

Management Analysis of a Sport Organization

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1. Introduction

Manawatu Rugby Football Union (MRFU) was established in 1886. Today the number of registered players is over 5000 which makes it the 10th largest Union in New Zealand. The representative team was a member of the first division between 1976 to 1988. However, relegated to 2nd Division in 1988, Manawatu has remained in the lower division ever since. The campaign to get Manawatu back into the first division began in 1996. While they have endeavoured to re-establish their former status, they have not yet met the goal. In 2000 they finished seventh in the second division, the union's worst ever placing. Considering a team based in a city the size of Palmerston North, this present state is not acceptable (MRFU, 1999 and 2001; McLraith, 2001).

The purpose of this paper is to analyse how each part of the definition of a sport organisation (Slack, 1997) applies to the MRFU, and how the functions of sport management and business are applied in the MRFU. The objectives are, through understanding the organisation of MRFU, to clarify existing problems and to offer some recommendations to improve their management.

This paper is limited in its examination of the business functions in the MRFU due to lack of time and resources.

2. Discussion

2.1 Background Information

Manawatu Rugby Football Union was established in 1886. Today the MRFU incorporates 19 clubs, as well 91 primary/intermediate schools and 10 secondary schools are affiliated with

the union. The number of registered players is over 5000 which makes it the 10th largest Union in New Zealand. The representative team was a member of the first division between 1976 to 1988. They produced a number of All Blacks, held the Ranfurly Shield in 1976-78 and were the 1980 NPC first division champions (Knight, 2000). However, relegated to 2nd Division in 1988, Manawatu has remained in the lower division ever since. The campaign to get Manawatu into the first division began in 1996. They won the championship in 1998 as the Vikings, which was a combined team with Hawke's Bay, but the union failed to meet the NZRFU criteria for promotion. While they have endeavoured to re-establish their former status, they have not yet met the goal. In 2000 they finished seventh in the second division, the union's worst ever placing. Considering the union is based in a city, Palmerston North, which is the seventh most populous city, this present state is not acceptable (MRFU, 1999 and 2001; McLraith, 2001). Therefore it has been suggested that a more appropriate form of management of the sport organisation be considered. Slack explains the need for expert knowledge in the sport industry in order to understand about organisations and organisation theory in the following passage:

a knowledge of organisation theory will help you to understand the organisations with which you will interact (and by which you may be employed), and why they are structured and operated in a particular way. A knowledge of organisation theory, that is to say a knowledge of organisations that has been systematically and scientifically derived, can help you better understand the problems you will face as a manager. It can help you design an appropriate structure, manage the changes that need to be made in your organisation's structure as changes take place in its contextual situation, provide appropriate leadership, adopt appropriate technologies, resolve conflicts, manage human resources, and achieve the goals of your organisation (1997, p.4).

This paper will now proceed with a focus on the definition of sport organisation and its management functions.

2.2 Definition of a sport organisation

Robbins defines organisation as 'a deliberate arrangement of people to accomplish some specific purpose'(2000, p.5). He suggests that organisations share three common characteristics. 'First, each organisation has a distinct purpose. ...Second, each organisation is composed of people. ...Third, all organisations develop some deliberate structure' (Robbins, 2000, p.5). Under this definition, government agencies, schools, banks, supermarkets, neighbourhood delicatessen, local social dance clubs and rugby clubs are all organisations. Of course, the MRFU is also no

exemption. Moreover, Slack defines sport organisation in detail as follows: 'A sport organisation is a social entity involved in the sport industry; it is goal-directed, with a consciously structured activity system and a relatively identifiable boundary'(1997, p.5). Accordingly, the definition offers the following five key elements:

- Social entity
- Involvement in the sport industry
- Goal-directed focus
- Consciously structured activity system
- Identifiable boundary

2.2.1 Social entity

'All sport organisations are composed of people or groups of people who interact with each other to perform those functions essential to the organisation' (Slack, 1997, p.5). As mentioned before, the MRFU consists of more than 5000 players as well as many clubs and schools. In this point, while both are sport organisations, there is a difference between the MRFU as an administrative organisation and mere local sport clubs. 'Some sport organisations, particularly those from the public sector, have as their primary function to aid and assist other organisations in the delivery of sport' (Slack, 1997, p.4). While local sport clubs are composed of individual players, the MRFU comprises a group of clubs and associations. Even though these clubs and associations interact with each other, they remain independent organisations as well. Therefore regional sport organisations, such as the MRFU, are more complicated organisations.

2.2.2 Involvement in the sport industry

It is obvious that the MRFU is directly involved in the sport industry. The central role of MRFU is to support and promote the local rugby environment as an administrator. However, the MRFU is more involved in the other industry than as a mere local sport club, but not as much as in the commercial sector though. This recent trend – the result of the commercialisation of sport – has been especially remarkable.

2.2.3 Goal-directed focus

'All sport organisations exist for a purpose, be it making a profit, encouraging participation in a given sport, or winning Olympic medals' (Slack, 1997, p.5). The MRFU stated an immediate main goal, in 'MRFU Business Plan 1999-2002' (MRFU, 1999), as follows:

“By 2002 Manawatu will be a premier provincial rugby centre in New Zealand”.

And then, to achieve this goal they have three main strategies:

“The senior representative team must achieve a sustainable position in the first division.”

“The Manawatu Union must implement professional management systems throughout the union.”

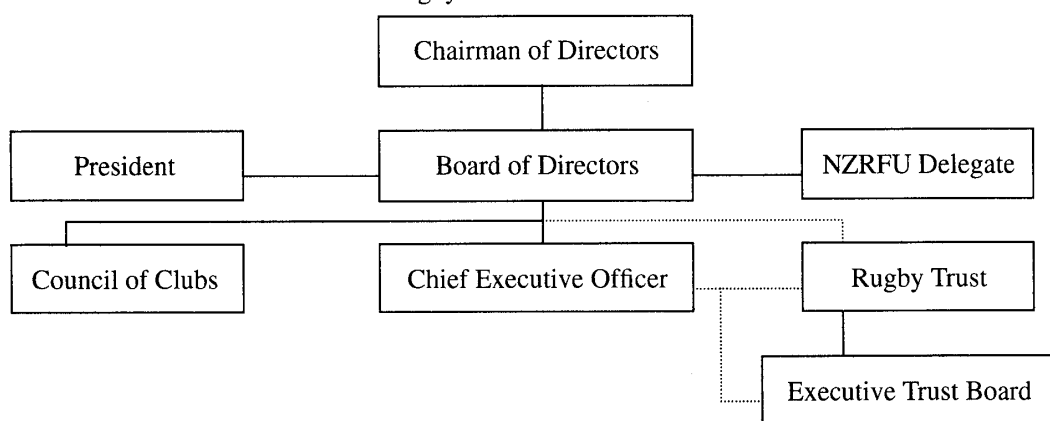
“All grades within the Union must improve their performance through a programme of continuous improvement.”

Slack(1997) suggests that usually the goals of a sport organisation can not be obtained by an individual alone, but only by members working together. He claims that individual members may have different goals, which means sport organisations as a whole have more than one goal. The MRFU is managed by many people and groups (e.g. the Board of Directors, Council of Clubs, Chief Executive Officer and Manawatu Rugby Trust) under the minute structure explained in detail in the next clause. Each person or group has its own goal. However these goals are not only individual goals, but also specifically designed to achieve the organisation’s main goal and strategies mentioned above (MRFU, 1999).

2.2.4 Consciously structured activity system

Slack(1997) suggests there is a conscious structuring of activity systems in sport organisations. The MRFU has adopted a new structure to accomplish the objectives set in 1999. The new structure is shown in the following diagram:

Manawatu Rugby Football Union Structure



Organisation	Management	Funding
Rep Rugby	Marketing/Sales	Recruitment
Club Rugby	Operations	Retention
Junior Rugby	Development	Scholarships
Maori Rugby	Finance	
Women's Rugby		

adapted from MRFU, 1999

Thus, the MRFU's activity system is structured consciously through the above as well as further roles and responsibilities sorted out in more detail in each section in order to achieve a certain objective (MRFU, 1999).

2.2.5 Identifiable boundary

'Sport organisations need to have a relatively identifiable boundary that distinguishes members from nonmembers' (Slack, 1997, P.5). In the case of the MRFU, there are a few different aspects of this point. First, players who play rugby in the Manawatu region register with the MRFU through each of their clubs. So the players are approved to play rugby under the control of the MRFU. Second, the MRFU employs a few paid staff for carrying out the daily management of the organisation e.g. Chief Executive Officer, Rugby Development Officer, Student Rugby Initiatives Officer, Officer Administrator. These staff members have an explicit agreement with the organisation and receive pay. Third, however, most of the staff is volunteer, so the boundaries are not so clear in this situation (MRFU, 1999 and 2001). Slack suggests that 'for some sport organisations particularly those in the voluntary / non-profit sector, the boundaries may not be as easily identified as in those sport organisations concerned with making a profit or those in the

public sector' (1997, p.5).

2.2.6 Summary

All aspects of this definition of sport organisation are evident in the MRFU. The MRFU is not comprised of a group of individuals. They consist of clubs and associations that are independent organisations. These organisations which compose the Union have their own goals and strategies. Moreover the individuals affiliated with the clubs and MRFU have their own various desires. Therefore it is difficult to unify every member's demands as a main goal of the organisation. However, the MRFU needs to clarify the goal as a sport organisation that administers local rugby. While the MRFU has stated its goals and strategies, there is some doubt about whether those goals meet what individual local clubs or players have in mind. It seems that they place too much emphasis on the improvement of the representative team. It is clear that the improvement of the representative team is considered as the centripetal force that effects promoting local rugby. However, it is important to meet the individual clubs' and players' goals and satisfaction. Furthermore, while the activity system of organisation is structured in detail, there is doubt about whether the structure functions well. While the centre of management is carried out by a few paid staff, it is difficult to provide the attentive management to local clubs and players by paid staff alone. This problem is considered to be one of the negative effects that occurred as a bi-product of the implementation of professional management. Due to the adoption of paid staff, a gap between paid staff and voluntary staff has developed. Thus it has become difficult for volunteers to take part in the management. Consequently, an improvement of communication between paid staff and volunteers is suggested.

2.3 Functions of Management

There are various organisational structures, but their characteristics of management are common. Robbins (2000, p.8) defines the term *management* as 'the process of coordinating and integrating work activities so that they are completed efficiently and effectively with and through other people'. Understanding management is important to understand what managers should do. Managers' work activities are often framed as management functions which have four basic functions: planning, organising, leading and controlling (Robbins, 2000).

2.3.1 Planning

Organisations exist to achieve some specific purpose. So they must clearly define that purpose and the means for its achievement. Planning is the first key function of management. 'The *planning* function involves the process of defining goals, establishing a strategy for achieving

those goals, and developing plans to integrate and coordinate activities' (Robbins, 2000, p.10). To establish the organisation's overall objectives and to determine the long-term direction of the organisation the planning must be strategic. Therefore, it is necessary to understand the strategic management process. Inkson and Kolb (1999) show that the strategic management process follows six consecutive steps such as:

1. Determine the mission and goals of the organisation
2. Assess organisational and environmental factors – SWOT analysis
3. Determine strategic alternatives
4. Chose strategic direction
5. Implement strategy
6. Control strategy

According to 'MRFU Strategic Plan 2000' (MRFU, 2000), it is obvious that the MRFU has followed this strategic management process to plan its strategies. It set the mission statement and value statements, carried out a SWOT analysis, determined and chose strategies. According to 'MRFU Business Plan 1999-2002' and 'MRFU Strategic Plan 2000', it made a detailed strategic plan which is creditable. However, while those strategies have now been implemented, strategy implementation alone is not enough and it is still behind its set goals. Therefore it is necessary to evaluate the present situation and control their strategy then reconsider the strategic plan appropriately.

2.3.2 Organising

Sport organisations have consciously structured activity systems. Designing an organisation's structure is one of the important aspects of management functions. Robbins explains that *organising* 'includes the process of determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and at what level decisions are made' (2000, p.10). In short, '*organising* is defined as the process of creating an organisation's structure (Robbins, 2000, p.351). As mentioned above the organisation of the MRFU is structured in detail. However, it relies heavily on paid staff to achieve its roles and responsibilities. If the structure is organised in a more balanced fashion, the management process will be enhanced.

2.3.3 Leading

Organisations are composed of people and groups of people, and 'it is management's job to integrate and coordinate the work of those people' (Robbins, 2000, p.10). As mentioned above, the MRFU is a complicated organisation because it consists not only of individual people but also clubs and associations. So it is really difficult and important to direct and motivate all people and

groups involved. To understand the leading function it is important to understand organisational behaviour (Slack, 1997; Robbins, 2000). While the subject of behaviour refers to the actions of people, '*organisational behaviour* is concerned more specifically with the actions of people at work' (Robbins, 2000, p.485). Robbins describes understanding organisational behaviour as follows:

One of the challenges in understanding organisational behaviour is that it addresses issues that are not obvious. Like an iceberg, organisational behaviour has a small visible dimension and a much larger hidden portion. What we see when we look at organisations is their formal aspects: strategies, objectives, policies and procedures, structure, technology, formal authority and chains of command. But under the surface are other elements that managers need to understand. [Organisational behaviour] provides managers with considerable insights into these important, but hidden, aspects of the organisation.

The MRFU is led by paid staff such as Chief Executive Officer and Rugby Development Officer. Therefore it is necessary for them to understand organisational behaviour. It is important that they have a good grasp of organisational behaviour in accordance with their plans. However, there is doubt about whether that knowledge is communicated well enough to other volunteers. As mentioned above an improvement of communication between paid staff and volunteers will solve this problem and bridge the existing gap between them.

2.3.4 Controlling

Controlling is the final process of management function. Robbins defines controlling 'as the process of monitoring activities to ensure they are being accomplished as planned, and of correcting any significant deviations' (2000, p.683). Then he says 'an effective control system ensures that activities are completed in ways that lead to the attainment of the organisation's goals' (Robbins, 2000, p.683). Although the MRFU set the goals and plans, organised the minute structure, directed and motivated the people and groups, there is still no assurance that it is heading towards the goals and will attain them. The MRFU is, in fact, in a difficult situation to achieve its main goal. As mentioned in planning, the MRFU needs to control its strategy. Inkson and Kolb (1999) suggest that a system of monitoring to check progress against targets should be set in the plan. This paper has not been able to clarify whether the MRFU has an adequate monitoring system or a standard of performance. If it has this, however, the Union should measure the actual performance, and compare it with the standard, and then take managerial action to correct the performance or goals (Robbins, 2000). If it does not have this control system in its plans, it is

suggested that they set it immediately.

2.4 Functions of Business

To understand the subject of sport management there is often a great deal of focus on functions of planning, organising, leading and controlling. However, 'other business functions such as finance, marketing sponsorship and public relations are all important and relevant to the sport manager' (Trenberth and Collins, 1999, p.16). According to the plans it is obvious that the MRFU has considered these business functions. For example, in 'MRFU Business Plan 1999-2002', it is stated that 'the office of the Chief Executive is responsible for the business functions of the union including management, marketing / sales and finance as well as providing support to the Council of Clubs in the area of rugby operations and rugby development' (MRFU, 1999, p.11). However, this paper is limited in its examination of the business functions in the MRFU due to lack of time and resources.

3. Conclusion

3.1 Regional sport organisations, such as the MRFU, are usually complicated organisations because they consist not only of individual players, but also of clubs and associations. Each has its own goals. There is doubt about whether the MRFU's main goal and strategies meet the individual goals and satisfaction of all parties involved. It seems that they place too much emphasis on the improvement of the representative team.

3.2 While the MRFU has made out detailed strategic plans and implemented the strategies since 1999, in fact, they are still struggling to achieve their main goal.

3.3 The activity system of organisation is structured in detail. However, the roles and responsibilities of central management incline heavily towards paid staff and a gap between paid staff and voluntary staff has developed.

4. Recommendation

4.1 If the MRFU has an adequate monitoring system or a standard of performance, it should evaluate the present actual performance and control its strategic plan appropriately. For example, amend the mission statement. If they have not set a system of monitoring to check their progress in their plan, it is suggested that they set it immediately.

4.2 Organise the structure in a more balanced fashion. It will enhance the general management process.

4.3 Improve communication between paid staff and voluntary staff. Paid staff who lead the management should have a good grasp of organisational behaviour and then communicate that information to other volunteers. It will bridge the existing gap between them and help voluntary staff take part in management more readily.

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