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## **All Black? Stakeholder Consequences in New Zealand of the Professionalisation and Globalisation of Rugby Union**

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In 1886 the International Rugby Board (IRB) was formed by 8 founding nations to govern the game of rugby union. Rugby was amateur and remained so until 1996. Indeed the formation of Rugby League in 1895 was the direct result of a desire among some rugby union teams to pay their players against the wishes of governing bodies. The professionalism of rugby since 1996 has brought dramatic changes. In particular, conflict has arisen between the professional game and those who continue to play as amateurs. In New Zealand, the most successful nation in the history of rugby, that tension between now conflicting stakeholders and the shifting balance of power toward professional aspects has come at a cost to the overall game of rugby. This paper explores the drivers and consequences of that stakeholder conflict through an in-depth case study of rugby in New Zealand.

While rugby union has traditionally been amateur, the game has long had global aims. In 2010 there were 115 countries within the IRB. New Zealand has the highest winning percentage among test playing nations. In 2010 New Zealand were ranked #1 in the world – as they had been for much of the time since rankings were introduced. Rugby Union is the ‘national game’ in New Zealand and is embedded in the very culture of New Zealand. Amateur rugby clubs have been a social focal point throughout the country. Globalisation has always allowed for greater competition between countries and ultimately sowed the seeds which lead to the introduction of the rugby world cup in 1995. The rugby world cup has dramatically altered the competitive and revenue landscape of rugby globally which in turn lead to the professionalism of the game.

The professionalization of rugby has had many positive impacts. First and foremost, those who generate the product – the players – have been compensated for their efforts and abilities. But not all players have been compensated. Just as with any professional sport there remains a part of the game that is amateur. Importantly, the amateur game in New Zealand is still critical to the development of young players. Professional academies do not exist in New Zealand at youth levels. That amateur game has received less and less of the increased revenues associated with globalisation and professionalism.

Perhaps most important of all, the twin development of professionalism and globalism in the game of rugby has led to resources being redeployed to areas of their highest value. In particular, players have moved from New Zealand to Northern Hemisphere countries to play professional rugby in significant numbers. Not just at the level of international players, but at many levels below that New Zealand rugby players have found opportunities to travel and earn money from playing. International level players transferring north has impacted on the

performance of New Zealand's national team the All Blacks. But, of greater concern to amateur stakeholders has been the detrimental effect on amateur club rugby in New Zealand.

Traditionally an area of intense competition that has aided the development of players going on to higher levels, the loss of players has had significant effects on the quality of club competitions throughout New Zealand. The average age of players in senior club competitions has reduced dramatically since professionalism – as quality older players move overseas. The balance of competition has been affected by the reduction in numbers of quality players – with less 'competitive' teams in regional competitions.

Ironically, the advent of professionalism and globalism has given rugby an advantage over rugby league. Where rugby league has for many years occasionally 'poached' players from amateur rugby, the reverse has been happening since 1996 due to the greater revenues available from the more globalised game of rugby union. Nevertheless amateur rugby in New Zealand has seen a much greater and more substantive effect. Just as every professional football league in the world will feature players from Brazil, so every professional rugby competition in the world features players from New Zealand. The difference is that New Zealand only has a population of four million people and rugby has no system of transfer fees to compensate for the costs of developing players. The result is an amateur game detrimentally affected by globalisation and professionalism, and increasingly feeling isolated from the professional game that is supposed to be the pinnacle of the sport.