

Community sports clubs responses to institutional and resource dependence pressures for
government subsidies

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Authors' Notes

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Abstract

The convergence of institutional processes and resource dependence perspectives stresses the notion that organisations choose strategies that address pressures from both their exchange and the institutional environments. Community sports clubs often resort to government grants to offer their members services. This paper examines the processes involved in seeking government subsidies with the aim of optimising sports clubs' chances of successfully attracting government grants. Interviews with representatives of 18 sports clubs on the Gold Coast (Australia) show lack of awareness about available funding, uncertainty about the process involved, and an overall reluctance to apply. The strategic responses to institutional processes identified are *acquiescence* and *compromise*, suggesting that that sports clubs chose a passive or the least active forms of response. Some sports clubs have increased their dependence on external consultants to develop the strategic plans which are required for subsidies. Recommendations for club management are discussed.

Keywords: Community sports club; subsidies; institutional processes theory; resource dependence theory; club development.

Introduction

Community sports clubs are important sports and leisure providers in many European countries (Allison 2001; Lamprecht, Fischer, and Stamm 2011; Taylor, Barrett, and Nichols 2009), Canada (Gumulka et al. 2005; Misener and Doherty 2009), and in Australia (Cuskelly 2004, 2005). They not only provide sporting and leisure opportunities for the population, but also offer social programs and are therefore an important part of every community (Breuer and Wicker 2011; Lamprecht et al. 2011). Sports clubs must finance the programs and services they offer. For example, they may need to pay the salaries of coaches and administrative staff, and they may need to pay for the use or maintenance of sports or other facilities (e.g., club house), and expenses associated with organising and running competitions (Lamprecht et al. 2011; Sport and Recreation Alliance [SARC] 2011). To finance these areas of expenditure, community sports clubs resort to income streams such as revenues from membership fees, admission fees, donations, fundraising, sponsorship, service fees (e.g., course fees), commercial activities (e.g., selling food and beverages in the restaurant at the club house), and government subsidies (Allison 2001; Breuer and Wicker 2011).

However, not all sports clubs have access to all these income streams and in many instances their total expenditure is higher than their total income (Breuer and Wicker 2009; SARC 2011). Therefore, sports clubs may experience financial difficulties (Gumulka et al. 2005; Lasby and Sperling 2007; SARC 2011; Taks, Renson, and Vanreusel 1999). One way of coping with these difficulties is to apply for government subsidies. Governments in many countries provide subsidies for sports clubs under the principle of subsidiarity (Vos et al. 2011). This means that the government provides financial support that enables clubs to increase their total revenue (Anheier 2010). However, these subsidies are not simply provided on request; they are provided subject to conditions. The body which issues the subsidy may require that the club becomes a member of a sports council, caters for specified target groups

(e.g., immigrants, youths, seniors), becomes more professional (e.g., by hiring qualified staff), or has specific mission statements (e.g., statements about serving the community; Vos et al. 2011). Moreover, the application process for government subsidies is a formal, bureaucratic, and complex one which can be challenging for volunteers with limited time and expertise (Cuskelly 2005).

However, no studies have looked at how sports clubs go about applying for government subsidies, where they need to spend money on to improve their chances of obtaining a subsidy, the problems they may encounter before, during or after their application, and how they manage or respond to potential problems. Therefore, the purpose of this study is to examine what is involved with the process that sports clubs follow to apply for government subsidies. It addresses the following two research questions: (1) for what purposes do clubs need subsidies (i.e., the sports clubs *institutional pressures*)?, and (2) what are clubs' experiences before, during and after the application process? (i.e., the sports clubs *strategic responses*).

A review of the literature shows some research gaps with regard to a detailed analysis of problems that might occur during the concrete application process for government subsidies. Building on the premise of Oliver's (1991) framework of integrating resource dependence (Pfeffer and Salancik 1978) and institutional processes theories (Meyer and Rowen 1977), a theoretical framework is presented that explains sports clubs' responsiveness to grant subsidy issues. An empirical analysis is undertaken using qualitative data from community sports clubs on the Gold Coast, Australia. The findings contribute to the body of research on community sports organisations by providing insights into the application process for government subsidies. The findings have implications for the management of community sports clubs, for policy makers, and for national governing bodies.

Literature review

Community sports clubs in many countries may be entitled to receive direct subsidies (e.g., Lamprecht et al. 2011; Vos et al. 2011) and indirect subsidies from the government. Indirect subsidies can be tax deductible contributions, tax exemptions, tax reductions, and the use of public sports facilities at no cost or minimal cost (Breuer and Wicker 2009). The focus of this study is on direct subsidies. Previous research has shown that not all sports clubs receive direct government subsidies. For example in Germany, 76.2% of sports clubs receive government subsidies (Breuer and Wicker 2009). In Flanders (Belgium), 71.2% of clubs generate revenue from government funding (Vos et al. 2011). Prior research shows that bigger (Breuer and Wicker 2009; Voigt 2006) and older sports clubs (Heinemann and Horch 1991; Sharpe 2006) are more likely to receive government subsidies.

The importance of government subsidies differs from country to country. In Switzerland, government subsidies make up only 3.8% of the total revenues (Lamprecht et al. 2011). The percentages are slightly higher in other European countries. In the UK, revenues from grants (including lotteries, sports funds, and trusts) contribute 7% to the overall income of sports clubs (SARC 2011). In Flanders (Belgium), revenues from government subsidies make up 8.6% of sports clubs' annual revenues on average (Vos et al. 2011). In Germany, government subsidies contribute approximately 10% to the overall revenues (e.g., Hovemann, Horch, and Schubert 2007). Similar percentages can be obtained for sports and recreation organisations in Ontario, Canada, where revenues from government subsidies make up 7% of the total (Lasby and Sperling 2007). The importance of government subsidies is slightly higher (12%) when all provinces are taken into account (Gumulka et al. 2005). Although the contributions of government subsidies may not look important, many sports clubs need these subsidies to break even (Breuer and Wicker 2009) indicating that subsidies are a critical income source for clubs.

Government subsidies have some restrictions. First, clubs have to spend some of the money they receive through government grants on paying the expenses involved in applying

for the grants. Previous research has highlighted that the application process for government subsidies can cost clubs approximately 10% of the grant money. These costs relate to the administration of grants and the fulfillment of wider functions related to the grants (House of Commons 2008). Second, the revenues from government subsidies can change over time. In many countries, when communities experience financial difficulties, subsidies for sports clubs can be cut or reduced (Voigt 2006). For example, in Germany, 43.3% of sports clubs were subject to a decrease in the revenues they received from government subsidies between 2004 and 2006. Further analyses have shown that sports clubs with decreasing revenues from subsidies have increased their revenues from membership to fill the gap (Breuer and Wicker 2009). Similar trends and pressures to increase membership fees in order to become financially viable have been observed in Australian sports clubs (Sotiriadou 2010).

Strategic and financial planning is needed to cope with the uncertainty associated with government subsidies. However, previous research has indicated that not many sports clubs have strategic policies (Lamprecht et al. 2011; Wicker and Breuer 2013) or development plans (Allison 2001). This applies to both the community sport sector and to professional sport, where strategy development is not a priority (Shilbury 2012). Similarly, only a few clubs engage in financial planning. In Scotland, for example, Alison (2001, 73) found that 85% of sports clubs had 'no financial business plan beyond an annual budget'. Suter (2004, i) stresses that financial and human resources are limited in sports organisations, resulting in a need 'for a coordinated approach to planning and achieving initiatives'. Strategic planning has been found to be critical to the overall functioning of community sports clubs (Misener and Doherty 2009; Wicker and Breuer 2013).

In summary, the literature has focused on sports clubs which receive government subsidies and on the contribution of those subsidies to the overall revenues (e.g., Lamprecht et al. 2011; Lasby and Sperling 2007; Vos et al. 2011), but the analysis of the application process itself has been largely neglected. Considering the voluntary nature of many sports

clubs this application process can be challenging and might deter them from trying to obtain subsidies. Therefore, it is important to understand the problems associated with this application process and increase clubs' confidence in applying and being successful in attracting subsidies from government sources.

Theoretical framework

Whether and how organisations choose strategies that address pressures from both their exchange and the institutional environments is a central question in organisation theory (Ingram and Simonds 1995). The conceptual work of Oliver (1991) on organisational pressures serves as the theoretical framework for this study. It is coined with the *institutional processes theory* (Meyer and Rowan 1977) which combines the premise of *resource dependence theory* (Pfeffer and Salancik 1978).

Oliver's (1991) seminal work on the strategic behaviors that organisations employ in direct response to institutional processes that affect them is coined with her typology of organisations' strategic responses to institutional pressures. The five strategic responses or reactions suggested 'vary in active agency from passivity to increasingly active resistance: Acquiescence, compromise, avoidance, defiance, and manipulation' (Oliver, 1991, 151). Acquiescence is a passive strategy because, in using it, an organisation agrees to institutional pressures. The other four strategies represent increasingly active responses to these institutional pressures. Oliver (1991) also offered five predictors of which strategy an organisation will adopt: Cause, constituents, content, control, and context.

Cause is the purposes behind the institutional pressures for conformity and *constituents* are the myriad of potentially conflicting forces that organisations face from a variety of entities, including the state, professions, interest groups, and the general public. According to Oliver (1991), *content* represents the extent of the consistency of institutional pressures with organisational goals. *Control* is the mechanisms or means by which pressures are imposed on organisations and rules are enforced. *Context* is the conditions within which

institutional pressures are exerted on organisations. The lower the degree of interconnectedness, the greater the likelihood of active strategies will be.

Using Oliver's (1991) predictors of institutional response various studies have examined institutional pressures in different contexts (e.g., Clements and Douglas 2005; Goodstein 1994; Ingram and Simons 1995). Within the sporting context, key organisational theorists have examined the formation of partnerships as a strategy to deal with various organisational pressures (Babiak and Thibault 2009; Frisby, Thibault, and Kikulis 2004; Vail 1994; Wicker et al. 2013) and fostering interorganisational relationships (Sotiriadou 2009; Thibault and Harvey 1997). Thibault, Frisby, and Kikulis (1999), for instance, found that institutional pressures force leisure service providers in Canada to develop partnerships 'in order to acquire recourses aimed at maintain or enhancing the quality of service delivery to public' (125). Partnerships enable sport organisations to 'access scarce resources, such as financial capital, expertise, and organizational legitimacy' (Babiak and Thibault, 2009, 138). Oliver's (1991) framework allows the exploration of the nature of pressures, why these pressures are exerted, who is exerting them, and how they are exerted. Consequently, an understanding of community clubs' financial, facility, service, and program provisions or other related pressures and way of responding to these pressures provide a better understanding of an organisation's ability or interest in selecting a particular response (Oliver, 1991).

The inability of an organisation to produce all the resources it requires internally can lead to an increasing dependence on external providers. In this context it is important to note that those who control the critical external resources have power over the organisation and thus influence its behavior. The resource dependence theory suggests that the autonomy and the power of an organisation decrease as its dependence on external resources increases (Pfeffer and Salancik 1978). Consequently, community sports clubs can be impacted by external providers such as other sports and non-sports institutions (Hoye et al. 2009; Vos et

al. 2011) and in particular by the government, when they receive government subsidies (Nichols et al. 2005). In this study, it is argued that community clubs' responses to the pressures they encounter explain various levels of organisational resistance or conformity.

Method

Research context

The Gold Coast is the sixth-largest city in Australia with a population of over 515,157. It covers an area of 1400 square kilometers (Australian Bureau of Statistics 2007). The Gold Coast is home to major international sporting events (e.g., the 2010 International Triathlon Union World Championships, the 2018 Commonwealth Games) and home to over 260 community sports clubs. These clubs offer opportunities for the local community to participate in organised team sports such as soccer and baseball and other recreational activities such as fishing. Membership numbers vary considerably between clubs catering for popular sports (e.g., swimming) and those catering for less popular sports (e.g., croquet). Most clubs, and certainly all the smaller ones, are run by volunteers (Cuskelly 2005).

Data collection

The list of sports clubs used in this study was obtained from the Gold Coast Community Guide 2010–2011 (Gold Coast City Council 2010). Ethical clearance was received for confidentiality and anonymity of individuals wishing to participate. Permission was granted to use the name of the sports club only. A letter was mailed to the contact person of all 246 sports clubs on this list, inviting their club to participate in this research. A total of 38 letters were returned due to 'relocation', 'address not found' or 'person not at this address' responses. Initially, only eight clubs expressed an interest in participating. This low response rate was expected considering the voluntary nature of these clubs and the time constraints of club members. Follow-up phone calls with the remaining clubs revealed that some clubs' contact numbers were disconnected or never answered, others never returned the calls, and

some clubs were not interested in participating. Following multiple efforts to attract participants, a total of 18 clubs agreed to participate.

Data were collected using semi-structured telephone interviews which lasted from 50 minutes to two hours. The interviews resulted in 289 pages of 12-point, double spaced transcribed text. The interview schedule contained two sections, one for each of the two research questions (i.e., (1) for what purposes do clubs need subsidies? (i.e., institutional pressures) and (2) what are clubs' experiences before, during and after the application process? (i.e., strategic responses). Interview questions covered the various areas for which the club needed financial support, the types of grants available, the processes (before, during and after the application) of applying for grants, the club's capacity to satisfy the requirements of these processes, the club's success rate in attracting grants, and the club's relationships with various partner agencies involved in the process.

Data analysis

After all interviews were transcribed, participants were provided an opportunity to review their transcript in order to provide perhaps a more clear account of the facts. This process revealed that the data were accurate accounts of the interviews conducted. The data was analysed using a qualitative approach. Formatted data was entered into NVivo 9.2 for analysis. This enabled the use of a constant comparison process (CCP) (Soulliere, Britt, and Maines 2001) to determine the main themes that emerged from the transcripts. To achieve CCP one transcript was analysed at a time. The types of comparisons conducted involved the following:

- (a) 'Comparing incident to incident to derive the study's codes.
- (b) Comparing incident to existing codes once initial coding structure is developed.
- (c) Clustering of similar codes to construct the study's categories.
- (d) Deriving to the core category that facilitates writing the study's storyline' (Sotiriadou and Shilbury, 2010, 191).

Through *open* coding, data were reduced to themes and patterns that assisted in identifying what participants perceived to be their main reasons for applying for government grants and the ways they responded to the application processes involved. In total, six themes, 19 codes and 209 sub-codes and code properties were identified. The themes are (a) type of club needs, (b) process prior to the application, (c) process during the application: in-house preparation of the application, (d) process during the application: external consultant roles, (e) partner agencies relationships and support, and (f) process following the application. *Axial* coding enabled deeper analysis in order to identify potential links between codes, and to identify the meanings of those links. This facilitated deeper analysis and interpretations which made it possible to move beyond the descriptive accounts of codes and sub-codes and shape a *storyline* (Creswell 1998). An example of coding is displayed in Table 1.

Table 1

An example of a theme, its codes, and sub-codes

Theme	Codes	Sub-codes
Theme 1: Types of club needs	Administration	- Sport development planning - Strategic planning - Staff retention
	Sport Development	- Junior development - Coach development - Volunteer retention
	Facilities/Grounds	- Construction of new facilities/grounds - Development/re-developments - Expansions - Maintenance - Hiring of venues
	Member Services	- Safety during training/competition - Equipment - Competition expenses

Results

Type of club needs

When clubs were asked what they needed government financial assistance for, the analysis revealed that even though each participating club appeared to have its own unique combination of needs, they shared similar needs. Administrative and sport development needs were mostly for clubs to develop their junior athletes, improve the skills of their coaches, and retain their volunteers. In addition, clubs wanted help with their sport development plans and their strategic plans to ensure a more viable future. More importantly, clubs needed financial help to retain positions like sport development officers to offer their assistance throughout the state. One of the clubs explained:

We applied for the coaching and administration grant ... it's for education for coaching for use within the association and we asked clubs to participate. Currently as an association, we contract a development officer and under that contract, we try and use the grant money to pay for that service (Gold Coast Baseball Association).

All clubs needed some sort of assistance with their facilities or grounds. This assistance was associated with the construction and development of new facilities, the expansion or maintenance of existing space, or in most cases, the hiring of council venues. In other cases, sports clubs requested assistance to offer a safer environment to members during training or competitions. Most clubs were in need of equipment and financial assistance to cover various competition-related expenses. One example is the Gold Coast Fishing Club's effort to attract money in order to provide better services and a better competition environment for its members:

We applied for money for a marquee because we hold some high profile fishing competitions each year, so we wanted our own marquee to help host those events. At the moment, we found a second hand one which only cost \$800. We also applied for

some audio-visual gear so we could use them for presentations at the competitions ...

They were just to help run competitions and make them more trouble free.

Overall, clubs were seeking support to increase their capacity to deliver basic services to club members and ensure their future attractiveness through strategic and sport development plans. These plans represent genuine efforts to promote participation, training, education and planning in order to cater for members, and attract, engage, and retain juniors, coaches, and volunteers.

Process prior to the application

Clubs encountered several issues before, during, or after the application process. The most common issue or concern that clubs raised about applying for grants was a lack of awareness of the different options or types of grants that were available to them. The types of subsidies or grants identified were various government grants (e.g., under the Club Development Program) and private grants that were offered through the state government (e.g., Woolworth's Community Fund). For example, under the Club Development Program, sports clubs were eligible to apply for funding to assist in the development and implementation of participation, education, and training programs as well as organisational planning tools (e.g., development plans). However, uncertainty and concern regarding eligibility criteria was a common issue encountered prior to the application process. The Gold Coast Fishing Club, for instance, expressed the view that the eligibility criteria cut some organisations out. They explained that:

Because we have a large bank balance as we are saving and we're not achieving objectives for helping disabled, racial or inclusion, even though our money is being put towards increasing participation, we are not eligible. It would be very difficult in this sport to be all-inclusive as you need equipment to be severely modified which comes at a cost.

For some clubs, geographic location also appeared to contribute to their failure to receive funding. A number of clubs in Northern New South Wales are affiliated with Queensland associations due to their proximity to the Queensland border and the opportunities that association with Queensland offers for higher-level competition. These clubs have expressed frustration at their inability to obtain funding. The New South Wales Government did not want to fund them due to their affiliation with Queensland associations and the Queensland Government did not want to fund them because they are based in New South Wales. This was a unique situation which caused frustration for the clubs involved. In other cases, clubs that could not cater for people with disabilities were unable to meet the social criteria or requirements in place and felt unable to change the status quo.

Also, most clubs that applied for grants reported being highly confused with the terminology used in the application forms they were required to complete. Surfers Paradise Surf Life Saving Club, for example, explained that they 'did not know what the applications were looking for'. Other clubs complained about the jargon used in these documents. They felt some of the questions were vague and therefore they had difficulty finding the relevant information. The Gold Coast Fishing Club reported that 'It's really hard even to apply because you are only guessing what they want because the terminology used is outside the scope of what the average person can understand'. The Broadbeach Bowls Club said 'You've got to know someone who finds that information for you' and that someone is usually a consultant that requires a fee that most clubs cannot afford. An issue related to the availability of information was that some clubs lacked the technology required to apply for grants. The Broadbeach Bowls Club explained that 'Lots of the application processes are publicised and promoted online and via email which is a disadvantage to clubs who are not overly familiar with technology'. The Tweed Heads Pony Clubs fell into this category. They said: 'We receive information on administrative tasks but it has gone very high-tech with computers. If

you don't have computers or their systems, I'm now seeing, people are missing out. That is something we need to address in the near future'.

Some clubs expressed strong views about the role that the popularity of their sport played in determining whether they were successful or not. In some cases clubs felt their applications were a lost cause because they were competing against higher profile sports:

It's good that the council is prioritising the clubs' needs but they tend to bias some sports. It's a contentious battle to go against the high profile sports. Sometimes the lower profile sports get nothing but they're still helping the community, helping save money for the council by having kids off the street and we still need volunteers (Gold Coast Baseball Association).

Process during the application: in-house preparation

When clubs were asked who was involved with or responsible for the grant application there were typically two types of answers. The grant applications were either prepared in-house or through the paid services of a hired external consultant.

Even though the in-house approach was expense-free, it was not necessarily viewed the best option for clubs; nevertheless, it was the only option open to some clubs. This was because many clubs cannot afford private consultant fees and have to prepare the paperwork based solely on volunteer members' time and expertise. Clubs saw the in-house approach as a big risk because the time and effort they expended did not guarantee a successful application. The clubs which did not need assistance in the grant writing process usually had a club member or administrator with grant writing skills and relevant experience. Gold Coast Roller Sports Club was amongst these clubs and stated that:

We do have people within the club who we can draw on their expertise to be able to do it for us. There's people, professional people, who have been able to work in government departments so they know what buttons to push and what to write on the applications.

The Tweed Head Pony Club applied for a grant internally too. They commented that: Due to the complexity of it, I was fortunate to have had a long association and involvement with research, so I was able to do it. If I wasn't there, then no. Others wouldn't have the knowledge to proceed. The Tweed Heads Pony Club also commented that:

If a sporting club didn't have a few exec members who had the knowledge/expertise to pursue grants, they would not be able to apply – it's a timely process requiring specific knowledge ... It comes down to [sic] organisations just being lucky in having a member who has some sort of business skills.

Other clubs typically questioned whether it is all worth the effort. They said what the following quote from Surfers Paradise Surf Life Saving Club captured it best: 'for a volunteer, to waste so much time applying and not being guaranteed to get anything'. Clubs complained that the grant 'application process is large and lengthy...it's a lots of time and work to apply' (Gold Coast Baseball Association) and 'it's too complex, it isn't practical...we wouldn't do it again' (Burleigh-Palm Beach Croquet Club). The clubs that were successful with their in-house application admitted that the success was due to the work being done by a member of the executive committee or club administration and expertise.

Process during the application: external consultant roles

Gold Coast Athletics were pleased to receive a grant from the Queensland Department of Health which helped their girls' team to attend the national championships. This club along with other clubs that successfully received a grant acknowledged that the success of their application was due to the assistance of an external consultant.

Community sports clubs revealed that they were using government funds to cover the cost of hiring expertise and more specifically the services of external consultants instead of compiling their plans in-house. Clubs that had been unsuccessful in gaining funding in the past, or did not have an administrator with the time, skills, or experience to write grant applications used the services of an external consultant or intended using one for future grant

applications. These clubs also believed that using an external consultant had enabled them to overcome their club's time, skills, and experience deficiencies, therefore enabling the club to achieve its goals and run it more effectively.

Clubs indicated that external consulting companies had approached them, offering to assist them with their funding applications for a fee. This fee would be paid to the external consultant pending a successful government grant application. If the application the external consultant prepared was successful, the consultant then prepared the strategic or sport development plan for the club. The Gold Coast Athletics Club, for instance, stated:

They [external consultants] do a lot of work with clubs, they knew how much money we were going to get, and we were charged that amount. But we are happy with the result because we have the plan.

Most clubs, however, indicated that with their limited existing resources they were hardly in the position to run competitions and hire facilities let alone implement future planning and strategies.

Partner agencies relationships and support

Clubs commented on their communications with their partner agencies, the Gold Coast Council and the Queensland Department of National Parks, Recreation, Sport and Racing. In order to achieve their funding objectives when applying for grants, clubs sought advice from any readily accessible agent, be it the Council, or the Department. In some cases this resulted in a level of confusion due to inconsistent advice and services provided. A lack of engagement with the Council and the Department was also evident. The Gold Coast Baseball Association claimed that 'you really have to work with them to get their attention'.

The clubs' perceptions as to whether the level of support for funding and operational planning by the Council and the Department was satisfactory varied. A number of clubs strongly believed that the Council and the Department were proactive in providing assistance in the areas of funding and organisational planning. 'We get lots of emails and we're told that

the grants are available' said the participant from the Mudgeeraba Amateur Swimming Club. These clubs generally had regular contact with representatives from the Council or the Department. They were also confident in their own abilities to successfully obtain funding on an ongoing basis. On the other hand, a number of clubs expressed their frustration with the lack of readily available information or the lack of access to assistance. For example the Broadbeach Bowls Club said that 'Unless you have detailed costings put together they won't even look at you'.

Process following the application

As examined, clubs appeared to have basic needs for equipment or development programs. They felt they should be entitled to receive assistance because it would enable them to achieve their goals of providing sport development programs, quality facilities/venues, as well as fun, safe, and trouble free competitions. However, in many cases that is not what takes place since half of the participating clubs indicated they have never been successful in any grant applications. Broadbeach Bowls explained that they 'applied for everything but never received anything'. They had applied for grants in their efforts to 'improve facilities within the club, to use for development so we can expand our facilities to cater for young people and training of those young people'. They further explained that:

It's difficult to raise money in this environment so we have applied for funds, we're applying for one which will air condition the club and do solar heating so that we don't have to pay as much for electricity but we'll be able to afford to cool people down and provide a better environment.

Even though unsuccessful clubs rarely received any feedback on their applications, some of them sought it from funding bodies. However, they felt that the feedback they received was far from constructive and indeed disappointing. For instance, the Labrador Squash Club and the Mudgeeraba Amateur Swimming Club applied for government grants to purchase equipment. They both applied using the in-house expertise of their executive

members. They were both unsuccessful, and neither of them received feedback on their applications. When they asked for advice the Labrador Squash Club was told to ‘try again next year’ and the Mudgeeraba Amateur Swimming Club was left unsure as to where they went wrong. There was no evidence that initiatives that were funded, such as sport development plans, were evaluated after implementation to determine their level of success. After the Gold Coast Fishing Club was unsuccessful in their grant application for some competition assistance, they asked for feedback. They were told by the funding body that their application was ‘well-written but not deemed worthy for the grants’. Their interpretation of this feedback was that because they have a six-figure bank balance which was their savings for a clubhouse, they were not deemed eligible for grants.

Discussion

The purpose of this study was to explore the pressures involved in community sports clubs when seeking government subsidies. Consistent with the institutional and resource dependence framework, the study identified those pressures (i.e., club needs) and clubs’ strategic responses. This qualitative study supports earlier quantitative findings that community sports clubs experience financial difficulties (Gumulka et al. 2005; Lasby and Sperling 2007; SARC 2011; Taks et al. 1999). Similar to Allison (2001) the results of this study show that clubs have funding and organisational planning pressures. The analysis of the grant application process indicated that not all sports and leisure providers enjoy the same access to financial support and services. In many cases this may simply be because clubs do not know about the availability of resources or they do not have the expertise, time, and access to utilise those that are available. The application for government subsidies is a formal, bureaucratic, and complex process which can pose problems to volunteers with limited time and knowledge (Cuskelly 2005). This lack of time and expertise generates a need to hire external consultants to assist with the application processes and develop organisational planning documents. Central to the notion of access to information is the concept of available

technologies. Many club representatives noted that awareness of grant opportunities was either created through online means or through experience in the area. Consequently, some clubs were not informed of grant opportunities and claimed they did not receive help from the overarching bodies. Thus, this study confirms previous research indicating that the use of technology seems to be an issue for community sports organisations (Hoerber and Hoerber 2012).

A common strategic response to institutional processes identified was *acquiescence* in the form of imitation of either successful clubs or acceptance of advice from consulting firms (Oliver 1991). *Compromise* was the second most important response which was driven by conflicting demands or expectations, such as the voluntary nature of the people involved within clubs and the pressure to professionalise organisational practices. It became evident that some clubs are better able to respond to the complex environment they operate in. As some sports club operations become more professionalised due to business-minded and experienced executive members, they are able complete the grant process using their own resources. Others would choose *avoidance* as an ‘attempt to preclude the necessity of conformity’ (Oliver, 1991, 154).

Prior studies highlight that longer running and well established clubs and leisure providers were more likely to receive government subsidies (Heinemann and Horch 1991; Sharpe 2006). In this study, those community sports clubs which have been running for an extended period of time have created affiliations with the Council and the Department to ensure a consistent communication flow, including funding information, workshops, and advice on recommended pathways for seeking assistance with the grant application process. This study confirms previous research suggesting that the environment of sports clubs is becoming increasingly complex and volunteers can find this difficult to cope with (Nichols et al. 2005) and that experts or paid staff are needed to respond to these demands (Wicker and Breuer 2011).

The findings support the idea that sports clubs do, under specific circumstances, respond in a calculated manner to institutional pressures. The use of the institutional processes theory (Oliver 1991) in this study facilitates the interpretation of the findings and helps explain the sports clubs' antecedents of strategic responses. This study builds on the body of research on institutional processes theory, confirming that sports clubs are faced with similar pressures (i.e., cause). However, their responses may vary as they choose to conform to a lesser or greater extent to becoming dependent on their environments (i.e., constituents) in obtaining the scarce resources needed to finance their sport programs and/or facilities (e.g., Vos et al. 2011; Wicker and Breuer 2011). Overall, most clubs chose a passive or the least active forms of response with lack of evidence from any clubs choosing *defiance* or *manipulation* strategies. This is explained on the basis that sports clubs do not intend to 'actively change or exert power over the content of the expectations themselves or the sources that seek to express or enforce them' (Oliver, 1991, 157).

As indicated by the resource dependency theory (Pfeffer and Salancik 1978), the organisation providing the desired resources (the government) can exert power over the resource-seeking organisation (the sports club) by attaching conditions to the subsidies (i.e., *content* and *control*). For example, the government insists that to obtain funding, clubs must have strategic plans. While the dependence on the government has already been conceptualised in previous research (e.g., Vos et al. 2011), this study adds another layer of dependence. Since clubs are struggling to develop the required strategic plans, and as *expertise* adds a level of certainty in a successful grant (i.e., *context*), clubs seek help from external consultants and become dependent on them. The consultants charge fees for plan development that are often similar to the amounts of the subsidies the clubs receive in the end. This means that the application process for government subsidies results in no financial gain for some clubs. They have only gained a strategic plan at the cost of increasing their

dependencies. This is an outcome that should be alarming for governments and policy makers.

This study has implications for the management of community sports clubs and leisure providers. First, it is recommended that sports clubs engage in strategic planning because it is critical not only to their eligibility for government subsidies, but also to the overall functioning of the organisation (Misener and Doherty 2009; Wicker and Breuer 2013). Although day-to-day business can be demanding, and it is the club's first priority, it can be useful for the club's board to meet and think about where the club wants to be in the next five or ten years, taking into consideration its financial situation, its membership development, and external influences. Second, sports clubs should foster collaborations with other organisations in the community such as other sports clubs or schools since inter-organisational relationships can make possible the sharing of resources (Thibault et al. 1999) or reduce the need to apply for government grants. For instance, a lot of clubs have a common regulatory requirement to run first-aid training. It would make sense to organise one seminar for many clubs rather than having each club run their own seminar. Also, there are many schools where the facilities are only used from 9 am to 3 pm during the week. Schools typically have high-quality facilities which ideally could be utilised by clubs in a sharing exchange. While such collaborations are already common in other countries where clubs collaborate extensively with many community organisations (e.g., Breuer and Wicker 2009, 2011), sports clubs in Australia have not yet fully explored these opportunities. Third, it is recommended that sports clubs consider looking at other types of grants that may satisfy their needs. For example, sports clubs seeking to implement green initiatives or increase community involvement may be better off looking into environmental or community grants rather than those intended specifically for sport development.

The findings also have implications for policy makers and for sport governing bodies. It is recommended that governments and policy makers make the application process for

subsidies more accessible and use language that sports clubs can understand. They have to be aware that not every sports club has access to experts, given the predominance of volunteers. Barriers such as technical language and bureaucratic processes should be examined and discarded if not necessary. As it stands, successful grant applications reward the administrative efforts involved in the application process instead of the actual need. In brief, there is scope for communicating with greater clarity regarding the various sources of grants and funding available, eligibility criteria, access, transparency of the process, and feedback for unsuccessful applicants. With regard to sport governing bodies, it is recommended that these organisations assist clubs in the application process for government subsidies. While the first step must be to increase the clubs' awareness of the government grants available to them, the next step should be the *translation* of government language and the summarising of requirements. Sport governing bodies should also highlight the necessity of strategic planning and help clubs with the development of strategic plans in order to avoid the unnecessary expense of hiring external consultants. In this regard, it is critical that sports clubs are provided with the knowledge and skill set that enable them to develop strategic plans themselves. Another way of assisting clubs would be to provide information about the use of technology which has been identified as an issue in this study and in previous research on community sports organisations (Hoeber and Hoeber 2012).

Conclusion

The empirical evidence offered in this study helps reach several conclusions. First, the findings show that community sports clubs have similar administrative and sport development needs related to attracting and retaining volunteers and members. In addition, sports clubs have similar facility- and venue-related needs which they need to satisfy in order to deliver quality programs, training opportunities, and competition environments. Second, conclusions can be drawn about the ways in which sports clubs perceive the application process for government subsidies and the issues they confront before, during, or after the

application process. There is compelling evidence that clubs need to become more familiar with the process of applying for subsidies from government sources. They need to become more confident in their ability to address the requirements of the application process in order to improve their success rates.

This study has some limitations since the examination of sports clubs has been undertaken in an Australian context. Therefore, the generalisability of the findings needs to be considered with caution. The findings may be applicable to other countries with similar sport systems (e.g., club system and government support; Vos et al. 2011) where government subsidies are also linked with conditions such as strategic plans (Allison 2001). Previous research confirms the Australian findings that strategic planning is not a priority for sports clubs (Allison 2001; Lamprecht et al. 2011; Taylor et al. 2009). However, this study goes beyond the mere statement of the existence of strategic planning by highlighting the problems that sports clubs experience in developing strategic plans and the related consequences and dependencies.

Future research should look at the issues sports clubs in other countries face when applying for government subsidies to allow comparisons between sports clubs in different countries and to identify benchmarks and best practice examples. Furthermore, future studies should pay attention to strategic planning, an area that has been identified as an issue for community sports clubs. Shilbury (2012) has documented that research into strategic planning has been scarce both in professional sport and community sport. This is surprising since strategic planning is needed in competitive environments. For example, community sports clubs compete with other clubs for government subsidies, members, and sponsors. Thus, there is a need for more strategy research in community sport which is facilitated by 'varying competitive or environmental conditions [that] provide extremely diverse and potentially rich research settings' (Shilbury, 2012, 7).

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