

OCEANIA FOOTBALL CONFEDERATION
THE IMPACT OF AFFILIATE DISAFFILIATION
ON THE INTER-ORGANIZATIONAL DYNAMICS
OF A FEDERATED NETWORK

DANIEL WAUGH

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In football everything is complicated by the presence of the opposite team

— Jean Paul Sartre

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Unless otherwise noted, all Tables and Figures are created by the researcher.

LIST OF ABBREVIATIONS

AFC	- Asian Football Confederation
AM	- Associate Member
CAF	- Confederation Africaine de Football
CONCACAF	- Confederation of North, Central American and Caribbean Association Football
CONMEBOL	- Confederacion Sudamericana de Futbol
FAP	- Financial Assistance Programme
FFA	- Football Federation of Australia
FIFA	- Federation Internationale de Football Association
FMO	- Federation Management Organization
GSO	- Global Sport Organization
IF	- International Federation
IOC	- International Olympic Committee
IOR	- Inter-Organizational Relationship
MA	- Member Association
NGB	- National Governing Body
NSF	- National Sport Federation
NSO	- National Sport Organization
OFC	- Oceania Football Confederation
UEFA	- Union des Association Europeennes de Football

ATTESTATION OF AUTHORSHIP

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

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ABSTRACT

The purpose of this research is to examine the impact of member disaffiliation on the inter-organizational dynamics of a network. To date the impact of an environmental disturbance such as member disaffiliation on the inter-organizational dynamics of a network has had minor academic interest. On January 1, 2006, the governing body of football in Australia completed their quest for a greater and more lucrative market by affiliating to the Asian Football Confederation (AFC). For this movement to occur Australia first had to disaffiliate from the Oceania Football Confederation (OFC). In football, a Confederation is a continental specific coordinator of football activities which operate under the auspices of the Federation International de Football Association (FIFA). At a theoretical level, this is a unique context to explore the impact of disaffiliation on the inter-organizational dynamics of a network.

The research is based on a single case study approach, and involved 12 semi-structured interviews that were conducted with informants from within the OFC network, with secondary data being organizational documents. The informants were either the President or General Secretary of the members affiliated to the OFC. Dynamics that were explored included the impact on the legitimacy of the network, financial implications, and how the distribution of power has changed. The findings of the research indicated that for now, the perception is that the organization is still legitimate. However, if the Confederation does not improve from both a playing and administrative perspective, it may well become illegitimate. The redistribution of power within the network has shifted strongly in favour of the two French speaking nations, New Caledonia and Tahiti, which were both previously considered minor players within the network. It is unclear if this is due to their connection with France. The key conclusion from this research is that disaffiliation provides a 'wake-up call' to the remaining members, and forces them to stand on their own two feet and take responsibility for their actions.

CHAPTER ONE

INTRODUCTION

INTRODUCTION TO THE CHAPTER

Sport presents itself in societies across the globe as a form of celebration, leisure activity, ceremony, and physical pursuit (Chadwick, 2009), and it can identify us as a people through being embedded into our culture (Phillips, 1993). The uncertainty of outcome associated to a competition between two or more individuals and/or teams appears to be the lure that entices many to follow energetically a sporting contest; for without a combating force, sport would not create as great an appeal. It is difficult to create noise by clapping hands when only one hand is present - as Sir Isaac Newton's third law proposed, every action requires a corresponding reaction of some sort.

As the sport industry has advanced it has progressively matured into a serious, business focused industry, in which the heart and soul is the preservation of maintaining high levels of uncertainty; which, in a sporting context is the fundamental basis (Chadwick, 2009). A powerful facet of sport is its ability to "reinforce, reduce, or change the formation of our identity" (Collins, 2000, p.126) and with sports organizations increasingly adopting a commercial approach to their operations, it is appropriate that a presence in Asia, which is fast emerging as the epicentre of the 21st century global economy, appears lucrative to sport managers (Dickson, Phelps, & Waugh, in press; Dolles & Söderman, 2005).

PURPOSE OF THE RESEARCH

The purpose of this research was to examine the impact, if any, of member disaffiliation on the inter-organizational dynamics of a network. A detailed case study was utilized to examine the effect of the Football Federation of Australia's (FFA) decision to leave the Oceania Football Confederation (OFC) and subsequently joining the Asian Football Confederation (AFC). Both primary and secondary data sources were used to explore what resulting impacts have occurred. Specifically, three research questions have been explored underneath the aforementioned overall research theme. These include gaining an understanding of the perception of legitimacy that currently exists, the financial implications of disaffiliation on an inter-

organizational network, and how the distribution of power has changed in the network.

INTRODUCTION TO THE CASE STUDY

Traditionally, football within the Oceania region (Pacific Islands and New Zealand) has been dominated both in an off-field and on-field capacity by one nation, that being Australia. Their dominance ended on January 1, 2006, when the governing body of football in the country, the Football Federation of Australia (FFA), disaffiliated from the Oceania Football Confederation (OFC) which oversees the operation of football in the Oceania region. The FFA subsequently affiliated with the Asian Football Confederation (AFC); thus, entering a market and region which appears to be much more lucrative in an industry that is thriving off its commercial development (Dolles & Söderman, 2008).

This move resulted in the OFC losing arguably its strongest and most powerful member association (Dempsey, 2006); thereby, leaving a great void in the administrative and playing strength of the Confederation. Numerous stakeholders voiced their opinions and expressed their concerns that the OFC was now, even more so than before, unable to be recognized as a legitimate organization without the FFA's presence, and that perhaps an amalgamation of the remaining OFC member associations into the Asian Confederation was a necessity. In hindsight it was this question of legitimacy that perhaps can be addressed as the driving factor behind the decision of the FFA to switch its allegiance, and in doing so, seek out greater competition and commercial benefits so that it could prosper its potential.

This contemporary issue is important to the future of the OFC which has struggled to make a presence on the world stage in what is deemed the 'world game' (Vrooman, 2007); yet, has experienced great gains within the Oceania region with football being the number one sport in the majority of the member nations (Rees, 2006) and providing a tool for hope amongst its citizens. With this in mind a presence needs to be maintained in keeping with the direction with which the sport is placed in a global setting to primarily be 'for the world'.

SPORT ORGANIZATIONS

Global perceptions have altered significantly. No longer does the image of 'just being sport' exist in society. The sporting industry has evolved into a mainstream operation and has done so rapidly (Noll, 2003). Operational emphasis of sports organizations is now focused around revenue, governance, entertainment dollars, dynasties, and global recognition (Hunter & Mayo, 1999; Michie & Oughton, 2004). National governments see sport as a means of expression for nationalism and strongly support the related activities with the anticipation that sport will aid the economic and social development of their country (Hoye, Smith, Westerbeek, Stewart, & Nicholson, 2006). Slack and Parent (2006) define a sport organization as, "a social entity involved in the sport industry; it is goal-directed, with a consciously structured activity system and a relatively identifiable boundary" (p.5). This definition is based on those thoughts previously developed by Daft (2004) and Robbins (1990).

A Global Sport Organization (GSO) is the "supreme organs of governance in sport whose authority is global" (Forster, 2006, p.72). It is they who control all processes, rules, and regulations for a particular sport by operating as a monopoly. GSOs are also referred to as International Federations (IF). Some of the paramount organizations classed as a GSO/IF include the International Olympic Committee (IOC), International Association of Athletics Federations (IAAF), Federation Internationale de Football Association (FIFA), and the World Anti-Doping Authority (WADA). Literature has focused strongly on FIFA (Forster, 2006; Jennings, 2007; Sugden & Tomlinson, 1998) and the IOC (MacDonald, 1993; Ronit & Schneider, 2000), with both organizations being deemed as "immensely powerful civil associations of cultural elites from across the world that frequently dictate terms to governments and business through a complex relationship of interdependency with nationalism and corporate funding" (Millet, Lawrence, McKay, & Rowe, 1999, p.497).

IFs administer the operations of sport at the global level; in a more confined aspect National Sport Organizations (NSO) control the activities in individual countries and generally are sanctioned by their relative IF. Depending on the geographic location,

some organizations refer to NSOs as National Governing Bodies (NGBs) or National Sport Federations (NSF/FSN). Typically, aligned to the NSOs are the local and provincial clubs and franchises. The relationship between an NSO and its respective IF is one of high importance, for if a NSO wishes to exit from its affiliation with their respective IF, critical organizational damage will occur as the NSO will not receive resource support from the IF (i.e., funding, legitimacy). Nor, will the IF sanction the participation of the NSO in any events and competitions imposing blocks on its members from interacting with such an organization. MacDonald (1993) refers to these sport hierarchies as microcosms – worlds in miniature, with which the IOC and IFs (i.e., FIFA, IAAF) are the only major actors, with no higher structures existing above them to dictate their governing actions. A microcosm is a small world, in which a small representative system has analogies to a larger system in a constitution which encompasses it. This system is present in the hierarchical governance of sports organizations. It is important for an organization to maintain strong relationships with their stakeholders as it is those stakeholders in which they depend on as they assist the organization in achieving their goals. However stakeholders can also cripple an organization if they are not respected (Kanter, 1994). An exception to the rule that IFs control a particular sport and all its operational directions is the structure that exists in the American professional sport leagues where private companies like the National Basketball Association (NBA), National Hockey League (NHL), and the Major League Baseball (MLB) operate as a global brand. These companies are not the global governing body for the sport; yet, prove to be more powerful and dominating than their respected IFs (Forster, 2006).

Sports organizations have adopted more efficient business practices in recent times due to greater expectations in regards to ethical behaviour (Sherry, Shilbury, & Wood, 2007). Executives in the industry encounter unethical persuasions frequently in response to the pressure for success, sponsorship deals, and funding (Sherry et al., 2007). These pressures arise from both political and commercial stakeholders and may involve bribes, benefits, and personal threats. However it is difficult, on an international front, to eliminate these practices as certain cultures accept this behaviour as part of daily business practice (Zakus & Skinner, 2008). Due to the

dependence on the cooperation of members for a viable competition to exist, sports leagues and competitions by character adopt a cartel-like behaviour to insure that the greatest amount of control is achievable (Stewart, Nicholson, & Dickson, 2005). Cartels are a group of organizations which have amalgamated to control the competition and regulations of a market and in many countries are illegal; yet, they have the tendency to be accepted in the sports industry (Dickson et al., in press). Organizations seek to be successful and respected; however, this process is intricate with a variety of stakeholders needing to be pleased. Slack and Parent (2006) suggest that

Effective organizations are those with an absence on internal strain, whose members are highly integrated into the system, whose internal functioning is smooth and typified by trust and benevolence towards individuals, where information flows smoothly both vertically and horizontally and so on. (p.45)

FEDERATION INTERNATIONALE DE FOOTBALL ASSOCIATION (FIFA)

The Federation Internationale de Football Association (FIFA) is the IF for the sport of Association Football (soccer). The governing body was established in 1904 “in order to unify the interpretations of the rules” (Eisenberg, 2006, p.56) by seven founding members including France, Sweden, Belgium, Denmark, Switzerland, Spain (FC Madrid) and the Netherlands (Sugden & Tomlinson, 1998). In the initial 40 years (1904-1944), FIFA attracted 60 member nations representing six of the seven geographical continents, with the sole exception being Antarctica. The end of World War II in 1945 saw over 100 independent nation states established which had created their own sovereignty and these new nations aspired to be incorporated into international organizations (Eisenberg, 2006). As a result, between 1945-1964 FIFA’s memberships rose to 123 football associations. With the increase in global coverage, particularly into the African continent, FIFA reinterpreted Article 2 of their statutes in the 1970s to read that the objectives of FIFA are “to promote the game of association football in every way it deems fit” (Eisenberg, 2006, p.59), an event which saw the organization adopt a more professional business manner. A further 60 associations were accepted into FIFA between 1975 and 2002.

Today FIFA boasts 208 Member Associations (MA) representing all corners of the world, second only to the IAAF and the International Basketball Federation (FIBA) which both possess 213 members. All of which outnumber the IOC and the United Nations (UN) in terms of member associations. FIFA has adopted a philanthropist approach to their operational missions and values, an approach which has seen Article 2 adapted to read, that the objective of FIFA is “to improve the game of football constantly and promote it globally in the light of its unifying, educational, cultural and humanitarian values, particularly through youth and development programmes” (FIFA, 2008a, p.5).

Designed to be an international sports organization and administer the rules and regulations of competitive football, FIFA has evolved into a global business with three key areas incorporated into their mission ‘Develop the game, touch the world, build a better future’ (FIFA, 2009a). Through sponsorship partnerships with leading global brands including: adidas, Hyundai/Kia, Coca-Cola, Emirates, Sony and Visa, FIFA possesses a current equity value of US \$902 million (FIFA, 2009b), a figure that has increased from the previous year’s value of US \$643 million (FIFA, 2008b). The organization has the motto ‘For the Game, For the World’ (FIFA, 2009a) and its objectives are strongly focused around the continuous improvement of football, maintaining control and integrity, and humanitarian values. It is this latter objective which has seen equality amongst all emerge, for ethnicity, gender, political and religious views should incur no discrimination of any kind (FIFA, 2008a). Keeping true to their word, FIFA have implemented numerous development programmes for their members including, the *Goal* Programme which helps MAs develop their own ‘house of football’ that is tailor-made to suit the unique environment that exists in each individual MAs respective countries. In addition, the Financial Assistance Programme (FAP) was created in 1999 based on the principles of democracy and sees every FIFA MA receiving US \$250,000 annually to ensure the successful implementation of MA development plans (FIFA, 2004). To stop the possibility of the FAP funding being abused, MAs must present an annual investment plan and possess a CEO, Technical Director, and a Financial Manager. The organizational structure of FIFA is presented in Figure 1 (p.8).

Figure 1: FIFA Organizational Structure



MEMBER ASSOCIATION (MA)

Membership within FIFA is open to any Association (i.e., NSO/NGB) responsible for the organization and supervision of football within their dedicated country. Article 10 of the FIFA Statutes recognises a ‘country’ as being an “independent state recognised by the international community” (FIFA, 2008a, p.8). Further, only one Association is recognised per country. Prior to a MA attaining affiliation to FIFA as a full member they must have been a provisional member/associate member of one of the six recognised Confederations for a period of no less than two years (FIFA, 2008a). This means that an NSO/NGB/NSF must gain membership status to both FIFA and the Confederation in which their nation is geographically located if they desire to compete in FIFA competitions and receive resource support from initiatives like the *Goal* Programme and FAP.

The 208 current MAs of FIFA have the right to take part and vote at the annual FIFA Congress; however, for their input to count they must conform to a series of obligations involving participation in competitions organised by FIFA, payment of the US \$500 membership subscription, the creation of a subordinate Referees Committee, and “comply fully with the Statutes, regulations, directives and decisions of FIFA bodies at any time as well as the decisions of the Court of Arbitration for Sport (CAS)” (FIFA,

2008a, p.11). Failure to follow these rules will result in the MA firstly being suspended from FIFA by the Congress. Furthermore, Congress, by way of a three-quarter majority vote, may expel an MA if serious violation of the FIFA Statutes and regulations occur, if an Association loses their NSO/NGB status in their relevant country, or if financial obligations towards FIFA are not fulfilled (FIFA, 2008a). Fulfilment of financial obligations towards FIFA is the only requirement if a MA wishes to resign from FIFA.

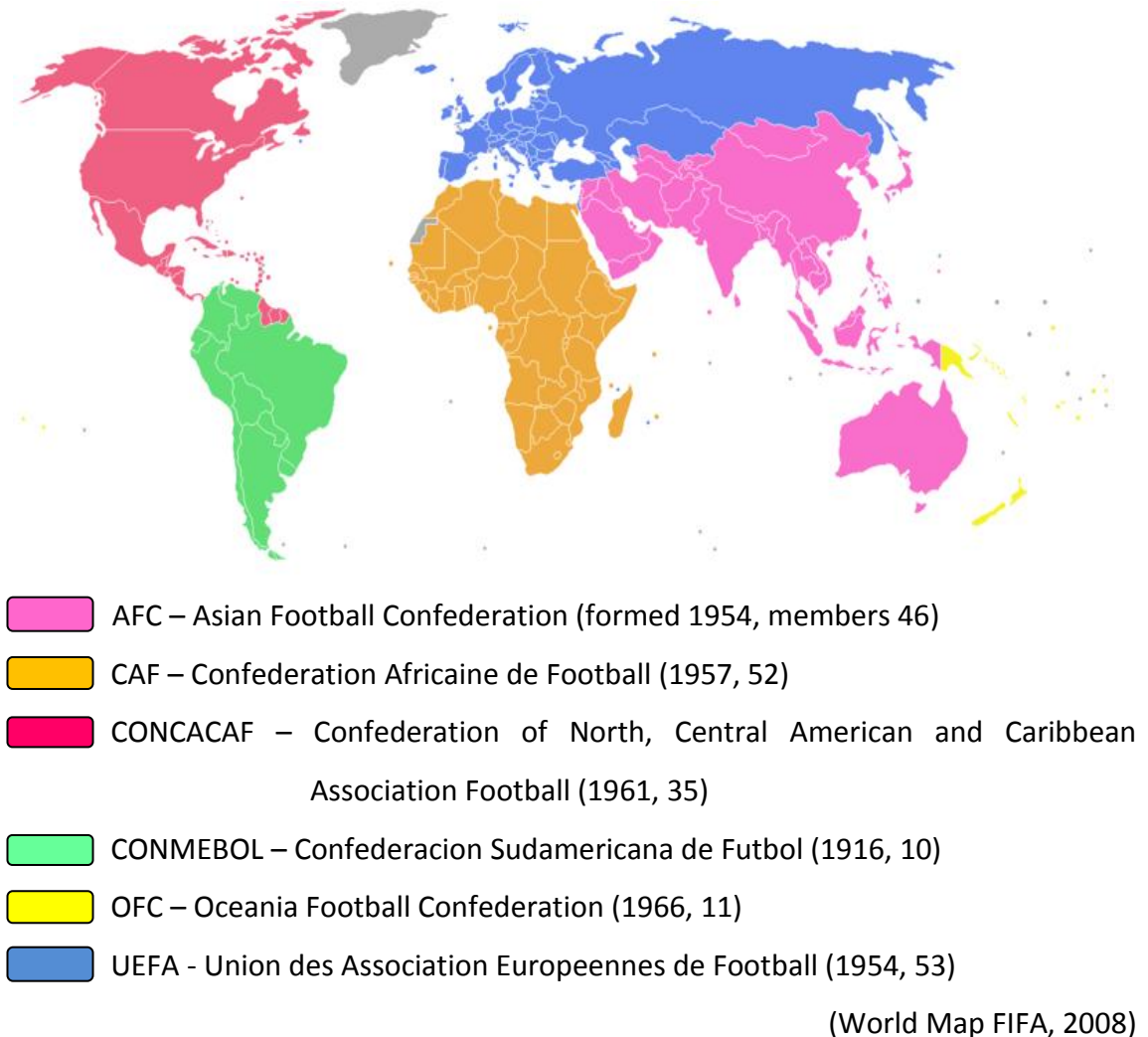
CONFEDERATIONS

A Confederation is a group of Associations recognised by FIFA that belong to the same continent (FIFA, 2008a). In essence a Confederation is basically a federation of federations (Dickson et al., in press). There are six FIFA recognised Confederations that are geographically aligned to their related continent. Figure 2 (p.10) presents in detail the continental zone, Confederation name, year of inception, and current number of affiliates. Primarily, the responsibility of the Confederations is to deal with any political interference in football affairs which may arise with FIFA, only becoming involved when no resolution is imminent. Respecting the rights of the national associations, the Confederations provide support to FIFA through a range of activities as well as helping raise the profile of football in the region. Further responsibilities include coordinating the development and organization of football in their respected geographical region (Sugden & Tomlinson, 1998). To enable the Confederations to perform their development duties, FIFA as part of the FAP distributes US \$2.5 million annually to each of them. Only MAs are entitled to vote during Confederation Congresses, with Confederation delegates only being allowed to observe the formalities.

MAs are only able to possess affiliation to one Confederation, quintessentially being the Confederation in which they geographically exist. In exceptional circumstances an MA may seek affiliation to a Confederation to which they are not continentally aligned. Transcontinental nations include Armenia, Azerbaijan, Cyprus, Georgia, Russia and Turkey. All had the choice of which Confederation to seek membership with and chose UEFA despite predominantly being located within the geographic of Asia. Israel and Kazakhstan although located entirely in the Asian region have for ethical and political

reasons disaffiliated from the AFC to become a member of UEFA. Another exception is that of CONCACAF affiliates, Guyana and Suriname, which have always been members of their Confederation despite being located within the borders of South America. The most recent NSO to seek an exemption was Australia which left the OFC to affiliate with the AFC in 2006.

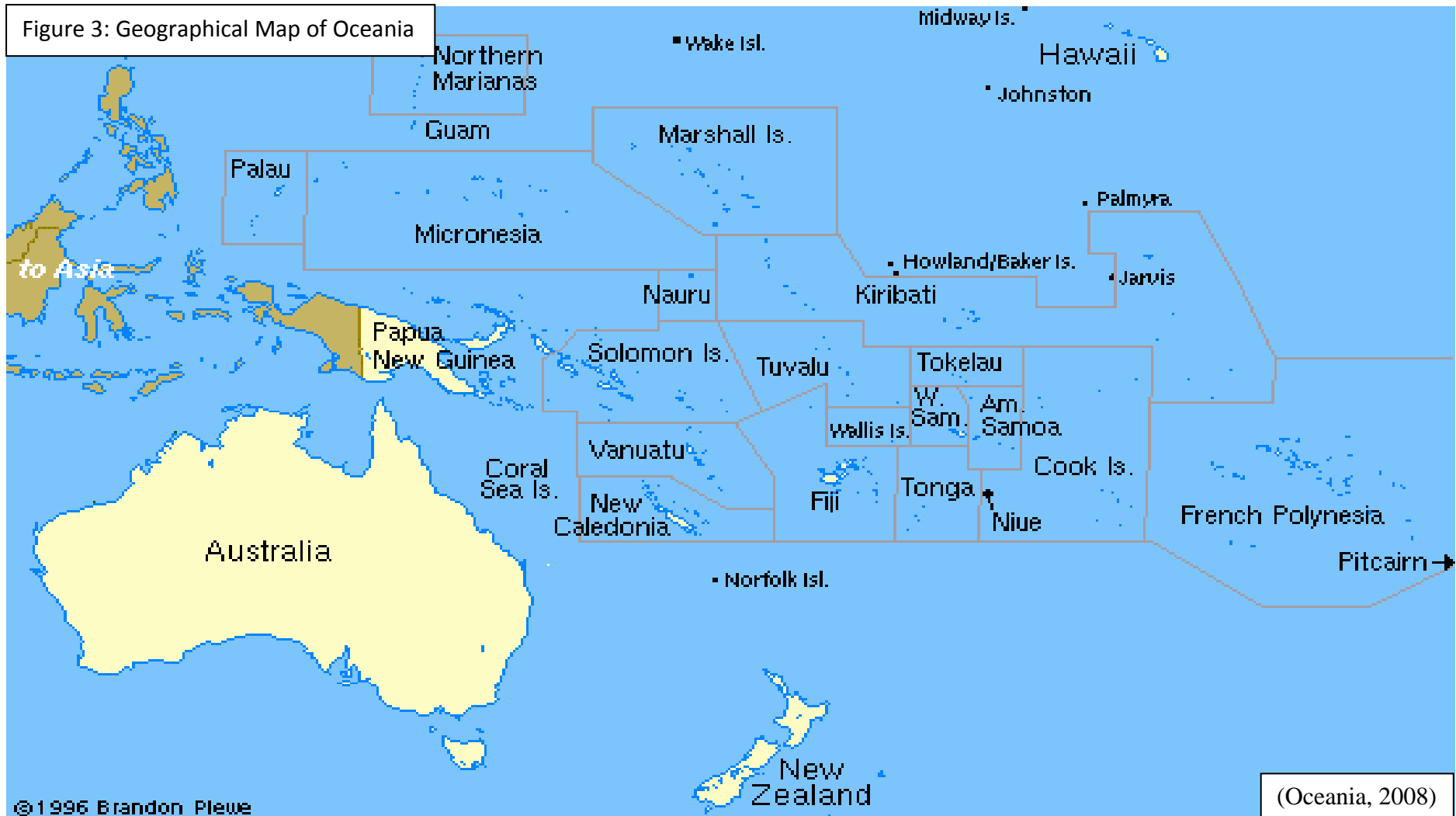
Figure 2: FIFA Confederation Zones



OCEANIA

The geographical region known as Oceania (Figure 3, p.12) consists mostly of islands located within the vicinity of the Pacific Ocean. Primarily the region is ethnologically split into the three sub-regions known as Melanesia, Micronesia, and Polynesia. Melanesia includes the countries of Fiji, Solomon Islands, Vanuatu, and Papua New

Guinea. Micronesia refers to the hundreds of minor islands distributed across a large area in the western Pacific and includes Guam, Northern Marianas, Kiribati, Palau, and the Federated States of Micronesia. Polynesia is the largest of the three sub-regions and covers American Samoa, Cook Islands, Tonga, Samoa, Niue, Tuvalu, and Tahiti. Depending on the definition adopted, either a fourth sub-region or a separate continent borders the Oceania region and is known as Australasia. This region incorporates Australia, New Guinea, and New Zealand. However, conflicting definitions exist with some classing New Zealand as a Polynesian country; although the agreement that Oceania relates to the South Sea Islands is synonymous (McKnight, 1995). The remark made by French General Charles de Gaulle that referred to the Caribbean islands as just “specks of dust in the ocean” has also evolved to be associated with the Oceania region (OFC, 2006a).



OCEANIA FOOTBALL CONFEDERATION (OFC)

Of the six Confederations underneath the FIFA umbrella, the OFC administers the game in the geographical region of Oceania, incorporating the Pacific Island nations and New Zealand. In providing assistance to FIFA the OFC coordinates football in their respected regions by hosting their own competitions, raising the profile of football, and assisting the member nations affiliated to their Confederation (Sugden & Tomlinson, 1998). The OFC currently has 11 full Member Associations including American Samoa, Cook Islands, Fiji, New Caledonia, New Zealand, Papua New Guinea, Samoa, Solomon Islands, Tahiti, Tonga, and Vanuatu. Additionally the OFC has two associate members, Kiribati and Tuvalu, which have been endorsed by the OFC but have yet to gain recognition and acceptance by FIFA and the OFC as a full member association. This limits these associations to only partake in the OFC tournaments.

The youngest and smallest of the six FIFA Confederations, the OFC was confirmed as a full Confederation and with it a seat on the FIFA Executive Committee in 1996. The acceptance of the OFC was strongly supported at the 1996 FIFA Congress with 170 member associations voting in support of a full Confederation status with only one against in a secret ballot (Dempsey, 2006). This status of being a full Confederation followed a six year trial period in which the OFC was regarded by FIFA as an 'independent geographical entity' and was required to prove its merits for full recognition (Sugden & Tomlinson, 1998, p.63). The notion of a Confederation located in the Pacific first occurred during the 1964 Tokyo Olympic Games when the then president of FIFA, Sir Stanley Rous, listened to the concerns of Bayutti of the Australian Soccer Federation (predecessor to the FFA) and Sid Guppy of the New Zealand Football Association. The basis of this discussion was the non-acceptance by the AFC of member status for both Australia and New Zealand which were being left in the wilderness of the football world. After this informal discussion Jim Bayutti and Charlie Dempsey (OFC President 1982-2000) developed the statutes and goals together with a proposal to be presented to the FIFA Congress in 1966, which resulted in the OFC being born; however, no representation on any FIFA committees was granted leaving the OFC present yet voiceless.

The founding members of the OFC included Australia, Fiji, New Zealand, and Papua New Guinea with strong support coming from New Caledonia, although they did not possess sporting autonomy from France at the time (Dempsey, 2006). Traditionally Australia and New Zealand have dominated the Confederation both on and off the field. It is only these two nations that have represented Oceania at the FIFA World Cup and have been victorious in continental championships at the senior men's level. The administration side of the OFC has seen the Presidency held by a representative from these two countries from 1970-2000, at which point due to the retirement of Dempsey the OFC struggled through three different Presidents in four years, most notably the short tenure of Australian Basil Scarsella. The year 2004 saw the election of the Confederation's first Pacific leader in Tahitian, Reynald Temarii, who had previously been the Minister for Sport in French Polynesia and a professional football player in France. Temarii's work turning around the Confederation has been congratulated by FIFA President Sepp Blatter and his philosophy is strongly linked to the opening remarks of the 1968 OFC Congress when then president Sir William Walkley motioned for "all nations [to] work together for the development of football in the South Pacific" (Dempsey, 2006, p.1).

The disaffiliation from the OFC of Australia in 2006 is not the first time that Australia has sought greater opportunities by pursuing membership with the AFC. In 1972 Australia resigned from the OFC only to return in 1978 having represented the AFC at the 1974 FIFA World Cup during this short stint. It has been said that they were pressured to return to the OFC by the members of the AFC which disapproved of their affiliation (Cockerill, 2009). Affiliation to the OFC has also been held by Chinese Taipei which, for 14 years from 1975, was classed as a MA of the OFC until they were readmitted to the AFC in 1989. Prior to gaining provisional membership in 1991 by the AFC, Guam also participated in tournaments within Oceania although not possessing any membership status (Dempsey, 2006). It should also be noted that the OFC has seen Niue, Palau and the Northern Mariana Islands have presence in the form of Associate Members; however, the understanding between these Associate Members and the OFC has been discontinued partly due to a memorandum by the governing body FIFA to halt the acquisition of new members until they can devise a suitable and

effective path for these prospective Associations (personal communication, May 2009). In similarity to the disaffiliation of the FFA, the Associate Member (AM) of Northern Mariana Islands has requested, for the approval by the OFC Executive Committee, to resign from the Confederation and become a member of the AFC (Menary, 2009). This request was accepted by the OFC Executive Committee at the 20th OFC Congress on June 1, 2009. The current OFC federated network structure is displayed below in Figure 4:

Figure 4: OFC Federated Network



SIGNIFICANCE OF THE RESEARCH

Sport is deemed to be a platform for bringing people together (Misener & Mason, 2006). Football, in particular, has been credited with combating the struggles with ethnic tension experienced in the Solomon Islands (FIFA, 2008c) and has the potential to help build stronger communities (Putnam, 2001). Maintaining the OFC in its current

form, and creating equality amongst the remaining members will help develop the region as a whole and provide career possibilities through sport, something which may be extinguished if the OFC was to amalgamate with another Confederation (personal communication, May 2009). Limited theoretical research has been conducted regarding the impact of disaffiliation (Milkman, 2005; Uzzi, 1997); thus, this contemporary issue provides an opportunity to explore the concept of disaffiliation and the effects it has on the inter-organizational dynamics of a network. Despite their role in international sport, limited scholarly research has focused on inter-organizational dynamics within sport Confederations.

Sport management literature has made minimal attempts at analysing environmental disturbances on sport organizations, although this concept of change can have contrary ramifications on them (Zakus & Skinner, 2008). Kikulis, Slack, and Hinings (1992) found that the response to organizational change is powerfully influenced by the values, rules, myths, and symbols in which they had previously established. Conflicting with this finding is that of O'Brien and Slack (1999) who discovered that just as values and ideals can easily be institutionalized, they can just as easily be deinstitutionalized.

When an organization is in equilibrium it is in an ideal state (Laughlin, 1991). Hence, when an environmental disturbance, such as disaffiliation, causes organizational change, the organization becomes unstable as it loses its equilibrium. It is this 'impact' that this research has examined to gain an understanding of whether a new equilibrium has been established and the disturbance absorbed (Laughlin, 1991), and the processes that resulted in balance being restored. It could be argued that the OFC was in a 'state of inertia' until the FFA made the notion that they wished to leave the Confederation. It was this disturbance that has caused the remaining OFC members to re-examine their place in world football.

Football is widely used as a tool for social development through the Football for Life and Football for Hope initiatives of FIFA and the six Confederations (OFC, 2009a); particularly within the nations located in the Pacific, in helping them establish strong,

healthy, and friendly communities. The OFC has joined forces with the UN to promote their Millennium Development Goals including combating HIV/AIDS, gender balance, poverty, and environmental stability through youth festivals and the Football for Life and Football for Hope initiatives (OFC, 2008a). This approach is emphasized by the FIFA President, Sepp Blatter, in numerous documents and course materials including the following statement:

Let us never forget that sport – especially football – has the unique ability to use its unifying power to combat social ills and bring people together in peace and friendship. Together, we have developed the game and brought it to the world. Now, with your help, let us all take the next step together and help make the world a better place through football! Remember – each and every one of you are an ambassador of our great sport and our collective effort can truly make a difference!

(FIFA, 2005)

Considering the aforementioned themes and the disaffiliation of the FFA from the Oceanic region in terms of a football context, this research is significant in that the region would be disadvantaged if the OFC structure that currently exists was to change dramatically through loss of further members or Confederation status. Following Australia into Asia may lead to the decline and/or loss of such benefits for which the OFC members are currently grateful. In addition, changes in power and trust may create further disturbance to the region.

OUTLINE OF THE DISSERTATION

This current chapter provides an introduction to the dissertation, covering the structure and characteristics of FIFA and the OFC, and developing insight into the research undertaken and its significance to both the sport industry and academia. The following section will provide an outline of the subsequent chapters featured in this dissertation.

With this dissertation being a study on the inter-organizational dynamics of a federated network, Chapter Two will explore the existing theory in relation to the purpose of the research. This discussion is initiated with an understanding of what

exactly inter-organizational networks are, their advantages and disadvantages, leading into an exploration of the various forms of networks in relation to the existing research including: federations, coalitions, cliques, voting blocs, strategic alliances, and cartels. Further, the theoretical concepts of power, trust, and legitimacy are evaluated. It is the dynamics of these concepts that the research will explore in relation to an inter-organizational network.

Chapter Three outlines the methodology implemented for this research. It includes a description of the documents utilized as a secondary data source, a description of the interviewed informants and how they were selected for this research, an outline of the qualitative interviews conducted, and how the collected data was analysed. The focus questions of the research are introduced accompanied by the theoretical framework for the research. This chapter also covers the ethical considerations, limitations and delimitations that were present during the research process.

The next chapter presents the findings which evolved from the interviews and secondary data. The chapter is presented in relation to the three research questions that are introduced in Chapter Three, with each exploring the themes that appeared from the interview data and the secondary data which consisted of professional documents including annual reports, financial reports, and Congress meeting minutes of the OFC and FIFA, as well as popular press, websites, and historical literature. Additionally, this chapter incorporates findings surrounding the impact of member disaffiliation on inter-organizational dynamics of a federated network, the focus point of this particular research.

The penultimate chapter, Chapter Five provides the reader with a thorough discussion based on the findings of the research data. These findings are linked back to the research questions of the research as well as the focus question. The discussion within these sections is related to the theory discussed in Chapter Two, and concludes with a reflection of the themes mentioned.

Chapter Six concludes the dissertation with an overall reflection of the study and discussion of developing ideas and concepts. The final part of this chapter reviews the limitations of the research, and provides further suggestions for future research for academia and the sport industry.

SUMMARY

To summarize, this chapter has established the direction upon which this dissertation will be presented. Having introduced the chosen case study for which the research focus was based, an understanding of its context within the sports industry was provided. The significance of this research and the value in which it has within the sport industry was discussed, and a brief introduction of the concepts that will be explored in the following content was provided.

CHAPTER TWO

REVIEW OF THEORY

INTRODUCTION TO THE CHAPTER

Inter-organizational relations refer to the interaction between and amongst organizations (Cropper, Ebers, Huxham, & Ring, 2008) and are deemed to create value for firms which commit to, and become part of such a network. A network can be defined as “an interconnected or interrelated chain of concepts and relationships” (Masteralexis, Barr, & Hums, 2009, p.507). It has been suggested by Barringer and Harrison (2000) that firms perceive the opportunity to create ties with other firms as attractive compared to acting alone; a perception, based on the belief that a combined effort in the form of a network will enhance their possibilities of achieving their desired organizational outcomes. A variety of terms are utilized in the presentation of inter-organizational entities, these include: networks, coalitions, strategic alliances, relationships, and federations, to provide an example of the range which exists. Traditionally, scholars have focused on social service agencies when studying inter-organizational networks; this focus has shifted to examine business organizations that have formed relationships (Gulati, 1998).

Cropper et al. (2008) indicate that the study of inter-organizational entities “is concerned with understanding the character and pattern, origins, rationale, and consequences of such relationships” (p.4). For the purpose of this review, the entity will be referred to as an inter-organizational network and the review will explore this idiom from a theoretical perspective. Determinants, governance practices, and relationship patterns will be discussed in relation to the dynamics of a network. The following content will start by introducing what an inter-organizational network is, and the theory that is present regarding the variety of inter-organizational entities that exist.

Further discussion regarding relationships amongst the individual affiliates within a network, involving trust levels and cooperation, is accompanied by an insight into the distribution of power throughout an inter-organizational network with both sections exploring what factors influence these processes. Similar to the work of Hardy (1994), this discussion and research will seek to “use the concept of power to reveal the

complexity and multidimensionality of the phenomenon” (p.220), instead of attempting to create and present an exact definition for the concept of power. The concept of legitimacy is discussed in regard to the factors which help determine the legitimacy of an organization or group amongst its stakeholders. Definitions and explanations of the concepts and network structures explored in this review are provided under their applicable headings.

INTER-ORGANIZATIONAL NETWORKS

The existing knowledge and previous literature covering the concept of Inter-Organizational Relationships (IOR) and networks is extensive (Provan, Fish, & Sydow, 2007). This synopsis is in stark contrast to that of Thibault and Harvey (1997) who stated that a commanding void was present in research literature covering inter-organizational linkages from macro and micro perspectives. A linkage is defined as “complex arrays of relationships between firms” (Thibault & Harvey, 1997, p.46).

Organizations that form relationships in diverse vertical and/or horizontal settings are regarded as creating an inter-organizational network (Gulati & Gargiulo, 1999). These partnerships are predominantly formed when two or more organizations collaborate with each other as a response to a developing threat within their setting or an exciting opportunity is presented for them which would not be attainable if they went for it alone (Child & Faulkner, 1998). An inter-organizational network can be defined as “a loosely coupled system with some more stable subsystems; e.g., an inter-linked set of community organizations with a power elite as its subset” (Alexander, 1995, p.28). Similarly, Castells (2000) defined inter-organizational networks as “a set of interconnected nodes” (p.501). An example of this is FIFA who are the power elite of football with the community organizations being the Confederations and MAs.

It is expected that these linkages will enable resource sharing amongst the organizations involved, which it is envisaged will create stronger, more sustainable and effective organizations (Ring & Van de Ven, 1994). This need for successful linkages is discussed by Thibault and Harvey (1997) where the lack of linkages within the

Canadian sport system was hindering the industry's performance and recognition amongst the respective stakeholders. The recommendation was to explore further afield for possible strategic partners and not just focus on the traditional allies. IORs exist across many cultures all with their own unique characteristics. For example the Korean Chaebol and in Japan the Zaibatsu (pre-war) and Keiretsu (post-war) network forms that were established from the industrial sector and prominent extended families (Gerlach, 1992; Todeva & Knoke, 2005).

The theory behind forming such networks is that the member organizations, although still possessing their respected outcomes and goals, will work together to achieve a combined goal from which all parties involved will profit (Bairner & Darby, 2001; Friedman & Mason, 2004). Motives for entering a partnership include the sharing of knowledge, reduction of risk, and access to technologies and resources (Babiak, 2007). These motivations indicate that, in many cases, network organization models have become more popular amongst numerous industries (Développement International Desjardins [DID], 2005), as well as increasing in sporting organizations seeking fresh opportunities in emerging markets where networks are deemed essential to gain recognition (Slack & Parent, 2006). Connectedness, collective action, cooperation and strong relationships are prominent themes which exist within successful networks (Provan et al., 2007).

The structure and management of sustainable linkage networks is not an easy task to organize due to the complexity of the arrangement and connection which is required and is developed via interactions amongst desired organizations within their environment (Thibault & Harvey, 1997). Inter-organizational networks are not just limited to a single type of firm. They may include public, private, profit, or non-profit firms and their relations can be a mixture of all types of firms. The relationship may involve many firms creating a large network known as multiplicities, or exist on a simpler form such as a dyad; thus, involving just two organizational firms (Cropper et al., 2008).

Individual organizations involved in IORs are dependent on their partner organizations for success; typically they have been developed due to budgetary restraints and for members to gain greater access to resources and knowledge (Babiak, 2007; Ebers, 1997). Although the prospects of forming an IOR are inviting, careful consideration needs to be given to which organizations the relationship is established with, as poorly matched IORs have a tendency to prove unsuccessful after the 'honeymoon' phase (Ring & Van de Ven, 1994). These failures can be a result of differing views on the direction of the IOR, including the goals and purpose of the relationship (Eden & Huxham, 2001).

ADVANTAGES

If an inter-organizational relationship proves to possess efficiency, being the ability to achieve the desired outcomes successfully (Pesämaa, 2007), the firms involved can benefit from many advantages. A firm may enhance their image and reputation from being involved in a network; thus, providing the opportunity for a firm to reach new markets, further firms, and perhaps aid any other networks in which they are involved (Pesämaa, 2007). This network process can be seen within the sporting umbrella where National Sport Organizations (NSOs) actively seek affiliation to their respected International Federation (IF) to enhance their image and reputation amongst their stakeholders and, in doing so, seek legitimacy as an organization. Legitimacy can be obtained from a firm's presence within an inter-organizational entity (Lawrence, Wickins, & Phillips, 1997).

It appears that inclusion into an inter-organizational entity is powered by the knowledge that an organization can alleviate a number of operating factors which may prove difficult if a solitary approach were to be followed. Marketing and communication expenses can be distributed amongst the entities members (Lamb, Hair, & McDaniel, 2008), the impact of risks can be shared with the partner firms (Wildeman, 1998), and besides becoming part of a specialized group the firms involved inherit greater prospects of obtaining financing from external sources (Volery, 1995). Concurrently, the firms benefit from the sharing of resources and technologies

amongst network members (Babiak, 2007). An example of this is the agreement between New Zealand Football and the Wellington Phoenix, the sole professional football franchise in New Zealand. New Zealand Football (NSO) owns the lease for a franchise to be entered into the Australian A-League, of which the Wellington Phoenix has been given the rights too.

DISADVANTAGES

Strategies to construct linkages between organizations have been discussed in literature with the main insight being the advantage of exchanging resources (Daft, 2007). Although empirical literature exists deeply around the formation and development of inter-organizational linkages, there has been minimal investigation of the negative aspects and costs of maintaining a linkage with other organizations; something which may hinder the development and progression of a particular organization if they are significantly out-performing their mutual partners. The idea of forming a relationship is to decrease the uncertainty which may occur when not within a network. Uncertainty is decreased when relationships are sought with loyal partners who share corresponding motives. With network members operating collectively, interdependence increases, which means that if a fellow organization does not fulfil their contribution effectively the efficiency of the network may decrease leading to diminishing trends for the remaining partners (Provan, 1983). Decisions made by one organization whilst part of an inter-organizational network could affect the partner organizations, so thought needs to be focused on the goals and needs of the partner organizations, as well as the network as a whole, limiting the freedom of an organization to pursue their true desires.

The costs and effort incorporated in being linked to an inter-organizational network are difficult to assess with estimates proving to be awkward (Park and Russo, 1996). Typically, firms that are considering entering a network examine the benefits of particular disadvantages (Pesämaa, 2007); however, a number of firms entering networks do not possess the knowledge and skills to analyse such data, thus leading to the execution of unsuitable linkages (Park, Chen, & Gallagher, 2002). Part of the

requirement of being incorporated into an inter-organizational network is that the affiliated members will be fully committed to the network's goals and objectives and in most part in an equal manner. It is possible and likely that network partners at some stage will take advantage of those firms that provide superior levels of commitment and/or investment (Adler & Kwon, 2002). These particular firms are known to 'free ride' their commitment to the whole network and act in an opportunistic behaviour which may lead to the destruction of the network.

Although the decrease in risk is seen as a reason why firms affiliate to an inter-organizational network, on the other end of the spectrum, the risk levels appear to be high (Dacin, Hitt, & Levitas, 1997; Pesämaa, 2007). This is due to the time in which it takes to form solid relationships and acceptance of cultural differences, during which the network may fail. Additionally, partners may disagree on particular decisions leading to the violation of certain governing norms (Edelman, Bresnan, Newell, Scarbrugh, & Swan, 2004). Such actions may lead to distrust amongst members and the damaging of ties between them as defensive behaviours are developed.

FORMS OF INTER-ORGANIZATIONAL NETWORKS

Inter-organizational networks can exist in a variety of forms, which will be discussed in the following sections, and include: coalitions (Amis & Slack, 2008), cliques (Provan et al., 2007), voting blocs (Equia, 2007), federations (Flanagin, Monge, & Fulk, 2001), strategic alliances (Todeva & Knoke, 2005), and cartels (Stewart et al., 2005). Each form has its own specific characteristics, yet is similar in nature by being a form of network. Alexander (1995) considered the differentiating factor to be contributed by the level of abstraction; in other words, the degree of hierarchical organization. This theory was derived from the early work of Lehman (1975) which examined coordination within the inter-organizational field. Depending on the goals and motivations of the firms involved, with whom and when the formation occurs, and the benefits and risks involved, the meaning (type) of an inter-organizational relationship will differ (Harland, Lamming, Zheng, & Johnsen, 2001). Although the varieties of these forms are separate, some overlapping does occur. In some cases one of the

aforementioned network forms may exist within an already established network; thus, creating a sub-network (network within networks). This overlapping can be beneficial in encouraging the spread of knowledge and skills amongst organisations as closer ties are developed (Provan & Sebastian, 1998).

FEDERATIONS

Considered a more “intriguing” (Flanagin et al., 2001, p.70) form of inter-organizational networks, the federated network concept and the formation phase has had minimal research attention, compared to the vast amounts of work on other forms of networks (Fleisher, 1991; Provan, 1983). This is intriguing because in a federated network the affiliated organisations allow the Federation Management Organization (FMO) to gain control over the operating activities and partial rights of decision making with the expectation that the FMO will reduce environmental uncertainty and decrease the complexity of the linkage network (Dickson, Arnold, & Chalip, 2005; Flanagin et al., 2001; Provan, 1983). Federations are formed on the intention to coordinate, control, and manage the tasks of two or more organisations and are regarded as being a task high in complexity. To succeed in the formation and continuation, superior levels of knowledge, expertise, and leadership skills are essential (Provan, 1983). Two reasons are stated by Provan (1983) as leading organisations to create a federated network: 1) A discrepancy between the expertise and the goal orientation of potential affiliates and the anticipated role of the federation management, and 2) External pressures that urges the organisation of a network.

The function of the FMO is to control interdependence amongst the affiliate members (Nishimura, 2004). This includes developing the strategic direction of the network and attaining the goals of the members, and coordinating the flow and distribution of resources amongst the affiliates (Provan, 1983). Federated networks are valuable for the affiliated members as the members themselves still maintain control over certain tasks of their own establishments and also a certain amount in the whole network. Participatory, Independent, and Mandated are the three main types of federations

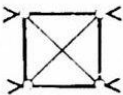
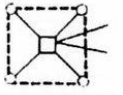

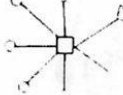
with the most common type present in sports leagues being the mandated federation (Provan, 1983).

An active role in the federation management by affiliates is present in a participatory federation (Provan, 1983). Direct interaction amongst member affiliates exists, with organizations having the ability to retain control of their actions while still having the benefit of risk reduction as a result of being part of a network. An independent federation operates as a separate organizational entity (Provan, 1983). Daily operations are maintained by the affiliates with the more complex tasks being relinquished to the FMO whose position becomes more recognisable as the amount of affiliates increases.

The third type of federation involves an involuntary affiliation as members are forced by law to gain affiliation with the FMO. This form is known as a mandated federation (Provan, 1983). A mandated FMO represents its affiliates and sets the regulations in which they operate. Few affiliates seek voluntary removal from a mandated federation as the consequences of not being affiliated are too extreme (Provan, 1983). Characteristics of these three federation forms are outlined in Figure 5 (p.29).

In the Oceania Football Confederation (OFC), with which this research will take place, a mandated approach is present whereby National Sports Organisation's (NSOs) involved in football within Oceania are forced to affiliate with the OFC if they desire to compete in FIFA sanctioned tournaments and fixtures. The affiliates are not owned or operated by the FMO which has the purpose of representing the interests and needs of the third parties (Provan, 1983). A mandated format is also operational within many sports leagues globally, where the FMO is either appointed by the members or is an external operating contractor. In sports leagues the FMO sets the rules and regulations, and controls the revenue distribution of the league and the prospects of expansion (Dickson et al., 2005; Skinner, Zakus, & Edwards, 2008).

Figure 5: Characteristics of Inter-Organizational Linkage Networks.

Network Characteristics	Coalition	Voluntary Federations			Owned Systems (Intraorganizational)
		Participatory Federation	Independent Federation	Mandated Federation	
Basis for affiliation	mutual benefit and stability	previous plus complexity reduction	previous plus legitimacy	legal mandate or strong external pressures	ownership
Participation of affiliates in network management	high	moderate	low	low	low
Number of organizations in network	few to moderate	moderate	moderate to many	few to many	few to many
Primary source of FMO power	N/A	affiliates	affiliates	third party	owners
Importance of network for legitimacy	low	low to moderate	moderate to high	high	low to high
Essentiality (importance/pervasiveness of issues/resources mediated by FMO)	N/A	high	low to high	moderate to high	moderate to high
Substitutability of FMO (capacity to obtain services elsewhere)	N/A	moderate to moderately high	moderate to low	low	low
Examples	joint programs joint purchase decisions interlocking boards	social service exchanges some multihospital systems some cartels (O.P.E.C.)	United Way N.C.A.A. trade associations some multi-hospital systems	professional sports leagues county welfare boards	holding company conglomerate divisionalized firm
Network structure					varies depending on control exercised by the systems' management (generally similar to an independent federation)

N/A = not applicable
 ○ = organizations in the network
 □ = federation management organization (FMO)
 △ = third party attempting to monitor the activities and decisions of affiliates
 — = strong relationship
 --- = moderate strength relationship

(Provan, 1983)

COALITIONS

When a group of 'players' (organizations or individuals) within a network make the decision to act together as a single entity in relation to the remaining network members, the established group is regarded as a coalition (Hart & Kurz, 1983). A coalition is deemed to be a prominent way in which organizations in sport can enhance their power basis and influence the decision process (Amis & Slack, 2008). Coalitions are gaining greater occurrence as a result of government and private funding initiatives (Mizrahi & Rosenthal, 2001). Vidal-Puga (2008) in his research on the formation of coalitions explores the concept as a snowballing process in which a coalition that is increasing in size 'swallows' up the unattached individual organizations, thus gaining a stronger representation within the whole network. Another approach, in which coalitions form, suggests the process is an internal rejuvenation in that coalitions merge amongst themselves until stability is established (Macho-Stadler, Perez-Castrillo, & Porteiro, 2006). These two approaches mentioned differ from the regular

approach that assumes that an unlimited amount of organizations can simultaneously connect to a coalition (Hart & Kurz, 1983; Ray & Vohra, 1999). Throughout these three approaches common sequences exist in the coalition formation process including the establishment of trust, creating mutual respect, and the communication of views (Slack & Parent, 2006).

Collaborations, being in nature more task specific and short term, differ from coalitions, although closely overlap. Successful factors in collaborations include: membership characteristics, environment, process and structure, purpose, communication, and resources (Mattessich & Monsey, 1992). These characteristics are recognisable within a coalition; however, the defining factor for success is dependent on the presence of competent leadership (Mizrahi & Rosenthal, 2001). Knowledge, skill, respect, and decision making ability are defining qualities of a successful leader, for it is the leader of a coalition in which the affiliated organizations rely on for the acquisition of resources and benefits (Mizrahi & Rosenthal, 2001). An organization's identity within a coalition determines the amount of benefits it receives. Vidal-Puga (2008) found that the order in which an organization joins the coalition is critical in enforcing their identity.

Certain scholars refer to coalitions as being social movement organizations (McAdam, McCarthy, & Zald, 1988; Mizrahi & Rosenthal, 2001). Others have viewed organizations that merge as forming cartels (Macho-Stadler et al., 2006) as they gain the ability to organize their quantity decisions. Milkman (2005) explored the formation of coalitions as a result of disaffiliation from an established group as a result of disruption and discontent with how the network was operating. Although, if merging coalitions lack control and voice within the entire federation their presence is ineffective (Milkman, 2005), and they should only be created with the outlook of increasing possibilities such as a greater strength and voice for their affiliates as a whole (Mizrahi & Rosenthal, 2001).

CLIQUE

Within inter-organizational relationships between dyads, which involve only two firms, and networks exists cliques which are regarded as high in importance as they exert direct influence by being immediate to a focal actor (Wasserman & Faust, 1994). Provan et al. (2007) define cliques as existing when three or more organizations are connected to one another creating a cluster. In a similar context, it has been said that cliques are a group of members densely interconnected within a network, and appear comparatively stable (Rowley, Baum, Shipilov, Greve, & Rao, 2004). Cliques are perceived to be more beneficial for attaining desired outcomes for an organization compared to those connected to a dyad (Provan et al., 2007). This is an important factor considering that typically organizations join a network envisaging enhancing their overall performance (Provan & Sebastian, 1998).

In their study exploring competition within groups Rowley et al. (2004) discovered that centrality within a clique has no influence on the performance and benefits of an individual member, nor do they affect organizational behaviour. Member success within a clique is reliant on the competitive strength that is established as a whole, with benefits being gained if strong structural and operational qualities exist as clique stability is acquired by providing value to members (Rowley et al., 2004). This value can be obtained by holding centrality within the greater network with cliques that provide strong value to their members experiencing lower exit rates (Rowley, Greve, Rao, Baum, & Shipilov, 2005).

Effectiveness in inter-organizational networks is enhanced when overlap occurs amongst cliques. It is this integration that is essential at the sub-network level for overall performance to be successful (Provan & Sebastian, 1998). Organizations are not limited to just the single clique enabling them to have multiple partnerships. This overlapping of relationships promotes knowledge and ideas to be transferred from one clique to another. As well as reducing operational costs, cliques develop cooperation and trust amongst members across the entire network (Provan & Sebastian, 1998). The greater the density of a clique, the more value it will generate, as greater cooperative

exchange is present (Rowley et al., 2005). Two types of clique exist: voluntary and involuntary, both of which typically are a result of inequalities within the relationship (Rowley et al., 2005). If a firm decides to terminate ties and leave a clique they are doing so voluntarily; however, if clique members combine to eject a firm, for whatever reason, it is involuntary. Managing the viability of a clique requires influential negotiation skills as key members may leave if they perceive that they are capable of receiving greater benefits from being a member of another clique, or even acting independently (Rowley et al., 2005).

Cliques are common across a variety of industry networks including banks and general business organizations and tend to be established by geographical proximity (Rowley et al., 2004; Rowley et al., 2005). From their study into the timing of disaffiliation from a clique, Rowley et al. (2005) discovered that three social and instrumental processes determine the stability of a clique: “1) building social attraction to govern exchanges, 2) developing complementarity to accomplish collaborative tasks, and 3) distributing the value created by a clique amongst its members” (p.499).

VOTING BLOCS

The members of a network will ideally vote according to their individual preferences (Equia, 2007). This voting decision may encounter external pressures especially if the member is a part of a sub-network (coalition, collaboration, and clique), where they may be persuaded to vote in the interests of the group; thus, creating a voting bloc (Equia, 2007). One definition of a voting bloc is that they are formed to give a gain of influence to the members involved, and that they require two or more members to exist (Feix, Lepelley, Merlin, & Rouet, 2007). The one-vote-per-member rule is common in IFs (FIFA, 2008a; Sugden & Tomlinson 1998) as it provides equality amongst its members. Opposition to this rule is experienced as members which contribute little to an organization have equal rights and power to those members which have strong presence within the organization (Jennings, 2007). Within the football community this means that associations like the Cook Islands which are ranked 202 in the world and possess 2,200 players have the same voting strength as

Germany where over 16 million players exist, and are currently ranked number two in the world (FIFA, 2006; FIFA, 2008a).

This ruling can lead to alliances forming in the way of a voting bloc where effectively the combination of individual votes can act together to create one superior vote (Leech & Leech, 2006). This combination may benefit the collection of members involved as if they stood alone they would appear almost invisible; but together, their interests may gain recognition (Equia, 2007; Leech & Leech, 2006). A combination of votes decreases the power of members which are not aligned. When a majority rules voting system is used, a voting bloc may have greater influence in swaying the decisional outcome, although the strength of a bloc may appear less if a unanimous decision or two-thirds vote is required (Equia, 2007).

Alliance strength is developed by all members voting as a bloc (Feix et al., 2007), so if one member votes in opposition they are in turn dampening the strength of the alliance. Blocs can be formed in two ways: firstly if one voter takes control over the voting mandates of others for personal interest, an annexation occurs which only benefits the annexer (Felsenthal & Nachover, 2002). The second process occurs when members voluntarily establish a bloc via mutual consent with all members receiving equal benefits from the alliance formation (Felsenthal & Nachover, 2002). In contrast to the views of Feix et al. (2007) on blocs requiring two or more members, Leech and Leech (2006) argue that a bloc can exist although it may only consist of one individual member; a presence which may prove powerful in a majority rules setting. Collaborations in the form of a voting bloc appear promising; however, many fail to initially form or split early due to disagreements on the way the vote should be used, as all members require the need to gain positive outcomes from the way in which they choose to vote (Equia, 2007).

STRATEGIC ALLIANCES

When organizations establish an informal relationship minus the creation of a new entity or a central authority such as an FMO, yet still possessing the exchange of

organizational knowledge and resources, the relationship is regarded as being a strategic alliance (Barringer & Harrison, 2000). A strategic alliance involves at least two partner firms that post-alliance formation continue to maintain their independence from each other while still sharing the benefits created and organizational control (Yoshino & Rangan, 1995). Gulati (1998) defines a strategic alliance as a

Voluntary arrangement between firms involving exchange, sharing, or co-development of products, technologies, or services. They can occur as a result of a wide range of motives and goals, take a variety of forms, and occur across vertical and horizontal boundaries. (p.293)

FIFA has a strategic alliance established with a social-profit organization known as 'streetfootballworld' with both organizations having a common goal in using football as a tool for development (streetfootballworld, 2009).

In contrast to the opinions of Barringer and Harrison (2000), Todeva and Knoke (2005) argue that strategic alliances are in fact a formal relationship. It is their view that organizations seeking to form a strategic alliance believe achievement is greater "through collaboration than through competition" (Todeva & Knoke, 2005, p.1). Organizations enter into a strategic alliance to "reduce uncertainties in their internal structures and external environments, to acquire competitive advantages that will enable them to increase profits, or to gain future business opportunities that will allow them to command higher market values for their outputs" (Todeva & Knoke, 2005, p.5).

Greater success rates, higher return on equity, and an enhanced return on investment are positive outcomes for firms that enter into a strategic alliance (Todeva & Knoke, 2005). It is these outcomes that are viewed highly compared to those related to mergers and acquisitions by firms that are deciding which inter-organizational relationship form they desire to enter (Todeva & Knoke, 2005; Zajac, 1990). Negative consequences include the possibility that organizations may legally be locked into unproductive relations which in turn blocks any further collaborations with firms that are more suitable and viable (Gulati, Nohira, & Zaheer, 2000). In addition, the major

constraint on strategic alliance formation and operation is government intervention, with approval typically required in relation to regulations such as antimonopoly and antitrust practices (Todeva & Knoke, 2005).

Operational flexibility and market potential help determine which direction an organization will adopt when choosing partners to establish a relationship with. Bensimon (1999) proclaims that “an alliance is a marriage of convenience for its partners. As long as the alliance lasts, each partner has an interest in the other’s success” (p.9). Further to this Bensimon presented a series of executive guidelines for organizations to follow when entering a strategic alliance including; first assimilate the competencies of your partner; make sure you consider your partner as today’s ally, but tomorrow’s competitor; share information wisely, only give your partner what they need to know; and finally to structure an alliance carefully as it may be a necessity for your organization to succeed (Bensimon, 1999).

O’Farrell and Wood (1999) contend that although thorough exploration has occurred, it is still unclear exactly what the determining factors are for those organizations that achieve success when they are part of an alliance. This difficulty in measuring the meaning of success could be due to the understanding that numerous strategic alliances are of a dyadic nature where performance is typically asymmetric with one half of the alliance failing to achieve their objectives while the other half reaps the benefits (Gulati, 1998). This complication in analyzing alliances is in many cases due to an increasing amount of alliances involving firms from other countries and cultures that have differing criteria in terms of what is required to achieve success (Si & Bruton, 1999; Todeva & Knoke, 2005; Yan & Zeng, 1999). Although difficulties exist in analyzing strategic alliances, both instability and dissolution are linked to failure which results for approximately 50% of all alliances established (Dacin et al., 1997; Harrigan, 1988; Todeva & Knoke, 2005). It should also be noted that 80% of alliances that operate internationally result in the stronger partner acquiring the weaker partner (Bleeke & Ernst, 1995), with an extreme outcome being a merger between the organizations involved (Todeva & Knoke, 2005). International alliances are more susceptible to

managerial conflict due to varying corporate cultures resulting in termination occurring during infancy (Steensma & Lyles, 2000).

Bhat (2008) listed the factors which lead to success for an alliance. Included in this was the ability to form trust with partner firms, management flexibility, and the importance of resolving conflict through constructive management. Further to these factors, Sanchez (1994) identified that a prominent factor was the strategic interdependence of the firms involved. Todeva and Knoke (2005) devised a definition for what determines success. They proclaim that if “partners achieved their own strategic objectives and recovered their financial costs” (p.13) then the alliance could be portrayed as being successful. Strategic alliances that are repeated or continued depend highly on inter-organizational trust, for organizations need to ensure that the firms which they create ties with will not act in an opportunistic way, abusing the established partnership (Todeva & Knoke, 2005).

CARTELS

The aforementioned varieties of inter-organizational networks all have the ability to develop into a cartel that controls the production and price of a product within an industry (Pesämaa, 2007). A cartel is an “association of firms that restrict output or set prices. They may divide markets geographically, allocate customers, rig bids, or restrict non-price terms” (Levenstein & Suslow, 2008, p.1). Downward and Dawson (2000) define a cartel more specifically, stating they are a “collective of firms who by agreement, act as a single supplier to a market” (p.31). Today, most countries forbid the practice of an organization operating as a cartel, classing them as an illegal operation due to their monopolistic behaviour. Cartels can be a disadvantage to society as typically only the individual firm involved receives the benefits (Pesämaa, 2007). Monopolistic behaviour is subject to anti-trust legislation in the United States of America. However, Major League Baseball (MLB) has been exempt from this legislation since 1922, which primarily means that a franchise team cannot change their location without prior approval from the MLB (Rovell, 2001). This case is extremely unique with Baseball being the only sport or business with such legislation in place.

An exception to this illegal structure occurs within the sport industry where professional sports leagues and competitions operate as a private cartel (Adams & Brock, 1997; Ferguson, Jones, & Stewart, 2000; Stewart et al., 2005), and have been approved by governments to operate in such a way (Szymanski, 2003). Due to their reliance on teams to cooperate together for the product to be possible, professional sports leagues are typically controlled by a central FMO that enforce rules, restrict team entry, set prices, determine revenue distribution methods, all in the interest of the member organizations linked to them (Adam & Brock, 1997; Ferguson et al., 2000). The English Football League controls the operational management of league control and revenue sharing arrangements; thus, presenting a prime example of a sporting cartel with their sole dominance of a professional football league in England (Arnold & Benveniste, 1987). Cartels operate with the interest of the group as a whole. During the early 1980s the English Football League faced the threat from the elite clubs to break-away and form a 'Super League'. To avoid this threat, the League adjusted voting powers and revenue sharing schemes to suit these teams; for without them the League would struggle and lose its monopoly power.

Ferguson et al., (2000) disagree with the idea that professional sports leagues are the 'perfect cartels', as they have been previously described, due to them not achieving a "fully collusive outcome" (p.422). It is their view that the entire operation involves a number of separate entities being the league and teams that control their own manner. Although respectable quantities of cartels operate for over a decade; large proportions collapse within one year, with the average life expectancy being between five to seven years (Levenstein & Suslow, 2008). To maintain a cartel, violation charges for those members that break the agreement need to be greater than the benefit which the member would receive for disaffiliating from the network (DeSchraver & Stotlar, 1996).

LEVELS OF ANALYSIS

Three separate levels of analysis can help examine inter-organizational relationships (Van de Ven, Walker, & Liston, 1979). The first level explores the relationships amongst

pairs of organisations; this is deemed the most uncomplicated approach and is conducted to provide an in-depth acquisition of knowledge of evolution and maintenance of networks at a less complex level (Provan, 1983). The second approach is based around the focal organisation which is created and its relations. It can be used to provide an insight into the formation (Whetten & Leung, 1979) and implications (Molnar & Rogers, 1979) of inter-organizational linkages. However these approaches are seen to be inadequate for explaining networks due to the complexities they possess (Nishimura, 2004). The third and final level of analysis broadly examines the entire network of linked organizations and according to Nishimura (2004) is considered a more appropriate approach.

CONCEPTS WITHIN INTER-ORGANIZATIONAL NETWORKS

Three theoretical concepts are discussed within this section. First, the concept of power is explored and how it is exercised, be it for sole benefit or for the network as a whole. Conflicting views of power exist within the literature especially surrounding how power should actually be examined. The second concept, trust, is a concept deemed sacred to an organization. Confusion prevails again in relation to the concept of trust, although the dominant theme suggests that trust is the willingness to take risk within a relationship. The third concept, that of legitimacy, considers how an organization can be perceived as legitimate in the opinions of its stakeholders. Without legitimacy an organization, especially a newly established one will struggle to gain acceptance and respect.

POWER

Literature covering the concept of power has explored an endless variety of possibilities and theories. It has been noted as being a disappointing concept due to the confusion which surrounds the topic in terms of defining the concept and how power is gained and used (Slack, 1983). Clark (1967) suggested that an overabundance of research surrounding the concept of power existed. It is interesting to note that this comment was positioned over four decades ago. Opposition to this view 10 years later argues that minimal attention has focused on the concept (Kotter, 1977). So the

thoughts around the topic of power appear as confusing as the topic itself, especially since the past 30 years has seen further literature developed on this topic in relation to these historical pieces. Recent literature has linked resource dependency and power, suggesting that when an organization that holds power desires a resource that it currently does not possess or is unattainable, they will use their power and control to influence those organizations that do possess the resource (Oliver, 1990).

These conflicting opinions transfer into difficulty with creating a single definition for power. So, what is it that this term 'power' actually means in relation to an organization? The widely accepted opinion of Weber (1947), although dated, provides strong reasoning for this concept and suggests that power is "the probability that one actor in a social relationship will be in a position to carry out his own will despite resistance, regardless of the basis on which this probability rests" (p.152). This definition can be processed as the ability for one organization to force another organization to perform a task that they otherwise would not have done or in a straightforward and easily understandable way: "A has power over *B* to the extent that he can get *B* to do something that *B* would not otherwise do" (Dahl, 1957, p.202; italics in original text).

A more proactive approach deems power to be "the ability to get things done, to mobilize resources, and to get and use whatever it is that a person needs for the goals he or she is attempting to meet" (Kanter, 1977, p.166). Power exists only when a relationship between individuals or groups is present, and cannot exist alone as there is no other factor on which to exert the power (Foucault, 1979). If an organization has a strong desire for power they are more likely to take risks to acquire it; thus, making it a variable concept dependent on one's thirst for power (Livingstone, 2002). The term power is closely related to the term authority, which is one form of power typically given to an organization by a supreme body depending on their role within the organization. Not in all cases does the sole benefit of possessing power enhance the holder. Under the Foucauldian approach which views power as being 'web like' and a result of a relationship, it is common for a submissive group to enjoy the benefits of having another organization hold the power (Foucault, 1979). Foucault's approach

provides a positive view of the concept of power and that it produces the truth within a relationship.

The significant contribution to literature of French and Raven (1959, 2001) proposed that power exists in five different, yet still overlapping forms, including: legitimate power, coercive power, reward power, expert power, and referent power. Transitional pieces of literature presenting additional research to the proposal of French and Raven includes the association of the interpersonal power concepts to a sport situation (Wann, Metcalf, Brewer, & Whiteside, 2000), and finding that the proposed model is psychometrically sound when positioned within the American sports industry. Konter's (2009) study on leadership power in soccer players reveals that coercive power and expert power both have significant differences; compared to legitimate power and referent power which are closely related. The five power concepts suggested by French and Raven have had further classifications assigned to them; with referent and expert power being equivalent to personal power, and coercive, legitimate, and reward power being associated with positional power (Wagner & Hollenbeck, 1998; Yukl, 2002).

Determined by the position which is held, legitimate power is likened to authority and typically held in sports organizations by Managers, Presidents, and Directors. The recipient typically believes that they are obliged to accept the directions/orders of a party which holds legitimate power (Slack & Parent, 2006). Coercive power is gained by the ability of one organization to impose negative sanctions on another organization in such that they are punishing them. This form of power disrupts networks due to its alienating affects and submits fear into the recipient organizations, and is used regularly in sport organizations (Slack & Parent, 2006). The opposite of coercive power is the form of reward power where an organization which is able to provide rewards for other organizations receives great dignity and respect. The strength of power in this form is determined by the amount and importance of the reward given, and can exist in the form of funding grants and/or loans, and also by the selection of individuals into international committees (Slack & Parent, 2006).

If an organization or individual strongly supports the relationship power holder by acting like they do, believing in what they do, and supporting their views they will gain referent power as they gain a high-level of identification with the power holder. In this sense they want to be as similar as possible to the supreme organization, an approach which adopts an isomorphic approach (Deephouse, 1996). Organizations that possess referent power are generally charismatic in nature and provide a strong promotional tool for the overall organization (Slack & Parent, 2006). The final form of power devised by French and Raven (1959) is expert power. The position of an organization or individual within a hierarchy does not influence this form of power which refers to when a special knowledge or substantial skill in a certain area is held by an organization. Hence, this type of organization would be regarded as extremely valuable and credible to their relationship partners as they possess strong tacit knowledge (Berman, Down, & Hill, 2002) which is gained by experience and has limited, if any, transferability. The five forms of power are interrelated, and misuse of one form can have negative effects on another form.

In a sporting context power struggles can be prominent and tend to arise due to an uneven distribution of power existing amongst organizations (Thibault & Harvey, 1997), a power which is usually developed by an organization maintaining stronger relationships with external parties. Non-profit sports organizations receive funding prominently from local governments and/or sponsors (Babiak, 2007). Due to this dependence the pressure to perform financially and in competitions is applied by the funding groups. This pressure is an act of exercising power upon the recipient and can lead to corruption and conflict. In such competitive markets, it has been acknowledged by organizations that they are willing, and intend, to use the power available to them in an attempt to enhance their position within the relationship (Wolfe, Meenaghan, & O'Sullivan, 2002). National governments, which may provide financial support to sporting organizations in some instances, will desire to gain greater control of the decision making and administration of the receiving organization (Thibault & Harvey, 1997). This is likened to protecting their investment. However government interference in a NSO is frowned upon boldly by the International Federations as politics should not interfere with sport. The governing IFs in turn will utilize their

power and imply restrictions on the particular national teams of the government in mention. Sports organizations which have partnerships with a number of funding entities have significantly more power and decision making sovereignty than organizations which rely solely on one funding source, thus limiting the possibility of political power to influence their decision making abilities (Thibault & Harvey, 1997).

When comparing power levels amongst members of a network, there are five factors which can be used in the comparison: (1) differences in the basis of power, (2) differences in means of employing the basis, (3) differences in the scope of their power, (4) differences in the number of comparable respondents, and (5) differences in the change in probabilities (Dahl, 1957, 1994). Choosing which combination of the five factors a researcher adopts is dependent on what their research is focused on and what they are intending to discover. A contrasting view to this foundation piece on the concept of power and its existence is discussed by Bachrach and Baratz (1962) who proposed that in fact there are two faces of power and argue that political scientists only see one of these faces while sociologists recognise neither face. The pluralist approach adopted by Dahl (1957, 1994) in his seminal piece of literature struggles to provide a strong differentiation between what is a 'key' decision and a 'political' decision. The disapproval in the approach taken by Dahl is further criticized by Bachrach and Baratz who believe that Dahl "is in no position to evaluate the relative influence or power of the initiator and decision-maker" (p.952) as recognition of both faces of power is absent. To distinguish between the two faces of power which have influenced decisions the researcher should analyse the participation of members in decision-making involving important issues, in doing this an understanding of the true power relationships within a network are recognisable (Bachrach & Baratz, 1962).

Centrality in a relationship increases the power of members compared to those who are more peripheral (Brass & Burkhardt, 1993; Rowley, 1997). Centrality can be achieved by closely aligning oneself with the host or leading member in a network. This can be achieved by the goals and strategy in which an organization vying for power implements, or by their geographical location in relation to the power controller. For organizations that are joining an established network they will possess minimal power

amongst the other members and affiliates and have little impact in influencing these members' decisions to benefit their own interests and motives (Dickson et al., 2005). This is a consequence of not holding centrality within the relationship, an aspect which tends to be owned by those members who were present in the beginning of the network and assisted the establishment of the network.

As stakeholders' numbers increase, so does the tension within a relationship. If a particular network member perceives that another member is being favoured by the decisions made by the network, and that the benefits from being a member of the network are minimal, then tension will develop (Eden & Huxham, 2001), which may lead to the misuse of power. This tension can be enhanced if a particular individual holds multiple decision making positions within a network; a concept regarded as being a conflict of interest and which faces intense scrutiny within the sport industry, compared to mainstream business, as the expectations placed upon the sporting industry are superior (Sherry et al., 2007). Conflict relates to the "behaviour by organization members which is expended in opposition to other members" (Morgan, 1986, p.155) and must involve two or more parties to exist. This definition is similar to that of Dahl (1957) in relation to power having one organization benefiting and another diminishing organization due to its presence. The traditional ownership of multiple roles within a sporting organization has changed dramatically with individuals in many cases being relieved of certain roles to avoid the possibility of them using their power for personal advantage and subsequently enhancing conflict and corruption within the network.

Power can be exercised in an assortment of covert ways, and most successfully when it is used unexpectedly and organizations are unaware of its presence (Walsh, Hinings, Greenwood, & Ranson, 1981) for it cannot be seen, but can be felt (Slack, 2004). However, the receiving organization needs to be able to comprehend what exactly it is that they are experiencing. Overt power is recognised by the distribution of directors and authority representing an organization which is part of an inter-organizational network (Veliyath, & Ramaswamy, 2000).

If differences exist within a network in relation to competencies, resource dependence, and financial strength, then power asymmetry is enhanced (Yan & Gray, 1994). From a general perspective, this power asymmetry may appear strongly within the context of this study due to the varying situations of the nations involved. Asymmetry can disrupt the efficiency of a network; however, managers and leaders that consider the requirements of all network members can ease this disparity and gain influence and admiration from their followers (Muthusamy & White, 2006). Rudolph and Peluchette (1993) advocate that the concept of power is determined by the position that is held; a view in agreement with the seminal work of Kanter (1979) who proposed that “the position not the person often determines whether a manager has power” (p.65). The leading position in an organization is a privileged site consisting of high influence, it is the most dominant position within the organization and with it, is the highest point within the power hierarchy (Hatcher, 2005). In contrast to these opinions is that of Liu and Fang (2006) who suggest that it is the personality and charisma of the manager that provides them with power. It is also typical for managers and leaders that use power charismatically to adopt an expandable power approach, meaning that they adopt cooperative goals that suit and encourage all followers who are also empowered by their leader (Tjosvald & Sun, 2005). To minimize risks that may be associated with empowering numerous members of a network, thus distributing the power, a leader may reduce the number of senior positions available (Hatcher, 2005), for example decreasing an Executive Committee down from 11 to seven seats.

TRUST

Successful alliances and networks require inter-dependency amongst their partners. An important characteristic required to be represented strongly if these networks are to be successful is the concept of trust. Kramer (2006) positions that in relation to organizational theory and research, trust has developed from a mere concept to a prominent stage over the past few decades. Without this prominence of trust the formation of inter-organizational networks is hindered due to partners viewing each other as suspicious and untrustworthy (Das & Teng, 1998). Trust allows interaction and information exchanges between affiliates to blossom (Gulati, 1998) and is a requisite

for reducing operational costs (Todeva & Knoke, 2005). It is also developed long-term with founding members generally possessing greater trust amongst each other than they do with newly established members (Pesämaa & Hair, 2007).

Many scholars have developed their own definition of trust, however due to the multi-dimensional nature an agreement on a commonly accepted definition has proved problematic (Mayer, Davis, & Schoorman, 1995). A definition of trust which can be related to inter-organizational relationships refers to

The willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party. (Mayer et al., 1995, p.712)

Another concept of the definition, and one which is widely used (Currall & Judge, 1995; Mayer et al., 1995), includes the topic of risk as the core of trust. This restrictive approach reads trust as being “positive expectations about another’s motives with respect to oneself in situations entailing risk” (Das & Teng, 1998, p.494). Mayer et al., (1995) compares and relates these two definitions by implying that being vulnerable is in fact the same as taking risk, and that if something of importance could be lost then the parties involved are vulnerable. This examination of the words ‘vulnerable’ and ‘risk’ are summed up by stating that “Trust is not taking risk *per se*, but rather it is a *willingness* to take risk” (Mayer et al., 1995, p.712; italics in original text).

Cooperation, confidence, and predictability, among other terms, have all been used in tantamount to trust and although they perhaps may supplement trust, they are not a necessity for trust to exist. In some cases cooperative behaviour within a network is developed through trust being present, although risk is not definite when coordination is present. Mayer et al. (1995) suggest that “You can cooperate with someone who you don’t really trust” (p.713); thus, emphasizing the need to distinguish the two concepts: trust and cooperation. Within networks cooperation may prove difficult to obtain. Even though it is a highly desirable conception which could enhance the effectiveness of a network, the concept of cooperation in relation to an inter-organizational network

can be defined as “the willingness of a partner firm to pursue mutually compatible interests in the alliance rather than act opportunistically” (Das & Teng, 1998, p.492). It is this opportunism that lends strategic partnerships and networks to be unstable, self-deflating, and transitional in nature (Das & Teng, 1998; Inkpen & Beamish, 1997) and it is important for competition and cooperation to be balanced.

Both trust and confidence could possibly lead to disappointment for the parties involved (Luhmann, 1988); however, the differentiation between the two can be made through the presence of risk which must be recognized in trust yet not in confidence. Confidence in a network environment according to Das and Teng (1998) is the understanding and belief by one member that their partners will act appropriately and responsively. If this belief is strong, then a greater confidence level will exist. The essentiality for confidence to be recognized in networks is discussed in the literature, with two dominant resources, trust and control, required in achieving confidence within a network (Das & Teng, 1998). Supreme levels of confidence can be present within an inter-organizational network, even though trust may be minimal, but for this to happen successful control mechanisms are required.

In similar aspect to the relationship between cooperation and confidence a strong relationship between trust and predictability is visible; yet, the terms are indistinct. The key difference between trust and predictability is the willingness to take a risk, the same key difference present in both cooperation and confidence (Das & Teng, 1998). Predictability has strong manipulating power and can reduce the trust levels within a network if external control mechanisms are present.

The literature discussed has shown these three concepts of cooperation, confidence, and predictability and their relationship with trust, with definitions and the strength of the relationship and comparisons appearing vague (Das & Teng, 1998). Trust and control have also been closely related and it is posited that they are parallel concepts with trust being one type of control mechanism (Das & Teng, 1998); whereas another approach, views trust as a substitute for hierarchical control in organizations and not as a control mechanism (Zaheer & Venkatraman, 1995). This view of trust not being a

control mechanism is supported by numerous scholars (Das & Teng, 1998; Leifer & Mills, 1996). Having been said, when there is no need to control a partner's behaviour, member partners will fully trust each other with the requirement for control only present when inadequate trust is present in the relationship.

Strategic alliances and networks are thriving grounds for opportunistic behaviour and deception to exist (Das & Teng, 1998). If suspicion arises amongst members, awkwardness and negativity within the network increases which may lead to members feeling as though they are being used. These intractable issues of distrust and suspicion in some organizations are never-ending (Hardin, 2004; Kramer, 2006), and some organizations in an attempt to gain control over environmental uncertainty employ unethical or illegal activities which may include price fixing, monopolies, franchise violations, and illegal mergers and acquisitions (Slack & Parent, 2006). Transparency, being the withholding of important information from fellow network members (Pirson & Malhotra, 2008), has shown to have low levels of trust building capabilities. Various stakeholders have a desire to know every aspect for their personal comfort, and are no longer just seeking apparent honesty from partner organizations (Pirson & Malhotra, 2008). Stakeholders need and desire to be connected with the principles of an organization. Those organizations that provide strong trusting capabilities with their stakeholders have a propensity to produce greater and more positive outcomes including an enhanced loyalty and increased cooperation, the latter being deemed essential for success within strategic alliances like inter-organizational networks (Pirson & Malhotra, 2008).

An outcome of trust, according to Mayer et al. (1995), is the openness to take risk in a relationship. However, organizations need to be reminded that trust is an elusive and fragile resource; yet it is extremely desirable. These factors suggest that trust is hard won but easily lost (Kramer, 2006). The task of achieving trust as well as companionship proves to be much more complex in inter-organizational networks which involve diverse countries and cultures. Here, the opportunity for tension to evolve is greater due to government positions and beliefs with cultural clashes leading to the failure of many mergers and networks. This is due to the difficulties around

combining together two or more separate and in some instances vastly different cultures and expecting them to operate effectively (Das & Teng, 1998).

Trust can be developed if two facets are preserved: fairness and equality (Das & Teng, 1998). An understanding of the essential requirements of partners needs to also be present; thus, creating a system of shared values (Das & Teng, 1998) typically in the form of a common acceptance of strategic goals and direction for which the relationship was formed. Difficulties appear once again in the decision by members to either trust or control their partners or a specific partner, as building trust with a particular member can destroy the trust held with another member (Pirson & Malhotra, 2008). Pirson and Malhotra's (2008) study on stakeholder trust emphasized the comment by the CEO of Coca-Cola who stated that "trust is sacred to us" (p.46). The terminology used helps us understand the high importance of trust.

LEGITIMACY

The significance of the sport industry from a commercial and economic perspective is increasing rapidly. Sporting organizations are required to operate more professionally so to gain the respect and legitimacy of their stakeholders. Aldrich and Fiol (1994) provided the definition that legitimacy is "the process by which key stakeholders, the general public, key opinion leaders, or government officials accept a venture as appropriate or right, given existing norms and laws" (p.648). The concept of legitimacy is widespread throughout a variety of industries. For organizations which are newly established, or have experienced substantial change, the ability to acquire the perception of being a legitimate organization by their respected stakeholders is difficult. A lack of legitimacy is seen as a critical factor in establishing a successful operation (Aldrich & Fiol, 1994), for if vital stakeholders do not deem an organization legitimate, than subsequent stakeholders could possibly adopt the same opinion.

For an IF to put into effect their governing function, their rules and regulations need to be rightful and binding, thus rectifying their authority and legitimacy (Forster & Croci, 2006). The commercialization of sport has revolutionized the typical organizational

structure and operating practices of organizations which possess sport as their product (Amis & Slack, 2008). Traditionally, NSOs and non-profit organizations have been operated under what is known as the 'Kitchen Table' archetype consisting of volunteer directors and employees and possessing informal levels of complexity and formalisation (Amis & Slack, 2008). In an attempt to be considered legitimate, and with it gain respect amongst the various stakeholders, sport organizations are increasingly adapting their operational structure through the employment of individuals with business-like management practice and experience in executive and board member operational positions (Kikulis, 2000). This change is also in response to the complexity of demands and financial matters which these organizations are experiencing. Although board members are still, in most cases, operating under a volunteer arrangement, monetary stipends and further benefits are bestowed upon them.

Incorporation or affiliation with an accredited sporting body (i.e., FIFA, IOC, FIBA) is how sport organizations gain legitimacy from a legal aspect (Slack & Parent, 2006). This accreditation provides them with governing rules and regulations in which to operate, which are supplied by an organization that is globally recognized and respected. For a sporting organization to legitimize their corporation, strategic goals are required to gain acceptance as a legitimate entity. Goals enable an organization's employees and members, as well as external constituents (funding bodies, alumni etc.), to understand what the purpose of the sporting organization is and what they stand for (Slack & Parent, 2006). Suchman (1995) presented this recognition aspect by stating that if the crucial stakeholders within an organizations environment have their expectations matched than the organization will harvest legitimacy.

Inter-organizational networks have a strong presence of legitimacy within them. This concept is determined by how one member firm within the network perceives and relates to another network member and is known as inter-partner legitimacy (Kumar & Das, 2007). Within a network, legitimacy is the perception that the actions of an entity, such as a member nation, are considered desirable, proper, or appropriate (Suchman, 1995) in the view of the other member nations within a network, and can effectively shape the dynamics of the whole network. Human and Provan (2000) in their study on

establishing legitimacy, proposed that networks which create an internal legitimate notion in many cases, may develop greater prolonged power than a network with the priority of gaining legitimacy from external sources; although eventually both internal and external recognition is essential. Mutual agreement, internally and externally around a network is, however, not essential for gaining legitimacy due to existing on a continuum. This concept of a legitimacy continuum is presented by the thought that “legitimacy requires consensus only somewhere, not everywhere” (Zelditch, 2001, p.10). With this concept of a continuum, ongoing maintenance of containing and promoting legitimacy is a necessity within a network.

Inter-partner legitimacy assists cooperative behaviour within a network, something which proves difficult when forming an alliance amongst different organizations (Kumar & Das, 2007). If the amalgamating organizations perceive their potential partners as legitimate they are more inclined to act on a cooperative process, and not seek the opportunity in a competitive frame of mind which in turn one would assume would produce positive processes for the entire network (Kumar & Anderson, 2000). Different types of legitimacy exist and have been examined and presented by numerous scholars, including cognitive and socio-political legitimacy (Aldrich & Fiol, 1994), internal and external legitimacy (Human & Provan, 2000), pragmatic, moral, and cognitive legitimacy (Suchman, 1995), and inter-partner legitimacy (Kumar & Das, 2007). Three main types of inter-partner legitimacy are discussed by Kumar and Das (2007) with strong reference to Suchman’s (1995) work, these are: pragmatic, moral, and cognitive inter-partner legitimacy. Each type possesses unique characteristics.

Pragmatic inter-partner legitimacy refers to the being that “alliance members see their involvement and contribution as furthering their own interests of the (larger) alliance” (Kumar & Das, 2007, p.1434). Thus, it is positioned around the necessity of the alliance to meet the interest and desires of the members. If and when issues emerge during this concept, senior managers (being those of the FMO or overall governing party) can take two approaches to resolving the problem. First, they can attempt to alter the views of their own alliance managers by adjusting their behaviour. Second, the attempt to alter behaviour and readjust expectations can be positioned towards the

alliances partners. It is common for a mixed approach to occur with both sides altering expectations (Kumar & Das, 2007).

The second type is moral inter-partner legitimacy, which means that “member firms form judgements about whether the specific alliance is the right thing to do” (Kumar & Das, 2007, p.1434) for the organization. It involves the restoration of any injustices and consequently creates justice and is critical during the operational stage. Member commitment and dedication to an alliance/network is hindered deeply if this form of legitimacy is absent from the alliance (Kumar & Anderson, 2000). Threats to this form being maintained include deception, meaning the falsification and misrepresentation of network members towards other members, and can include the withholding of vital information. Inconsistencies in behaviour and different cultural negotiation styles are also threats within moral inter-partner legitimacy, and if this form is damaged then its resurgence is determined by the extent of pragmatic inter-partner legitimacy present (Kumar & Das, 2007).

The third form discussed is cognitive inter-partner legitimacy regarding the investment in learning in order to gain knowledge and is defined as the alliance being “seen as natural and necessary within the larger strategic context of the alliance” (Kumar & Das, 2007, p.1434). This form of legitimacy is slow to emerge, yet once established, it is more stable than the previous forms discussed (pragmatic and moral inter-partner legitimacy). This format tends to appear stronger if network members have an already established knowledge developed from previous experiences of being a part of a strategic alliance. If this prior knowledge is minimal then the outcome of this format is due to the amount of investment based around training and development.

In considering the term cognitive legitimacy outside a network, as opposed to the three concepts just presented in the internal network structure, the views and opinions of the various stakeholders are considered. Cognitive legitimization is measured by the amount of public knowledge about an action, whether it is a new organization or event, and is detailed by how well the knowledge is spread and how well the general public and stakeholders understand the operations of the

organization in mention (Aldrich & Fiol, 1994). The challenge here for organizations due to having limited tradition and history is to create a reputation that is accepted by the stakeholders involved and not be considered inadequate by them, as an established reputation will enhance the following and support, for the organization (Aldrich & Fiol, 1994).

The second external concept evaluated by Aldrich and Fiol (1994) “refers to the process by which key stakeholders, the general public, key opinion leaders, or government officials accept a venture as appropriate and right, given existing norms and laws” (p.648) and is known as socio-political legitimation. This form is assessed by the public and government acceptance of an industry or organization and is linked to the presence of trust. Socio-political legitimacy is developed by establishing relationships with organizations from other industries as well from within the organizations own field (Aldrich & Fiol, 1994).

Steffek (2003) in his piece on the legitimation of international governance made claim that popular agreement of the goals, principles, and procedures of an organization determine whether it is legitimate. This piece also brings forward the theory of a legitimacy crisis. An interesting concept considering the sceptical approach by ideologists that suggest in certain sense that legitimacy does not exist, never has, and never will (Bourricaud, 1987). Bourricaud (1987) believed that the concept of legitimacy is invalid and should be replaced by legitimization, as the method is what interests us more than the present state. It has also been noted that the exercising of force, violence, threats and terror, in some instances, has accompanied the legitimating process (Cipriani, 1987).

International governance legitimacy is contested on a rational discourse approach (Steffek, 2003); it is this approach which is deemed to be the most crucial resource for gaining and maintaining legitimacy. For an organization suffering a legitimacy crisis, as possibly the OFC is currently in the perceptions of stakeholders both internally and externally, Scharpf's (2002) notion that legitimacy was bestowed upon them once

before if they have been in existence and held popular recognition amongst stakeholders for many decades.

The ability to deal with any threats and difficult situations is a distraction for organizations seeking to be deemed by their general stakeholders that they are legitimate. Being perceived as a legitimate organization consumes valuable managerial resources (Kumar & Das, 2007). However the consequence of being viewed as an illegitimate organization is more detrimental to the organizations survival. In a sporting context it is said that being part of an alliance such as a federated network, makes an organization legitimate especially if the alliance in mention is linked to the Olympic network (Forster & Croci, 2006).

REFLECTIONS ON THEORY

The nature of the competition which exists within an industry can manipulate the dynamics which exist within an inter-organizational relationship (Madhavan, Koka, & Prescott, 1998). Linkages between organizations have existed since production firms were established with the likes of family farms, craftsman, raw material suppliers, and trade associations being linked to credit providers like banks (Todeva & Knoke, 2005). Inter-organizational networks can enhance the revenue generation for a struggling firm, reduce risks and increase stability, and provide a greater presence within a marketplace. There is strong reference within the literature (Gulati, 1998; Pesämaa, 2007) suggesting that trust between network members is critical to the long-term sustainability and success of an inter-organizational entity, and removing any suspicions regarding partner opportunism that may exist. Power within a network can disrupt trust creation especially if an imbalance exists as members may feel they are not receiving an equal say in the network operations and direction (Chaudhuri, 1995; Goel, 1994; Lin & Germain, 1998).

Organizations that are present when inter-organizational relationships are established can strongly influence friendships, trust, and commitment within the network (Pesämaa & Hair, 2007). Typically it is these founding organizations that hold network

centrality, and with it a superior status of power (Brass & Burkhardt, 1993; Rowley, 1997). This centrality enables them to dictate the cartel behaviour of the network which in the sport industry tends to follow the 'louis-schmelling paradox' due to the entertainment product that exists. This paradox declares that "a champion requires a strong challenger to maximise his own earnings potential" (Arnold & Benveniste, 1987, p.18).

Changes within organizational networks are generally of slight influence to the overall structure. However, in the same instance that the OFC lost one of its founding members; organizations that experience critical incidents like disaffiliation experience radical change to both the organizational structure and operations (Halinen, Salami, & Havila, 1999). Inter-organizational relationships are not a generic solution to achieving success and firms seeking to enter into a partnership should prepare for it to turn sour (Paap, 1990) due to the incompatibility of different cultures and individuals, an issue that is perhaps the main reason inter-organizational relationships fail (Main, 1990).

CHAPTER THREE

RESEARCH METHODS

INTRODUCTION TO THE CHAPTER

The intention of this research is to establish an understanding of the impact on the dynamics and relationships of inter-organizational networks when a network member disaffiliates themselves from the network. This chapter provides in detail the design and methods involved in conducting this particular research. Beginning with an introduction to the theoretical framework and the qualitative case study research approach undertaken, the interview questions are then introduced. The next section outlines the data sources involved, incorporating discussion regarding the informants involved and the negotiation of access to them that was involved. This includes details of the semi-structured interviews that were undertaken as the primary data source, followed by an insight into the data analysis process that was involved. Finally, consideration of the ethical issues and any limitations related to this adopted research method are discussed.

THEORETICAL FRAMEWORK

The research focused on gaining an understanding of inter-organizational relationships that exist within a federated network and the processes that occur, and how the relationship is affected when a player of the network discontinues their affiliation to the network. The unit of analysis used as the basis for this research is the Oceania Football Confederation (OFC) who possesses the authority control of football within the geographical region known as Oceania. Currently affiliated to the OFC is 11 MAs which possess the authority control within the country in which they are located, with only one MA being able to be recognised within a country. On January 1, 2006, the governing body of football in Australia that operates under the identity known as the FFA disaffiliated from the OFC to join the Asian Football Confederation (AFC). The FFA was regarded as the strongest and most powerful member of the OFC in relation to both on-field and off-field aspects.

This newly created void is the framework for this research and the intended desire to provide knowledge in relation to what impact disaffiliation actually has on inter-organizational relationships; does the power disappear or is it redistributed amongst

the remaining members? If so, who is the greatest beneficiary from this occurrence? As the OFC is an involuntary mandated federation (Provan, 1983) which control football operations in their region, it is also sought to gather knowledge on what the impact of disaffiliation has on the FMO, which in this case is the OFC; does it adapt to the environmental disturbance or collapse? The theoretical framework of the inter-organizational relationship is discussed by Laughlin (1991) and further investigated in Zakus and Skinner (2008) in their study on environmental disturbances in the IOC. Zakus and Skinner noted Laughlin's thoughts in summarizing:

It is the impact of an environmental disturbance that can consequently cause an organization to temporarily move out of equilibrium ... the organization will either absorb the disturbance or maintain its previous equilibrium or, as a result of a shift in design archetype, sub-system elements and interpretive schemes, develop a new equilibrium. (p. 424)

CASE STUDY APPROACH

The case study research method was adopted for this study to grant further understanding of a phenomenon in depth. The researcher was interested in advancing knowledge about how sport confederations operate, the inter-organizational arrangements that exist, and the impact on which the FFA's disaffiliation has had on the OFC. Currently, there is a paucity of literature exploring the phenomenon of how organizations cope with environmental disturbances such as disaffiliation. Hence, this research was exploratory in nature as literature on how organizations react to similar phenomena is yet to be covered adequately; thus, little is known about the current situation (Sekaran, 2003).

A case study is defined by Yin (1994) as "an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident" (p.13). Four research objectives exist within case study research: description, explanation, prediction, and control of the individual context that is being examined (Woodside & Wilson, 2003). This particular study follows the objectives of 'description' in that it seeks to provide understanding referring to the: who, what, when, where, and how questions

(Woodside & Wilson, 2003). Interviews, observations, and documentary data consisting of match programs, newspaper articles, and websites are all platforms of which the data for a case study was collected (Patton, 2002). Case studies can lead to both theory testing and theory generation with some of the best known research in business being based on the case study method (Bryman & Bell, 2007).

This research comprised a single case in its design and involved secondary data sources enabling different yet complimentary data to be gathered on the same subject (Creswall & Plano-Clark, 2007) while still maintaining the ability to provide an extension to the literature and contribute to the development of knowledge and theory (Yin, 2009). The primary data collection in this research involved 13 separate organizations; being the 11 MAs which act as the affiliates, the FIFA Development Office (Oceania), and the OFC, acting as the FMO in the federated network that is the framework for this study. Having these 13 organizations involved in this research enabled the researcher to compare and contrast the findings, which in turn provided an opportunity for an analysis of what issues are common across the case and frequent themes which may occur (Bryman & Bell, 2007). The use of a single case is justified as the case in mention is a unique case (Yin, 2009). Disaffiliation from a federated network, as is examined in this case, is a rare occurrence. This uniqueness is further emphasized by the fact that the FFA has not only changed its affiliation to an opposing federated network, but in doing so, has also shifted continents. This specific phenomenon rarely occurs; thus common patterns are difficult to establish, meaning that uncertainty remains regarding the impact of such an event (Yin, 2009).

RESEARCH QUESTION

To examine the impact of member disaffiliation on the inter-organizational dynamics of a federated network the following specific research questions were explored:

- Do the OFC member associations perceive that the OFC is less legitimate in the eyes of the key stakeholders?
- What are the financial implications of the FFAs disaffiliation?
- How has the distribution of power within the OFC changed?

TRIANGULATION

To provide a cross examination of results collected from the data, triangulation was included into the methods process incorporating both qualitative and quantitative data sources. Bryman and Bell (2007) introduce triangulation as “the use of more than one approach to the investigation of a research question in order to enhance confidence in the ensuing findings” (p.413). In essence the process of triangulation “gives a more detailed and balanced picture of the situation” (Altrichter, Posch, & Somekh, 1996, p.117) and is regarded as the “most valid and reliable way to develop understanding of complex realities” (Kanter, 1977, p.337). This case study utilized qualitative interviews as the empirical data platform. These interviews were then triangulated with secondary data sources involving organizational documents and popular media, details of which are outlined in the following sections. Four types of triangulation have been identified by Denzin (1970, 2006) and include: 1) Data triangulation, 2) Investigator triangulation, 3) Theoretical triangulation, and 4) Methodological triangulation. This research utilized the first type of triangulation in that data was gathered through a number of sampling strategies and from a variety of people.

SECONDARY DATA

To gain a greater understanding, and assist the clarification of developed themes, organizational documents were analyzed and reviewed. This helps provide an understanding of the history and context related to a specific organizational setting (Marshall & Rossman, 1999). When conducting case study research it is important to incorporate documents into the analysis process as they present organizational policies, statutes, and procedures that exist as well as providing data which is not available in the spoken form (Yin, 2003).

Organizational documents utilized in this research included executive committee meeting minutes, activity reports, development reports, financial reports, statutes and regulations. As the OFC is a non-profit organization operating in New Zealand they are required to make public the aforementioned organizational documents. These are

publicly available either on the OFC website (www.oceaniafootball.com) or on the New Zealand Companies Office website (www.companies.govt.nz). For those documents that were inaccessible on either of these websites, access to them at the OFC Headquarters was granted to the research by the OFC General Secretary. Publicly available documents explored involved popular press, websites (including FIFA world rankings), televised interviews, and published case studies. Both the organizational and publicly available documents were accessed to (a) identify financial inequalities, (b) assess the competitive balance, and (c) examine any underpinning issues which may not be covered in the interview process.

PRIMARY DATA

INFORMANTS

To ensure that the data collected from the interviews (details of which follow in the next section) provided the appropriate information required to successfully present insight into the impact of affiliate disaffiliation, the informants had to be involved in the OFC and/or its 11 MAs. The Presidents and General Secretary of all the 11 MAs as well as the OFC were invited to partake in this research. For those MAs which have recently experienced change within their General Secretariat, past position holders were also invited to partake. These individuals were chosen as they possess the tacit knowledge of the organization in which the case study is involved and were linked to the organization for a period ranging between 2004 and 2009. Tacit knowledge refers to knowledge that cannot be codified; it is knowledge that is gained from personal experiences and insight, and that cannot be gained from reading a manual (Berman et al., 2002).

All intended informants were contacted via their personal email accounts, details of which were granted and provided by the OFC General Secretariat. This contact included the Participant Information Sheet (Appendix One) and a Consent Form (Appendix Two). Reminder emails were sent out for the following two weeks at which point if no response had been received the intended informants were contacted via telephone with the assistance of the OFC General Secretariat.

Although the OFC possess two Associate Members (AM), Tuvalu and Kiribati, they were not included in this study as they possess no rights to vote or hold an executive seat, as they are yet to gain full affiliation to FIFA. Invitations were sent to 25 potential informants from whom a total of 12 interviews were conducted for the data collection process of this research. Table 1 illustrates the profile of the informants and the data source related to each of the MAs. New Caledonia was the only MA that an interview was unable to be completed for. The preferred method for conducting the interviews was face-to-face; however, the majority of the interviews were conducted via telephone.

Table 1: Profile of Data Sources.

SOURCE	Interview Transcript	Personal Communication	Organizational Documents	Popular Media
American Samoa	YES			YES
Cook Islands	YES			YES
Fiji	YES			YES
New Caledonia				YES
New Zealand	YES			YES
Papua New Guinea	YES			YES
Samoa	YES			YES
Solomon Islands	YES			YES
Tahiti	YES			YES
Tonga	YES			YES
Vanuatu	YES			YES
OFC	YES	YES	YES	YES
FIFA	YES	YES	YES	YES
Stakeholders		YES		YES

INTERVIEW

In conducting a case study, one of the key sources of information is the interview (Yin, 2009) which within qualitative research has been referred to as the 'gold standard'

data collection method (Silverman, 2000). This research required the informants to be interviewed for a minimal period of time less than one hour; this timeframe indicates that they are focused interviews (Merton, Fiske, & Kendall, 1990). A conversational manner was applied to the implementation of the interviews that involved a certain set of semi-structured questions providing a “fluid rather than rigid line of inquiry” (Rubin & Rubin, 1995 as cited in Yin, 2009, p.106), and that had been developed from the case study protocol. This approach was chosen to enable further probing into particular topics of interest, emerging issues, and further clarifying a participants’ opinion on the subject or to gain a greater understanding of the situation. To ensure an accurate interpretation of the interviews undertaken, a digital recorder was utilized with the permission of all informants. This process enabled the researcher to focus primarily on the interviewee and their comments instead of rapid note-taking which may cause vital data to be missed and breakdown the rapport that has been developed.

All interviews associated with this research were conducted by the researcher in a setting convenient to both the informant and the researcher. The preferred approach was for interviews to be conducted face-to-face at either the MAs main office or the OFC’s main office. However, it was not possible for all interviews to be conducted under this manner; in this instance the interview was conducted via telephone at a time suitable to the informant keeping in mind the various international time zones in which this study covered. As the majority of the interviews were conducted via telephone no setting observations were recorded to ensure equality for the data analysis. Interviews were conducted between April and July 2009. The duration of each interview ranged from 20 to 60 minutes and consisted of 19 structured questions (Appendix Three). The interview questions were developed with a number of factors involved: 1) from the specific research questions related to this study, 2) in relation to themes that emerged from the review of theory, for example: trust and relationships, 3) the researcher’s personal communication with various stakeholders related to football in Oceania, 4) the researcher’s tacit knowledge of topics related to football in Oceania, 5) interview questions from previous research conducted, and 6) consultation with the research supervisors.

The data collection process was extremely difficult for the researcher. Initially no informants responded to the research invitation, and the OFC General Secretariat was required to provide valuable support in accessing the desired informants to enable this study to be completed. Although all informants have access to the internet and an email account, this medium proved ineffective in contacting them. Further to this struggle, was the communication of contact details within the Confederation, with some informants having five contact telephone numbers listed in different directories, of which most were disconnected lines. When contact was made over the telephone, some connections were of poor quality, keeping in mind that the informants were located remotely. The poor connection created difficulties in translation resulting in a number of comments and questions having to be repeated multiple times.

The interview format was split into three sections. The opening section aimed to provide the researcher with a background of the informant and gain an understanding of the type of individuals that hold these superior positions within the MAs. It was structured so that a rapport could be developed between the researcher and the participant with the intention of making them more comfortable with being interviewed. This also gave them a chance to highlight about their personal achievements as well as the MA in which they represent.

Enquiry into the relationships that exist within and amongst the OFC was the direction of the second phase of questions. These questions sought opinions on any special bonds which may exist, who holds the power within the organization, and the impact on the OFC by the move made by the FFA. The topic of organizational trust was also discussed here.

The final section sought opinions on the future of the OFC, discussing the confederations legitimacy, competition formats, and equality amongst members. Further discussion here surrounded the existing concept regarding the amalgamation of the OFC with another confederation or if any current members should disaffiliate in the same instance that the FFA did in 2006.

ETHICAL CONSIDERATIONS

As this research involved the use of human participation there was a requirement for the researcher to seek ethical approval from the Auckland University of Technology Ethics Committee (AUTEC) (Appendix Four). Although the information sought and the procedure followed for this study was of low ethical risk there is always the potential for risk to occur. Participation in this research was voluntary with the interviewees also being able to control what information they divulged and had the opportunity to decline comment on particular questions if they desired. All informants were provided with a Participant Information Sheet (Appendix One) outlining all the details related to the research and who to contact should any issues arise. They were also provided with a Consent Form (Appendix Two) informing them that they may withdraw from the research at any stage with no personal consequences occurring. It was required that the Consent Form be signed and completed prior to the interview taking place. To ensure the confidentiality of the informants they were each assigned a code to be used within the dissertation bearing no relation to their identity. Anonymity was critical in obtaining access and gaining trust with the informants. For this reason reference to any statements made by the informants will be recognised by the following in-text citation: (personal communication, month and year). This is to reduce the possibility of the stakeholders, informants, and MAs having any chance of recognizing the source of the reference.

Data gathered from the informants via the interview was managed in compliance with AUTEC guidelines and ethical practices; this involved the storage of interview transcripts within a secure data file on the researcher's personal memory device that requires security passwords to enable access. Hard-copies of interview transcripts along with the digital audio recordings will be stored as required by the Faculty of Business at Auckland University of Technology (AUT) for a maximum of six years at which point they will be destroyed by AUT's commercial office documentation destruction service. A similar process will exist for the signed Consent Forms; however, these will be located in a separate location to eliminate any chance of them being matched to the transcripts.

DATA ANALYSIS

The initial stage of analysis involved the transcription of the qualitative interviews. The digitally recorded interviews were transcribed into a Microsoft Word document by the researcher within one week after the interview being conducted. A copy of the transcription was not returned to the informants for review to ensure that the data collected was their initial primarily thoughts and to avoid the possibility that they may have communicated with fellow colleagues who were also informants in the study and desire to alter their response. This stance was also adopted due to the allocated timeframe of the research and the difficulties experienced getting in contact with the informants to conduct the interview. This process provided a substantial amount of raw data from which further analysis was sought.

These transcripts were then transferred into a Microsoft One-Note notebook package to enable the data to be analysed. Having initially read the transcripts to identify categories of response, Microsoft One-Note was then used to efficiently code the data in a simplistic manner. Coding is the key process in the reduction of data involving the placement of a segment of data being placed into a category (Gratton & Jones, 2004). Using Microsoft One-Note, 'tags' were assigned with the use of keyboard shortcuts, thus allowing the researcher to highlight sections and paragraphs of the transcript and link them to the appropriate shortcut code. Miles and Huberman (1994) describe codes as "tags or labels for assigning units of meaning to the descriptive or inferential information compiled during a study. Codes are usually attached to 'chunks' of varying size – words, phrases, sentences or whole paragraphs" (p.56). This method also enabled multiple codes to be assigned to each section of interview data. On completion of each individual transcript as well as the entire source of transcripts, a summary page was created that categorized each shortcut code into a new section of the notebook. This process was then repeated using this summary section so that further categorization of the data could occur. These categories were devised from the review of theory and the major guiding principles of the research, and included: legitimacy, financial implications, power, impact, leadership, trust, relationships, and the future of the Confederation. Additionally, these aforementioned coding categories

were also devised from the tacit knowledge of the researcher and guided by the research supervisors.

This process used two key levels of coding: 1) open coding; where constant comparison of data occurred enabling the researcher to simultaneously code and analyse data to develop concepts (Taylor & Bogdan, 1998), and 2) focused coding; which took the data coded in the first level and contracted it further into specific categories that were closely related (Bailey, 2007). Theme areas that related to the context of the study, and research question, provided the initial coding format. The second level was used to further refine the context and provide theoretical saturation. For example, the open coding of the 'future' theme was focused into the following concepts: 1) the expansion of members, and 2) the amalgamation with another Confederation. The refined data that was created from the coding and analysis process was then interpreted into a narrative text in relation to the overall research questions. Patterns of regularities that appeared were considered, as well as statements that support, refuse, or add to prior theory, thus enabling a comprehensive representation of the topic (Gratton & Jones, 2004).

LIMITATIONS

The researcher acknowledges that limitations exist within this study. The transferability of results may be limited as this study only used a single-case study; however, due to restrictions and the nature of it being a Masters dissertation a single-case could be argued as the most appropriate approach. Accessibility to the desired respondents may also produce issues as they are located throughout numerous countries in the Pacific Ocean, thus encountering time zone difficulties, minor language barriers (Malinowski, 1994), and inaccessibility to appropriate technology. There is also the possibility that key information may be withheld from the interview in fear of retribution or that it may be of sensitive manner. With this, the study is dependent on the informants providing truthful responses so that credible results can be presented. Gaining insightful data from some respondents may be difficult as they

may be recent additions to the federated network or their MA and not possess the organizational knowledge that is required.

DELIMITATIONS

The researcher has delimited this study through ensuring that all informants are involved, or have been involved, with the sport of Association Football and/or its governance within the geographical region known as Oceania. This study is looking at the timeframe from the year 2000 till 2009, as this incorporates when the FFAs disaffiliation from the OFC was made official by FIFA on January 1, 2006.

SUMMARY

This chapter has provided details of the methods used in this qualitative case study of the associated impacts on the inter-organizational dynamics of a federated network when a member of the network decides to disaffiliate. The data collection process included primary semi-structured qualitative interviews accompanied by the review of organizational documents and popular media articles. This data was then coded in relation to repetitive concepts and categories that were then compacted into appropriate themes. The next chapter presents the results obtained from the utilization of those methods.

CHAPTER FOUR

FINDINGS

INTRODUCTION TO THE CHAPTER

This study examined in detail the impact on a federated network when a network member disaffiliates. This chapter is organized in terms of the three specific research questions posed in Chapter Three. It first reports whether the OFC associates perceive themselves to be a legitimate operation, let alone a Confederation. Continuing with this context the chapter then reports the values required to maintain legitimacy and provide fairness to all MAs as well as informants' insights for the future of the OFC. Secondly, a presentation of the financial impact associated with the disaffiliation is provided. In line with the third research question the chapter explores what has happened to the organizational power within the region; how it has changed and which MAs were the greatest beneficiaries from the disaffiliation of the FFA. The final section will cover the impact that the FFAs disaffiliation has had on the OFC. What has changed and what was the reaction to this event. Quotations that are in italics were derived from the specific interviews undertaken for this research.

RESEARCH QUESTION ONE: LEGITIMACY

DO THE OFC MEMBER ASSOCIATIONS PERCEIVE THAT THE OFC IS LESS LEGITIMATE IN THE EYES OF KEY STAKEHOLDERS?

"Ultimately.....Ultimately getting through to the World Cup and not being competitive is a major concern ..."

(personal communication, May 2009)

LEGITIMACY

The concept of legitimacy provided a variance of opinions. The informants appear to have considered this deeply; yet, their understanding and perception was that they are 'ok'. The informants recognised that the competitive balance within the OFC is lacking and that what they can offer is not suited to what the FFA required. It is understood that this issue was a contributing factor influencing the FFAs move, which saw them gain access to a series of bigger and better competitions that met their needs and requirements (personal communication, May 2009). It was deemed that the

competition and playing strength within the Oceania region is the reason for disparity from other Confederations, for instance:

“One thing that perhaps separates Oceania from the rest of the Confederations is at the highest level in men’s football.”

(personal communication, April 2009)

Oceania was seen by the informants as being a burden for the FFA. Being affiliated to the OFC was depriving them of the opportunity to maximise their abilities. One informant indicated that they were not going to blame Australia for moving because of this burden (personal communication, May 2009). This ‘burden’ was also recognized in relation to the attractiveness of fixtures for their team’s supporters, as echoed in the following statement:

They [Australia] play Solomon’s, Tahiti and they have an average crowd of 3 or 4000. Their average crowd for the Socceroo’s [senior men’s team] since they left Oceania is 50,000. Take that figure at an average of \$50 a ticket, that’s \$2.5 million plus merchandise, corporate hospitality etc.

(personal communication, April 2009)

Interestingly, this lack of competition competence is not seen as a possible reason for the disbandment of the OFC, but the desire and necessity in gaining legitimacy:

“Competitions, Competitions, Competitions. In the OFC and amongst neighbour countries, but we must be very careful on this. When you have competitions it shows your weaknesses. Hopefully this will help us improve though.”

(personal communication, May 2009)

This competitions focus was based around how to create more effective tournaments and increase frequency in the competitions schedule. Geographically this is a difficult task for the region, something that is unlikely to change. However, recognition of this important factor of geographic limitations was minor, with further pressing for an increase in competitions (personal communication, May 2009). Expectedly, it is believed that legitimacy is gained from winning and performing creditably in

international tournaments, something that since the FFAs disaffiliation is yet to have been achieved, with no teams getting through to the second round of a FIFA tournament. This was expressed in the following statement:

“All we need to do is qualify for the World Cup, and perform creditably on the world stage. It will always be judged on results.”

(personal communication, May 2009)

Few informants recognised the legitimacy of the Confederation in its current state. However those that did, saw the threat and understood it with reference to the number of football participants in the region and the possibility that a team representing Oceania at a FIFA tournament may well lose a fixture embarrassingly, particularly at the age group level where a 15-0 score line is not impossible. Such a result is believed to be the supreme reason that would drive change at FIFA and result in a decision that would be catastrophic for Oceania (personal communication, May 2009). This argument extends the notion, especially, that at the youth level *“Oceania means New Zealand”* (personal communication, May 2009), and in some cases have an ‘easy ride’ to FIFA tournaments, in particular, teams are qualifying without needing to even kick a ball as they are nominated by the OFC (see Appendix Seven for OFC Honours details). A further expression of this concern is indicated below:

There’s talk about the justification of us being a Confederation, knowing that we are a bunch of um resombants [worthless mismatches] , I think the words as someone put it ‘just a few specks of dust in the ocean’, what are we – 11 million. I use the example that there are 10,000 people in the Cook Islands and 15,000 referees in Germany.

(personal communication, April 2009)

Additionally, there is recognition that the FIFA organization is exactly that, an organization, just like any mainstream multi-national company. Hence, such decisions are a possibility:

I haven’t got any feeling for whether FIFA think Oceania is the most wonderful thing they have put on this planet or whether they think it is a pain in the neck. Unfortunately it will come down to a few people in high

places who make the decision. FIFA is like any other large organization in that sense.

(personal communication, May 2009)

Other informants were positive about the abilities of the confederation and the opinions of their key stakeholders, even contributing Australia's success to the development they had while in Oceania. One informant stated that FIFA have a lot of respect for the Oceania administration and that they are one of the best administratively run Confederations in FIFA (personal communication, June 2009). In addition to this it was said that unity amongst the members is what is needed and that they are well off amongst themselves already (personal communication, May 2009). This strength of recognition from FIFA is understood to be due to the current leadership of the OFC, even though the Confederation is developing, the respect is now stronger (personal communication, May 2009). The financial weakness of a number of the MAs in Oceania is deemed to not have any conflicting sense of status within world football (personal communication, May 2009); their voice is still strong and they are still represented equally to the other Confederations, showing no reason to change the current situation:

We have the same rights, our Secretary sits as equal, our President sits as equal and we get the same money... FIFA, Blatter [FIFA President], the FIFA Executive and Congress recognise OFC as a Confederation, fully fledge, equal money, voting rights, and tournament qualification. Why change it?

(personal communication, April 2009)

An interesting twist is the idea that Australia has not yet actually left Oceania. Their presence is still prominent within the Confederation through their assistance for the OFC technical department, providing expertise and financial support. The FFA's bid for the FIFA World Cup 2018 is a driving influence for this support with the FFA *"looking at ways to provide even more funding so that they can leave a legacy should they get the World Cup"* (personal communication, April 2009). Politically and geographically Australia is still widely considered to be part of Oceania, this is echoed by:

“We don’t count Australia as being out of the Confederation. We still consider them part of us. Politically they are within the region and geographically they are here.”

(personal communication, June 2009)

These comments are supported by the recent signing of a partnership agreement to the value of AU \$4 million with the government of Australia for community based physical activity and health awareness programs in the region (OFC, 2009).

Accountability has wandered within the OFC members with abuse of funds, mismanagement, and political issues occurring. With the large amount of funding (US \$250,000) that each MA receives annually this is of concern to FIFA. This behaviour has seen FIFA change their approach and it is now compulsory to have a CEO, technical director, and finance administrator in place to be able to access further funding. The abuse of funds refers to MAs not utilizing the FIFA and OFC provided funds for their intended use, typically being game development, administration, and infrastructure. If funds are not used for the above reasons and mismanagement of them occurs, a normalization committee is established by FIFA and the OFC to redirect the association in respect to FIFAs and the OFCs operating purpose. An understanding of this is acknowledged in the following statement:

Where an Association that is not doing a good job or is misusing the money and has bad management, the OFC will go in, take over, and implement new rules and regulations, new structure and new people, a normalization committee. It has happened already in American Samoa, and just happened in Samoa. It is all to do with accountability of the large amount of money that is invested in this area and that a credible organization exists in terms of not having a reputation of misuse or abuse of funds that are coming ... it is essential that the money is spent properly and if we see abuse it is critical that it is stopped. You hear about other codes and a whole lot of money going missing and nothing being done about it. I think every dollar needs to be audited and that the report is handed in and checked before getting the next amount of money. If this is not done than the money needs to be frozen and the OFC takes over the management.

(personal communication, April 2009)

Mismanagement and abuse of allocated funds was noted as becoming a bit too common within the Confederation and deemed to have a negative impact on the entire region (personal communication, May 2009). Previously a lack of desire was evident from some of the MAs in the region and involved an attitude of greed towards the operations of the OFC and its tournaments and positions, as signalled below:

Countries in the past would just drive a bus around and say who wants to go to Auckland for a tournament, there was no structure ... now it is we can't enter because we do not have a structure, no competition, and no selection process, so let's not waste the money and only pick the tournaments we want to go to.

(personal communication, April 2009)

These issues, in particular the financial management of the members, are the main problem that impacts on the OFC (personal communication, April 2009; personal communication, May 2009). It was mentioned that until structure is created and funding is being spent adequately, the OFC will not move forward. The OFC is attempting to help their affiliates to ensure they are competitive and present a better front when competing against countries from other Confederations.

The disaffiliation of the FFA is recognised by the MAs as weakening the Oceania region, and it appears that New Zealand's performance on the world stage has a strong influence on the mentality and future of the region. Although New Zealand is not considered to be a formidable opponent within the Oceania region, the region is dependent on how the country performs and what they do:

Take New Zealand for example, who will hopefully qualify for the World Cup, if they can do that and do well in the finals, it will help Oceania take its place and be recognised as a Confederation. But if they can't and don't do well than it is not good for the Confederation as a whole.

(personal communication, May 2009)

According to some of the informants, the Confederation relies heavily on New Zealand with a lot of Oceania's success also being New Zealand's success (personal communication, May 2009). This opinion is similar to that which existed when

Australia was the leading member in the OFC. If New Zealand were to leave Oceania, in the same manner that Australia has, it was recognized that the next move would be for the whole Confederation to move (personal communication, May 2009). This strength and direction of New Zealand's presence was powered by the following:

"Oceania without New Zealand would be a fairly toothless tiger."

(personal communication, May 2009)

One area in which the presence of the OFC is noticeable by its stakeholders is the Oceania region. Football is the number one sport in the region and covers both males and females. Along with the work of the President and the General Secretary this popularity is proving beneficial as indicated by:

Since 2006 the OFC as a brand has become better recognised. Outside of New Zealand; Oceania and FIFA are well recognized, but in New Zealand you have got the IRB and Netball. Having said that, slowly but surely we will have to improve. When you look at the other codes, we are the only code that truly has a regional body, there is no Oceania rugby or Oceania Netball, well there is but you don't know it. The OFC is more predominant than these other regional bodies, everyone knows Oceania Football compared to Oceania Table Tennis.

(personal communication, April 2009)

This thinking seeks legitimacy through the organization and its presence and social responsibility, a change to the predominant view that legitimacy is found through on-field success and strength in relation to winning tournaments and FIFA rankings.

FUTURE OF THE OFC

The members of the OFC agreed that with the current development programs in place, and the developing infrastructure, the region will become stronger. Their opinion was that the level of football will improve during the coming years and the teams will be competitive on the international stage. Relationships need to be forged with other Confederations providing opportunities for teams to play against teams from other

Confederations. With these opportunities it is believed the region will also gain greater respect from stakeholders and is viable for being their own body, as mentioned by:

“Oceania is best as a standalone Confederation and I think that we have a lot of unique factors in this region which certainly lead to us being a standalone Confederation.”

(personal communication, April 2009)

Some opinions suggested it was not suitable to expand the membership numbers, but to wait until the region is stronger and stable (personal communication, May 2009). Tuvalu and Kiribati are currently Associate Members (AM) of the OFC and it would seem that if membership was to expand, either of these countries would be the next affiliate. Thoughts of expansion concerned the following informant in his words:

“I do not think we should expand because more does not mean better quality. I think if you look at the nations left in the region they are such small islands, which will only weaken the OFC.”

(personal communication, May 2009)

Others believed it was necessary now to expand as it is part of the job for the Confederation to seek out new members (personal communication, May 2009), with expansion into the small islands of the Oceania region required. One informant saw it as the larger the amount of members the OFC has, the stronger the OFC will be:

“The bigger the Confederation, the more nations taking part in competitions, than the competition will be healthy, it will not weaken it, only improve and help Oceania.”

(personal communication, May 2009)

It was recognised that the standards of the region are taking time to progress; however, it was believed that it is improving (personal communication, June 2009). Furthermore, recognition that the game has evolved, but not in Oceania, was mentioned; with the standard being compared to that of the 1980s (personal communication, May 2009). There were also some optimistic views about what is in store for the Oceania region:

“In 20 years time we will be able to manage to hold the FIFA World Cup.”

(personal communication, May 2009)

ASIAN AMALGAMATION

Discussion has existed regarding the amalgamation of the AFC and the OFC. This topic has differing views from the members of the OFC. Those agreeing with such a move believe that it has great potential particularly from an income sense and will assist the OFC with marketing and media as echoed by:

If there is an opportunity for the Confederation to link in with Asia somewhere, it may just improve things like getting better competition on a more regular basis; the Asian Confederation has prize money, sponsors, television, and all these things that can help generate some income.

(personal communication, May 2009)

I mean why did Australia move in the first place? They moved to not only secure a spot but for business. If football is to be a business it has to be a professional one and Asia would be the best place to go.

(personal communication, May 2009)

Others were concerned with this proposition and idea that Asia sees itself as engulfing Oceania into one big Confederation, which in turn would result in losing access to world cups (i.e., age group, club championship, futsal (indoor soccer), beach soccer). The informants showed concern that if an amalgamation occurred, the current member nations of the OFC will lose their identity (personal communication, July 2009). The informants recognized that financially an amalgamation would be hard for the MAs and that they would get lost as the Confederation will become too big to manage efficiently (personal communication, June 2009). They did not believe such an amalgamation would be the correct path for the OFC to accept. These views are expressed by:

NO. Pure and simple. Because of distance, isolation etc. there was talk about going with CONCACAF which becomes to uneconomical. East Asia perhaps but then this also becomes too big. Instead of Dubai to Sydney it would be Dubai to Tahiti. That is three quarters of the world. I disagree.

(personal communication, April 2009)

Some informants agreed with this amalgamation concept; however, they did not feel it would be a good move in the near future. They would prefer to see it progress long term as it may be what is required for the standard of football to improve; as currently they cannot compete with other countries outside of Oceania (personal communication, May 2009). Although agreeing with this thought, one informant was hesitant about whether or not the region's programs could handle such movement and environmental change (personal communication, May 2009).

RESEARCH QUESTION TWO: FINANCIAL IMPLICATIONS

WHAT ARE THE FINANCIAL IMPLICATIONS OF THE FFAs DISAFFILIATION?

"The biggest challenge for us is the problem of finance, we have a lot of plans and dreams but we cannot afford them."

(personal communication, May 2009)

There was strong recognition by all informants of the difficulties faced in relation to their financial implications, even referring to it as their biggest headache (personal communication, May 2009). However, the disaffiliation of the FFA has not been the cause of this difficulty with greater reference referring to the current economic climate:

"We have our sponsors for various competitions but financials are hard in the present economic situation ..."

(personal communication, May 2009)

As well as the natural factor of the geography in the region:

"Basically all the OFC members are poor countries, we have no sponsors, big companies, we are all islands and that is a disadvantage against the bigger countries that have all the resources and infrastructure."

(personal communication, May 2009)

“Most of the countries are affected financially as travel between countries makes the cost of participating difficult, let alone the travel costs between the islands in our own countries.”

(personal communication, May 2009)

Although these dilemmas they face are an uncontrollable external factor, internally the MAs have not fared so well in their management and organization of the funding they have received:

What’s been evident since then is the number of MAs that have financially struggled or gone into trouble. Through poor management, mismanagement, you know Samoa is an example they had an estimated debt of local money: \$1.6 million and the place was pretty much defunct. New Zealand has been in that boat, the Solomon Islands, Vanuatu, and Papua New Guinea. I think that seems to be a bit of a theme that is of concern, as you know if you have not got the administration running smoothly it has a domino effect on the game.

(personal communication, May 2009)

MAs are financially supported by the OFC and FIFA through the various funding commitments which has been estimated to be around NZ \$30 million over the past four years. This includes the ‘Win in Oceania’ program, FIFA *Goal* projects, FAP, and world cup preparation money of which the OFC provides NZ \$50,000 to each team that qualifies for a FIFA tournament. The MAs rely heavily on this funding, and in most cases it is their major source of income, with some MAs receiving no government funding:

You see, 99% of our funding comes from the OFC and FIFA. That is how we survive. Without that fund football is just a small colour within our countries ... We need this funding as we have no big companies and sponsors to pull us, so we require that financial assistance, without it we cannot move.

(personal communication, May 2009)

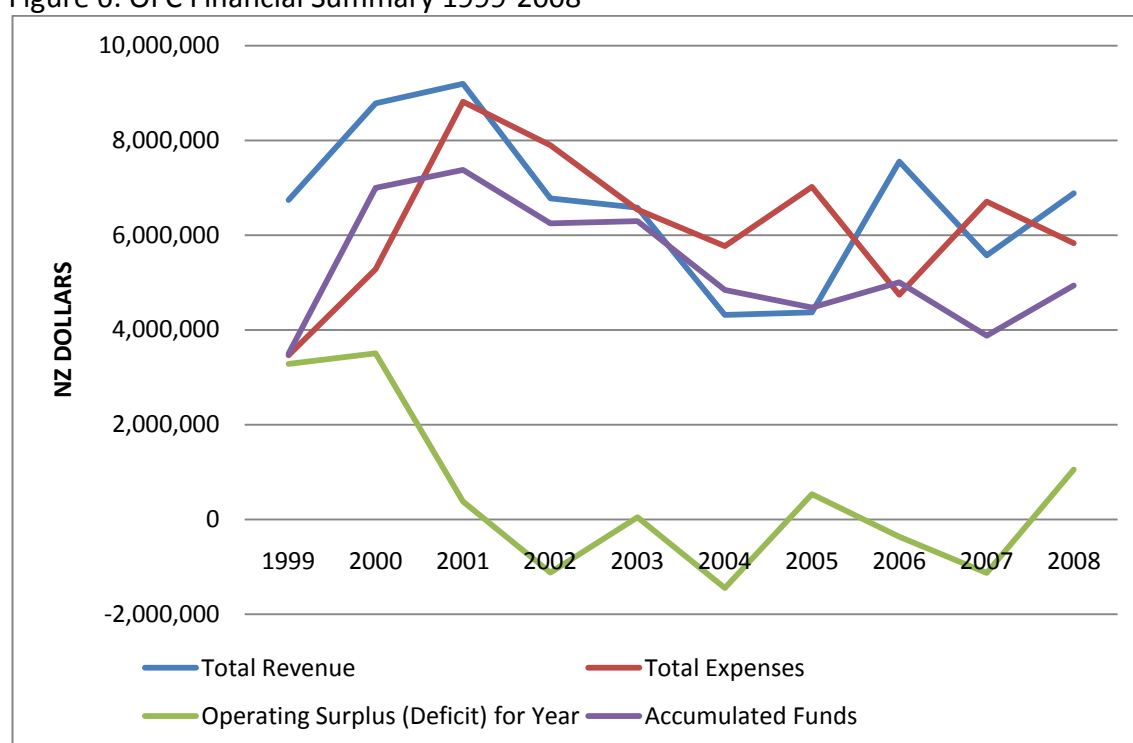
Disagreement does exist over how much of this development money each member deserves, perhaps suggesting that some members are jealous of the funding which another MA is receiving:

I think there is feelings in the OFC that we do not need this money, where as the others do. We do need it, and that is reflective by the fact we are financially poor, so that's frustrating. To be fair, I think the General Secretariat understands this but I'm not sure this is understood higher up the chain.

(personal communication, May 2009)

Financial reports from the OFC show that the Confederation is currently in a healthy situation, although in 2006 and 2007 the organization reported an operating deficit and was also experiencing losses during the FFAs presence, details of which can be seen in Figure 6 below. A fully detailed chart is available in Appendix Six. The current financial situation is due to a decrease in expenditure. The OFC was financially better off with the presence of the FFA between the four years from 2000 to 2003. It should be noted though that FIFA funding to all FIFA MAs has increased recently with an increase in development funding mainly through the 'Win In Oceania' program.

Figure 6: OFC Financial Summary 1999-2008



(OFC, 2000, 2001, 2002, 2003, 2004, 2005, 2006b, 2007, 2008b, 2009c)

RESEARCH QUESTION THREE: POWER

HOW HAS THE DISTRIBUTION OF POWER WITHIN THE OFC CHANGED?

"I would say there are two kinds of associations within the OFC. We have the English one and the French one. This link is because of the language."
(personal communication, July 2009)

TRUST

There appears to be mixed emotions in regard to trust. Concern exists over whether certain MAs are telling the truth about their financial situations and what they have planned. A sense of suspicion exists within the OFC in relation to the constraints under which some MAs operate including financial difficulties (personal communication, May 2009). This suspicion perhaps is due to the amount of interaction amongst the organizations, they might not be communicating with each other adequately or choosing to only interact with certain members, for example:

"I don't know about the other associations, for myself I get along with some of the folks from other MAs, but I'm not sure about folks from the other MAs, I have got no idea about them."
(personal communication, May 2009)

The majority of informants admitted that trust was strong within the network, and that everyone trusted each other with special mention to the faith in which they have for the OFC President (personal communication, May 2009). Some referred to this as being *"great trust"* (personal communication, April 2009) especially as they all belong to the same group; the same family.

Perhaps since 2006 trust has gained meaning within the region as before it was an Australian dominated and focused entity:

For many years before the island nations were ignored in many aspects in our improvements. With this new leadership, everyone trusts him [Reynald Temarii] and respects him; he has done a lot for the members. He is bringing with his leadership that we are all competent ... Unlike the

past where it was just New Zealand and Australia. We are all confident and comfortable. We trust a lot of things in this new philosophy of good governance, transparency, and accountability. I trust all the Executive Committee. They are very on top of it."

(personal communication, June 2009)

In stark contrast to these opinions, one informant mentioned the issue that individuals linked to the MAs hold powerful social positions which they wish to maintain as the benefits are encouraging. When asked if trust exists within the OFC network, the following comment was made:

"Noooooooooooo, no, no, no, if it was the case we would be in the magical world of Walt Disney."

(personal communication, July 2009)

Interestingly, when asked the same question another informant replied that they do not think New Zealand will move as this would not benefit them in anyway. This response was without any prompts towards any specific MA (personal communication, May 2009). This may suggest that conversations have existed, and quite possibly still exist in relation to the prospect that New Zealand may well move, and what will this mean for the OFC.

LEADERSHIP

Strong reference was made towards the leadership change within the OFC and trust. This was mostly linked to Reynald Temarii, who is OFC President, and of Tahitian nationality. This could be due to his Polynesian background which creates a link with the MAs. Substantial praise was directed towards his leadership abilities and his presence within FIFA being blessed for the financial assistance that the MAs receive from their governing body as indicted by the following testimonial:

I think the OFC has become solidified since Reynald has come in, he has made a big difference when you compare the OFC before and now. If you relate it to Australia leaving, no I don't see that, it is mainly related to the change in management ... With the current management we are much better off than previously. Previously it was rather chaotic and not only

that I think the bigger nations like Australia and New Zealand were fighting selfishly amongst themselves and most of the time they were too busy with their own problems ... the leadership at that time was very political, so was not stable. I think this is the main reason why Oceania was lacking previously before, but since Reynald appeared it has improved a lot. We are still fighting but we will catch up ... I think the Oceania members have been improving yearly due mainly to the Presidents hard working effort and the establishment of the developing teams and helping of the MAs to solve their problems.

(personal communication, May 2009)

Strong effective leadership was also recognised as the way for the OFC to be a legitimate organization. The direction the President has implemented is truly admired by the network affiliates:

“Reynalds’ main objective is to professionalize the management of football across the region and all members.”

(personal communication, April 2009)

POWER

Politically FIFA is operated under the auspices that everyone, no matter of their size or ethnicity is equal, for example:

Even when Australia was part of Oceania their influence was only as great as the participation on the world stage, they didn’t have any extra sway on the board levels, Congress ... one country one vote, and that is important in this part of this democracy.

(personal communication, April 2009)

This equality view was mentioned by only one informant in saying that all the MAs affiliated to the OFC are at the same level, and always will be. Interestingly this same informant continued on to say that the OFC itself was equal to the MAs as well (personal communication, May 2009).

Even though the number of executive seats has been decreased since Australia left and some members do not have a presence on the Executive Committee, a greater island presence was mentioned, as indicated by:

“The President takes into consideration what we say; no more New Zealand or Australian President, the ownership of the seats on the executive is more spread through the islands.”

(personal communication, July 2009)

If power is determined by performance on the field and results (personal communication, May 2009); New Zealand would be substantially superior. New Zealand is recognised as having the strongest playing strength in the region which is also evident from their successful record in Oceania tournaments across all age groups for both men and women. The strongest playing strength in futsal and beach soccer is also dominated by one MA, although in these forms the honours are attributed to the Solomon Islands. New Zealand’s strength is attributed to their player base and structure they have. However, it is important to remember that this domination has only existed since Australia disaffiliated (personal communication, April 2009). Supporting this concept are the following statements:

“Well that is definitely New Zealand at the moment. Because apart from the funding of FIFA they also have sponsors, large player base, strong league programs and national teams.”

(personal communication, May 2009)

“Their size helps also, if you have got 400,000 registered players you would expect them to get 11 decent ones compared to 5000 players in Tahiti for example.”

(personal communication, April 2009)

It was widely seen that New Zealand’s success and power within the network was due to the government support which they receive. The majority of the MAs do not receive any funding from the government, the only exception being the costs associated for the national football teams of each Pacific nation to participate in the South Pacific Games, a multi-sport event which occurs every four years in similarity to

the Commonwealth and Olympic Games. This is beneficial for the MAs and the OFC as the football tournament at these games doubles as the first phase of the World Cup qualifiers for both the men and women. The stability of the government structure and infrastructure was also deemed as a reason why New Zealand shows superiority (personal communication, May 2009). These views are reflected by the following statement:

“I would say New Zealand is the strongest member. I think it is because they have been around for so many years, they have good support, and government money to help them, and we don’t get that.”

(personal communication, June 2009)

This theme of government support was recognized in relation to other members:

“Look at the Pacific nations like the Solomon’s and Vanuatu. They are the weakest one because of the instability of the governments and non-assistance.”

(personal communication, May 2009)

Poor administration also appeared to be detrimental to the power an organization has. For example the Solomon Islands and Vanuatu produce good quality athletes and teams, but this is hindered by the poor administration that exists in both these countries (personal communication, April 2009). It was proposed that if these nations can improve their administration to the same level at which their playing ability is at, then they may become a formidable force within the region and further afield (personal communication, April 2009).

New Zealand definitely benefits in terms of the competition structure and their successful history. They have maintained a dominant level within the network since its inception which has provided further benefits for them, and with their government support and structure, as well as their infrastructure, appropriate methods are implemented to be more suitable for them. For example, with the ‘Win In Oceania’ program New Zealand receives a lump sum of money which they decide what to do with, where as every other country has a tailor made project which they must follow

(personal communication, April 2009). This recognition that New Zealand receives differential treatment is supported by:

The competitions are designed to suit these larger countries like New Zealand, they are seeded and don't have to play preliminary matches ... they don't have much sway, but their abilities and the difficulties they face in bringing players down from Europe and America are recognised, with tournaments structured to suit them.

(personal communication, April 2009)

New Zealand was overwhelmingly the choice by all informants as the strongest and most powerful MA affiliated to the OFC network. With this in mind, informants were then asked to recognize which MAs were immediately behind New Zealand. Three countries in particular were mentioned widely including Fiji, Tahiti, and New Caledonia (personal communication, May 2009). Fiji's strength was attributed to both administration and playing abilities, with understanding that they are financially well off (personal communication, April 2009). The power changes within the federated network are recognized below:

Since Australia left I think New Zealand has gained something from it, Tahiti has also realized what the opportunity is, even Solomon's has, they have gained image. I don't think it has empowered anyone but given opportunity to realize what a great deal it is to be out there on the world stage.

(personal communication, May 2009)

However, it was also mentioned that it may not exactly be the fact that these nations have gained power but that New Zealand has dropped to a lower level, as in the following observation by:

Question you would have to ask is whether Tahiti and Fiji are coming up or is New Zealand going down. I think it is more the Pacific Islanders are improving to a quality level. This is because they now have an infrastructure helping them perform well on the field.

(personal communication, April 2009)

Both the French speaking nations were recognized as being powerful associations with the OFC. This was because of their mother country France (personal communication, May 2009), and the football power that they possess internationally having an influence that is past down, and the organizational structure which they follow. The fact that the OFC President is Tahitian was also not missed in these perceptions, and this is supported by these following statements:

“Tahiti is showing they are a strong federation and have made progress both administratively and playing wise, maybe, maybe the OFC President has been the reason why.”

(personal communication, May 2009)

“Tahiti has strength because the President is based in Tahiti, he is Tahitian, and they have done well. As an MA they have probably gained the most.”

(personal communication, May 2009)

New Zealand did not appear to be as powerful as they had been prior to when Australia was affiliated to the OFC. Australia was definitely seen as a burden on the rest of the MAs, and now since they have gone the remaining MAs have gained some strength and power (personal communication, June 2009). This burden has not been passed onto New Zealand in such force. The Island nations strongly believe they can now lift up and compete with them, as they have now ignited a concept and spirit (personal communication, June 2009). These points; the burden of Australia and the ignition of spirit amongst the island nations, are expressed by:

“Previously a lot of the members considered Australia to be that powerhouse on top and untouchable but New Zealand were touchable.”

(personal communication, April 2009)

“Since Australia left we stand now in better chance of qualifying as New Zealand is the only struggle at the moment. But they are not as strong as Australia was. All the Island nations have better chance of qualifying.”

(personal communication, May 2009)

The age of an organization appeared to assist one's claim to power, with recognition that the newest affiliates like American Samoa are not as strong as New Zealand which have been around for over 100 years and were a foundation member of the OFC in 1966 (personal communication, April 2009). This is indicted by:

"They have been around much longer, this helps them."

(personal communication, May 2009)

Others admitted they perhaps have not been doing what they should have, recognising that they had taken it lightly for a long period of time and it was not just government support that made New Zealand powerful:

We are the strongest. I would like to say we that but we are not the yet. We strive to be the best team, and there is no reason why any other team should be the best ... Particularly in men's we are not where we should be, yet. This is disappointing.

(personal communication, May 2009)

RELATIONSHIPS

Internally within the OFC a number of relationships between members were recognized. The basis for these was on native languages and geographical location. When asked about relationships between members; responses noted that the French speaking nation's standout (personal communication, June 2009), and that they have a special bond with each other compared to the remaining members. This was linked to their historical status of being French territories (personal communication, May 2009).

There was also recognition of the remaining members and the bonds and relationships which they have, with reference to the Melanesian nations: American Samoa, Cook Islands, Samoa, Tahiti, and Tonga; and the Polynesian nations: Fiji, Vanuatu, Solomon Islands, New Caledonia, and Papua New Guinea (personal communication, July 2009). An informant noticed that since the MA Presidents are now good friends: Tonga, Samoa, and the Cook Islands have formed a relationship (personal communication, July 2009). They added to this comment by stating that the relationships amongst the

Island nations have grown stronger since the FFA disaffiliated. The following comment is in relation to these bonds, as well as introducing the bond that Australia and New Zealand had prior to 2006. New Zealand now appears to have lost any unique bonds within their Confederation. Although one with Australia still exists, it is not as powerful as it use to be:

“Polynesians on the west side and the Melanesians on the east side. Australia and New Zealand used to have a bond together; they were at a different level.”

(personal communication, April 2009)

Some informants did not recognize any special relationships existing at all within the federated network, with the Confederation being driven by the OFC and the MAs working under their own systems without any correspondence with the other MAs (personal communication, May 2009). This thought is presented below:

“We do not have any contacts at all. We don’t have any ties with any other MAs.”

(personal communication, May 2009)

This conflicts with the views of another informant. It may be that recognition of the relationships and who they are with does not exist. Or that some members are reclusive in nature and have difficulties interacting with the other network members:

“Yes, we do make contact, we all study each other’s problems, and we talk a lot when we meet with the President. But we always use the bigger countries, the stronger countries to develop.”

(personal communication, May 2009)

It was recommended that the OFC needs to foster relationships to encourage development and progression; a call for increasing international cooperation was motioned. Forming partnerships with key agencies, companies, and governments was the prominent suggestion here.

IMPACT OF DISAFFILIATION

"It is important to remind FIFA we are still here."

(personal communication, May 2009)

Informants were asked to consider the impact that the disaffiliation of the FFA has had on their MA, the OFC, and football in general. The main theme that appeared from these opinions was that it made it easier for nations to qualify for the world cups at all age groups and formats.

"Some of the Associations now find it easy to qualify for the FIFA competitions since Australia left."

(personal communication, May 2009)

There was also the opinion that it has forced the MAs to finally act positively and efficiently. It appears that their respect and recognition for the game internationally was poor and perhaps not taken seriously:

When Australia left in 2006, everyone thought it was the best way for us to get to the World Cup. Ok. Now that was good, little did we realize how far behind we actually were. The move by Australia has given us an opportunity and in reality an understanding of what it means to be a member of the FIFA family and a competitive national team ... It made us realize we need to do more for ourselves to be able to be competitive outside of our own region ... and in retrospect I think it gives us, the Pacific countries a need to fight even more, to try and regain that place, it has given us more moral and spiritual mentality to compete.

(personal communication, May 2009)

Some of the informants' views saw the disaffiliation as providing an easier operational framework suggesting that Australia may have in fact been a block on the other member nations of the OFC. Now teams are starting to look further afield and strive for those lucrative FIFA competitions as they have more room to move forward; the block has gone (personal communication, May 2009). This block is also mentioned below in reference to the World Cup dreams of the MAs which may now be reality:

“With Australia still being at Oceania, the World Cup dream was just a dream, we could not realize that. Now with them gone, we have a better chance of qualifying ...”

(personal communication, May 2009)

Additionally, one informant had no views on the impact instead choosing to suggest that:

“I think it is too premature to decide on what the impact of Australia leaving to Asia exactly is.”

(personal communication, May 2009)

However it was widely agreed that the move has made a positive impact on the region with more opportunity now available to players and teams. Tahiti has qualified for the under 20 men’s world cup, Solomon Islands for the beach soccer and futsal world cups, and New Zealand is on the verge of qualifying for the FIFA World Cup. It has developed a spirit to compete and challenge for these qualifying places. Although the financial struggles since this departure were recognized, there is also a sense of empowerment and encouragement for the MAs, in particular the Island nations:

From our point of view it means our nations need to stand on their own two feet and equalize ourselves with the other nations in the world ... It is good for us in the Oceania region, encouraging us to work together and much harder. That should be a signal to every other nation, every other Confederation that we cannot stand alone and we need to work together. For us that would be to try and pull our act together and be a bit more responsible.

(personal communication, May 2009)

A negative aspect of it is that it will advance the stronger nations and may create a greater gap between them and the weaker nations:

Maybe for the likes of New Zealand, Fiji, Tahiti, it has impacted on them as the chances of qualifying for a tournament are high. The smaller MAs in the OFC, not so much, I think it is harder for them now.

(personal communication, May 2009)

SUMMARY

This chapter has summarized the results of the data collection and presented the key themes that developed from the interviews. The members of the OFC believe the Confederation is still legitimate and that an increase in competitions will enhance their argument. However, some informants did recognize the threat that they were underperforming and need to start achieving. A third of the informants believed that the OFC was appropriate in its current format and that an amalgamation was unnecessary. Another third had a desire that the OFC continue as it is for the meantime but were supportive of an amalgamation with another Confederation or redistribution of FIFA members in the future. The final third believed it would be a positive approach if they merged into another Confederation so to seek greater competition. A similar representation was noticeable around the topic of increasing membership into more Island nations.

Financially little has changed within the OFC since the FFAs disaffiliation; although there has been an increase in FIFA development funding since 2006, which may have occurred even if the FFA was still associated. Of concern was that some members are relying almost solely on this FIFA funding and the mismanagement of funds that had occurred amongst the OFC members.

All members recognized New Zealand as being the most powerful member since the disaffiliation. The distribution of power looks to have settled within the French territories of Tahiti and New Caledonia, especially with the current President being Tahitian. These two countries were recognized as having improved both from an administrative and playing perspective as well as having a close bond with each other. There is a perception that New Zealand's power is primarily due to the government support which they receive, with few of the other nations receiving such benefits.

The disaffiliation has highlighted the weakness of the Oceania region and provides an indication as to how far behind the rest of the world it actually is. It has provided a

notion for members to start working harder and more efficiently so that they can prove to their stakeholders that they deserve to be part of the FIFA family.

CHAPTER FIVE

DISCUSSION

INTRODUCTION TO THE CHAPTER

As discussed in the previous chapters the study undertaken was a case analysis of an inter-organizational federated network that had recently experienced the disaffiliation of one of its members. As a case study, this research primarily used a qualitative perspective to distinguish the legitimacy of the network post disaffiliation, the financial implications of such an event, and how the distribution of power had been altered as a result of the move made by the FFA. The case study covers the period since January 1, 2006, when the disaffiliation was made official by the OFC and FIFA. Essentially the case study relied on semi-structured interviews conducted with key informants from each of the MAs affiliated to the OFC, as well as informants representing the OFC as they are the FMO of the federated network. First and foremost, this chapter provides a discussion of the findings of the study in view to the three guiding research questions. This is accompanied by further discussion around the focal aspect of the study being the impact of affiliate disaffiliation on the inter-organizational dynamics of a federated network, and is concluded with a summary of the aforementioned sections.

THE QUESTION OF LEGITIMACY

RESEARCH QUESTION ONE

DO THE OFC MEMBER ASSOCIATIONS PERCEIVE THAT THE OFC IS LESS LEGITIMATE IN THE EYES OF KEY STAKEHOLDERS?

The definition, previously presented, that legitimacy is “the process by which stakeholders, the general public, key opinion leaders, or government officials accept a venture as appropriate or right” (Aldrich & Fiol, 1994, p.648), does not incorporate self-recognition of legitimacy. Perhaps an addition to this definition needs to incorporate the concept of recognizing one-self as being legitimate, for it could be that to be recognized as a legitimate organization one might need to firstly personally agree that they are in their own interpretation. Very few of the informants recognized their individual organization’s legitimacy suggesting that it is the responsibility of the Confederation to create legitimacy. It could be said that the stronger and more legitimate the network members are individually, the greater the legitimacy that the

entire network possesses. This was mentioned by one of the informants who stated that *“we cannot stand alone and we need to work together. For us that would be to try and pull our act together and be a bit more responsible”* (personal communication, May 2009). Further supporting this comment regarding individual legitimacy is the creation of network legitimacy that could be recognized in FIFA’s stance on accepting new members, something of which they have put a halt to until they can decide what to do with these new prospective members which in general are countries with a very small population or have the potential to involve political conflict with current members (personal communication, April 2009). Affiliation with a superior body is one way in which sport organizations can gain legitimacy (Slack & Parent, 2006). FIFA and the OFC recognize this and to ensure they maintain their own legitimacy they need to ensure the affiliating organizations can prove they are in fact themselves legitimate.

Interestingly it appears that the concept of the Confederation being a legitimate organization seemed to have had minimal thought in the past. Having one internationally strong member appears to have been accepted internally by the OFC members. In examining other existing networks, this appears truthful in that certain aspects of a business drive the operation, with the remaining aspects operating in a subsidiary manner. An example of this is Richard Branson’s *Virgin* brand where the airline, music, and fitness centre branches have a wider recognition than the wine, mobile, and drinks branches. Another example is the Mitsubishi group of Japan which covers 29 industries; yet, is associated primarily with the automotive industry. Since 2006 it appears that the responsibility of the network has gained a broader base although it is still reliant on a small amount of members. It was recognized that most of the OFC’s success is also New Zealand’s success and that without them Oceania would be a *“toothless tiger”* (personal communication, May 2009).

Legitimacy is determined by results (personal communication, May 2009) according to the views of numerous informants. If the performance of the product is successful and to a high standard than the network or entity providing the product is legitimate (personal communication, May 2009); for example, the majority of informants stated that if they can compete successfully and win tournaments then this will make them

legitimate. Informants strongly emphasized this through the desire for a greater amount of competitions to enable them to increase their strength. In hindsight this is required especially as international teams typically only compete every four years in qualifying for the World Cup, with minimal fixtures between this period.

However, with the increase in competitions comes an increase in operating costs. This factor seems to not have been considered too fondly during the desire for more competitions. The majority of the MAs struggle financially so it would not be suitable to expand the current competitions schedule, especially since the MAs appear to have not yet adopted the current competitions format to its full potential, with only four of the 11 MAs entering teams in the most recent Men's under-17, Women's Under-20, Futsal (indoor soccer), and Beach Soccer tournaments. Missing this key component of 'strong competitions', one of the primary products of the OFC, is stated as the reason the Confederation is not on par with the other Confederations; however, the current tournaments are not utilized by the MAs. The reality of this is not being understood in that perhaps the competitions format is already adequate; it just needs to be accepted by the MAs for it to improve. This may show that the informants do not believe in the product they are producing, but yet, it is still legitimate enough to be considered a viable entity.

The OFC is a developing Confederation, and this is recognized by FIFA (personal communication, April 2009). However the same could have been said about the region 40 years ago, and even 20 years ago. A perception that exists amongst some stakeholders is that it is unclear if the Confederation will ever become a developed region in terms of football strength (competitions and infrastructure) and it is a strong probability that 20 years from now the region will still be developing (personal communication, June 2009). The majority of the informants did not recognize any immediate legitimacy threats in relation to their network, although it was recognized if the situation has not developed and teams are still not performing credibly on the world stage and the members are financially unstable, then there may need to be the requirement for change to occur on a greater scale, change that would involve

amalgamating with another Confederation or a redistribution of members in the Asian region.

Social responsibility, being the commitment of an organization to act in a way that enhances society as well as their own organization, is a pathway that the OFC has adopted to develop legitimacy according to some of the informants. This is being achieved through linking the OFC with international aid organizations like the United Nations to help combat diseases, poverty, and gender balance issues within the Pacific region. This approach is closely related to the goals of FIFA in maintaining equality amongst all, in this sense the Confederation is legit as their goals are accepted with popularity, supporting the view of Steffek (2003).

FINANCIAL CHALLENGES

RESEARCH QUESTION TWO

WHAT ARE THE FINANCIAL IMPLICATIONS OF THE FFAs DISAFFILIATION?

The 11 MAs, as well as the OFC and FIFA operate as non-profit organizations. This business approach means these organizations typically rely on the money they receive in grants and sponsorship as they do not actively seek a profitable income from their product; which for them is football. Although FIFA generate a substantial amount of money from the FIFA World Cup, this money is used to fund the remaining world cups (men's and women's age groups, futsal, and beach soccer) that do not generate any income, as well as all the development initiatives, including: FAP, Goal, 'Win In', and Football for Life/Hope. With this in mind, the organizations financial situation may fluctuate depending on the sponsorship and grant money they receive annually. An informant recognized this as a difficulty in that they are unable to plan too far in advance as they cannot guarantee if and what money they will receive. It was noted that creating strategic plans was pointless because of the uncertainty that exists.

We are supposed to create strategic plans but it is difficult you know because we have no idea what FIFA are going to do next. Will the money increase, will it stop, or will they decide that they are changing their

development focus. It is hard to make a four year plan when we cannot see what will happen in six months.

(personal communication, April 2009)

Traditionally the majority of the nations involved in this research are not wealthy countries. Only New Zealand is recognized as a developed country by the Organisation for Economic Co-operation and Development (OECD), the remaining nations are classed as developing countries (OECD, 2009). According to the World Bank only French Polynesia (Tahiti), New Caledonia, and New Zealand are classed as 'High income economies' meaning their Gross National Income (GNI) per capita is greater than US \$11,906 (The World Bank, 2009). Financial independence is closely related to power, as the more value a member has to offer the stronger they will become, and in turn also becoming closer to their governing body (Macdonald, 1993). A strong portion of the informants made it apparent that their particular MA receives no funding from their local government and that they have always struggled financially because of this. In addition, their countries do not possess any major corporations to provide them with sponsorship.

Further to this struggle is the geographic nature of the region; although it is vast in terms of distance, a large proportion of this is ocean, and unlike the other five Confederations the OFC has no connecting countries - they are all separated by ocean. This makes not only international match fixtures difficult, but the struggle is internal as well with many of the countries consisting of many small and distant islands. Travel costs within a nation and throughout the Oceania region is expensive and time consuming as direct flights between countries are not available extensively throughout the region, resulting in most journeys travelling via Auckland, New Zealand. Centrality of tournaments was introduced in 2009 to help create a more accessible format for all MAs; this resulted in all age-group tournaments being based in Auckland for a three year period, Futsal (indoor soccer) tournaments in Fiji, and Beach Soccer in Tahiti. This approach also reduces the infrastructure costs associated with hosting a tournament.

In addition to the tournament centrality concept, the costs of participating in a tournament such as airfares, accommodation, and transport have been equalized

amongst all entrants. The OFC understands the financial struggles which their members face and are actively seeking appropriate methods through which to assist them. The OFC further recognize the threat of one of its members performing poorly on the world stage and provides NZ \$50,000 to the winner of each FIFA tournament qualifier to assist their preparations for the respective finals tournament. Funding to the MAs from the OFC has also increased with the 'Win In Oceania' project initiated by FIFA and is to be implemented between 2009 and 2011. This project involves US \$8 million being provided to the MAs for the development of administration, medical procedures, infrastructure, national leagues, and media (OFC, 2009b). This project is in line with the FIFA 'Win In' initiative that FIFA has allocated US \$50 million for, so it is a strong possibility that the Oceania region would have received this investment if the FFA was still affiliated, as it is Confederation based funding in line with the vision and goals of FIFA. Only the MAs would have received a lesser proportion due to it being split amongst 12 affiliates, and not the current 11 affiliates. Further Goal projects have also been initiated within the region, and the same argument that these would have occurred, even if the FFA was still affiliated, remains due to the organizational goals and vision of FIFA as discussed in Chapter One.

With the FFA's disaffiliation Oceania lost its only professional football league, the A-League of Australia. However this had minimal financial benefit for the Island nation members prior to 2006 (personal communication, May 2009) and it appears to have had no financial impact on the region since. The only negative is that it is harder for individual players from the Oceania nations to gain professional contracts in these Australian teams, as the FFA is now part of Asia and the transfer between Confederations is more difficult. This is noticeable in the decrease of players from the Island nations representing the Australian based professional teams.

It is difficult to evaluate the financial implications associated with the FFA's disaffiliation due to the current economic climate that is being experienced globally. It is not possible to predict what the situation would have been like if this prominent factor did not occur. This economic situation was recognized by the informants as creating further difficulties in attracting funding sources for their individual

organization. However, the MAs are becoming more professional in their actions by being proactive in the development of their Association since the FFA disaffiliated in 2006. This is partially due to the pressure and requirements bestowed upon them by FIFA and the OFC if they wish to receive further funding. The OFC itself appears to be benefiting from the disaffiliation of the FFA in the means of international funding and initiatives which have increased dramatically in recent years (personal communication, April 2009). UEFA has an interest to develop football in the world and is utilizing their wealth to do so. The OFC also recently signed an agreement with AusAID; the Australia Government's overseas aid program and the FFA to provide development programs throughout the Pacific. Unlike the FIFA initiative, the AusAID/FFA initiative may not have existed if the FFA was still affiliated to the OFC, as no such initiatives were implemented prior to 2006.

REDISTRIBUTION OF POWER

RESEARCH QUESTION THREE

HOW HAS THE DISTRIBUTION OF POWER WITHIN THE OFC CHANGED?

Reflecting back to when the FFA was a member of the OFC it is possible that coercive power existed, being the ability of a superior organization to impose negative sanctions on another organization (Slack & Parent, 2006). The FFA was considered 'untouchable' by the Pacific Island members; they dominated the tournaments and were a superior playing strength as well as having a similar dominance from an operations aspect of the Confederation controlling the decisions and processes that were made. New Zealand was considered to be closely linked to Australia during this time and deemed to possess almost an equal power standing, although New Zealand was still 'touchable'. From 1972 till 2000, the OFC President was a New Zealander for all but four years. Most notably was the 18 year term held by Charlie Dempsey of New Zealand up until his retirement. Although this may indicate that New Zealand held more power than Australia, it should be noted during this time that Australia had made multiple attempts to affiliate with the AFC, and perhaps holding the Presidency status may have been seen to hinder their chances of obtaining this Asian affiliation.

Historically only these two member nations have achieved from a playing and operational perspective. Prior to 2006 only Australia and New Zealand had represented the region at a World Cup and any of the age-group world cups. They had infrastructure in place as well as a sponsorship network, and they operated more efficiently than their fellow network members; thus, supporting the suggestion from Kanter (1977) that power is granted by “the ability to get things done” (p.166).

Brass and Burkhardt (1993) and Rowley (1997) discussed the concept of centrality within a network and its position in increasing member power. This is evident within the OFC federated network geographically with New Zealand possessing greater power than the other members. The OFC and the New Zealand Football are both located in Auckland. This also extends to the knowledge that New Zealand was a founding member of the OFC alongside Australia, Fiji, Papua New Guinea, and New Caledonia although the latter was not fully affiliated due to their political status of being a French territory in 1966. Fiji is considered one of the stronger and more powerful MAs behind New Zealand further emphasizing this centrality concept. Their position in the network could be described as a stabilizer. With an estimated population of more than six million people, Papua New Guinea, although a founding member, does not follow the rule of centrality. This is because a strong majority of the population live in poverty and accessibility in the country is extremely difficult between the 20 provinces (personal communication, April 2009; personal communication, May 2009).

The MA that appears to have gained the most in terms of power, from the FFAs disaffiliation, is Tahiti which prior to 2006 was a minor player within the federated network. Their rise has seen them acquire a strong position, qualifying for an age group tournament, and representation on committees. Further, with the current President being Tahitian, the OFC has taken a more Island-centric approach. Having gained autonomy from France, New Caledonia has started to make a presence within the Confederation. Although they were a founding member their status of being an overseas territory limited their power within the federated network previously. These two countries both have an historical connection to France, and it is possible that New Caledonia is aligning itself closer to Tahiti in an effort to gain a greater power presence.

It is uncertain how much this power enhancement has a linkage back to France, which possesses centrality power in FIFA as they were a founding member of the International Federation in 1904.

The notion by Dickson et al. (2005) that organizations affiliating to an established network will have little impact and their influence will comprise minimal power is supported by the findings of this study. The most recent affiliates are usually only recognized in their comparison to player numbers versus referees in Germany. The Confederation was noted as having a 'top six' and 'bottom six' (personal communication, May 2009). The researcher is uncertain who this 12th member exactly is. However this 'bottom six' group of lesser strength members seem to agree on propositions that are presented to them by the Executive Committee to maintain harmony. The possibility exists that they may be 'scared' to speak out against these decisions and act in a supporting manner to ensure they maintain their position. These nations are developing countries, and having an employment position linked to a major international corporation like FIFA, and regionally the OFC produces personal benefits and power within their own nations, it is a powerful social position to obtain (personal communication, July 2009).

A seminal piece of literature propositions that "the position, not the person often determines whether a manager has power" (Kanter, 1979, p.65). This concept of power being determined by position was also argued and supported by Rudolph and Peluchette (1993). In this study, there is strong evidence that this is not happening. The MAs widely appreciated, trusted, admired, and respected the current President, Reynald Temarii. This finding reflects that of Liu and Fang (2006) who suggest that the charisma of the person in power is of more importance for they can successfully manage any power gaps that exist, and relate more easily with the followers in the group. Charisma is noted as being a characteristic of referent power (Slack & Parent, 2006). This form of power is strongly positioned within the OFC federated network with the Island nations, meaning all members except New Zealand, having a high-level of identification with the President as he is a Pacific Islander himself, thus they position themselves and their organizations to be similar to what it is he is portraying to them.

This is known as isomorphism (Deephouse, 1996), the action to closely replicate what a respected entity is doing to create personal and stakeholder legitimacy.

Further to these supporting papers is the view of Tjosvald and Sun (2005) that leaders do use “their capacity of power to assist, encourage, and in other ways empower employees” (p.217). Findings of this research make this evident with informants stating they feel more comfortable since the change in Presidency (personal communication, May 2009), and that Temarii incorporates the views of everyone in the group with a wider voice now available (personal communication, July 2009). The leadership of Temarii incorporates the objective to “*professionalize the management of football across the region and all members*” (personal communication, April 2009). This approach has seen the President provide empowerment to each member to succeed in a cooperative goal, thus adopting the concept of expandable power (Tjosvold & Sun, 2005). This theme of empowerment is echoed by Argyris (1998) in his piece on motivating employees in that “no vision, no strategy can be achieved without able and empowered employees” (p.98). The leadership of Temarii appears to be guiding the Confederation through this environmentally disturbance, it is his presence and direction that is applauded by the MAs and without his presence the Confederation may have fully amalgamated with another Confederation. However, conflict on this view does exist in that the OFC Executive Committee was reduced to just seven members, a move that was seen to be cost reducing and easing the conflict.

An unexpected finding of this research was the depth of disaffiliation. The FFA still possesses a strong front within the OFC federated network; despite being associated to another Confederation, they have not fully disaffiliated. This is evident by the recent funding for the development of the game and social wellbeing within the Pacific from AusAID and the FFA, the knowledge that the FFA supplies the personnel for the technical development department within the OFC, and through the appointment of two Australians to the OFC Futsal Committee (OFC, 2009b). A comprehensive presentation of the OFC committee positions can be found in Appendix Seven. This partial disaffiliation from the OFC may quite possibly be linked to a further cause that the FFA are bidding to host the 2018 FIFA World Cup, and having a quality and

respected relationship with the OFC may influence stronger the vote of the OFC in this bidding process. With these factors in mind, particularly the financial aspect, one could suggest that Australia possess more power within the OFC federated network than the likes of American Samoa and Samoa.

IMPACT OF DISAFFILIATION ON INTER-ORGANIZATIONAL NETWORKS

The guiding proposal behind this research was to establish an understanding of what happens to the inter-organizational dynamics of a network when a member decides to discontinue their affiliation. The impact of such an environmental disturbance (Zakus & Skinner, 2008) has previously been the focus of minimal theoretical examination.

A key impact theme to emerge from the descriptions gathered from the interviews was that disaffiliation forces a powerful wake-up message to the remaining members. Informants stated that Australia's disaffiliation has forced them to finally "*stand on their own two feet*" (personal communication, May 2009) and start taking responsibility for their own Associations. It is possible that this testimonial may indicate that some members of the network were 'free-riding' for too long. Thus they may have perceived that since Australia was so dominant in the OFC that they would not be noticed by their governing bodies (FIFA, OFC), so could just operate to their own requirements and still receive funding. This may have been evident in the knowledge that FIFA normalization committees had been established in both American Samoa and Samoa since the disaffiliation in 2006 (personal communication, May 2009). It was also noted that the disaffiliation should be a signal to every other Confederation. This would not be too relevant to the other five Confederations, however, as the likelihood of a 'strong dominating' member leaving one of them is not foreseeable as they are all rather settled and in an affiliation that matches their abilities.

When Australia disaffiliated from the OFC the Confederation lost almost double its population. Australia with a population of over 20 million people and 970,000 plus players, possessed more than the remaining 11 nations combined, with the OFC now

having approximately 542,000 players from a combined population of 12 million, of which almost 10 million come from New Zealand and Papua New Guinea alone (FIFA, 2006). A comprehensive presentation of participant numbers can be found in Appendix Five. With this decrease in population, this case can be considered to have experienced a major environmental disturbance. The Northern Mariana Islands have also 'disaffiliated' from the OFC recently, although they were according to one source of information Associate Members of the OFC (personal communication, April 2009); conflicting reports from the Northern Marianas General Secretary state that they had never had an affiliation to the OFC:

My understanding is that in order to be a member of any FIFA-related group, an association must fulfil several conditions precedent and subsequent to admission. [I am] not sure how this could have occurred here as there was not an active football association here. I started this league. I, as an attorney, drafted all our incorporating documents, articles, byelaws, etc. Our league is new and not a continuation of any defunct league that may have been associated with Oceania in the past.

(Menary, 2007, p.158)

However, the argument here is, regardless of whether the Northern Marianas were or were not affiliated to the OFC, they only have claim to an approximate population of 82,000 of which only 2000 are actively playing football (Menary, 2007). The impact of their departure to the AFC is non-existent and with no recognition mentioned towards them from the MA interviews. Previous communications detailed the geographical difficulties, which would have been prominent if Northern Marianas were to become a full member of the OFC, and that they are more suited location wise to the AFC than to the members of the OFC (personal communication, March 2009).

This relation to the size of the disaffiliating organization(s) and the impact in which they have on the network was also explored by Milkman (2005), in her study on the disaffiliation of four of the largest unions in America from the American Federation of Labor (AFL). This movement resulted in internal fighting amongst members, and between the AFL and the newly created coalition that became the new home for the disaffiliated unions of which contained approximately 4.5 million of the 13 million

members affiliated to the AFL. Further members disaffiliated from the AFL although they did not have the same damaging impact on the federation's effectiveness as the initial four as they were minor players within the network (Milkman, 2005).

The disaffiliation that happened to the OFC did not create any internal fighting or disagreements that were evident from the data collected. However, one situation does exist in that the only professional football club in the OFC, the Wellington Phoenix, currently compete in the Australian A-League. This competition is an AFC affiliated tournament with the champions qualifying for the financially lucrative Asian Champions League. Should the Wellington Phoenix win the A-league, they have been blocked from entering the Asian Champions League as they are not officially an Asian club (Dickson et al., in press). Further to this, the AFC President, Mohamed bin Hammam has stated that he wants the A-League authorities to extinguish the Wellington Phoenix's franchise licence as he only wants Asian teams competing in Asian tournaments (Micallef, 2008).

Since the disaffiliation in 2006 of the FFA, the remaining OFC affiliates have recognized how far behind the other MAs linked to FIFA they actually are (personal communication, May 2009). This environmental disturbance has shaken the organizational foundations of the network and provided an impetus for the OFC affiliates to act responsibly and start achieving (personal communication, May 2009). It was stated that they have not achieved what they should have done with the funding and assistance they have already been receiving, and there is no reason why they should not be stronger:

We are the strongest, no doubt about it. I would like to say that but we are not there yet. I don't see any reason why any other team in Oceania should be the best team. As long as our developments are structured we will achieve. In men's football in particular, we are not where we should be, yet.

(personal communication, May 2009)

REFLECTION

This chapter has provided a commentary of the findings for this study in relation to the specific research questions. The data collected for this study has indicated that legitimacy is achieved by having a strong product. The informants commonly stated that the need for a stronger and greater number of competitions was a necessity for them to maintain the status of being legitimate. It was recognized that if the Confederation does not gain strength in this area, then there could be further implications like the discussed amalgamation with Asia, which was of concern to the MAs which are positioned around the middle of the hierarchy. The MAs at either end of the hierarchy pendulum believed an amalgamation would benefit the region, but preferred for this to be discussed in 10 to 20 years time. Financially, the Confederation has not experienced any major concerns. FIFA is now providing a greater amount of money to the MAs and the Confederations worldwide since 2006; funding that is generated from the FIFA World Cup which is attracting greater sponsorship revenue (FIFA, 2009). Although this FIFA funding exists, it is the primary source of income with some MAs relying solely on the funding they receive from FIFA and the OFC.

The concept of power is closely related to the centrality of an organization, their history and achievements, as well as the government support which an MA receives. Some nations linked to the OFC have issues above and beyond football; the Solomon Islands and Papua New Guinea have experienced racial tensions recently, disrupting the countries from operating effectively. Additionally the Pacific Forum has currently expelled Fiji in response to the military coup that is governing the country (“Expulsion Unanimous”, 2009), and they are facing the possibility of being suspended from the Commonwealth if democracy is not restored (Watkins, 2009). New Zealand is overwhelmingly regarded as the strongest MA, with Oceania being referred to as a *“toothless tiger”* (personal communication, May 2009) without them. Additionally, the French speaking nations of New Caledonia and Tahiti have gained prominence within the OFC network. This gain is also linked to the OFC President, and his Tahitian heritage possibly influencing the other members. The impacts recognized by the MAs included that it is beneficial for them as now qualification for the various world cups is

easier, and that the World Cup dream is no longer a dream. It was also identified that disaffiliation awakens the remaining members actioning them to start being productive in their activities.

CHAPTER SIX

CONCLUSION

INTRODUCTION TO THE CHAPTER

The purpose of this research was to examine the impact of member disaffiliation on the inter-organizational dynamics of a network. The examination focused on the effect of the Football Federation of Australia's (FFA) decision to leave the Oceania Football Confederation (OFC) and subsequently affiliate with the Asian Football Confederation (AFC). This research was based on a single case study approach with the unit of analysis being the OFC federated network. Semi-structured interviews were used as the primary data collection method, and involved 12 informants gathered from the Member Associations (MA) that are affiliated to the OFC federated network, FIFA, and the OFC. As a clear description of the situation and its impacts were sought, the informants needed to have a strong organizational knowledge of the network as well as tacit knowledge of football in the region and the world. To ensure this, only the Presidents and General Secretaries of the MAs were invited to participate in the research. However, if the current office bearers of these positions had recently obtained their title; then the previous occupants were also invited to partake in the study. This concluding section will discuss firstly the limitations related to the current study. It will then provide some recommendations for the possibility of future research, and finally ends with an account of the themes and concepts presented throughout the previous chapters in this dissertation.

LIMITATIONS OF THE RESEARCH

It is important to remember that conclusions obtained from this study are restricted to the environment of the analysis unit in mention, being one region, one organization, and one sport. Due to the size of the region and the Confederation, the sample of suitable informants was minimal. The opinions presented in this dissertation were drawn from only 12 informants with representation from only 10 of the 11 MAs affiliated to the OFC and the remaining two interviews being from representatives of the OFC and FIFA. The only MA in which an interview was not conducted with was New Caledonia. However, 25 invitations were sent out to the desired parties and this incorporated at least two possible informants from each MA. So every MA affiliated to the OFC had the opportunity to partake in the research and express their opinions and

views. Having only one informant from each organization linked to the OFCs federated network limits the validity of the conclusions. This is because the conclusions are based on just one individual's perceptions and beliefs of the phenomena, which may conflict with another individual from the same MA. It is also difficult to determine if the testimonials provided are representative of the MA as an organization or if they are solely the opinion of the individual interviewed. With this in mind the researcher cannot claim that the findings of this study are a thorough and truthful representation of all the organizations linked to the OFC network. The researcher can only present claims in relation to the collected data, and that a large number of informants were invited to participate, to which a minimal response was received.

This research is also limited by the researcher's preconceptions, motivations and ways of seeing the world. These all lead to an unavoidable bias, that is inherent to all research (Deetz, 1996) and qualitative research in particular (Malterud, 2001).

A further limitation to this study is that the data collected is strongly based upon the interpretation of an interview conducted over the telephone. The preferred method for conducting the interviews would have been face-to-face at the location of the respective MA as this would also provide the researcher an opportunity to visually understand the infrastructure and systems in which each MA operates. However an inability to gain funding for this meant that in most instances the interviews had to be conducted over the telephone. It is possible that the informants in the study have had minimal experiences in being interviewed about such topics as discussed in this research. This may have limited the value of the information in which they divulged to the researcher.

RECOMMENDATIONS FOR FURTHER RESEARCH

This research has provided an extension to the extensive literature covering inter-organizational networks; although the primary focus of this case study, involved a federated network and the impact of disaffiliation; two concepts that both require further research to gain a greater understanding of the dynamics related to them. The

impact of disaffiliation on a federated network could benefit from longitudinal studies compared to this acute study. Only three and a half years have passed since the FFA disaffiliated from the OFC, and it was mentioned by one informant that it was too premature to decide what the impact of the FFA leaving truly is (personal communication, May 2009). This is further supported by the comments from the informants in relation to a possible shift in 10 to 20 years time.

It would be worthwhile for further studies to focus on the post-disaffiliation actions of the organization that leave the network. Does this organization achieve the results they were seeking that caused the initial break-up, or do they discontinue existing? Minimal research has explored the concept of a federated network, with the research on inter-organizational relationships gearing towards strategic alliances. Studies involving the concept of power within a network could explore the relationship between the power holders and any external connections they have. For example in relation to this study, further research could look at whether the rise of Tahiti and New Caledonia is connected to their historical mother-country of France, which are a strong member within the entire FIFA network.

CONCLUDING PASSAGE

“If a man can write a better book, preach a better sermon, or make a better mousetrap than his neighbour, though he build his house in the woods. The world will make a beaten path to his door.”

(Uzzi & Dunlap, 2005, p.60)

This line of thought was delivered in a lecture by Ralph Waldo Emerson over 100 years ago and illustrates that if we show a true desire we will achieve what we truly aspire for and do whatever is necessary to achieve it no matter what barriers stand in our way. Without this desire, we will get lost in the cause and lose our orientation. The FFA clearly desired affiliation to the AFC, and facing many barriers, no matter what, they continued their quest for inclusion into this Confederation until they were officially accepted. The build up to the event in 2006 was not the first time that the FFA had made an effort for inclusion to the AFC. Australia has previously been a member of the

AFC, but only for a short time between 1972 and 1978 (Dempsey, 2006). However, this experience was a turbulent time with the representative of Australia being rebuffed at the 1973 AFC Congress before he had a chance to stand up and speak, he was then expelled from the room and the doors were locked (Cockerill, 2009). Further to this was the failed attempt in 1997 by the FFA President to force an amalgamation of the AFC and OFC during the FIFA Congress (Cockerill, 2009). It was not until the successful entrepreneur and co-founder of the retail giant Westfield Group, Frank Lowry, became President of the FFA that Australia achieved their desire of being recognized as an Asian football nation.

The FFA showed true desire in achieving their goals of joining the AFC and obtaining their World Cup dreams, a desire which perhaps is only starting to begin in the Island nations now. It has taken such a severe environmental disturbance such as the disaffiliation of the most superior member of the network for this to happen. If the OFC members truly desire achieving their organizational goals and qualifying for the World Cup, then they would have made previous efforts to obtain this goal. However, only now since the deforestation of these 'woods' as they are referred to in Emerson's line of thought have they *truly* started to desire this goal as they now can see the finish line more clearly. Preferring the easier approach to being successful (personal communication, May 2009) the OFC members are now enjoying the lesser obstacles in which they face. This is in vast contrast to the remark that "Many teams say they would move mountains to qualify for the FIFA World Cup, but Australia have gone a step further, literally shifting continents to book a place at the 2010 tournament" (Cockerill, 2009, p.40), and moving out of their comfort zone that was the OFC.

It appears that the FFA has quickly settled into their new network. They have increased the profile of football in Australia, averaging 50,000 spectators per home game, established a strong professional league, of which the 2007 champion reached the final of the Asian Champions League in 2008, and have qualified for consecutive FIFA World Cups. However, they have made the effort to achieve these successes having invested more than US \$12 million on their qualification campaign for the 2010 FIFA World Cup in South Africa (Cockerill, 2009). The other forms of the game (age groups,

futsal, and beach soccer) have not been as successful for the FFA as they were when affiliated to the OFC, with them struggling to qualify for these tournaments. The most notable achievement of the FFA is their rise up the FIFA World Rankings. When affiliated to the OFC, the FFA was a big fish in a small pond which when first affiliated to the AFC was ranked 48th in the world, the highest of any OFC nation (FIFA, 2009c). Currently, the FFA has risen dramatically up the listing to number 16 (FIFA, 2009c), and are now an even bigger fish in an extremely large pond. Captivatingly, the FFA is also currently the number one ranked National team in the AFC, with the previous stronghold of Japan currently ranked in 39th place.

On the contrary, in January 2006, New Zealand was ranked 121 in the world. Although they rose to an all time high of 54 in October 2008, they are currently sitting at 99 (FIFA, 2009c). During this period New Zealand lost their reign of number one nation in Oceania to New Caledonia when they dropped to 156, their lowest recorded ranking. However, New Zealand has benefited during the three and a half years since the FFAs disaffiliation. They have qualified for all but one of the FIFA age group world cups, represented the OFC at the Beijing Olympics 2008, Confederations Cup, and are on the verge of qualifying for the FIFA World Cup. Additionally, and perhaps most importantly, the Island nations have also qualified for FIFA tournaments. Tahiti has qualified for the Men's Under-20 World Cup, and the Solomon Islands have qualified repetitively for the Beach Soccer and Futsal World Cups. This occurrence of an Island nation qualifying for a world cup is regarded by the informants in this research as the most influential impact of the disaffiliation of the FFA.

In reference to Shcarpf's (2002) notion of legitimacy, it could be said that since the OFC was considered legitimate through their full Confederation status granted to them in 1996 by FIFA, they can still be considered legitimate even though they have been parted from their strongest member. In relation to this it could be proposed that the OFC is perhaps the strongest Confederation linked to FIFA, and are still regarded as legitimate by their stakeholders. This notion is based on the perception that FIFA operate on a one vote, one country basis, and that the OFC President holds one of the 24 votes that decide who will host the FIFA World Cup. With this in mind, the OFC, and

the MAs affiliated to the OFC can operate as a voting bloc in the wider frame of FIFA. The most famous episode of this occurring was the voting in 2001 to determine the host of the 2006 FIFA World Cup. Germany received 12 of the 24 votes, South Africa 11, with the absent vote being that of the OFC President, Charlie Dempsey, who declined to vote, in the interests of integrity (Ruane, 2002). This decision by Dempsey to abstain from voting consequently awarded the 2006 FIFA World Cup hosting rights to Germany and with it “Dempsey became the most wanted man on earth” (Ruane, 2002, p.3).

Cooperation in a network is essential for the network to operate effectively (Albani & Dietz, 2009); it appears that effectiveness within the OFC is being driven solely by its leadership of Reynald Temarii, the OFC President. Temarii is being acknowledged by his peers for creating valuable relationships within the OFC and forging an effective network (personal communication, May 2009). The question arising here is whether a network is sustainable and legitimate without a strong leader to guide the organization, and what would have happened to the OFC if Temarii did not gain Presidency in 2004? A further thought revolves around the stability of the entire FIFA network in which the stronger Confederations and the governing body are financially stable and legitimate enough to support the lesser Confederations. If the OFC was not linked to FIFA in the manner that it is, the organization may have collapsed as a result of the disaffiliation.

Defining the geographical region in which Australia is located is difficult as numerous perceptions exist including ‘Asia-Pacific’, ‘Pacific Rim’, and ‘Asia-South Pacific’ (Irwin, 1996). Ang and Stratton (1996) recognized that there has been persuasion for Australia as a nation to “push into Asia” (p.19) since the 1970s, having the notion that the needs of a country will change the needs of a sport organization. This topic of where exactly Australia is located was discussed by the informants in this study in referring to Australia as still being an integral part of Oceania (personal communication, May 2009), both geographically and politically, with the FFA providing the technical departments of the OFC and the recent AusAID/FFA agreement with the OFC to assist in the development of football and society in the Oceania region. It could be said that

the FFA has not fully disaffiliated from the OFC federated network, and that their power within the network is stronger than the likes of American Samoa and Samoa. So in this context the question needs to be asked - do organizations truly disaffiliate their ties with a network, or have they just relocated their premises to a more viable location?

To conclude, the thesis of this research is: 1) stakeholder legitimacy is determined by the success of an organizations product; 2) full disaffiliation from a network does not exist; and 3) an organizations power within a network is determined by external relationships. In reference to the research question it can be stated that the impact of affiliate disaffiliation is that it motivates the remaining network members to compete and act in a more committed nature.

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APPENDICIES

Participant Information Sheet

Date Information Sheet Produced

1 April 2009

Project Title

Oceania Football Confederation: The impact of affiliate disaffiliation on the inter-organizational dynamics of a federated network.



An Invitation

I am a Master of Business student majoring in Sport Management at Auckland University of Technology (AUT). This research will complete the studies which I have undertaken and provide an insight into the inter-organizational relationships amongst the 11 member associations of the OFC. I would like to invite you to take part in this research as an interview participant, although please remember that this position is entirely voluntary and you may withdraw from the research at anytime without adverse consequences.

What is the purpose of this research?

The purpose of this research is to explore the impact of the move made by the Football Federation Australia (FFA) on January 1st 2006 when they left the OFC to join the AFC. This will provide insight into how the OFC member associations interact with each other, and whether the OFC can be deemed as a legitimate organization.

How was I chosen for this invitation?

You have been chosen to participate for this research by your status as either the President or General Secretary of an Oceania Football Confederation (OFC) member association or the OFC itself.

What will happen in this research?

The research will be conducted using individual interviews which will be approximately 20-50 minutes in duration. The interviews will be conducted on a one-to-one basis via phone or web messengers (Skype, MSN messenger). It is possible that some interviews may be undertaken face-to-face if you are visiting the OFC headquarters in Auckland, New Zealand.

What are the benefits?

It is envisaged that the research will provide theoretical insights on the future prospects of the OFC. It will provide an understanding on the most suitable path for the OFC to undertake if a need for legitimacy is required in order to ensure its continued existence. The research will also create an understanding of the current dynamics which are occurring within and between the 11 member associations of the OFC.

What are the discomforts and risks?

The possibility of any discomforts and risks occurring are minimal. Privacy measures will be implemented (outlined in next section) to help ensure all participants will remain anonymous however some participants may feel discomfort in divulging sensitive organizational information. If discomfort occurs then the participant has the right to decline answering the intended question.

How will my privacy be protected?

To ensure that the privacy and confidentiality of respondents is maintained, participant identification codes will be utilized to avoid any possible recognition. This will include each participant as well as the participants' member association and country of origin being assigned an alias for the report. Temporary softcopy transcripts of all interviews and recordings will be stored in a password protected file on the student researcher's personal data storage device. These files will be permanently deleted on completion of the Masters dissertation. Additionally, hardcopies of all transcripts and recordings will be maintained in a secure filing cabinet by the AUT Business Faculty, these will be stored for a minimum of six years at which point they will be destroyed by AUT's commercial office document destruction service. Consent forms of respondents will be maintained on the same basis as the interview data with the exception that it will be secured in a separate filing cabinet to avoid the possibility that the two could be matched up.

What are the costs of participating in this research?

The only cost involved in participating in this research is that of the individual participant's time. This time commitment required will be approximately 20-90 minutes with the possibility of brief follow-up interviews occurring should new themes arise during the data analysis.

What opportunity do I have to consider this invitation?

You will have seven (7) days from the date of receipt to respond to this invitation if you wish to participate.

How do I agree to participate in this research?

Agreement to participate in this study is made via the attached consent form which needs to be completed and signed before returning to the researcher.

Will I receive feedback on the results of this research?

Every participant in the research will receive a summary copy of the findings. Additional copies will also be provided to the member associations and governing bodies (OFC, FIFA) for their information.

What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, Sean Phelps, sean.phelps@aut.ac.nz, +649-921-9999 ext 7094. Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTEK, Madeline Banda, madeline.banda@aut.ac.nz, +921-9999 ext 8044.

Whom do I contact for further information about this research?**Researcher Contact Details:**

Daniel Waugh	M: +64 (0)21-293-7618
E: danwau96@aut.ac.nz	F: +64 (0)9-846-2906

Project Supervisor Contact Details:

Dr Sean Phelps	Dr Geoff Dickson
Senior Lecturer	Associate Dean (Research)
Division of Sport and Recreation	Faculty of Health and Environmental Sciences
Auckland University of Technology	Auckland University of Technology
E: sean.phelps@aut.ac.nz	E: geoff.dickson@aut.ac.nz
P: +64 (0)9-921-9999 ext. 7094	P: +64 (0)9-921-9999 ext. 7851

Approved by the Auckland University of Technology Ethics Committee on 1 April 2009, AUTEK
Reference number 09/31

Consent Form



Project title: ***Oceania Football Confederation: The impact of affiliate disaffiliation on the inter-organizational dynamics of a federated network.***

Project Supervisor: ***Sean Phelps and Geoff Dickson***

Researcher: ***Daniel Waugh***

- ☐ I have read and understood the information provided about this research project in the Information Sheet dated 1 April 2009.
- ☐ I have had an opportunity to ask questions and to have them answered.
- ☐ I understand that notes will be taken during the interviews and that they will also be audio-taped and transcribed.
- ☐ I understand that I may withdraw myself or any information that I have provided for this project at any time prior to completion of data collection, without being disadvantaged in any way.
- ☐ If I withdraw, I understand that all relevant information including tapes and transcripts, or parts thereof, will be destroyed.
- ☐ I agree to take part in this research.
- ☐ I wish to receive a copy of the report from the research (please tick one): Yes ☐ No ☐

Participant's signature:

Participant's name:

Participant's Contact Details (if appropriate):

.....

Date:

Approved by the Auckland University of Technology Ethics Committee 1 April 2009, AUTEK Reference number 09/31.

Note: The Participant should retain a copy of this form.

INTERVIEW QUESTIONS

Project title: ***Oceania Football Confederation: The impact of affiliate disaffiliation on the inter-organizational dynamics of a federated network.***

Project Supervisor: ***Sean Phelps and Geoff Dickson***

Researcher: ***Daniel Waugh***

Thank you for agreeing to participate in my research. My thesis will explore what happens when a member of a network discontinues their ties with that network. I am looking to see what changes occur in terms of power distribution, trust, organizational dynamics, and if the network can continue to be legitimate.

The setting for my research is the OFC and the impact in which the move made by the FFA (Australia) in 2006 has had on the OFC.

1. Please explain what your position at xxxx is and what it entails?
2. What is your story, past positions held and academic background?
3. How did you gain your current position at xxxx?
4. Do you (or have you) hold any committee positions at OFC and FIFA?
5. Tell me about your particular association
(organization, staffing, sponsors, struggles).
6. Who do you perceive to be the stronger associations in the OFC, and why?
7. Do you feel as though any MAs have gained greater or less power/significance since Australia left in 2006?
8. Are there any associations in which have a bond with each other?
9. Since this event in 2006 have you noticed any relationships form or dissolve amongst the OFC?
10. What impact do you feel the move by Australia has had on the MAs and the OFC?
11. Where do you see the OFC heading in the future (5, 10, 20 years)?
12. Do you feel an amalgamation with another confederation is viable and suitable, if so with who? And why?
13. Should the OFC expand the amount of member associations?
14. Is the current format of competitions in the OFC providing an equal opportunity to all the 11 member associations?
15. What could be done to provide a greater and equal opportunity to all the 11 member associations within the OFC?
16. How can the OFC make a greater impact on the world game and gain sustainable legitimacy amongst its peers?
17. Personally, do you feel the move by the FFA was for the benefit of the game in this region, should they have done it? Should any nations follow them?
18. Is there strong trust amongst the MAs?
19. Is there anything else which you wish to add?

Thank you again for agreeing to partake in this research project



MEMORANDUM

Auckland University of Technology Ethics Committee (AUTEC)

To: Sean Phelps
 From: **Madeline Banda** Executive Secretary, AUTEC
 Date: 1 April 2009
 Subject: Ethics Application Number 09/31 **Oceania Football Confederation: The impact of affiliate disaffiliation on the inter-organizational dynamics of a federated network.**

Dear Sean

Thank you for providing written evidence as requested. I am pleased to advise that it satisfies the points raised by a subcommittee of the Auckland University of Technology Ethics Committee (AUTEC) at their meeting on 16 February 2009 and that I have approved your ethics application and minor amendments to the research, allowing the use of interviews via email, phone and instant message. This delegated approval is made in accordance with section 5.3.2.3 of AUTEC's *Applying for Ethics Approval: Guidelines and Procedures* and is subject to endorsement at AUTEC's meeting on 20 April 2009.

Your ethics application is approved for a period of three years until 1 April 2012.

I advise that as part of the ethics approval process, you are required to submit the following to AUTEC:

- A brief annual progress report using form EA2, which is available online through <http://www.aut.ac.nz/about/ethics>. When necessary this form may also be used to request an extension of the approval at least one month prior to its expiry on 1 April 2012;
- A brief report on the status of the project using form EA3, which is available online through <http://www.aut.ac.nz/about/ethics>. This report is to be submitted either when the approval expires on 1 April 2012 or on completion of the project, whichever comes sooner;

It is a condition of approval that AUTEC is notified of any adverse events or if the research does not commence. AUTEC approval needs to be sought for any alteration to the research, including any alteration of or addition to any documents that are provided to participants. You are reminded that, as applicant, you are responsible for ensuring that research undertaken under this approval occurs within the parameters outlined in the approved application.

Please note that AUTEC grants ethical approval only. If you require management approval from an institution or organisation for your research, then you will need to make the arrangements necessary to obtain this. Also, if your research is undertaken within a jurisdiction outside New Zealand, you will need to make the arrangements necessary to meet the legal and ethical requirements that apply within that jurisdiction.

When communicating with us about this application, we ask that you use the application number and study title to enable us to provide you with prompt service. Should you have any further enquiries regarding this matter, you are welcome to contact Charles Grinter, Ethics Coordinator, by email at charles.grinter@aut.ac.nz or by telephone on 921 9999 at extension 8860.

On behalf of the AUTEC and myself, I wish you success with your research and look forward to reading about it in your reports.

Yours sincerely

Madeline Banda

Executive Secretary

Auckland University of Technology Ethics Committee

Cc: Daniel Waugh daniel-waugh@hotmail.com, AUTEC Faculty Representative, Business

FIFA TRIGRAMME	MEMBER ASSOCIATION	POPULATION	PLAYERS	% OF POPULATION	MALE	FEMALE	PROFESSIONALS	AMATEURS	YOUTH	FUTSAL	BEACH SOCCER	COMMUNITY	REFEREES	TECHNICAL/ADMIN	CLUBS	TEAMS	WOMEN'S CLUBS
ASA	American Samoa	57,794	3,248	5.62	2,406	842	0	810	1,000	228	0	410	102	135	27	33	6
COK	Cook Islands	21,388	2,200	10.3	2,200	0	0	800	1,000	0	0	200	100	100	40	120	2
FIJ	Fiji Football Association	905,949	49,688	5.48	46,338	3,350	0	11,188	17,300	1,600	0	8,200	117	2,929	400	2,000	10
NCL	New Caledonia	219,249	9,800	4.47	9,150	650	0	2,500	2,400	300	0	500	100	200	100	250	5
NZL	New Zealand	4,076,140	198,757	4.88	164,667	34,090	25	21,067	79,565	1,600	0	49,500	800	19,000	325	7,524	17
PNG	Papua New Guinea	5,670,544	196,900	3.47	188,900	8,000	0	7,700	59,200	1,900	0	57,100	1,200	5,200	440	1,100	23
SAM	Samoa	176,908	5,700	3.22	5,400	300	0	1,100	1,100	100	0	1,100	100	300	60	220	3
SOL	Solomon Islands	552,438	26,820	4.85	20,880	5,940	0	3,000	5,500	300	20	15,000	160	400	200	500	12
TAH	Tahiti	246,023	16,396	6.66	15,391	1,005	0	4,429	5,367	0	0	4,500	64	64	164	650	7
TGA	Tonga	114,689	5,000	4.36	4,600	400	0	2,100	1,100	0	0	700	100	100	100	220	5
VAN	Vanuatu	208,869	27,400	13.1	25,600	1,800	0	4,050	1,250	800	300	21,000	110	206	200	400	30
OFC	Oceania Football Confederation	12,249,991	541,909	4.42	485,532	56,377	25	58,744	174,782	6,828	320	158,210	2,953	28,634	2,056	13,017	120
AUS	Australia	20,264,082	970,728	4.79	781,246	189,482	200	107,013	299,775	23,740	5,000	33,800	8,650	58,982	2,316	29,018	1,552

NOTE: WOMEN'S CLUBS = Clubs with at least one women's team
 TECHNICAL/ADMIN = Administrators, Coaches, Technical, and Medical Staff
 REFEREES = Referees and Assistant Referees
 COMMUNITY = Company or Army Teams, Schools and Universities, Street Football (Unregistered Players)
 YOUTH = Under 18 (Registered Players)
 AMATEURS = 18 and over (Registered Players)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
REVENUE										
FIFA World Cup Grant	525,371	526,667	526,674	526,656						
FIFA Competition Grants	970,874	2,040,816	1,190,476							
FIFA Club World Cup					772,798		727,373	705,268.35	1,289,990	879,662
FIFA Confederations Cup					952,986		928,218			
FIFA FAP	4,865,362	5,770,166	6,250,000	5,832,948	4,738,438	3,656,562	2,510,550	4,897,456.87	3,674,977	2,760,872
Sponsorships Received	288,203	121,951	934,696	165,845		506,986		1,495,172.17	26,667	
FIFA Olympics Games										1,845,018
Co-operation Income								68,111.43	276,758	181,506
Investment Income	59,404	277,958	210,797	187,380	81,733	76,913	79,385	194,180.90	113,196	37,800
World Cup Tickets Income								137,792.89		
FIFA Ambassadors Programme								37,495.84	140,740	89,589
OFC Presidents Travel										192,426
France 98										313,636
FIFA Special Projects										292,508
Sundry Income	31,653	44,237	77,063	58,259	35,174	76,966	121,311	12,801.01	49,643	292,199
Total Revenue	6,740,867	8,781,795	9,189,706	6,771,088	6,581,129	4,317,427	4,366,838	7,548,279.46	5,571,971	6,885,216
LESS EXPENSES										
Courses & Tournaments										
Academy Courses	161,862	188,544	202,591	110,287	33,184	127,079	59,102	142,151	13,474	32,633
Member Courses	11,991	121,655	36,227	15,383	7,769	16,900		42,480	52,876	64,235
OFC Equipment							46	20,960	41,464	41,812
Tournaments	832,578	1,019,129	3,419,910	1,863,141	924,208	1,067,581	1,335,140	1,082,662	1,535,174	1,279,454
Uniforms				17,493						
Total Courses & Tournaments	1,006,431	1,329,328	3,658,728	2,006,304	965,161	1,211,560	1,394,288	1,288,253	1,642,988	1,418,134
Meeting Costs										
Congress/Executive Meetings	106,035	618,451	457,464	565,595	283,647	399,355	185,742	503,232	243,927	117,802
Other Meetings	28,903	116,794	189,996	176,308	92,426	32,581	81,839	34,086	177,618	43,675
Travel & Visits	89,952	75,217	119,561	100,213	98,269	72,062	80,095	177,327	201,027	113,390
Total Meeting Costs	224,890	810,462	767,021	842,116	474,342	503,998	347,676	714,645	622,572	274,867

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Member Country Assistance										
Equipment & Coaching	491,241	985,163	425,425	818,751	805,945	661,582	857	136,310	347	2,539
Financial Assistance to MAs							468,357	2,493,526	2,081,711	1,405,169
TV Broadcasting rights FIFA 2006								72,698		
TV Broadcasting rights FIFA 2002				50,600						
Development Officers/Medical	1,202,168	269,339	909,007	880,000	660,000	517,500				
Media			205,260	220,000	220,000					
Goal Project			86,283		50,000	50,000				
Referees		287,869	611,821	550,000	550,000	575,000				
Loans Converted to Grants					500,000	577,327	1,169,473	198,511	51,489	
Total Member Country Assistance	1,693,409	1,542,371	2,237,796	2,519,351	2,785,945	2,381,409	1,636,973	2,901,045	2,133,547	1,407,708
World Cup Tickets Expenses								100,619		
FIFA Ambassadors Programme								37,496	89,598	140,740
FIFA Special Projects										798,570
Less Administration Expenses										
Audit	2,208	8,828	7,480	6,118	14,448	11,775	6998	18,630	13,330	13,330
Communication Costs	46,929	63,278	52,095	140,276	134,253	105,151	87,180	147,142	136,747	179,476
Depreciation	107,800	130,496	141,797	145,057	138,383	116,107	110,141	130,864	136,229	143,142
Exchange Losses (Gains)	12,229	1,562	271,411	249,908	516,026	95,115	81,769	112,404	114,235	192,185
Academy & Office Expenses	89,278	134,919	164,980	182,118	106,510	155,965	283,254	408,854	596,407	419,481
Wages & Allowances	279,755	1,259,698	1,513,824	1,804,014	1,402,512	1,184,829	952,876	1,156,813	1,166,284	1,278,818
Total Administration Expenses	538,199	1,598,781	2,151,587	2,527,491	2,312,132	1,668,943	1,974,438	1,974,438	2,163,232	1,842,062
Total Expenses	3,462,929	5,280,942	8,815,132	7,895,262	6,537,580	5,765,910	7,016,496	4,737,617	6,703,079	5,830,939
Operating Surplus (Deficit) for Year	3,277,938	3,500,853	374,574	1,124,174	43,549	1,448,483	531,784	370,779	1,131,108	1,054,277
Accumulated Funds	3,497,083	6,997,936	7,372,510	6,248,336	6,291,885	4,843,403	4,472,624	5,004,408	3,873,287	4,934,091

KEY:

1 = VIA OCEANIA BUT ENTERED IN ASIA

2 = 1 AS HOST NATION

3 = 1 WAS NOMINATED BY OFC

4 = 3 ARE FROM THE OFC

5 = 9 ARE OFC PRESIDENT

6 = AS PRESIDENT

		AUSTRALIA	AMERICAN SAMOA	COOK ISLANDS	CHINESE TAIPEI	FIJI	ISRAEL	NEW CALEDONIA	NEW ZEALAND	PAPUA NEW GUINEA	SAMOA	SOLOMON ISLANDS	TAHITI	TONGA	VANUATU
ALL-TIME RECORDS															
MENS	FIFA Tournaments	38	-	-	-	-	1 ₁	-	14 ₂	-	-	5 ₃	1	-	-
	OFC Winners	36	-	-	-	-	-	-	17	-	-	5	2	-	-
	OFC Runners-up	5	-	-	-	9	2	6	17	-	-	7	8	-	6
WOMENS	FIFA Tournaments	8 ₂	-	-	-	-	-	-	6	-	-	-	-	-	-
	OFC Winners	6	-	-	2	-	-	-	5	-	-	-	-	-	-
	OFC Runners-up	3	-	-	-	-	-	-	5	5	-	-	-	1	-
POST 2006 RECORDS															
MENS	FIFA Tournaments	X	-	-	X	-	X	-	9	-	-	5 ₃	1	-	-
	OFC Tournament Winners	X	-	-	X	-	X	-	9	-	-	5	1	-	-
	OFC Tournament Runners-up	X	-	-	X	3	X	2	-	-	-	3	4	-	3
WOMENS	FIFA Tournaments	X	-	-	X	-	X	-	5 _{2,3}	-	-	-	-	-	-
	OFC Tournament Winners	X	-	-	X	-	X	-	3	-	-	-	-	-	-
	OFC Tournament Runners-up	X	-	-	X	-	X	-	-	2	-	-	-	1	-
CURRENT COMMITTEES															
	OFC	2	0	3	X	2	X	6	5	4	0	2	4	2	3
	FIFA	0	2	2	X	4	X	5	11 ₄	3	0	4	12 ₅	0	3
	World Cup Appointments	X	-	-	X	-	X	1	2	-	-	1	4	1	1
	OFC Executive	X	-	Y	X	-	X	Y	Y	Y	-	Y	Y ₆	Y	Y
WORLD/REGIONAL RANKING															
MENS	FIFA Ranking	16	203	187	172	101	25	138	99	203	173	161	190	184	142
	OFC Ranking	X	10	8	X	2	X	3	1	11	6	5	9	7	4
WOMENS	FIFA Ranking	14	-	-	32	-	56	-	24	54	-	-	-	-	-
	OFC Ranking	X	8	9	X	4	X	10	1	2	7	6	5	3	-

All nations [to] work together for the development of football in the South Pacific

— Sir William Walkley, 1st OFC Congress, 1968