
Measuring the Value of Varsity Athletics Through Student Retention and the Balanced Scorecard Strategy

Reid E. R. Davidson, Vancouver Island University, Canada

Chapter Summary

This case study attempts to determine the value of student athletic programs at Canadian universities, using Vancouver Island University (VIU) as a reference case. First, the study compares Canadian varsity athletics to American collegiate athletics to consider the relative economic value of collegiate athletics between the two countries. Second, the study assesses graduation rates and retention of student athletes in Canadian varsity programs as an indicator of the academic value of these programs. Graduation rates and ten-year trends were found using data retrieved from VIU records of past athletes and the credentials they received. Finally, the Balanced Scorecard (BSC) strategy was also employed to explore ways for institutions to create more value for their athletic departments. The BSC strategy focuses on four main pillars of business that have unique objectives and measures to ensure goals are completed. These strategies can be used to create value by reliably predicting outcomes. Value can be perceived in several non-financial ways from an institutional standpoint, including student success, athletic reputation, or pride in school culture among students and staff. Using the BSC could help Canadian collegiate athletic programs overcome the many barriers that stand in the way of sustainable operations. In this case study, we discovered that, with the overwhelming difference in resources between the US and Canada, Canadian varsity athletics may need to find new ways to engage stakeholders after a year of low activity due to the pandemic. Moreover, results of the graduation data indicate that VIU, the test institution, has had a dramatic incline in academic success since 2016 and that the strategies that have been set in place have fostered a more nurturing educational environment for its athletes. It will be important to continue this type of research among all institutions in the U-Sport/Canadian Collegiate Athletic Association (CCAA) to refresh the current systems in place that yield little return on investment (ROI) for stakeholders. With the suggested strategies in this case study, user groups and stakeholders should see noticeable improvement from four different perspectives: internal, external, financial, and innovation/learning and growth. The BSC is a great tool because it does not require a massive modification of operations. It is a cost-effective solution to scoping in on one area of need at a time if necessary. The information gained may be incredibly useful for determining how to improve one's athletic department.

Learning Objectives

After reading this case study, learners will be able to:

1. Recognize the importance of tracking graduation rates and predict how institutional practices influence those graduation rates;
2. Recommend strategies to improve student-athlete retention;
3. Identify non-financial benefits of varsity athletics for mid-sized Canadian universities and recommend strategies to highlight those benefits for various stakeholders;
4. Evaluate the Balanced Scorecard strategy as a potential tool for improving the current state of varsity athletics.

The Issue, Opportunity, or Trend

In Canadian universities and colleges, it can be difficult to retain athletes due to the lack of funding and resources. When thinking of varsity athletics, the first thought that comes to mind is often from an American perspective; however, Canadian varsity athletics are much different from that of our neighbours to the south. Both the National Collegiate Athletic Association (USA) and U-sport/CCAA (Canada) are considered non-profit organizations, yet each receive their funding in very different ways. In the US, most of the funding is from a 14-year broadcasting agreement worth \$10.8 billion with Turner Broadcasting and CBS for rights to their major tournaments (Geiger, 2013). As a result, American schools have an easier time retaining athletes and contributing to the workforce. Canadian collegiate athletics does not have the same media influence and relies on other sources of funding. Also noted by Geiger (2013), Canadian athletes are funded by the Canadian government's Sport Support program and some student athletic fees. There is further research needed into how Canadian universities can better retain their student athletes and create perceived value via innovative and diverse funding models or partnerships.

Amid the COVID-19 pandemic, there have been many uncertainties that presented themselves for all types of organizations. In this case study, the future of collegiate varsity athletics in Canada is put into question. Most post-secondary institutions halted all sport-related activities due to safety concerns, which led many to ask: Is there still value in varsity athletic programs in Canada? Budgets have been reduced or frozen for most schools to see where that money could potentially be better used, and it may lead to institutions realizing that their sports programs do not generate the revenue for it to be financially sustainable and that the funds could be better applied elsewhere. There is an opportunity here for Canadian institutions to realize that there is still value in varsity sports, and it is not monetary.

This case study focuses on the underlying importance of retaining student athletes to create the best possible environment for a post-secondary athletic program. The successful retention of an athlete needs to be a top priority for athletic directors in the future. The results of retaining a student athlete for a four-to-five-year period can lead to a better program reputation, lasting positive culture, better graduation rates, and the creation of better work-ready citizens. These are often cited as skills that are cultivated naturally through the student-athlete experience. Much like commitment and extreme dedication is a factor in academic success, it is also a component of being a valuable member of a company or organization. In the process of finding a job after school, a life lesson, such as knowing how to handle failure and being resilient in your efforts, is molded through the high and lows of being a varsity athlete (Poornima University, 2020).

Can institutions offer a space that allows student athletes to grow and be leaders of their team while recognizing their achievements away from the sport? Evidence suggests that allowing someone to be a team captain will improve their leadership abilities just from the title alone (Grandzol, Perlis, & Draina, 2010). The goal is to lower the number of athletes that come to a university or college for one or two years, take the minimum number of credits, and leave immediately after their season is complete. There have been few attempts at isolating the student athlete to determine if there are specific issues related to their retention, both as an active participant on the team they were recruited to play on, and as a productive student in the classroom (Weiss & Robertson, 2013). Post-secondary institutions must commit to doing whatever they can to ensure that retention rates remain consistent or steadily rise within their locus of control. Le Crom et al. (2009) estimated that scholarship support, along with gender and sport type, is one of the leading factors in contributing to student-athlete retention. This is something that many Canadian universities struggle with and why many of Canada's top athletes will choose to play in the NCAA. Thus, it is recommended that athletic administrators offer the most financial aid possible along with a wide range of sports for all genders. Additionally, coaches should foster academic excellence practices throughout an athlete's educational experience (McGee, 2017).

This research was conducted at Vancouver Island University. At VIU, the current retention and graduation success programs in place include a buddy system amongst teams to ensure everyone is completing their academic tasks, success coaching, mental health workshops, and mandatory study hall for new athletes. These systems have seemingly begun an upward trend in VIU student-athlete graduation rates, which will be discussed further in this study.

The Innovation

Case Context

The CCAA has been an asset to the landscape of Canadian varsity athletics over the years and has given smaller schools a chance to compete at a high level without the price tag of joining the U-Sport division. U-Sport houses the larger schools in the country, such as Western, Guelph, University of Alberta, and University of British Columbia to name a few. VIU has a long history of success in the CCAA, most recently winning national championships in women's volleyball, men's soccer, and men's basketball. The 2021-22 school year will see Canadian collegiate athletics back in action for the first time in over a year and departments will be looking to improve current systems.

The purpose of this research study is to determine the value of varsity athletics at Vancouver Island University and use that information to not only benefit the athletes who are here now, but to inspire other institutions to acquire the same knowledge. How can we demonstrate the value of athletics to these athletes—past, present, and future—while learning how we can retain the individuals who see school as just a way to play sports, then leave? With better understanding of value by athletes, retention rates will increase naturally. This research began in the fall of 2020. The athletic director of VIU approached the author and asked to find a way to defend the value of our athletic department in case budget cuts were to occur. The innovation that was created was a fully functional graduation rate tracker, looking into the trends of each team and the entire program over the past ten years. Most Canadian schools do have this data available, however, it seems to be underutilized as sport still seems to trump academics from an outside lens. Upon completion of this study, the author realized the importance of this tool for each school to have and began to dig further into what truly adds value to an athletic program aside from cash flow.

The secondary innovation that is being proposed, has not yet been tested from a Canadian collegiate athletics scope, but the evidence suggests this business model could change the way we view varsity athletics as an industry. According to Anand (2016), the Balanced Scorecard (BSC) is a framework for strategy execution with four different pillars. Within each pillar, there are objectives, measures, and an individual assigned to “own” each objective. The BSC effectively links performance measures to provide answers to four basic questions: How do customers see you (external perspective); what must we excel at (internal perspective); can we improve and create value? (innovative perspective); and, how do we look to shareholders (Financial perspective) (Kaplan & Norton, 1992). Kaplan and Norton (2007) state that the BSC's performance measures provide a broader perspective on the company's health and activities, while acting as a powerful organizing framework. It allows all activities to be aligned with its strategy.

Stakeholders Involved

There are three primary stakeholder groups within this case study. There are athletics programs, student athletes, and the school's board of governors. Athletic programs are the most directly-involved stakeholder for both innovations within this case study. They are responsible for applying both the new graduation tracking system for each team and the entire program, as well as planning and implementing the BSC strategy. This is a large system change that requires everyone to be on the same page and have a commitment to the outcomes that arise. The student athletes are passive participants in this type of innovation. They benefit, although it is not dependent on them for the innovation to be successful. They are required, however, to play a role in the evaluation of certain strategies and their feedback will shape the way both are used in the future. Lastly, the school board decision-makers are directly impacted. The tangible results that the graduation tracker and BSC compile will impact the perception of value that the institution can measure. Schools need to be aware that the value of varsity athletics is not measured solely by its financial performance.

Approach Used and the Impact

When beginning this case study, to find the graduation rates of each team, the author first had to retrieve the data. The records department at VIU was able to give information of each athlete at VIU since 2010 for each team, with the credential they received (if any) and when they received it. The problem was that each team was on a separate page and there were many duplicates. To create the working document to be used to track future graduation rates, the author needed to get all the information onto one spreadsheet. After creating the working document, the author compiled the total number of unique athletes—those with a credential earned at VIU, those without, and those who are still in school—to create the graduation rate of VIU athletes since 2010, as seen in Figure 1. This tool gives valuable information to any athletics program and is linked with the rest of the document; once one person is added or someone gains a credential, it will automatically update in each sheet.

Figure 1

Graduation Rate of VIU Athletes Since 2010

VIU Varsity Athlete Pie Chart			
Total Athletes	Credential Earned	Not Graduated	On Track to Graduate
486	207	192	87

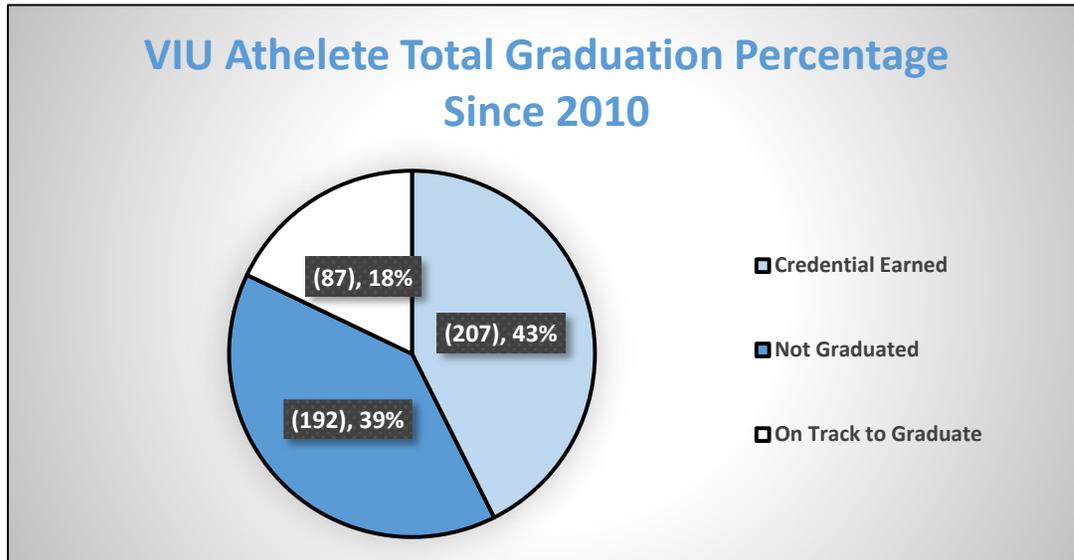


Table 1 shows the number of graduates per year with every team. By using this tool, athletic programs can pinpoint changes that may have occurred within their systems that may have led to positive or negative results on their graduation rate. This will be effective to predict what may work in the future by viewing the results of the past.

Table 1

Number of Graduates per Year With Every Team

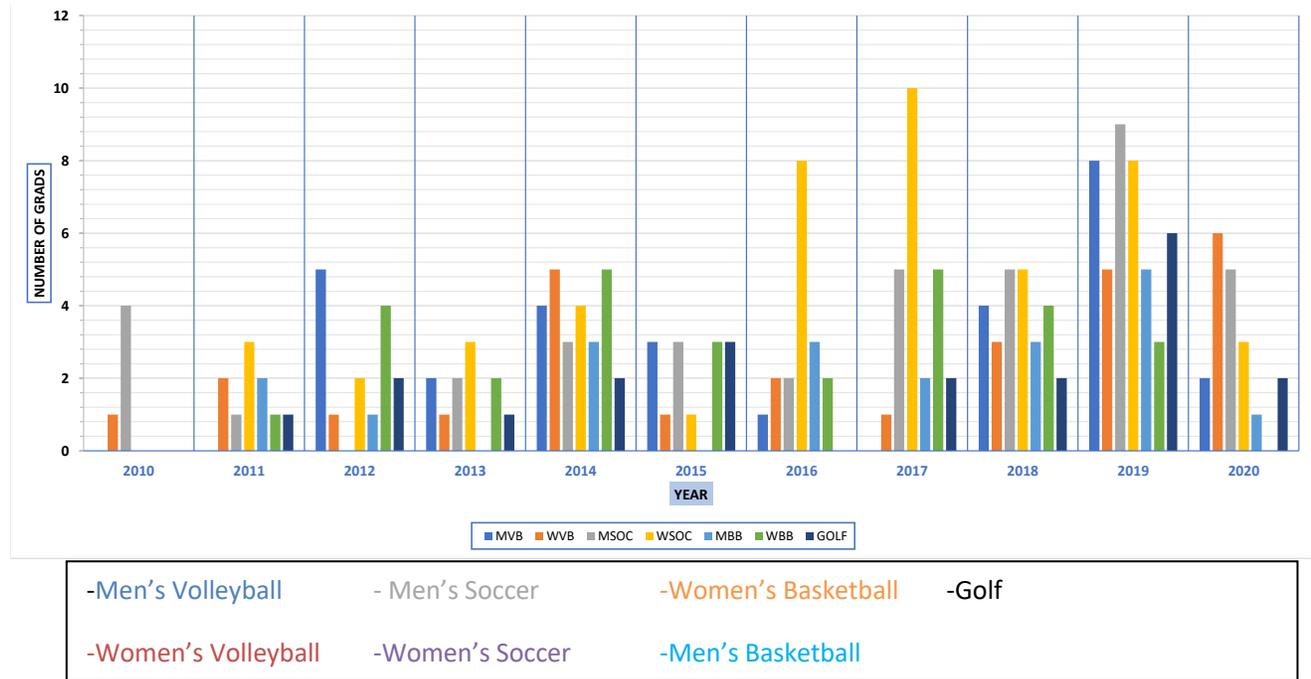
YEAR	MVB	WVB	MSOC	WSOC	MBB	WBB	GOLF
2010	0	1	4	0	0	0	0
2011	0	2	1	3	2	1	1
2012	5	1	0	2	1	4	2
2013	2	1	2	3	0	2	1
2014	4	5	3	4	3	5	2
2015	3	1	3	1	0	3	3
2016	1	2	2	8	3	2	0
2017	0	1	5	10	2	5	2
2018	4	3	4	5	3	4	2
2019	7	4	9	7	5	3	6
2020	2	6	3	3	1	0	2
TOTAL	28	27	36	46	20	29	21
Grad %	39%	38%	36%	50%	31%	55%	61.75%

Note: MVB – Men’s volleyball; WVB – Women’s Volleyball; MSOC – Men’s Soccer; WSOC – Women’s Soccer; MBB – Men’s Basketball; WBB – Women’s Basketball.

As presented in Figure 2, the graduation rates at VIU increased significantly in 2016 and have consistently grown. The 2020 numbers may have been impacted by COVID and are expected to rise again. Some of the new measures to increase student-athlete retention were put in place around 2016/17 and can be assumed to correlate with the improved data. This data is not meant to compare with the overall graduation rates of VIU. It is purely meant to show trends within the department, and see which systems are effective and add value. Even with new academic measures in place, these numbers still pale in comparison to that of the United States in the NCAA. In 2020, NCAA Division 1 athletes obtained a 90 percent graduation success rate, going up from 74 percent in 2002 (Hosick, 2020).

Figure 2

Number of Graduates by Year in VIU Athletics Since 2010



The BSC has not been tested in practice in a Canadian varsity athletics system; however, the proposed transition has the potential to produce results that demonstrate the value of varsity athletics. Belzer (2018) translated the BSC into a collegiate athletics context as described in the following paragraph.

For athletic directors, performance measurement is easier with the BSC because it utilizes non-financial metrics to reliably predict future outcomes. The BSC translates well to collegiate athletics because of its dependence on internal processes and management of external constituents to achieve those organizational objectives. This system allows athletic directors and departments to show stakeholders that there are other ways to measure success outside of financial performance. The **customer perspective** allows a program to determine the different customers they have, realize their wishes, and create objectives and measures to make sure those wishes come true. For example, the student athlete wants to see campus amenities and facility upgrades, internal members want to see graduation rates and academic performance, fans want to see team performance and gameday experience, and partners want a return on investment. This customer orientation will allow you to explain that the return on investment for Canadian varsity athletics is more than financial. It is about game-day traffic, media reach, and most importantly, school culture reputation, which brings in many students per year. Many students would not pick a school if there was no varsity

team to cheer for. Having a team to cheer for can build an identity and camaraderie among a student body. The most important thing to remember, regarding **internal processes**, is that it is crucial to the unique value that your program offers. Value creation is the enhancement and development of your program's customer-focused processes. This is where the **innovative perspective** takes place. Within the continuously evolving landscape of sports and sport science, it is key to implement new innovative programs to add value to your organization. Retention programs, student-athlete counsellors, proper food and nutrition, and strength/conditioning programs are all ways to add unique value. Learning and innovation also allow us to grow within an institute. This includes coach workshops and proper administrative support training, to ensure that no one is stagnant in what they offer. Finally, the **financial perspective** allows one to evaluate and determine what strategies have been effective and have created noticeable improvement from the prior evaluation period. It can be divided into two categories: efficiency (reducing costs/resolving deficiencies) and growth (new income streams and increased value to customers). In summary, this method is a widespread feedback loop that lets you assess and modify your strategies for the department as a whole, or for individual sports to achieve the best ROI. It can help directors and boards create effective change that can improve retention rates and create perceived value for the target group. Perhaps, smaller schools, such as VIU, can use this model to create a more appealing product for both students and other stakeholders.

Upon a trial period among at least three different institutions for a minimum of three years, the results should show the desired value creation and how effective systems can save the current state of varsity athletics in Canada. Using this method will ensure that tasks are completed in all four BSC categories to improve the overall performance of the organization. The figures mentioned above will also play a critical role in determining the success of BSC implementation. They will help establish which innovative strategies are returning the best results for graduation rates and other factors.

Implications & Lessons Learned

The conducted research suggests that VIU athletics and Canadian varsity athletics can have tremendous value for the involved athletes and the institution. The results suggest VIU has seen some ups and downs in the graduation rates of its athletes in the past decade. However, there has been a steady rise in graduating student athletes since 2016. If the athletic department continues its efforts to create an academic environment for its athletes, that fosters innovation and personal growth, the graduation rates will steadily increase. Some unexpected results were that most teams are still on the wrong side of graduation rates, yet the VIU total is nearly 50 percent. With the 87 current students still in school, there is a good chance that the number will surpass 50 percent and steadily rise over the next few years. There is much to be desired when comparing it to NCAA schools who boast a much higher percentage. With that in mind, they are all aware of changing systems and trends before they happen, which allows them to stay ahead of the

game. With the BSC method along with the working graduation tracker, Canadian schools can also share the same outcomes.

The impact of the results of this case study on the collegiate athletics system in Canada could revitalize its efficiency, ROI, reputation, and ability to attract talent, and keep talent from leaving to the US. Most importantly, it could boost the number of graduated athletes and achieve value creation to make decisions easier for those who can grant you improved environments for your athletes. With the graduation tracker and the proposed BSC systems change, there are immediate benefits for all the main stakeholder groups. Internal process boosting and a team that is committed to achieving their set goals can increase the quality of life for the athletes. External processes will demonstrate the value of varsity athletics to decision-makers. Lastly, the innovation and growth among an organization will allow it to see internal benefits firsthand.

If an athletic department is considering using this type of innovation to improve their varsity athletics program, it is recommended the department collaborate with at least two other similar-sized institutions to compare and evaluate. The best recommendation would be to implement the strategies among the whole conference or division for finest results. It was difficult to try to compare VIU systems and statistics to that of the NCAA; they may both be non-profit organizations, but that is about the only similarity. The largest limitation that was difficult to navigate was in the data collection and analysis process. Firstly, the data that was given by the registration center did not factor in any athletes that transferred to VIU midway through their schooling or students that transferred away. What this means is that if a student moved away, they were seen as “not graduated”, and the percentage of student-athletes that had no credential earned could be lower if they had received one elsewhere.

Emerging Scholar/Practitioner Reflections

Creating this case study has been nothing but a positive experience. Reflecting on the work that was put into this, I cannot help but feel very excited for what is to come. I realize the potential of the secondary innovation of the BSC is difficult to fully understand, having never actually seen it first-hand. However, I still feel that the method, with a trial-and-error period, will turn out to be nothing but beneficial in this situation. I hope this research is used by athletic directors and others to bring Canadian collegiate athletics back to its former glory. There are many ways to demonstrate that the value of varsity athletics far outweighs the financial burden it may seem to be. As someone who one day wants to become an athletic director, creating this case study as a culmination of my four years of learning has been a blessing, and something that I hope to use to advance my career and create a lasting impact on the landscape of varsity athletics. This case study has changed the way I think about implementing change. I learned that it cannot be a one-and-done type of deal; it is crucial that, if you implement a system change, you are setting yourself up for years of learning, evaluation, and room to grow.

Discussion Questions

1. How will Canadian institutions benefit or suffer if everyone commits to these methods of system change?
2. How can schools continue to grow their programs and demonstrate that what they need is worth the money?
3. What will retention of a student athlete bear in terms of successes of a program?
4. What are the benefits of allowing for innovation and growth within an organization?

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Author



Reid E. R. Davidson recently graduated after four years of studies at Vancouver Island University. He will be obtaining his degree in Tourism Management with a Major in Recreation, a diploma in Sports and Recreation Management, and a certificate in Event Volunteer Management. Reid was raised in 100 Mile House, BC, and has played soccer his whole life. The interest in the VIU men's soccer program is what brought him to this school. These past four years have challenged him to grow emotionally, academically, and professionally. He is grateful for the

memories and the friendships with classmates and teammates that will last for years to come. This is his first attempt at writing for a publication, and he hopes to provide meaningful insights into the field of recreation and tourism. In his free time, he enjoys watching sports, exercising, playing the ukulele, and spending time with friends. Some things people may not know about Reid are that he is left-handed, he spent 12 years in French Immersion, and he was one of the first children in BC to undergo surgery for Wolff Parkinson White.

Contact: reid.davidson23@gmail.com