AUT SPORTS PERFORMANCE RESEARCH INSTITUTE NEW ZEALAND

NEW ZEALAND RUGBY

Report to
New Zealand Rugby

Rugby Club Capability:

Developing Rugby Club Capability across Wider Auckland through Board Leadership and Governance

April 2018

Researched and Written by: Scott Crawford
Contributors: A/Prof Lesley Ferkins, Director AUT Sports Performance Research Institute (SPRINZ), Gaye Bryham, Deputy Head of School, AUT School of Sport & Recreation
Contact: Lesley Ferkins, email: lferkins@aut.ac.nz; ph: 022 072 9787

AUT
RESEARCH & INNOVATION

TABLE OF CONTENTS

1 Executive Summary

As presented in the graphic above, New Zealand Rugby (NZR) has identified six strategic focus areas to drive rugby forward to 2020. Strategic focus number five, states that "Rugby is the sport of choice in wider Auckland". Two of the key areas (in partnership with Auckland Rugby, Counties Manukau Rugby, North Harbour Rugby and The Blues) involve:

- Improving the health of clubs to effectively deliver rugby; and
- Creating governance and operational structures to grow the ability to deliver rugby.

In support of NZR's Wider Auckland Strategy, NZR, Aktive Auckland (AA) and AUT Sports Performance Research Institute New Zealand (SPRINZ) partnered to establish a Club Capability Project. The purpose of the project was to help NZR and AA develop a better understanding of board leadership and governance with a view to influencing the development of rugby club capability. Key recommendations are proposed for moving forward towards creating a long-term uplift in the capability across rugby clubs in the wider Auckland region.

Three rugby clubs from within the wider Auckland area were selected based on their membership size; small (<300 members), medium (<600 members), and large (>900 members). Participants from each of the selected rugby club boards/committees were chosen using purposeful sampling as a method of selection to ensure the best possible insights and information-rich data was gathered (Coyne, 1997). Supplementary document analysis, individual in-depth interviews and a combined club board focus group were conducted which generated a breadth of rich, insightful data and enabled for key themes pertaining to leadership, governance and club capability to be derived.

An overarching theme that developed was the realisation that, whilst perceptions of leadership, governance and club capability varied considerably, there was unanimous agreement that the Chairperson of the club represented and directed the leadership and governance capabilities of the respective clubs. This effectively meant that any potential change in club capability, within the realms of leadership and governance, would primarily require the Chairperson to understand, accept and initiate change.

We derived two areas of focus linked to four specific recommendations as follows:

A) *Enhance the leadership capabilities of the club chair/board.*
B) *Work with individual club boards towards the enablement of inter-club collaborative governance.*

1) Employ Club Capability Managers (Full-time role) – experienced as an organisational change agent and leadership mentor.
2) Undertake accurate, independent assessment of club capability – as club self-assessment does not always provide a full picture of the situation.
3) Individual club context and needs drive club resource allocation – relationship management (communication) is essential.
4) Initiate collaborative community online portal – ultimately self-sustaining which provides access to standard policy and strategy documents, grants applications etc.

In summary, we acknowledge that:

1) Rugby clubs and their boards are uniquely different – nuances such as location, membership, resources, tradition etc are important to understand.
2) Rugby club boards are comprised of voluntary, elected members and they have difficulties finding people to fill vacant board seats.
3) Leadership and governance are inter-related and both influence rugby club capability in tangible and non-tangible ways.
4) Rugby clubs are in various stages of capability development and this complex process is both dynamic and changeable.

This is not a process of fixing an issue but instead an opportunity to better understand club leadership and governance capabilities and, accordingly engage more effectively with individual rugby clubs. We believe, in turn, this will lead to the creation of stronger rugby clubs across wider Auckland through building leadership, governance and administrative capability within the rugby community (see Appendix A for full report and findings).

2 Background

It has been identified by NZR that Auckland has a critical influence on the state of the game of rugby. This research leverages off an NZR partnership with Aktive, in the form of a club capability working group, which aims to support the NZR Wider Auckland Strategy through:

1. Creating a long-term uplift in the capability across rugby clubs in the region.
2. Creating stronger rugby clubs across wider Auckland through building leadership, governance and administrative capability within the rugby community.

The emergence of a more business-like' delivery of sport has proven challenging to the sporting sector (Breitbarth, Walzel, Anagnostopoulos, & Eekeren, 2015; Shilbury & Ferkins, 2011), notably with community non-profit sport club organisations (CSCs), as they are traditionally governed by volunteer boards that serve to deliver their respective sport codes to the community via limited resources (Lowther, Digennaro, Borgogni, & Lowther, 2016). The challenges facing CSCs, particularly in relation to leadership and governance, have been acknowledged within the New Zealand sporting sector at all levels (Sport New Zealand, 2015). There is little research, however, that has focused specifically at the community, club level. NZR, recognising the need to understand the leadership and governance capabilities of its CSCs (rugby clubs), entered into a collaborative partnership with Aktive – Auckland Sport & Recreation and AUT Sports Performance Research Institute New Zealand (SPRINZ).

Accordingly, this research was undertaken to investigate the current understanding and influence, of leadership and governance at CSC board level, in order to potentially develop club capability. Specifically, the aim of this research was to examine how community non-profit sport clubs can develop their club capability within the realms of board/committee leadership and governance. Sub-questions were:

- What understanding do board/committee members possess concerning leadership and governance?
- What perceptions do board/committee members possess concerning club capability?
- What areas can be identified within leadership and governance with a view to potentially developing community sport club capability?

In summary, the present research project has been designed to help NZR better gauge the current levels of understanding, at club level, pertaining to leadership and governance as well as diverse insights into how individual club boards/committees perceive club capability.

3   Research Approach

Most studies of leadership, governance and board capability in sport have been undertaken within the 'interpretive/constructivist paradigm' (qualitative method) in order to unearth deeper insights on a specific topic (beyond questionnaires, survey or other forms of numeric-based research not known to capture such depth). Interviews were therefore conducted to explore perceptions of leadership, governance and club capability within the context of New Zealand's rugby club community. These interviews allowed for us to build rapport with the participants so that we could hear their stories and they could share personal perceptions. It is important to note that insights derived from a qualitative research approach are not deemed as generalisable compared with survey research, but rather they seek to develop understanding and, in doing so, construct new knowledge.

Fourteen individuals from within the wider Auckland rugby clubs were purposefully selected to take part in the research based on their extensive experience and ability to speak both for themselves and for the club they represented. These individuals were a representation of elected board members. At the time of the interviews, all participants were current board members and included the chair of all three represented clubs.

The participants included one female and thirteen males, aged between 35-65+. It is important to highlight here that although gender diversity was sought, the participants involved accurately represented the current gender diversity of the respective clubs. It is also important to note that all but one of the participants played rugby to various levels and many had played exclusively for the club they now represented.

> 14 participants
> 1 female, 13 males
> Ages 35-65+
> Auckland based
> Board/committee members

Fourteen semi-structured, in-depth interviews and a focus group (involving seven board/committee members) were conducted across three local rugby clubs in the Auckland region to determine perceptions and insights regarding leadership, governance, and, club capability. Supplementary document analysis was also utilised as supporting evidence (including publicly available club

constitutions and financial statements). The research team members are not employees of NZR or any other rugby governing structure and therefore offer a level of impartiality.

In order to summarise the interview findings, key themes were derived and categorised into sub-themes. As the research process also drew on evolving leadership and governance thinking and available literature, these key themes were developed in conjunction with identified leadership and governance concepts (as per references and themes in red below). In the findings we have sought to differentiate when participants' voices are being represented and when we offer our own interpretations.

[Note: Ethics was sought and approved from Auckland University of Technology - AUTEC Reference number 17/43. All research participants were given appropriate information pertaining to the research and all participants signed relevant consent forms.]

4   Findings and Interpretations

Central to the key findings was the emergence of an understanding that leadership and governance were inter-related and, accordingly, the capability of a club was heavily influenced by the leadership of the chair and their understanding and acceptance of the need to adopt adequate governance protocols.

When discussing club capability, a number of participants indicated that playing results, membership growth and financial viability were key performance indicators. "I think if you have a strong premier side, you're going to attract players here, you're going to attract sponsorship, you are going to attract money and with all of those things come other benefits", noted one participant. Interestingly, whilst financial viability ranked high in perceptions of club capability, the need for improved governance was not universally accepted. One participant observed "There are policies but whether they have an appropriate place in rugby, a sports thing, I'm not so sure…does there really need to be governance policies around playing rugby?" This observation highlighted the variance in both understanding and acceptance of the perceived need for clubs to be run in a 'business-like' manner.

As the interviews unfolded, it became evident that in order to better understand club capability, in relation to leadership and governance, greater understanding and appreciation of the central role of the chair was a precursor. As was expressed by one participant, this is important as the chair provides direction and is integral in harnessing the volunteer resource of the club. Another offered, "he knows where the club needs to go so his leadership is really good, and he is open and honest, but drives things".

> "At the end of the day, our core business is putting players on the field to play rugby"

Through the research project, we sought to gather perspectives on leadership, governance and work collaboratively with the participants to highlight potential influencers of club capability.

4.1 Perspectives on Leadership

"How would you describe … leadership" was the first question asked of each interviewee. Whilst there were a range of descriptive variables, each interviewee referenced a need for the leadership

> "So, from my perspective, it's got to be someone that is a strong person, that can make strong decisions and takes onboard, especially from a club perspective, the interests of the parties they are representing"

to be "strong and to provide direction". When discussing leadership with the chairs of each club, a common theme of servant leadership (Welty Peachey & Burton, 2017) in the form of a desire to give back to the game of rugby emerged. This form of leadership is reflective of the volunteer nature of the role and gives an insight into leadership motivation at chair level.
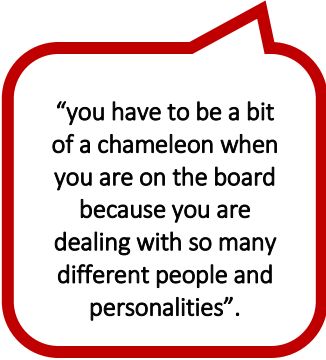
Also of note was the identification with a hierarchical, top-down leadership style that appeared to be adopted by all three clubs. This seemed highly congruent with the traditional formally elected leadership style displayed on the rugby field in the form of a referee, captain and coach. This exemplifies the need to focus on the chair initially when considering the identification and integration of change enablers.

Delving deeper into the concept that the chair of the board is the formally elected, central leadership figure several sub-themes emerged. The first sub-theme was that of emotional intelligence (Goleman, Boyatzis & McKee, 2002) – which was expressed indirectly by participants as "the notion of being aware of, being able to control and to appropriately express emotions". One of the chair participants described this form a relationship management aspect as "understanding self to give you the ability to manage interpersonal relationships empathetically and ethically". The second sub-theme was that of situational leadership (Welty Peachey, Zhou, Damon, & Burton, 2015). This

essentially encompasses the ability to be able to assess the environment, and the people within to choose an appropriate leadership approach.

This was viewed as a critical aspect of good leadership within the context of the rugby club board due to the volunteer nature of the club and its board. This was expressed by one participant as a need to be more coercive and less forceful when dealing with issues of individual accountability and role responsibility. Amalgamation of the above perceived attributes suggest the leadership of rugby club boards would require a person with high emotional intelligence who is capable and confident of their ability to ensure their club is run in a business-like manner whilst maintaining close relationships with the volunteer club resource.

> "you have to be a bit of a chameleon when you are on the board because you are dealing with so many different people and personalities".

4.2 Perspectives on Governance

As opposed to perspectives on leadership, when asked to describe what good governance entailed, only a small percentage of participants could offer their description. This potentially highlights an apparent lack of understanding within rugby club boards as to what governance actually entails. This trend was also observed when asking participants to describe their club's strategic plans. Some participants even expressed a belief that governance should have only a limited place in rugby with one participant asking, "There are club policies but whether they have an appropriate

> "we're the old generation and we grew up with rugby working bees and bottle draw raffles"

place in rugby, a sports thing, I'm not so sure…does there really need to be governance policies around playing rugby?" This reluctance to accept the professionalisation (Shilbury & Ferkins, 2011) of rugby at club level appeared to reside more in the smaller club with one participant suggesting that this may be a factor in their declining financial viability.

Participants in the medium and large club expressed an acceptance of the need to professionalise the functionality of their respective boards in the form of more balanced governance versus administrative functionality – "the day to day operations versus the bigger picture". Also expressed was a need to be more strategically capable (Ferkins & Shilbury, 2012) with a strategic focus to "looking outside the square" to find revenue to fund paid staff to access qualified skills sets with a view to increase revenue opportunities. The need to have a strategic plan was described by one participant as a key to being financially viable in the form of ensuring they were not solely reliant on trust funding or over-the-bar takings.

> "Auckland rugby should be collaborating with the Pakuranga, with the Marist, with the suburbs clubs and helping them assist the weaker clubs…"

Strategic balance (Ferkins & Shilbury, 2015) also emerged as a theme and was described, as an example, by one participant who expressed reservations about a potentially unbalanced financial focus. He asked "but that's the huge balancing act you know, success breeds success. Do you want to be the richest club but not have a decent premier side or do you want to have a decent side and perhaps pull back on the money you got (sic) in the coffers?" A summation of participant perspectives on governance suggest a large disparity in club governance capabilities and the need for the provincial union to assist clubs with a formalised governance pathway, ultimately with a view to adopting a collaborative governance (Shilbury & Ferkins, 2015) model.

4.3 Perspectives on Club Capability

As noted above when analysing the data from all three clubs to assess perceptions of club capability three key areas and their respective influencers were identified:

Club Capability – Key Areas	Influencers
Playing Results	Winning culture, good facilities, good coaches
Membership Growth	Culture, welcoming environment.
Financial Viability	Revenue streams, fiscal management and recognising opportunities for growth

The development of rugby club capability is a multifaceted issue that requires an equally multifaceted approach. As with both leadership and governance, any approach needs to be contextual to the relevant club and flexible enough to recognise and evolve in variable ways to respond to an ever-changing sporting environment.

Utilising a leadership and governance lens to delve deeper into these key areas and respective influencers reveals that changes made at board level to improve aspects such as communication, skillset and succession planning alongside professionalisation and strategic capability could positively improve club capability.

In summary the key message is: in order to understand and develop club capability it is necessary to first look at the leadership and governance capabilities of the board. The more efficient and capable the chair and the board, the higher likelihood of the capability of the club. Next we

summarise the key findings, establish our overarching theme, and from that, provide a series of recommendations for change.

5 Conclusions and Recommendations

The overarching themes that emerged from the interviews is the understanding that leadership and governance are inter-related and are direct influencers of club capability. In addition, the leadership of the chair is central to the performance of the club board and is seen as a critical change agent in the progression towards improved club capability. Whilst all three clubs displayed varying degrees of governance capability, all three expressed a desire to align with other clubs in an effort to share resources. This is viewed as an important stepping stone towards collaborative governance, both inter-club as well as with Auckland Rugby Union.

"The clubs are becoming more aligned...so I think, as a general statement, we made some really strong strides with Auckland rugby...I think there is still a lot of work to do...we can see a lot of things changing for the better

In summary, two foci are linked to four specific recommendations as set out below. We put these forth for the purpose of working towards the NZR's Wider Auckland strategy of creating a long-term uplift in the capability across rugby clubs in the region as well as creating stronger rugby clubs across wider Auckland through building leadership, governance and administrative capability within the rugby community.

5.1 Summary Table

Focus	Recommendation
A) To enhance the leadership capabilities of the club chair/board.	1) Employ Club Capability Managers (Full-time role)
	2) Undertake accurate, independent assessment of club leadership and governance capabilities (Club capability)
B) To work with individual club boards towards the enablement of inter-club collaborative governance.	3) Individual club context and needs drive club resource allocation
	4) Initiate collaborative community online portal

5.2 Focus and Recommendations

Focus areas A) - **enhanced leadership capability of the club chair/board** and B) - **enablement of collaborative governance** are inter-linked to the following recommendations:

1) Employ Club Capability Managers (Full-time role) – Source and employ personnel with appropriate skillset, specifically - experienced as an organisational change agent and leadership mentor.

2) Undertake accurate, independent assessment of club capability – The existing use of club self-assessment does not necessarily provide the full information needed for such assessment. Club Capability managers need to conduct confidential one-on-one interviews with at least five of the existing board including the current chair in order to gain an insightful and in-depth understanding of each club's leadership and governance capabilities.

3) Individual club context and needs drive club resource allocation – Based on a full assessment of club capability, ensure resource allocation occurs specific to club needs. Attention to relationship management is essential.

4) Initiate a collaborative community online portal – Ensure clubs have access to and are trained in utilising and contributing to an online portal with collaborative sharing of information pertaining to standard policy documents, grants applications etc.

5.3 Conclusion

It is clear from the outcomes of the project, that leadership and governance within a rugby club setting are interrelated. The volunteer makeup of a rugby club board emphasised the need to consider the leadership of the board when attempting to understand the "health" of the club. Being a volunteer board member of a rugby club is a hugely challenging role that is undertaken primarily out of a need to give back to a sport the members have played and love. As a rugby community, we are tremendously fortunate to have these volunteers as the backbone of the delivery of our sport, and although challenging, it is deemed vital to allocate resource to assist them with meeting the demands of the modern environment. We recommend success be perceived as facilitating a pathway for rugby clubs to improve their capability to deliver rugby to the local community. We also recommend that success be assessed based on the enhancement of board leadership and improved governance protocols as it is these elements that play a critical role in rugby club capability and ultimately rugby delivery in New Zealand.

References

Breitbarth, T., Walzel, S., Anagnostopoulos, C., & Eekeren, F. v. (2015). Corporate social responsibility and governance in sport: "Oh, the things you can find, if you don't stay behind!". Corporate Governance: The International Journal of Effective Board Performance, 15(2), 254 -273. https://doi.org/10.1108/CG-02-2015-0025

Coyne, I. T. (1997). Sampling in qualitative research. Purposeful and theoretical sampling ; mergingor clear boundaries? Journal of Advanced Nursing, 26(3), 623-630. https://doi.org/10.1046/j.1365-2648.1997.t01-25-00999.x

Ferkins, L., & Shilbury, D. (2012). Good boards are strategic: What does that mean for sport governance? Journal of Sport Management, 26(1), 67-80. Retrieved from http://journals.humankinetics.com

Ferkins, L., & Shilbury, D, (2015). Board strategic balance: An emerging sport governance theory. Sport Management Review, 18(4), 489-500. https://doi.org/10.1016/j.smr.2014.12.002

Lowther, M., Digennaro, S., Borgogni, A., & Lowther, A. P. (2016). Exploring and establishing a framework for effective governance in european grassroots sports organisations. Journal of Applied Sport Management, 8(1), 80-103. Retrieved from http://idrottsforum.org/journalof-applied-sport-management-vol-8-no-1/

Shilbury, D., & Ferkins, L. (2011). Professionalisation, sport governance and strategic capability. Managing Leisure, 16(2), 108-127. https://doi.org/10.1080/13606719.2011.559090

Sport New Zealand. (2015). Nine steps to effective governance building high performing organisations. Retrieved from www.sportnz.org.nz.

Welty Peachey, J., & Burton, L. J. (2017). Servant leadership in sport for development and peace: A way forward. Quest, 69(1), 125-139. https://doi.org/10.1080/00336297.2016.1165123

Welty Peachey, J., Zhou, Y., Damon, Z. J., & Burton, L. J. (2015). Forty years of leadership research in sport management: A review, synthesis, and conceptual framework. Journal of Sport Management, 29(5), 570-587. https://doi.org/10.1123/jsm.2014-0126

Appendix A: The Influence of Board Leadership and Governance on Club Capability within New Zealand Community Sport Clubs – Scott Crawford (available upon request).

About the Contributors:

Scott Crawford (MSpEx) has competed as a professional athlete for the past two decades in the sport of sailing. He has also held senior management roles in two Americas Cup campaigns (2003 & 2007).

Lesley Ferkins (PhD) is Associate Professor in Sport Leadership and Governance at Auckland University of Technology and co-leads AUT's Rugby Codes Research Group. She is also the Director of the AUT Sports Performance Research Institute New Zealand (SPRINZ) based at AUT Millennium.

Gaye Bryham (MA Applied) is Deputy Head, School of Sport and Recreation at Auckland University of Technology. Gaye teaches and researches in sport leadership and is also Sport Leadership and Management Department Head.

AUT Rugby Codes Research Group.
https://sprinz.aut.ac.nz/areas-of-expertise/interdisciplinary-research/rugby-codes