a top-to-bottom assessment of the Australian sport system in order to identify better ways to utilise resources to run, promote, and manage sport in Australia (Crawford, 2009).

The panel sought submissions from key stakeholders, and ran advertisements in national papers. In total, the panel received 213 submissions. The panel held discussions with 77 key stakeholders and conducted 13 public forums to gain information and produce its final recommendations to the federal government (Crawford, 2009). The report recommended that the federal government continue to support Australia’s favourite sports (such as cricket, Australian Rules Football (AFL) and surfing) as a priority, and that Olympic Games not be the highest funding priority in elite sport. John Coates, AOC’s President, stated that he found the report insulting, especially to everyone who has worked hard to achieve Australia’s past Olympic successes (ABC Grandstand Sport, 2009).

In addition, the Report raised the issue of the ASC’s role in governing sport, highlighting many conflicts of interest that it said needed to be addressed if the ASC was to continue in its current role. Conflicts of interest included: the ASC implementation and management of the Active After Schools Program; and the ASC overseeing and
governing the AIS. The Report also recommended that NSOs take control over their sport programs and become more efficient and effective by sharing services, staff and equipment with each other and within the SIS/SAS network (Crawford, 2009). It highlighted what it believed was a flaw in the Australian sports system, in that many NSOs had received the major portion of funding from the government for almost two decades and yet still did not have the capacities to govern and manage their own sports. Furthermore, it argued that given that such a large percentage of funding comes from the ASC, there is a need for NSOs to become self-sufficient, capable and responsible for their own high performance programs.

The AOC was one of the first organisations to respond to the recommendations in the Report. Published one month after its release, the AOC’s response was written in conjunction with the AOC’s national high performance plan. While the AOC applauded the federal government’s initiative to request a review of the Australian sports system, it believed that if implemented, the recommendations made in the Report would have a detrimental impact on Olympic sport.

The federal government’s report, ‘Australian Sport: The Pathway to Success’ will now be reviewed. The next section also discusses the ASC’s response to the recommendations outlined in the Crawford Report.

2.2.7 Australian Sport: The Pathway to Success

Following the recommendations highlighted in the Crawford Report, in March 2010 the Australian Federal Government released a sport plan, ‘Australian Sport: The Pathway to Success’ that aimed to cater for the ‘whole-of-sport’, and not just focus on elite sport and Olympic performance outcomes. This was in keeping with the priorities recommended by the Crawford Report. The government’s plan aimed to generate sport participation, enhance sporting pathways and sustain Australian international sporting success. The plan included a record $1.2 billion in federal government funding directly allocated to the implementation of Australia’s sporting reform from 2010 to 2014. Effectively, this meant an increase of $195.2 million in new funding into Australian sport (Australian Government, 2010).

The ‘Australian Sport: The Pathway to Success’ plan included several key initiatives related to high performance sport and NSO operations:

- supporting and retaining high performance coaches and officials.
• boosting support for international competition.
• investing in high performance athletes.
• enhancing the athlete training environment through research and innovation.
• reforming Australia’s high performance institutes and academies (Australian Sports Commission, 2010, p. 8).

This federal government’s sports plan aimed to encourage more Australians to participate in organised sport. In addition, the plan identified the need to strengthen athlete pathways and talent identification programs within NSOs. These pathways were seen as a fundamental component for the support of individuals striving for international success (Australian Government, 2010). The implementation of this plan affected the roles and responsibilities of the NSOs as they were required to redirect their focus from their high performance programs to sport participation and development. This was due to funding from the ASC now being distributed to NSOs based on the development and success of a ‘whole-of-sport’ approach and not just on high performance or international success.

The federal government’s plan responded to the recommendations made in the Crawford Report, indicating the level of support for each recommendation. While the plan demonstrated support for many of the recommendations made by Report, there were various recommendations the government did not acknowledge. For example, alleged conflicts of interest within the ASC (such as its service roles in the AIS and active after-school programs) were not discussed. Instead, the federal government allocated more money and further responsibility to the ASC. In addition, the discussion of Olympic sport priorities and the funding of Olympic sport were also not discussed in detail. Instead, the plan indicated further support of Olympic sport and prioritised the need to maintain and improve international sporting success, especially at the Olympic Games.

The next section presents an overview of the Olympic Games, their history, Australia’s involvement in the Games and links to NSO high performance sport.
2.3 The Olympic Games

The Olympic Games is no longer just a sport event. According to Toohey and Veal (2007) it is a ‘cultural, political and economic phenomenon’ (p. 6). The importance and power of Olympic sport in today’s society was reinforced in October 2009 when the International Olympic Committee (IOC) was granted observer status by the United Nations (UN) in the General Assembly. Only four other non-government organisations have similar status: the Red Cross, the Red Crescent, the Sovereign Military Order of Malta and the Inter-Parliamentary Union. Thus, the IOC has a legitimised influence on decisions that have a bearing on sport beyond the Olympic Games themselves (Australian Olympic Committee, 2009a).

The Olympic Games and ‘Olympism’ have been studied in detail by many scholars (Cashman, 2006; Elder, Pratt, & Ellis, 2006; Garcia, 2008; Girginov & Parry, 2005; Hargreaves, 1992; Toohey & Veal, 2007). This research includes a brief history of the modern Olympic Games and Australia’s participation in order to provide an understanding of the importance the Games has to Australian sporting organisations, the Australian public and the federal government. It does not debate the cultural, political and economic issues of the Olympic Games. Rather, it accepts that the Olympic Games is used as a measure of international sport success by Australian NSOs, set against KPIs outlined by the NSO/ASC. However, an understanding of Australia’s history at the Games and the importance of such an event to many Australians is examined in order to provide necessary contextual background.

2.3.1 History

The history of the Olympic Games in Ancient Greece, can be traced by evidence to suggest they were held every four years as early as 776 BC (Toohey & Veal, 2007). The myths and historical interpretations of the Ancient Games are well researched (Guttmann, 1992; Tatlow, 1988; Toohey & Veal, 2007) and provide an understanding of the background to the importance of tradition, symbolism and ritual in today’s Modern Games. The Ancient Games was last held in 393 AD and then banned when Emperor Theodosius declared the event a pagan cult (International Olympic Committee, 2014a).

The modern Olympic Games were revived in Athens in 1896, by French aristocrat Baron Pierre de Coubertin. Today, the Summer Games involve around 28 sports and over 20,000 athletes, coaches and officials from more than 200 countries (Toohey & Veal,
The modern Olympic Games has been held for over a century, with Chappelet and Kubler-Mabbott (2008) suggesting that there are five types of sport entities that contribute towards their preparation and organisation: the IOC, the Organising Committees of the Olympic Games (OCOGs), the International Sports federations (ISFs), the National Olympic Committees (NOCs) and the National Sports Federations (NSFs – same as NSOs). Figure 2.3 shows these five entities and primary IOC stakeholders. The arrows indicate the relationships between the entities.

Figure 2.3 IOC primary stakeholders (Ferrand, 2008).

The IOC was created in 1894 and is ‘the non-governmental organisation that “manages” the Olympic Games’ (Chappelet & Kubler-Mabbott, 2008, p. 19). Aside from organising the Olympic Games, the IOC promotes many values related to sport and maintains an involvement in social and political issues (Toohey & Veal, 2007). The IOC comprises volunteer members who represent the IOC in their respective countries. Since 1999, membership has been limited to 115 delegates, which includes 70 individual members, 15 active athletes, 15 representatives of the ISFs and 15 representatives of the
NOCs (The International Olympic Committee, 2010). There are 25 Commissions within the IOC that are responsible for various programs. These Commissions include: Athletes, Ethics, Medical, Olympic Program, Press, Solidarity and Sport for all to name a few (International Olympic Committee, 2014b).

ISFs are recognised by the IOC as governing and administrating sport at a world level, and to be included as part of the Olympic Movement they must conform to the missions and roles as outlined in the Olympic Charter (Theodoraki, 2007). The IOC currently recognises 69 ISFs, of those 35 are official sports and the remainder are recognised sports (International Olympic Committee, 2014b). There is only one ISF allowed per sport and in turn, each ISF can represent up to 200 NSOs (or NSFs). In addition, there are currently 204 NOCs over five continents that are recognised by the IOC (International Olympic Committee, 2014b). Their role is to act as territorial representatives of the IOC and they have the authority to select their nation’s athletes to compete at the Games (Chappelet & Kubler-Mabbott, 2008). The AOC is the NOC for Australia.

2.3.2 The Australian Olympic Committee (AOC)

The AOC is the national body solely responsible for assisting with the selection of athletes and the funding of Australian athletes and officials to the Olympic Games. It is a non-profit organisation raising funds from the IOC and other Olympic foundations and through sponsorship and licensing. The AOC’s funding for the period 2009–2012 was in excess of $100 million, with a significant proportion of these funds expended during 2012 to attend the London Olympic Games (Australian Olympic Committee, 2012a). The AOC’s aims are to ‘develop, promote and protect the Olympic movement in Australia in accordance with the Olympic Charter and all regulations and directives issued by the IOC’ (Australian Olympic Committee, 2010b).

The AOC was formerly known as the Australian Olympic Federation (AOF). In 1990 the AOF changed its governance structure (and its name), and rewrote its constitution to ensure it was fulfilling its roles as mandated by the IOC. Currently, it operates as an incorporated association comprising approximately 40 members who represent NSOs (Australian Olympic Committee, 2010b). The IOC Charter states that NSOs should have voting rights on all NOCs (Gordon, 1994) and therefore, NSOs are
involved in the AOC’s governance and decision-making processes, signifying the importance of NSOs within the Australian sport system and to future sport decisions.

The AOC’s role in the Australian sport system is to provide funding and support to Olympic sports, and to work with other key stakeholders, such as the ASC, to ensure a unified approach to maximising successful Olympic outcomes for Australian athletes (Australian Olympic Committee, 2009b). The AOC works with the NSOs and the ASC to predict and calculate performance indicators for the Olympic Games. Therefore, the AOC has a vested interest in the relationship between the ASC and NSOs to ensure the NSOs receive sufficient funding and support to achieve their Olympic performance targets.

The next section examines Australia’s performance at the Olympic Games.

2.3.3 Australia at the Olympics

Australia has a long and proud history at the Olympic Games. Cashman (2006) argued that Australians value the Games more than people from most other nations, as Australia is one of only two nations to have competed at every modern Olympic Games. The other nation is Greece (Gordon, 2008). Gordon (2008) believed Australia’s ‘presence at the founding of the Olympic movement, and its subsequent unbroken record of attendance have shaped much of the nation’ (p. 3). Considering Australia’s distance and isolation from the rest of the world, travel to international competitions was a challenge in the early years. For example, by the time the team sailed back in to Sydney from the Paris 1924 Olympic Games, they had been away from home for over five months.

In Australia’s Olympic history, a total of 485 Olympic medals have been won, including 142 gold medals (Australian Olympic Committee, 2013). The Montreal 1976 Games represented a low point in terms of performance, but became a significant moment in Australian sport. Gordon (2008) described it as a ‘wake-up’ for Australia, in that it showed Olympic success could not be taken for granted. Australia could not rely on new, natural talent emerging on its own. This ‘wake-up’ was instrumental in the establishment of the AIS, which has had ‘huge success’ (Gordon, 2008, p. 18). Many (Bloomfield, 2003; Ferguson, 2006; Gordon, 1994) believed that the AIS was one of the reasons for the increasing success of Australia at the Olympic Games. For example, the Australian Olympic Team won seven gold medals in Barcelona 1992, nine gold medals in Atlanta 1996 and 16 gold medals Sydney 2000 and the greatest result was 17 gold medals in Athens 2004 (Australian Olympic Committee, 2010a).
However, more recent performances at the Olympic Games (2008 and 2012) have seen a downward trend in performance with Australia moving out of the top six nations on the Olympic medal tally with disappointing results at the London 2012 Olympic Games (Australian Olympic Committee, 2012d). Figure 2.4 shows the total numbers of medals won by Australia at all Olympic Games since 1988. The total number of gold medals won by Australia is also indicated. This number of gold medals determines a nation’s ranking on the Olympic medal tally.

*Figure 2.4*  Australia’s declining international performances (Australian Olympic Committee, 2009b p. 15).

Despite the number of Olympic medals on offer remaining relatively fixed, more nations are now competing at the Olympic Games, increasing the competition pool for each medal (Shibli, Bingham, & Henry, 2007). For example, in 1996, 31 countries won gold medals, whereas in 2012, 50 countries did so (Australian Olympic Committee, 2012d). As competition for medals increases, in order to remain ‘successful’ at the Games, nations must continue to look for new ways to maintain an edge over their competitors (Houlihan, 2013), to maintain their desired position on the medal tally.
On the other hand, the Crawford Report (2009) suggested that the Australian public would be happy with a top ten finish at the Olympic Games and the current spending on elite sport, which aims at a top six finish on the medal tally, is unwarranted (Crawford, 2009). Therefore, recommendations made in the Report do not support the AOC’s high performance plan, or the international performance objectives stated by the AOC and supported by the ASC (Australian Olympic Committee, 2009a). Moreover, the Report did not support the funding allocations from the ASC to Olympic NSOs in order to achieve Olympic performance success. As indicated in Figure 2.5 the increase in federal government Olympic sport funding did not necessarily lead to an increase in medals won, despite literature suggesting a correlation between the two (De Bosscher, et al., 2006; Hogan & Norton, 2000).

*Figure 2.5* Federal government funding (tax-payer dollars) and medals won at the Olympic Games (Roskam, 2012).

Increased funding to Olympic NSOs leading into the Beijing 2008 Olympic Games and the London 2012 Olympic Games did not correlate with improved performance by the Australian Olympic Team. Therefore, it could be argued that an increase in high performance funding is not necessarily the only response needed to reverse the downward trend in Australia’s Olympic performances. Despite this evidence, calls for additional funding leading into the London 2012 Olympic Games were made by
the AOC and NSOs. However, following the performances of the Australian team at the London 2012 Olympic Games, John Coates, AOC’s President, apparently altered his stance when he stated: ‘I am absolutely certain that the sports have to look at themselves rather than look for more money’ (Lane, 2012). Coates noted there was a need for change in the governance and management of high performance sport organisations and further stated that if Australia wished to regain its position amongst the top six nations in the Olympic medal tally, improvements in the Australian sports system were required.

Currently the AOC is implementing its 2009–2018 high performance plan (Australian Olympic Committee, 2009) that will endeavour to impact both participation and elite sport within Australia. The AOC (2009b) identified five areas critical for the sustained success of Australian high performance sport:

1. Providing additional opportunities for athletes to train and compete overseas.
2. Providing additional funding for coaching.
3. Providing a structured training environment for more elite athlete.
4. Broadening the talent pool and developing junior scholarships and opportunities.
5. Creating an innovation fund to assist in special initiatives.

The AOC’s high performance plan (2009b) has identified concerns within the current Australian sport system that may affect Australia’s ability to remain in the top ten nations at the Olympic Games. These concerns included:

- Australia’s Olympic sporting performances are trending downwards as evidenced by the results at the London 2012 Olympic Games (see figure 2.4).
- An increased focus on public policy by Australia’s rivals (such as the UK, France and Germany) has led to their increased success.
- Other nations are outspending Australia in Olympic sport preparation and therefore an additional $109.5 million per annum is required to continue Australia’s sporting success at the Games.
- Australia’s high performance system is characterised by the non-alignment and inconsistency of federal and state government high performance sport objectives and policies.
- A national integrated high performance system is required to increase Australia’s chance at Olympic success in the future.
Various comments raised by the AOC had been identified in the Crawford Report which highlighted issues related to the sustainability of Australia’s high performance sport system and the need for a national integrated high performance approach. Both of these issues are important in addressing the research questions and will be examined further.

The Olympic Games is still the most important competition for many Olympic NSOs and Australia’s results at the event are seen to reflect the success of Australia on the world sporting stage. Therefore, it is important to understand how international sporting success is measured. The next section presents information on the process of measuring international sporting success and also provides an explanation of how the Olympic medal tally is decided.

2.3.4 Measuring International Sporting Success

A recent popular, yet unofficial measure of sporting success is the Olympic medal tally, where a nation’s success is measured by the overall placing on the medal tally at the end of every Olympic Games. Toohey (1990) believed the Olympic medal tally is ‘used as a yardstick of success by press throughout the world’ (p. 121). Others such as Shibli, Bingham and Henry (2007) suggested that the appropriate measure of success is an order of merit, in which each country is ranked according to the total number of medals won, rather than by the total number of gold medals won.

Table 2.1 shows the Olympic gold medal tally over the past five Olympic Games, indicating the number of gold medals each of the top ten nations have won at each Olympic Games.
Table 2.1

Olympic gold medal tally (Australian Olympic Committee, 2012d).

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<td>China (51)</td>
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<tr>
<td>2nd</td>
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<td>Russia (32)</td>
<td>China (32)</td>
<td>USA (36)</td>
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<tr>
<td>3rd</td>
<td>Germany (20)</td>
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<td>Russia (27)</td>
<td>Russia (23)</td>
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<tr>
<td>4th</td>
<td>China (16)</td>
<td>Australia (16)</td>
<td>Australia (17)</td>
<td>GB (19)</td>
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<tr>
<td>5th</td>
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<td>Germany (14)</td>
<td>Japan (16)</td>
<td>Germany (16)</td>
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<td>6th</td>
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<td>7th</td>
<td>Australia (9)</td>
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<td>S. Korea (13)</td>
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<td>8th</td>
<td>Cuba (9)</td>
<td>Netherlands (12)</td>
<td>Italy (10)</td>
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<td>9th</td>
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<td>10th</td>
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Note. Figure in brackets denote gold medals won only. The number of events, available medals and nations competing vary slightly at each Olympic Games.

Despite the gold medal tally’s popularity and use, especially by the media, it has many weaknesses. First, it is a measure of relative performance and not of absolute achievement (Shibli et al., 2007). Therefore, a nation can improve its ranking if other countries perform poorly. Another weakness, identified by Shibli, et al., is that it ignores the totality of medals won. For example, at the Athens 2004 Games, China outranked Russia on the gold medal tally, winning 32 gold medals (compared to Russia’s 27). This did not take into account that Russia won 92 medals overall (compared to China’s total of 63). Despite these flaws, Bergsgard, Houlihan, Mangset, Nodland and Rommetvedt (2007) maintained that gold medals won at the Olympic Games offer the ‘most transparent measure of success in high performance sport’ (p. 153). Offering a contrary view, Sotiriadou and Shilbury (2009) believed that assessments of Australia’s elite sport success should not be based solely on medals won at the Olympic Games, despite this being the common measure by the Australian media and an influential funding criterion for the ASC (Australian Sports Commission, 2007; Ferguson, 2006).
Simplistic measures (such as gold medals, table rankings and total medals won) are only partial indicators of the sporting success of a nation, and alternative methods for measuring a sport’s or a nation’s success should be considered (Shibli, De Bosscher, Van Bottenburg, & Westerbeek, 2013). Shibli, et al., (2013) proposed that awarding points relative to the value of the medal, as well as incorporating a calculation of a market share (i.e. number of athletes on an Olympic team) to measure performance, will strengthen the relevance of performance measures. Identifying athletes, who achieve personal best performances or break national records, indicate athlete and national successes. Despite these suggestions, the measurement of Australia’s sport performance remains closely linked to the Olympic gold medal tally, as outlined in the ASC’s high performance sporting objectives, and objectives in the AOC’s high performance plan.

Previous studies investigating high performance sport systems in other nations (De Bosscher et al., 2006; Halsey, 2009; Stotlar & Wonders, 2006; UK Sport, 2009), have been conducted to determine the factors that affect Olympic performance. Their findings show that variables such as funding, facilities, talent identification, coaching, sport science and research, impact directly on international success. However, Houlihan (2013) concluded that many nations cannot continue to sustain their advantage in high performance sport, as there is a ‘distinct convergence in approaches to high performance sport management’ (p. 27), with many nations implementing ‘world’s best practice’ in the areas of sports science, technology, coaching and state-of-the-art facilities. Despite the increasing homogeneity of nations’ high performance operations, Houlihan (2013) suggested nations can still gain a unique edge in their approach to high performance sport management by understanding the social-cultural factors that influence a nation, and also by increasing the support provided by the government to high performance sport. Furthermore, he believes that not many governments are able to withdraw from the sporting ‘arms race,’ despite an Olympic gold medal now costing a nation close to 40 million euros. Governments are deeply ingrained in Olympic sport success and could not admit to their electorate that the country’s position on the Olympic medal tally was not as high as they had hoped. Thus, Olympic medals remain important to the Australian public and for measuring the success of the ASC and of NSOs.

Part B of this chapter will review the literature relating to governments’ involvement in sport, how this affects sport governance and why the Australian government is involved in high performance sport.
Part B - Sport Governance

2.4 Defining Governance and Collaborative Governance

The term governance is frequently used to refer to the management of organisations and activities (Hewitt de Alcantara, 1998). However, it also has a wider application. Historically, governance has been used to refer to the process of government and often described the way the government ‘creates conditions for ordered rule and collective action’ (Stoker, 1998, p. 17). In addition, Stoker believes governance refers to how a government manages and directs its resources. Simply, governance is government seen as a process (Mayntz, 2003). However, this is only one interpretation of the concept of governance, and because of its varied theoretical and practical applications, the governance literature is not consistent in its attempts to define governance. For example, governance has a dual meaning in that it refers not only to the power of the government within the public sector, but also ‘denotes a conceptual or theoretical representation of coordination of social systems’ (Pierre, 2000, p. 3). Jordan, Wurzel and Zito (2005) believed that no single definition of governance is precise enough to differentiate between the new cooperative modes of governance and the traditional forms of government. Peters (2000) suggested the generalisation of the term governance has rendered the concept almost meaningless.

Gamble (2000) believed that the separation of governing as a process of government has resulted in the popular use of the term governance to explain organisational behaviour. Governance can refer to a particular type of governing either within an organisation or between organisations (Hoye & Cuskelly, 2007). Therefore, governance (or more specifically effective governance) can also be defined as: ‘the different modes of coordinating individual actions, or basic forms of social order’ (Mayntz, 1998, p. 28). This type of cooperative approach is referred to collaborative governance (Ansell & Gash, 2007). It involves actors of public and private organisations collaboratively and collectively making decisions, planning and implementing policy, and managing programs and assets. Collaborative governance has been defined as:

A governing arrangement where one or more public agencies directly engages non-state stakeholders in a collective decision-making process that is formal, consensus-orientated, and deliberative and that aims to make or implement public policy or manage public programs or assets (Ansell & Gash, 2007, p. 544).
There is little evidence to suggest collaborative governance exists in the Australian sport system. Instead, it appears that there is a fragmented approach to how government manages, supports and communicates with NSOs (Crawford, 2009). According to Stoker (1998), governance should not be defined as the control of resources and spending by government, but rather, as the ability of the government to make decisions and enforce them without relying solely on its authority and power. He suggested that ‘governance recognises the capacity to get things done which does not rest on the power of government to command or use its authority. It sees government as able to use new tools and techniques to steer and guide’ (p. 18).

According to Ferkins and Shilbury (2011), all sport organisations including local clubs, NSOs and government agencies, need to be directed, regulated and controlled. Numerous theories have been used to research operational governance in order to better understand and encapsulate the essence and application of good and bad governance within sport organisations. Such theories include agency theory, resource dependency theory, stakeholder theory, stewardship theory and institutional theory (Hoye & Cuskelly, 2007). Furthermore, Hoye and Cuskelly suggested that these theories can assist organisations to ‘shed light on how the governance function is enacted within sport, corporate and non-profit organisations’ (p. 11). Agency theory has been used in this research to gain an understanding of the relationship between the ASC and the NSOs’ and more specifically, an understanding of how the ASC governs and monitors the Olympic NSOs. The agency theory framework is presented in Chapter Three.

### 2.5 Sport Governance

Sport governance is a field of inquiry (Ferkins & Shilbury, 2011) that defines the role of governance in sport as:

The responsibility for the functioning and overall direction of the organisation and is a necessary and institutionalised component of all sport codes from club level to national bodies, government agencies, sport service organisations and professional teams around the world (Ferkins, Shilbury, & McDonald, 2009 p. 245).
According to Hoye and Cuskelly (2007), the ‘importance of good governance in achieving high levels of organisational performance has become increasingly recognised by the government agencies that provide significant and ongoing funding to sport organisations’ (p. xv). However, the literature relating to sport governance generally does not examine the relationship between government and sporting organisations, but instead focuses on creating good governance within sport organisations.

Sport governance is seen as a process in which an organisation identifies a strategy or direction that guides the organisation, ensures its members have input to the leadership and ensures that there is a means to control the activities of the organisation (Hoye & Cuskelly, 2007). The common mechanism by which sporting organisations govern their organisations is through the implementation of a board of directors. The composition, function and ability of a non-profit sporting organisation’s board of directors is important for the success of the organisation (Hoye & Cuskelly, 2007). However, Ferkins and van Bottenburg (2013) ask ‘who has the right to govern a non-profit sport organisation?’ (p. 119) as most Australian non-profit sport organisations have many stakeholders, including sponsors, investors, fans, athletes and the media. They also identified paying members as stakeholders who have the power to influence and create change in non-profit sporting organisations.

The ASC has produced a practical guide for sporting organisations to assist in the implementation and management of a system of governance that provides a self-regulatory approach to organisational governance. The document, titled ‘Sports Governance Principles,’ provides six principles to develop accountability and governance practices in NSOs (Australian Sports Commission, 2012e):

1. Board composition, roles and powers.
2. Board processes.
3. Governance systems.
5. Stakeholder relationship and reporting.
6. Ethical and responsible decision-making.

Despite increasing ASC assistance to NSOs through resources like the governance principles, the composition of the boards in some NSOs is still considered amateur and those appointed to it are often appointed for reasons other than their expertise (Ferkins &
Many NSOs operate within a federated system, where each state is entitled to national board representation. A federated system creates tension and issues within NSOs, as the NSO board is unable to effectively prioritise resources, due to board members looking out for the interests of their state associations and not necessarily the interests of the NSO (Shilbury et al., 2006).

The next section presents literature relating to why governments are involved in high performance sport. Understanding the motives and reasons why the federal government, through the ASC, is involved in Australia’s high performance sports system provides a background to the research and guides the development of data collection tools.

2.6 Government Involvement in Sport

There are numerous studies (see Bloomfield, 2003; Gordon, 1994; Houlihan, 2005; Houlihan & Green, 2008; Stewart et al., 2004) identifying that government is actively involved in high performance sport because sport is beneficial to social, cultural, political and economic policy development (Bergsgard et al., 2007). Thus, the federal government has implemented sport policies to achieve various political outcomes unrelated to sport (Bloomfield, 2003; Houlihan, 2013). Houlihan (2013) believed various socio-cultural factors influence government involvement. These can include a nation’s values, beliefs, transformative events and characteristics such as size, population and urbanisation. As such, an increase in government intervention into high performance sport administration is likely to occur in many nations (Houlihan, 2013). Moreover, Bergsgard, et al., (2007) described the use of sport by governments as ‘politicisation’. In other words, it is ‘the use of sport to achieve non-sporting objectives’ (p. 47) by government.

According to Ferkins and van Bottenburg (2013), there is pressure on government to better manage its relationships with high performance sport organisations, due to the perceived benefits high performance sport can create. They believed questions such as; “how to steer?”, “how to increase efficiency?”, “how to improve accountability?” and “how to gain and maintain legitimacy?” (p. 127), have become the focus for many governments trying to improve their international sport results. These questions are also a key focus for this study when examining the ASC–NSO relationship using an agency theory framework. This research is focused on if and how ‘the interactions taking place
between governing actors within social-political situations’ affect Olympic performance (Kooiman, 2003, p. 7).

Sports generally continue to adopt hierarchical governance structures that are not influenced by the emerging collaborative governance models in other fields (Hoye & Cuskelly, 2007). A hierarchical structure is evident in the ASC and NSOs’ relationship, with the ASC funding, directing and governing NSOs. However, Australian sport is not alone in maintaining a hierarchical approach. Grix and Phillpots (2011) argued that British sport policy deviates from the increasingly popular new models of governance in Britain, and that the result is that ‘government-led agendas frame sport policy, rather than the longer term interests and development of specific sports’ (p. 8). As a result ‘NGBs [National Governing Bodies] are hidebound to their paymasters, the UK Government, and in effect this frames the manner in which sports are governed, the priorities they set and the decisions they make’ (p. 9). Similarly, because of the ongoing resource dependency of Canadian NSOs on their federal government, they are also closely aligned with, and obligated to fulfil the requirements of, their government (Kikulis, 2000). Both UK Sport and Sport Canada operate under principles similar to the ASC’s governance principles.

The turning point for the increased involvement of the Australian Federal Government in high performance sport operations and funding was in 1993, when the IOC awarded the 2000 Olympic Games to Sydney (Toohey, 2008). Green and Collins (2008) concluded: ‘So embedded are the institutional and administrative arrangements for elite sport development in Australia, that the federal government has been unable or unwilling to retrench from a position where it is highly supportive of elite sport policy’ (p. 242). Green (2007) noted that Australia’s preoccupation with elite athlete development came at the expense of grassroots participation. Both Green (2007) and Houlihan (2013) concluded that Australia’s quest for sustained international sporting success may be difficult to forgo now it is established, with government organisations fully integrated in its administration. Consequently, Ferkins and van Bottenburg (2013) believed the intervention of government in high performance sport has led to a decline in NSO autonomy because the NSOs are now increasingly dependent upon the funds and resources they receive from the government.
Understanding how the ASC governs its relationship with the case NSOs, and identifying how this relationship impacts international and Olympic performance may assist in strengthening Australia’s competitive edge.

This section has examined various definitions of governance and sport governance, and it has as discussed the reasons why government is involved in high performance sport. Part A reviewed the literature and documentation relating to the current Australian sports system, highlighting the issues and concerns facing sport administrators. The key organisations for this research, the ASC and the NSOs, were briefly examined to provide a basic outline of their functions and capacities, and an understanding of the relationship between the ASC and the NSOs. Further information about these organisations is presented in Chapter Five as descriptive results.

2.7 Chapter Summary

This chapter reviewed the literature examining the Australian sport system and the Olympic Games in Part A, followed by a review of the literature relating to governance and governments’ role in elite sport. It described the history of the Australian sports system that has led to the structure in place today. The key organisations within the Australian sports system were introduced, including key organisations responsible for the development and implementation of high performance sport programs. The primary focus was on the ASC and the NSOs, the key organisations pertinent to this research.

An examination of the results from an independent review of the Australian sport system, colloquially known as the Crawford Report were presented. The Report highlighted the need for Australia to improve its sports governance, and for sports bodies to work collaboratively. It debated the relevance of the Olympic Games and Australian’s continual need to finish in the top six of the Olympic medal tally. The final section in Part A explored the Olympic Games, the history of Australia’s participation in the Games. It discussed the AOC and its role in high performance sport. In addition, the correlation between funding and Olympic success, and the measurement of Olympic success were examined. Part B of this chapter included a discussion of the literature on governance. This provided an understanding of why governments invest in, and involve themselves in, high performance sport administration. In this section, the review of the literature also
provided an understanding of the Australian Government’s involvement in high performance sport, emphasising the important role undertaken by the ASC.

The next chapter presents literature associated with agency theory, the theoretical framework underpinning this research.
Chapter Three: Theoretical Framework

3.1 Chapter Overview

Agency theory is the theoretical approach that underpins this research. The theory is used to understand human performance within organisations and examines the relationship between two parties, the principal and the agent (Pratt & Zeckhauser, 1985). The introduction of agency theory into organisational studies has ‘clearly enhanced the understanding of hierarchical relationships and represents a major advance beyond the usual sociological methods of organisational analysis’ (Moe, 1984, p. 757). While the majority of the literature assumes the agency relationship being examined is within a for-profit environment (Eisenhardt, 1989; Jensen & Meckling, 1976; Moe, 1984; Perrow, 1986), recent research supports the use of agency theory in not-for-profit environments as well (Fama & Jensen, 1983; Kiser, 1999; Mason & Slack, 2005; Mason, Thibault & Misener, 2006). This is the case for the ASC–NSO relationship. Thus, it is a suitable theory used to explain behaviours of the organisations in a dyadic inter-organisational relationship, which is the focus of this thesis.

While inter-organisational theory will not be examined in this chapter, it is acknowledged that the ASC and NSO are in an inter-organisational relationship. However, the focus of this thesis is not to determine why they are pursuing a relationship (as is the premise of inter-organisational theory) but to examine the management and behaviours exhibited in this relationship by each organisation. Therefore, agency theory is a suitable framework in which to examine this inter-organisational relationship.

This chapter examines agency theory literature in more detail. First it provides a definition of agency theory. Next, it examines the literature associated with the application of agency theory to non-profit organisations and sport. Finally, it concludes by outlining the limitations of agency theory and providing a discussion on the suitability of agency theory to address the research questions.

3.2 Agency Theory

Agency theory emerged from the stream of organisational economics (Mason & Slack, 2005), however it has been utilised by various researchers in many other fields, such as organisational behaviour (Eisenhardt, 1989), sociology (Shapiro, 2005) and sport
Agency theory has been useful in providing an understanding of a variety of organisational phenomena (Van Slyke, 2006) and is ideal for the ‘analysis of hierarchical relationships’ (Moe, 1984, p. 758).

In agency theory a relationship is defined as one ‘whereby a party, the principal, tries to motivate another (or others), the agent(s), to act in a manner advantageous to the principal’ (Mason & Slack, 2005, p. 49). Agency theory seeks to understand the relationship that exists between principals and agents, whereby the services of the agent are acquired by the principal, who typically does not possess the skills or knowledge to perform the services (Mason & Slack, 2005). Consequently, principals are not completely aware of the activities an agent undertakes while acting on the principal’s behalf. This lack of knowledge is known as information asymmetry (Mason et al., 2006). Furthermore, a principal cannot ‘perfectly and costlessly’ (p. 2) monitor an agent’s action and information (Pratt & Zeckhauser, 1985).

Essentially, the premise of agency theory is the dependency of the principal on the agent to achieve the principal’s goals and outcomes. Agency theory assumes that agents may behave opportunistically or out of self-interest when their interests are not completely aligned with those of the principal. This view of agency theory is known as classic agency theory (Eisenhardt, 1989; Eugene Fama, 1980; Jensen & Meckling, 1976).

### 3.2.1 Classic Agency Theory

The premise of classic agency theory is that there is a potential problem in the principal–agent relationship because of the opportunistic and self-interested behaviours of agents (Eisenhardt, 1989; Eugene Fama, 1980; Jensen & Meckling, 1976; Shapiro, 2005). However, Perrow (1986) argues classic agency theory is deeply conservative in its one-sided view of agent behaviour. In other words, classic agency theory is defined almost exclusively from the principal’s point of view (Jensen & Meckling, 1976). Dial and Zardkoohi (1999) believe classic agency theory portrays the agent as ‘devious, dishonest and opportunistic’ (p. 2), whereas the principal’s behaviour is typically viewed as unimpeachable. Shapiro (2005) believes the ‘classic agency paradigm, with its eye on the principal, perceives goal conflict as the departure of agents from the interests of the principal’ (p. 278).

Many studies that have used agency theory do so assuming a classic agency ideology (Eisenhardt, 1989; Eugene Fama, 1980; E Fama & Jensen, 1983), where the
focus is on understanding ‘how principals can reap the greatest advantage through incentives that influence the agent’s behaviour, yet reward the agent enough so that he [sic] will not quit’ (Pratt & Zeckhauser, 1985, p. 17). In more recent times, a new stream of agency theory literature has examined the behaviour of both principal and agent within their agency relationship, thus extending the current research on agency theory.

3.2.2 Extension of Agency Theory

This research extends classic agency theory to include an examination of the behaviour of the principal as well as of the agent and the social context in which the relationship exists. This follows the work of Shapiro (2005) who argues that the rationale for this extension is that the behaviour of the principal should also be examined because ‘agency problems on the agent side of the relationship are often mirrored on the principal side’ (p. 268). This extension is not a defect of the theory, but a fault of the classic agency theorists who have focused their attention primarily on agent behaviour (Perrow, 1986). Perrow (1986) believes agency theorists should not ignore the self-interested behaviours of the agents as a factor when examining the principal–agent relationship. Instead, they should not assume it is the core problem within all principal–agent relationships. Gomez-Mejia and Wiseman (2005) advised that agency theorists should not assume the agent is inherently opportunistic, but simply acknowledge that agents have self-interests which may manifest as opportunism. Furthermore, Dial and Zardkoohi (1999) state:

The overwhelming emphasis given to agency problems (and the scant attention paid to principal problems), have implicitly given the principal a position of sainthood, in employment or contractual relationships, while portraying the agent as the primary culprit. Neither party in the relationship is necessarily a ‘saint’ (p. 7).

Thus, the recent extensions of agency theory accept that either agent or principal may act opportunistically towards the other. This research will examine the agency relationship from both the principal’s and agent’s perspectives. The following section will define the principal–agent relationship according to agency theory literature.

3.2.3 The Principal–Agent Relationship

Jensen and Meckling (1976) define a principal–agent relationship as a contract whereby the principal requests the agent to perform services on their behalf. Shapiro
(2005) suggests agency relationships are ‘contracts and the incentives, monitoring devices, bonding, and other forms of social control undertaken to minimise agency costs constitute the elements of the contract’ (p. 266). However, there are two underlying assumptions within agency theory that determine the relationship between the principal and the agent (Kivisto, 2008). First, there are ‘information asymmetries’, that is, the agent must possess the skills, knowledge and abilities to complete tasks that the principal requires. Agency theory suggests that the principal has imperfect information by which to evaluate the agent, which also leads to information asymmetry (M. Miles, 2012). Both parties will observe the outcome of the relationship, however only the agent will observe his/her own actions (Pratt & Zeckhauser, 1985). In other words, the agent will typically know more about their tasks than their principals. Arrow (1984) describes asymmetrical information, or types of principal–agent problems, as hidden action problems and hidden information problems.

The second underlying assumption in the principal–agent relationship is that there is goal conflict, where the interests and the desires of the agent, in relation to task completion, differ in some measure from those of the principal (Kivisto, 2008). Conflicts of interest between principals and agents can occur as they attempt to engage in a cooperative relationship (Jensen, 1998). Classic agency theorists believe that such goal incongruence is inevitable and refer to this incongruity as the ‘agency problem’ (Eisenhardt, 1989). Furthermore, classic agency theory holds that it is the principal who continually acts to align the goals of the two parties (Jensen & Meckling, 1976). Pratt and Zeckhauser (1985) believe this ‘alignment of interests helps not only to assure appropriate level of effort, but to promote the right choices’ (p. 15).

Eccles (1984) suggests problems within the principal–agent relationship can arise when agents feel they have no authority to influence the criteria by which they are measured. Moreover, when principals and agents do not agree on the criteria used for evaluating their performance, or if they do not agree on the rewards or punishments outlined by the principal for the level of performance, additional problems can occur (Eccles, 1984). Therefore, if the agent believes they are being treated unfairly, their incentive to work may be reduced or they may not work towards the interests of the principal.

The following section will examine agent and principal behaviour that may occur within a principal–agent relationship and discuss the mechanisms employed to overcome
these problems. In addition, the section will discuss the tools used to align the principal’s and agent’s goals and also identify the monitoring mechanisms employed by principals to oversee agent’s behaviour.

3.3 Agent (and Principal) Behaviour

As noted above, in an agency relationship, both the principal and the agent are contracted to provide certain things for the other. The agent agrees to provide effort or achieve certain results, whereas the principal agrees to provide funding, resources and authority (Perrow, 1986). In such a bilateral agreement, opportunities exist for both parties to not fulfil their contractual obligations, resulting in the agent or the principal acting opportunistically (White, 2008).

Agency problems exist when the opportunity for an agent to act out of self-interest without detection may be present (Jensen & Meckling, 1976). The principal will therefore attempt to monitor the agent’s behaviour in order to ensure the agent achieves the outcomes desired by the principal. Eisenhardt (1989) identifies two aspects of agent behaviour that will require monitoring by the principal: (1) adverse selection and (2) moral hazard. Each is discussed below.

3.3.1 Adverse Selection

Adverse selection is the term used to describe the misrepresentation of an agent’s ability to complete tasks or achieve outcomes as contracted with the principal (Eisenhardt, 1989). The agent may claim to have certain skills and abilities; however the principal may not be able to verify these claims until the agent is employed and working for the principal. Adverse selection ‘derives from unobservability of the information, beliefs and values on which decisions of others are based’ (Moe, 1984 p. 754). Arrow (1985) believes the driver of adverse selection is ‘hidden information’ where the agents withhold information from the principal. This withholding of information by the agent helps create information asymmetry.

However, adverse selection can also occur on the side of the principal. Information asymmetry may also contribute to potential principal opportunistic behaviour (Dial & Zardkoohi, 1999), in which the principal withholds information from the agent. And likewise, adverse selection of a principal by an agent can occur when a principal
misrepresents their abilities to the agent. For example, the principal may withhold information regarding funding opportunities or staff reductions that may potentially affect the ability of the agent to complete their contracted tasks.

As noted above, the withholding of information creates information asymmetry in the principal–agent relationship. The literature assumes there will always be some degree of information asymmetry in a principal–agent relationship as it is not possible to observe the behaviours of the agent and the principal at all times (Shapiro, 2005). The principal cannot always know everything regarding the agent’s behaviour and effort. Similarly, the agent does not know everything about the principal’s behaviour or reputation and has minimal opportunity to monitor the principal (Perrow, 1986).

### 3.3.2 Moral Hazard

Moral hazard, also termed as ‘shirking’, refers to a lack of effort on the part of the agent to complete the tasks as assigned by the principal (Eisenhardt, 1989). In other words, the agent is not working to the agreed level of effort to complete the tasks or achieve the outcomes set by the principal. The opportunity to shirk is derived from the underlying information asymmetries (Perrow, 1986) discussed above. Furthermore, moral hazard maybe attributed to the ‘unobservability’ of organisational staff behaviours (Moe, 1984). The principal seeks to control these problems through various mechanisms such as rewards, contracts and the use of efficient information systems, which assist the principal to monitor the agent’s behaviour (Jensen & Meckling, 1976).

In summary, agents can disadvantage principals through opportunistic behaviour or by shirking their responsibilities, but agents may also be disadvantaged when a principal acts in a similar manner (White, 2008). However, Kren and Tyson (2009) believe the concept of moral hazard does not adequately consider the environment in which agents are operating. For instance, they suggest it is difficult for a principal to distinguish between a skilled and hard-working agent who is challenged in a difficult environment, and a less-skilled agent who meets the goals and objectives whilst operating in a more favourable environment, or who, in some instances succeeds from pure luck. Nevertheless, classic agency theorists believe adverse selection and moral hazard are general concerns in most contracting and hierarchical arrangements (Eisenhardt, 1989).

Consequently, monitoring the behaviour of agents (and principals) is a key component in the principal and agent relationship. In an attempt to limit agent
opportunism, and principal opportunism, various monitoring mechanisms can be employed (Shapiro, 2005). These mechanisms are discussed below.

### 3.4 Monitoring Agency (and Principal) Behaviour

The emphasis in agency theory literature centres upon the principal’s limited ability to monitor and control the agent (Eisenhardt, 1989; Eugene Fama, 1980; Jensen & Meckling, 1976; Kivisto, 2008). In order to monitor the agent’s behaviour and limit agent opportunism, the principal may engage a variety of control systems that utilise: a) procedures and information systems; b) reward, incentive and penalty schemes; and c) performance evaluations (Eisenhardt, 1989).

Procedures and information systems are any devices or systems used to monitor agent behaviour. This may include: budget systems; reporting; creating a board of directors; or additional layers of management (Fama & Jensen, 1983). Therefore, the principal employs monitoring mechanisms to gain information regarding the agent’s behaviour (Shapiro, 2005). The principal must then decide what information is important when monitoring the agent’s behaviour. Implementing control systems and procedures potentially allows the principal to gain the required information regarding the agent’s behaviour. It is the investment in information systems by the principal that will reveal the agent’s behaviour (Eisenhardt, 1989).

Alternatively, incentives can be utilised to motivate and engage agents to work in the best interests of the principal. If incentives are strong and appropriate to the agent, motivation should be high to complete the principal’s tasks. However, incentives work differently with different agents (Shapiro, 2005). Therefore, understanding agent motivation is essential to determine appropriate incentives and rewards for agent behaviour (Stroh, Brett, Baumann, & Reilly, 1996). Despite the ability to reward or sanction an agent, the principal’s foremost concern is acquiring information to assess agent behaviour (Eugene Fama, 1980).

Performance evaluation is used to measure the performance of the agents, as opposed to monitoring their behaviour. A method to measure and evaluate the performance of agents was proposed by Kren and Tyson (2009), who identified two control systems which they termed subjective and objective. A subjective control system evaluates the quality of the agent’s actions and behaviour, rewarding skill and effort, with
minimal emphasis on the outcome. In contrast, an objective control system has a ‘pay-for-results’ philosophy, rewarding agents for their outcomes and not for their actions or behaviour.

To implement any of the monitoring systems, a type of contractual arrangement must be in place between the principal and the agent that includes an agreement about the exchange of information (Eisenhardt, 1989). By negotiating a contractual arrangement, principals can create monitoring mechanisms and also guide agent behaviour by contracting the agent with outcome- or behaviour-based objectives (Eisenhardt, 1989). The contract can also outline behaviours and obligations of the principal within an agency relationship (Moe, 1984). Mason (1997) suggests that ‘the term contract serves as a metaphor to describe the relationship’ (p. 206) between the principal and the agent. According to Dial and Zardhoohi (1999) the more detailed the contract, the more opportunity for the agent/principal to prevent a principal’s/agent’s opportunistic behaviour, and therefore ‘contractual provisions set a benchmark for each side to evaluate the other side’s behaviour’ (p. 11).

3.4.1 Agency Contracts

The use of a contract is a common monitoring mechanism within an agency relationship (E Fama & Jensen, 1983). Eisenhardt (1989) believes the principal has two contracting options relating to the duties to be performed by the agent: a) behaviour-orientated contracts; and b) outcome-orientated contracts. The use of a behaviour-orientated contract demonstrates an understanding between the principal and the agent that specified behaviours will be completed by the agent. In other words, there is an expectation that the agent will act in a certain way in order to complete the designated tasks. On the other hand, the use of an outcome-orientated contract focuses on the outcomes achieved by the agent, with little concern for the behaviours leading to the outcomes. Thus, outcome-based contracts should align agent and principal goals. In addition, they are valuable if monitoring the agents behaviour is difficult and expensive (Mason & Slack, 2005). However, Gomez-Mejia and Wiseman (2005) believe that by focusing on the performance outcome, an agent may ignore other objectives set by the principal that receive little attention or reward.

Contracting problems may be difficult to address if the agent is not working in the best interests of the principal and also if the principal has few options in the selection of
the agent (Eisenhardt, 1989). In order to determine what type of contract is required (outcome-based or behaviour-based), Eisenhardt (1989) outlines several agent variables and situations that must be taken into account when a principal is preparing a contract. The variables assess the type of tasks allocated to the agent and assists in determining the best contracting option. The variables include: outcome uncertainty; risk aversion; goal conflict; task programmability; and outcome measurability (Eisenhardt, 1989). The type of task an agent is required to complete will determine which type of contract is the most appropriate for that agent. For example, if outcomes are easy to measure, the principal would use an outcome-based contract to measure the performance of the agent. However, ‘an outcome is assumed to be a function of employee [agent] behaviour and random effects. Such effects include competitor actions, government policies, weather and the like’ (Eisenhardt, 1985, p. 139). Outcomes, therefore may become uncertain due to such effects which in turn contribute to the risk shifting from the principal to the agent (Eisenhardt, 1985). Table 3.1 provides a summary defining the variables to be assessed by the principal when determining the most suitable contracting options (Eisenhardt, 1989).

Table 3.1  
*Definition of variables (Eisenhardt, 1989).*

<table>
<thead>
<tr>
<th>Variable</th>
<th>Explanation</th>
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<tbody>
<tr>
<td>Outcome uncertainty</td>
<td>Where the outcome of the agent’s behaviour is uncertain due to effects such as government policy, economic climate, competitor actions etc. The agent therefore may have minimal control on certain outcomes and so a behaviour-based contract is the best option.</td>
</tr>
<tr>
<td>Risk aversion</td>
<td>The extent to which an agent or principal will take risks. Principals are seen as risk neutral, with risk shifting to agents in situations where outcomes are uncertain.</td>
</tr>
<tr>
<td>Goal conflict</td>
<td>Measures the level at which agent behaviour is linked to the principal’s goal. If there are no goal conflicts the agent will behave in line with the principal.</td>
</tr>
<tr>
<td>Task programmability</td>
<td>Programmable tasks are easier to observe and measure and can therefore be monitored by the principal. The more programmable a task, the more suitable it is to behaviour-based contracts.</td>
</tr>
<tr>
<td>Outcome measurability</td>
<td>If outcomes are easy to measure, an outcome-based contract is the most suitable option.</td>
</tr>
</tbody>
</table>
Understanding agent variables provides the principal with the opportunity to manage and monitor the agent through the use of an outcome-based or behaviour-based contract (Eisenhardt, 1985). However, the contract in the principal–agent relationship has been criticised for reporting the perspective of the principal only (Wright, Mukherji, & Kroll, 2001). As stated by Perrow (1986), classic ‘agency theory appears to be ideologically incapable of keeping an eye on both sides of the contract’ (p. 229). Therefore, it is beneficial to extend agency theory to examine the contractual obligations and outcomes of the principal within the principal–agent relationship (Perrow, 1986).

Dial and Zardkoohi (1999) examined what would occur should both the principal and the agent possess information which is potentially advantageous and each holds power over the other party. They conclude that mutual gains can be achieved through cooperation and a ‘situation modelled as a “prisoner’s dilemma” where mutual cooperation is globally optimal to produce the most efficient outcomes for both parties, but each stands to benefit (at least in the short run) by exploiting each other’ (p. 27). Similarly, Gomez-Mejia and Wiseman (2005) believe:

Self-interest may lead to cooperation when agents recognise the long-term consequences of their behaviours. If cooperation with others enhances one’s ability to satisfy personal objectives, a rationally self-interested agent should prefer cooperation to opportunism (p. 1508).

In classic agency theory it is the principal who incurs agency costs in an attempt to monitor agent behaviour and observe contractual arrangements (Jensen & Meckling, 1976). The next section will examine the agency costs associated with monitoring agent and principal behaviours.

### 3.5 Costs Associated with Monitoring Agent (and Principal) Behaviour

In most agency relationships, the principal and the agent will both incur costs associated with the relationship. According to Jensen and Meckling (1976), the agency costs are considered to be the sum of:

- Monitoring expenditures by the principal. This may include such measures as video monitoring units, reporting procedures or drug testing programs.
• Bonding expenditures by the agent. This is where the agent attempts to prove their expertise or abilities to the principal and may include education or training certification.

• Residual loss. This is a cost incurred by the principal as a result of agent behaviour. For example, shirking or deliberate deceit by the agent such as falsifying experience or qualifications.

Both parties may monitor and evaluate the other’s behaviour and work output, but the costs incurred by the principal in this activity will be greater than those incurred by the agent. The principal’s costs may arise from a variety of sources such as: recruitment costs; providing incentives; stealing by the agent; monitoring costs; the costs of policing agent behaviour, and shirking by the agent (Shapiro, 2005). Because principals are not able to directly observe agent behaviour, they rely on alternative methods. This may cause agents to change their behaviour to appear to be behaving appropriately, redirecting the agent’s attention and efforts away from their designated tasks. In addition, agency costs will always occur as the principal can ‘never completely verify the levels of expertise, effort or quality of the agent’s behaviour’ (Mason & Slack, 2005, p. 54). The agent will also incur a cost when attempting to prove their abilities to the principal, however the costs are minimal in comparison to costs incurred by a principal through residual loss and monitoring (Jensen & Meckling, 1976). To summarise, Shapiro (2005) states:

Costs increase because principals, fearful of abuse, impose procedures, decisions, rules, protocols, or formularies to limit agent discretion. Ironically, principals who seek out agents because they lack the expertise to make decisions, tell their agents how to make decisions on their behalf (p. 281).

Dial and Zardkoohi (1999) suggest that principals should invest in monitoring the agent up to the point where the cost of monitoring is equal to the benefits of monitoring. Therefore, the higher the principal’s monitoring activities, the higher the probability of detecting any agent’s shirking behaviour. Dial and Zardkoohi (1999) also propose that: ‘where each party holds strategic asymmetric advantages due to information and/or specific assets over the other party, opportunism by both parties will be reduced’ (p. 28).
The above discussions have predominantly related to the corporate and economic environment; however the application of agency theory in non-profit organisations is increasing in popularity (Mason & Slack, 2005). The following section examines the literature that investigates the application of agency theory in non-profit organisations, with an emphasis on non-profit sport organisations.

3.6 Agency theory in Non-Profit Organisations and Sport

When used in a sport context, agency theory can explain governance systems in sporting organisations that have institutional and government stakeholders (Hoye, Smith, Westerbeek, Stewart, & Nicholson, 2006). Mason and Slack (2005) also advocate the use of agency theory in sporting organisations to gain a greater understanding of their governance systems. They believe ‘the agency model may provide a new stream in which empirical research in sport can follow’ (p. 60). Mason, et al., (2006) believe agency problems exist in many non-profit sporting organisations and the application of agency theory can assist in identifying organisational problems and provide solutions to the problems.

In the non-profit sport sector, the principal needs to find incentives to motivate the agent to achieve common goals and to control opportunistic behaviour, as a compensation-based incentive is often not applicable (Jensen & Meckling, 1976). Therefore the agent’s motivation is entwined with the goals and success of the principal organisation. So, if both organisations value the outcome of a partnership, the outcome may then act as an incentive (Perrow, 1986).

Despite this, Pratt and Zeckhauser (1985) recognise that principals’ interests are weighted differently within governmental non-profit organisations, as governments respond to ballots and political influence. Consequently, ‘the more the governments control rewards, the more even will be the ultimate division of spoils. But if government involvement inevitably reduces efficiency, the size of the pie and its division may prove to be inseparable considerations’ (Pratt & Zeckhauser, 1985).

Therefore, the ability of each side to monitor the other in the principal–agent relationship is essential; however, research into possible control systems to monitor principal behaviour is limited. One possible safeguard against principal opportunism is the potential for media attention. Public shaming of inappropriate actions may deter
principals from engaging in opportunistic behaviour (White, 2008). However, as noted above, classic agency theory focuses upon the principal’s ability to monitor agent behaviour, even in non-profit organisations.

Fama and Jensen (1983) proposed three control systems that aim to reduce the potential for opportunism by separating decision management and residual risk bearing, specifically for use in non-profit organisations:

1. Decision hierarchies. These aim to reduce the chance of one agent acting opportunistically with higher level agent ratifying decisions and monitoring lower level agents and their performance.

2. Mutual monitoring systems. These provide informal information systems to detect agents acting in self-interest by providing opportunities for colleagues to report such behaviour. Agents are offered rewards and also have potential for development within their organisation through the use of the informal monitoring systems.

3. Implementation of a board of directors. The board will consult, ratify and monitor organisational decisions. The authority of the board will ensure the separation of decision management and control, as the board has ‘the power to hire, fire and compensate the top-level decision managers and to ratify and monitor important decisions’ (p. 311).

When incorporating the control systems outlined above, the literature (Mason & Slack, 2003, 2005; Mason et al., 2006) provides various examples in which agency theory is applied to the non-profit sport organisation in an attempt to understand hierarchical organisational relationships. The following section will discuss the application of agency theory in sport.

3.6.1 Application of Agency Theory in Sport

Agency theory has been used by researchers to examine organisational behaviour and organisational relationships in non-profit sporting organisations. For example, in an attempt to reduce agency opportunism in the IOC, governing controls were implemented in the selection process for nations bidding to host the Games. Mason, et al., (2006) used an agency theory framework to assess the behaviour of selected IOC members. The results of their research suggested that the IOC (the principal) needed to introduce
additional stakeholders into the management and control functions within the organisation to reduce the 106 members’ (agents’) opportunism. Additional stakeholders were introduced. These comprised specific IOC board members to oversee the operations of the IOC. They were also given the power to remove or reprimand any member behaving opportunistically. This additional level of governance reduced the likelihood of IOC members accepting cash bribes and other incentives in order to influence the hosting selection process. In addition, Mason, Thibault and Misener (2006) identified agency problems in several other non-profit sport settings such as judging scandals in ice-skating and the misallocation of funding in the sport of boxing.

In another sport-specific example, Mason and Slack (2003) utilised agency theory to examine the relationship between players and agents in the sport of professional ice-hockey. Their research identified changes in the industry that resulted in better certification of agents and a more competitive agent market. Salary disclosures led to a principal–agent relationship that favoured the agent and reduced the incidence of agent opportunism. They concluded that better systems to monitor and assess agents will produce a more effective and robust principal–agent relationship over time, resulting in reduced agent opportunism. They also suggest the application of agency theory was appropriate to understand sporting organisations and their governance. Therefore, by utilising an agency theory framework this thesis aims to develop a better understanding of the ASC–NSO (principal–agent) relationship and how this relationship is governed.

In addition to monitoring agent behaviour, as noted above, many high performance sport programs utilise compensation systems (based upon international rankings), to reward athletes and clubs financially. This reward system is an attempt to align the goals of the NSO and the athlete/club (Mason & Slack, 2005). Fortunately, in the Australian high performance sport research context of this thesis, some NSOs’ outcomes can often be quantified, in terms of measureable outputs for which incentives can be given. For example, Australian Canoeing has implemented a medal incentive scheme that financially rewards athletes for any gold, silver or bronze medals won at an international competition. This agreement assists the NSO (the agent) to meet the ASC’s (the principal’s) goals of winning international sporting medals.

Many countries have created financial reward systems for their athletes and their sporting organisations that are based upon their international rankings. According to Mason and Slack (2005) this type of reward system aligns the interests of the principal
and the agent, however the risk in such a system is that the reward is only offered to a portion of the organisation. On the other hand, the principal may also punish the agent if outcomes or behaviours are not achieved. Kiser (1999) suggests sanctions such as reducing funding (or compensation), removing privileges or resources, or even replacing the agent, are all suitable forms of action a principal may take if the agent acts opportunistically.

In summary, the above indicates that agency theory is a suitable framework to examine relationships between sport organisations, non-profit organisations and government agencies. The application of an agency theory framework provides the means to examine the relationship between the ASC and the case NSOs, with the ASC as the dominant organisation in the relationship. In addition, agency theory highlights the importance of the ‘contract’ between the principal and the agent, and as such the documents binding the ASC and NSOs are important in this research. This examination of documents will provide further evidence that agency theory is an appropriate theoretical framework in which to examine the ASC’s relationship with NSOs.

However, agency theory is not without its limitations and these will now be discussed.

3.7 Limitations of Agency Theory

The use of agency theory to understand organisational behaviour has been criticised by many scholars including Donaldson (1990) and Perrow (1986), due to its assumptions regarding human behaviour and motivation. According to Perrow (1986), the conditions in which individuals act out of self-interest should be examined. He asked: ‘under what conditions will people in organisations maximise their own utilities regardless of the consequences for others?’ (p. 232). In other words, many factors that are not necessarily a result of the principal–agent relationship contribute to whether or not self-interested behaviour occurs.

Consequently, Perrow (1986) believes the narrow and negative model of human behaviour and motivation presented by agency theorists is based on a cynical attitude towards people. By focusing on human behaviour and motivation, Perrow (1986) argues, agency theory ignores other human motives such as altruism, trust, respect, loyalty and pride. In addition, Perrow states:
Agency theorists examine the structures favoured by capitalism and bureaucracy and find much self-regarding behaviour; they then assume that this is human nature. They neglect the enormous amount of neutral and other-regarding behaviour that exists (and must, for organisations even to function) and the structures that might increase it (p. 234).

Agency theorists place a large emphasis on the behaviour of the agent, assuming the agent is the ‘actor’ most likely to act in self-interest or in a way that is detrimental to the principal’s goals and objectives (Shapiro, 2005). The theory deals with the monitoring mechanism the principal incorporates to control the agent’s behaviours but does not fully account for the behaviour of the principal. Therefore, one limitation of agency theory is the extent in which the principal’s behaviours and motives are examined, as the theory restrictively attributes opportunism to the agent only (Perrow, 1986).

For this reason, Perrow (1986) suggests agency theory is not capable of observing both sides of the principal–agent relationship, and that this results in one-sided information for the researcher. He also rejects the assumptions that agents are work averse, opportunistic and act only out of self-interest, and faults classical agency theory for not including the cooperative aspects of social life in the theory. Therefore, an alternative of agency theory has become known in management literature as stewardship theory, where agents are portrayed as good workers and team players (Shapiro, 2005).

Stewardship theory, like agency theory, also focuses on the relationship between the principal and the agent; however it is based on different assumptions. Unlike, agency theory that assumes the agent will act out of self-interest and will have goal conflict with the principal, stewardship theory assumes that agents will act collaboratively and are eager to align their goals with those of the principal. Stewardship theory also believes the agent to be collaborative and intrinsically motivated. Unlike agency theory, where the principal governs through monitoring and incentives, it is suggested that stewardship theory’s governance mechanisms are empowering structures (Van Puyvelde, Caers, Du Bois, & Jegers, 2011).

Nevertheless, the use of agency theory is a more appropriate framework to examine the relationship between the ASC and NSO and more suitable for explaining this relationship than stewardship theory due to its emphasis on the dominant role the principal plays in the relationship, and the use of contracts to bind the relationship. The
assumptions of stewardship theory including trust, collaboration, aligned goals and empowering structures are not as appropriate as the assumptions of agency theory in analysing the ASC–NSO relationship, because there is little trust, collaboration or alignment of goals between these two organisations, as highlighted in the literature review in the previous chapter. Despite the criticism of agency theory, Mason and Slack (2005) argue that it should be used in future studies (including those within the sport industry), to examine principal ‘cheating’ or opportunism, an area not examined in stewardship theory.

There has been a focus on the importance of monetary rewards and financial opportunism within much of the agency theory literature. Olson (2000) believes there are limitations to the incentives that principals can offer agents in non-profit organisations. However, this may be overcome if both the principal and the agent value the outcome of the task and therefore the outcome itself may be the incentive. Recently, a growing body of literature has emerged that uses agency theory to examine non-monetary rewards and behaviour-based contracts (Jensen, 1998; Jensen & Meckling, 1976; Kivisto, 2008; Olson, 2000). For example, once an NSO achieves the performance outcomes as outlined by the ASC, the NSO may gain more autonomy and authority within the ASC–NSO relationship.

Perrow (1986) suggests organisations that blame an agent for poor performance may not recognise the difficulty of assessing agent performance. Instead, he believes that poor management or a faulty structure within the principal organisation is the most likely reason for assuming an agent is acting in self-interest or shirking their responsibilities.

Agency theorists may discover self-regarding behaviour within organisations and then assume that this is the norm because it is human nature to act out of self-interest and disregard neutral or other-regarding behaviour (Perrow, 1986). Instead, Gomez-Mejia and Wiseman (2005) believe a ‘rationally self-interested agent should prefer cooperation to opportunism’ (p. 1508). Shapiro (2005) concludes that: ‘relationships over time endure affording principals and agents occasions to gather data about one another. Principals learn better which incentives are likely to work. Agents learn more about the preferences of the principals they serve’ (p. 269).

This research has applied agency theory to the examination of the relationship between the ASC and the NSO, to investigate information and resource asymmetry and discover what conditions may be in place to make either organisation act in self-interest
in regards to achieving goals and objectives. Furthermore, the research has investigated the contractual arrangements in place to monitor behaviours of each organisation. The following section will discuss the research questions in relation to the agency theory framework.

3.8 Agency Theory and the Research Questions

Agency theory examines the formal contracts which are drawn up between the principals and agents. The ASC, in partnership with the NSO, develops and implements a high performance plan that is a contract binding each party to explicit obligations in an attempt to achieve their common goals and objectives. As noted above, agency theory stipulates the dominant role the principal organisation plays in decision-making regarding the outcomes of the relationship, and this aligns well with the ASC–NSO relationship. For example, the ASC determines: the annual funding allocated to each NSO; the resources allocated to each NSO; and the outcomes each NSO is expected to achieve. Moreover, the ASC assesses and evaluates the NSO’s success in achieving the desired outcomes.

Using agency theory as a framework in this study allowed the researcher to gain an understanding of behaviour and management problems associated with each organisation, and it provided the ability to identify and measure the organisational problems related to information asymmetry and shirking as suggested by Shapiro (2005). An agency theory framework was applied to examine the relationship between the ASC and Olympic NSOs in an attempt to address the research question:

*How do ASC and NSO high performance staff perceive the relationship between the ASC and NSOs and its effect on Olympic performance?*

Furthermore, the agency theory framework used in this research extends the classic agency literature that focuses on agent behaviour to include an examination of the principal’s behaviour. The ASC is concerned with the performance of athletes aiming to achieve goals within high performance sport, and the NSOs are the organisations tasked with achieving those goals. The behaviour of the ASC and case NSOs is examined in order to address the research question. While both the ASC and the NSOs have many
relationships with other organisations, the focus of this study is on their particular dyads, rather than the greater network of organisations involved in high performance sport in Australia.

Petersen (1993) identified five central elements that describe a principal–agent relationship: (1) there are different types of issues relating to agents (for example, honesty, reliability, trustworthiness, laziness); (2) the agent’s actions will influence the principal’s outcome; (3) random factors can influence outcomes, in addition to agent’s actions; (4) there is an outcome; and (5) there is information asymmetry.

Kivisto (2008) suggests that the ‘principal’ organisation must meet certain conditions to be identified as such in a principal–agent relationship. These conditions include: (1) the principal must allocate tasks to the agent; (2) the principal must allocate resources to the agent to complete the tasks assigned to the agent; and (3) the principal has an interest in governing the task completion.

The ASC meets these conditions:

1) It develops and identifies Key Performance Indicators (KPIs) for NSOs (the agents) that are tasks that the NSO must achieve in order to receive funding and support. For example, the ASC may have the KPI of: ‘win two gold medals at the world championships’ or ‘finish in the top eight at the Olympic Games’. These tasks (KPIs) are agreed upon by the NSO and the ASC. As outcomes of high performance sport can be quantified and measured, ASC monitoring and reviewing of NSO performance is achievable. These tasks or KPIs are the essence of the NSO high performance plan known as the P2P (Pathway to Podium) that is produced by the NSOs, with assistance from the ASC. The NSO high performance plan was described in Chapter Two and is further discussed in Chapter Five as a part of the descriptive results.

2) It is the primary provider of government funding to NSOs (Australian Sports Commission, 2009a) which is their primary resource to complete their allocated tasks. The ASC also provides additional resources in the areas of management, staff recruitment and training, facilities, equipment and general administration support.

3) It monitors and evaluates NSOs’ performances through KPIs as set out in each sport’s high performance plan. It conducts mid-year and end-of-year performance reviews to monitor and assess NSOs’ performance against set KPIs. The high performance plan is therefore the contract binding the relationship between the ASC and the NSO. The high performance plan outlines the NSO’s goals, KPIs and roles and
responsibilities, while also identifying the ASC’s resource allocation, obligations and performance monitoring mechanisms.

Agency theorists have acknowledged the role other organisations play in a single principal–agent relationship. In other words, the ASC and NSO relationship does not exist in a vacuum. Thus, other factors must be taken into account when observing each organisation. Agency theory allows for the possibility that collections or teams of principals may disagree or compete over various interests and goals (Shapiro, 2005). Adams (1996) identifies the ‘Hydra factor’ that explains how agents determine and prioritise duties when they receive diverse messages and conflicting directives from various principals. While the focus of this study is the specific relationship between the ASC and the NSOs, the findings and discussions need to consider the complex structure of the Australian sport system as a whole. For example, besides the AOC, the NSOs also report to their international sporting federation and their stakeholders. Therefore, the behaviour of an NSO may be affected by various demands placed upon them by the various ‘principals’ they have to report to. The monitoring of an NSO by a board of directors helps it to prioritise its tasks.

The role of the board in the governance of NSOs is important to this research as it is a monitoring mechanism of NSO behaviour. All Australian NSOs have a board of directors. This requirement is stipulated by the ASC as a prerequisite to gaining NSO status for their sport (Australian Sports Commission, 2010). Therefore, the principal, the ASC, has implemented a key monitoring and control system which all NSOs (agents) must accept if they wish to continue to receive NSO status and support.

Another monitoring tool used by the ASC is the development and implementation of a contract between the principal and the agent. In high performance sport, the specific behaviours leading to successful international results, especially Olympic medals, can be difficult to define, and in agency theory this is referred to as task programmability (Eisenhardt, 1989). However, outcome measurability is easy to achieve through medals won, or places on the medal tally. Therefore, the use of outcome-based contracts between the ASC and NSO have been developed, stipulating the desired results each NSO is expected to obtain at significant international sporting events.

In summary, the use of agency theory in this research will examine the self-interested behaviour of both agent and principal, although it will not assume that self-interested behaviour is the essence of organisations. Moe (1984) believes ‘the contractual
paradigm is likely to contribute more to our understanding of public bureaucracy if the behavioural paradigm and its lessons are kept firmly in mind’ (p. 733). Within agency theory, principals are quick to blame problems on agents’ self-interest or lack of qualifications and any evidence of cheating or shirking is used to justify this view (Moe, 1984). However, it may be more likely that poor management or faulty structures and systems offer better explanations for poor performance (Perrow, 1986). The research will examine the systems, structures and conditions in which the ASC and NSO relationship exists, in order to determine the causes of any associated problems that have an effect on NSO Olympic performance.

3.9 Chapter Summary

This chapter has presented a case for the use of agency theory as a valid framework for analysing organisational relationships. It has outlined the advantages and limitations of agency theory for understanding organisational relationships and specifically, the principal–agent relationship. More importantly, it has acknowledged that agency relationships are enacted in a broader social context – they are not conducted in isolation. Outside influences such as competitors, rules, responsibilities and stakeholders, all have an impact on a principals’ or agents’ operations, and this may lead to ‘informational imbalances, offer or constrain incentives, exacerbate the risk of adverse selection or moral hazard, and provide cover or opportunity for opportunism’ (Shapiro, 2005 p. 269). However, principal–agency relationships can endure over time, allowing principals and agents to gain greater information about each other and learn the best way to work together.

The ASC–NSO relationship meets the criteria of a principal–agent relationship and thus, agency theory is an appropriate lens through which to examine their relationship and the contract binding them.

The next chapter will discuss the research methodology and the way in which the data will be collected and analysed in order to address the research question.
Chapter Four: Methodology

4.1 Chapter Overview
The aim of this chapter is to describe and explain the research methodology including the data collection process and analysis procedures. It will discuss the methodological approach of the research design including: defining the use of qualitative and case study research methodology; the selection of case study participants; procedures utilised for data collection and analysis; and validity and reliability issues. The chapter concludes with an outline of ethical considerations for the research.

4.2 Research Methodology Overview
The research methodology for this thesis implemented a case study approach that incorporated three distinct phases of data collection and analysis. Figure 4.1 is an overview of the data collection process. Each phase is explained in this chapter, with further discussion on the data collection tools implemented in this thesis. The data collection and analysis process was undertaken sequentially.

Figure 4.1 An overview of the data collection process and data collection tools implemented.
4.3 Research Questions

This study examined the relationship between the ASC and five selected Australian Olympic NSOs to determine the perceived impact the relationship between them has on Olympic performance. The Australian Institute of Sport (AIS), a division of the ASC, was also investigated in the research due to the significant role it plays within the Australian high performance sport system. The research incorporated a case study design to examine five NSOs: Athletics Australia, Cycling Australia, Rowing Australia, Swimming Australia and Yachting Australia. These five NSOs are the highest Australian Olympic medal winning sports (Australian Olympic Committee, 2012d).

The study empirically examined organisational relationships between the case organisations and the ASC/AIS, and drew conclusions based on data collected and analysed. The overarching research question was:

*How do ASC and NSO high performance staff perceive the relationship between the ASC and NSOs and its effect on Olympic performance?*

To fully address this research question, three sub-questions were required. The additional questions identified perceived issues surrounding the relationship between the ASC and NSOs and how these issues impacted Olympic performance. Thus, the additional sub-questions were:

1. *What are the perceived issues arising from the management of the ASC–NSO relationship?*
2. *How are these issues perceived to impact Olympic performance outcomes?*
3. *Why have these issues occurred?*

To address the research questions, the study used a qualitative approach, incorporating a variety of data collection methods. This approach is discussed below.

4.4 Nature of Qualitative Research

The use of qualitative research is becoming widely accepted and is common practice for sport management researchers (Edwards & Skinner, 2009). The various methods available in qualitative research provide an opportunity to identify and analyse
relationships between various organisations or individuals. Qualitative research allows researchers to conduct in-depth studies on a variety of topics, with minimal constraints on research conditions, sample size, variables and response rates (Yin, 2011). Qualitative research examines the meanings and views of the people being studied and the context in which they live in order to gain insights into existing or emerging concepts that seek to understand human behaviour. Qualitative research may utilise many sources of evidence, rather than relying on only one, in order to draw conclusions. In addition, qualitative research is able to determine the views and perceptions of the participants rather than just measure their behaviour (Gratton & Jones, 2004).

Qualitative research is fundamentally interpretive and therefore personal interpretation is ingrained in qualitative data analysis, especially as the researcher is the main tool for data collection and analysis (Creswell, 2003). Unlike quantitative methodologies, qualitative research does not have a distinct set of methods to call its own and therefore researchers can draw upon many approaches to provide ‘insight and knowledge’ (Denzin & Lincoln, 2000, p. 6).

Data collected through qualitative methods is usually in the form of text or written and spoken words, numbers or symbols that represent a person’s opinions, actions or experiences (Neuman, 2003). According to Denzin and Lincoln (2000):

Qualitative researchers use semiotics, narrative, content, discourse, archival and phonemic analysis, even statistics, tables, graphs and numbers. They also draw upon and utilise the approaches, methods and techniques of ethnomethodology, phenomenology, hermeneutics, feminism, rhizomatics, deconstructionism, ethnography, interviews, psychoanalysis, cultural studies, survey research and participant observation, among others (p. 6).

The research design for this thesis had three distinct data collection phases that utilised different methods of data collection. The first phase of the research collected and analysed key documents to identify issues surrounding the relationship between the ASC and Olympic NSOs. Data collected during this phase shaped the research questions and determined a priori codes for the second phase of the research. The second phase of the study was a self-administered questionnaire for ASC and NSO high performance staff members (including AIS staff members) that sought their understanding of the issues relating to the relationship between the ASC and NSO in terms of high performance
sport. In addition, the data obtained in the second phase provided direction and content for the final phase of the research, which involved conducting semi-structured in-depth interviews with selected NSO and ASC (including the AIS) high performance staff members to obtain detailed data.

The research was sequential in nature and therefore each phase had to be completed and analysed prior to the commencement of subsequent phases. In summary, the research design was exploratory, and primarily utilised qualitative methodologies and a variety of data sources to answer the research questions. A case study approach was implemented to ensure a detailed and intensive analysis of each organisation occurred (Bryman & Bell, 2011). A discussion on the applicability of a case study approach for this research is outlined below.

4.4.1 Case Study Research

Case study research is conducted in a real-life context that allows the investigation of a particular situation, event, program or phenomenon (Edwards & Skinner, 2009) and is designed to examine significant factors that occur within a set context, rather than examining these factors in isolation (Yin, 2003). Case studies are effective when and if ‘how’ or ‘why’ questions are proposed (Yin, 2003). Gall, Gall and Borg (2007) suggest four characteristics of case study research: a) phenomena are examined by focusing on specific cases; b) each case is examined in-depth; c) the phenomena are examined in their natural environment; and d) the research takes the perspective of those within each case, as opposed to the researcher’s perspective.

The characteristics of case study design are well suited to this research for two primary reasons. First, the use of the case study method allows the researcher to ask the ‘how’ and ‘why’ questions within each case and within a real-life context embedded in a complex network of stakeholders. In this case, the context is the ASC and NSO’s daily operating environment. Second, the use of case studies allows for in-depth examination of complex organisational relationships, providing the researcher the best opportunity to address the research questions. Therefore, data were collected with the aim of analysing the relationship between the ASC and the five selected NSOs.

Multiple cases were investigated in order to gain more compelling and robust data to analyse and evaluate (Edwards & Skinner, 2009). This multiple case study approach included five Olympic NSOs that were selected in order to compare, contrast and
strengthen research findings. According to Yin (2011), a multiple case study occurs when ‘two or more cases are selected as they are believed to be similar’ (p. 226) and therefore similarities and cross-case comparisons may be made. In order to validate findings from a multiple case study, Yin (2003) believes the replication of such a finding in a second, third or even fourth experiment confirms that the original finding is ‘robust and worthy of continued investigation’ (p. 47). Yin (2003) labels this method replication logic, with every case serving a purpose in the research context in order to produce more compelling evidence through which to answer the research questions. Furthermore, Stake (1998) believes multiple cases are chosen on the basis that examining them will provide a greater understanding of an even wider collection of cases.

The multiple case study approach allowed for an examination of the effectiveness of the management processes within both the ASC and the chosen NSOs in relation to high performance sport outcomes. It is the similarities and/or possible differences of the selected cases that support a multiple case research method. Thus, theoretical replication must be an important consideration in case selection (Perry, 1998). To elicit theoretical replication from a multiple case study, the cases must be carefully selected to predict similar results (Yin, 2003). The cases selected for this research were purposively chosen based on the expectation that they would provide similar but different perspectives on the phenomenon under investigation. The selection of the five Olympic NSOs utilised criteria to ensure cases were similar in size, function and operational structure. The rationale for NSO case selection is discussed in Section 4.5.

This section has justified the use of a multiple case study approach in this research. However it is acknowledged that the use of qualitative methodologies and case study research are not without limitations.

### 4.4.2 Limitations of Case Study Research and Qualitative Methodologies

While a case study approach is appropriate for this research, there are parameters that limit its application. The analysis of case study data is inherently interpretive and some theorists question the replicability of the research by others (Denzin & Lincoln, 2000). According to Yin (2003), the four criteria for judging the quality of case research are construct validity, internal validity, external validity and reliability. Three of the criteria are relevant for this research and are applied accordingly. Internal validity was not relevant as according to Yin (2003), this process is only applied to explanatory or
causal studies. Table 4.1 indicates the methods implemented to overcome any potential case study limitations (Yin, 2003).

Table 4.1
Methods for case study design criteria (Yin, 2003, p. 34).

<table>
<thead>
<tr>
<th>Test</th>
<th>Case study criteria</th>
<th>How test criteria was achieved</th>
<th>Thesis section which address criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construct Validity</td>
<td>Use multiple sources of evidence</td>
<td>Documents, questionnaire &amp; interviews</td>
<td>Methodology: data collection and analysis Section 4.6 &amp; 4.7</td>
</tr>
<tr>
<td></td>
<td>Establish chain of evidence</td>
<td>Sequential data analysis</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Have key informants review draft case study report</td>
<td>Composition – results discussed with interviewees</td>
<td></td>
</tr>
<tr>
<td>External Validity</td>
<td>Use replication logic in multiple-case studies</td>
<td>Research design – 5 NSO cases analysed</td>
<td>Methodology: selection of cases Section 4.5</td>
</tr>
<tr>
<td>Reliability</td>
<td>Use case study protocol</td>
<td>Data collection – repeated across all cases with same result</td>
<td>Methodology: Computer software Section 4.7.2</td>
</tr>
<tr>
<td></td>
<td>Develop case study database</td>
<td>Leximancer – data management tool</td>
<td></td>
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</tbody>
</table>

Replication logic was applied across the multiple case studies to examine relationships, commonalities and also contrasting results. The methodology procedures were well documented, allowing the researcher to repeat the data collection procedures in an identical manner in each case. Each case was analysed separately following data collection and coding procedures before comparing the cases. The detailed methodology for data collection and analysis for each phase is outlined in the final section of this chapter.

Case study research is time consuming and requires large amounts of data in order to gain sufficient insight into each case (Darke, Shanks, & Broadbend, 1998). This is particularly evident when examining multiple cases. To overcome this barrier, Yin (2009) suggests that when writing up the case studies, researchers should avoid a 'lengthy narrative' and reminds the researcher that case study research does not necessarily require detailed ethnographies or participant-observer data.

The limitations associated with the analysis of qualitative research data have been well documented. These include issues such as reactivity, objectivity, validity and generalisability (Tashakkori & Teddlie, 1998). Scholars (Denzin & Lincoln, 2000;
Edwards & Skinner, 2009; Miles & Huberman, 1984) have argued about whether qualitative research is objective as each researcher brings their own embedded values and ideas to any research project. However, Neuman (1997) believes social researchers are ‘less shaped by their social position because they try to learn the viewpoints of other people and empathise with all parts of society’ (p. 471). Nevertheless, Edwards and Skinner (2009) suggest sport management researchers must acknowledge that their interactions with an organisation may ‘influence internal perceptions of the sport organisation’ (p. 262). Yin (2011) suggests that a way of demonstrating research integrity is for researchers to disclose influential relationships that may potentially affect research outcomes. Disclosure is often known as a form of insider research (Yin, 2011). The following section will define insider research and disclose the relationship the researcher had with the research participants.

4.4.3 Insider Research

According to Yin (2011) and Dandelion (1997), researchers who study their current or former organisations, communities or social groups, are considered to be conducting insider research. According to Coghlan (2007):

Insider research is valuable because it draws on the experiences of practitioners as complete members of the organisations and so makes a distinctive contribution to the development of knowledge about organisations (p. 452).

The advantages associated with insider research include the ease of access to organisations and an already formed relationship with key participants (Bryman & Bell 2011). In addition, an insider researcher is well placed to ask the right questions to the right people (Walsh, 2011). Another advantage is that an insider researcher is ‘already immersed in the organisation and have built up knowledge of the organisation from being an actor in the processes being studied’ (Brannick & Coghlan, 2007, p. 66). Insider researchers are therefore familiar with the language, culture and processes of the organisation. Moreover, an insider researcher usually has a strong motivation and determination to succeed in their research (Walsh, 2011).

The researcher in this study, before, during and after the study, was employed part-time by the AIS, working closely with an NSO, Australian Canoeing. The study itself did not utilise Australian Canoeing as a case study. However, the researcher’s role
with Australian Canoeing provided her with the opportunity to pilot the research tools within this organisation. The researcher was able to ask colleagues to complete pilot questionnaires and then had the opportunity to ask these respondents for feedback on format, and question type and to provide general comments. In addition, the researcher’s role also provided an opportunity for her to attend meetings with the ASC (as the high performance manager of Australian Canoeing). At these meetings, the ASC discussed new policy directions, initiatives and planning processes for all NSOs operating high performance sport programs. This opportunity provided invaluable background to the research. Having an in-depth understanding of the terminology, processes and procedures, as well as knowing the key stakeholders of the organisations involved in the research, allowed the researcher to examine the ASC/AIS in a way an outsider could not.

For example, the experience of the researcher within the high performance sport industry over the past decade created: a) ease of access to the required organisations and access to key personnel; b) permitted insight to pertinent documents; and c) access to staff for questionnaire and interview participation. In addition, the researcher had previously established trust and mutual familiarity amongst the key participants which resulted in them willingly participating in the research.

According to Coghlan (2007), research that aims to make a significant contribution to practice is best completed by those within, or linked to, an organisation. He argues that practitioners and those with links to organisations are well placed to identify knowledge that is of benefit to both academic and practitioner communities. Without the researcher’s work inside the Australian high performance sport system, the development of the research topic (and associated research questions), and the means to conduct the research could have been quite difficult. Through industry experience, the researcher was able to determine research questions relevant to the profession and identify why it was important to explore the identified research questions. Thus, the research topic emerged due to the researcher’s knowledge of the industry and the issues within the high performance sport system, providing a justification for the study. At the conclusion of this thesis, the researcher will maintain a relationship with the organisations examined in this study, reporting findings and recommendations identified from the research to the participants and their organisations.

Despite its advantages, insider research also has a number of disadvantages. The most common complaint associated with insider research is that the insider is too close
and is not ‘attaining the distance and objectivity deemed necessary for valid research’ (Brannick & Coghlan, 2007, p. 60). This may result in the researcher making assumptions that could limit his/her ability to probe deeply on certain issues. Insider researchers may believe they know the answers and as a result they may not expose themselves to alternative thoughts and beliefs. Similarly, they may not question everyday practices or rituals, which, to an outsider, may be considered strange (Dandelion, 1997).

To overcome the potential disadvantages of insider research, data collection tools were tested using a pilot study. Feedback regarding the data collection tools was received from colleagues working with Australian Canoeing and also from the researcher’s supervisors. The pilot study conducted with Australian Canoeing was the key method for testing the research tools and ensuring the researcher was unbiased and was not making assumptions. The details of the pilot study are discussed later in this chapter.

The interviews for the main study were completed over the course of four months allowing the researcher to transcribe and analyse the data in stages to ensure the research questions were addressed. In addition, two transcripts were coded by a colleague to confirm the legitimacy of the codes and themes identified by the researcher. The methodology for this research is explained and documented to ensure replicability and to ensure the research findings were not impaired by shortcomings associated with insider research.

In summary, the above discussion highlights the various limitations associated with qualitative research, case studies and insider research. The limitations have been addressed and full disclosure provided by the researcher regarding the research procedures and methods to ensure insider research knowledge does not unduly distort the findings. The methodologies described in this chapter demonstrate the researcher’s attempt to overcome any potential issues in this regard.

The following section discusses the selection and justification of the case studies selected for this research.

4.5 Selection of Case Studies and Participants

When selecting cases for a research project, random selection is not the preferred method (Yin, 2011). Instead, good practice dictates a choice of cases which are likely to replicate or contrast findings and address the research questions. However, the researcher must also acknowledge that cases are not samples and they must be treated as multiple
experiments where analytical generalisation is applied (Yin, 2003, 2009). The selection of the cases for the research assisted in defining the limits for generalising the research findings.

Examining multiple cases results in more comprehensive data and a more robust results (Edwards & Skinner, 2009). Each case examined in this research provided a unique perspective of the phenomenon being investigated, as advocated by Gall, Gall and Borg (2007) and therefore the use of multiple cases was justified. In addition, the theoretical framework of agency theory underlying this research specifies that no two principal–agent relationships are the same (Eisenhardt, 1989). Thus, utilising five case organisations provided a greater understanding of the principal–agent relationship. The NSOs selected for the research had many similarities and so the findings are linked; however their relationships with the ASC differed due to differences in personnel and inter-organisational relationships, performance expectations and the location of the various NSOs.

In each case, the NSO received funding from the ASC; the sport it represented was a multi-discipline/multi-event sport (that is, a sport where many medals can be won at any competition); and Australian athletes in the sport the NSO represented were expected to medal at the London 2012 Olympic Games (Australian Olympic Committee, 2009b). The cases examined in the research were: 1) Athletics Australia; 2) Cycling Australia; 3) Rowing Australia; 4) Swimming Australia; and 5) Yachting Australia. These NSOs are among the organisations that received the most funding from the ASC in the 2009-2010 financial year, the year this study commenced and, they continue to do so according to the 2011–2012 ASC annual report (Australian Sports Commission, 2012a). In addition, before the London 2012 Olympic Games, these NSOs had won, in total, the most medals at the Olympic Games for Australia over time (swimming 178; athletics 71; cycling 40; rowing 37; and sailing 23) (Australian Olympic Committee, 2012d). While the NSOs that govern Australian hockey and football received higher contributions from the ASC than some of the chosen NSOs, they were not selected as they are Olympic team sports with the opportunity to win only two gold medals (male and female) in Olympic competition, as opposed to the numerous medals available to the selected case NSOs.

The multi-discipline sports were chosen as a way of limiting case selection in order to identify similar organisations under similar pressure to succeed at the Olympic
Games. Sports like hockey, that have the ability to win only two gold medals would be under similar pressure as the multi-discipline sports to succeed at the Olympic Games and therefore, potentially have similar issues in their relationship with the ASC. However, additional issues may arise with single event sports, as they only have the one opportunity to succeed. The chosen cases can win up to 34 gold medals (swimming), with many of these sports winning gold in events they had not planned upon and therefore, still achieving set KPIs.

While funding allocation is not the focus of the study per se, its inclusion as a criterion for selection allowed for similar cases to be examined, increasing the likelihood of finding similarities and making generalisations about cases. In addition, all NSOs chosen for the research have won Olympic medals consistently and are expected to do so in the future, as outlined in the AOC’s high performance plan for 2010–2014 (Australian Olympic Committee, 2009b). The selected NSOs thus have ongoing pressure to meet Olympic performance demands. This pressure is exacerbated due to the significant funding they receive from the ASC. Table 4.2 shows the ASC funding each NSO received in the 2010–2011 financial year, including AIS high performance program contributions, the ASC national high performance contributions and the total amount (which excludes sport development and other funding contributions). Table 4.2 also indicates the medal expectations for the London 2012 Olympic Games as outlined by the AOC in their 2009–2014 high performance plan. The actual results achieved at the 2012 London Olympic Games for each sport are shown in the final column. An in-depth description of each NSO is presented in Chapter Five.
Table 4.2


<table>
<thead>
<tr>
<th>Sport</th>
<th>AIS Program Funding</th>
<th>NSO High Performance Funding</th>
<th>Total Funding</th>
<th>Expected 2012 Olympic medals</th>
<th>Actual 2012 Olympic medals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swimming</td>
<td>$1,461,315</td>
<td>$8,265,000</td>
<td>$9,726,315</td>
<td>25</td>
<td>10</td>
</tr>
<tr>
<td>Rowing</td>
<td>$1,831,390</td>
<td>$5,776,600</td>
<td>$7,607,990</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Cycling</td>
<td>$1,564,960</td>
<td>$5,808,000</td>
<td>$7,372,960</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>Athletics</td>
<td>$1,507,550</td>
<td>$5,674,000</td>
<td>$7,181,550</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Sailing</td>
<td>$1,321,750</td>
<td>$4,800,600</td>
<td>$6,122,350</td>
<td>6</td>
<td>4</td>
</tr>
</tbody>
</table>

Despite varying in size, structure and governance, all of these NSOs have similarities, including a relationship with the ASC and the requirement to meet the ASC’s aims and objectives in relation to Olympic performance. At the Beijing 2008 Olympic Games the selected case NSOs won 67% of the total Olympic medal haul by Australian athletes (31 of 46 medals) (Australian Olympic Committee, 2010a). Results in London 2012 Olympic Games further cemented the strength of the selected NSOs, as together they won 80% of the total Australian medal haul (28 of 35 medals).

In order to address the research questions, staff who worked within the high performance programs of the selected NSOs were targeted for the self-administered questionnaire. One aim of the questionnaire was to assist in determining the appropriate staff within each organisation to later participate in the semi-structured in-depth interviews. The participants were selected using purposive sampling and according to Neuman’s (2003) guidelines this approach was appropriate for a specialised population. As there was only three or four staff members within each NSO that worked in high performance sport and who had a direct relationship with the ASC, these were the staff selected for questionnaires and interviews. Therefore, within the NSOs those in senior management positions (CEOs and High Performance Directors) were targeted for the semi-structured interviews based on their known interactions and dealings with the ASC.
Similarly, within the ASC, staff members that worked directly with the NSOs in relation to high performance sport were targeted for the questionnaire and semi-structured interviews. Within the ASC, this included the Business Development Managers (previously known as Sport Consultants), who are the key point of contact for specific NSOs, and middle and senior level managers who work regularly with NSOs. Likewise, staff members within the AIS who had a relationship with NSO high performance units were also targeted as subjects for the research. These positions included the Sport Performance Directors, as well as the Deputy Director and Director of the AIS. The distinctions between the roles and responsibilities of the ASC and AIS were briefly discussed in the literature review; however a more detailed analysis of the roles and responsibilities of each organisation in relation to NSO high performance outcomes is presented in Chapter Five.

Information provided by the participants was referenced using a code to preserve their confidentiality. Numerals were added to the end of each code to indicate the respondent’s organisation, for example; ASC2, ASC3, etc. The questionnaire respondents were identified with a prefix ‘Q’ in front of their code to ensure differentiation from the interview respondents (e.g. QASC4). The majority of the findings emerged from the semi-structured interviews as reflected by the respondent statements presented in this chapter. Staff from NSOs were not identified by their sport, as the small sample size meant that individual respondents could have been recognised. Therefore the NSOs were given an alphabetical code (i.e. NSOa–NSOe) to assist case comparisons or to highlight case differences, plus a numeric code for each respondent within that organisation (i.e. NSOa1-NSOa2).

Organisational restructures at the ASC and the AIS during 2011 created some complications for defining roles and responsibilities of staff members. This limited the researcher’s ability to target appropriate staff working directly with the NSOs. However, through the researcher’s experience and in-depth knowledge of the organisation and its staff, she was able to use internal staff database searches, emails and phone calls to contact potential participants. The organisational restructures and the associated changes to staff roles and responsibilities are discussed in detail in Chapter Five.

The next section will describe the delimiting factors in case and participant selection.
4.5.1 Delimiting Factors

The number of cases which needs to be studied in order to answer the research questions depends upon the complexity of the research problem. The researcher needs to determine the number of cases needed to provide sound analytical generalisations (Miles & Huberman, 1984). The relationship between the ASC and NSO is complex. However, this research focused only upon the high performance function of the ASC–NSO relationship, and it only looked at Olympic NSOs. As a result, the nature of the topic was a delimiting factor in this thesis. Selecting successful Olympic case NSOs from those sports that have the potential to win numerous medals at the Olympic Games was another delimiting factor, as only a few sports in Australia meet this criterion.

The data collection procedures for each phase of the research will now be discussed.

4.6 Data Collection Procedures

The research design primarily utilised qualitative methods to gather information to answer the research questions. A variety of data collection methods were implemented as, according to Yin (2009), the use of multiple sources of evidence ensures rigour in case study research. As previously noted, data were collected in three distinct phases. Each phase was conducted sequentially to produce data that would assist in the development of the research tools for the subsequent phases. For example, information gathered from the questionnaire provided areas for further investigation in the semi-structured interviews. Therefore, data gathered and analysed from the questionnaire drove the design of the interview questions. The three phases were:

Phase 1: content analysis
Phase 2: survey research
Phase 3: in-depth interviews.

Table 4.3 outlines the phases of the research design, the procedures implemented to gather data at each stage and the samples utilised. The final column highlights the research questions. Following the table, each phase of the research is explained in greater detail.
Table 4.3  
*Data collection phases, participants and the research questions.*

<table>
<thead>
<tr>
<th>Stage</th>
<th>Procedure</th>
<th>Participants</th>
<th>Research Questions</th>
</tr>
</thead>
</table>
| Phase 1 | Content analysis                 | NSO, ASC, AIS, AOC documents and websites, including insider information | *Research Question:*  
How do NSO and ASC high performance staff perceive the relationship between the ASC and NSOs and its effect on Olympic performance?  
*Sub-questions:*  
a) What are the perceived issues arising from the management of the ASC–NSO relationship?  
b) How are these issues perceived to impact Olympic performance?  
c) Why have these issues occurred? |
| Phase 2 | Self-administered questionnaire of NSO and ASC/AIS high performance staff | 20 NSO HP staff  
17 ASC/AIS HP staff |  
| Phase 3 | Semi-structured in-depth interviews of NSO ASC and AIS high performance staff Other (AOC/NESC/SIS) | 11 NSO staff  
18 ASC/AIS staff  
3 Other |  

4.6.1 *Phase 1 – Content Analysis*

Content analysis can be done on any form of communication, including textbooks, journals, emails, websites and reports. It is used to make replicable and valid assumptions from data within a set context, to provide insight, knowledge and the opportunity to guide further research action (Krippendorff, 2004). The purpose of the content analysis was exploratory and provided context for the phenomena being investigated. Furthermore, content analysis is often ‘an initial step that leads into another type of qualitative data analysis’ (Liamputtong & Ezzy, 2005, p. 260).

Content analysis is a flexible method for analysing text data and is associated with three distinct approaches: conventional, directed and summative (Hsieh & Shannon, 2005). In conventional content analysis researchers describe an existing phenomenon without using predetermined categories, and according to Neuman (2003), they immerse themselves in the data in order to identify and acknowledge new insights. Directed content analysis is used to validate or extend existing theory, whereas summative content analysis is undertaken with the researcher identifying and quantifying text from within
the content in order to understand the contextual use of the words (Neuman, 2003). In other words, it explores usage as opposed to the meaning of the words. This research undertook conventional content analysis, with the researcher immersing herself in the data to identify issues and knowledge as it related to the research questions.

Key themes, values and strategies emerging from the content analysis that were relevant to the research were examined thoroughly and provided descriptive statistics. The descriptive results highlighted the conditions surrounding the ASC–NSO relationship, or in agency theory terms, the contract binding the relationship. The descriptive results from the content analysis were categorised into three key focus areas that later became a priori codes which were used to gather further information in the latter phases of the study. The content analysis identified: the key roles and responsibilities of the ASC and NSO; the level and type of communication between the ASC and NSO; and finally, the Olympic performance expectations of the ASC and NSOs. Thus, the a priori codes that emerged from the content analysis were: Olympic Performance; Communication; and Roles and Responsibilities.

A systematic approach was used to regularly monitor and track documents and websites. This was done using a content analytic summary (Miles & Huberman, 1984) to record what and when websites were accessed and also to summarise the information obtained. Website information and documentation changed often during the research period; therefore a precise record was required to ensure relevant information was obtained. The collection of content material for this research commenced in the latter part of 2009 and was ongoing through to mid-2013, to ensure the London 2012 Olympic Games results and ongoing commentaries were included in the analysis. Most documents were accessed via the internet, and some were gathered through the researcher’s role with the ASC/AIS, with permission of the organisations. Hard copies of annual reports, high performance plans, strategic documents and newspaper articles were also obtained where required. The documents were read and examined for information that would assist in answering the research questions and in shedding light on the relationship between the ASC and NSOs.

The results and findings from the content analysis are discussed in Chapter Five and provide background understanding of the research topic being investigated. Table 4.4 describes the content materials that were examined in the research, how they were
obtained and the purpose of each document. A full list of documents and websites accessed for this study can be found in Appendix A.

Table 4.4
Content analysis.

<table>
<thead>
<tr>
<th>Content type</th>
<th>Content obtained from</th>
<th>Focus of information obtained</th>
</tr>
</thead>
</table>
| Annual reports (NSO, ASC, AOC) (29 documents) | Public websites | • contextual data  
• funding levels  
• goals / objectives  
• stakeholders |
| High Performance and Strategic Plans (ASC, NSO, AIS, AOC) (11 documents) | Public websites Requested from NSOs | • HP KPIs  
• Olympic performance & expectations  
• Olympic partners  
• roles and responsibilities |
| NSO, AIS, ASC, AOC websites (7 websites) | Public websites | • contextual data  
• history  
• performance results |
| ASC – government documents and other documents (12 documents, plus numerous insider emails and memos) | ASC website Internal distribution (insider information) Requested materials | • planning  
• performance monitoring  
• funding  
• accountability  
• communication  
• expectations  
• restructures  
• survey/evaluations  
• roles and responsibilities |
| Media sources (6 websites and newspapers) | Website Newspaper sites Sport information sites | • stories  
• public opinions  
• government stories  
• sport interest  
• Olympic interest |

The analysis of selected documents is an ‘unobtrusive and non-reactive’ way of obtaining qualitative descriptions of the case organisations being investigated (Edwards & Skinner, 2009, p. 115). Through content analysis, the researcher obtained pertinent information that assisted in the design of the questionnaire and the interview schedule. It also allowed her to stay up to date with the changing strategies, goals and direction of high performance sport within the ASC, NSOs and other significant organisations. Most importantly, the information obtained ensured key data were gathered so that the
relationship between the ASC and the case NSOs could be observed in order to address the research questions. Findings from the content analysis are presented in Chapter Five to provide an understanding of the policies surrounding the ASC–NSO high performance sport relationship.

The next section will discuss Phase 2 of the research, that is, the development and implementation of a questionnaire to collect data.

4.6.2 Phase 2 – Self-Administered Questionnaire

The use of the questionnaire provided an opportunity to explore the research topic by gathering beliefs, opinions and characteristics of the participants included in the research. The use of some open-ended questions within the questionnaire provided an opportunity for unexpected findings to arise (Neuman, 1997). The results of the questionnaire guided the semi-structured interviews. In addition, the questionnaire had four main objectives:

1. To gain an understanding of the roles and responsibilities of the ASC and NSOs.
2. To gain an understanding of the relationship between the ASC and the NSOs.
3. To establish focus areas that required further investigation through the use of semi-structured in-depth interviews (Phase 3).
4. To establish findings that could be triangulated with data collected from Phases 1 and 3 of the research.

However, according to Bryman and Bell (2011), a questionnaire is not a common tool in qualitative research. A questionnaire may be classified as a structured interview, as there is little flexibility in the questions being asked. However, the responses often lack the emotional dimension gained from a face-to-face interview (Fontana & Frey, 2000). For this study, the questionnaire was specifically used to provide data to direct Phase 3 of the research, the semi-structured in-depth interviews. In order to address the research questions the questionnaire was divided into sections based on the a priori codes identified in Phase 1 of the research. A pilot study was implemented to test the questionnaire, ensuring it was asking appropriate questions to address the research questions.
The Pilot Study

Conducting a pilot study ensured that the design, function and application of the methods were appropriate for addressing the research objectives and the research questions. According to Yin (2003), a pilot study will help refine the data collection plans, in respect to content and procedures. It will also help in designing the relevant lines of questioning, assisting with concept clarification and providing a general ‘dress rehearsal’ for the research. The use of a pilot study allows the research instruments to be tested and, if necessary modified to ensure they are appropriate for addressing the research question. Piloting the questionnaire tested whether the wording was precise and unambiguous; the sequence of questions was clear and logical; the completion time of the questionnaire was satisfactory; and the administration of the questionnaire was efficient. It also provided an opportunity to have a ‘dry-run’ of the data analysis (Gratton & Jones, 2004). Similarly, by piloting the interview questions the researcher could determine whether or not the correct data was collected to address the research questions. In addition, the pilot study determined the adequacy of the probing questions and also identified questions that made the respondents feel uncomfortable (Bryman & Bell, 2011).

The researcher made contact with three separate NSOs whose employees worked in high performance management roles. The employees were accessible, available and willing to complete the questionnaire. The NSOs approached for the case study were not the cases selected for the research. The questionnaire was piloted on a sample of eight employees (n=8). The researcher used the pilot study results and individual feedback from the respondents to amend the questionnaire before the implementation of the research tool with the case NSOs. Information gathered from the pilot study was used to determine whether there was a need for additional probing questions or change the format of various open-ended questions to elicit a greater response rate. For example, Question 18 asked the respondents: ‘How would you describe your relationship with the ASC?’ The pilot study findings did not elicit distinct responses that addressed the research sub-questions, so the question was replaced by two more specific questions: ‘Question 18 – What do you believe is the best thing about your organisation’s relationship with the ASC? Question 19 – What do you believe is the worst thing about your organisation’s relationship with the ASC?’
The pilot study also evaluated flow, identified questions that the respondents skipped, and clarified timing and respondents’ interest and attention. Key issues identified in the pilot study provided an opportunity to change several of the question formats from open-ended to multiple-choice. This was advantageous as it reduced overall survey time and enabled an ease of coding and data analysis, and identified the common issues amongst respondents. In addition, a common theme emerged from the questionnaire and this revealed the need for new questions to be added to the tool before its implementation within the case NSOs. In this instance, the open-ended questions indicated the importance of the accountability of NSOs to the ASC, and also the role the NSO boards play in governance and performance of the NSO. Therefore additional questions were added to the questionnaire to probe these areas further.

The pilot study also highlighted the over use of non-committal responses by several participants. In self-administered questionnaires, the use of ‘neither disagree or agree’ alternatives are essential to ensure the researcher is not forcing the respondent to have an opinion, hence creating false and unreliable answers (Krippendorff, 2004). However, changes were made following the pilot study in an attempt to reduce the number of neutral responses by varying several statements within the Likert-scale questions and also relabelling the non-committal response option as ‘unsure/neither’. Likert-scale questions were used to assess attitudes as the participant could indicate on a scale the extent to which they agreed or disagreed with a specific statement (Gratton & Jones, 2004). The results of the pilot study are discussed in Chapter Six.

The design, function and implementation of the questionnaire will now be discussed.

The Questionnaire

The final questionnaire consisted of a variety of open-ended and closed questions. Likert scale questions were used to prompt thought and provide variety between the open-ended responses (Zikmund, 2000). According to Neuman (1997), ‘total reliance on closed questions can distort results’ (p. 242), as respondents are limited to a set of answers selected by the researcher. Therefore, open-ended questions are considered valuable in the early stages or exploratory phases of research (Miles & Huberman, 1984).

The closed questions gathered quantitative data in the form of descriptive statistics. The purpose of using descriptive statistics was to analyse the numerical data
collected in the questionnaire through the Likert scales. An advantage of using a Likert scale was to quantify the data obtained (Gall et al., 2007) to allow generalisations to be made from the results. Neuman (2003) believes the ‘simplicity and ease of use of the Likert scale is its real strength’ (p. 198). That is why it is one of the most frequently used tools for measuring attitudes (Bryman & Bell, 2011).

The structure of the questionnaire was guided by findings from Phase 1 of the research, the content analysis. The three a priori codes established in Phase 1 were used as categories or headings within the questionnaire. This allowed the researcher to collect data relating to each a priori code. The questionnaire was exploratory and the aim was to identify key issues that could be further analysed in Phase 3. Two different questionnaires were developed, one for the ASC/AIS staff and one for the NSO staff with different organisation-specific questions included in each. For example, the ASC respondents were asked; ‘Do you believe the NSOs have the capacity and capability to run high performance sport programs?’, whereas the NSO respondents were asked: ‘In what areas do you believe the ASC can assist in building the capacity and capability of your organisation?’ Despite such differences, the questions were very similar and aimed at provoking thought amongst the participants in relation to their organisation’s relationship with the other. A copy of the NSO questionnaire can be found in Appendix B.

The questionnaires were produced and managed through the use of a survey tool, Qualtrics. The Qualtrics program enabled the researcher to design, test and distribute the questionnaire from the program website. Participants accessed the survey online through a link to the Qualtrics database and completed them anonymously. A separate link was sent to each NSO, the ASC and the AIS. Because of the researcher’s relationship with members of the NSOs and the ASC, contact with participants was made through a third person to ensure the participants did not feel obliged to complete the questionnaire due to the personal/working relationships they may have had with the researcher.

A breakdown of participants who completed the questionnaire is shown in Table 4.5. A total of 20 NSO questionnaires were completed and a total of 17 ASC/AIS questionnaires were completed. Seven additional returned questionnaires were discarded as they were incomplete with no useable information obtained.
Table 4.5

List of NSO and ASC response rates.

<table>
<thead>
<tr>
<th></th>
<th>Returned / Distributed</th>
<th>Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athletics Australia</td>
<td>3 / 5</td>
<td>60%</td>
</tr>
<tr>
<td>Cycling Australia</td>
<td>6 / 8</td>
<td>75%</td>
</tr>
<tr>
<td>Rowing Australia</td>
<td>3 / 5</td>
<td>60%</td>
</tr>
<tr>
<td>Swimming Australia</td>
<td>3 / 6</td>
<td>50%</td>
</tr>
<tr>
<td>Yachting Australia</td>
<td>5 / 7</td>
<td>71%</td>
</tr>
<tr>
<td>ASC</td>
<td>17 / 26</td>
<td>65%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>37 / 57</strong></td>
<td><strong>65%</strong></td>
</tr>
</tbody>
</table>

The process of piloting the questionnaire provided the opportunity to ensure wording and explanations were appropriate and user friendly. The researcher was conscious of using the terminology commonly used within the high performance sport environment. To ensure a high response rate, the researcher identified optimal times in which to contact each organisation. An important factor was to work around each sport’s national/international competition schedule. The overall timing of the data collection was not ideal, as this occurred within an Olympic selection year, when all of the NSOs were vying to qualify their athletes for selection for the London 2012 Olympic Games. However, identifying ‘down’ times between key events was an important step for ensuring there was sufficient time for the staff to complete the questionnaires. Reminders were sent as emails to the key contacts and the intermediary twice over an eight-week period.

Although the sample was relatively small, the respondents had differing roles and were from a variety of organisations, and this increased the quality of the sample. A total of 37 ASC/NSO questionnaires were completed with an overall response rate of 65%. This number allowed for ‘quasi-statistics’ to be utilised for descriptive statistics (Becker, 1990). For example, the responses to one of the Likert scale questions revealed that 95% of NSO respondents believed that their Olympic success is dependent upon the ASC. The analysis of such simple statistics allowed for some early generalisations to be made and conclusions to be drawn in an attempt to answer the research question. However, as previously noted, the questionnaire was implemented in order to best prepare the research tool for Phase 3 of the research: the semi-structured in-depth interviews. The findings from Phase 2, including the descriptive statistics, enabled the researcher to identify key
issues and areas of interest on which to focus the direction and line of inquiry for the later semi-structured interviews. The findings from the questionnaire are discussed in Chapter Six.

4.6.3 Phase 3 – Semi-Structured In-Depth Interviews

The Phase 3 interviews adopted a semi-structured in-depth approach for various reasons. First, using semi-structured questions in face-to-face interviews is considered ‘one of the most effective procedures used by the sport management researcher’ (Edwards & Skinner, 2009, p. 106). Second, participants are able to reveal attitudes and behaviours that may not emerge when using other research tools, such as a closed questionnaire. The information gathered may be unanticipated as participants can emphasise issues that are important to them (Denzin & Lincoln, 2000). Finally, interviews can produce a richness of information not possible through the use of more structured collection tools, such as a closed questionnaire (Gratton & Jones, 2004). Structured interviews were not used as they are limited in their ability to delve further into participants’ attitudes and beliefs, since questions are standardised and structured, with limited interaction between the interviewer and the respondent (Yin, 2011).

Bryman and Bell (2011) recommend the use of a semi-structured interview approach in multiple case study research in order to generate a structure by which to make cross-case comparisons. The semi-structured interview was thus the most appropriate format for this stage of the research as it provided an opportunity to incorporate set prompts that addressed the research question. Another benefit was that the interviewer could further probe the interviewees’ responses to gain in-depth insights and understanding of the area of inquiry. According to Gratton and Jones (2004), there are two types of probes that can be used to gain additional information from a respondent. First, a clarification probe is used that allows the researcher to clarify any point that was not clear. Second, an elaboration probe is used to elicit a more in-depth response about a particular point. As a result, the interviewer is more likely to understand the ‘participants’ world views without presuppositions or expectations and is more likely to see things as the participants see them’ (Bryman & Bell, 2011, p. 472). Asking the respondents to elaborate provided rich data and produced unexpected responses in many of the interviews.
The flexible approach provided the respondents with opportunities to express their experiences and ideas in their own words. As the content of the interview is ‘formulated to address the topic’ (p. 107), the researcher was able to guide the respondent in a direction to gain relevant information required to answer the research questions (Edwards & Skinner, 2009). Therefore, many questions did not have fixed wording or an order of questioning, but instead utilised the researcher’s ability to extract the relevant information from the participant (Bryman & Bell, 2011). For this research, semi-structured interviews were used to seek data relating to the perceived strengths and weaknesses of the current relationship between the ASC and NSOs.

In total, the researcher conducted 32 semi-structured interviews with the staff at the NSOs and the ASC/AIS. An interview schedule was developed to give some direction to the interviews and to improve the consistency of information gathered so that cross-case comparisons could be made. A copy of the semi-structured interview schedule can be found in Appendix C. However, the interviews predominantly followed the direction of conversation taken by each respondent, ensuring a semi-structured approach was maintained and that the participant’s key issues were addressed.

As noted earlier, the participants were selected due to their roles within the ASC, AIS or NSO. All participants worked within the high performance sport sector and had a responsibility for Olympic performance. Staff members from external organisations were also interviewed to gain different perspectives of the relationship between the ASC and the NSO. These organisations included the AOC, the NESC and SIS/SAS, where directors and senior management were targeted respondents.

Guest, Bunce and Johnson (2006) believe a qualitative study that utilises more than one method may require fewer participants and they therefore believe fifteen is the smallest acceptable sample. This study more than doubled this limit of acceptability and data saturation occurred at the completion of 32 interviews. The interviews took place with key participants in Canberra, Sydney, Brisbane and the Gold Coast. In addition, five participants were interviewed over the telephone. Table 4.6 indicates the respondents interviewed from each organisation.
Table 4.6
*Interview Respondents.*

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Number of interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASC</td>
<td>12</td>
</tr>
<tr>
<td>AIS</td>
<td>6</td>
</tr>
<tr>
<td>NSO</td>
<td>11</td>
</tr>
<tr>
<td>Other (AOC, NESC, SIS/SAS)</td>
<td>3</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>32</strong></td>
</tr>
</tbody>
</table>

Table 4.7 indicates the positions held by all interviewees and demonstrates the quality of the interview participants. Sample selection was dictated by the roles held within each case organisation, with only a small number of participants who could provide in-depth insight into the ASC–NSO relationship. Due to the specific sample group within each organisation, to ensure confidentiality and protect the respondents’ personal information, a further breakdown of positions within each organisation is not included. Overall, only two or three respondents came from each of the case NSOs.

Table 4.7
*Positions held by the interview participants.*

<table>
<thead>
<tr>
<th>Position title</th>
<th>Number of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>4</td>
</tr>
<tr>
<td>Director</td>
<td>3</td>
</tr>
<tr>
<td>Deputy Director</td>
<td>5</td>
</tr>
<tr>
<td>National Performance Director</td>
<td>3</td>
</tr>
<tr>
<td>High Performance Director</td>
<td>5</td>
</tr>
<tr>
<td>Business Development Manager</td>
<td>6</td>
</tr>
<tr>
<td>Sport Performance Director</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32</strong></td>
</tr>
</tbody>
</table>
The Interview Process

The interviews took place from November 2011 through to February 2012. All interviews were digitally recorded with the permission of the participants as required by the university ethics guidelines. The recordings were erased after they had been transcribed by the researcher. Each interviewee was identified by a respondent number and organisation. For example, the ASC respondents were identified as ASC1 through to ASC12. In order to preserve the confidentiality of each NSO, the case study NSOs were assigned a letter and not identified by their sport. As the case study sample was relatively small, it may have been possible to identify the respondents within each NSO if the identity of the NSO was known. Therefore each NSO and each respondent from the NSO was assigned a unique code. For example, NSOa2 would indicate the NSO case study organisation (a) and respondent number two from within that NSO. Full details of the interview participant code structure can be found at Appendix D.

The 32 interviews ranged from 32 minutes to 1 hour and 28 minutes in length. The majority of interviews were approximately 50–55 minutes long. All participants demonstrated a willingness to participate and were open and candid in their responses. As previously noted, three interviews were conducted over the telephone as opposed to face to face. This occurred for several reasons. First, one participant was based in Western Australia and the time and expense to travel to Western Australia for one interview were prohibitive. The remaining two interviews were conducted over the telephone due to the inability of the researcher and interviewee to coordinate face-to-face meeting times. These two participants had busy schedules and it was clear that face-to-face interviews would not occur. Therefore telephone interviews were seen to be the most feasible option. According to Gratton and Jones (2004), a telephone interview is appropriate if participants are geographically dispersed and participants are difficult to access in person.

A disadvantage associated with the telephone interview was that it was more difficult for the researcher to establish a rapport with the participant, or to probe further responses and opinions. In addition the researcher was unable to observe and take note of non-verbal behaviour such as facial expressions and body language (Gratton & Jones, 2004). Nevertheless, the telephone respondents were thorough and obliging when answering all interview questions. The researcher was still able to digitally record the phone interviews for transcription.
The interviews were spaced to enable the researcher to transcribe and analyse the interview after each visit to ensure the data collected was addressing the research questions, to ensure new information was being obtained, and to determine whether data saturation had been achieved. The researcher manually transcribed each interview from the digital recording, deleting recordings after transcription as per the university ethics guidelines.

The methods and process of data analysis will now be discussed.

4.7 Data Analysis

Data analysis involves ‘examining, sorting, categorizing, evaluating, comparing, synthesizing and contemplating the coded data as well as reviewing the raw and recorded data’ (Neuman, 2003, p. 427). In order to manage the data obtained in qualitative findings, the data was coded to enable the researcher to identify, pull out and cluster all data segments that related to the research questions, and to identify data that were focused around particular themes or concepts (Miles & Huberman, 1984). Through coding, the raw data was sorted into conceptual categories, creating themes and concepts, and an understanding of the relationship between the various concepts. The method of analysis for this research was a combination of thematic analysis through a data-driven inductive process (Boyatzis, 1998) and a deductive approach using an a priori code template (Crabtree & Miller, 1992).

A Priori Codes

A priori codes are developed from an extensive literature review before commencing data analysis (Miles & Huberman, 1984). The initial analysis of the literature and theoretical framework highlighted three a priori codes that would assist in addressing the research questions. According to Neuman (2003), researchers often begin coding with a list of concepts that emerge while reading data notes. Likewise, Crabtree and Miller (1992) recommend using a template in the form of codes or a code book that is applied as a means of organising text for subsequent interpretation. In this case, three key codes emerged from Phase 1 of the research and were used to classify the large quantity of data obtained in Phases 2 and 3 of the research. The three codes were linked directly to the research questions. The a priori codes used to categorise the data were: (1) Olympic
Performance; (2) Communication; and (3) Roles and Responsibilities. The use of codes prior to data collection provided the researcher with an opportunity to link research questions or key variables to the data (Miles & Huberman, 1984).

4.7.1 Coding the Data

In order to reduce the quantity of data, coding places chunks of raw data into conceptual categories (Gratton & Jones, 2004). Qualitative data coding required the researcher to review the data several times. As Miles and Huberman (1984) stated: ‘codes are tags for assigning units of meaning’ (p. 96) to the information obtained in a study. Similarly, Strauss and Corbin (1998) define coding as ‘the analytic process through which concepts are identified’ (p. 101).

The first stage of data analysis involved applying the template of codes to the raw data, with the aim of identifying meaningful units of texts within each of the a priori codes. Where data did not fit into the a priori codes they were placed into a code of ‘Other’ to be analysed for relevance to the research questions at a later date.

In the second stage of data analysis, each a priori code was unpacked, so that inductive codes emerged from the data. The researcher read and re-read the meaningful units of text within each a priori code to identify and record the inductive codes. In other words, the inductive codes emerged from the data and were not decided upon prior to the coding process (Ezzy, 2002). The list of inductive codes was then analysed to identify concepts that connected the codes within each a priori code. This process involved grouping and refining the inductive codes into smaller distinct concepts that were still reflective of the data (Gall et al., 2007). This process also provided the researcher with an opportunity to look for patterns and explanations in the data. Likewise, the researcher determined the relevance of codes in addressing the research questions, thus removing or combining codes where necessary.

The final stage of the data analysis identified if and how concepts were interrelated and then aimed to combine concepts into a thematic schema that was used to display the overall findings of the research. Creswell (2003) states ‘these themes are the ones that appear as major findings in qualitative studies’ (p. 5). As noted earlier, the interview phase of the research produced the majority of the findings that were used to answer the research questions and therefore, by identifying relationships between themes within the a priori codes, a ‘story-line’ emerged for reporting results (Creswell, 2003).
Figure 4.2 provides an example of the emerging inductive codes, concepts and themes from within the a priori code of *communication*, and the sequence of coding.

**Figure 4.2** Emerging inductive codes, concepts and themes from within the a priori code of *communication*.

The coding process was initially undertaken manually to allow the researcher to gain a feel for the data and to examine the a priori codes and emergent codes and themes. Once the researcher had completed the manual analysis, a qualitative analysis software package, Leximancer, was used to assist in identifying themes and thematic relationships that may have been overlooked by the researcher. The Leximancer software was used to provide a visual display of within-case findings. From this display, the themes applicable to all cases were analysed further.

### 4.7.2 Qualitative Analysis Computer Software

Leximancer extracts concepts from the data and maps the relationship between each concept (Rooney et al., 2010). Leximancer uses word frequency and co-occurrence data to identify clusters of terms that are used together within the text. Words that occur frequently are identified as ‘concepts’, allowing the software to produce concept maps that indicate the relevance and frequency of each concept, while also identifying the relationships between concepts. The concepts that occur within the same coding block
attract one another so that similar concepts can be clustered together (Cretchley, Rooney, & Gallois, 2010). Research has suggested that word counts are useful for identifying patterns within text obtained from open-ended questions. These patterns help the researcher to discover themes within the collected data and determine important constructs while comparing data from across the various cases (Ryan & Bernard, 2000). This process was implemented when analysing the data from the NSO case studies. Similar themes, patterns and concepts emerged when the examination of cross-cases occurred, highlighting the key issues identified by each case organisation.

Leximancer clustered the main concepts together, highlighting the relationships between concepts that were not identified in the manual coding process. It also provided an opportunity for the researcher to categorise the findings from each organisation (within-case analysis) in order to make comparisons between cases and highlight similarities in cross-case analysis. Extracting and organising text from the data to support findings was important for this study, especially as the data transcribed from the interviews was in excess of 136,000 words. A concept map was the final output of the Leximancer program and it provided a visual display of concepts and their relationships. The results of the Leximancer analysis are discussed in Chapter Six, with the concept map presented in Figure 6.1.

4.7.3 Reporting of Results

The findings of this research are presented in two separate chapters. Chapter Five presents the descriptive results from Phase 1 – content analysis, and it provides a contextual understanding of the relationship between the ASC and NSOs. In addition, it provides information on each NSO case that was investigated and identifies the roles of other significant organisations in the Australian high performance sport system. The information in Chapter Five provides a framework for understanding the results presented in Chapter Six, which includes the descriptive results from Phase 2 and Phase 3. These results are displayed under the a priori codes and emergent themes, and incorporate cross-case findings, including similarities and anomalies found within the data. Figure 4.3 is an overview of the research methodology, including the data collection methods, data analysis process, the presentation of research findings and the discussion.
4.8 Validity and Reliability

According to Collins and O’Cathain (2009), data validation involves applying the appropriate steps to ensure legitimation. This is a process in which the researcher evaluates the quality of inferences made from each qualitative phase of the study. Validity and quality control of a study is essential. According to Yin (2011), ‘a valid study is one that has properly collected and interpreted its data’ (p. 78). Similarly, the concept of reliability is important when examining how ‘truthful’ a piece of research actually is (Gratton & Jones, 2004, p.85). In other words, reliability refers to the consistency of research results. A primary check of validation is obtained with the use of triangulation.
4.8.1 Triangulation

Triangulation is a process in which a researcher adoption a number of complementary methods in order to obtain data that is more reliable and valid than data obtained using a single research method (Malcolm, 2008). This research applied methodological and data-source triangulation to address the research question as recommended by Edwards and Skinner (2009).

In this research, five different case studies were examined to collect data to address the research questions. According to Veal (2006), true triangulation occurs when different methods (such as questionnaires and interviews), and data sources (such as different cases) are used to address the same research questions. This study utilised different data collection methods, including content analysis, questionnaires and semi-structured in-depth interviews to address the research questions. And, as previously noted, five individual cases, or NSOs, were examined, further strengthening the validity of research findings.

4.8.2 Rigour in Data Collection and Analysis

This research used three methods of data collection as outlined above. Content analysis is often viewed as an objective and neutral way of obtaining information that is unobtrusive and non-reactive (Edwards & Skinner, 2009). However, Bryman and Bell (2011) argue that content analysis is only as good as the documents which the researcher chooses to examine. Furthermore, they state that the documents must be authentic, credible and representative if they are to add value to a research project. The documents analysed in this research were specifically selected as they were current primary, credible sources and dealt with the issues being examined.

The validity of questionnaire-based data is often a concern, as there is potentially minimal control over who actually completes the questionnaire, no opportunity to probe, potentially low response rates and no quality control over the responses (Gratton & Jones, 2004). In this case, the questionnaire was sent directly to the respondents via email, with reminders sent to overcome potential low response rates. In addition, the questionnaire for this research included a number of very similar questions that were essentially asking the same thing. This allowed the responses to be tested for consistency (Gall et al., 2007). For example, a Likert scale question listed statements with which respondents had to agree or disagree. Two exact statements were used in different sections of the NSO
questionnaire to assess the validity of the participants’ responses. The statement ‘the ASC dictates how we spend our money’ was listed in both question 15 and question 23.

Ideally, all respondents should answer every question in the questionnaire. However, some questions can elicit a high non-response rate; this may be a result of the question content. For example, the required response may be too personal, sensitive, irrelevant or repetitive. In addition, questions that are worded poorly or are difficult to understand may also have a high non-response rate (De Vaus, 2002). The response rate in relation to questionnaire distribution and questionnaire completion is another way to measure the strength of the data collection tool. As indicated in Table 4.5, the average response rate of completed questionnaires across all cases was 65%. According to Baruch (1999) the average response rate amongst academic studies is 55.6%. What is more, research indicates that current generations of workers have been inundated with online questionnaires, resulting in a growing trend of employees not responding to them (Baruch, 1999). This situation has resonance with the ASC employees who have recently been asked to complete three internal surveys in the past year, in relation to the ASC/AIS review process.

As previously noted, a pilot study was conducted to test the research tools, and ensure they were reliable and valid, and that the data collected would address the research questions. The questionnaire and interview guide were amended following the analysis of the pilot study. In addition to taking into account reliability and validity concerns, the researcher followed the required ethical procedures.

4.8.3 Ethical Considerations for the Three Phases

Ethics approval for conducting the research was received from the Griffith University Human Research Ethics Committee and also the Australian Institute of Sport Research Committee. The ethics approval numbers are HSL/35/10/HREC and 20101205 respectively. The Griffith University human research ethics committee paperwork can be found in Appendix E.

An online consent and information form was included on the front page of the questionnaire, explaining to all candidates that their participation was entirely voluntary and that all responses were anonymous. In addition, the researcher ensured that no person could be identified through the data obtained, or through any of the responses. As the sample size was relatively small, individual NSO cases were not identified in the thesis.
due to the ability to potentially identify individual participants through their responses. As previously noted, each NSO case was assigned a unique code to enable cross case comparisons even though the individual sports were not identified. This was to ensure anonymity was maintained and that any results would not jeopardise future working relationships between the NSOs, the AIS and the ASC.

For Phase 3 of the research, all interviewees signed consent forms indicating their agreement to participate in the research. The participants in the phone interviews were emailed consent forms that were returned by fax or email before the interview was conducted. A sample of the consent form can be found in Appendix F. Interviews were recorded, with recordings only available to the researcher and they were discarded after transcription. The transcripts were stored as Microsoft Word documents on an external hard drive in a locked, secure filing cabinet, and will be deleted once the university’s required data storing timeframes have expired.

4.9 Chapter Summary

The chapter discussed the nature of qualitative research, the research design, the case study methodology, the selection of cases, the data collection tools, the data analysis, the reporting of results and finally, validity and reliability. The data analysis process identified core themes, which are discussed in the following chapters.

The following chapter, Chapter Five, will present the descriptive results obtained from Phase 1 of the data collection. Chapter Six will then present the results from Phase 2 and Phase 3 of the data collection process.
Chapter Five: Descriptive Results (Phase 1)

5.1 Chapter Overview

The purpose of this chapter is to present descriptive findings from Phase 1 (content analysis) of the research methodology. It presents information relating to the documents relevant to the relationship of the ASC with the NSOs. In other words, it deals with documents that outline how and why the ASC−NSO high performance relationship exists, and with documents that provide an understanding of the obligations placed upon the NSOs by the ASC. The chapter also includes an overview of the case study organisations.

The first section presents background information on each of the case NSOs. It provides information on the NSO’s Olympic performances, sport-specific details and general organisational information, such as size and history. Following this, the key documents pertinent to this research are presented and finally, the chapter concludes with a summary of all documents analysed and the implications relating to each document in relation to the ASC−NSO relationship.

The following chapter, Chapter Six, will present the descriptive results from the questionnaire and semi-structured interviews. The discussion of the results, including the descriptive results from all phases, is presented in Chapter Seven.

5.2 Case Characteristics

NSO cases were selected based on: high performance funding levels; the ability of the sport to win more than one medal; being a multi-discipline sport; and finally past Olympic performances. Documents and websites provided information to assist in the selection of the chosen cases and provided background information on each of the chosen NSOs. Background information regarding the ASC, AOC and AIS was discussed in Chapter Two, along with general information regarding NSO roles and responsibilities.

The next section will provide additional background information on the selection case Olympic NSOs to provide context regarding: their performance at Olympic Games; a brief organisational history; and their relationship with the ASC.
5.2.1 Profiles of the NSO Case Studies

The Olympic NSOs selected for inclusion in the research were: Athletics Australia; Cycling Australia; Rowing Australia; Swimming Australia and Yachting Australia. Table 5.1 summarises the main characteristics of each of the selected case organisations. Following the table, each organisation is discussed in further detail. Included in this description is a brief history of each NSO’s organisational structure and its Olympic achievements.

Table 5.1

<table>
<thead>
<tr>
<th>Olympic NSO</th>
<th>Established</th>
<th>Staff number</th>
<th>Board number</th>
<th>Olympic medals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athletics Australia</td>
<td>1897</td>
<td>25</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>Cycling Australia</td>
<td>1890</td>
<td>38</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Rowing Australia</td>
<td>1925</td>
<td>18</td>
<td>11</td>
<td>5</td>
</tr>
<tr>
<td>Swimming Australia</td>
<td>1909</td>
<td>26</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td>Yachting Australia</td>
<td>1950</td>
<td>34</td>
<td>9</td>
<td>4</td>
</tr>
</tbody>
</table>

Note: The Olympic medals column represents the total number of medals (gold, silver and bronze) won by that sport (Australian Olympic Committee, 2012d).

Athletics Australia

The Australasian Athletics Union was established in 1897 to coordinate the activities of athletics throughout Australia and New Zealand. In 1989, the organisation changed its name to Athletics Australia (AA). In 2009, it oversaw approximately 15,000 registered athletes and over 2500 coaches and promoted the sport to over 120,000 participants through school programs (Athletics Australia, 2009). AA is governed by a board of directors primarily responsible for implementing a strategic plan that caters for high performance and athlete pathways, leadership of the athletic community, coaching, junior development and developing financial capabilities. AA’s eight member
associations are the SSOs, who work closely with AA in order to meet national aims and objectives (Athletics Australia, 2009).

The events and the disciplines within the sport of athletics at the Olympic Games include: sprint events – 100m, 400m, 800m, 1500m, 5km, 10km; relays – 4x100m, 4x400m; walk events – 20km and 50km; hurdles – 110m and 400m; 3000m steeplechase; marathon; decathlon (men) and heptathlon (women); jump events – long, triple, pole vault; throws – javelin, hammer, shot put and discus.

Athletics has been included as a sport at every modern Olympic Games, with Australians represented in the sport at every Games. During this time, Australian athletes have won 19 gold medals, 24 silver medals and 25 bronze medals. It was at the Melbourne 1956 Olympic Games that Australian athletes achieved their greatest results to date. They won seven gold, six silver and six bronze medals. Since 1956, Australian athletes have won only nine gold medals in athletics, with only three gold medals won over the past 20 years: one at the London 2012 Olympic Games by Sally Pearson in the 100m hurdles; one at the Beijing 2008 Olympic Games by Steve Hooker in pole vault; and one at the Sydney 2000 Olympic Games by Cathy Freeman in the women’s 400m (Australian Olympic Committee, 2012b).

Cycling Australia

The Australian Cycling Federation was incorporated in 1987, when the professional and amateur cycling bodies amalgamated. The trading name Cycling Australia (CA) was adopted in 1997. CA is the national governing body for all cycling within Australia and it is governed by a board of managers that includes a state representative from each SSO.

The organisation is responsible for the cycling disciplines of road, track, mountain bike, BMX and AWD (athlete with disabilities). The organisation has responsibility for cycling’s mass participation, community safety and bicycle education (Cycling Australia, 2010).

The sport of cycling has been present at every modern Olympic Games since 1896. Today there are four cycling disciplines included in the Olympic Games program: track, road, mountain bike and BMX. BMX was added to the program at the Beijing 2008 Olympic Games. Cycling Australia has achieved solid Olympic results, winning a total of 14 gold medals, 18 silver medals and 16 bronze medals in its Olympic history. This
makes cycling one of Australia’s most successful Olympic sports based on total medal counts (Australian Olympic Committee, 2012c). However, there were disappointing results at the Beijing 2008 Olympic Games with Australian athletes winning only one silver medal. In London 2012 Olympic Games, cycling claimed six medals, with Anna Meares winning gold in the women’s sprint event (Australian Olympic Committee, 2012c).

**Rowing Australia**

Rowing Australia (RA) was formed in 1925 and is the national governing body in Australia for the sport of rowing. It represents over 15,000 active members from school rowers through to the elite level athletes. There are over 186 schools and 156 clubs offering rowing programs throughout Australia (Rowing Australia, 2010). RA is governed by a board of directors that is supported by the Council of Rowing Australia, whose members include representatives from the SSOs. A high performance review and restructure culminated in the establishment of a National Rowing Centre of Excellence (NRCE), an integration of the AIS program and the RA high performance unit (Rowing Australia, 2010).

The sport of rowing incorporates various disciplines relating to the boat and number of rowers. The Olympic events for men are the quad skull, double skull, single skull, coxless four, coxless pair, lightweight double skull and lightweight coxless four. The women compete in the quad skull, double skull, single skull, eight skull, coxless pair and the lightweight double skull.

Rowing has been recognised as a sport at the Olympic Games since 1896, however, it did not debut until the Paris 1900 Olympic Games due to bad weather conditions that saw the event at the Athens 1896 Olympic Games cancelled. Currently, a total of 14 rowing events are contested at the Olympic Games in both the men and women’s programs. Australia first sent rowers to compete in the Stockholm 1912 Olympic Games and has had a successful Olympic history, winning 10 gold, 13 silver and 14 bronze medals since then. At recent Games, rowing has had varied results with no gold medals won at the London 2012 Olympic Games, two gold medals won at the Beijing 2008 Olympic Games, one gold medal won at the Athens 2004 Olympic Games and no gold medals won at the Sydney 2000 Olympic Games (Australian Olympic Committee, 2010a).
Swimming Australia

The Amateur Swimming Union of Australia commenced operations in 1909. It changed its name to Swimming Australia Inc. in 1984. In 2004, Swimming Australia Inc. became Swimming Australia Ltd (SAL), a company limited by guarantee. SAL is the national sporting organisation for swimming in Australia, responsible for the promotion and development of swimming at all levels. SAL is governed by a board of directors with the aim of promoting the sport of swimming in order to ‘become Australia’s leading sport through increased participation, continued outstanding performance and commercial excellence’ (Swimming Australia Ltd, 2010).

Olympic swimming incorporates many events for both men and women, across a range of distances and unique strokes. The events in the Olympic program include men’s and women’s: 100m, 200m and 400m freestyle, backstroke, breaststroke and butterfly; and 100m and 200m individual medley. The men race the 1500m freestyle event and the 10km open water event. Relays are raced for both men and women and include: 4x100m; 4x200m; 4x400m; and medley relays.

Australia has had a very successful swimming history at the Olympic Games. Australian athletes first competed at the Paris 1900 Olympic Games. The swimming events were held in the River Seine, where Freddy Lane won Australia’s first Olympic gold medal in the 200m freestyle. At the Melbourne 1956 Olympic Games, Australia became the world’s best swimming nation, winning eight gold medals. Since then, swimming has won gold medals at nearly every Olympic Games except Montreal 1976. Table 5.2 summarises gold medals won by the Australian Swimming team since 1960.
Table 5.2

*Gold medals won by the Australian Olympic Swimming team* (Australian Olympic Committee, 2012b).

<table>
<thead>
<tr>
<th>Host City</th>
<th>Gold Medals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rome 1960 Olympic Games</td>
<td>5</td>
</tr>
<tr>
<td>Tokyo 1964 Olympic Games</td>
<td>4</td>
</tr>
<tr>
<td>Mexico 1968 Olympic Games</td>
<td>3</td>
</tr>
<tr>
<td>Munich 1972 Olympic Games</td>
<td>6</td>
</tr>
<tr>
<td>Moscow 1980 Olympic Games</td>
<td>2</td>
</tr>
<tr>
<td>Los Angeles 1984 Olympic Games</td>
<td>1</td>
</tr>
<tr>
<td>Seoul 1988 Olympic Games</td>
<td>1</td>
</tr>
<tr>
<td>Barcelona 1992 Olympic Games</td>
<td>1</td>
</tr>
<tr>
<td>Atlanta 1996 Olympic Games</td>
<td>2</td>
</tr>
<tr>
<td>Sydney 2000 Olympic Games</td>
<td>5</td>
</tr>
<tr>
<td>Athens 2004 Olympic Games</td>
<td>7</td>
</tr>
<tr>
<td>Beijing 2008 Olympic Games</td>
<td>6</td>
</tr>
<tr>
<td>London 2012 Olympic Games</td>
<td>1</td>
</tr>
</tbody>
</table>

*yachting australia*

The Australian Yachting Federation held its inaugural meeting on 15 June, 1950 and it is the peak national governing body for all forms of yachting, both power and sail. In Australia, Yachting Australia (YA) is governed by a board of directors, supported by various committees who manage the various boat, race and safety disciplines associated with the sport. YA provide services to over 35,000 members while providing structured athlete development programs and operating successful high performance programs across the various disciplines.

Australian athletes first competed in sailing at the London 1948 Olympics Games. The nation’s first Olympic success occurred two Olympiads later in 1956 in Melbourne, where Australia secured one silver and one bronze medal. The Olympic events for men currently include: One person dinghy – Laser; One person dinghy heavy – Finn; Two person dinghy – 470; Two person dinghy high performance – 49er; Windsurfer – RS:X and Keelboat – Star. The Olympic events for women include: One person dinghy – Laser Radial; Two person dinghy – 470; Keelboat match racing – Elliott 6m and Windsurfer RS:X. The International Sailing Federation selects the classes for each Olympic Games, and has the power to make changes as it sees fit (Yachting Australia, 2010).
Since the first medals won in 1956, Australia has had varying sailing results at the Olympic Games and has not consistently won medals at subsequent Olympic Games. However, recent results in London 2012 Olympic Games made sailing the most successful sport for the Australian Team at the Games with a tally of three gold medals and one silver medal. Previous Games were also successful with the Australian teams winning two gold, one silver and one bronze medal at the Sydney 2000 Olympic Games and two gold and one silver medal at the Beijing 2008 Olympic Games. This takes sailing’s total medal count to ten gold, five silver and eight bronze medals over its Olympic history (Australian Olympic Committee, 2012b).

In order to understand the relationship each of the above case NSOs has with the ASC and other stakeholders, various documents were examined and these are described below.

5.3 Key Research Documents

The analysis of key documents in Phase 1 of the research provided a general understanding of the relationship between the ASC and the NSOs and identified the conditions under which these principal–agent relationships exist. As Crawford (2009) stated ‘the current Australian sports system is very complex, inefficient and cumbersome’ (p. 12). This complexity meant it was necessary to examine documents, policies, plans and reports in order to understand the high performance system in Australia, and the specificities of the ASC–NSO relationship. The following documents provided pertinent data for addressing the research questions:

- NSO and AOC high performance plans.
- ASC/AIS planning and high performance documents (including information obtained as an insider researcher).

The documents listed above were discussed in detail in Chapter Two, however, it is important to note that the recommendations made in the Crawford Report (2009), the key priorities outlined by the Government in their sport policy, and the objectives within the various high performance strategic plans are important for understanding the changes occurring in the current high performance sport system.
The summary in Table 5.3 identifies the documents examined for this thesis and the key objectives/outcomes proposed by each document. Further explanations of each document are presented later in this chapter.

Table 5.3  

<table>
<thead>
<tr>
<th>Document name</th>
<th>Key points</th>
</tr>
</thead>
</table>
| Crawford Report (Chapter Two)                     | • Need to define national sports vision, and determine roles and responsibilities of key stakeholders.  
• There should be a single point of focus and leadership.  
• Merge Institutes of Sport to support NSOs.                                                                                     |
| Australian Sport: The Pathway to Success (Chapter Two) | • Whole of sport approach, focusing on participation and striving for success.  
• Investing in high performance athletes and international competition.  
• Doubling national talent identification network.                                                                                   |
| AOC High Performance Plan (2010–2014)             | • Australian system characterised by non-alignment and inconsistency and a national integrated high performance system is required in Australia.  
• The Olympic Games hold a special place in the Australian culture.                                                                    |
| ASC Strategic Plan (2011/12–2014/15)              | • Increase international success through athlete-centred, coach-driven projects and building capability of NSOs.  
• Ensure sustainable sport, invest strategically in NSOs.  
• Enhance ASC capability to lead, partner and support the sport environment in Australia.                                            |
| NSO’s High Performance Plan                        | • Describes NSOs’ KPIs, including Olympic goals that are monitored and assessed by the ASC.  
• The ASC makes strategic investment decisions based on the primacy of the NSO plan and the NSO performance outcomes that are assessed annually, with funding adjusted accordingly.  
• The process is known as Pathway to Podium (P2P).                                                                                      |
| Green & Gold – A National High Performance Strategy | • Develop a businesslike and targeted approach to achieving international sporting success.  
• Have clear national visions, outcomes and actions, and invest in the sports capable of achieving the greatest international success. |
| National Institute System Intergovernmental Agreement (NISIA) | • A national institute partnership arrangement to ensure collaboration within the national institute network.  
• Athletes to receive standardised service delivery across the country to maximise international sporting achievements.  
• SIS/SAS services directed by the requirements of the NSOs.                                                                           |
| National Sport and Active Recreation Policy Framework (NSARPF) | • A government agreement to achieve optimal sport and recreation outcomes for Australia and ensure public funding is well spent.  
• Clear responsibilities for state and federal government to ensure no duplication of tasks and resources.                                   |
The following section provides the findings from information obtained as an insider researcher, various high performance plans, and other relevant documents that required examination in order to address the research questions and provide further background to the phenomena being investigated. The discussion below is structured so that documents containing general overviews of the Australian high performance system and insights into the ASC–NSO relationship are presented first, followed by more specific agreements and contracts that bind the high performance sport organisations. Figure 5.1 illustrates the documents discussed in this chapter. The arrows indicate the influence of each document to the next, specifically those affecting the NSO operations and the management of the ASC–NSO relationship. All orange documents were created and implemented by the ASC.

Figure 5.1 Overview of documents discussed in this chapter.

5.3.1 ASC and AIS High Performance Information

As noted in Chapter Four, the benefits of insider research were evident in the researcher’s ability to access ASC/AIS communications, plans and operation procedures. Since commencing this PhD, the researcher has gathered information concerning changes in operations, procedures and structures that have affected the relationship the ASC/AIS has with the NSOs and vice versa. A significant observation was the constant restructuring of the ASC and AIS during 2009–2012. The ASC and AIS had three
restructures in four years that saw the implementation of new positions and levels of management within each organisation. These changes have resulted in staff redundancies, new staff employed and changes to job responsibilities and accountability. The information regarding the restructures was gathered from publicly sourced documents as well as insider research obtained through internal memos and emails. This information is presented with the permission of the organisations concerned. Organisational charts are published on the organisations’ websites.

**Organisational Restructures**

Each restructure involved significant change in relation to high performance sport and had a direct impact on the roles and responsibilities of the ASC. Figures 5.2 and 5.3 indicate the changes within the ASC organisational structure between 2009 and 2011, with the division responsible for high performance sport highlighted in yellow.

In 2009 as shown in Figure 5.2, the ASC division responsible for high performance sport and NSO relationships sits within the Sport Performance and Development division. This division was divided into six core areas of responsibility:

1. Sport services.
2. National coach and athlete career and education.
3. Coaching and officiating.
4. Innovation and best practice.
5. National talent identification and development.
6. International relations.

The ‘innovation and best practice’ core area was tasked with building relationships with NSOs to improve their high performance capabilities and organisational capacities. The area was also responsible for overseeing NSO planning, funding, reporting and performance monitoring.
From March 2011, when the ASC began operating with four divisions, ‘Sports Development’ became the new division responsible for NSO relationships and high performance sport. Figure 5.3 indicates the new organisational structure of the ASC in 2010–2011.

The Sports Development division focused on ‘planning, funding, supporting and servicing relationships with NSOs to assist in the implementation of whole-of-sport plans and to develop the capabilities and capacities of different sports’ (Australian Sports Commission, 2011b, p. 8). The division had three core areas of responsibility:

1. Active after school communities.
2. Capability building.
3. Funding, sport planning and review.
Capability building and funding, sport planning and review were the key areas in which the ASC worked with NSO high performance programs. However, these areas also assisted NSO sport participation and development programs.

A further structural change occurred in April 2011. The ASC CEO attributed this change to a need to reflect board priorities as well as an attempt to achieve savings within the department (Australian Sports Commission, 2012c). This restructure involved the consolidation of the four divisions (outlined in Figure 5.3) into three divisions: a) the AIS; b) Sports Development; and c) Corporate Operations. The former Government relations, Communications and Research division was reallocated across the existing three divisions. The rationale for this change was to co-locate all commercial operations and better balance the size of the divisions (Australian Sports Commission, 2012c).

Understanding the changes within the ASC organisational structure between 2009 and 2011 is important for this research, as the relationship the NSOs form with the ASC in terms of high performance sport rely on specific departments, and personnel and their roles and responsibilities. In addition, understanding why the restructures occurred and measuring the benefits of the restructures in terms of the ASC–NSO relationship is important for the outcomes of the research, in order to assess the impact the changes have had on the management of the ASC–NSO relationship and the overall impact the changes have had on Olympic performance. Phase 2 of the research examines the NSOs’ understandings of the ASC restructures, their opinions regarding the restructures and the overall effect the changes have had on their relationship.

The AIS also had major restructures from 2009–2011 that affected the roles and responsibilities of staff within the organisation. The restructures highlighted the importance of the relationship between the AIS and NSOs in regard to high performance sport outcomes. Figures 5.4 and 5.5 indicate the restructures that occurred at the AIS from 2009 to 2011. In 2009, as shown in Figure 5.4, there was no dedicated department for assisting NSO high performance operations. The AIS managed AIS sports programs only.
In the structure shown in Figure 5.4, the main function of the AIS was program delivery, that is, to support and service AIS scholarship programs, and to provide sports science and sports medicine servicing to AIS programs. The AIS Sport Management and Project division was divided into four key areas of responsibility:

1. Corporate planning and policy development.
2. Events and projects.

The PEF section worked with AIS programs to review performance of AIS athletes and programs with the NSOs and to plan service provision requirements and prepare quadrennial agreements with NSOs. The PEF process essentially measured AIS program performance against AIS and NSO KPIs. The quadrennial agreement outlined NSO requirements of AIS services and facilities (Australian Sports Commission, 2011a).

The structure of the AIS in 2011, as indicated in Figure 5.5, has evolved following reviews and recommendations that the AIS play a significant role in the development of national high performance capabilities within the sport sector (Australian Sports Commission, 2011f). The Crawford Report (2009) highlighted the need for the AIS to play a greater role in NSO capability building, and the previous Sport Minister, Mark Arbib (Minister from September 2010–March 2012), supported this sentiment. Moreover, Minister Arbib supported the AIS taking on a greater leadership role within
Australia’s high performance sport system. In essence, he suggested that the AIS was to ‘utilise its expertise and resources to lead the development of strategies to maximise Australia’s collective effort to achieve international success’ (Australian Sports Commission, 2011g, p. 1).

Figure 5.5  AIS organisational structure 2011 (Australian Sports Commission, 2012c).

As outlined in Figure 5.5, the AIS developed a new division known as Strategy and Relations. This division was divided into five core areas of responsibility that are primarily focused on building NSO capability and capacity and leading national high performance sport initiatives:

1. National high performance coaching development.
2. National athlete pathway development.
4. National athlete career and education.

The overall aim of the Strategy and Relations division was to focus on building capability in all areas of high performance sport. This included working with the top 20 NSOs, analysing high performance plans, elite coach development and identifying the weaknesses within the Australian high performance sport system. The division also provided interventions to develop and support the capability of NSOs (Australian Sports Commission, 2011g). This division is important to this research in relation to the roles and responsibilities of the ASC and AIS, and in understanding the exact nature and function of the ASC and AIS high performance sport responsibilities.
The restructures outlined above indicate the major changes over a three-year period. However, various changes in roles and responsibilities, job titles and levels of authority continually occurred. The roles and responsibilities following the restructures of the ASC and AIS are examined in this thesis with the findings presented in Chapter Six. In particular, areas such as building the capacity and capability of NSOs and the monitoring and reviewing of NSO performance will be examined, as the content analysis concluded that staff from both the ASC and the AIS appear to undertake high performance NSO management responsibilities. The roles and responsibilities of the ASC and AIS are not clear. Further evidence of this appeared in an article that featured on the ASC website written by Matt Miller, the ASC CEO at the time. The article indicated that despite the AIS’s increased leadership role with NSOs, the ASC would ‘still lead the relationship brokering, funding allocation and national high performance planning, monitoring and review process with NSOs’ (Australian Sports Commission, 2011g, p. 1).

Thus, understanding the roles and responsibilities of each case organisation and the ASC/AIS is important for answering the research questions. Determining whether NSOs have a clear understanding of the roles and responsibilities of the ASC and AIS is important for an understanding of the management of the ASC–NSO relationship. As a result, ‘Roles and Responsibilities’ has been identified as an a priori code that is used to classify data in Phases 2 and 3 of the research. Respondents from the NSOs, ASC and AIS were asked to comment on the restructures and on the perceived impact that the restructures may have on NSO operations and Olympic performance.

To gain a further understanding of the roles and responsibilities of the ASC, AIS and other significant stakeholders, an analysis of documents relating to the systems, structures and processes implemented to manage the ASC–NSO relationship were examined. The key documents were the NSOs’ high performance plans, the contracts that bind the ASC–NSO relationship. In addition, two national agreements were also examined: the National Institute System Intergovernmental Agreement (NISIA) and the National Sport and Active Recreation Policy Framework (NSARFP), both of which outlined national objectives and goals associated with the ASC and NSO relationship and the framework in which the relationship exists. The first documents to be examined are the NSO high performance plans.
5.3.2 NSO High Performance Plans

Similar to the AOC HPP as discussed in Chapter Two, the NSOs are required to produce a high performance plan that outlines expected performances at international competition and also proposes the resources required to achieve the performance outcomes. The ASC is the funding provider to NSOs and therefore NSOs are obligated to prepare and implement a detailed plan if they are to receive funding from the ASC. As noted in Chapter Two, a premise of agency theory is that there is a ‘contract’ between the principal and the agent. It is therefore the NSO high performance plan that is seen as the contract binding the relationship between the ASC and the NSO in the area of high performance sport.

Great importance is attached to each of the NSO high performance plans, as annual funding allocation is determined by NSO planning and performance. The ASC is working on the premise that ‘sport runs sport’ (Crawford, 2009) and that NSOs therefore need to prepare an annual high performance plan, implement the strategies within the plan and be responsible for the performances under that plan (Australian Sports Commission, 2011g). This process is known as the ‘Pathway to Podium’ (P2P) planning and performance monitoring process (Australian Sports Commission, 2011b). The ASC, as an investor into NSOs, plays a role in monitoring and reviewing the performance of the NSO through the P2P process to determine its return on investment. In addition, NSOs also prepare for the ASC a Participation, Planning and Performance Monitoring (PPPM) plan, which is predominantly related to ‘whole-of-sport’ participation and engagement (Australian Sports Commission, 2011g). As this plan is not focused on high performance, it will not be discussed here in detail.

The Crawford Report (2009) stated that ‘the organisations best qualified to run elite programs are the sports themselves’ (p. 76). Therefore, each NSO is now responsible for developing and implementing its P2P plan in which funding, accountability and performance results are the sole responsibility of the NSO. In essence, each NSO drives the direction of its high performance programs. The researcher was involved in the planning processes that occurred between the ASC and the NSOs in relation to the development and implementation of the new NSO high performance planning process. Meetings were held between NSO CEOs or high performance managers (HPMs) and the ASC in April 2011, to discuss the new process identified as the ‘Annual National Assessment Process’. An understanding of the process is important to this research as it
provides a clear outline of the ‘contract’ arrangements binding the ASC and NSOs, and of how these arrangements were implemented. The data gathered as an insider researcher indicates how the NSOs are monitored and assessed in their completion of high performance tasks.

The ASC’s annual assessment process highlights three key points that reflect the organisation’s priorities and desired outcomes for high performance sport in Australia (Australian Sports Commission, 2011a):

1. Develop the system (ASC, AIS, SIS/SAS) around the primacy of NSO high performance plans to deliver outcomes.
2. The Australian government makes strategic investments to deliver outcomes via the ASC. The ASC is accountable for these investments.
3. The outcomes are defined in the National Sport and Active Recreation Policy Framework (discussed in the following section).

In order to help the ASC meet its high performance targets, the AIS, through the Strategy and Relations division, shown in Figure 5.5 above, initiated four key strategic shifts. Figure 5.6 highlights the key roles and responsibilities the AIS will assume in order to assist the ASC manage its relationships with NSO high performance programs.

*Figure 5.6* Key AIS strategic shifts (Australian Institute of Sport, 2011a).
In summary, the 2011 presentation by the AIS to the NSOs indicated that their funding would be ongoing and there would be no four-year funding cycle, as had been the case in the past. In addition, funding to NSOs was subject to performance outcomes and funding may increase or decrease annually if performance outcomes are not achieved. The ASC would in future measure NSO performances against the NSOs’ KPIs. The NSO high performance plans, with set KPIs, would be monitored and performance reviews would occur annually.

The allocation of funding to priority sports will be assessed through an evidence-based process that is in line with specific government outcomes. The assessment process model, shown in Figure 5.7, outlines the key processes involved in the assessment of NSO KPIs and performance outcomes. All NSOs will meet with key stakeholders (ASC, AIS, SIS/SAS) annually to present performance outcomes against set KPIs as outlined in the high performance plan. The stakeholders then discuss the performance of the NSO and make recommendations regarding program direction, funding and support for the NSOs for the next 12 months. The ASC board must sign off on any recommendations and NSOs are notified of any funding or support variations. Figure 5.7 summarises the overview of the 2011 assessment process model.
Besides the attainment of KPIs and program objectives, additional factors may be taken into consideration when funding decisions are made. Recommendations by the ASC for continual or potential increases or decreases of funding may take into account the following factors:

- The contribution of the sport to achieving government outcomes.
- The relevance/cultural significance of the sport.
- The capability and capacity of the sport.
- Risks to the ASC (integrity, financial etc.).
- The potential of the sport to deliver outcomes in the future.
- The performances of international competitors.
- Societal trends (demographic, cultural etc.).
- New opportunities, new disciplines, innovation.
• Alignment of sport (i.e. NSO relationships with their state sporting organisations).
• The impact the ASC funding will have on achieving outcomes.
• How much funding is needed (Australian Sports Commission, 2011a).

In addition, the ASC emphasised that organisational effectiveness would be measured separately from the annual assessment process and thus the ASC is currently developing an alternative tool to measure organisational effectiveness, aimed at monitoring NSO capability (a copy of the tool was not yet available for analysis). The focus of the P2P model was that the ‘quality of planning, the setting of KPIs and NSO performance monitoring and review must be at a high standard’ (Australian Sports Commission, 2011g). The P2P model and documentation is the focus of the ASCs partnership with the NSOs; in other words, it is the contract binding the ASC and NSO relationship. It is important to understand the function and implementation strategy of the P2P process in order to understand the relationship between the ASC and NSO in regard to high performance sport. The findings relating to this relationship are discussed in Chapter Six.

In order to provide a clear understanding of the new processes and the changes that have occurred in the management of the ASC–NSO relationship, a summary of key changes in the NSO planning/management process is provided in Table 5.4. The table shows the key planning requirements and the changes implemented by the ASC/AIS. Questions were identified by the researcher in relation to the management of the ASC–NSO relationship that were explored in Phase 2 and Phase 3 of the research.
Table 5.4

Summary of changes in the NSO planning process.

<table>
<thead>
<tr>
<th>Planning characteristics</th>
<th>Prior to 2011</th>
<th>2011 onwards</th>
<th>Key issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timeframe of the plan</td>
<td>Quadrennial Plan (i.e. 2005–2008). Generally an Olympic cycle renewed every four years.</td>
<td>An ongoing working document with no end date and with long term planning in the P2P.</td>
<td>Is there a clear understanding by the NSOs of the new structures and process at the ASC/AIS?</td>
</tr>
<tr>
<td>Funding allocation</td>
<td>A four-year commitment – funds secured annually for four years. Funding reviewed at the end of the quadrennial plan (usually post-Olympic Games).</td>
<td>Ongoing funding – however annual review process may result in a decrease or increase of funds.</td>
<td>Is there greater accountability required by NSOs for the government funding they receive?</td>
</tr>
<tr>
<td>KPIs</td>
<td>Significant international events with Olympic performance double-weighted in overall performance evaluation and review.</td>
<td>Performance KPIs include all significant international competitions. However performance is also assessed on the development of athlete pathways, coach education, talent development, emerging talent management etc.</td>
<td>Whole-of-sport approach – however majority of NSO funding linked to high performance outcomes.</td>
</tr>
<tr>
<td>Plan development</td>
<td>ASC provided a template and key requirements for each NSO plan. ASC guided and directed NSOs in the planning process.</td>
<td>NSOs responsible for plan preparation. No template provided. ‘Sport runs sport’.</td>
<td>Is there sufficient support for NSOs by the ASC/AIS – is there guidance and direction for plan development?</td>
</tr>
<tr>
<td>Service &amp; funding</td>
<td>Funding and services allocated – plan developed based on allocations by ASC, AIS and SIS/SAS.</td>
<td>NSOs prepare cost analysis for plan implementation. NSOs identify the service and support needed at each SIS/SAS and AIS.</td>
<td>Will SIS/SAS and AIS agree to ‘sport runs sport’ model and provide support as directed by the NSO?</td>
</tr>
<tr>
<td>requirements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan monitoring</td>
<td>Performance monitoring meeting twice a year with the ASC/AIS. In addition NSOs met with each SIS/SAS twice a year.</td>
<td>NSOs meet with ASC/AIS/SIS/SAS once a year – whole-of-sport meeting with all stakeholders.</td>
<td>Communication and management of a national approach – who is the leader?</td>
</tr>
</tbody>
</table>
Additional documents that provide information on the strategies and processes employed by the ASC to manage its relationship with the NSOs were also analysed. For example, examination of the high performance strategies implemented by the ASC was undertaken to determine the impact they had on the management of the ASC–NSO relationship. The ASC Strategic Plan is analysed in the following section.

5.3.3 ASC Strategic Plan 2011/2012 – 2014/2015

The ASC’s strategic plan, ‘Working Together for Australian Sport’ was published in 2011 and is operational until 2015. This plan supports the ASC’s sport policy document, ‘Australian Sport – The Pathway to Success’ (discussed in Chapter Two), embracing the whole-of-sport approach, from participation and development, to pathways and successful international performance (Australian Sports Commission, 2011g). The key issues the strategic plan identified within the Australian sport system were:

1. The absence of a national vision for sport.
2. Positioning the ASC to lead the sports sector.
3. Reform and re-alignment of state institutes and academies of sport.
4. Building the capacity of NSOs.
5. Putting sport and physical education back into education.
6. Addressing community sport infrastructure – people and places.
7. Ensuring Australia’s sport sector is open to all.
8. Sustaining the funding base for sport.

This research addressed the first four issues in the strategic plan only, as they relate specifically to the ASC–NSO relationship and high performance sport. The research also examined the ASC goals, as outlined in the ASC’s strategic plan. The goals of the ASC were: increased sport participation; increased international sporting success; sustainable sport; and enhanced ASC capability to lead, partner and support NSOs within the whole Australian sport system.

The ASC, through its strategic plan, outlined its approach to achieving the stated outcomes in relation to high performance sport:
The key parts of our mission are to lead the national sport sector and support national sporting organisations and other sector partners to deliver sport to Australians … we will work together with our partners, recognising that a shared approach that brings together expertise from a range of organisations will deliver greater results than any single agency working alone … we will support NSOs … to build their capability and sustainability … we will listen to their specific requirements and be responsive to their needs … we understand that our goals are interconnected … we are committed to taking a long-term strategic approach (Australian Sports Commission, 2011g, p. 7).

By analysing the information within the ASC Strategic Plan and the content of other key documents, such as the Crawford Report (2009), the researcher identified a priori codes that were used to analyse data for the next phases of the study. Table 5.5 highlights the links between ASC goals, ASC strategies, identified issues and the defined a priori codes.
Table 5.5
ASC goals and strategies (Australian Sports Commission, 2011g p. 10-12).

<table>
<thead>
<tr>
<th>ASC goals</th>
<th>ASC strategies</th>
<th>Key issues identified by the researcher</th>
<th>A priori codes</th>
</tr>
</thead>
</table>
| Increased international success   | • Deliver programs and initiatives such as applied research, athlete-centred coach-driven environments.  
                                    | • Build high performance capability of NSOs.  
                                    | • Strengthen the capability of the Australian high performance sport system.                                 | Communication                        |
|                                   | 1. How are initiatives delivered? Are the initiatives what the NSOs want and need?  
                                    | 2. Does the ASC have qualified staff to build NSO capability in high performance?  
                                    | 3. What is the role of the AIS in high performance sport?                                                | Roles & Responsibilities              |
| Sustainable sport                 | • Support NSOs to develop, implement and review their plans.  
                                    | • Strategically invest in NSOs.  
                                    | • Support NSOs to develop their organisation, workforce and business capability.  
                                    | • Develop and share knowledge, innovations.                                                                | Olympic Performance                  |
|                                   | 1. How will ASC support NSOs?  
                                    | 2. How do they communicate with the NSOs?  
                                    | 3. What plans, processes and strategies are in place to assist NSOs?  
                                    | 4. What are the issues associated with the ASC’s involvement in NSO operations?                         | Communication, Roles and Responsibilities |
| Enhanced ASC capability to lead, partner and support | • Develop and implement HR, finance and IT strategies.  
                                    | • Make available high-quality facilities and services to support business partners.                      | 1. Does the ASC have the ability and knowledge to lead the Australian high performance sector?  
                                    | 2. Does the ASC know what NSOs want and need to be successful?                                           | Roles & Responsibilities              |
                                                                                                                                   | Olympic Performance                  |

In order to assess its performance as the leader of the Australian sport system, the ASC undertook a sector partner survey in June 2011, with NSOs, SIS/SAS and other peak sporting bodies asked to complete an online survey (Australian Sports Commission, 2012c). The survey aimed to establish a benchmark by which the ASC could annually track its effectiveness within the national sport system. The results of the survey, while not limited to high performance sport, highlight some key points relevant to this research.
The survey was generally supportive of the ASC continuing in a leadership role of the Australian sports system.

Fifty per cent of the sector partners believed the ASC had improved its performance over the past 12 months. However, many of these stakeholders indicated they were undecided about the ASC’s performance across a number of areas. Two important concerns emerged from the sector partner surveys that are addressed in this research. First, sector partners wanted a clearer definition of leadership, and indicated that the leadership by the ASC needed to adopt a more collaborative approach instead of a ‘command and control’ leadership style. Second, only 45% of the sector partners were satisfied with the high performance planning and monitoring processes. As a result of this, the ASC said it will work closely with sector partners to build a better understanding of the review process and performance reporting requirements (Australian Sports Commission, 2011c).

The survey revealed sector partners required additional funding to meet their KPIs. As a result, the ‘Green and Gold’ funding strategy was implemented leading into the London 2012 Olympic Games to assist the top ten Olympic NSOs achieve better Olympic performance results. As the case organisations used in this thesis are in the top ten of Australian Olympic sports, it is relevant to assess the impact of the Green and Gold strategy on NSO operations.

The following section will explain the ASC’s Green and Gold strategy and the effect it has had on the management of the ASC–NSO relationship.

5.3.4 Green and Gold – A National High Performance Strategy

The national high performance strategy, ‘Investing in Green and Gold’, introduced in February 2011, was aimed at developing a more businesslike and targeted approach to achieving high performance sport success. The ASC explained, ‘it is about investing more strategically to achieve high performance outcomes’ (Australian Sports Commission, 2011f p. 1).

The vision identified in the ‘Green and Gold’ strategy was that ‘Australia will keep growing as a winning and inspiring nation on the international sporting stage’ (p. 10). The strategy also identified clear performance expectations for Australian Olympic sports receiving the additional support. The expectation was for Australia to finish as a top-five nation on the Olympic medal tally, at all Olympic Games from 2012–2020. In
addition to the stated performance goal, the Green and Gold strategy identified four key strategies required in order to achieve the plan’s vision. These were:

1. Investment in sports is targeted to achieve the greatest chance of international success.
2. High performance sports and system partners planning and review processes are contemporary and provide for elevated levels of accountability.
3. High performance and system partners have the leadership capacity and capability to deliver successful high performance programs.
4. High performance and system partners have a valid and robust evidence base from which to develop winning high performance programs (Australian Sports Commission, 2011e).

The plan outlines the principles and actions required to achieve each of the four outcomes and relies on the collaboration and coordination of all stakeholders in order to work towards a national vision. However, there is little mention of the NSOs’ specific roles and responsibilities, or of what resources they need in order to achieve the vision set out by the ASC. The Green and Gold strategy does not provide details regarding the implementation of the strategy, and nor does it say how the strategy will be monitored and reviewed. The impact of the Green and Gold strategy on NSO operations and the management of the ASC–NSO relationship was investigated in Phase 2 and Phase 3 of the research.

Additional frameworks and inter-organisational agreements were developed and implemented by the ASC in order to support NSO operations and assist in the attainment of the performance objectives stated in the Green and Gold strategy. The first document to deal with these issues was briefly mentioned in the previous section. The National Institute System Intergovernmental Agreement (NISIA) is between the Commonwealth of Australia and each state government. It aims to bring about collaboration between the SIS/SAS organisations and the AIS in relation to working arrangements with priority NSOs (National Elite Sports Council, 2011). The second relevant document is the National Sport and Active Recreation Policy Framework (NSARPF). This framework identifies the responsibilities of government agencies in their alignment of sport policies, strategies and sport programs (Australian Sports Commission, 2011f). Both documents are summarised below to provide an understanding of governmental agreements.
impacting the management of ASC–NSO relationship and specifically, NSO daily operations.

5.3.5 National Institute System Intergovernmental Agreement (NISIA)

The national sport institute partnership was developed to ensure collaborative national planning within Australia’s institute network, by allocating roles and responsibilities in relation to service delivery to the SIS/SAS organisations and the AIS. Thus, all national athletes receive service and support from the national institute network in order to maximise their chances of international and national success (National Elite Sports Council, 2011). Under the NISIA, parties work together with NSOs to improve support for athletes identified in an agreed NSO national high performance plan. In essence, national athletes within priority NSOs receive the same service and support from any SIS, SAS or AIS, regardless of where they live. In addition, it is the NSOs which identified how the SIS/SAS can contribute to the success of their high performance programs. It is the NSOs that propose the program type and servicing requirements within each state. Previously, the AIS or SIS/SAS informed the NSOs about the level of servicing they could offer, regardless of the NSO’s national program requirements. As a result, many SIS/SAS were not meeting the needs of the NSOs and therefore not assisting NSOs to achieve the agreed performance targets.

The NISIA, implemented by the NESC in the National Institute Network (NIN), has support from the majority of SIS/SAS. However, the NSW Institute of Sport (NSWIS) did not sign the original agreement and therefore, they may not be working in collaboration with other SIS/SAS and they may not be operating as part of a national integrated service delivery model as proposed by Crawford (2009). Hence, NSWIS may not support the NSO high performance plans, review processes or performance monitoring systems set up by the ASC. This brings into question how there can be a national approach when there is no significant organisation with the power to lead, govern or sanction the independent stakeholders within the high performance sport system. And if each stakeholder within each state has its own agenda, how can the ASC achieve national objectives? These questions are examined in the later phases of the research.

An additional agreement was developed by the ASC to unify the Australian sports system at all levels of government. This agreement, the National Sport and Active
Recreation Policy Framework (NSARPF), required approval from each State Minister for Sport. The NSARPF was signed by all the stakeholders on 10 June, 2011 (Australian Sports Commission, 2011f).

5.3.6 National Sport and Active Recreation Policy Framework (NSARPF)

The NSARPF was important for enabling all Australian governments to work together to achieve optimal sport and recreation outcomes for all Australians. Its purpose was to assist Australian governments achieve a consistent approach to the development of policies that aim to increase participation, increase international sporting success and encourage strong national competition (Australian Sports Commission, 2011f). The document outlined key roles and responsibilities for federal government and state/territory governments in order to ensure policy objectives are met. The Framework also identified the process for monitoring, evaluation and reviewing performance.

In relation to this research, international performance is measured through medals won at significant international events and an expected improvement in the world rankings at these events. State and territory governments are obligated to provide ‘leadership, policy development, funding and program delivery in high performance sport’ (p. 3). The federal government is tasked with the responsibility to: provide leadership to sport; invest in outcomes and provide programs to cover the whole of sport pathway (including high performance); improve the governance and management of sport organisations through capacity building and appropriate accountability; and in partnership with state/territory governments, coordinate a national approach for bidding and staging major international sporting events (Australian Sports Commission, 2011f).

The NISIA and the NSARPF are designed to assist with leadership, national collaboration and authority within the Australian sports system. There are still challenges the ASC must overcome in order to lead and guide a successful national sport system. While many issues have been raised in this chapter, it is the examination of the management of the ASC–NSO relationship that is the primary focus of this study. As the document analysis indicates, the Australian sport system has a complicated and complex array of stakeholders, planning procedures, reviewing processes and leadership confusion. By examining all of the documentation associated with the Australian high performance sport system, an understanding of the organisational relationships and the environment in which they operate is established. The documents demonstrated the
complexity of the relationship between the ASC and the NSOs, and the various tools implemented by the ASC to manage those relationships.

The following section highlights the key findings from the content analysis.

5.4 Summary of Findings

The three a priori codes identified from the data analysis were: (1) Communication; (2) Roles and responsibilities; and (3) Olympic Performance. Key findings from the content analysis using the a priori codes are summarised in Tables 5.6, 5.7 and 5.8. The information summarised in these tables was used to prepare the questionnaire tool for Phase 2 of the research.

Table 5.6
Summary of findings identified from content analysis – Communication.

- Communication is predominantly unidirectional from the ASC to the NSOs.
- The ASC requires a national sports vision.
- Development and implementation of a new NSO performance management system.
- The ASC requests information from the NSOs for planning, reporting and to meet the Minister/government requirements.
- The ASC meets annually with the NSOs to assess performance, review funding levels and protect its investments.
- There are many plans, documents and agreements relating to the direction and leadership of high performance sport in Australia.
- NSOs report to the ASC and also to the AIS.
- Agreements to align the National Institute Networks are aimed at reducing the reporting and monitoring processes required of the NSOs.
- NSOs have reporting responsibilities to many stakeholders in the system – at both national and state levels.
- State and federal agreements were developed to gain national focus and a unified direction.
- NISIA aimed to align and unify AIS/SIS/SAS.
Table 5.7
Summary of findings identified from content analysis – Roles and Responsibilities.

- The ASC provides significant funding to high performance sport in Australia and therefore needs to manage its investment.
- Several restructures have led to the dissolving of various departments resulting in changes to the roles and responsibilities of ASC/AIS staff.
- Duplication of roles at the ASC and AIS in relation to NSO high performance management.
- The ASC aims to build the capacity and capability of NSOs.
- The ASC wants to lead the Australian sport system.
- The ASC aims to develop a national sport framework to unify Australia’s sporting goals.
- NSOs required by the ASC to develop and implement high performance sport plans.
- NSOs required by the ASC to identify funding and service requirements.
- NSOs will be held accountable for high performance results.
- NSO HP plans supported at state and national level through the national institute network.
- NSOs report to various stakeholders to report against KPIs and key performance measures.
- AOC to support and assist NSOs achieve Olympic KPIs.
- AIS has developed a national Strategy and Relations division.
- AIS support NSO programs through service provision and expertise.
- AIS to lead the National Institute Network.

Table 5.8
Summary of findings identified from content analysis – Olympic Performance.

- The NSOs, ASC and AOC set Olympic performance targets and goals.
- The NSOs identify Olympic KPIs in their high performance plans.
- NSO performance is reviewed and monitored against Olympic KPIs by the ASC annually.
- Funding is allocated based on Olympic performances.
- The focus is on a national ‘Green and Gold’ approach, targeting successful sports.
- The ASC’s vision is to be a top 5 nation through to 2020.
- There is a direct correlation between Olympic funding and performance.
- There are many stakeholders with interests in the Olympic outcomes of NSOs.
- State and federal government invest in Olympic NSOs.
- The ASC states internationally sporting success is important within the Australian culture.
- The Olympic medal tally is a common measure used to evaluate a nation’s success at the Games.
5.5 **Implications for Phase 2 and Phase 3**

From the content analysis key issues were identified that were investigated further:

1. Who should lead the Australian high performance sport system?
2. Does the ASC have the skills, knowledge and expertise to lead the Australian high performance sport system?
3. What roles should the ASC and the AIS play in high performance sport?
4. Are the NSOs capable of running their high performance sport programs?
5. How have the restructures and the implementation of all high performance planning and strategic initiatives through the ASC impacted Olympic performance?

The descriptive findings from Phase 1 content analysis (summarised in Tables 5.6, 5.7, 5.8) provided the framework for Phase 2 of the research, a questionnaire that was administered to NSO and ASC staff members. The key areas of focus were: Communication, Roles and Responsibilities and Olympic Performance.

The Chapter has highlighted the key documents that bind the ASC–NSO relationship and outlined the obligations each organisation has to fulfil in order to achieve the proposed national outcomes. Phase 2 of the research used an online questionnaire to investigate the understanding and implementation of the documents discussed above. Phase 3 further examines the documents and investigates the findings from the questionnaire, through the use of semi-structured in-depth interviews with ASC, AIS and NSO staff members.

5.6 **Chapter Summary**

This chapter analysed a range of documents that relate to government policies that frame the high performance sport system in Australia, and examined relevant organisations to this research. The aim of the content analysis research process was to provide the background to understanding the complex environment surrounding the ASC–NSO relationship and assist in addressing the research question: *How do ASC and NSO high performance staff perceive the relationship between the ASC and NSOs and its effect on Olympic performance?*
The descriptive findings have demonstrated that the high performance sport system in Australia is complex, with many stakeholders bound by many agreements and frameworks. The changes to the structures of the ASC and AIS occurred as a result of: the Crawford Report (2009) and the implementation of the government’s sport policy; the ‘Australian Sport: The Pathway to Success’ document and the ASC strategic plan. Two further research phases, a questionnaire and a series of semi-structured interviews, aim to gain further insight into the management of the ASC–NSO relationship.

The following chapter will discuss the results of questionnaire and the semi-structured interviews.
Chapter Six: Descriptive Results (Phase 2 and Phase 3)

6.1 Chapter Overview

The purpose of this chapter is to present the research findings from Phases 2 and 3, the questionnaires and the semi-structured interviews. The findings are reported under the three a priori codes developed as a result of Phase 1. The results presented highlight the concerns and issues within the ASC–NSO relationship that affect the day-to-day operations of NSOs. Respondents’ quotes are used to provide examples of attitudes and perceptions regarding the ASC–NSO relationship. A full outline of the interview participant code structure can be found in Appendix E.

The results are presented in three sections. First, the results of the pilot study; second, an overview of all findings analysed through the qualitative software program, Leximancer; and finally, the findings presented under each a priori code.

6.2 Results of the Pilot Study

The pilot study highlighted the importance of the relationship between the board of directors and the high performance staff of the NSOs. Pilot Respondent 2 stated ‘volunteer NSO boards do not and cannot run or manage high performance’. In addition, the pilot study respondents were critical of the role of the ASC in overseeing NSO boards and believed the ASC should ‘be more aggressive with the NSOs who have a board with little or no expertise in high performance’ (Pilot Respondent 4). Therefore, additional questions concerning the role of the board and the governance of NSOs were added to the final questionnaire and semi-structured interview schedule.

NSO responses in the pilot study outlined the role they believe the ASC should play in order to achieve Olympic success. Pilot Respondent 7 summarised the expected roles and responsibilities of the ASC in relation to NSO Olympic performance:

To ensure that the NSO has the capacity to enhance Olympic success. To ensure that if the ASC has the opinion the NSO is in trouble or heading down the wrong path, they can make strong decisions to rectify that ASAP. Sustained Olympic success is brought about by innovative planning, strong leadership and a well-managed DTE [Daily Training Environment] by suitable professionals in their
respective fields, not by volunteers from within the NSO no matter how passionate they are (Pilot Respondent 7).

Following the analysis of the pilot study, the final questionnaire was implemented within the case organisations. The data from the questionnaire was analysed in order to construct the interview questions. The results from the questionnaire and the semi-structured interviews were both analysed using the Leximancer software program. This was done to assist in organising the large quantity of qualitative data collected and to display the data in themes and concept maps in order to highlight areas of importance in addressing the research questions. The following section presents the Leximancer findings.

6.3 Leximancer Overview

Leximancer is a qualitative analysis software program that extracts concepts from the text and maps the relationships between them (Rooney et al., 2010). Leximancer uses word frequency and co-occurrence data to identify clusters of terms that are used together within the text. However, Leximancer is not a frequency program; rather, it analyses the relationships between the connectedness of themes. In other words the frequency of words found together in the data. The concepts that occur within the same coding block attract one another so that similar concepts can be clustered together (Cretchley et al., 2010).

All interview data were analysed using Leximancer to identify key concepts and determine how the concepts were connected. The data were uploaded within case folders, to investigate whether there were any different concepts associated with specific organisations. The aim of the Leximancer analysis was to highlight concepts and themes that may have been excluded in the manual analysis and also to emphasise the relationships between the concepts that emerged from the data. By sorting the data and focusing on key concept relationships, the researcher identified key areas essential for the manual coding process.

In addition to mapping the concept relationships, Leximancer also produced a concept map that visually displays the key concepts and relationships between the concepts. Figure 6.1 below is the Leximancer concept map displaying all data from the
interviews. The sizes of the circles and their positioning indicate the frequency and relatedness of the concepts. The bigger the circle, the more frequently the concept appeared in the data and the more connected that concept was to other concepts. Note that concepts were primarily categorised within each organisation (ASC, NSO and AIS) with common concepts and themes identified. The function of the Leximancer concept map was to highlight the common concepts emerging from each of the key organisations. The data were then merged in order to identify common concepts and themes identified across all organisations.

Figure 6.1  Leximancer concept map.
The themes displayed are presented as coloured circles, and include the concepts associated with each theme. For example, the key theme that emerged from the interviews with ASC staff was ‘Performance’, with the associated concepts, ‘capability’ and ‘people’ emerging. The key themes that emerged from interviews with NSO staff were the ‘AIS’ and ‘sport’, with associated concepts, ‘funding’, ‘time’ and ‘understanding’ emerging. The key themes that emerged from the AIS staff were ‘roles and responsibilities’ and ‘NSOs’. The associated concepts for those themes were ‘capacity’ and ‘national system’. The findings from the Leximancer analysis assisted in classifying data and highlighting important concepts and how they relate to each organisation.

In summary, the Leximancer analysis was used to organise data and identify key themes, common concepts, highlight concerns and gain an overall understanding of the findings prior to commencing manual data analysis.

The next section presents the findings from the manual data analysis across all cases, presented within each a priori code.

6.4 Cross Case Findings

The findings from all cases are presented below under each of the a priori codes that emerged from Phase 1 of the research. Each a priori code was unpacked and theoretical categories emerged, as discussed in Chapter Four. Table 6.1 summarises the theoretical categories that emerged during data analysis and that are used to present the results from Phases 2 and 3.

Table 6.1
A priori codes and theoretical categories.
6.4.1 Communication

The a priori code of Communication included data related to formal and informal communication between the ASC and NSOs that focused on demands made by the ASC to the NSOs. Issues identified by respondents included timeliness, feedback on performance and the decision-making processes at the ASC. The primary concern by respondents was the time taken by the ASC to make decision that impacted NSO operations. In addition, the code of Communication examined the processes used by NSOs when reporting to the ASC. The results of this examination are presented under the theoretical categories that emerged from the data analysis within the code. The researcher manually sorted and classified the data into manageable categories, until all data were classified. The two theoretical categories under Communication were: Principal Demands; and Decision-making. Each will be explained below in detail.

Principal Demands

In the questionnaire, ASC respondents acknowledged that there were issues associated with communication requests from the ASC to the NSOs and they reported that they realised that they needed to explain and justify their communication demands to the NSOs more clearly. For example, Respondent QASCr8 noted that:

If requests are logical, fully explained and timely then things are fine. But sometimes requests are reactionary due to the government environment and imperative. I think one of the most important things in relationships with NSOs is to always explain things as well as you can and always try to show respect for the person you are dealing with. I think some ASC consultants talk down to people in NSOs and don’t show respect for them. It is important to remember that we are there to assist and add value and we shouldn’t think we know it all!

ASC respondents were aware that their communication to NSOs is often unclear, time sensitive and confusing (ASC1, ASC2, ASC10), so in order to improve the communication respondents suggested that the ‘ASC must be consistent with its messages and keep things simple’ (QASCr9). Respondent ASC7 suggested that there is an opportunity to overcome the issues associated with reactionary communication requests:
What we can do as an organisation in my opinion is to educate the government better on the negative effect they have when doing these things. So rather than just continuously accept, ‘well that’s the government, they’re right’, our executives having an education role with the government every time one of those requests come in, being able to actually push back and say how is this going to have a positive influence on sport which ultimately you’re hanging your hat on from a political perspective. I think that’s something that we as a Commission need to prioritise over just accepting the reactionary nature of it.

Furthermore, almost 75% of NSO respondents felt most communication requests from the ASC were a result of directives from the Minister for Sport rather than ASC-initiated. Respondent NSOd3 stated ‘the ASC, I mean honestly, the only time we hear from them is when they need information for some minister’s report’. However, all respondents understood the government’s influence was ‘part and parcel of the politics of the Commission’ (NSOe2). Nevertheless, ‘they [ASC] need to contain it and be more efficient around it, so that it doesn’t impact on sports’ (NSOe2).

More than a half of NSO respondents believed the requests from the ASC impacted on their Olympic operations and that the ASC gave little consideration to the effects on the NSOs’ high performance operations when their demands for information required immediate completion. As a result, other NSO tasks and projects had to be put aside. Often the ASC requests came with little or no explanation for why the task needed to be completed so urgently, or what its relevance was. Respondent QNSOr12 suggested:

Communication could be improved by considering the tight implications of tight timeframes – i.e. distraction from other important NSO tasks, insufficient turnaround time and therefore consideration of response by NSO (includes inability of NSO to properly brief key stakeholders – board, council etc.).

Furthermore, NSO respondents did not appreciate having to complete ASC tasks that did not assist them in achieving their own goals. Respondent NSOb1 stated, ‘I understand which side my bread is buttered on, but I resent having to do things that are just menial’.
**Decision-Making**

The ASC’s failure to make decisions, and delays in making decisions were issues identified in the results. The majority (90%) of NSO respondents believed the bureaucracy of the ASC contributes to the slow ASC decision-making process and that this negatively affects NSO Olympic performance. One NSO respondent, QNSOr12, stated that ‘ASC corporate inertia and delayed decision-making is debilitating for sport’. A third of NSO respondents reported there are often too many people involved in the decision-making process at the ASC (NSOe1, NSOa1, NSOb1, NSOb2). This, they said, further slows down the process and delays decision-making for the NSO. However, all respondents understood the nature of political reasoning associated with delayed decision-making and processes at the ASC, with respondent NSOb2 claiming ‘the problem with Canberra is that there’s always going to be political pressure on how they want to promote the invested money’. Respondent NSOe2 claimed that ‘the ASC will just paddle the usual political ‘sit on the fence’ and wait for it all to resolve itself to a certain degree and there’s an enormous amount of time wasted around the big issues, because they don’t feel their mantra or the ethos of what’s going on is clear’.

In support of the NSO statements, respondent ASC2 expressed a similar viewpoint and explained the limitations working at the ASC:

We're becoming more and more like a government agency and what I mean by that is we're becoming more and more focused on the government's agenda and the Minister's agenda. We need to provide an opportunity for the Minister to get photos and promote the Minister and all that which is fine; I understand we get money from the government. But the challenge is we're in high performance [sport] and it’s all about … it’s about ruthlessness, it’s about outcomes … we can't sack, and we can’t remove and we can't act and we can’t do stuff … our performance will be impacted right away because we can't react quickly enough, we have to have four committees approve something.

The issue of delayed decision-making was a common theme emerging from the data, with a third of the ASC respondents acknowledging that ‘we are a bureaucratic organisation and decisions we have to make in this organisation by their very nature take a long time’ (ASC1). In summary, both NSO and ASC respondents were aware of the issues of the decision-making processes in the ASC–NSO relationship. While the
problems may be systemic, the issue was still a concern for the majority of respondents from both organisations. As a consequence of the impact of delays on their high performance operations, NSO respondents wanted more autonomy and more authority to manage their own high performance sport programs, without the convoluted decision-making processes and delays associated with communications with the ASC.

The next section presents the findings relating to the a priori code of *Roles and Responsibilities*.

### 6.4.2 Roles and Responsibilities

The a priori code of Roles and Responsibilities investigated the perceived roles and responsibilities of staff within the high performance units of the ASC, AIS and NSOs. Specifically, the abilities, expertise and capacity of staff to complete the tasks associated with their roles, with an emphasis on Olympic preparation, was examined. The results are presented under the theoretical categories: *Clarity of Roles and Responsibilities; Capacity and Capabilities of the Principal and Agent; Governance – Monitoring Agent Behaviour; and Agent Autonomy.*

*Clarity of Roles and Responsibilities*

When asked to define and identify the roles and responsibilities of the ASC and the AIS, all of the respondents believed there was confusion about the goals, purpose and aims of the ASC: ‘I don’t think there is a common understanding about what the purpose of that place is over there, be it the AIS or the Sports Commission’ (NSOa1). In addition, respondent Other1 stated, ‘I don’t think it’s clear about leadership role versus delivery. The challenge for the ASC and AIS is actually being very clear about who’s doing what’. Furthermore, respondent NSOe2 believed, ‘there can’t be clarity because they are changing too many times, so they are obviously reviewing every six months. What the ASC and AIS struggle with will be how they are going to actually help NSOs achieve their goals’.

Similarly, and in line with the findings presented in Chapter Five in relation to the ASC/AIS organisational restructures, respondent Other2 stated:

You have had a constantly changing dynamic inside the ASC and the AIS, so their roles and responsibilities have continually changed, so much so that I think
the ASC and AIS have great difficulty in being able to continually update the sports on what the changes are.

The sentiment expressed in these findings indicated confusion regarding the ASC/AISs’ outcomes and directions regarding high performance sport, and further confusion regarding the different roles and responsibilities of the ASC and AIS:

With the Olympic performance I think we need to be clear on the outcomes we want and provide support and clarity in decision-making and provide thriftiness in decision-making and assist them [NSO] to build those capabilities that they require to help deliver their programs. I think we do that then we will give them every chance to be successful themselves. Ultimately I don't think we can deliver programs for sports (ASC2).

The findings suggested that staff from both the NSO and ASC/AIS believed that the ASC’s role is too broad and that it is trying to do too much. An AIS respondent noted that: ‘I think we are trying to be all things to all people and I think when we have limited resources we don’t have the stretch. So our reach is wide but not deep’ (AIS5). This sentiment is also supported by respondent AIS1 who believed ‘the ASC is not focussed enough and I think we’ll be going down an even wider sphere of preventative health strategies and all the rest of it. But in high performance as soon as you diversify than you are not across the details’.

Similarly, AIS1 declared that: ‘You spend so much time servicing the Minister; servicing the [ASC] board that you don’t really get a chance … you are supposed to be generalist in all things sport. So participation, governance, management, marketing, high performance and you just can’t!’ An NSO respondent commented that; ‘I think they [the ASC] are probably struggling to identify what their role is, and how they can be most effective’ (NSOc2).

Respondents NSOa1, NSOa2, NSOd1, NSOb1 and NSOe2 suggested that in order to be more effective, the ASC and AIS need to consider the structure, systems, roles and responsibilities of their organisations, in relation to assisting NSOs achieve their goals. An NSO respondent stated: ‘The concept has to be around simplicity because it is far too complex for what we ultimately need to deliver for athletes’ (NSOa2). Furthermore, ten out of eleven NSO respondents believed that the AIS should have a clear purpose in regard to its roles and responsibilities in national high performance leadership that is not
inhibited by the government imperatives. ‘The AIS should have a very clear focus and agenda which they are trying to establish, which doesn’t get hamstrung by what needs to be reported to the Senate Estimates [Committee]’ (NSOc1).

In addition, respondent NSOa2 described the lack of clarity between the ASC and the AIS’s roles and responsibilities and how this impacted Olympic performance:

When you are looking at the AIS and the sports commission [ASC], clarity about who exactly are we dealing with and why and on what grounds we are doing it, seems vague, it seems really, really vague in that context. I think having some real clarity amongst them about who is our main contact on high performance and how we are going to work with them and what opportunities they are going to provide for us would solve a lot of problems.

As noted above, a key issue highlighted by the NSO respondents was the clarification of roles and responsibilities. Specifically, who is responsible for working with the NSOs and who is most appropriate to assist them in achieving their high performance outcomes. For example, a sports consultant (now called a Sport Business Development Manager) is the one key contact within the ASC for each NSO. The role of this position is:

To maintain a good relationship with them [NSOs] to make sure that they can access services and things when they need to, that they know what their expectations are in terms of compliance and then also to add value or influence beyond that and that’s probably the most challenging bit I think, to go beyond just the normal servicing and really make a difference (ASC6).

However, the sports consultant is the key point of contact for all aspects of the NSO business, including: participation, sport community engagement, club development and coach education. Respondent ASC10 acknowledged, ‘the reality is the delivery of high performance sport is utterly different to the delivery of community participation sport’ (ASC10) suggesting that different staff within the ASC and AIS may be required to manage the various roles and responsibilities undertaken with NSOs.

Respondents questioned the usefulness and function of the sports consultant position, stating ‘a point of contact is fine, but the issue about whether they actually advise, whether they consult, whether they’re the expertise at the rate of pay … you’ve
got to wonder is that realistic’ (ASC2). In addition, respondent ASC2 reinforced the complexity of the position and the difficulty of gaining NSO respect in high performance sport matters, explaining ‘you have to develop the trust in all the relationships around you … honestly it can take a number of years to really ingrain yourself in that way’.

Ongoing changes of staff within the sport consultant positions were a concern for respondents. According to ASC1, issues arise as ‘people are in and out of roles and NSOs face this’. Respondent ASC10 expressed a similar viewpoint, suggesting that ‘you don’t get experienced sports consultants or business consultants dealing with sports’. As a result, young inexperienced staff are required to work with and advise NSO senior staff and CEOs on strategic business direction, planning and capability building (ASC1; ASC2; ASC10; AIS1; AIS4).

Findings from the AIS respondents (AIS1; AIS3; AIS4) suggested the people in the sports consultant roles are not appropriately senior or qualified as they have only limited work experience in sport and therefore do not understand or empathise with NSO high performance operations. ‘There is a need for those consultants or primary points of contact for sports to have either worked in sport or worked in government with sport long enough to have an intimate understanding of their operating environments’ (AIS1). Other respondents complained that, ‘it just makes no sense to me that it has become more and more sports consultants and they are less and less experienced’ (AIS4). And ‘if they haven’t got the ability to actually understand their working environment, then don’t give them the job in the first place’ (AIS1).

Another concern regarding the sports consultant position at the ASC was that the nature of the role creates a conflict of interest. On the one hand, the sports consultant is attempting to build a relationship with the NSO, gain the trust of NSO staff and act as an advocate for that sport within the ASC. Respondent ASC1 believed that:

You can’t be an advocate for the NSO. The NSO often sees that person [Sports Consultant] as their advocate – that is not actually their role. They are their devil’s advocate, they challenge, they support and they need to understand their business but ultimately they have got to work for us.

ASC sports consultants are tasked with advising and directing the NSOs, gaining NSO trust and identifying their weaknesses, in order to report back to the ASC executive
which then decides on funding amounts and levels of support for each NSO (ASC4; ASC6). Therefore, as respondent ASC2 asked:

How can you be an auditor and be an advisor, because it’s a conflict. The people they have internally here, we try to be a critical friend and then we also are going to audit it [the NSO]: We will assess it and we assess performance on funding. So if I was friendly with you I’m not going to show you my dirty washing if you, a year later, you are going to assess me on my performance. So it’s a bit of a conflict in role I think.

While the AIS respondents agreed there was a designated key contact person within the ASC, AIS respondents believed that the NSO staff essentially bypassed their consultants and chose who they contacted by identifying the people that could efficiently meet their needs, regardless of whether they were employed by the ASC or the AIS. Therefore, NSOs chose the individuals with whom they wished to work rather than the ASC sport consultant. Respondent AIS3 explained, ‘It’s sort of personality driven at the moment, so the NSO will go to whoever they reckon they can get the most traction with and whoever is going to benefit their cause the most’.

In essence, AIS respondents (AIS1; AIS3; AIS4) believed the confusion over the roles and responsibilities of ASC and AIS staff working in high performance, and the NSOs bypassing ASC sport consultants was an issue. As Respondent AIS 4 said: ‘I just think its complex, it’s really complex about people, its complex about people’s skills, its complex about roles and understandings and I still think there are too many people that NSOs have to deal with in the ASC/AIS’.

To overcome the complexity and duplication of roles and responsibilities within the ASC and AIS, the majority of NSO and AIS respondents called for high performance management to become the sole responsibility of the AIS. Respondent AIS5 stated, ‘I think there is an area of duplication, I don’t know where the role would live but ideally it’s at the AIS’. This sentiment is supported by respondent ASC 1 who suggested, ‘give the high performance planning and funding to the AIS as a one-stop shop’.

As noted in Chapter Two, the AIS was previously responsible for managing and operating the AIS high performance scholarship programs. Following recommendations made in the Crawford Report (2009), discussions focused on the AIS taking on greater responsibility for all national high performance operations, including leading the national
SIS/SAS network. This sentiment was supported by the Federal Sport Minister, the Honourable Mark Arbib (Minister from September 2010–March 2012), who announced: ‘For its next 30 years I see the AIS as leading our high performance strategy and getting the most out of our athletes’. He also stated that: ‘With our renewed focus on high performance sport, we will ensure that resources are no longer duplicated and we can focus on a national sporting partnership and success’ (Australian Sports Commission, 2011c). One ASC respondent, ASC2, suggested:

If the AIS wants to be strategic, shouldn’t the high performance funds go over there to that area and they allocate all the high performance, because then you actually get people like the sport performance managers who are actually going to be accountable for the whole pathway and not just AIS programs (ASC2).

Three quarters of all respondents indicated their strong support for the AIS taking a greater leadership role in high performance sport and assisting NSOs to build their capability and capacity, rather than the current system where responsibility resided with the ASC: ‘It’s better to have the high performance area concentrated in one agency’ (NSOd2) and ‘the AIS has got more people with the capability of actually doing it, far more’ (NSOb2). Similarly, NSOd1 believes the ASC should ‘reduce staff dramatically and hand over management of high performance to the AIS and then recruit some really high level talented people to assist’ in the capacity and capability building of NSOs.

All AIS respondents believed they could identify the skills and expertise needed by staff to successfully influence NSO high performance programs. AIS6 believed: ‘High performance is becoming more of a discipline in its own right and encompasses a knowledge of high performance sport, sport science and sport medicine, coaching and coach development, research, logistics, finance etc.’

The ability of the AIS to manage the additional workload was questioned by respondent NSOb2 who stated that, ‘the problem that the AIS has is that it’s trying to do too much, it’s just ridiculous’. Similarly, respondent NSOc1 challenged the structure and work ethic of the AIS:

I think the AIS should be more corporatised, should be more fight for survival type organisation, where staff are like NSO staff [and] are put on contracts, not permanent set ups, not made to feel comfortable with child care and all those other benefits they get because they are a government organisation, which are
wonderful, don’t get me wrong, but it gets people comfortable and sport is not about being comfortable. High performance sport is about people being on the edge.

The following section will further the discussion regarding the capabilities and capacity of the ASC and AIS to successfully help NSOs achieve their Olympic goals under the theoretical category of *Capacity and Capabilities of the Principal and the Agent*.

*Capacity and Capabilities of the Principal and the Agent*

Discussions relating to the capacity and capability of NSOs to manage Olympic sport programs is not new (Bloomfield, 2003; Shilbury & Kellett, 2011) and was further highlighted in the Crawford Report (2009). Following Crawford’s recommendations, the ASC increased its own responsibility for leading and driving the Australian sport system, including the area of high performance sport, in order to increase international sport success. When questioned why NSOs were not considered to have the capability and capacity to deliver high performance outcomes, respondent AIS5 stated: ‘you know the analogy, for a long time we’ve handed out fish and we haven’t taught the NSOs to fish!’ The majority of ASC and AIS respondents described the need to develop the capacity and capability of the NSOs so the NSOs could operate effectively and provide greater accountability for the funding they received. One way forward was to ‘spend more time working on the capacity and the competency of the NSOs’ (AIS5) rather than the current system of directing NSO operations.

Several respondents (48%) from the ASC and AIS did not believe the NSOs currently had the capacity and capability to achieve their Olympic performance goals. Respondent ASC7 stated that: ‘Too many sports try and be too much for too many people rather than actually doing a small number of things exceptionally well and working with its state constituency to actually deliver on those things (ASC7)’.

Thus, while NSO respondents believed the ASC was too diffused in its roles, the same sentiments were expressed by ASC respondents in regards to NSOs. Respondents from the ASC and AIS did not believe the NSOs knew what they needed to do in order to achieve high performance outcomes. Respondent AIS1 explained:
So the idea of aligning to the needs of sports is the key, but there are needs and wants, often with sports saying this is what we want and what they are asking for is what they need. Henry Ford said ‘if I had asked my customers what they wanted they would have said faster horses!’ So sometime they don’t know what they want.

In contrast, NSO respondents (NSOd3; NSOb1; NSOa1; NSOd2; NSOd1) believed that the ASC cannot add value to their operations. ‘At the moment, they don’t have the level of experience or solidarity amongst their own staff and executive to actually play that role’ (NSO1a). Furthermore, NSOd1 stated that ‘apart from giving us money, there is no value-add. And they can’t capability build by employing more bureaucrats, it just doesn’t work’.

Similarly, respondents NSOb1 stated: ‘I understand public funds and accountabilities and stuff, I just question the methodology of an organisation providing critical input when it hasn’t got the background to provide it’. Likewise, Respondent NSOa1 claimed: ‘I think the Commission is largely irrelevant at the moment and I said ‘ask yourself the question, if you didn’t have the money would the phone ring and I do not think it would’. I do not think the phone would ring over there very often at all’.

Finally, respondent Other2 stated: ‘the ASC move people around but actually haven’t identified their purpose and therefore the skill sets needed to achieve their purpose. So how the ASC could help NSOs in terms of building their capability in terms of management is not clear at this point of time’.

ASC respondents were aware of their limited abilities to assist NSOs to build their capability and capacity. ASC respondents (ASC1, ASC2, ASC10) acknowledged that some of their staff did not have the required skills and expertise to assist NSOs achieve their high performance outcomes. Respondent ASC10 stated:

If we are going to, as an organisation, add value to what is increasingly being available in-house within sports, we need to take a good hard look at ourselves. Many staff are very, very young, and relatively inexperienced. They haven’t had any wider experiences and yet we are asking them to go out and credibly advise a CEO who is 20 or 30 years older than them, who’s paid three or four times what they are being paid.
However, while the ASC continues to provide support to NSOs to build capacity and capability, the results indicated stronger support for the AIS and their ability to effectively assist NSOs build their capacity and capability. According to one respondent, the AIS was seen as the ‘absolute pinnacle of expertise and authority in terms of providing advice’ (ASC10) and another respondent believed that ‘it should be the AIS who are doing all the advisory work’ (ASC7). Another respondent believed; ‘the AIS should be a single point of accountability for high performance sport’ (ASC10). Over 80% of NSO respondents believed that the AIS had the high performance expertise to help NSOs increase their capacity and capability:

I think it’s just that our experience shows us that the AIS has been much more effective in providing us with the results and so we know if we go to them with issues, small or big, they’ll either help solve it or point us in the right direction. The Commission will try to do that but they don’t necessarily have the high performance expertise that you have in some of the people at the AIS (NSOd3).

This sentiment was supported by respondent NSOd2 who suggested: ‘in the high performance area, we get more value add from the AIS than we do from the Sports Commission [ASC] quite honestly … the AIS tend to be the best fit because they are a bit more attuned to what we are doing in the high performance area’.

In addition, all AIS respondents believed that their organisation would be more empathetic towards NSO staff, than the ASC staff were, as the AIS staff have a clearer understanding of the NSO working environment. AIS5 suggested: ‘Within the AIS you can find most of the performance managers have been performance directors or national coaches – so the conversation is peer to peer. There is empathy for the performance staff’. Similarly, respondent AIS1 stated: ‘I’ve got absolute empathy for sports in their operating environments’.

The respondents’ perception was that the AIS was able to make faster decisions and get the results the NSOs wanted, as opposed to the ASC: ‘We are empowered to make it happen, I can make a decision and then make it happen behind the scenes. It’s much more dynamic and that’s all each sport needs’ (AIS4). According to respondent AIS5, the future is that ‘you will see a high performance brand which is AIS and you will see a participation brand which will be the building across the road [the ASC building]’. However, ASC1 acknowledged there are issues that may stem from removing high
performance responsibilities from the ASC: ‘High performance doesn’t exist in a vacuum. Yes we are too close to government, we are too influenced by government, but you are going to be careful of splitting off as well because there are some real issues that would be caused by that’.

In addition to suggesting the ASC did not have the skills and expertise to manage and guide NSO high performance programs, some respondents believed the ASC only maintained its involvement in high performance sport due to the personal benefits often linked to high performance sport programs. For instance, ASC staff members regularly attended national and international sporting events and VIP functions. Respondent AIS5 stated:

Well it’s the sexy part of the business. I can’t see the general manager wanting to give up a high profile role that sees you rubbing shoulders with the CEO of the NSO so they can attend events like the AFL grand final and all that superficial rubbish.

This section has attempted to clarify the roles and responsibilities of the ASC, the AIS and the NSOs. The results have provided an understanding of the perceived capacity and capabilities of the ASC, AIS and NSOs to fulfil performance outcomes. The next section examines the governance of the NSO, or in agency terms, it examines the mechanisms implemented to monitor NSOs’ behaviour.

**Governance – Monitoring Agent Behaviour**

The ASC aims to protect and monitor investment in NSO high performance sport programs. In other words, it expects a return on investment. Respondent ASC3 stated: ‘the ASC staff want to facilitate and make sure that the government investments being made are maximised and not wasted’. However, successful facilitation involves a degree of trust (ASC1, ASC2) and due to the nature of an agency relationship, where principal or agent opportunism is expected, it was acknowledged that ‘there is only a limited amount of transparency and openness you can have because you know it will be used against you’ (ASC1). ASC respondents were asked whether they guided and steered NSO operations or whether they used their power and authority to manage NSOs high performance sport programs. Respondent ASC7 explained:
The sports that operate very well are standardly given the freedom to operate by their governance systems and structures. The sports that are operating poorly because of poor governance, the Commission [ASC] will provide influence over. A similar viewpoint was expressed by respondent ASC2 who stated: ‘The challenge we have as a government agency is exactly that: where does it start to blur the lines of support partner versus interventionist and a dictator and we’re trying to move up the scale of being more a strategic leader than we are an implementer or a dictator’.

The NSOs’ high performance plans (identified in Phase 1 as the key documents guiding the ASC–NSO relationship) are the main monitoring devices (or contracts) implemented by the ASC to protect its investment in high performance sport programs and these plans and their governance by the ASC was a concern for a several respondents. AIS5 explained:

Sport runs sport, all well and good, no problems with that but where is the checking mechanism to ensure and hold people accountable – and that’s not in place at the moment. It’s frustrating to work in our environment, you know some of the reasons for why we don’t make cuts and why we don’t make adjustments, we have a high tolerance for poor performance.

The ASC devised mechanisms to oversee NSO operations and provide input where necessary, in order to monitor federal government investments. NSOs are accountable for funding received from the ASC, however, NSO respondents did not agree with the processes in place that measured NSO performance against agreed outcomes. All NSOs willingly accepted the ASC funding, with respondents acknowledging the ASC contribution to their programs, and agreeing that they could not operate without ASC funding. However, NSO respondents questioned the current reporting processes and accountability measures:

Seems to be reporting for reporting sake, we are getting judged once every four years or annually or whatever it may be, we produce an annual report, it’s all there for everyone to see – you’ll let us know or we’ll let you know if we are not getting it … I like the idea of we are reporting on the process, not necessarily interrogating the process. I think that’s where they put people off, when they start to question (NSOb1).
A concern regarding the involvement of government in high performance sport was acknowledged by ASC1 who stated: ‘there is no question that the level of government intervention and involvement [in high performance sport] is constraining’ to NSO operations. In addition, respondent NSOc1 exclaimed: ‘they [ASC] get distracted on things that could derail the Minister. That’s what upsets me; everything is about what could derail the Minister’. Despite these concerns about the government involvement in high performance sport, the majority of respondents believed that ‘we will remain in this [government funding model] for a couple of lifetimes’ (ASC11).

The findings identified the extent of influence and impact of the government and the Minister’s office on the day-to-day operations of the ASC and the AIS, with respondent AIS3 observing:

At the end of the day we work for the Minister and so if the Minister says ‘go find out what every CEO has for lunch,’ we can say well we don’t think that’s a great idea Minister, but if he says ‘bad luck, I still want you to do it’, we have to do it. So that I think is just the reality of being funded by the public purse.

Another concern of respondents from the ASC (ASC1; ASC10), NSOs (NSOa1; NSOd1) and AIS (AIS4; AIS5) was the perception that the government was generally risk averse. This was seen as detrimental to achieving high performance outcomes, as many respondents acknowledged the need to take risks in order to be successful in high performance sport to gain an edge on competitors. Furthermore, the findings suggested that even considered risks are not taken by the ASC due its close association with the Minister. ‘There is no question that if you want to be hardnosed and focused and make the decisions needed, you need to be doing that without any political influence!’ (ASC1).

Respondent ASC10, stated:

We have to remember that innovation involves risk. NSOs who try new ways should know they are not going to be belted over the ears if they try something and it doesn’t work. We have got to be prepared to manage the risk. But everyone knows just about every government agency is risk averse because they will be beaten up in the media … and you don’t get beaten about by plodding along doing the same old thing provided it doesn’t cause too many problems.
In accordance with ASC directives, an internal monitoring mechanism for NSOs exists, with each organisation requiring a board of directors to oversee its operations and provide strategic direction. As discussed in the literature review, the ASC has developed guidelines to assist NSOs’ boards of directors to effectively govern NSOs. Despite these innovations, the findings suggested concerns regarding the function and authority of the boards. ASC respondents ASC1; ASC2; ASC3; and ASC7 acknowledged that there are issues related to high performance sport management associated with the governance of the boards of directors of some NSOs. Respondent QASCr2 stated:

The governance of some programs is still an issue with either excessive or not enough board involvement. Many NSO boards have a poor understanding of what it takes to produce a result and can often compromise the role and effectiveness of professional staff.

In addition, respondent AIS6 believed:

Many boards are pretty ordinary. No strategy as such, but focus on athlete selections or coach appointments and forget the rest. Many board members think with their hearts rather than their heads – even recognised businessmen. Passion overtakes strategic decision-making.

And finally, respondent NSOd1 commented on the state of his NSO board and the federated structure that is still in place:

We’ve got a federation so the board is patchy. It’s better than it was. It has been managed quite well to get to a reasonable calibre, but then we’ve got states who were nominating good old boys to the board and that’s a problem.

NSO respondents NSOa2; NSOc2; NSOb2; and NSOe2 believed many board members do not have the necessary knowledge and understanding of high performance sport and therefore are unable to make informed decisions on crucial issues such as selection policies, team nominations and understanding of daily training environment requirements. Respondents (NSOa2; NSOb2) noted that confusion exists as to who is responsible for overseeing board decisions and board behaviour. One suggestion was that the ASC needs to ‘work to assist our boards be the best they can be’ (QNSOr19). On the other hand Respondent NSOe2 stated:

They [the board] are too heavily involved in high performance. They think the whole organisation runs on high performance, but under our strategic plan we have five pillars. But in every board meeting that they have they would spend 90% of
their time on high performance and 10% on the other four pillars … how they understand their roles is flawed.

There also appear to be issues in relation to NSO board behaviour and decision-making within high performance sport. NSO respondents NSOa1; NSOa2; NSOc2; NSOb2; and NSOe2 stated that the ASC does not directly contribute to the management of the board and nor do they acknowledge and reprimand inappropriate NSO board behaviour. Respondent QNSOr18 suggested that: ‘there is more need for [the] ASC to have input and authority over the board. They dictate our operations and staffing – but they seem to disregard the board behaviour and in times their inability to make decisions’.

Thus, while NSO respondents wished the ASC to distance itself from high performance sport strategic management, they wanted the ASC to intervene more in NSO governance in regard to NSO board operations. Respondent NSOe1 stated, ‘they’ve got every right to step in; I know that our board certainly respects the sports commission [ASC] from that perspective’. Despite these sentiments, ASC respondents (ASC1; ASC3; ASC6; ASC7; ASC8; ASC11) indicated they are not in a position to assist NSOs with ineffective boards: ‘We do help as much as we can … but as far as us bouncing a board and doing something like that, we can’t do that – we don’t regulate, we are not, we don’t own the businesses’ (ASC3). This sentiment is further supported by respondent ASC1: ‘It is still untested in this new environment about how far we are prepared to intervene … we’ll certainly give advice. If we think the board’s wrong we’ll tell the board, but we won’t necessarily take their funding’.

Respondent AIS6 suggested that: ‘the ASC can influence NSOs to appoint board members through its reviews of structures and governance as part of the regular reviews of NSO performance and planning’. All ASC respondents believed that the more influence the ASC can have on NSO board operations, the more likely it is that the NSO will operate effectively. Respondent ASC7 suggested it is a responsibility of the ASC to oversee board operations:

I think that’s where we can play a greater influence because it’s one thing to influence an appointment of a CEO, but if you’ve got a micro-managing board it doesn’t matter who you have as a CEO, they will not be effective in their jobs. So the influence should be more appointment of board level and I certainly don’t think we do enough of it.
While all respondents acknowledged the role of the government in high performance sport as crucial, especially due to the level of funding invested by government, the ability for NSOs to operate autonomously was an issue for many respondents. And as a result the involvement of government in NSOs’ daily operations was perceived to impact Olympic preparation and performance, limiting NSOs’ ability to operate autonomously.

Agent Autonomy

NSOs are required to develop a high performance plan that outlines their KPIs, program outcomes and the resources required for the sport to achieve sporting success at significant events, including the Olympic Games. The research findings suggested that all staff from the NSOs are supportive of the ‘sport runs sport’ philosophy currently being promoted by the ASC. However, one NSO respondent did not believe the ‘sport runs sport’ philosophy was fully operationalised, questioning the autonomy of NSOs and their high performance plans. NSOa1 stated:

I even heard a Commission [ASC] person say ‘if we think that a sport should concentrate on xyz, then that’s what they should do because it’s our money’ and I said ‘that’s ridiculous!’

Similarly, respondent AIS4 stated: ‘I mean we’ve always said ‘sport runs sport’ but really we say “sport runs sport unless they disagree with us”’ (AIS4). Respondent NSOa1 explained:

So sure we have a plan, we have to be accountable for outcomes. We have to engage with those people so that they feel comfortable that we are delivering on what we sold and we are not wasting money. All that stuff is fine – but does an investor tell Coca-Cola how to make coke? Do they tell Ford how to make Ford Fiestas? No!

The results indicated that despite the work NSOs have completed to implement their high performance plans, little has been done at the ASC to accommodate and support NSOs’ operations to achieve the plans’ outcomes. One respondent stated: ‘We’ve reformed ourselves to the level where we’re trying to give our plans primacy, and they
[ASC] are unable to reform themselves within the context of that plan being the primary driver of performance. There are some anomalies there’ (NSOe2).

In contrast, the majority (85%) of ASC respondents believed the implementation of the NSO high performance plan provided the opportunity for the ASC to better assist NSOs meet their obligations and their expected performance outcomes. When asked to define what the ASC’s role was in relation to the NSO plan, one ASC respondent (QASCr4), suggested that:

The ASC is aligning itself even more behind the principle of the primacy of NSO planning. The strategy and structure of the ASC is aimed at supporting NSOs to deliver their outcomes and staff resources will be applied for this purpose as opposed to delivering an ASC agenda. There is greater recognition that the NSO, not the ASC, delivers the outcomes and the ASC must support them to get the result.

However, respondent NSOd2 argued, the one-size-fits-all approach adopted by the ASC is not necessary the best: ‘It seems to me there is not one governance model that fits everybody. The Sports Commission needs to be careful that they don’t try and impose models on sports because every sport is going to have a slightly different emphasis in requirements’.

The results suggested there was confusion and frustration relating to the degree of NSO autonomy in implementing the ‘sport runs sport’ approach, which may be due to a lack of clarity around the roles and responsibilities of the ASC and AIS staff members. Furthermore, the skills, expertise and capabilities of staff members within the ASC were highlighted as an issue in the ASC–NSO relationship.

The following section will examine the findings identified within the a priori code of Olympic Performance.

6.4.3 Olympic Performance

The a priori code of Olympic Performance examined how the ASC–NSO relationship was perceived to affect Olympic performance and what was required to achieve Olympic performance outcomes. ASC respondents (QASCr14; ASC3; ASC9; ASC11) were direct in voicing their opinions regarding what NSOs need to do in order to achieve better Olympic performances. Respondent QASCr14 stated: ‘At a minimum,
even for a small sport, Olympic success needs some athletic talent and a knowledgeable coach who can challenge, direct and support that talent to perform at their optimal potential. The NSO needs to empower this basic premise and not impede it!’

In contrast to this perspective, NSO respondents (QNSOr18; NSOa1; NSOb1; NSOa2; NSOa1; NSOe1) indicated that it was the ASC which impeded Olympic performance, stating that they want the ASC to provide ‘more assistance to achieve our goals – and not bury us in paperwork’ (QNSOr18).

The specific findings from the a priori code Olympic Performance are presented under the categories; Alignment of Principal and Agent Goals; Understanding Agent Operations; and Sustainable Olympic Success.

Alignment of Principal and Agent Goals

A strategy to overcome the risk of opportunistic behaviour by either the principal or the agent in a contractual relationship is to align the goals of the principal and the agent, so that both parties want to achieve the same outcomes (Mason & Slack, 2005). It was evident from the results that the majority of respondents could not clearly state the goals of the ASC. One respondent suggested: ‘I’ll be really surprised if anyone said that they are really clear on what the Commission [ASC] was doing’ (ASC1). Furthermore, respondent ASC2 stated: ‘there is no clear policy direction from Government’.

Respondents AIS5; AIS1; NSOa1; NSOa2; and NSOd1 were concerned that a national vision or goal for high performance sport was not communicated from the ASC or the AIS to the NSOs. In other words, there were no clear goals or national objective targets in relation to high performance outcomes. ‘You need an objective target from the government. Government haven’t been prepared to put a collective target out for the sport system’ (AIS1). Similarly, respondent AIS5 stated: ‘I don’t think we clearly explain our expectations. I don’t think we really say … here is a clear target, here is a clear expectation’. When respondents were asked why they believed there was no unifying goal for the ASC and AIS, respondent AIS5 explained:

I think its maybe about not wanting to be pinned down. Maybe it’s about not wanting to be held accountable so you can have wishy washy goals but you still achieve Olympic success. But the biggest issue holding us back for now is that we don’t have a single unifying goal for sports.
It was believed that the lack of clarity regarding the goals and outcomes of the ASC has impacted on Olympic performance (NSOa1; NSOa2; NSOe2; NSOb1; NSOc1). Respondent NSOa2 stated:

We were getting some requests from the AOC after world championships about what we think we are going to get [at the London 2012 Olympics Games], which didn’t appear to be aligned to what the ASC was aiming for. You sort of go okay, well; we are working at sort of cross purposes here.

Overall, NSO respondents believed that greater clarity in the goals and expected outcomes of the ASC is required for the NSOs to effectively work towards the expectations of the ASC and AIS. Agency theory suggests both the ASC and the NSOs should have goals and outcomes that are aligned so that they work collectively to achieve the same goals (Mason & Slack, 2005). If the ASC/AIS do not clarify their goals and objectives, agency theory posits that agents or principals may be more likely to act opportunistically (Shapiro, 2005).

The following section will examine findings under the category of Understanding Agent Operations.

**Understanding Agent Operations**

Several NSO respondents (QNSOr19; NSOa1; NSOa2; NSOb1; NSOb2; NSOe2) acknowledged that the pressure to achieve Olympic results and the consequences associated with poor performance was detrimental to the day-to-day operations of their organisations. In terms of Olympic performance and sustained success, respondent QNSOr19 stated that: ‘if our organisation had more assistance from the ASC in the areas of planning, boards and initiatives, we could be better’. In addition, respondent QNSOr19 further suggested that the ASC’s lack of understanding of high performance sport and NSO operations affect Olympic performance. Respondent NSOa2 stated:

They [ASC] have no concept of what delivery is all about at Olympic time, which is you can’t screw around these sorts of things, time is critical right now and if you can’t deliver those resources then we are going to find them somewhere else. So to me that shows lack of clarity from them about what at Games time needs to happen. So real clarity about who is the conduit and what their role is will make things better.
A similar sentiment was stated by respondent NSOa1, who expressed concerns regarding the ASC’s input into NSO operations: ‘I’d like to see a time when it is a more collaborative process and a broader accepting of responsibility for outcomes’.

NSO respondents believed the ASC was hindered in its ability to help NSOs achieve their objectives because the ASC staff do not have a solid understanding of NSO operations. Respondent NSOd2 succinctly stated that: ‘There is a lack of understanding within the Sports Commission about how NSOs have to operate’. A similar sentiment was shared by respondent QNSOr12:

The lack of understanding and delayed decision-making processes impact on a sport’s ability to plan for and implement key initiatives that it knows will make a positive impact on performance. This has been a major issue and will have an impact on London performance. Going forward, greater funding certainty and an increased focus on understanding the needs of sport will have a positive effect.

Respondent NSOb2 stated that: ‘They’re [the ASC] focussing on excellence but actually to get excellence you need to have it as a focus priority, look at all the other sports, all of our national team sports are not about excellence, they’re about equality’.

When asked how the ASC could improve Olympic performance results and add value to the ASC–NSO relationship, Respondent ASC10 suggested: ‘If we want a different result, we’ve got to be prepared to do things differently and they’ve got to be at the strategy level and they’ve got to be at the structural level’.

The following section will present the findings related to the theoretical category of Sustainable Olympic Success.

**Sustainable Olympic Success**

The majority (8/11) of NSO respondents showed concern for the lack of planning for long-term Olympic success, an area many felt was not a priority of the ASC or the AIS:

It is always hard to make the decision to take some funding away from the current Olympic athletes to try and bring through the future ones but if we don’t do it we’re screwed. So I think if there could be more done throughout the pathway … that’s definitely an area where we struggle to find a balance (NSOd3).
The findings suggest sustainable Olympic success depends upon the quality of an NSO’s high performance coaching staff. It was suggested that the ASC could assist in supporting NSOs achieve better Olympic performances through the attraction of quality coaches and more professional development of coaches within the current system (AIS1; NSOd3; NSOd2; NSOd1). Respondents from the AIS believed that NSOs require ‘more coaches in the system and more coaches learning how to coach’ (AIS3). This viewpoint was further supported by AIS1 who stated that to improve Olympic performance, NSOs should: ‘have more paid coaches within NSOs. So I would quarantine funding from the commission to sports for additional paid coaches particularly at the lower level in the pathway’. Respondent NSOd3 supported this sentiment, stating: ‘I think coach development is probably a big issue for our sport. We struggle to find quality coaches to work with our athletes. And at times we accept coaches we know are not the best quality because that’s all we’ve got’.

Respondent NSOd2 provided the following example:

You get to the last day of the Games and we’ve had this, we had a coach offered a contract to go and work for another country for four years on the last day of the Olympics. And he rang me and said ‘well, I don’t want to but what’s on the table?’ So we just said we’ll match whatever the terms are because we can’t afford to lose these people. So continuity of funding and certainty of funding is vital in high performance sport. If our board had been a bit more risk-averse and had gone ‘oh no, we can’t do that until we can guarantee there is certainty in funding’, we would have lost the coach.

Respondent AIS4 stated that in the current high performance system, government involvement and the numerous demands of stakeholders hinder the opportunities NSOs have to truly develop athletic talent and achieve Olympic success. The involvement of the ASC in high performance sport was described by AIS4:

There is so much argy bargy, jump through hoops, people politics, posturing, whatever. What is the best for the athletes, for developing athletes and for creating an environment where they are going to have the best opportunity to perform? At the end of the day, stop worrying about which coach bloody coaches who, and which club they are from, and which state they are from, and who gets kudos … just get on with it!
The findings outlined above are the views of ASC, AIS and NSO respondents. The presentation of these findings highlights conflicting perceptions regarding the management of the ASC–NSO relationship, and differing views regarding the attainment of successful Olympic performances. The findings presented in this chapter will contribute to addressing the research questions.

6.5 Chapter Summary

This chapter presented the results obtained from Phases 2 and 3, through questionnaires and semi-structured interviews. The results were presented within the identified theoretical categories that emerged from the a priori codes: Communication, Roles and Responsibilities and Olympic Performance. The results highlighted commonalities evident within the data and they also emphasised discrepancies amongst different organisations and respondents’ attitudes and beliefs.

The five ASC–NSO relationships were examined to determine how these relationships were perceived to impact Olympic performance. The key findings suggested Olympic performance was impacted by: a) delayed decision-making by the ASC; b) government interference in NSO operations; c) lack of autonomy for NSOs; d) lack of clarity about the roles and responsibilities within the ASC and the AIS; e) an inability on the part of the ASC to add value to NSO high performance operations through capacity and capability building initiatives; f) ineffective NSO board operations; g) no clear ASC goals or objectives; and a lack of continuity to employ and invest in high performance coaches. Finally, the continual restructures within the ASC and AIS and the continual strategy and procedural changes were highlighted as key issues impacting Olympic performance.

The next chapter will discuss these results, incorporating the literature, findings and agency theory as a framework. The chapter will also address the research questions of this thesis.
Chapter Seven: Discussion of Results

7.1 Chapter Overview

The purpose of this chapter is to discuss the results presented in Chapters Five and Six, using an agency theory lens to do so. To support the discussion, literature on the Australian sport system, governance and Olympic performance is also incorporated into the analysis. However, there is minimal academic research specifically investigating the relationship between the ASC and NSOs, and what has been published does not necessarily address contemporary issues. Sotiriadou and Shilbury (2009) stated:

Considering the increasing role that the interest groups, such as the ASC and the NSOs play in providing resources for elite athlete development, the lack of meso-level studies from an organisational perspective is surprising (p. 140).

To address this limitation in the literature on the relationship between the ASC and the NSOs, relevant international literature investigating nations that have a sport system similar to that of Australia has been included. These nations include western countries such as the UK and Canada, which, like Australia, have significant federal government sport involvement, including investment into high performance sport operations. Additionally, industry reports, reviews and insider documents are referred to as they provide relevant contemporary primary sources that reflect the state of the current ASC–NSO relationship. These documents have provided context, specific industry information and factual details that assisted in the analysis of the data.

The discussion in this chapter is organised by the research sub-questions, with sub-headings used to structure the discussion and reinforce the key findings. The sub-headings used in this chapter emerged from the theoretical categories identified within each a priori code (See Table 6.1). The sub-research questions and sub-headings used in this discussion chapter are presented in Table 7.1.
Table 7.1
Research sub-questions and associated sub-headings for discussion.

<table>
<thead>
<tr>
<th>Sub-Research Questions</th>
<th>7.1 What are the perceived issues arising from the management of the ASC–NSO relationship?</th>
<th>7.2 How are these issues perceived to impact Olympic performance outcomes?</th>
<th>7.3 Why have these issues occurred?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Headings</td>
<td>Agent autonomy</td>
<td>Political pressure</td>
<td>Clarity of roles and responsibilities</td>
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<td></td>
<td>Principal and agent opportunism</td>
<td>External influences on principal and agent behaviour</td>
<td>Sport policy and high performance outcomes</td>
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<td></td>
<td>Agent motivation</td>
<td>Principal and agent capacity and capability</td>
<td>Governance and management of the principal-agent relationship</td>
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<td></td>
<td>Alignment of principal and agent goals</td>
<td>Sustainable Olympic success</td>
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The chapter concludes with a table summarising the key issues identified within this research and explained through the use of agency theory literature.

7.2 What are the Perceived Issues Arising From the Management of the ASC–NSO Relationship?

The findings from this research highlighted numerous issues associated with the management of the ASC–NSO relationship that were perceived by ASC and NSO respondents as affecting Olympic performance. The following discussion that addresses this research question is divided into four sub-headings that reflect the key issues emerging from the data. The sub-headings are: Agent Autonomy; Principal and Agent Opportunism; Agent Motivation; and Alignment of Principal and Agent Goals.

Agent Autonomy

According to Ferguson (2006), it is a reasonable assumption that ‘sport owns sport’, meaning that NSOs should be ‘in charge of their own destinies and make their
own rules’ (p. 44). However, Ferguson concluded that as long as the government provides NSOs with most of their funding, the government could be said to ‘own’ sport.

Crawford (2009) supports the ‘sport runs sport’ philosophy, stating that ‘the organisations best qualified to run elite sport programs are the sports themselves’ (p. 20). While the ASC and AIS promote the ‘sport owns sport’ or ‘sport runs sport’ philosophy, many respondents believed it was not the case in reality. For instance, respondent AIS4 noted that ‘sport runs sport unless they [NSOs] disagree with us [ASC/AIS].’ NSO respondents believed ASC staff used their power and influence to dictate NSO behaviour and impact operations, as opposed to allowing the NSOs the autonomy to run their own sport programs. Green and Houlihan (2006) believe that: ‘Government has implemented programs designed (ostensibly) to empower and autonomize NSOs on the one hand while imposing centralised targets, directives and indeed sanctions on the other’ (p. 49). Agency theory explains this finding by suggesting that principals may ‘tell their agents how to make decisions on their behalf’ (Shapiro, 2005, p. 281).

The ASC has also undertaken several restructures that have had a significant impact on NSO operations. According to Green and Houlihan (2006), government enhances its power if it implements new strategies and techniques that aim to exert control over NSOs. As an example, during the three years of this thesis investigation into ASC–NSO high performance sport relationship, the ASC undertook two major structural and procedural changes that directly affected the management, monitoring and governance of the ASC–NSO relationship. The NSOs must conform to the changes made by the ASC in order to receive funding and resources for Olympic preparations (Australian Sports Commission, 2012b). However, NSO compliance to new strategies, structures and systems was time consuming and detracted from NSO operations, including Olympic preparations.

As indicated in the findings, the changes and restructures that took place from 2009 to 2012 had a negative effect on NSO operations and the NSO respondents’ perceptions of the ASC. The NSO respondents argued that they were not consulted regarding the changes that affected them, and nor were they informed of the reasons for the changes. The respondents believed the changes were ‘for change sake’ (NSOa1), reactions to unsatisfactory performance or a change in government or the Minister for Sport. The constant changes in the ASC’s direction, leadership and management impacted the day-to-day operations of the NSOs and added further limitations to NSO
autonomy. Therefore, the time taken to implement and understand new ASC systems and structures reduced the time NSOs spent on their Olympic preparations.

**Principal and Agent Opportunism**

The problem of information asymmetry, where the principal or the agent withholds information from the other party (Eisenhardt, 1989; Eugene Fama, 1980; Gomez-Mejia & Wiseman, 2005; Jensen & Meckling, 1976), was identified in the research. NSO respondents believed that the ASC did not always provide all the information NSOs required to complete the tasks asked of them by the ASC. NSO respondents believed that the ASC only informed NSOs of important information if it was advantageous to the ASC. Agency theory suggests this would qualify as opportunistic behaviour by the principal.

Principal opportunism can potentially affect an agent’s operations and their ability to achieve the desired performance outcomes. Therefore, the agent should know how to manage opportunistic principals. The use of media attention is one method used to safeguard against principal opportunism (Dial & Zardhoohi, 1999). Public shaming of inappropriate actions may potentially deter principals from future opportunistic behaviour (White, 2008). In relation to this study, the ASC received an additional high performance sport allocation in 2010 from the federal government to assist NSOs in their Olympic preparations for London. Of the $48.3 million allocated for NSOs, the ASC retained approximately $8 million for its own programs. This decision was widely criticised in the media. Masters (2010) claimed it was an ‘excessive diversion of funds to bureaucracy and the professional football codes’. In addition, Masters criticised the ASC for becoming ‘an institution with a turnover dwarfing all sports except that of AFL, rather than a clearinghouse of government funds to sport’. After the media outcry, NSOs eventually received the additional funding from the ASC, however it was six months after the original allocation (Australian Sports Commission, 2011d), and this delay affected spending by NSOs on Olympic preparations and planning.

While the media in Australia provides one channel to ensure the ASC performs to expectations, it has also been used to target underperforming NSOs. Agency theorists state that the principal cannot always observe agent behaviour and therefore they may require other methods to observe agent operations (Shapiro, 2005). Following Australia’s performance at the London 2012 Olympic Games, the media highlighted the failings of
the Australian Olympic team and published stories linked to NSO funding, performance, management and athlete behaviour.

Table 7.2 displays a sample of headlines published in the Australian media during the London 2012 Olympic Games. In this instance, the media ensured the public was aware of tax-payer expenditure on high performance sport and the expected performance outcomes for this expenditure. The NSO and ASC respondents were aware of the public pressure to succeed at the Olympic Games, especially following the additional funding Olympic NSOs received from the federal government in 2010. Following the poor London performances by the Australian Olympic team and the increased media attention, the ASC again restructured.

Table 7.2

_Examples of media headlines during the London 2012 Olympic Games._

<table>
<thead>
<tr>
<th>Headline</th>
<th>Media Source</th>
<th>Date</th>
</tr>
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<tbody>
<tr>
<td>‘Australia should be demanding and achieving better’</td>
<td>Play the Game</td>
<td>8th August</td>
</tr>
<tr>
<td>‘How our pollies can get us to ‘medal’ again’</td>
<td>Nine network</td>
<td>12th August</td>
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<td>‘Australia’s waning Olympic performance foreseen’</td>
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<td>‘John Coates blames sports chiefs for London failures’</td>
<td>The Australian</td>
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<td>‘It’s time to revisit the Crawford Report’</td>
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Mason, Thibault and Slack (2006) presented a similar finding in their research. They suggested that once a principal is threatened by negative media coverage, the incentive to monitor and police an agents’ behaviour may emerge. The ASC, following negative publicity relating to NSO Olympic performances at the London 2012 Olympic Games, increased the performance monitoring of the NSOs and increased levels of accountability of NSOs for tax-funded expenditure and NSO behaviour. The recent ASC restructure document, following the London 2012 Olympic Games, is titled ‘Australia’s Winning Edge’ and aims to get Australia back as one of the top five nations on the Olympic medal table (Australian Sports Commission, 2012b).
Agent Motivation

Studies using agency theory within the non-profit sporting sector suggested that principals need to find incentives to motivate agents to achieve common goals, as a compensation-based incentive alone is often not appropriate (Jensen & Meckling, 1976). Therefore, the agent’s motivation should be entwined within the goals and successes of the principal organisation. If both organisations value a particular outcome, the outcome may then act as an incentive in the partnership (Perrow, 1986). Finding a positive way to motivate NSOs and reward performance, aside from the threat of reduced funding, is beneficial to the ASC and the overall attainment of Olympic sporting success.

While winning Olympic medals is a high priority for many Olympic NSOs, the findings suggested that NSO staff believed that their organisations are unrewarded for achievements at other significant sport events. The Summer Olympic Games occur once every four years, with significant pressure placed on NSOs to achieve the desired medal tallies. The case Olympic NSOs examined in this research have previously been successful at the Olympic Games, thus they receive significant funding and, as a result, are expected to continually perform well at the Games (Australian Olympic Committee, 2009b). The NSO respondents believed achievements at other significant international sporting events, such as world championships, should be as important as the Olympic Games in determining performance targets.

While the pool of medals at the Games remains relatively stable, there is an increase in the number of countries winning medals and an increase in countries competing in the Games (Houlihan, 2013). For instance, 159 countries competed at the Seoul 1988 Olympic Games, whereas in Beijing 2008 Olympic Games, 204 countries competed. Likewise, in 1988 athletes from 52 countries medalled, whereas in 2008 athletes from 87 countries medalled. Arguably, winning gold medals is the desired result for many countries, as the Olympic medal tally is a ranking of a nation’s gold medal achievement. In 1988, athletes from only 31 countries won gold medals, however in 2008, athletes from 55 countries won gold medals. Thus, many more nations are now competitive at the Olympic level (Houlihan & Green, 2008).

The use of non-Olympic international sporting events as performance indicators may act as an incentive to motivate NSO behaviour and increase alignment of principal and agent goals. Agency relationships endure over time, allowing the principal to gather data about the agent. Principals can then determine which incentives work best with each
agent, in an attempt to ensure agents achieve the desired goals (Shapiro, 2005). Currently NSOs face the threat of reduced funding if performance targets are not met. Therefore, it is a sanction relating to performance, rather than an incentive to succeed. The ASC has indicated that there will be no significant increases in NSO funding in the near future. Therefore, positive NSO incentives (not sanctions) may be required to improve the ASC–NSO relationship.

Alignment of Principal and Agent Goals

Sam (2009) stated, ‘Governments now have high expectations from their involvement with sport, including the prospects that it will generate economic growth, decrease health expenditures, promote social integration and develop national identity’ (p. 500). In essence, sport has become so entrenched within the portfolio of government responsibilities that the attainment of a range of government outcomes through successful sport performances are expected. Consequently, one way that the government can control NSO behaviour is by linking performance outcome measures to funding levels (Oliver, 1990).

Kren and Tyson (2009) identified two types of control systems (subjective and objective) to manage agent behaviour. A subjective control system evaluates the quality of the agent’s actions and behaviour, rewarding skill and effort, with minimal emphasis on the outcome. In contrast, an objective control system has a ‘pay-for-results’ philosophy, rewarding agents for their outcomes and not for their actions or behaviour. Gomez-Mejia and Wiseman (2005) believe that by focusing on the performance outcome in an objective control system, an agent may ignore other objectives set by the principal that receive little attention or reward. For example, behavioural issues within Swimming Australia were highlighted only after poor performances were recorded at the London 2012 Olympic Games (Grange, 2013). The ASC did not intervene with Swimming Australia in the lead-up to the London 2012 Olympic Games, as Swimming Australia was seen to be meeting annual performance objectives, despite various public incidents involving athlete/management behaviour. The focus on objective control as opposed to subjective control may potentially affect Olympic performance outcomes, thus the ASC needs to consider monitoring NSO behaviour when attempting to align principal–agent goals.
This research highlighted that the ASC has yet to withhold funding from NSOs or reduce funding for inappropriate behaviour or actions. NSO respondents supported the notion of linking funding to performance results, however, the NSOs are not solely responsible for the strategic operation and direction of their high performance program and respondents noted that they should not always be penalised when performance outcomes are not achieved. One respondent summed this up: ‘I’d like to see a time when it is a more collaborative process and a broader accepting of responsibility for outcomes’ (NSOa1). If the ASC is enforcing systems, structures and processes upon NSO operations, then the ASC should also be accountable for performance outcomes.

In summary, various issues highlighted in the discussions above were seen to affect the management of the ASC–NSO relationship. Agency theory provided an explanation for principal opportunism, and based on this explanation the ASC can be seen to be acting inappropriately and hindering NSOs’ attainment of key performance outcomes. Moreover, the lack of NSO autonomy, limited NSO motivation and the inability to align ASC and NSO goals, has also affected the management of the ASC–NSO relationship.

The following sub-question examines how the identified issues emerging from the management of ASC–NSO relationship were perceived to impact Olympic performance.

7.3 How Are These Issues Perceived to Impact Olympic Performance Outcomes?

Performance at the Olympic Games is a heavily weighted KPI for all Olympic NSOs. Olympic sports are funded based on their potential to achieve results at the Olympic Games every four years. As reported by Houlihan and Green (2008), the Olympic Games are an important event for Australia, with Australia’s success believed to unify the nation and provide social, political and economic benefits. Because of its funding of the case NSOs, Olympic medals (especially gold) are expected by the ASC (Australian Sports Commission, 2011e). In agency terms, the ASC’s desired outcome is to achieve Olympic success and it contracts the NSOs to achieve this outcome on its behalf.
One respondent argued that the current ASC–NSO relationship had affected the NSO’s preparations for the London 2012 Olympic Games, and prior to the London Games this respondent stated:

The lack of understanding and delayed decision-making processes impact on a sport’s ability to plan for and implement key initiatives that it knows will make a positive impact on performance. Until recently, this has been a major issue and will have an impact on London performance (QNSOr12).

Findings from this research have identified issues within the ASC–NSO relationship that have affected Olympic performance by impacting the NSOs’ ability to operate their Olympic programs effectively, as highlighted in the example above.

In order to address this sub-question, the findings in this discussion are presented under four sub headings: Political Pressure; External Influences on Principal and Agent Behaviour; Principal and Agent Organisational Capacity and Capability; and Sustainable Olympic Success.

**Political Pressure**

NSO respondents expressed concerns about the lack of timely processes and procedures related to communications from the ASC. This result was supported by ASC respondents who acknowledged that at times their communication to the NSOs was unclear, time sensitive and confusing. The findings attributed the communication and decision-making issues to the inability of the ASC staff to act independently of government bureaucracy and political influence. ASC1 stated: ‘there is no question that the level of government intervention and involvement is constraining’.

Despite its financial contribution, the involvement of the federal government in the NSOs’ high performance sport operations was highlighted in the findings as a hindrance to NSO Olympic preparations. While NSOs acknowledged the requirement of the ASC to protect its investment and the resources allocated to the NSOs, respondents suggested more autonomy should be given to NSOs to carry out their operations. In addition, NSO respondents believed that the ASC should trust that the NSOs, as agents, have the expertise needed to achieve the desired outcomes of both organisations.

Agency theory suggests that the agent is said to incur an agency cost, known as a bonding cost, when in an agency relationship (Jensen & Meckling, 1976). This is a cost absorbed by the agent who attempts to present their organisation as suitable and qualified
to perform the required duties. Thus, extensive time allocated to the ASC’s demands and political requirements by the NSOs is essentially a cost the NSO has to absorb if it is to maintain its relationship with the ASC. The agency cost is time taken away from other agent tasks that, in this case, potentially contribute to successful Olympic performances. This finding supports a study by Green and Houlihan (2006) who concluded that despite the Australian Government’s promotion of NSO autonomy and empowerment, NSOs have been subject to complex auditing and performance measurements that detract from their daily operations.

The ASC, as the government entity for sport, utilises its power to determine the levels and distribution of its funding to NSOs, which are thus dependent on the ASC for resources. The complexity of this resource dependency of NSOs on government, has led to government’s capacity to strategically control resources to achieve its sport policy outcomes. For example, respondent NSOb2 stated: ‘the problem with Canberra [ASC] is that there’s always going to be political pressure on how they want to promote the invested money’. This mirrors government–NSO relationships in other western democracies. For example, Grix and Phillpots (2011) argued that in the UK context ‘government-led agendas frame sport policy, rather than the longer term interests and development of specific sports’ (p. 8). As a result, ‘NGBs are hidebound to their paymasters, the UK Government, and in effect this frames the manner in which sports are governed, the priorities they set and the decisions they make’ (p. 9). Similarly, in Canada, the government has ‘used its resource control to force NSOs to modernize’ (Houlihan, 2005, p. 177). The ASC operates with principles similar to those of UK Sport and Sport Canada (Green & Houlihan, 2006). For example, NSOa1 stated: ‘I even heard a Commission [ASC] person say “if we think that a sport should concentrate on xyz, then that’s what they should do because it’s our money”’.

Pratt and Zeckhauser (1985) recognised that principals in a governmental non-profit organisation may have differing priorities and goals to agents, due to the need to respond to political influences. Therefore, complications arise when attempting to align principal and agent goals. ASC respondents were aware of the pressures from the Ministers’ office on the ASC and have identified these political influences as a distraction to achieving the NSOs’ high performance sport outcomes. Respondent ASC2 stated:

We’re becoming more and more like a government agency and what I mean by that is we’re becoming more and more focused on the government's agenda and
the Minister's agenda. We need to provide an opportunity for the Minister to get photos and promote the Minister and all that which is fine; I understand we get money from the government. But the challenge is we're in high performance [sport] and it’s all about … it’s about ruthlessness, it’s about outcomes … we can't sack, and we can’t remove and we can't act and we can’t do stuff … our performance will be impacted right away because we can't react quickly enough, we have to have four committees approve something.

In an agency relationship, to overcome divergent influences on specific goal attainment Pratt and Zeckhauser (1985) suggested that: ‘the alignment of interests [of principals and agents] helps not only to assure an appropriate level of effort, but to promote the right choices’ (p. 15). Thus, if an agent shares the objectives of the principal, they are more likely to carry out the tasks, thereby reducing the monitoring mechanisms required by the principal and the conflict that often arises if goals are incongruent. The findings suggested the NSO respondents are aware of the priorities of the ASC and accept the ministerial influence over ASC goals and priorities. NSOs therefore need to develop the capacity to manage ASC and Minister demands more effectively, so that their Olympic performance is not compromised.

Delayed decision-making by the ASC was a concern for NSO respondents. According to Sam (2009) the ASC’s lack of technical knowledge of high performance sport operations may result in delayed or incorrect decisions. The lack of a decision, or delayed decision-making, was identified by NSO respondents as an issue that affected each NSO’s ability to operate effectively and achieve desired outcomes. However, respondents from the NSOs believed the staff at the ASC were not willing to make difficult decisions, out of fear of public or political backlash and often would ‘sit on the fence and wait for it all to resolve itself’ (NSOe2).

Respondents suggested the ASC should not be involved in the dynamic high performance sport environment due to the bureaucracy of the organisation and the political influence on ASC priorities. Arnold, et al., (2012) highlighted the need for leaders and managers in elite sport to remain committed to their roles and make difficult decisions, accepting that mistakes can be made in the process. ASC respondents acknowledged the ASC’s limitations due to political influences: ‘We are a bureaucratic organisation and decisions we have to make in this organisation by their very nature take
a long time’ (ASC1). However, delayed decision-making by the ASC is hindering the attainment of agreed Olympic performance outcomes and as a result, causing tension within the ASC–NSO relationship.

**External Influences on Principal and Agent Behaviour**

Accountability for Olympic performances remains the responsibility of the NSOs. However, Mason and Slack (2005) suggested that sport organisations are also dependent upon random external variables, such as the actions of others, or market conditions. Strong environmental influences on NSOs, such as sport culture, public expectations, government policy and funding assistance policies, add to the increasing expectations placed on NSOs (Robinson & Minikin, 2011). For example, the actions of other high performance sport stakeholders in the Australian sports system, such as the SIS/SAS, play a major role in an NSO’s ability to achieve its outcomes and impact the ASC–NSO relationship, as highlighted in the findings of this research. This is due to the competing demands of the various stakeholders in the Australian sports system who are all working towards the attainment of varying and sometimes conflicting objectives.

The power relationship between the ASC and the NSOs was identified through an agency lens, as too were the ways in which power was wielded to manage behaviour within the ASC–NSO relationship. It is argued in this thesis that the ASC–NSO relationship does not operate in isolation (Perrow, 1986) and that other influences on the principal and agent must be acknowledged. This argument is compatible with agency theorists who have extended the basic premises of agency theory in order to examine the environment in which the principal–agent relationships exist (Dial & Zardkoohi, 1999; Kiser, 1999; Shapiro, 2005). Thus, examining a range of power relationships within the Australian high performance sport system was important for this study.

According to Dahl (1957), power is based on the control of resources that are required by others. Thus, power is seen as, ‘the ability to get others to do something that they would not otherwise do’ (Dahl, 1957, p. 203). The use of power is found within hierarchical governance structures, such as the ASC–NSO relationship. In a hierarchical governance model, central organisations direct the behaviour of other organisations, sometimes involuntarily and often using sanctions and rewards to manage behaviours (Kooiman, 2003).
Perrow (1981) criticised agency theory for ignoring power when analysing the information asymmetry within the principal–agent relationship. However, Saam (2007) suggested agency theory ‘makes implicit assumptions on the power relations between principal and agent’ (p. 836). She believes problems within the agency relationship are due to the principal possessing quantitatively more bases of power than the agent. As a result, hidden intentions and hidden actions by the principal may detract from the attainment of desired goals and objectives of the agent. In contrast, White (2008) has considered agent power in his research and concludes that despite being limited, agent power can influence and affect the agency relationship. Moreover, an agent who acts in accordance to the principal–agent contract may be rewarded with increased compensation or power (White, 2008). In this case, successful Olympic NSOs, such as sailing, swimming and cycling, may have increased power in their relationship with the ASC, because they meet the ASC’s desired goals and objectives.

The power relationships within the Australian sports system, and those predominantly affecting the ASC–NSO relationship, are presented in the model illustrated in Figure 7.1 below. The red arrows indicate the main direction of inter-organisational power. While it is acknowledged power does flow in both directions, this model aims to emphasise organisations with the most power over other organisations in the Australian high performance sport system. The blue arrows indicate an influential relationship highlighting some form of dependency between the organisations. The coloured organisations are those specifically featured in this research. The grey organisations are also influential in the Australian sports system and decision-making hierarchy; however, in order to delimit the study they were not a key focus of this research.
As shown in Figure 7.1, the NSOs are influenced by many organisations in addition to the ASC. According to Healy (2012): ‘this proliferation of organisations creates a complex web of regulation and political considerations’ (p. 40). Thus, some actions undertaken by the NSOs are a result of external influences and obligations that an NSO has little control over. These findings support the view that the Australian sports system is ‘complex, inefficient and cumbersome’ (Crawford, 2009, p. 12). As highlighted in Figure 7.1, the ASC and the AIS play a dominant role in the Australian sport system and, as reflected in the findings, have the greatest impact on NSO operations and performance. Thus, despite various external pressures placed on Olympic NSOs, it is the
relationship the NSO has with the ASC that appears to have the greatest impact on their operations in regard to Olympic performance and hence, this relationship is the focus of this research. However, other influences on NSO behaviour were acknowledged in order to provide an understanding of the environment in which NSOs operate. Since the ASC provides funding and resources, respondents identified the ASC as having the greatest influence on NSO operations.

Robinson and Minikin (2011) suggested that in addition to being subject to external pressures, NSOs are limited in their ability to successfully fulfil all the tasks required of them by the various stakeholders. Thus, NSOs are struggling to balance the multiple demands of the various stakeholders, and as a result struggle to effectively manage the ASC–NSO relationship. The findings of this research are supported by Robinson and Minikin (2011) who suggested that NSOs do not have the capacity and capability to complete all tasks required of them, as the ability to competently prioritise competing demands was problematic for many NSOs.

**Principal and Agent Capacity and Capability**

Perceptions regarding the capacity and capability of the NSOs emerged from the findings. Previous studies (Bloomfield, 2003; Coakley, 2004; Covell, Walker, Siciliano, & Hess, 2007; Ferkins, Shilbury, & McDonald, 2005; Hoye & Cuskelly, 2007; Shilbury & Ferkins, 2011) have found that many NSOs are underperforming due to their ‘kitchen table’ operations and their reliance on volunteer administrators. Sam (2009) believed there is an increasing demand for NSOs to be ‘professionalised, modernised and commercialised’ (p. 501) in order to achieve governments’ high performance sport outcomes. Crawford (2009) identified the need to build the capacity of Australia’s NSOs, as the NSOs are the key drivers of national elite sport programs, and suggested that NSOs must strengthen their governance mechanisms, capability and effectiveness in order to achieve international sporting success.

The principal will not necessarily know the limitations of the agent’s abilities until they have observed the agent’s behaviour or measured performance outcomes (Eisenhardt, 1989). This knowledge can only occur after the principal and agent have formed a contractual arrangement. Therefore, adverse selection is apparent if the NSOs claim to have the skills and abilities to complete the tasks required, but in fact do not (Shapiro, 2005). The ASC respondents believed many NSOs did not have the required
staff capability to achieve international sporting success, whereas the NSO respondents believed they did. These conflicting perceptions suggest a difference of opinion between the ASC and NSO staff and as a result, may have an adverse impact on the ASC–NSO relationship.

Unlike many principal–agent relationships where the principal has a selection of agents to choose from, the ASC is limited to a partnership with the existing NSOs to achieve its desired outcomes. There is only one recognised NSO for each sport in Australia and therefore, it is advantageous for the ASC to assist NSOs build their capability and sustainability in order to achieve: a) international sporting outcomes and b) the government’s non-sport policy outcomes. The ASC respondents believed their organisation was suited to undertaking this task, despite the criticism by NSO respondents.

Criticism from within the sport industry that was made public in the Crawford Report (2009) indicated that the NSOs’ capacity and capability is lacking. According to Crawford: ‘It would seem that something is seriously wrong if sports that have received major funding for almost two decades have not yet acquired the expertise to manage their own sports’ (p. 20). Literature spanning the 10 years before the Crawford Report (Bloomfield, 2003; Cashman, 2002; Shilbury, 2000) had already identified the need for NSOs to ‘engage in efforts to improve efficiency and effectiveness of the governance of their organisations’ (Hoye, 2003). Respondent AIS5 confirmed the long duration of the issue stating, ‘you know the analogy, for a long time we’ve handed out fish and we haven’t taught the NSOs to fish’. And yet, the discussion regarding ‘who’ and ‘how’ to develop NSO capability and capacity is still ongoing (Crawford, 2009). The ASC respondents believed their role when working with the NSOs was to implement systems and structures and to ensure NSOs moved towards professionalisation by incorporating good governance practices. However, the strategy for developing NSO capability remains unclear.

The ASC respondents could not understand why NSOs had difficulty achieving successful Olympic performance outcomes. ASC respondents believed the NSOs already received significant funding and resources and should therefore be able to successfully produce the international sporting results as outlined in the ASC–NSO contracts. Perrow (1986) suggested that principal organisations that blame an agent for poor performance may possess poor management or a faulty structure themselves, and that this is the most
likely cause of the principal assuming an agent is acting in self-interest or shirking its responsibilities. Tasoluk, Yaprak and Calantone (2006) stated that when both parties believe the other has inferior skills, it is the role of the principal to increase its credibility with the agent and convince the agent it is competent.

Findings from Robinson and Minikin (2011) concluded that while Olympic sport organisations are delivering increasingly complex programs, they are not necessarily developing their own organisational skills and expertise to keep abreast of the complex programs they deliver. The current ‘one-size-fits-all’ approach to capacity and capability building currently implemented by the ASC was not reflected upon favourably by NSO respondents. Moreover, to improve NSO sustainability, respondents suggested that the NSOs should consult with corporate leaders who could guide and influence strategic development, sustainability and organisational effectiveness. This finding is supported by Arnold, Fletcher and Molyneux (2012) who suggested that senior management within NSOs should consult with ‘executive coaches’ who could improve an individuals’ relationship with other organisations or who could ‘help them manage their daily challenges and demands’ (p. 331).

Crawford (2009) identified some governance issues that mitigate against external conflicting NSO demands, suggesting that NSOs are hindered by their federated structures that make it hard for them to make decisions that cut across their state and territory structures. Some NSOs are governed by boards of directors made up of state representatives, who may have a conflict of interest when prioritising national resources (Ferkins & Shilbury, 2010). Therefore, both the ASC and NSOs have existing structures that impede organisational capabilities and potentially impact Olympic performance.

**Sustainable Olympic Success**

To sustain Olympic success, Australian sport organisations need to ‘work smarter’ (Respondent AIS2). Australia may have reached its high performance funding capacity and therefore with no influx of additional funding, the NSOs must learn to use their funding more effectively (Arnold et al., 2012). The respondents emphasised that NSO spending is scrutinised by the ASC and the public, and therefore NSOs appear hesitant to employ quality high performance management and executive staff on high salaries. For example, Australian Swimming has been under review for its team performances at the London 2012 Olympic Games. An Australian TV show on SBS, ‘Insight’ (SBS, 2012)
delved into the issues behind the performance. The athletes interviewed highlighted a lack of money within the high performance sport system, as swimmers are not paid a full-time salary like many professional athletes. The discourse that followed questioned the whereabouts of the $8 million of tax-payer funding given to Australian Swimming. A question was raised regarding the salary of the CEO of Swimming Australia. The salary was portrayed by the host of the program as a waste of tax-payer money that should instead have been paid to the athletes.

Whilst NSOs may be under pressure to minimise spending on executive positions, having efficient managers who can improve NSO performances, increase professionalisation and promote business development is important for NSO sustainability and Olympic success (Arnold et al., 2012). The demand for qualified managers and CEOs within the Olympic sport industry is intensified when Olympic Games host nations poach international sport executives in the lead-up to the Games. The ‘brain drain syndrome’ where sport experts from Australia accept lucrative job offers from other nations, was well documented in the lead-up to the London 2012 Olympic Games (Hubbard, 2013). Additionally, the expertise and time allocated to recruiting and training new management staff on a regular basis impacts NSO daily operations, if staff leave to take up more lucrative offers. This research highlights the necessity for the employment of professional business executives and the effective management of organisational relationships in order to achieve sustainable Olympic success.

The findings of current literature examining factors contributing to Olympic success (De Bosscher et al., 2006; Houlihan & Green, 2008; Madella, Bayle, & Tome, 2005), identified common pillars such as coaching, talent identification and funding contributions, that are required to achieve Olympic success. In addition, according to Fletcher and Wagstaff (2009), ‘the way individuals are led and managed will become an increasingly important factor in determining an NSO’s success in Olympic competition’ (p. 433). Arnold, et al., (2012) suggested that Australia has already maximised its Olympic performance through the use of quality coaching, sports science, sports medicine and competitive daily training environments, and that Australia has yet to maximise its performance through the analysis and improvement of managing relationships in high performance sport. Arnold, et al., (2012) concluded:
If nations wish to maximise the likelihood of success at the Olympic Games, they must not only design and develop effective elite sport policies, they must also have the right personnel in place to lead and manage their Olympic programs, competently respond to and address issues, and create, optimise and maintain a high performance environment (p. 318).

In summary, the ASC–NSO relationship was identified as having a significant impact on Olympic performance. The discussion highlighted the influence of politics on the ASC’s ability to effectively manage its relationships with NSOs, while at the same time highlighting the various external factors influencing NSO operations. Moreover, the capability and capacity of the ASC and NSO staff was also seen to affect Olympic performance, and no clear strategy has been implemented to resolve this issue. Finally, the management of the ASC–NSO relationship and its effect on the sustainability of Olympic success highlighted the importance of having effective management and capable staff working at the ASC and NSOs.

The next section will discuss three identified reasons as to why the above issues may have occurred in the management of the ASC–NSO relationship.

7.4 Why Have These Issues Occurred?

The previous sections have discussed how the ASC–NSO relationship affects Olympic performance and what issues arose from the management of the ASC–NSO relationship. This final research sub-question highlights three reasons why these issues may have occurred. The discussion in this section does not provide practical outcomes but refers to agency theory and relevant literature to highlight best practice in the high performance sport environment. The discussion is divided into three sub-headings: Clarity of roles and responsibilities; Sport Policy and High Performance Outcomes; and Governance and Management of the Principal–Agent Relationship.

Clarity of Roles and Responsibilities

NSO respondents suggested the ASC’s main contribution to their organisation’s Olympic performance was through the provision of funding and that the ASC does not provide any additional benefits to their organisation. In contrast, the ASC staff perceived
their role as a conduit to provide guidance and direction to the NSOs, helping them to reach international performance targets. The findings suggested that the ASC has the responsibility to assist NSOs in building their capacity and capability in order to influence successful sporting outcomes and oversee its investment in high performance sport. However, Respondent NSOd1 stated: ‘apart from giving us money, there is no value-add. And they can’t capability-build by employing more bureaucrats, it just doesn’t work’.

Pratt and Zeckhauser (1985) believed that a principal’s involvement in an agent’s daily operations may ‘inevitably reduce the efficiency’ (p. 28) of efforts to achieve the desired outcomes. According to Hendry (2005) principals in agency relationships can create problems due to their own limited competence. Principals may have limited competence to ‘know what they want (or what they would in retrospect have wanted) from their agents’ (p. 59). Confusion by the ASC, AIS and NSO respondents was evident in the lack of clarity around the roles and responsibilities of the ASC and the AIS personnel.

The findings suggested clear high performance sport roles and responsibilities for the ASC and AIS staff were required so that NSOs are aware of the key personnel responsible for assisting them with their high performance operations. NSO respondents noted that the AIS has the expertise to manage high performance sport issues, yet the ASC continued to manage the NSO high performance sport programs. Therefore, the lack of clarity around the roles responsibilities of the ASC and the AIS was identified as a reason why various issues emerged in the management of the ASC–NSO relationship.

Sport Policy and High Performance Outcomes

The criticism of the ASC by the NSO respondents stems from the ASC’s dual role in managing elite sport programs and programs related to mass participation sport. Respondent ASC10 acknowledged that ‘the delivery of high performance sport is utterly different to the delivery of community participation sport’. Green and Houlihan (2006) concluded that a failure within the ASC and its governance of sport was that it tried to support the twin objectives of promoting mass participation and elite sport. NSO respondents indicated strong support for the AIS and its experienced high performance staff to take a greater leadership role in the governance and management of NSOs’ high performance operations. This was because AIS staff do not contribute to the areas of
sport participation or sport development and their expertise is in high performance sport. In addition, the findings suggested that the AIS staff have a greater understanding of high performance sport program operations. As stated by Respondent AIS6: ‘high performance is becoming more of a discipline in its own right’. The ASC is attempting to accomplish too many differing sport and political objectives (Green & Houlihan, 2006) and as a result, the NSOs’ high performance sport outcomes are being compromised.

According to Green and Houlihan (2006), the failure of the ASC to balance the twin objectives of sport participation and elite sport has led to ‘a fault line running through this increasingly centralised relationship’ (p. 56). They suggested that the ASC has merged sport participation and elite sport objectives, without clearly identifying key goals for either. In addition, the ASC’s goals and vision for sport were not always aligned with the diverse goals and visions of the NSOs. Huxham and Vangen (2000) suggested that agreeing upon common goals for principals and agents is often complicated as organisations have varying goals they need to achieve. As respondent AIS1 surmised: ‘the ASC is not focused enough and I think we’ll be going down an even wider sphere of preventative health strategies and all the rest of it. But in high performance as soon as you diversify than you are not across the details’. Therefore, a lack of clarity in the ASC’s sport policy portfolio was seen to impact the NSOs’ Olympic performance outcomes.

To overcome the problems caused by the diversity of government policy Ferguson (2006) suggested that the government must decide the breadth of its focus, and determine the balance between elite sport, sport delivered through formal mechanisms and community sport. However, the issue of sport excellence versus mass participation is not new. It has been a concern for many years. For example, a report completed in 1975 by the Australian Sports Institute Study Group declared that the issue has resulted in ‘far too much mindless polarity’ (p. 13) with government emphasising mass participation yet spending more money per head on high performance sport programs.

The pressure to succeed internationally in sport may conflict with sport development priorities of government stakeholders (Robinson & Minikin, 2011). Similarly, Papadimitriou (2007) identified a conflict when government pursues both elite and development sport goals, since they require different delivery systems. NSO respondents understood the government’s conflicting agendas but believed the ASC should establish a very clear focus and agenda relating to high performance sport outcomes, and an agenda that doesn’t get relegated when ministerial demands emerge.
Governance and Management of the Principal–Agent Relationship.

Kooiman (2003) suggested a new form of governance may be required if there are perceived failures in a top-down hierarchical governance model, as reported by some respondents. As organisations become more complex and interdependent, greater collaboration becomes necessary (Ansell & Gash, 2007). There is little evidence to suggest collaborative governance is functioning effectively in the Australian sport system. Instead, there is a fragmented approach to how government manages, supports and communicates with NSOs (Hoye & Cuskelly, 2007). NSO respondents indicated that they want: a) greater collaboration between all high performance sport agencies; and b) to be collectively involved in the decision-making processes with their ASC counterparts. NSO staff members want the opportunity to run their sport programs autonomously and take responsibility for their performance outcomes.

The data from this research indicated that NSO staff believed the ASC has not adopted a collaborative approach to the management of the ASC–NSO relationship, or its governance. NSO respondents stated that the ASC is withholding information from the NSOs and not providing effective communication so that NSOs can achieve their Olympic goals. Moreover, the unified approach to the management and governance of NSOs is not ideal, with respondent NSOd2 claiming that: ‘there is not one governance model that fits everybody. The Sport Commission needs to be careful that they don’t try and impose models on sports because every sport is going to have slightly different emphasis in requirements’.

In an agency relationship, the attainment of goals and outcomes by the agent are outlined in the principal–agent contract and are valued by the principal. The principal and agent may agree on the goal so that goal congruence is attained, yet disagree on the means to achieve that goal (Tasoluk, Yaprak, & Calantone, 2006). The findings of this research suggest the means by which to achieve Olympic performance success may vary for each NSO, and therefore disagreement between the ASC and the individual NSOs may occur if there is no congruency in the means needed to achieve the required outcomes. As a result, the varying opinions regarding the attainment of Olympic success, affects the management of the ASC–NSO relationship and thus Olympic performance outcomes.

Healy (2012) believed that sport organisations are very diverse and no two organisations are the same. Moreover, she suggested that issues of governance are
complicated as standard corporate governance assumptions generally do not apply to
sport organisations. Healy concluded that governance paradigms for sport, such as those
imposed by the ASC on NSOs, should take into consideration the unique features of sport
organisations and apply governance models that are effective and improve outcomes
rather ‘than merely compelling sports to behave in a uniform manner’ (p. 55). Therefore,
the inability of the ASC to manage NSOs as unique and different organisations
contributed to issues surrounding the ASC–NSO relationship.

In summary, the discussion highlighted how the ASC–NSO relationship can be
improved and incorporated agency theory concepts and current literature to explain the
complexity of this relationship. A lack of clarity in the roles and responsibilities of the
ASC and the AIS was identified as a significant factor affecting the ASC–NSO
relationship. The ASC has various sport policy portfolios and thus confusion in defining
its desired sport policy outcomes was seen to contribute to the lack of clarity around
organisational roles and responsibilities. Repeated ASC and AIS restructures further
added to the role confusion, with governance and management of the ASC–NSO
relationship seen as ineffective and confusing.

The following section provides a summary of the chapter, linking the key research
questions, agency theory and the research findings. The findings are categorised under
the three identified a priori codes.

7.5 Summary of Issues and Discussion Highlights

Table 7.3 summarises the key findings that emerged from this thesis. These
findings are grouped under the headings: Olympic Performance; Communication; and
Roles and Responsibilities in line with the a priori codes identified earlier. Table 7.3
indicates the issues as they relate to the case organisations examined in this research. In
addition, relevant agency theory contributions are included to explain the issues identified
in the findings and why they occurred.
### Table 7.3

**Summary of findings and agency theory concepts.**

<table>
<thead>
<tr>
<th>THEORY</th>
<th>Olympic Performance</th>
<th>Communication</th>
<th>Roles &amp; Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency Theory Contribution</td>
<td>* Alignment of principal and agent goals ensures an appropriate level of effort by the agent and promotes positive agent behaviour (Pratt &amp; Zeckhauser, 1985).</td>
<td>* Principal–agent relationships do not exist in isolation (Mason &amp; Slack, 2005).</td>
<td>* Adverse selection occurs when an agent (or principal) misrepresents their abilities to achieve a desired outcome (Shapiro, 2005).</td>
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<tr>
<td></td>
<td>* Outcome-based contracts between the principal and agent reward performance outcomes while ignoring behaviours (Eisenhardt, 1989).</td>
<td>* Principal organisation should delegate for efficient decision-making and establish organisational control (Jensen &amp; Meckling, 1992).</td>
<td>* Problems of agent opportunism may arise if agents feel they have no authority to influence the objectives by which they are measured (Wright, et al., 2001).</td>
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<td></td>
<td>* Rewards and sanctions are implemented by principals to create competition amongst agents and promote productivity toward the desired principal outcome (Kiser, 1999).</td>
<td>* Difficult for the principal to obtain honest agent information especially if that information is used to evaluate the agent’s performance (Ekanayake, 2004).</td>
<td>* If an agent believes they are being treated unfairly, their incentive to work may be reduced or they may not work toward the interest of the principal (Eccles, 1984).</td>
</tr>
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<td></td>
<td>* Principals need to find incentives to motivate agents to achieve the common goals (Jensen &amp; Meckling, 1976).</td>
<td>* Information asymmetry occurs between principals and agents when one party withholds information from the other (Fama, 1980).</td>
<td>* If a principal is threatened by negative media coverage, it is motivated to monitor and police agent behaviour (Mason, et al., 2006).</td>
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<td></td>
<td>* Principals will not know the limitations of the agent’s abilities until they have observed the agent’s behaviour and measured performance outcomes (Eisenhardt, 1989).</td>
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<table>
<thead>
<tr>
<th>RESULTS</th>
<th>Key Olympic Performance Issues</th>
<th>Key Communication Management Issues</th>
<th>Key Roles &amp; Responsibilities Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSO related issues</td>
<td>Dependence on federal government HP funding – sustainable success (NSOa1; NSOa2; NSOb1; NSOd1; AIS1; AIS5; ASC 1; ASC6)</td>
<td>Managing competing demands of stakeholders (AIS4; NSOa1; ASC1)</td>
<td>Lack of agent autonomy (NSOa1; AIS4; AIS5; ASC7)</td>
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<tr>
<td></td>
<td>Lacking skills and expertise to effectively drive HP programs (AIS1; ASC2; ASC5; ASC7)</td>
<td>Time allocated to ASC and ministerial requests (ASC1; ASC2; ASC10; NSOd3; NSoe2; NSOb1)</td>
<td>Hindered by board operations and governance (ASC1; ASC2; ASC3; ASC7; NSOd1; NSOb2; NSOe2)</td>
</tr>
<tr>
<td></td>
<td>Pressure to achieve Olympic success – or lose funding (NSOa1; NSOa2; NSOb1; NSOb2; NSOe2)</td>
<td></td>
<td>NSOs want accountability and clear performance measures (NSOa1; NSOb1; NSOe2)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RESULTS</th>
<th>No clear federal government HP sport objectives and goals (ASC2; AIS5; AIS1; NSOa1; NSOa2; NSOd1)</th>
<th>Lack of timely decision-making (NSOe1; NSOa1; NSOb1; NSOe2; ASC1; ASC2)</th>
<th>No clear delineation of ASC &amp; AIS roles (NSOa1; NSOc2; NSOe2; other2; AIS4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASC &amp; AIS related issues</td>
<td>ASC risk-averse (ASC1; ASC10; NSOa1; NSOe1; AIS4; AIS5)</td>
<td>Bureaucratic structure / political influences (NSOe2; NSOb1; NSOc1; AIS1)</td>
<td>Continual structural and procedural changes (ASC1; ASC2)</td>
</tr>
<tr>
<td></td>
<td>Lack of accountability, responsibility and reporting processes (NSOa1; NSOd2)</td>
<td>ASC should not be advisor &amp; auditor (ASC2; NSOa1; NSOb2)</td>
<td>ASC trying to achieve too much (AIS5; AIS1; AIS4; NSOc2)</td>
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<tr>
<td></td>
<td>ASC requires clearer focus and vision regarding elite sport performance (NSOa1; NSOb1; NSOa2; NSOe1)</td>
<td>Lack of national collaboration and ASC leadership of system (NSOe3; NSOd2; AIS4; Other2)</td>
<td>One governance model approach for all NSOs is not the best model (NSOd2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AIS meeting the needs of NSO HP staff (ASC10; ASC7; NSOd3; NSOe2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AIS is the best organisation to service NSO HP programs (ASC2; NSOe2; NSOd1; AIS6; AIS4; ASC10)</td>
</tr>
</tbody>
</table>
7.6 Chapter Summary

This chapter presented the research findings and used agency theory to explain the ASC-NSO relationship. The findings were discussed under the research sub-questions. The key issues identified included: different and sometimes conflicting roles and responsibilities of organisations; broad government sport policies; constant restructures and system changes; and the limited capacity and capability of the organisations (both ASC and NSOs) to achieve the desired goals.

Agency theory highlighted the importance of: aligning principal and agent goals; monitoring and motivating agent behaviour; highlighting principal opportunism; and overcoming information asymmetry within the principal–agent relationship. In addition, the literature emphasised the complexity of the Australian sports system, identifying that NSOs have many stakeholders that influence their performance outcomes. Agency theory provided an explanation for the perceived issues that were identified by respondents as impacting the ASC–NSO relationship.

Chapter Eight will provide a conclusion to the thesis and return to the overarching research question. It will highlight the practical and theoretical contributions this research has made.
Chapter Eight: Conclusion

8.1 Chapter Overview

This final chapter provides an overview of the key research findings and theoretical contributions made by this thesis to the knowledge of high performance sport management and governance. The chapter outlines how agency theory can be used to understand relationships between non-profit sport organisations and government institutions. Contributions of this research to agency theory will be presented. Suggestions on how the ASC and NSOs can better manage their relationship in order to improve sport policy are provided as practical implications of this research. The chapter concludes by providing recommendations for future research on this topic.

Due to the continuing changes within the Australian high performance sport system, this chapter includes an afterword to provide a brief summary of the changes that have occurred after the period of data collection. These changes relate to the ASC–NSO relationship following the disappointing performances of the Australian Olympic Team in the London 2012 Olympic Games as well as the presentation of these research findings to ASC and AIS executives.

8.2 Overview of the Key Findings

This research investigated the relationship between the ASC and five Australian Olympic NSOs to determine respondents’ perceptions of the effect the management of the ASC–NSO relationship has on Olympic performance. A review of the literature highlighted the roles the ASC, the AIS and the NSOs play in Australia’s high performance sport system, while also identifying the varying degrees of power and influence of each organisation. The ASC, as an agent for the federal government, was the organisation predominantly analysed due to the central power and significant influence it maintains over the Olympic NSOs.

The ASC-NSO relationship was examined through an agency theory lens. Agency theory highlights the dominant role a principal plays in an agency relationship. The theory was used to analyse the ASC–NSOs relationship to provide an explanation of behaviours that occurred in the management of this relationship.
The federal government, through the ASC, is heavily involved in high performance sport in Australia. This thesis aimed to determine how the federal government’s involvement in, and regulation of, high performance sport potentially affected Olympic performance outcomes. Houlihan (2013) argued that it is unlikely there is any government in the developed world that does not regulate high performance sport in some way. However, this ubiquitous involvement in the high performance sport area has not been extensively researched. For example, there is scant literature or research associated with the Australian Government’s involvement in the management and monitoring of Olympic NSOs. As a result, literature was examined that researched other nations who have similar sporting structures as Australia, such as the UK and Canada, in order to support the research findings with similar examples of issues arising from government involvement in high performance sport.

This study investigated five case Olympic NSOs: Athletics Australia, Cycling Australia, Rowing Australia, Swimming Australia and Yachting Australia. These organisations were chosen as they represented the top five government-funded multi-event Australian Olympic sports. The NSOs have had previous success at the Olympic Games and were expected to be successful at the London 2012 Olympic Games. As indicated in Table 5.1, several of the case NSOs did not meet the expected performance outcomes. The findings of this research suggested some possible management causes that may have been related to Australia’s poor performance at the London 2012 Olympic Games.

In order to investigate the relationship between the ASC and the case Olympic NSOs, the following research question was formulated:

*How do ASC and NSO high performance staff perceive the relationship between the ASC and NSOs and its effect on Olympic performance?*

To answer this question, three sub-questions pertaining to the ASC–NSO relationship were developed. More specifically, the questions addressed perceived issues surrounding the relationship between the ASC and the Olympic NSOs and how these issues impacted Olympic performance:
1. What are the perceived issues arising from the management of the ASC–NSO relationship?
2. How are these issues perceived to impact Olympic performance?
3. Why have these issues occurred?

To answer these questions, the study used three phases of investigation. Phase 1 collected and analysed organisational documents and media content in order to provide research background and context. Phase 2 involved the implementation and analysis of a self-administered questionnaire that investigated the perceived concerns and issues of ASC and NSO staff members in relation to the management of the ASC–NSO relationship. Finally, Phase 3 collected and analysed data through semi-structured in-depth interviews, with topics for discussion based on data identified in Phase 2.

Agency theory provided a lens through which to examine specifically: the behaviours of the ASC and the NSOs; the various means of communication between the organisations; and how the performance of each organisation was managed, monitored and evaluated. A key premise of agency theory is that the agents and principals may act opportunistically within the principal–agent relationship, especially if goals are not aligned and incentives are not strong enough to produce the desired outcomes (Fama, 1980; Jensen & Meckling 1976; Pratt & Zeckhauser, 1985). For example, the principal may demonstrate inappropriate behaviour that reduces the likelihood of the agent achieving the desired outcome. The findings of this research identified principal opportunism within the ASC–NSO relationship. In this case, the ASC withheld information and resources from the NSOs, thus potentially affecting the NSOs’ ability to achieve the ASC’s desired high performance sport outcomes, specifically the attainment of Olympic performance goals.

Additional agency concepts that were identified included: agent opportunism (Eugene Fama, 1980); monitoring agent behaviour (Jensen & Meckling, 1976); and contractual arrangements (Eisenhardt, 1989). These concepts were central to the analysis and discussion of the results as they provided explanations for why the issues in the ASC–NSO relationship occurred. Furthermore, agency theory provided potential solutions to overcome the identified issues in the ASC–NSO relationship and reinforce good governance behaviours.
8.2.1 Research Findings and Conclusions

The relationship between the ASC and the NSOs was perceived by respondents to be affected by issues associated with the management and governance of the ASC and the NSOs. Confusion regarding the ASC’s and the AIS’s roles and responsibilities, a lack of clarity in goals and high performance direction by the ASC, and the lack of high performance expertise, were identified as factors hindering NSOs’ operations. As a result, these factors affected NSOs’ Olympic preparations and performance outcomes.

The research findings and conclusions are presented briefly below under the a priori codes identified through Phase 1 of the research: Olympic Performance; Communication; and Roles and Responsibilities.

Olympic Performance

A concern for all respondents was the inability of the NSOs and the ASC to sustain the successful Olympic performances that Australia is renowned for. The literature indicated Olympic success is becoming harder to achieve as more nations are now competing in the Olympic Games and more nations are winning Olympic medals, especially gold. It was acknowledged that all successful sporting nations have well-developed elite sport systems and an influx of high performance funding (De Bosscher et al., 2006; Houlihan, 2013). Therefore, all respondents agreed that Australia should modify its high performance sport system and governance structures if it aims to continue achieving successful Olympic results.

The President of the AOC, John Coates, stated that existing ASC funding levels to NSOs were sufficient and suggested NSOs need to work ‘smarter and harder’ (Lane, 2012). The NSO respondents were aware that the NSOs must change their operational practices if they are to achieve success in the future. The findings suggested that the ASC should also modify the way it operates in order to promote excellence in high performance sport by rewarding success and making sports more accountable for poor performances, thus investing more strategically in NSOs. Respondents believed that the ASC currently invests in too many sports, even those not contributing to the Olympic medal tally. Likewise, respondents believed that the ASC should separate the policy interests of mass participation and elite sport in order to be successful in both.

The ASC was seen as hesitant to publicly display key performance indicators for its high performance sport investments due to the potential backlash the government
would receive if performance targets were not met. The ASC was perceived to be overly reactive to requests from the Minister for Sport (and the federal government) and therefore, protecting the public image of the Minister was seen as a priority for ASC staff over the attainment of NSO performance outcomes.

Communication

The ASC’s bureaucratic processes were seen as a constraint to the organisation’s ability to make difficult decisions. This was seen by NSO respondents as the biggest factor affecting the ASC–NSO relationship in relation to Olympic performance. The timeliness of decision-making was also an issue and the findings suggested confusion within the ASC regarding who had responsibility for making important and often difficult decisions. This confusion was a problem as organisations needed to know who had the power to make decisions (Putnam, 1976). To overcome this problem, many NSO staff tried to bypass the ASC and work directly with the AIS high performance staff, as they believed the staff at the AIS had a better understanding of the context of high performance sport and had authority to gain approvals quickly. In most cases, the AIS was the first point of call for many NSO staff requiring assistance, as they believed the AIS was proactive, efficient and could ‘make things happen’ (AIS4).

The findings suggested that NSO staff believed that the ASC made unrealistic demands of the NSOs. The demands were often linked to ministerial requests that required immediate action from the NSOs, with the ASC giving little explanation of the reason for the task. The NSO respondents believed the disruption of their day-to-day high performance sport operations in order to address the ASC demands impaired their ability to do their job effectively. However, NSO respondents complied with the requests of the ASC, as they ‘understand which side their bread is buttered’ (NSOb1), thus ASC requests were a priority for NSOs.

Many NSO respondents believed the dual role undertaken by the ASC as both auditor and advisor for NSOs was inappropriate. The ASC has the authority to reduce or remove funding if an NSO does not achieve the desired performance outcomes. The concern of NSO respondents was that the ASC promoted a collaborative approach but when success did not occur, it blamed the NSOs concerned, and they suffered the consequences. And yet, when results are achieved, the ASC (and the government)
claimed credit for the performance process. For these reasons, NSO respondents did not believe the ASC–NSO relationship was a collaborative one.

**Roles and Responsibilities**

The findings highlighted the close relationship that the ASC understandable has with the Minister for Sport and the federal government. Thus, the ASC was seen to have competing demands, goals and priorities which differed from those of the case NSOs. As a result, NSO respondents believed the ASC could not successfully promote excellence in high performance sport. It was highlighted that the ASC’s ‘sport for all’ focus conflicted with the aim of achieving international sporting success, as resources and funding distributed by the ASC became spread across too many sports and too many sport programs. In other words, NSO respondents believed the ASC was trying to do too much, and was trying to ‘be all things to all people’ (AIS5). The twin objectives of elite performance and participation overseen by the ASC were seen as being in conflict, and respondents believed this had an effect on NSO high performance sport operations and consequently, Olympic performance outcomes. According to Toohey (2010) this has been an ongoing issue for many years and ‘the battle for federal government resources and recognition between elite and recreational sport continues in Australia’ (p. 2776).

The lack of clarity in the roles and responsibilities of ASC high performance staff was linked to several structural and procedural changes that occurred within the ASC and the AIS in the period from 2009 to 2012. The change in the structural dynamics within each organisation, along with many staff acting in senior management positions, meant that not all of the NSOs were kept up to date with the ASC/AIS changes. Respondents believed that the roles and responsibilities of the ASC and the AIS staff needed to be simplified and clearly identified. One respondent observed: ‘The concept has to be around simplicity’ (NSOa2), with each organisation stating clear aims and objectives and clearly communicating the roles and responsibilities of key ASC/AIS personnel.

Finally, the capacity and capability of ASC and NSO staff were highlighted in the findings. The ASC staff were described by NSO respondents as bureaucratic, with minimal knowledge and experience of high performance sport operations. On the other hand, the ASC respondents did not believe the NSOs could successfully achieve Olympic results without ASC intervention. ASC respondents believed the NSOs still had ‘kitchen table operations’ and until the NSOs demonstrated professional and businesslike
approaches the ASC needed to continue to monitor and oversee their day-to-day operations. The differing views towards each other’s organisational capability and capacity were identified in the findings as a source of conflict that resulted in issues in the management of the ASC-NSO relationship.

Table 8.1 provides a summary of the key findings, highlighting the perceived issues associated with each organisation and how the issues impacted Olympic performance. Respondent statements from the ASC and the NSOs are also included in the table in order to highlight which respondents identified each specific issue.

Table 8.1  
Summary of key findings.

<table>
<thead>
<tr>
<th>NSO related issues</th>
<th>Olympic Performance</th>
<th>Communication</th>
<th>Roles &amp; Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Key Issues</td>
<td>Key Issues</td>
<td>Key Issues</td>
</tr>
<tr>
<td>Dependence on federal government HP funding – sustainable success (NSOa1; NSOe2; NSOb1; NSOd1; AIS1; AIS5; ASC1; ASC6)</td>
<td>Managing competing demands of stakeholders (AIS4; NSOa1; ASC1)</td>
<td>Lack of agent autonomy – does 'sport run sport?' (NSOa1; AIS4; AIS5; ASC7)</td>
<td></td>
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<tr>
<td>Lacking skills and expertise to effectively drive HP programs (AIS1; ASC2; ASC5; ASC7)</td>
<td>Time allocated to ASC and ministerial requests (ASC1; ASC2; ASC10; NSOd3; NSOe2; NSOb1)</td>
<td>Hindered by board operations and governance (ASC1; ASC2; ASC3; ASC7; NSOd1; NSOa2; NSOc2; NSOe2)</td>
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<tr>
<td>Pressure to achieve Olympic success or lose funding (NSOa1; NSOa2; NSOb1; NSOb2; NSOe2)</td>
<td>NSOs want accountability and performance measures in place (NSOb1; NSOa1; NSOd2)</td>
<td></td>
<td></td>
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<tr>
<td>No clear federal government HP sport objectives and goals (ASC2; AIS5; AIS1; NSOa1; NSOa2; NSOd1)</td>
<td>Lack of timely decision-making (NSOe1; NSOa1; NSOb1; NSOb2; ASC1; ASC2)</td>
<td>No clear delineation of ASC &amp; AIS roles (NSOa1; NSOc2; NSOe2; other2; AIS4)</td>
<td></td>
</tr>
<tr>
<td>ASC risk-averse (ASC1; ASC10; NSOa1; NSOd1; AIS4; AIS5)</td>
<td>Too bureaucratic / too much political influence (NSOe2; NSOb1; NSOc1; AIS1)</td>
<td>Continual structural and procedural changes (ASC1; ASC2)</td>
<td></td>
</tr>
<tr>
<td>Lack of accountability, responsibility and reporting processes (NSOa1; NSOd2)</td>
<td>ASC should not be both advisor &amp; auditor (ASC2; NSOa1; NSOb2)</td>
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<td></td>
</tr>
<tr>
<td>ASC requires clearer focus and vision regarding elite sport performance (NSOa1; NSOb1; NSOa2; NSOe1)</td>
<td>Lack of national collaboration and ASC leadership of system (NSOd3; NSOd2; AIS4; Other2)</td>
<td>AFC trying to achieve too much (AIS5; AIS1; AIS4; NSOc2)</td>
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<td></td>
<td>AIS meeting the needs of NSO HP staff (ASC10; ASC7; NSOd3; NSOd2)</td>
<td>One governance model approach for all NSOs is not the best model (NSOd2)</td>
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<tr>
<td>ASC &amp; AIS related issues</td>
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8.3 Theoretical Contributions

This section presents the theoretical contributions of this research. First, it details the contribution the research makes to knowledge in the field of sport management. Second, it discusses the contribution that agency theory can make to understanding relationships between non-profit sport organisations.

8.3.1 Contribution to the Knowledge on Sport Management and Sport Governance

The field of sport management has grown over the years, however very few researchers have completed studies examining high performance sport governance from an operational perspective involving federal government interventions. Sotiriadou and Shilbury (2009) stated: ‘Considering the increasing role that the interest groups, such as the ASC and the NSOs play in providing resources for elite athlete development, the lack of meso-level studies from an organisational perspective is surprising’ (p. 140). This research begins the process of examining the relationship between two key stakeholders in the Australian high performance sport system, the ASC and the five case NSOs, to explain why and how the relationship is managed, in terms of high performance, and the effects this has on Olympic performance. In doing so, the research identified issues associated with the management of the ASC–NSO relationship and this can contribute to a better understanding of the management of relationships between government and non-profit sport organisations.

Fletcher and Wagstaff (2009) stated that: ‘the way individuals are led and managed will become an increasingly important factor in determining an NSO’s success in Olympic competition’ (p. 433). Issues that emerged from this study highlight the importance of effective management and good governance structures operating for high performance sport organisations. The research reinforces the necessity for effective management of NSOs by the ASC, which has indicated that international sporting success is a key priority for the federal government.

Federal government involvement in sport has been examined extensively from a macro-level (Bergsgard et al., 2007; Green & Houlihan, 2006; Green & Oakley, 2001; Houlihan, 2013; Hoye, 2003), with the emphasis upon the government’s priorities across all sport policy. However, limited research has specifically examined governmental management of high performance relationships and how the government’s involvement
in high performance sport impacts Olympic performance. The literature is predominantly focused on the funding battle between elite sport and mass participation sport. Green (2007), Houlihan (2013) and Houlihan and Green (2008) have made significant contributions in this area, however they have focused the majority of their investigations on the UK and Canada. Green (2007) and Houlihan (2013) identified various motives for government involvement in elite sport and the consequences associated with their involvement. They believed a government will achieve non-sport policy objectives, such as health policies and national unity, from an involvement in elite sport. The findings of this research suggest elite sport performance may suffer as a result of government involvement, as government’s involvement in high performance sport programs potentially dilutes elite sport objectives and hinders the attainment of international sporting success. Therefore, one contribution of this thesis is its finding that better management of ASC–NSO relationship may contribute to improved international sporting performances by reducing the day-to-day ASC interference in NSO operations that are currently affecting Olympic performance outcomes.

There have been numerous studies that have examined the governance of NSOs, by investigating the boards of directors of non-profit sporting organisations (Ferkins & Shilbury, 2011; Ferkins et al., 2005, 2009; Sherry & Shilbury, 2009; Shilbury & Ferkins, 2011). However, little has been done to examine the relationship NSOs have with the ASC. As highlighted in the findings, the ASC assumes various roles in its relationship with the NSOs. For example, the ASC is: a funding and resource provider to the NSOs; a provider of knowledge and capacity-building; and an agent for the federal government which directs the NSOs to implement various national sport policies. Consequently, this research identified a direct correlation between management practices and elite athlete performance.

The research examined the varying levels of governance the ASC implements within the ASC–NSO relationship. It attempted to determine whether the government utilises its power through the control of resources to manage the ASC–NSO relationship and whether there was a collaborative approach in the ASC’s management of the ASC–NSO relationship. The concept of power and control by government is not new (Dahl, 1957; Hoye & Cuskelly, 2007; Stoker, 1998). Investigating how the government managed the relationship with NSOs through the use of power and the control of resources was an important aspect of this research. The findings confirmed that the NSOs
are dependent upon government resources to operate their high performance sport programs. However, the findings also indicated that the ASC regularly used its power and control of resources to manage NSO behaviour. To improve the management of the ASC–NSO relationship, the ASC should implement a collaborative governance system, whereby it steers and guides NSO behaviour, as opposed to controlling behaviour with power and authority. In addition, as stated by respondent QASCr4, ‘there needs to be greater recognition that the NSO, not the ASC, delivers [sport] outcomes and the ASC must support them [NSOs] to get the result.’ It appears that the ASC is acting as a service provider, instead of a government authority whose function is to assist those delivering sport services to the community.

Australia’s sports system is complex and it involves many stakeholders and according to Ferkins and van Bottenburg (2013): ‘none of these sport organisations can act independently of other sporting agencies’ (p. 116). The involvement of the AIS and the various SIS/SAS, plus the development of high performance sports clubs and sport academies around Australia, has added to the complexity of the system. As a result, the system lacks national collaboration, coordination and leadership (Crawford, 2009), with inter-organisational dependencies increasing.

Figure 7.1 (page 175) graphically presents the complexity of the Australian high performance sport system and also indicates the power relationships other high performance sport organisations have with the NSOs. The federal government, through the ASC, is the dominant organisation that controls funding and resources, and also drives sport policy direction and investment. Thus, the federal government and the ASC are represented at the top of the hierarchical model in Figure 7.1.

In the context of high performance sport, power relationships have been overwhelmingly ignored in the literature. By understanding power relationships, we are able to determine ‘who governs’ (Dahl, 1961). This research provided an understanding of how the ASC manages and governs NSOs in a complex sporting landscape, where power relationships, organisational influences and conflicting agendas affect high performance sport management. As a result, the NSOs have many competing goals and outcomes to achieve in order to satisfy their many stakeholders.

A perceived lack of coordination and collaboration and the lack of a national leader in Australia’s high performance sport system has created issues that have been mounting over many years (Crawford, 2009). At the London 2012 Olympic Games,
Australia again slipped down the Olympic medal table with performances meeting neither the ASC’s or AOC’s desired levels. This research suggested that more money is not the answer. Instead, one solution is that the ASC focus on developing a collaborative and effective relationship with the NSOs. Clearly there is a need for the ASC and the Olympic NSOs to better manage their inter-organisational relationships and organisational capability.

According to the respondents, restructures and ASC directives were reactive to sport performance or political pressures, and with no consideration as to the impact such changes would have on NSO operations. Each new restructure was portrayed as a better model for managing high performance sport; however, NSO respondents believed the ASC developed new initiatives without giving thought to the underlying strategy needed for their implementation and management. In addition, the new strategies and internal restructures were not given the time needed to be successfully implemented, as two to three major structural changes occurred within the ASC and AIS every four years.

The contribution of this research to sport management and the governance of sport extends findings by Fletcher and Arnold (2009) who concluded that: ‘in order to attain and sustain successful [international sporting] outcomes, initiatives need to be inspirationally led, effectively managed and competently executed’ (p. 427). The findings of this research demonstrated that the ASC’s high performance sport initiatives were sometimes poorly executed and ineffectively managed, and as a result they impacted NSO Olympic operations. This thesis has demonstrated a direct link between sport management and governance practices on one hand and Olympic performance outcomes on the other.

While generic factors contributing to Olympic success are well researched (De Bosscher et al., 2006; Houlihan & Green, 2008; Oakley & Green, 2001), Fletcher and Arnold (2009) have identified a gap in the literature, as management practices and inter-organisational relationships have yet to be acknowledged as a contributing factor to successful Olympic performances, and thus they have been under researched. Australia has a well-established high performance system (Sotiriadou, 2009), however, the evaluation of management and governance behaviours between sporting organisations has yet to occur. The complexity of the Australian sports system as presented in Figure 7.1, further demonstrates the need to effectively manage organisational relationships. It is
the inability of the NSOs to manage daily stakeholder demands that is impacting Olympic performance and the sustainability of Olympic success in the future.

This research has provided a useful framework for NSOs and the ASC/AIS to evaluate the management of their relationships, highlighting areas for improvement and emphasising the need to focus on competently executing nationally led strategies and initiatives, as well as directing funds and resources appropriately.

In summary, this thesis makes an important contribution to the sport management and sport governance knowledge base by addressing an identified gap in the literature. The current literature associated with sport management and sport governance generally examines organisational governance and sport management practices in non-elite sporting organisations. Very few studies have examined the management of the relationship between high performance sport organisations and government, and very few have been examined from an operational perspective. In alignment with the work of Fletcher and Arnold (2009) the findings of this research highlighted a direct correlation between the management/governance processes involved in the ASC-NSO relationship and their impacts on the attainment of successful Olympic performance outcomes. Furthermore, as depicted in Figure 7.1, the Australian high performance sport system is overly complex, with multiple stakeholders impacting NSO operations. This study proposes a simpler high performance sport system where NSOs can operate with more autonomy and with less political influence or pressure. A model for this system is presented in Section 8.3, which explains the practical applications of the findings of this thesis.

The next section presents the contribution of this research to the agency theory knowledge base in the context of non-profit organisations.

8.3.2 Contributions to the Agency Theory Knowledge Base of Non-Profit Organisations

Various external stakeholders have a significant influence over the ASC–NSO relationship examined in this thesis (see Figure 7.1). The findings of this research suggest that the principal–agent relationship is influenced by many external stakeholders, and as a result, the influence of these stakeholders may impact the desired outcome of an agency relationship. In this case, the NSOs had difficulty meeting the demands imposed upon them by the ASC, as many NSOs were attempting to meet requirements of external stakeholders. The findings of this research support agency theorists who have advanced
the understanding of agency theory relationships by investigating the social conditions in which the principal–agent relationship exists (White, 2008). Furthermore, the findings of this research emphasise the importance of external stakeholders and the social environment in which not-for-profit organisations exist. Using agency theory to examine the principal-agent relationship in the sport environment in Australia is a unique contribution made by this research. As a result, in the findings provide the opportunity to understand why potential opportunistic behaviour may occur in either the principal or the agent.

The application of agency theory highlighted that within non-profit sport organisations opportunistic behaviour by the agent may not be a result of agent shirking or self-interest. NSOs are limited in their capacity and capability to successfully complete all obligations required of them by the various stakeholders (Robinson and Minikin, 2011), and therefore, NSOs may not be deliberately acting out of self-interest within the principal–agent relationship, but instead may be struggling to meet the demands placed upon them by external organisations. Through the use of agency theory, this research has challenged the premise that agents will act in self-interest within a principal-agent relationship. The findings highlighted that the NSOs did not deliberately shirk responsibilities, but instead were unable to complete tasks due to lack of capacity and/or capability.

According to Shapiro (2005): ‘Agency problems on the agent side of the relationship are often mirrored on the principal side’ (p. 268). When agency theory is extended to examine principal behaviour, the agent is no longer presumed to be the cause of all the problems in the principal–agent relationship. This research demonstrated that opportunistic behaviour was evident on both sides of the ASC–NSO relationship. This finding provides a more comprehensive understanding of agency theory by broadening the simplistic view that all agents will act opportunistically, despite classic agency theorists who often portray the principal as being without fault (Dial & Zardkoohi, 1999). The contribution of these research findings to agency theory, challenges the classic notion that agents are inherently opportunistic.

Agency theory has been predominantly associated with the study of corporate organisations, where shareholders and owners have greater power over agents through the use of monetary rewards or sanctions. This research, however, suggests that government organisations also exert power through their control of resources. The NSOs are non-
profit organisations that rely heavily on the funding and resources they receive from the ASC. The threat of reduced funding or resources can be used by the ASC as an agency monitoring mechanism to ensure the NSOs achieve the principal’s desired goals. This research identified the influences of power within the agency relationship between the ASC and the NSO, whereby power was used by the ASC to manage NSO behaviour and align performance goals and outcomes. Limited research in the not-for-profit sector has utilised agency theory to understand the role of power of the principal. Moreover, the use of power by the principal in not-for-profit organisations was further identified in this research as a means of principle opportunism. Therefore, adding to the recent extension of agency theory that pays attention to principal behaviour.

Agency theory suggests that by identifying appropriate rewards and incentives for non-profit organisations, the principal will have greater control over agent behaviour (Mason & Slack, 2005). However, monetary incentives are not always possible in non-profit agency relationships, especially incentives in the form of individual payments to NSO employees. This research highlighted that non-monetary incentives can be effective within non-profit agency relationships. For example, the respondents believed a collaborative ASC–NSO relationship in which the NSOs have greater involvement in decision-making, planning, goal setting and performance evaluations would potentially encourage NSOs to work to achieve the ASC’s objectives. This finding is supported by Shaw and Allen (2006) who suggested that better collaboration may occur if incentives go beyond financial rewards and aim to promote a joint purpose. The contribution of this research to agency theory in the not-for-profit sector highlights the importance of non-monetary incentives, such as the inclusion of agents in decision making and planning; assists in aligning the principal and agent goals, while developing trust and understanding within the working environment.

Agency theory identified that contracts binding non-profit sport organisations are an appropriate tool to align the goals of the principal and agent. Contracts can be used as a monitoring mechanism and are implemented by the principal to ensure appropriate NSO behaviour (Eisenhardt, 1989). However, the findings of this research found that the contract is a valuable tool which agents can use to ensure that principals also fulfil their obligations. Agency theory argues that principals need to outline goals and objectives clearly in the agency contract so that, like the agent, the principal can be held accountable to performance outcomes.
The contracts implemented in the ASC–NSO relationship are outcome-based contracts. Outcome-based contracts are used when achieving the desired outcome is more important than the behaviour undertaken by the agent to achieve those outcomes (Eisenhardt, 1989). This research found that the relationship between the ASC and NSOs is rarely viewed as either outcome- or behaviour-based. However, this study found that the ASC distributed funding and resources to NSOs based predominantly on performance outcomes at significant international sporting events, with little acknowledgement of the behaviours that led to successful performances. This research suggests that: a) NSOs should not be evaluated solely on performance outcomes, as the behaviours required to achieve performance outcomes are expected and valued by the ASC and other external stakeholders in the Australian sport system; and b) NSO behaviour plays an important role in achieving performance outcomes, and therefore outcome-based (performance) contracts should include measures to ensure appropriate NSO behaviour occurs in the attainment of performance goals.

In conclusion, the theoretical contribution of this study can assist in achieving a better understanding of inter-organisational relationships between sport organisations and governments in similar contexts, by demonstrating the efficacy of agency theory as a lens in which to examine organisational relationships. Further, it provides a better understanding of how dominant organisations can manage and monitor behaviour using organisational power and the control of resources in order to achieve desired performance goals. No previous research in sport has examined both sides of a dyadic relationship in the not-for-profit sector, where behaviours of both principal and agent are examined.

Furthermore, acknowledging the various influences affecting agent behaviour can provide insight for principals, especially when evaluating agent performance against agreed outcomes. This thesis supports the assumption that ‘agency problems on the agent side of the relationship are often mirrored on the principal side’ (Shapiro, 2005, p. 268) and this has provided an effective means to examine the ASC–NSO relationship in order to find alternative rewards to motivate agent behaviours and align principal and agent goals.

Practical sport management implications for the ASC, AIS and NSOs will now be discussed.
8.4 Practical Applications

This research showed that the ASC–NSO relationship has had an impact on Olympic performance. Future improvements in Australia’s international sport performances require an improvement in the management of this relationship. The development of clear and consistent relationship management strategies is essential. As suggested by Arnold, Fletcher and Molyneux (2012):

If nations wish to maximise the likelihood of success at the Olympic Games, they must not only design and develop effective elite sport policies, they must also have the right personnel in place to lead and manage their Olympic programmes, competently respond to and address issues, and create, optimise and maintain a high performance environment (p. 318).

The findings highlighted a case for a significant change in the management and governance of NSOs. Respondents identified the AIS as the organisation most capable of providing leadership and advice to the NSO’s high performance sport programs. While the AIS is a division of the ASC, respondents believed it should have the capability and capacity to run autonomously, without undue daily political influence or the need to achieve government outcomes other than those required of elite sport programs. The AIS staff were perceived to be more experienced, empathetic and reactive to the high performance needs of the NSOs than ASC staff, making the AIS the most appropriate organisation to work with NSOs to achieve their high performance sport program objectives. Consequently, removing high performance sport management from the ASC portfolio may reduce the ASC’s conflicts of interest that currently occur due to the many roles the ASC undertakes. Likewise, with less diversity in its portfolio, the ASC can more productively focus on the areas of participation, sport development and coach education.

The research supported the agency theory premise that the inclusion of the agent in the decision-making process is advantageous to the achievement of the principal’s goals. Also, the findings showed that respondents believed NSOs should have input into how the ASC–NSO relationship is managed and evaluated. If an agent is involved in the development of the reporting, planning and evaluation processes, agency theory postulates agents are more likely to achieve the desired outcomes (Pratt & Zeckhauser, 1985). The NSO respondents supported the introduction of a collaborative approach to
working with the ASC/AIS to set performance targets and decide on the criteria against which NSO performances would be evaluated.

In the non-profit sporting sector, the principal needs to find incentives to motivate the agent to achieve common goals and to control opportunistic behaviour, as a compensation-based incentive is often not applicable (Jensen & Meckling, 1976). Therefore, the agent’s motivation is entwined with the goals and success of the organisation. So, if both organisations value the desired outcome of a partnership, the outcome may act as an incentive (Perrow, 1986). Thus, including the NSOs in the development of performance plans and evaluation is a worthwhile activity that could improve communication and collaboration between the two organisations.

Based on the results of this study, Figure 8.1 presents a potential model of collaborative governance for an improved NSO–AIS relationship that could potentially achieve better Olympic performance outcomes. The model has less hierarchical structures and a reduction of interference in NSO daily operations than the current model depicted in Figure 7.1. Moreover, in this new model, the NSOs have more autonomy in their daily high performance sport operations but still maintain a collaborative partnership with the AIS and SIS/SAS.
The contribution of the SIS/SAS network in Figure 8.1, should be collaboratively led by the AIS with the focus being on the attainment of the NSOs’ goals and high performance plan outcomes and not on individual SIS/SAS objectives, as respondents believe is the case currently. The system may then be transformed into a unified national sport system with stakeholders working together more effectively to achieve national outcomes.

In this model, the influence of the federal government, the Minister for Sport and the ASC would be redirected towards the AIS. The AIS should aim to shield NSOs from the political influences that were identified as impacting NSOs’ daily operations. Thus, the NSOs would work with the AIS directly and have minimal communication and interference from external government agencies. There would be a limited number of organisations involved in the decision-making processes and this would reduce indecision, minimise conflicts of interest and diminish the existing competing priorities and objectives placed on the NSOs. The proposed model would potentially improve: the
clarity of roles and responsibilities; the collaborative relationships between main stakeholders; and the understanding of the high performance environment by the AIS, the recognised high performance sport experts.

The success of the model would rely on the AIS monitoring the NSO high performance plans. As the ASC would still contribute the majority of NSO funding, accountability and reporting processes must be in place so that the AIS can report back to the ASC and the federal government as required. An alternative solution would be for the ASC to hand over funding responsibility to the AIS, which would then allocate and distribute funds to the NSOs. However, this would again raise a concern that the AIS would then (as the ASC currently does) act as both an advisor and an auditor, a dual role identified in this research as a conflict of interest.

While the proposed model aims to minimise external stakeholder influences and reduce political pressures on NSOs’ daily operations, it must be noted that the Australian Federal Government is the primary investor in NSO high performance sport programs. The relationship between the ASC/AIS and NSOs will continue to be crucial in Australia’s high performance sport system for as long as the federal government continues to invest heavily into NSO high performance sport operations. Government involvement in high performance sport is politically beneficial, as sport is used to drive many policy areas in health and education (Green & Collins, 2008; Houlihan, 2005). Therefore, the outcomes of this research can assist in the improvement of governance models and management practices so that they limit the political influence and negative impacts that were found in this research to affect NSO high performance sport operations and consequently Olympic performance outcomes.

Practitioner recommendations are summarised in Table 8.2 below, under the a priori codes of Olympic Performance; Communication; and Roles and Responsibilities. The summary suggests ways to potentially overcome the perceived issues in the ASC–NSO relationship that were identified by respondents.
Practical recommendations following the identification of perceived issues in the ASC–NSO relationship.

<table>
<thead>
<tr>
<th>Practical recommendations</th>
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<tbody>
<tr>
<td><strong>Olympic Performance</strong></td>
</tr>
<tr>
<td>* ASC to set and publish clear high performance sport goals and objectives.</td>
</tr>
<tr>
<td>* ASC/AIS to establish a nationally-focussed high performance system that collaboratively aims to achieve NSOs’ high performance outcomes.</td>
</tr>
<tr>
<td>* AIS to manage and govern NSO performance through clearly articulated accountability processes and management frameworks.</td>
</tr>
<tr>
<td>* Allow new ASC/AIS management structures and performance processes sufficient time to prove effective before restructures and staffing changes.</td>
</tr>
<tr>
<td><strong>Communication</strong></td>
</tr>
<tr>
<td>* Separate ministerial duties and high performance management tasks (ASC/AIS).</td>
</tr>
<tr>
<td>* ASC to act as auditor of funding allocation and hold NSOs accountable for funding and performance expectations.</td>
</tr>
<tr>
<td>* Utilise business professionals and expertise from other organisations to mentor NSO CEOs and NPDs.</td>
</tr>
<tr>
<td>* ASC/AIS to maintain consistent communication and clear direction in relation to high performance sport.</td>
</tr>
<tr>
<td><strong>Roles &amp; Responsibilities</strong></td>
</tr>
<tr>
<td>* Identify clear roles and responsibilities of each organisation and its staff.</td>
</tr>
<tr>
<td>* Justify any restructure and procedural changes, seeking input from all key stakeholders.</td>
</tr>
<tr>
<td>* ASC to fill vacant positions quickly and reduce the number of staff ‘acting’ in higher level roles.</td>
</tr>
<tr>
<td>* ASC to be less politically reactive to external pressures and demands.</td>
</tr>
<tr>
<td>* Determine strategic guidelines for investment into NSOs.</td>
</tr>
<tr>
<td>* AIS to be leaders and operate relationships with all NSO high performance program. AIS to act as advisor to NSOs.</td>
</tr>
</tbody>
</table>

The next section will discuss the limitations of the research and how these limitations impact the research findings.

### 8.5 Limitations of the Research

There were two research limitations identified. First, the case study design that aimed to elicit a detailed understanding of the complex relationship between the ASC and NSOs is inherently limited in its ability to produce generalised findings (Tashakkori & Teddlie, 1998). The research examined the top five funded NSOs as case studies. The findings highlighted discrepancies in how the NSOs operate, and thus each NSO had individual issues in its ASC–NSO relationship. Instead, case study research involves the intensive study of single or multiple cases in an attempt to identify a defined phenomenon...
(Yin, 2011). The findings from the case NSOs cannot claim to have identified all conditions, issues or outcomes that affect the ASC–NSO relationship. All NSOs are different, with differing priorities, differing internal and external pressures and varying governance structures. This should be taken into account when attempting to understand the NSOs’ relationships with other organisations, such as the ASC, and also when attempting to understand an NSO’s day-to-day operations. Thus, the generalisability of the findings across all Australian NSOs may not be applicable, especially to those receiving significantly less funding from the ASC than the case NSOs used in this study, and those NSOs who do not compete at the Olympic Games. The findings of this Australian-based study may have limited applicability to other nations. However, nations with similar high performance sport governance structures, such as the UK and Canada, may identify with some issues that emerged from the research findings.

Generalisability of the research findings was not an objective of this study. The findings of this research contributed to knowledge of the ASC–NSO relationship and highlighted general issues and concerns with management and governance styles of the ASC and the NSOs.

The second limitation of this research was that opinions, views and attitudes were collected from ASC, NSO and AIS respondents at a single point in time. The research is cross-sectional and therefore no follow-up interviews occurred to assess whether opinions and attitudes were consistent over time. The data was gathered at a time of change and restructure within the ASC and the AIS, potentially influencing the respondents’ opinions. The use of agency theory aided in overcoming this limitation, as agency theory provided a framework with which to understand the ASC–NSO relationship. It did so by identifying underlying issues within the ASC–NSO relationship and providing strategies to resolve emerging issues. Thus, the findings are not necessarily constrained to particular times or places, but are relevant to understanding the ASC–NSO relationship.

In summary, the methodological design of this study aimed to eliminate or minimise the impact of the limitations described. However, the limitations identified in this section may provide scope for future research and potentially advance academic understanding of high performance sport organisational relationships, such as the ASC–NSO relationship.

The next section will provide an outline of new research initiatives, as well as research that builds upon the findings presented in this thesis.
8.6 Future Research

The interaction between the ASC and NSOs has had limited research attention to date and none that suggests that the ASC–NSO relationship may impact Olympic performance. This section presents three suggested future projects that examine organisational relationships within the high performance sport system.

First, the Australian Federal Government’s more general involvement in elite sport could be examined. The current academic literature regarding government’s involvement in high performance sport is often not relevant to Australia. It does not identify the link between non-sport policy factors and international elite sport success. The research could investigate why the federal government is so closely involved in the day-to-day running of high performance sport organisations and it could investigate what outcomes the government values the most in its relationship with sport organisations.

A second project could investigate the impact that the Australian Federal Government’s involvement in high performance sport is having on sport participation and sport development. As noted in this research, government’s dual policy objectives of elite sport and mass sport participation impact the outcomes of elite sport programs. Therefore, future research could replicate this study to determine if the involvement of the ASC in sport participation impacts NSOs’ desired participation outcomes. Furthermore, it could include an investigation into whether or not elite sport success increases sport participation and vice versa.

Finally, a third project that extends the findings of this thesis could track the implementation of the latest high performance program that was recently released by the ASC in 2012 (‘Australia’s Winning Edge’). This proposed research could interview the same case NSOs that were examined in this thesis to determine what effect the change of governance and management systems has had on them. The research could identify what issues exist in the new AIS–NSO relationship and it could also assess how respondents perceived the involvement of the ASC in the new structure. As noted, funding to NSOs in Australia is not predicted to rise significantly, so tracking athletes’ results can determine if the new relationship between the AIS and NSOs has affected overall sport performance results. In addition, increasing the number of NSOs examined in future research to include single-event NSOs (i.e. hockey) and also those NSOs not predicted to medal at
the Olympic Games. This may result in the identification of varying issues between each NSO and their relationship with the ASC.

In summary, constant changes of government policy, funding levels and sport priorities ensure opportunities for further research on this topic. Furthermore, the ASC in its recent sports plan, ‘Australia’s Winning Edge’, emphasised the use of evidence-based research to drive the direction of management systems and the governance of high performance sport programs in Australia. Therefore, the need to implement follow-up research to evaluate the current changes of governance and management systems implemented by the ASC is relevant to practitioners in the Australian high performance sport system as well as sport management academics.
Afterword

‘Australia’s Winning Edge’ (AWE), released by the ASC in December 2012, is the new high performance plan for the ASC and the AIS. The ASC and the AIS made significant changes to their structure and functions, following disappointing results at the London 2012 Olympic Games. The new plan implemented several of the key recommendations of this research.

The AWE plan is about ‘engaging, uniting, inspiring and motivating all Australians’ (p. 1) and includes the following priorities:

- Investing for success.
- Planning to perform.
- Providing the right support.
- Good governance and capability.
- Evidence-based decisions.

The most important change relevant to this thesis was the transfer of national high performance management and governance to the AIS, as recommended in the findings of this research. The AIS now has responsibility to work with Olympic NSOs in order to achieve the government’s desired Olympic performance outcomes. The AIS will be responsible for building NSO capability and capacity, and for devising systems and structures to monitor NSO behaviour and performance.

In line with the AWE plan, NSOs are currently preparing performance case submission in order to attract maximum funding from the AIS for the next 10 years. Their submissions must include: the NSO’s current status (i.e. performance results); future ambitions (goals, KPIs); resources required to reach the goals; and finally, strategies to achieve the goals. As the AWE plan has only just been implemented, no formal feedback on the plan has been recorded. However, the ASC/AIS has stated clearly its international medal performance criteria and they include two KPIs important to this research. The KPIs for the AIS are:

- Top-five nation at the next two Summer Olympic Games (2016 & 2020)
- Attain 20 World Championship medals per year (in significant sports such as swimming, rowing, cycling).

The plan also highlights reasons why international sporting success matters to the federal government:
High performance success is not only good for our athletes and our sense of national pride; it also contributes to other important Government objectives in areas such as participation, economic development, health and education.

While Australia’s Winning Edge is focused on high performance sport, the connection this has to grassroots participation is well established. Participation will continue to be a key focus area for Australian, state and territory governments (p. 3).

There is no mention in the document of the government’s plan for mass participation, or of research supporting the benefits of international sporting success on a nation. Nor does the plan include information on how the AIS will implement and manage the new AWE initiative.

The release of the AWE plan validates the findings of this research, as the ASC has acknowledged that it is not the most suitable organisation to manage NSO high performance programs. Furthermore, the release of ‘Australian Winning Edge’ indicates that the federal government realised the importance of effective ASC, AIS and NSO relationships as a means to meet the agreed Olympic performance targets.
References


Australian Institute of Sport. (2011a) AIS Update - NSO CEO Workshop.


Appendix A: List of Documentary Evidence Collected

This appendix contains the documentary evidence collected and analysed in this study. The documents are arranged into five categories as displayed in Chapter Four, Table 4.4.

1. Annual Reports

The following annual reports were accessed during this research project. The documents were accessed via the organisation’s website or received as a hard copy from the organisation directly.

Australian Olympic Committee

Australia Sports Commission

Athletics Australia

Cycling Australia

Rowing Australia

Swimming Australia
Yachting Australia


2. High Performance Plans and Strategic Plans

*Australian Olympic Committee*


*Australian Sports Commission*

- ASC Annual Operational Plan 2011-2012
- Investing in Green and Gold – A National High Performance Strategy (2011)
- Australia’s Winning Edge (AWE) (2012)

*NSO High Performance Plans and Strategic Plans*

- Athletics Australia Strategic Plan 2009-2013
- Cycling Australia Strategic Plan 2009-2013
- Cycling Australia High Performance Plan 2010-2012
- Yachting Australia Strategic Plan 2009-2013
- Rowing Australia Strategic Plan 2009-2013
- Rowing Australia High Performance Plan 2010-2012

3. Websites

The following websites were checked periodically between January 2010 and December 2012 in order to collect data from annual reports, strategic plans, Olympic performance results, Olympic performance indicators, planning, reporting and results.

- Cycling Australia - [www.cycling.org.au](http://www.cycling.org.au)
- Swimming Australia Ltd - [www.swimming.org.au](http://www.swimming.org.au)
4. Government and Other Documents

Various ASC and AIS documents were analysed for this study. Many of the ASC documents were received as an employee of the ASC. Thus they were insider information. Additional documents such as reviews and from other sport organisations were also accessed from websites.

ASC Documents

- Governing Sport – The Role of the Board (2005)
- Good Governance Principles (2012)
- Submission to the Commonwealth Government’s Independent Review of the Sport in Australia (2009)
- Eligibility Criteria for the Recognition of NSOs by the ASC 2009-2013
- Australia Sport: The Pathway to Success (2010)
- Annual National Assessment (2011)
- National Sport and Active Recreation Policy Framework (2011)
- Australia’s Winning Edge (2012)

Other Documents

- NESC – National Institute System Intergovernmental Agreement (NISIA) 2011
- Crawford Report – 2009
- Submissions to the Crawford Report (reviewed online) from various individuals and organisations.

5. Media Sources

There were various sports media websites accessed through the study that reported on NSO performance, ASC and AIS operations and Olympic issues. These included:

Ninemsn                  www.ninemsn.com.au
Fox Sports               www.foxsports.com.au
ABC News                 www.abc.net.au
Sydney Morning Herald   www.smh.com.au
The following are links to articles sited in the research paper:


Appendix B - NSO Questionnaire

Qualtrics Survey Software

Introduction

Maximising Olympic Performance: A Framework for understanding the ASC and NSO relationships.

Dear Participants,

You are being invited to complete an on-line questionnaire concerning your opinions, attitudes and understanding of your organisation's relationship with the Australian Sports Commission (ASC). The questionnaire will take approximately 20 minutes to complete.

This survey is part of a PhD research project which examines the relationship between the ASC and Olympic bodies in order to determine the impact the relationship has on Olympic Performance. Further, the research will provide a Framework highlighting the strengths and weaknesses of the relationship, and make recommendations in an attempt to maximise Olympic performance. The survey is guided by questions concerning your role in your current organisation and your attitudes and opinions regarding various organisational relationships.

Please remember that your participation in this study is voluntary. You can withdraw from the study at any time without any comment or penalty. There are no risks to you by participating in this study. No personal identifiable details will be collected in this questionnaire and personal details will not be linked with your responses.

The return of a completed questionnaire will be accepted as an expression of consent.

Thank you very much for your time and support!

Lisa Gouthorp
PhD Candidate

Use the arrow key on the bottom of the page to commence the questionnaire.

Alternatively, please click on the link below to view further ethical information followed by the arrow key.

Review further ethics information

Maximising Olympic Performance: A Framework for understanding the ASC and NSO relationships.

Griffith University Research Team:

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This is an anonymous survey and at no point will respondents be identifiable by the data collected. Any personal information collected will not be disclosed to third parties without your consent, except to meet government, legal or other regulatory authority requirements. However, your anonymity will at all times be safeguarded. For further information consult the University’s Privacy Plan at www.gu.edu.au/iaa/privacy or telephone +617 9735 6950.

9/04/2013
An appropriate and timely result summary of this research can be obtained if you email the researcher requesting research results. If you have any questions regarding this research, please feel free to contact the researchers using the contact details provided above.

Griffith University conducts research in accordance with the National Statement on Ethical Conduct in Human Research. If you have any concerns or complaints about the ethical conduct of the project, please contact the Manager, Research Ethics on +617 3735 5585 or research.ethics@griffith.edu.au.

The approval reference for this research is HSL/J5/10/HREC.

What is your current role in your organisation?

- CEO
- National Performance Director
- High Performance Manager
- Program Manager
- High Performance Officer
- General Manager
- Administrator

Other (please indicate)

How long have you been working at your organisation?

- Less than 1 year
- 1 - 2 years
- 3 - 5 years
- 6 years +

What are your key responsibilities?


What percentage (%) of your work load is related to assisting your sport achieve Olympic success?

<table>
<thead>
<tr>
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<th>10</th>
<th>20</th>
<th>30</th>
<th>40</th>
<th>50</th>
<th>60</th>
<th>70</th>
<th>80</th>
<th>90</th>
<th>100</th>
</tr>
</thead>
</table>

Slide the bar to desired %

mhtml://file:\\PhD\FINAL 2012\Qualtrics Survey NSO.mht 9/04/2013
NSO Information

In relation to your NSO’s Board of Directors and their involvement in high performance sport operations, please indicate whether you agree or disagree with the following statements:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Unsure/Neither</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Board comprises of volunteer members</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The CEO plays a major role on the Board</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The Board is inexperienced and lacks the knowledge to make important decisions</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The Board is well informed in order to make good decisions</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The ASC has no influence over the Board</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Important decisions regarding the high performance program are made by the Board</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The Board do not understand high performance sport</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The performance of my NSO could be improved if we had a new Board</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The ASC should ensure all Boards are qualified and experienced</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The Board plays an important role in achieving Olympic success</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

Communication

The following questions relate to the communication you have with the ASC. In this instance, communication is any form of information sharing (or information requesting) that may occur between yourself and the ASC.

How would you describe the direction of information sharing between yourself and the ASC?

☐ Most information is from me to the ASC
☐ It is about the same - equal communication both ways
☐ Most information is from the ASC to me
☐ There is no information shared

On average, how often do you communicate with the ASC?

☐ Never
☐ Less than Once a Month
☐ Once a Month
☐ 2-3 Times a Month
☐ Once a Week
If you do communicate with the ASC, what would you say are the main reasons for your communication with the ASC?

Please indicate whether you agree or disagree with the following statements regarding the communication you have with the ASC.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Unsure/Neither</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The ASC demands too much information from me</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Most of my time is spent dealing with ASC communication requests</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ASC provides timely communication</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ASC expects immediate responses to their communication requests</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have difficulty meeting ASC communication requests</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ASC clearly defines what information they require from me</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Communication from the ASC is sometimes ambiguous</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>There is often no feedback on the information I provide to the ASC</td>
<td></td>
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</tr>
<tr>
<td>I am given detailed instructions in the ASC's request for information</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have a solid understanding of all ASC's information requirements</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>The ASC shares information willingly with me</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I believe the ASC is very collaborative</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What positive aspects are there in relation to your communication with the ASC? How is this encouraged?

What are the most difficult aspects in relation to your communication with the ASC? Why do you think this
happens?

In relation to information sharing and fulfilling information requests, do you believe your communication with the ASC can be improved? If so, how?

ASC Roles and Responsibilities

The following questions relate to the roles and responsibilities of the ASC. Your understanding and knowledge of the roles and responsibilities of the ASC are sought after in relation to your expectations of the ASC and its current structure.

In relation to high performance sport, what would you say is the most important focus of the ASC? (Rank items 1-10, with 1 the most important focus and 10 being the least important focus). In the second column, rank the items that you feel the ASC believe are the most important focus.

<table>
<thead>
<tr>
<th>Role of ASC - What you believe is most important</th>
<th>Role of the ASC - What the ASC believes is most important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank 1-10</td>
<td>Rank 1-10</td>
</tr>
<tr>
<td>To provide funding to NSOs</td>
<td></td>
</tr>
<tr>
<td>To facilitate Olympic success</td>
<td></td>
</tr>
<tr>
<td>To ensure NSOs have appropriate pathways for athletes</td>
<td></td>
</tr>
<tr>
<td>To provide support to NSOs via capacity and capability building</td>
<td></td>
</tr>
<tr>
<td>To be a generator of ideas and innovation</td>
<td></td>
</tr>
<tr>
<td>To solve problems for NSOs</td>
<td></td>
</tr>
<tr>
<td>To oversee government high performance sport spending</td>
<td></td>
</tr>
<tr>
<td>To facilitate collaboration and consensus across the high performance sport sector</td>
<td></td>
</tr>
<tr>
<td>To facilitate relationships with various stakeholders on behalf of the NSO</td>
<td></td>
</tr>
<tr>
<td>To oversee and govern NSOs</td>
<td></td>
</tr>
</tbody>
</table>

Is there another area of focus that you believe is important and should be the responsibility of the ASC?
What roles and responsibilities do you believe the ASC performs well in relation to assisting your organisation achieve its high performance goals?

What roles and responsibilities do you believe are not performed well or should be performed by the ASC in relation to assisting your organisation achieve its high performance goals?

Please indicate whether you agree or disagree with the following statements regarding the roles and responsibilities of the ASC in relation to your organisation’s business activities.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Unsure/Neither</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The ASC works to build capability and capacity within our organisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ASC should not be involved in Olympic preparations</td>
<td></td>
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</tr>
<tr>
<td>Our NSO can run independently of the ASC</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>The ASC is a generator of ideas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ASC dictates how we spend our money</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ASC does not provide our NSO the administration support we need</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Our organisation could be more effective without the ASC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ASC is involved in all decision making</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ASC oversees all our spending</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ASC is only concerned with Olympic success</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ASC can pretty much dictate how we do our jobs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ASC should be a leader for the whole sport system</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ASC has control of our operations as they hold the money</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ASC should oversee all NSO</td>
<td></td>
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</tr>
</tbody>
</table>

9/04/2013
What do you believe should be the primary focus of the ASC in relation to assisting your organisation achieve Olympic success?

Are you aware that the ASC has had a recent restructure? If so, how do you believe this will affect your organisation?

Relationship

The following questions relate to your working relationship with the ASC in order to determine the effectiveness of this relationship. In this instance your working relationship refers to any communication, information, expectations and the quality of contact you have with the ASC.

Please indicate whether you agree or disagree with the following statements regarding your relationship with the ASC.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Unsure/Neither</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I personally have a good relationship with the ASC</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td></td>
</tr>
<tr>
<td>The ASC shares information openly with my organisation</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td></td>
</tr>
<tr>
<td>I trust the ASC</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td></td>
</tr>
<tr>
<td>I believe my organisation has a good relationship with the ASC</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td></td>
</tr>
<tr>
<td>The ASC 'bend over backwards' to strengthen our relationship</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td></td>
</tr>
<tr>
<td>The ASC has significant influence on my organisation's operations</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td></td>
</tr>
</tbody>
</table>

mhtml://H:\PhD FINAL 2012\Qualtrics Survey NSO.mht 9/04/2013
The ASC is always there to assist me
There are too many levels of governance in decision making processes
The ASC supports my organisation's ideas and initiatives
The ASC understands my sport
The ASC works in the interest of my organisation
The ASC shares information openly with me
The ASC has conditions attached to any funding allocations
Our relationship involves joint decision making
The ASC dictates how we spend our money
I understand what the ASC expects from me
I have high expectations from the ASC in assisting my NGO achieve Olympic success

What do you believe is the best thing about your organisation's relationship with the ASC?

What do you believe is the worst thing about your organisation's relationship with the ASC?

Do you believe your relationship with the ASC can be improved? If so, how?

Do you believe your organisation's relationship with the ASC has an impact on Olympic success? If so, how?

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Olympic Performance

The following questions relate to your organisation's Olympic goals. The questions seek to determine if your relationship with the ASC affects your organisation's Olympic success.

Please indicate whether you agree or disagree with the following statements regarding the Olympic performance expectations of your NSO.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Unsure/Neither</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>My organisation's Olympic success depends on our relationship with the ASC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ASC sets our Olympic goals</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>My organisation can achieve Olympic success without the ASC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ASC spends too much time on Olympic related tasks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSOs should have full responsibility for their Olympic programs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is too much pressure to achieve Olympic success</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managing the relationship with the ASC takes away from Olympic preparations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My organisation must achieve Olympic success in order to receive funding</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Olympic success is reliant on the ASC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ASC sets my organisation's Olympic performance targets too high</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My organisation needs more money to achieve Olympic success</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ASC should focus on sport participation and not Olympic performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ASC makes it difficult to achieve Olympic success</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>NSOs running sport would increase Olympic success</td>
<td></td>
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</tr>
</tbody>
</table>

What are the rewards and/or implications for not achieving your Olympic KPIs?

Do you believe the ASC assists your organisation to achieve Olympic success? If so, in what areas?
What do you believe is the ideal role for the ASC in relation to your organisation achieving Olympic success?
Appendix C – Interview Schedule

Interview Schedule - NSOs

1. Communication

From Questionnaire - Many NSOs mention they have a good sports consultant who is their primary contact and that is important in the ASC–NSO relationship.

- Do you agree? Can this be improved?
- Some NSOs believe the SC should be housed in the NSO – what are your thoughts?
- SC looks after many sports – do you need a standalone person in the ASC/AIS working with your sport?

2. Roles and responsibilities

- Do you believe the restructure and the general direction the ASC is headed has ensured clearer roles and responsibilities for staff?
- Is the inclusion of the AIS in the NSO HP management/leadership a benefit?
- Many mentioned too many often too many people involved? Is this something you have experienced?
- Does this effect decision-making? Will the AIS have the capacity and capability to do the job required?

Requests by ASC

From Questionnaire - Information requests were identified as poorly explained, often reactionary to govt. requests and had tight timeframes.

- Do you agree? For example?
- Are messages clear? Is the ASC staff all on the same page with their message?
- Are all requests important or relevant?
- Do you receive feedback on the work you submit to the ASC?
- IS the ASC reactionary? Can they be more proactive in their processes?
- How can this be overcome?
- Ministerial requests – how can this be managed better?
- One ASC respondent suggested ASC staff collect data as an ongoing process and therefore would have any information needed to answer minister requests. What do you think of this?
- How do you view the ASC in your relationship with them? Are they a governance org?
- Do you believe they guide and steer your organisation to achieve results?
- How can they better manage this relationship?
Resource dependency

- Does the ASC use its resources to control NSO behaviour?
- How dependent are NSOs on the ASC?
- Do you agree that the increased funding NSOs receive leads to increased dependency rather than independence?
- How can this change? If at all....
- Do you believe this current structure and dependent relationship can be sustained?
- Is this effecting Australian sporting success?

3. Olympic performance

- There was criticism that the ASC drives the outcomes of the NSOs – and takes the credit – whereas NSOs believe the ASC should support the NSO to get results rather than delivering an ASC agenda...... what are your thoughts?
- What are the key three things the ASC can do better to assist you achieve Olympic performance?
- What role do you believe other organisations should play in the ASC/NSO relationship? Like the AOC etc...?

NSO capability and Capacity

- ASC respondents believe NSOs are living in the here and now due to funding constraints – would you agree with that?
- Has the new funding model – linked to the NSO HP plan allowed NSO to plan beyond a 4 year cycle?
- Funding / resources aside – do you believe your organisation has the capacity and capability to function independent of the ASC?
- Does the ASC assist to build your organisations skills, knowledge and expertise?
- Do the ASC staff have a good understanding of NSO operations? i.e. Do they know what you do?
- Crawford stated that the Govt has been funding NSOs for nearly 30 years – yet many haven’t many NSOs still haven’t the capacity and capability to function independently.... do you agree?

FINAL QUESTION

What is the ideal model/structure for HP sport in Australia...??

Other comments........
## Appendix D – Interview Participant Codes

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Research Code</th>
<th>NSO Codes</th>
<th>Questionnaire Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIS</td>
<td>AIS1</td>
<td>NSOa1</td>
<td>QASC1-17</td>
</tr>
<tr>
<td>AIS</td>
<td>AIS2</td>
<td>NSOa2</td>
<td>QNSO1-20</td>
</tr>
<tr>
<td>AIS</td>
<td>AIS3</td>
<td>NSOb1</td>
<td></td>
</tr>
<tr>
<td>AIS</td>
<td>AIS4</td>
<td>NSOb2</td>
<td></td>
</tr>
<tr>
<td>AIS</td>
<td>AIS5</td>
<td>NSOc1</td>
<td></td>
</tr>
<tr>
<td>AIS</td>
<td>AIS6</td>
<td>NSOc2</td>
<td></td>
</tr>
<tr>
<td>ASC</td>
<td>ASC1</td>
<td>NSOd1</td>
<td></td>
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<tr>
<td>ASC</td>
<td>ASC2</td>
<td>NSOd2</td>
<td></td>
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<tr>
<td>ASC</td>
<td>ASC3</td>
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<tr>
<td>ASC</td>
<td>ASC4</td>
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<tr>
<td>ASC</td>
<td>ASC5</td>
<td>NSOe2</td>
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<td>ASC</td>
<td>ASC6</td>
<td>Other1</td>
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<td>ASC</td>
<td>ASC8</td>
<td>Other3</td>
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<td>ASC</td>
<td>ASC9</td>
<td></td>
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<tr>
<td>ASC</td>
<td>ASC10</td>
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<td></td>
</tr>
<tr>
<td>ASC</td>
<td>ASC11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASC</td>
<td>ASC12</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
10 April 2013

TO WHOM IT MAY CONCERN

Griffith University Human Research Ethics Application – HSL/35/10/HREC

This is to confirm that Human Research Ethics Application HSL/35/10/HREC titled “Maximising Olympic Performance: A Framework for understanding the Australian Sports Commission (ASC) and National Sporting Organisation (NSO) relationships” conducted by Kristine Toohey, James Skinner and Lisa Gowthorpe was approved by the Griffith University Human Research Ethics Committee (HREC) on 05/11/2010. The authorisation for this research was issued from 05/11/2010 to 25/11/2012.

The HREC is constituted and operates in accordance with the National Statement on Ethical Conduct in Human Research (2007).

Please do not hesitate to contact me if you have any further queries about this matter.

Regards

[Signature]

Rick Williams
Manager, Research Ethics and Integrity
Office for Research
Appendix F – Participant Consent Form

Maximising Olympic Performance: A Framework for understanding the relationship between the ASC and NSOs and how it affects Olympic performance.

CONSENT FORM - INTERVIEWS

Senior Investigator: Professor Kristine Toohey; Associate Professor James Skinner

Student Investigator: Ms Lisa Gowthorp

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Griffith Business School, Australia
Ph: +61(7) 5552 8798
k.toohey@griffith.edu.au
j.skinner@griffith.edu.au
l.gowthorp@griffith.edu.au

By signing below, I confirm that I have read and understood the information package and in particular have noted that:

- I understand that my involvement in this research will include an in-depth, semi-structured interview that lasts around 40-60 minutes;
- I understand this interview will be digitally recorded; I understand that only the research team will have access to this recording;
- I understand that the digital recording will be erased following transcription;
- I have had any questions answered to my satisfaction and understand the risks involved;
- I understand that there will be no direct benefit to me from my participation in this research;
- I understand that my participation in this research is voluntary;
- I understand that if I have any additional questions I can contact the research team;
- I understand that I am free to withdraw at any time, without comment or penalty;
- I understand that I can contact the Manager, Research Ethics, at Griffith University Human Research Ethics Committee on +61 3735 5585 (or research-ethics@griffith.edu.au) if I have any concerns about the ethical conduct of the project; and
- I agree to participate in the project.

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