

Professionalism versus amateurism in grass-roots sport: associated funding needs

Carolyn J Cordery, John Davies

Victoria Business School, Victoria University of Wellington, New Zealand

Keywords: club sport, rugby union, sustainability of sport, amateur sport finances

Acknowledgements

We are grateful for the support and funding from Sport New Zealand, our Research Assistant Andrew Milne and the engagement of the Wellington Rugby Union and its 18 member clubs in this research. We also acknowledge feedback from participants at the Sports Management Association of Australia and New Zealand Conference (Dunedin, 2013), seminars at Victoria University of Wellington and Queensland University of Technology, and the two anonymous reviewers.

Corresponding Author:

Carolyn Cordery, School of Accounting and Commercial Law, Victoria University, Rutherford House 23 Lambton Quay, Wellington, Phone: 04 463 5761, Email: carolyn.cordery@vuw.ac.nz

Professionalism versus amateurism in grass-roots sport: associated funding needs

Abstract

Considerations of professionalization within sport are typically limited to the commercialization processes that generate the funding regimes and impact the expenditure patterns of professional sports teams. By contrast, using historical data, this paper analyses how professionalism and the professionalization of elite rugby has impacted the amateur game, in general, and challenged the core values of amateurism and the associated funding needed for the amateur/grass-roots game, in particular. It compares funding and expenditure patterns in amateur sports clubs for a particular sport – rugby football union, aka rugby.

This paper utilizes a case study analysis of amateur clubs in the Wellington Rugby Football Union, a provincial union of the New Zealand Rugby Union. It finds that professionalism is exhibited in the amateur game both as a top-down phenomenon and a bottom-up phenomenon as new actors have entered the institutional field. The study also notes that whilst such changes were gradual, the costs of these changes are now outpacing clubs' ability to fund them.

Professionalism versus amateurism in grass-roots sport: associated funding needs

Introduction and Background

The benefits of professional sport are myriad; manifest as better conditioned and prepared athletes, with higher skill levels leading to greater spectacles of skill, and highly competitive contests attracting large spectator audiences. The latter often lead to greater commercial opportunities, in general, and to enhanced media rights and greater interest in developing sponsorship relationships, in particular (see, for example, Pinnuck & Potter, 2006). Such additional focus on generating commercial revenue streams (commercialism) may lead to realising those commercial opportunities (commercialization), enabling the funding of initiatives associated with professionalization (for example, improved venue and spectator facilities, and balanced competitions to boost the spectator experience) that also reflect an ethos of professionalism. As such, commercialization's revenues not only strengthen a belief in notions of commercialism, but also make it possible to pursue a wider range of commercial opportunities, and aid the packaging and monetizing of sport experiences to bring in these revenues (commercialization), in a virtuous reinforcing cycle.

In such environments, spectators/fans also reinforce sport's embrace of commercialism, and drive to commercialization, through purchasing stadium memberships, season and match tickets, sport- and team-related merchandise (Andreff & Staudohar, 2000; Halabi, Frost, & Lightbody, 2012; Owen & Weatherston, 2004; Pinnuck & Potter, 2006).

These funding streams and fan-base not only provide a platform for, and facilitate, the professionalization of athlete and performance development systems through improved training facilities, medical services, and personal development guidance, but also underpin athletes' commitment to professionalism. Given this 'virtuous cycle', it is unsurprising that there is an increasing focus on sustainable commercial revenues, professional teams'

financial viability, and the impact of on-field performance on finances (Andreff, 2007; Halabi et al., 2012; O'Brien & Slack, 2003; Owen & Weatherston, 2004; Pinnuck & Potter, 2006).

The belief that generating alternative revenue streams from sport-related activities is possible and of value (commercialism), complemented by means developed to deliver those revenue streams (commercialization), may make it feasible to fund initiatives supporting the expression of professionalism. In illustration, as suggested above, accepting the need to boost spectator experience is one manifestation of professionalism; leading to initiatives such as improving venue and spectator facilities, and/or engendering balanced competition. The success of such initiatives would then likely reinforce, validate and strengthen the ethos of professionalism that led to the initiatives' development.

One objective of this research is to explore how professionalism emanating from, or associated with, the professionalization of elite rugby, may manifest itself in the amateur (grass-roots) game, and how that manifestation may challenge the core amateur values and the amateur game's associated funding needs. This is important both from a socio-historical viewpoint (due to the clash of new cultural norms and expectations), and from a financial sustainability viewpoint. The research uses New Zealand rugby and the experience of Wellington Rugby Football Union's clubs in pre- and post-professionalized periods as a case study.

We utilize an Institutional Theory framework, including the notion of institutional logics (DiMaggio & Powell, 1991), to frame the challenging of amateurism by the associated values and practices of professionalism and professionalization. A similar theorization has been used in sports studies undertaken by O'Brien and Slack (2003, 2004) and Cousens and Slack (2005). To observe the evolution of the organizational field of the *amateur* game, the decision to essentially have professional sportsmen at the *elite* level is the starting point. Historical financial and secondary data on amateur rugby clubs (fundamental to the

organisational field) provides a 'base', while more recent financial data have been complemented by interviews and a focus group showcasing variation in the prevailing institutional logics. For this study, we adopt Thornton & Ocasio's (1999: 804) description of institutional logics as "the socially constructed historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals ... interpret organizational reality, [and] what constitutes appropriate behavior..."

Prior studies (O'Brien & Slack, 2003, 2004; Washington & Patterson, 2011) have identified tensions between emerging professionalism and erstwhile amateurism within elite clubs, for example, with respect to beliefs and values. Nevertheless, it has been generally assumed that despite professionalization in the elite sport's field (for example, affecting practices), the quintessential nature of amateur clubs' funding needs and expenditure has remained unchanged. Our findings are contrary to views expressed on professionalization, professionalism and funding models (for example, Andreff & Staudohar, 2000; Enjolras, 2002), as we highlight the financial tension that surfaces in amateur clubs seeking to embrace and express what they perceive to be professionalism. Through a multi-method analysis of the institutional logics operating within the field of amateur rugby, this paper shows how, in the nearly twenty years since the decision to 'professionalize' elite sport, the organizational field of amateur sport clubs has experienced allied changes in behaviour and expectations.

Changing expectations redolent of professionalism manifest, for example, when clubs value and enhance para-medical, physiotherapeutic and medical care; engage in sophisticated statistical and match analysis; enhance the preparation and conditioning of players; foster the development of coaches and coaching programmes; and develop more effective player/talent identification and development systems. Delivering such enhancements through employing professionals such as qualified medical and para-medical

staff, physiologists, sport scientists, high performance directors etc. – establishes new career sets as a feature of professionalization with sport. Meeting these expectations is seemingly heedless of consequential effects which may be tangible (such as the clamour of associated funding needs) and others less tangible (such as dissonance in the organizational field).

The focus on rugby, a ‘national sport’ in New Zealand (Davies, Daellenbach, & Ashill, 2008), may be regarded as a unique case. Nevertheless, this paper offers insights about the witting and unwitting ramifications that may accompany the development of professionalism within amateur clubs of any code. This paper continues by briefly outlining notions of professionalization and professionalism, and the institutional theory framework used. The following section describes the casestudy context and the research method. The final two sections address results and findings, before a concluding discussion section, and pointers to further work.

Theoretical basis – sport as an organizational field

Institutional theory provides a framework to understand how the normative structures, beliefs, values and ‘rules’ within an organizational field impact behaviour (Davies et al., 2008; Thornton & Ocasio, 1999). It has extended beyond merely considering conforming behaviour to analysing change (DiMaggio & Powell, 1991; Greenwood & Suddaby, 2006). Change is effected within an organizational field, that is, where organizations share institutional logics or taken-for-granted rules, identities and social norms (Greenwood & Suddaby, 2006; Lynall, Golden, & Hillman, 2011; Scott, 2001). In these respects, (neo)-institutional theory may therefore shed light on the emergence of professionalization and professionalism, associated values and practices within the domain or greater organizational field defined by a rugby football union, and the expression of rugby at

different levels within that field: amateur club level, semi-professional provincial level, and the elite international and professional level.

The rugby 'field' includes the formal and informal network ties at these different levels (Cousens & Slack, 2005). Through institutional theory we perceive the dynamic change processes, emerging new organizational entities, new linkages between extant organizations and new actors and, above all, changes and shifts in the dominant logics shaping the relationships or arrangements between the field's actors (Greenwood, Suddaby, & Hinings, 2002). Institutional theory also allows us to analyse 'jolts' or disruptions which precipitate new logics. Although Greenwood and Suddaby (2006) suggest that exogenous jolts are most common, they acknowledge that entrepreneurial peripheral actors may moot endogenous disruptions. Although the central players are embedded within the normative processes of the field (DiMaggio & Powell, 1983), entrepreneurial behaviour is likely to create dissonance such as a clash between professionalism and amateurism. Greenwood and Suddaby (2006) suggest that contestations over the legitimacy of a new logic is evidence of its ascendance.

Increasingly, sports studies consider change within an organizational field (for example, Seippel, 2002; Shilbury & Ferkins, 2011), and also shifts in the dominant institutional logics within that field (Cousens & Slack, 2005; Kikulis, 2000; O'Brien & Slack, 2003, 2004). Such institutional logics - how to negotiate and operate within the field - are underpinned by schema organizational members establish (Cousens & Slack, 2005; Greenwood et al., 2002). Yet, membership-based sports organizations are subject to institutional and environmental pressures to change (O'Brien & Slack, 2004). Accordingly, the emergence of professionalization at rugby's elite level (national or regional) and the surfacing of professionalism at club and provincial levels, characterize an organizational field to which institutional theory (contributing to an analysis of change) is relevant.

Institutional theory is now well reflected in the sport management literature through, for example, studies of Canadian national sports organizations. Such organizations have experienced increasing bureaucracy related to institutional pressure from Sport Canada as funders (Slack & Hinings, 1994), and related to the growing professionalism internally arising from the emergence of a paid, professional executive funded by Sport Canada (Kikulis, 2000) – that is, professionalization. Despite these studies, there have been calls for a multi-methodological approach to examine the institutional forces within sport (Washington & Patterson, 2011). We argue in this multi-method paper that it is likely that the institutional logic reflective of professionalism has begun to impact amateurism in sport, as now described.

Professionalization and Professionalism – financial and operational perspectives

In this study, we examine professionalization and professionalism as they arose from the decision in 1995 of the *International Rugby Board* (IRB – now *World Rugby*) to allow payment to players and others associated with the game. We note the use of the term *professionalization* in the colloquial sense that it applies in sport (but not the professions), and as it is commonly, but often inappropriately pitted against *amateurism*.ⁱ As noted by O'Brien and Slack (2003: 418) “amateurism carri[e]s with it much more than a simple prohibition on athletes’ financial remuneration” especially because of its connotation with the volunteer contributions at club and governance level. In another sense, amateur values and ‘informality’ often means a resistance to over-organization and, elsewhere (as noted by Malcolm, Sheard and White, 2000), a concern that players should enjoy the amateur game for *its own sake*, rather than as a showpiece for spectators (as would occur on the professionalized stage), or for the extrinsic rewards of payment. Thus, as professionalization is viewed more broadly than payment of players alone, amateurism is viewed more broadly than non-payment of players.

Professionalization and professionalism are also viewed as extending to various domains beyond the playing of the game: management, governance, coaching, player development, etc. For example, Taylor and Garratt (2010) studied professionalism within the domain of coaching in the UK, regarding it as reflecting “clearly benchmarked standards, novel forms of commercial engagement and ever-present systems of formal accreditation” (Taylor & Garratt, 2010: 121). Some of their interviewees saw payments for coaching (professionalization) as an attack on volunteerism and amateur values, which served to disrupt clubs’ *cultures* (and thus institutional logics) (Taylor & Garratt, 2010). Others have found a variety of cultures and values embedded within clubs (O’Brien & Slack, 2003). Nevertheless, at grass-roots level, we may expect a dominant logic of amateurism - including volunteerism, playing for enjoyment, not for payment etc. – to prevail.

In New Zealand rugby, the institutional disruption associated with professionalization occurred in concert with the lure of lucrative revenue-generating commercial opportunities (commercialism) linked to the elite international inter-provincial rugby competitions. These competitions were conceived by the SANZAR grouping of South Africa, New Zealand and Australian Rugby Unions. In order to secure the tempting media rights payments that were on offer (approximately US\$800m over a ten year period for the NZRU) by delivering attractive competitions and competitive play (the commercialization of sport), institutional entrepreneurs recognized that players would need to be ‘professional’. That is, such competitions would require greater demands on player time in terms of travel, and in relation to the pursuit of higher levels of fitness, conditioning, and skills. As such, it was considered that rugby players in these new elite international competitions would benefit from becoming full-time employees. Similar expectations could be made of coaches, managers, etc. Acceptance of these higher levels of skill, conditioning, preparation, standards and excellence (professionalism), and the ability to secure player time, and

dedicate programmes to the pursuit of excellence (professionalization) meant that whilst the new dominant logics of professionalization and professionalism may have been somewhat in contrast to many clubs' and players' experiences and prior amateur statusⁱⁱ, they were not at odds with values driving their behaviour. The following provides some rationale for this observation.

Professionalism encompasses a "commitment to work to improve one's capabilities" (Hwang & Powell, 2009: 268), combined with an appropriate level of functional capability and independent critical thinking in order to improve competitiveness within a field (Hussey, Holden, Foley, & Lynch, 2011). More generally, the notion of professionalism encompasses "the skill, good judgment, and polite behaviour that is expected from a person who is trained to do a job well" (Miriam Webster, 2014). It is not surprising that Hussey et al. (2011), Sundbo et al. (2007), Johnson et al. (2006) and Sheldon (1989), have suggested that professionalism can be realized through education and training, and through associated socialization processes.ⁱⁱⁱ Professionalization offers one of these processes.

Providing a complementary perspective, Nichols et al. (2005) have offered insights about motivations underpinning the emergence of professionalism. Examining the voluntary sport sector in the UK, they commented on the changing field in which private sector providers of pay-to-play sport establish themselves in direct competition to volunteer- and member-based amateur club sport. New competitors in that institutional field thus provided an external disruption, in effect, pressuring amateur clubs to act with professionalism, and correspondingly, to provide 'professional' service and delivery (Nichols et al., 2005). O'Brien and Slack (2003) also highlighted the effect of business entrepreneurs entering the professional rugby field in the UK.

Further, Nichols et al. (2005) referred to other perceived pressures leading to expressions of professionalism. Such pressures reflect societal aversion to different types of

risk, including, the risk of sporting injury, and an increasing litigiousness, willingness and ability to take legal action against organizations or individuals deemed to be 'negligent', perhaps in not seeking to improve capabilities (Hwang & Powell, 2009), or in not exercising their capability in timely or appropriate manner, or with an appropriate duty of care. In some cases, governments have responded and legislated – with provisions including requirements for up-skilling, training and qualification of volunteers (Nichols et al., 2005). These actions parallel similar top-down moves towards enhancing the professionalization and professionalism of sport-related 'work'. It has been stated, elsewhere, that such top down initiatives have often led to a bureaucratized sports system (Sherry, Shilbury, & Wood, 2007).

These various institutional logics are depicted in Figure 1. In brief, Figure 1 captures the view that the growing prevalence of commercialism in sport (the lure and rush to commandeer commercial revenues) drives commercialization (the packaging of sport as an activity that could bring in funds). As such, the funds received from commercialization facilitate professionalization – including the paying of players. Of course, paying players needs commercialization, if clubs and unions are to be financially viable. In turn, professionalization provides opportunity for the expression of professionalism. We regard professionalism not only as embodying acceptance of the need for a high level of skill and performance, but also the practices and processes – training, conditioning, education - that enable a demonstration of skill and play, encourage spectators to value displays of professionalism, and thus to seek further professionalization through payment of players and associated roles. Notwithstanding these dominant logics in the elite sport field, the argument of Andreff and Staudohar (2000) below, is that professionalization and professionalism will not affect the logic of amateurism in the amateur game.

[INSERT FIGURE 1 HERE]

Several studies have explored the impact of professionalism on previously amateur elite sports, national sports organizations, and larger amateur sports clubs (Gammelsæter, 2010; O'Brien & Slack, 2003, 2004; Seippel, 2002; Shilbury & Ferkins, 2011; Washington & Patterson, 2011), yet researchers such as Andreff and Staudohar (2000) have found no evidence that the funding models of those that remain as amateur 'grass-roots' sports have been, or will be, affected by professionalism. Whilst their findings, and those of Enjolras (2002) arise from European studies, they nevertheless provide a comparative base from which to consider the funding regimes of amateur (grass-roots) sports clubs, and possible links to professional sport. In examining the financial effects of growing professionalism in pre- and post-professionalized periods in a New Zealand setting, we seek to contribute to this sparse literature.

Extant financial/operational models - patterns of revenue in professional and amateur sport

In terms of financing professionalization in sport, Andreff and Staudohar (2000) describe four different models (three professional and one amateur), reflecting revenue patterns and the expectations of sporting organizations. Andreff and Staudohar (2000) describe the 'Professional European traditional model' which, in the absence of sponsorship revenues, media rights and commercial rights, focuses on maximising gate receipts and local input – a Spectators-Subsidies-Sponsors-Local (SSSL) model. In this model, as shown in Figure 2, gate receipts comprise approximately three quarters (70-85%) of revenues, and government subsidies comprise about 15%. Nevertheless, since the 1980s, a professional 'Contemporary European model' has emerged where television rights (commercial revenues) have driven a Media-Corporations-Merchandizing-Markets (MCM) model. In the MCM model, gate receipts comprise only 20-40% of revenues, with the balance from merchandizing (around 20%), sponsors (20-25%) and media (approximately 15%) (Andreff & Staudohar, 2000). This

MCMM model, also shown in Figure 2, reflects a commercialization of sport in order to fund the professional teams.^{iv}

Figure 2 (extrapolated from Andreff & Staudohar, 2000) shows the changes on Manchester United as the funding models evolved from 1970 (SSSL Model) to 1998 (MCMM Model). Andreff and Staudohar (2000) note that, in contrast to French clubs, football clubs in the United Kingdom and Italy received lower media revenues, and distinctly different proportions of merchandising revenues (between 9.9% and 37.5%).

[INSERT FIGURE 2 HERE]

O'Brien and Slack (2004) studied the move towards a MCMM model in elite rugby in England, where the emerging dominant logic of professionalism depended on commercialism and commercialization: from *inter alia*, increased sponsorship, marketing of merchandise and cash injections from the privatization of clubs. The professional game not only generated benefits for players in terms of salary income, but also in terms of facilitating professionalism in administrators and support staff. Yet, these developments were perceived to be in unwelcome contrast to the amateur values and volunteerism that had previously underpinned operational norms in English club rugby (O'Brien & Slack, 2004).

Unwelcome or not, such developments contributed to a 'turbulent process' which evidenced a field further characterized by uncertainty of revenues; the financial failure of some newly privatized (previously amateur) clubs; and conflict between erstwhile club members and the new private sector owners (O'Brien and Slack, 2004). In some cases, for example, in Bedford and London Scottish, fee-paying membership clubs were transferred to individual or corporate private owners, while others, in a more 'democratic' move, were 'sold' to local members. Some professional clubs failed when private owners withdrew their support and funding (O'Brien & Slack, 2003) as such funding had been necessary to attract players, market the club to fans (and potential fans) and maintain operational capacity.

Somewhat distinct from the professional models, Andreff and Staudohar (2000: 274) describe an operational and financial model/pattern of European amateur sports, which they note “has remained fairly stable over the years and is not expected to change much in the future”. Andreff and Staudohar (2000) reviewed two Swiss clubs which they believed were indicative of the amateur model, finding the average member subscriptions comprised just over a third (34.45%) of revenue; a quarter (23.25%) of revenue arose from gate receipts; one sixth (16%) from commercial activities such as bar receipts; and the remaining quarter (26.3%) from grants and other subsidies. These percentages were similar to Enjolras’ (2002) findings relating to Norwegian amateur sports clubs where members contribute one third (30%) of revenue; grants comprise almost one tenth (9%), and the remainder includes approximately one third (30%) from competitions and sponsorship and another third (30%) from fundraising and low level commercial activities. Echoing Andreff and Staudohar’s (2000) view that local sports enthusiasts often have *de facto* responsibility for resourcing and maintaining the viability of grass-roots sport, Enjolras (2002) noted that the majority of clubs’ revenues were locally derived, perhaps as a response to ensure healthy activity options are made available by local residents for local residents.

Moreover, local participation and democracy have long been essential attributes of amateur grass-roots sport (Enjolras, 2002) as suggested by the self-organising development of unions, associations, federations, confederations and leagues to agree on rules and create competitions between members or member clubs. In their Australian Rules-based Carlton Football Club case study, Halabi et al. (2012: 65) described clubs as “allowing members to take some exercise and enjoy the company of others” showing similar democracy. We now turn to the context of the New Zealand case study, which is used to consider the logics of professionalization, professionalism and amateurism in the institutional field of grass-roots rugby in New Zealand.

Context of the case research

New Zealand 1870 – professionalization. A short summary.

Rugby in New Zealand is, notes Macdonald (1996: 2), a metaphor to “describe the good and bad of New Zealand society”. Following its introduction in 1870 to Nelson, the game quickly spread throughout the country, providing a reason to travel in this new nation. Indeed, Macdonald (1996: 4) describes rugby as the “enemy of distance and separation ... [which] contributed to New Zealand’s sense of national cohesion.” In their early history of Wellington rugby, Swan and Jackson (1952) recount the regular matches between Wellington and Nelson. Indications of the spread of rugby can be seen as their records recount the ‘first matches’ (and many more) against Wanganui (formed 1872), Auckland Provincial (including Metropolitan and Thames in 1873 and Waikato in 1874), games against West Coast (North Island) and Otago in 1875, Wairarapa in 1876 and the touring team from Great Britain in 1888 (Swan and Jackson, 1952). While the grass-roots game was fiercely amateur from the start, coincident with the timing of the 1905 All Black tour to Great Britain, some elite players were compensated for out-of-home expenses when on tour, and sometimes for the loss of working time through injury (compensation for ‘broken time’, that is loss of working time, had been made in Yorkshire from about 1893) (Macdonald, 1996).

The first Wellington rugby club (the Wellington Football Club) was formed in 1871. Swan and Jackson (1952) recount the threats from other codes, like ‘Melbourne Rules’ (now known as Australian Rules Football), and how such threats were dispelled by the opportunities that rugby provided to ‘play away’, and ‘at home’, against neighbouring regions. These opportunities cemented rugby as ‘a game of choice’ in New Zealand. The Wellington Rugby Football Union (WRFU) formed in 1879. By 1899, the WRFU had registered 1119 players in associated clubs, and by 1904, it had registered 17 clubs and 43 teams (Swan & Jackson, 1952). From 1906, the game had grown sufficiently to warrant the

WRFU appointing a paid secretary to manage rule changes, referee appointments and to manage fixtures and amateur competitions (Swan & Jackson, 1952). However, whilst such an appointment might be interpreted as an early professionalization of administrative services, clubs remained staunchly amateur.

As stated earlier, some ninety years later, in 1995, the SANZAR group of national rugby unions emerged to develop and manage the sport's first professional rugby competitions – the international, inter-provincial Super Rugby competition, and also the Tri-Nations competition between the national representative teams. The necessary funding arose from a multi-country billion dollar contract for television media rights in the three countries. Professional rugby, therefore, disrupted the provincial (or state/regional) and national elite game. Initially, a Super 12 (now a Super 15) competition was established with regional 'franchises' fielding professional teams from each of the three countries (Owen & Weatherston, 2004).

At the outset, the organizational, managerial and financial structures introduced by the New Zealand Rugby Union (NZRU) differed from Australia and South Africa. For example, the NZRU created and held ownership of five regional franchise teams representing all geographical areas in NZ, but mandated that one host provincial union in each region hold and operate the management license for each team. In addition, all players and coaches were centrally contracted to the NZRU, an arrangement which aligned with a modified player draft system. This employment arrangement meant that potentially unhealthy competition between franchises for players was minimized, as was the possibility of the strong getting stronger at the expense of the weak, or, for example, financially stronger regions accumulating the top players.

To further address issues of maintaining competitive balance, the NZRU also chose to distribute funds to the franchises for player development and marketing (Owen &

Weatherston, 2004). Nevertheless, in a manner dissimilar to the English experience (see O'Brien and Slack, 2003), there was a clear distinction between the professional (All Blacks, Super 15, and semi-professional ITM Cup teams) and the amateur clubs at the grass-roots where payment was not allowed.

In New Zealand, as in England, the amateur or grass-roots game continues to be considered the life blood or blood bank of the sport, funnelling promising players into the professional code and growing a spectator or supporter base for elite competition games. Amateur rugby clubs operating at local, provincial and regional levels compete fiercely for provincial or regional titles and accolades. Players may not be paid at local level in the amateur game, but Obel (2010) suggests that clubs vie in different ways for gifted players to ensure on-field success, which in turn attracts more gifted players and the attention of the professional teams' talent scouts. In terms of governance, stewardship etc., New Zealand's provincial unions (PUs), as the regional governing bodies, are responsible for the operation of these provincial club competitions and ensuring that grass-roots clubs do not pay coaches or those involved in other organizational, managerial or administrative roles - that is, clubs must depend on volunteers, and continue to be amateur.

Notwithstanding such intents, in this paper, we explore the impact of the logics of professionalization and professionalism on amateur clubs' operations or operational culture, for example, how clubs' expenditures reflect support of promising players. In essence, we examine the operations of amateur rugby union clubs from the perspective of Andreff and Staudohar's (2000) revenue model. In addition, we examine patterns of expenditure, taking account of volunteers' perceptions of how expenditures are categorized, legitimized or prioritized.

Wellington Rugby post-professionalization

The PU chosen as the case study union, the WRFU, is typical in many ways of other PUs throughout New Zealand that not only support amateur or grass-roots rugby, but also field a semi-professional representative provincial team in a national competition (now known as the ITM Cup, comprising teams from all 27 provincial unions). The WRFU also hosts, and owns the management license for one of the five teams, the Hurricanes, in the renamed Super Rugby competition which also involves five Australian and five South African teams.

In a recent review of the PUs, Deloitte (2012) noted that local support, as measured by match attendance and gate receipts for these semi-professional teams, had declined by more than 50% in the previous five years (from 25% of revenue in 2007 to 13% in 2011). By 2011, over two-thirds of PU revenue was derived from business sponsorships, grants from gaming machine operators, or from the NZRU's MCOMM revenues (64% of revenue in 2007 and 70% in 2011). The PUs' funding streams are akin to Andreff and Staudohar's (2000) SSSL model. The PUs gaining the most revenue were those with Super Rugby franchises (with the exception of the Otago PU, which ranked 9th out of the 14 leading Premiership and Championship PUs) (Deloitte, 2012). Expenditure patterns amongst the PUs show that approximately one half (49%) of expenditure was related to team and game costs; just under one third (30%) to growing the game, that is, sport development; and one fifth (21%) to administration.

Due to declining local support as already mentioned, the PUs cumulatively returned a net deficit for each of the three years of the Deloitte (2012) study. In its analysis, Deloitte questioned the on-going viability of the semi-professional and amateur game, or at least the PU structures currently operating. This uncertainty is of concern as, in addition to national competitions, these PUs (as the governing body Unions of the amateur clubs) have a responsibility for fostering the game's development by managing the amateur game and amateur competitions as well as through promoting rugby as a game of choice. This paper

thus seeks to understand matters of similar concern from the viewpoint of the amateur game, as evidenced by examination and analysis of the financial accounts and funding/spending patterns of amateur clubs within the WRFU.

Research Method

We report on the analysis of patterns or models of sport funding and expenditure amongst the grass-roots members of the WRFU, rather than the professional operation. In order to develop data for analysis, audited financial statements were sought for two periods: post-professionalization and pre-professionalization, as described below. Subsequently, interviews and a focus group with club officials/treasurers were conducted to shed further light on the institutional logic and variations between clubs in the post-professionalization financial statements.

All of the clubs are registered under the Incorporated Societies Act 1908 which requires them to file:

A statement containing the following particulars:

- (a) the income and expenditure of the society during the society's last financial year:
- (b) the assets and liabilities of the society at the close of the said year:
- (c) all mortgages, charges, and securities of any description affecting any of the property of the society at the close of the said year (New Zealand Government, 1908 s.23(1)).^v

The accounts of amateur clubs were sought for a pre-professionalization period. Documents held by the Incorporated Societies Registrar were destroyed in a major fire in 1998, just prior to a planned digitization of records. Consequently, although two WRFU clubs offered archived prior financial statements from the 1980s and 1990s, there was insufficient evidence from this source to show pre-professionalization trends across the entire WRFU. A search of the National Archives in Wellington revealed five WRFU member

clubs that had been de-registered in the late 1960s and for which financial statements were held.^{vi} These were accessed and analyzed for a fifteen year period from 1950-1965 to ascertain a pre-professionalization trend. A list of these clubs and the reason for their de-registration is also provided in Table A-1 (in the Appendix). For the post-professionalization period, from 1998-2013, financial statements for each of the 18 member clubs were gathered from the Incorporated Societies^{vii} and Charities Services^{viii} websites (see Table A-2 in the Appendix for a club listing).

Complementing the financial analysis, interviews with were undertaken with six clubs and a focus group was held to which all other clubs were invited.^{ix} (Responses are identified by a coding scheme in the quotes below.)

The post-professionalization financial statements were scrutinized to ascertain patterns and trends in revenue, expenses, assets and liabilities across the WRFU. Expenditure was categorized on a *fixed/variable* and a *discretionary/non-discretionary* basis. In establishing whether an expense was *fixed* or *variable*, club managers and treasurers were able to confirm whether an expense would increase with an increase in the number of teams. In distinguishing between a *discretionary* and *non-discretionary* expense, interviewees were asked whether that expenditure could be justified each year, and whether it was essential to the operations of the rugby club. Ascertaining the extant rationale for the treasurers' categorization of expenditure allowed the researchers to assess the extent to which the values of professionalism, and/or of amateur values, were being manifest as expenditure norms. The *fixed/variable* categorization assisted in ascertaining whether size or other factors would affect the proportion of expenditure in different clubs. Further, given the limitations of financial statements highlighted by Halabi et al. (2012), these interviews were insightful for understanding the financial accounts, enabling a more informed analysis of both the pre- and post-professionalization periods. The interviewees

were offered the opportunity to view transcripts and make any changes before the interview data was analyzed. Supplementary to the interviews, as noted, a focus group was conducted with a sample of other clubs to provide further verification on the data analyzed.

We used the Andreff and Staudohar (2000) framework to categorize the WRFU clubs' revenues as follows:

- *Membership Fees/Total Income*: annual subscriptions or levies, casual participation fees (where detailed) and non-playing subscriptions;
- *Spectator and Media/Total Income*: in the post-professionalization period, funnelled through from the WRFU's and NZRFU's gate takings and media coverage of professional sport;
- *Sponsorship and other External Income/Total Income*: donations, sponsorship from local businesses and grants from gaming societies and other trusts;
- *Merchandising and Structural Income/Total Income*: from running competitions, low-level commercialized activities, such as renting out premises, interest, bar takings and sale of rugby gear and paraphernalia; and
- *Subsidies and Other/Total Income*.^x

It should be noted that amateur clubs in this study are autonomous and therefore may generate their revenues and determine their expenditures, and structure their financial statements as they wish, without mandate from the WRFU. In addition to the financial analysis of revenues and expenditure of clubs in the post-professionalization era, we also examined historical information from secondary sources (including histories of the WRFU and of the national game, as referenced). The findings from these analyses are presented in the next section.

Results and findings

Amateur clubs in New Zealand have the status of incorporated societies and are regarded as 'non-profit'. However, clubs should operate for sustainability (Cordery, Sim and Baskerville, 2013). Over the fifteen years from 1950-1965, on average, three quarters (77%) of clubs made a profit (or surplus) each year while during 1998-2013, this average dropped back to fewer than two thirds (63%) (see Table 1). It is also noted that in the pre-professionalization period, clubs consistently spent less than their total income, that is, operated within their means. It may be inferred that clubs were moderately careful with their funds, some spending only a third of their revenue in a particular year, as they raised and saved funds, for example, to build and furnish a new gymnasium or clubhouse. Such patterns of surplus have not been repeated in the post-professionalization period.

[INSERT TABLE 1 HERE]

In the early years following professionalization in 1995, there were no immediate economic cost or benefits for grass-roots clubs in Wellington. On average, only 2% of the 18 clubs' aggregate revenue in 1998 was sourced from the WRFU (or NZRU). Yet by 2003, this income source averaged one sixth (18%) of clubs' total revenue. Commercial benefits materialized for the WRFU following the opening of the new Westpac Stadium in Wellington's railway yards in the year 2000. The stadium enjoyed a honeymoon period as 'the place to be and to be seen', dramatically increasing guaranteed revenue streams for the WRFU through Stadium Membership and Season Ticket sales. This period was combined with relative success on the playing field for the professional Hurricanes team (in the international Super 15) and the semi-professional Wellington Lions (in the national provincial championship: at the time, the Air New Zealand National Provincial Championship (NPC), now the ITM cup). The resulting healthy profits from the WRFU's management of Hurricanes' and Lions' operations (similar to the findings in Pinnuck and Potter, 2006), were not only fed back into the professional game, but also invested by the WRFU in the amateur

game. Amateur clubs received substantial 'trickle down' income, sharing the benefits of such commercialization for the best part of a decade, with more than one club agreeing with the interviewee who stated that the '*Westpac Stadium turned the rugby club's finances around*' (AM513). When the local professional franchise (the Hurricanes) enjoyed strong commercial revenue and generated surplus, clubs received shares of owner-dividends or funds that were proportionate to their registered player base. However, as attendances and season ticket sales subsequently dwindled, by 2009, these trickle down benefits ceased, with the proportion of clubs' total revenue sourced from the WRFU (and NZRU) , dropping from 18% in 2003, to 12% in 2008 and 6% in 2013 (see Table A-3 in the Appendix).

Results and findings: revenue matters

The findings from the analysis of the pre-professionalization period do not mirror the amateur sports model of Andreff and Saudohar (2000), nor of Enjolras (2002), as can be seen in Figure 3 (and Table A-3 in the Appendix). In these historical financial statements, the income from member subscriptions did not reach the one-third level (30-35%) asserted as typical by these researchers. A majority of funds were raised through physical and socio-structural-related activities (for example, from the hiring-out of their (physical) premises or facilities, and as bar trading from their social club operations), from external sources. For clubs in the pre-professionalization period, external funding was derived from fundraising activities and donations, rather than the sponsorship and gaming funds which predominate in the post-professionalization period. Whilst the level of external funding averaged 21% of all income in the pre-professionalization period, it rose to just over half (52%) of clubs' total income in the post-professionalization period (see Figure 3).

[INSERT FIGURE 3 HERE]

Despite the temporal proximity of the post-professionalization period of rugby to the era of amateur sports studied by Andreff and Saudohar (2000) and Enjolras (2002) in Europe, their funding patterns/models are largely different from revenue patterns for Wellington rugby (as a New Zealand case). By 2014, the relative contribution of membership fees as income for the amateur rugby clubs had dropped even lower than the pre-professionalization period. As implied above, clubs were receiving a greater proportion of revenues from external sources (sponsorship and grants) (52%), in contrast to the European studies where such contributions had been no more than one-third (30%) of revenues (including government subsidies). By contrast, income from socio-structural sources (including merchandising) and spectator support (in this case, gate revenues for the elite Hurricanes' and Lions' teams) are similar to the Andreff and Staudohar (2000) amateur model (as can be seen in Figure 3 and Table A-3). However, it is notable that spectators as a source of gate revenues have declined since the heyday of the Westpac stadium spectator boom. Whilst Enjolras (2002) asserted that grass-roots clubs are places for locals to participate, and to contribute to the funding of clubs via spectator/gate revenues, in this study, the vast majority of spectator funds are paid to, and relate to the elite team games, rather than club games.

Overall, the data for this study contrasts to Andreff and Saudohar's (2000) assertion that the revenue pattern/model for amateur sport is stable. Moreover, it shows professionalization has had a pervasive impact on amateur clubs' funding. For instance, external income (from sponsorship and gaming funding) has escalated from an average of 21% in the pre-professionalization period to an average of 52% in the post-professionalization period. Indeed, the ready availability of gambling related/gaming trust funds for rugby during this period, has led the NZRU to state that any changes to such availability through the re-allocation of funds to other sports or worthy causes, would do

“lasting and widespread harm” to the game.^{xi} Reflecting a club perspective, one interviewee noted how revenues from gaming trusts have a direct impact on membership fees:

Yes, because it is so easy to get grants, it is political suicide to raise subscriptions. If you as a Chair of a rugby club say, “we are going to increase the subscriptions ... [you’re] not going to be the Chairman for very long, because the club delegates will tell him, “Bugger off”, and the club players will be even more forthright. So we have an age where players expect [benefits] rather than paying to play. (CC309)

At the club level, external funding has allowed membership fees or subscriptions to reduce steadily as a percentage of total revenue. While, in the pre-professionalization period, membership fees averaged almost 20% of clubs’ total income, following professionalization (except for the 1998 year), membership fees totalled less than 10% of clubs’ total income. This situation is unique to rugby with its elite professionalized game, as implied by another interviewee who noted the disparity between rugby membership fees and those of other sports:

Well a lot of it’s historic. I joined the club thirty one years ago and I paid an honorary subscription and thirty one years later it’s still exactly the same amount. But ... I’ve got friends who play hockey ... [and] soccer ... but the thing is it’s [expensive]... We charge our teams, it depends what team... we charge less because they’ve actually gone out and got their own sponsors for gear. (CC109)

While this comment implied that the potential for amateur rugby clubs to choose to maintain relatively low membership fees is related to a club’s ability to access sponsorship funds, another interviewee suggested that some rugby clubs perceive a need to keep membership fees low because of the socio-economic composition of their players:

But the problem you’ve got in setting subs for rugby clubs is the ability of the people to pay... Well we actually put it up by just a little bit this year ...by twenty dollars... We compare to other clubs, we know what other clubs are charging and there’s probably a reluctance in all the clubs to put it up because they’ve got so

many Samoans and that who are really gonna struggle if you start whacking it up.
(CC209)

The WRFU, as the PU governing body, is also instrumental in these matters as the nature of its relationship with member clubs differs from other team sports whose membership fees are \$250-\$450 per season (compared to an average of \$120 across the WRFU in 2013). For instance, a large proportion of the membership fees paid by soccer, hockey and netball players to their clubs is sequestered by their provincial and national bodies to fund activities at provincial and national level (Cordery & Baskerville, 2009). By contrast, the operations of the NZRU and the WRFU generate commercial and other revenues which are sufficient to obviate the need to draw on the grass-roots to fund either the elite game or provincial or national operations. Such a funding regime appears long standing, for where fees were paid to the WRFU by the clubs in the pre-professionalization period (although not evident in all years), it was typically one guinea per club (£1.1.0 or 21 shillings in pre-decimal currency, and the equivalent of \$2.20 at decimalization in 1967). This small amount was obviously a token 'club fee' rather than a fee charged per player or per team as most other sports charge their amateur players today.

In summary, the findings on amateur clubs' revenues, and how such revenues may be sourced, differ markedly from those of Andreff and Saudohar (2000), and Enjolras (2002), particularly in terms of clubs' perceptions of relevant facts for setting and charging membership fees, including the perceived need for, and/or consequences of generating revenue input from 'local enthusiasts'. Therefore, we also sought to determine how the expenditure patterns of amateur clubs might reflect the growing professionalism of the sport.

Results and findings: expenditure matters

We could find no study which has examined the broader finances of 'typical' amateur sports clubs. Nonetheless, the pre- and post-professionalization period data for the WRFU rugby clubs facilitates such analysis and comparison between the periods (see Figure 4 and Table A-4 in the Appendix). Whilst expenditure on property (about one third, 32-36%) and administration (about one sixth, 16-17%) are broadly similar in the pre- and post- eras, we note, in particular, that the average proportion of total income spent on playing expenditure rose from one fifth (20%) in the pre-professionalization period to well over one third (42%) in the post-professionalization period.

[INSERT FIGURE 4 about HERE]

Categorization of post-professionalization expenditure data showed that more than three quarters (75.5%) of total expenditure was deemed by clubs to be *non-discretionary*. It was also noted that the expenditure most likely to be deemed *non-discretionary* was the *playing (match-related)*^{xii} expenditure (27.5%) and *playing (development)*^{xiii} expenditure (18.5%). Of this, almost two thirds (60%) of the playing expenditure related to *match-related* activities, and the remainder to *game development*. This pattern of expenditure emphasis suggests attempts to replicate the professionalism associated with elite sport and elite athletes, and also acceptance of a need to better prepare/train amateur athletes to participate at the elite level.

Within the *playing* expenditure category, the majority of *match-related* expenditures were considered by respondents to be vital, that is, *non-discretionary*. This included the provision of players' uniforms and, for example, laundering them each week; and then for Premier teams, para-medical and other related expenses. In particular, in the post-professionalization period, clubs have instigated a range of responses to player welfare and player injury matters: with many clubs choosing to require a qualified physiotherapist who receives part-payment for some services, and who provides other pro-bono services to

support teams. Some clubs maintain a special fund to help players to gain access to treatment, and one club has insured their premier players for player income replacement relating to sickness or injury not covered by New Zealand's Accident Compensation scheme.^{xiv} These services are additional to the many *hundreds of metres* of medical or strapping tape provided for practice and game-day to provide protection and support to players who perceive some form of muscular or soft tissue injury. While strapping is useful to reduce injury, one interviewee suggested that much of the strapping is for show to mirror professional teams:

... some of them really don't need to be strapped to the extent they want to, you know, it looks good on the telly. (AM213, int 1)

By contrast, discretionary *playing (match-related)* expenditure tended to include after-match catering and hospitality for players and officials, and mid-week post-training meals also catering for players. This catering was fairly typical for the Premier grade club teams; however, the similar provision of subsidized catering for visiting teams and players has often been related to socio-cultural factors and expectations within clubs. In some cases, transport to 'away' games was offered, often at a subsidized rate, but many noted the need for the player '*to contribute something*'.

Major decisions relating to the *playing (development)* expenditure can be linked the WRFU's decision to co-fund the employment of Rugby Development Officers (RDOs - aka Club Coaching Organisers - CCOs). The WRFU's commitment to make co-funding available, in effect, to endorse the employment of coach-qualified RDOs, had resulted in many clubs also choosing to endorse such employment, and deeming it to be an essential part of their development programmes and survival. Interviewees also expected that such expenditures would be partly met by grants from gaming trusts funded by their gaming machine operations.

It was estimated that in 2013, *playing (match-related)* expenditure averaged \$283 per player, and that player subscriptions or membership fees contributed, on average, only 40% (\$120) of that expenditure. Furthermore, when clubs' total expenditure was averaged across all registered senior or adult players, it was found that the subsidy or shortfall per player-contribution to total expenditure averaged \$862. As noted above, the shortfall in covering these costs is borne and made affordable by gaming trust/gaming machine revenues, sponsorships and other miscellaneous fundraising, as well as trickle down revenues from the WRFU and NZRU. Nevertheless, and despite such revenues, the post-professionalization period has seen an increase in the number of clubs making losses (see Table 1).

Results and findings: professionalization and professionalism

These findings suggest that the professionalization of elite rugby has impacted financial and cultural aspects of amateur club rugby. For example, there has been a dual financial impact, firstly on revenue (with the WRFU trickle down of spectator and media income, and a reluctance to increase membership fees), and secondly, on expenditure (with players demanding professionalism – or 'professional' services – from clubs). As indicated above, in some cases, *cultural* effects were observed. For example, regardless of any perceived move to professionalism, some clubs strengthened their resolve to retain the amateur values or code. Yet others believed that certain allowances, for example, for travel expenses, and departures to the amateur code could be accepted.

In respect of player payment, one interviewee implied disapproval, for example, that such 'allowances' would be paid by the club to retain quality players, but inferred that supporters may assist the club to retain its amateur status by making such payments:

We know that there was a player last year who was being paid two hundred dollars a week travel money to come [to play], but that was actually picked up by a benevolent club member. He heard he was going to go to another club and said,

“Look if I pay you your petrol money to (come), will you?” (Researcher: “and it was nothing to do with you?”) No. (AM113)

Another club official justified such payments as:

‘We’re permitted to pay them petrol money’. (AM613)

In illustration of the diverse views that exist, such requests for monetary sweeteners would be met, at yet other clubs, with ‘a sharp boot up the bum’ (AM413), and a strong line taken to maintaining the amateur ethos, as an interviewee noted:

We’re really entrenched in our traditions; I mean we’re purely an amateur club. There are clubs around now who are not amateur, they say they are, but we know they’re not, we know those coaches are being paid, we know there’s players are being given incentives, where we have a zero [tolerance] on that. We don’t tolerate that and if anyone comes to us, a top coach and he wants some allowance, we just can’t do it, and we don’t do it, we don’t want to do it ... You can’t buy championships. (AM213, int 1)

... and further disapproval of payment is evident in the comment;

That’s (... money ...) what’s killing rugby. (AM213, int 2)

This last statement was echoed by other clubs taking similar stances:

And any quality player that’s out there gets shoulder tapped for another union because of the money. So money has not helped rugby at all, I think it’s been detrimental to club rugby. (AM613)

... I think the professional game certainly hasn’t done club rugby any favours in that respect. (AM313)

Nevertheless, it was evident that some clubs used means other than money to encourage performance. For example, at one club where the teams’ fortunes had been poor in the previous season, the club Manager noted:

We’ve done a lot of soul searching... and we put in place a strategic plan to address some of the shortcomings that we identified ... And we’re now sending players overseas for three or four weeks at a time, on scholarships through our contacts with overseas clubs and overseas people. And so I don’t think there’s any other club in Wellington that’s doing that ... And that’s effectively our strategic plan, we don’t

want to turn everybody into professional rugby players but we will provide excellent coaching, excellent mentoring, excellent programmes for personal and player development. (AM313)

It may be inferred that, whilst such a 'strategic plan' essentially endorses and embraces a move to professionalism (in terms of striving for excellence, duty of care etc.), this interviewee (AM313) recognises that other clubs may not perceive or embrace professionalism in the same way. Indeed, the interviewee presumed that their club was different from others in sending players away.

However, a number of other clubs have utilized the *International Rugby Academy of New Zealand (IRANZ)* residential coaching courses to reward, motivate and up-skill players and coaches, depending on the receipt of grants to fund participation. Participation in the coaching programme allows talented players 'to get noticed', but it is also a response to the professionalized attitudes, that is, professionalism, brought back to the club by their players who have become professionals. For example, club players who have graduated to the professional ranks often return to their club to socialise, train and practice; and clubs accommodate professional players who need to gain more playing time, or are returning from injury. In the latter situations, clubs have accepted that such accommodation is itself a scenario where the needs of the professional game and professionalism pose challenges for amateurism. One interviewee noted, for example, that:

It's difficult because it's grass-roots rugby, but we're mixed with professionals. Sometimes we have the professionals here playing with the guys and so it's a really fine line. You try and keep it as grass-roots as possible but it's ... actually being more professional because we're trying to develop professionals ... For the most part it's about community sport and community involvement. But we have a group of people who want to be professionals and so we need to be able to provide that. And so that expectation has changed a heck of a lot. But we've had a few [times we've had to say] "Well you can have this but you can't have that." Teams used to be fed after every game; well [we've said] 'actually bring yourself something to eat. When you're in the All Blacks you can have a feed after the game'. So, just little things like that. (AM413)

The desire for professionalism also surfaces when amateur players require, for example, feedback from the WRFU or IRANZ-qualified coach, who is not only expected to watch a match, but also to review and analyse the match video, just as would a professional coach. In some clubs, it has also become an expectation that away-games are uploaded to websites for fans who have been unable to attend.

Besides funding participation in developmental programmes, and feeding expectations of directed personalized advice from coaching personnel, other measures that are perceived as required to develop and prepare players to play at a higher level require a range of dedicated staff and/or volunteers. As a response to such pressures on volunteer time, and despite the amateur code, one club decided that some reward/recognition in the form of an honorarium was appropriate:

... about six or seven years ago I suppose, the chairman at the time decided that a lot of people were doing a lot of work and a lot of good things and we want to keep them on board and we thought, well how do we keep these people involved? So he decided that what we would do we'd pay honorarium ... certainly not commensurate in any way shape or form with the hours or all the, in terms of a rate of pay ... Because you just can't repay, you just can't pay that type of money ... It's up to the discretion of the treasurer of the time. There was a rule of thumb that 10% of your total revenue would be available for distribution as honoraria ... Nobody has a right to expect any honoraria, so at the end of the year it's up to the treasurer to make the call. (AM313)

Whilst such provision of honoraria, in these circumstances, has been a new phenomenon, some of the pre-professionalization financial statements provide evidence of small amounts of honoraria having being paid for 'secretarial services', but far less than 10% of revenue. Regardless of the amount paid as honoraria, it can be expected that increasing demands on amateur volunteers to be professional in their delivery of services can impact the bottom line.

Discussion and Conclusions

The research outlined in this paper examines how professionalism emanating from the professionalization of elite rugby, manifests itself in the amateur (grass roots) game, and how that manifestation may challenge the core amateur values, on the one hand, and the amateur game's associated funding needs, on the other hand. The research shows the impact of an entrepreneurial jolt from the elite sport on amateur finances. This study has built on, and extended, prior European work to the specific domain of an amateur rugby union in New Zealand. Differently from prior work, it suggests an implicit move within the amateur code towards the SLSS and MCMM model (Andreff and Staudohar, 2000) that funds the professional game at regional and national levels. In particular, revenue from membership fees (and funds distributed by the WRFU) has increasingly diminished as a percentage of total club revenues. The major revenue stream continues to be externally derived sponsorship and grants from gaming trusts funded through their gaming machine operations, although this stream of funding is subject to political uncertainty and socio-economic pressures that limit discretionary disposable income. The reduction of financial dependence on physical and socio-structural sources suggests that professionalization has replaced these clubs' funding from community/internal (and what were previously accepted as 'traditional') social activities, with external commercial sponsorship, with trickle-down funding from the professional game.

Amateur rugby clubs in this study showed signs of financial vulnerability as has been found in prior studies (for example, Andreff, 2007; Cordery et al., 2013; Pinnuck & Potter, 2006; Wicker & Breuer, 2011). In addition, they bear the burden or drain of reduced profits from the professional arm of the sport (via the WRFU). Any move towards an MCMM model at club level to address financial woes, is limited by finite revenues available to sport. Not only are commercialization efforts constrained, but also clubs' *de facto* coupling in the network (of Unions) restricts their options for competitive commercialism (Greenwood &

Suddaby, 2006). Nevertheless, the resources promised to, or anticipated by, the amateur game as a result of an entrepreneurial jolt in the professional game, are much greater than those resources able to be garnered by amateur clubs alone. Whether the tensions or constraints can be accommodated is questionable, as professionalism is resource-intensive and demands more from amateur participants than they currently are able or prepared to give.

Nevertheless, as Greenwood and Suddaby (2006) note in their analysis of accounting entrepreneurs, to focus only on revenues offers an incomplete story. They observed, for example, the phenomenon of accounting consultancies responding to clients' needs using skills developed through the educational requirements and programs of the professional body - professionalization. Similarly, we observe the professionalization of elite rugby, and professionalism within elite rugby, have also been a response to the needs of many stakeholders within the institutional field of sport – spectators, players, administrators and media. In addition, the new institutional logics of professionalization and professionalism impact on the stakeholders of amateur clubs, and also attracts new supporters and talented players to feed the game. This happens in a manner suggested by Zajac and Westphal (2004) that is dependent not only on the new prevailing logic(s) but also the degree of institutionalization within the wider environment, and the legitimacy acquired by the prevalence of professional practices amongst other clubs. In particular, as the practices associated with professionalization and professionalism become institutionalized, “building symbolic value as normatively appropriate elements” of professionalization and professionalism, amateur clubs would be more likely to adopt professionalism, whilst still attempting a “decoupling” of certain behaviours “to preserve informal routines ... and (amateur) interests” (Zajac & Westphal, 2004: 434). So, the values associated with the newly acquired institutional logics of professionalization and professionalism are perceived

as positive for the game as a whole, despite the ready response to new opportunities eschewing the prior dominant amateur norms.

In this study, we have combined qualitative interview data with historical quantitative analysis to identify changes to prevailing logics within the organizational field of rugby union, and how the institutional logics of professionalization and professionalism have impacted amateurism and the amateur game (Thornton & Ocasio, 1999). Expenditure patterns have identified, for example, significant perceptions and expectations within clubs relating to the support for, and development of promising players to feed into the professional game. The former include, for example, the funding of *match-related* expenses: uniforms, playing equipment, medical and physiotherapeutic expenses, and laundry (and sometimes meals). The latter include, for example, *player development* academies, and residential coaching programmes. These findings mirror those of Nichols et al. (2005), in as much as they also capture amateur rugby clubs' attempts to provide and match many of the player-related support services that have become standard within elite professional clubs. In addition, many amateur clubs have striven to replace uncertified coaches, *trainers*, *strappers* and *rubbers* with qualified coaches, fitness conditioners, doctors, physiotherapists and masseurs – and in their attempts to act with professionalism, they mirror the practices and *de facto* controls of professional bodies on those seeking entry of 'workers' to the field. These new 'support' actors have entered the organizational field (as suggested by Cousens and Slack, 2005; Kikulis, 2000; Seippel, 2002; Shilbury and Ferkins, 2011) concurrent with professionalism gaining dominance as a prevailing institutional logic.

Additionally, the WRFU and the NZRU have facilitated professionalization and professionalism by also imposing specific conditions on who may be appointed to many of these support roles – a top-down phenomenon. PUs (like the WRFU), require all coaches appointed to representative teams to meet appropriate education, training and

qualification requirements. Further, significant sums have been spent by the WRFU and its constituent clubs on *game-development* by the employment of professional RDOs who contribute to the sustenance and sustainability of rugby in their localities, and also to the national game. Yet, their employment reflects the clubs' acceptance of, participation in, and contribution to a growing professionalization and professionalism within the sport. Such values and perceptions are, of course, redolent of the institutional norms present within the wider organizational field that are experienced at the amateur club level, and which are strengthened by interaction at the union level, and between actors within clubs and others at the professional level.

As the dominant logic changes from amateurism to professionalization and professionalism, the organizational field expands to include these new 'professional' actors, as Greenwood et al. (2002) suggest. Such professionalism is anticipated to reduce the use of volunteers, potentially side-lining the 'local enthusiast' (Hwang & Powell, 2009; Taylor & Garratt, 2010). This leads to questions for further research about how amateur sport will reconstitute and finance itself if volunteers, perceiving their efforts to be less valued, withdraw their freely donated contributions of skills, time and effort, thus leading to a consequential greater dependence on the services of paid contributors, administrators and professionals. The counter-factual alternative question is whether amateur clubs will choose to 'take back' their core values, as suggested by O'Brien and Slack (2003)?

In considering the direction of future research, this study, in exploring professionalization, professionalism and amateurism in sport, is subject to limitations, as it focuses on only one region in New Zealand and one sport, rugby. It also draws on financial statements which, as noted by Halabi et al. (2012), may not be appropriately transparent. The interviews and focus group undertaken with administrators within the amateur game (many of whom have three to four decades' experience) partly mitigated this shortcoming.

Nevertheless, the paper contributes to the development of an amended amateur 'model' of funding and expenditure, building on Andreff and Staudohar's (2000), and Enjolras' (2002) conceptualizations of the operational and financial patterns/models of European amateur sports with a Southern Hemisphere example. It recognises, for example, a feature perhaps unique to a sport which has professionalized, but not privatized – the phenomenon of reduced playing membership fees for amateur rugby players and clubs, a phenomenon in rugby that has occurred in tandem with increasing support from national and provincial parent bodies (also not visualized by Andreff and Staudohar, 2000) and from sponsorship opportunities.

This paper has drawn on multiple strands of prior research (including studies informed by institutional theory, such as Cousens & Slack, 2005; Kikulis, 2000; O'Brien & Slack, 2003, 2004; Seippel, 2002; Shilbury & Ferkins, 2011). However, it differs in that it uses historical accounting data to shed light on an important contemporary phenomenon in a novel context, the context of sport. The challenge remains of demonstrating the value of an accounting perspective in other contexts where payments to elite performers impact amateur associations, that is, where professionalization and professionalism affect amateurism. Washington and Patterson (2011: 10) state that "one major contribution that institutional theory can make to the sport literature is theorizing the emergence, stability, or decline of sport related institutions" – we do this by providing a multi-level conceptualization of how commercialism and commercialization of elite sport impacts professionalization; how professionalization impacts professionalism at the elite level; and then how funding and financial structures combine with the emergence of a growing professionalism at the grass-roots level, to impact the nature and viability of grass-roots (amateur) sport (See Figure 1). In doing so, we extend Thornton and Ocasio's (1999: 802) long standing assertion that "institutional logics define the rules of the game" – to a

sporting field. In particular, we have shown that prevailing logics not only shape behaviour in organizations and organizational fields, but that they change over time, shaped by other social, cultural, economic and environmental influences, and other higher-order institutional logics.

Archival Data

Archives New Zealand, Wellington Office, R1915450, The Rongotai College Old Boys Rugby Football Club Incorporated, 1950-1970 Record no 766.

Archives New Zealand, Wellington Office, R1915486, Eastbourne Rugby Football Club Incorporated, 1924-1970 Record no 802.

Archives New Zealand, Wellington Office, R1916005, Berhampore Rugby Football Club Incorporated, 1929-1978 Record no 1379.

Archives New Zealand, Wellington Office, R3123096, Hutt Rugby-Football Club Incorporated, 1919?-no date Record no 721.

Archives New Zealand, Wellington Office, R3123100, High School Old Boys Rugby Football Club Incorporated, 1945?-no date Record no 725.

References

Andreff, W. (2007). French Football: A Financial Crisis Rooted in Weak Governance. *Journal of Sports Economics*, 8(6), 652–661. doi:10.1177/1527002506297021

Andreff, W., & Staudohar, P. D. (2000). The Evolving European Model of Professional Sports Finance. *Journal of Sports Economics*, 1(3), 257–276. doi:10.1177/152700250000100304

Birkett, W. P., & Evans, E. (2005). Theorising professionalisation: a model for organising and understanding histories of the professionalising activities of occupational associations of accountants. *Accounting History*, 10(1), 99–127. doi:10.1177/103237320501000105

Cordery, C. J., & Baskerville, R. F. (2009). *Financing Sports Organisations in New Zealand: the impact of governors' choices*. Wellington: SPARC.

Cordery, C. J., Sim, D., & Baskerville, R. F. (2013). Three models, one goal: Assessing financial vulnerability in New Zealand amateur sports clubs. *Sport Management Review*, 16(2), 186–199. doi:10.1016/j.smr.2012.08.002

Cousens, L., & Slack, T. (2005). Field-Level Change : The Case of North American Major League Professional Sport. *Journal of Sport Management*, 19(1), 13–42.

Davies, J., Daellenbach, K., & Ashill, N. J. (2008). Value in a multiple perspective view of sports sponsorship. *International Journal of Sport Management and Marketing*, 3(3), 184–200.

Deane, S. (2013, August). Game for a gamble. *New Zealand Herald*, pp. A14–A15. Auckland, New Zealand.

- Deloitte. (2012). *State of the Unions Deloitte Sports Review* (p. 16). Wellington, New Zealand.
- DiMaggio, P. J., & Powell, W. W. (1983). The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. *American Sociological Review*, 48(2), 147–160.
- DiMaggio, P. J., & Powell, W. W. (1991). Introduction. In *The New Institutionalism in Organizational Analysis*. Chicago, Ill.: University of Chicago Press. Retrieved from <http://books.google.co.nz/books?hl=en&lr=&id=jbTbAgAAQBAJ&oi=fnd&pg=PR5&dq=the+New+Institutionalism+in+Organisational+Analysis&ots=pCdmC9Oj8M&sig=bOHilZJIExFslkz-ukzFNPckhmc#v=onepage&q=the+New+Institutionalism+in+Organisational+Analysis&f=false>
- Enjolras, B. (2002). The Commercialization of Voluntary Sport Organizations in Norway. *Nonprofit and Voluntary Sector Quarterly*, 31(3), 352–376.
- Freidson, E. (1994). *Professionalism Reborn: Theory, Prophecy and Policy* (p. 248). Chicago, Ill.: University of Chicago Press.
- Gammelsæter, H. (2010). Institutional Pluralism and Governance in “Commercialized” Sport Clubs. *European Sport Management Quarterly*, 10(January 2015), 569–594. doi:10.1080/16184742.2010.524241
- Greenwood, R., & Suddaby, R. (2006). Institutional entrepreneurship in mature fields: The big five accounting firms. *Academy of Management Journal*, 49(1), 27–48. doi:10.5465/AMJ.2006.20785498
- Greenwood, R., Suddaby, R., & Hinings, C. R. (2002). Theorizing Change: The role of Professional Associations in the Transformation of Institutionalized Fields. *Academy of Management Journal*, 45(1), 58–80.
- Halabi, A. K. (2007). Examining the Accountability of Senior Australian Rules Football Clubs in Country Victoria. *Accounting, Accountability and Performance*, 13(2), 35–55.
- Halabi, A. K., Frost, L., & Lightbody, M. (2012). Football history off the field: Utilising archived accounting reports to challenge “myths” about the history of an Australian football club. *Accounting History*, 17(1), 63–81. doi:10.1177/1032373211424573
- Hussey, J., Holden, M. T., Foley, A., & Lynch, P. (2011). Enhancing Professionalism through the Continuing Education of Micro and Small Tourism Enterprises : A Model for Programme Development. *Irish Journal of Management*, 31(1), 77–100.
- Hwang, H., & Powell, W. W. (2009). The Rationalization of Charity : The Influences of Professionalism in the Nonprofit Sector. *Administrative Science Quarterly*, 54(2), 268–298.

- Johnson, D., Craig, J. B. L., & Hildebrand, R. (2006). Entrepreneurship education: towards a discipline-based framework. *Journal of Management Development, 25*(1), 40–54. doi:10.1108/02621710610637954
- Kikulis, L. M. (2000). Continuity and Change in Governance and Decision Making in National Sport Organizations: Institutional Experience. *Journal of Sport Management, 14*(4), 293–320.
- Lynall, M. D., Golden, B. R., & Hillman, A. J. (2011). Board Composition From Adolescence a Multitheoretic To Maturity : View. *Management, 28*(3), 416–431.
- Macdonald, F. (1996). *The game of our lives: the story of rugby and New Zealand - and how they've shaped each other*. Auckland, New Zealand: Viking/Allen Lane.
- Malcolm, D., Sheard, K., & White, A. (2000). The changing structure and culture of English Rugby Union Football. *Culture, Sport, Society, 3*(3), 63–87. doi:10.1080/14610980008721879
- Miriam Webster. (2014). Miriam Webster Dictionary and Thesaurus. Retrieved from <http://www.merriam-webster.com/>
- New Zealand Government. (1908). Incorporated Societies Act 1908. Wellington, New Zealand: New Zealand Government.
- Nichols, G., Taylor, P., James, M., Holmes, K., King, L., & Garrett, R. (2005). Pressures on the UK Voluntary Sport Sector. *Voluntas: International Journal of Voluntary and Nonprofit Organizations, 16*(1), 33–50. doi:10.1007/s11266-005-3231-0
- O'Brien, D., & Slack, T. (2003). An Analysis of Change in an Organisational Field: The Professionalization of English Rugby Union. *Journal of Sport Management, 17*, 417–448.
- O'Brien, D., & Slack, T. (2004). The Emergence of a Professional Logic in English Rugby Union: The Role of Isomorphic and Diffusion Practices. *Journal of Sport Management, 18*, 13–39.
- Obel, C. (2010). “Club versus country” in rugby union: tensions in an exceptional New Zealand system. *Soccer & Society, 11*(4), 442–460. doi:10.1080/14660971003780362
- Owen, P. D., & Weatherston, C. R. (2004). Uncertainty of Outcome and Super 12 Rugby Union Attendance: Application of a General-to-Specific Modeling Strategy. *Journal of Sports Economics, 5*(4), 347–370. doi:10.1177/1527002503259062
- Pinnuck, M., & Potter, B. (2006). The Financial Performance of AFL Football Clubs. *Accounting and Finance, 46*(3), 499–517.
- Scott, W. R. (2001). *Institutions and Organizations*. (D. A. Whetten, Ed.) *Foundations for Organizational Science* (2nd ed.). Thousand Oaks, CA: Sage Publications.

- Seippel, Ø. (2002). Volunteers and Professionals in Norwegian Sport Organizations. *Voluntas*, 13(3), 253. Retrieved from <http://proquest.umi.com/pqdweb?did=927201971&Fmt=7&clientId=7511&RQT=309&VName=PQD>
- Sheldon, P. J. (1989). Professionalism in tourism and hospitality. *Annals of Tourism Research*, 16(4), 492–503. doi:10.1016/0160-7383(89)90004-2
- Sherry, E., Shilbury, D., & Wood, G. (2007). Wrestling with “conflict of interest” in sport management. *Corporate Governance*, 7(3), 267–277. doi:10.1108/14720700710756544
- Shilbury, D., & Ferkins, L. (2011). Professionalisation, sport governance and strategic capability. *Managing Leisure*, 16(2), 108–127. doi:10.1080/13606719.2011.559090
- Slack, T., & Hinings, B. (1994). Institutional Pressures and Isomorphic Change: An Empirical Test. *Organization Studies*, 15(6), 803–827. doi:10.1177/017084069401500602
- Sundbo, J., Orfila-Sintes, F., & Sørensen, F. (2007). The innovative behaviour of tourism firms—Comparative studies of Denmark and Spain. *Research Policy*, 36(1), 88–106. doi:10.1016/j.respol.2006.08.004
- Swan, A. C., & Jackson, G. F. W. (1952). *Wellington's Rugby history, 1870-1950*. Wellington, New Zealand: Reed.
- Taylor, B., & Garratt, D. (2010). The professionalisation of sports coaching: relations of power, resistance and compliance. *Sport, Education and Society*, 15(1), 121–139. doi:10.1080/13573320903461103
- Thornton, P. H., & Ocasio, W. (1999). Institutional Logics and the Historical Contingency of Power in Organizations: Executive Succession in the Higher Education Publishing Industry, 1958-1990. *American Journal of Sociology*, 105(3), 801–843. doi:10.1086/210361
- Washington, M., & Patterson, K. D. W. (2011). Hostile takeover or joint venture: Connections between institutional theory and sport management research. *Sport Management Review*, 14(1), 1–12. doi:10.1016/j.smr.2010.06.003
- Wicker, P., & Breuer, C. (2011). Scarcity of resources in German non-profit sports clubs. *Sport Management Review*, 14(2), 188–201.
- Wilensky, H. L. (1964). The Professionalization of Everyone? *American Journal of Sociology*, 70(2), 137–158.
- Zajac, E. J., & Westphal, J. D. (2004). The Social Construction of Market Value: Institutionalization and Learning Persepectives on Stock Market Reactions. *American Sociological Review*, 69(June), 433–457.

Table A-1: Clubs with financial statements used for Pre-Professionalization Period 1950-1965

Club	Berhampore Rugby Football Club Incorporated <i>Affiliated 1913 (recessed 1916/18). Was registered as Pirates Football Club from 1936 and changed name for Union to Berhampore 1946, but registered name change only in 1955</i>	Eastbourne Rugby Football Club Incorporated <i>Joined Union 1921</i>	Hutt Rugby-Football Club Incorporated	High School Old Boys Rugby Football Club Incorporated <i>Was registered as Woburn Rugby Football Club (Inc.). (Joined Union 1945). Name change registered in 1955.</i>	The Rongotai College Old Boys Rugby Football Club Incorporated <i>Miramar Districts joined Union 1920, Seatoun (1929) and Rongotai College Old Boys. Formed Eastern Suburbs Rugby Football Club Incorporated 1950. Name change registered in 1975</i>
Reason for de-registration	Closed down	Struck Off due to non-filing of financial accounts (re-registered at least from 1997, but perhaps earlier)	Merged to become Hutt Old Boys (and eventually Hutt Old Boys Marist) Rugby Football Club Incorporated in 1967		Amalgamated into Oriental Rongotai Football Club (Inc)
Accounts for:	1929-1969	1924-1966	1923-1969	1946-1969	1954-1968

APPENDIX Table A-2: Clubs in the Wellington Rugby Union (Post-Professionalization financial statements accessed)*

<p>Avalon Rugby Football Club Incorporated</p> <p><i>Formed 1979 (includes Naenae - joined Union - 1951 and Taita - joined Union in 1951)</i></p>	<p>Eastbourne Rugby Football Club Incorporated</p> <p><i>Joined Union 1921</i></p>	<p>Hutt Old Boys Marist Rugby Football Club Incorporated</p> <p><i>Formed 1993 [includes Hutt Club formed – 1910 (comprising (new) Epuni - joined Union 1892 and Kia Ora Club - joined Union 1898) and Marist Brothers Old Boys - joined Union 1952</i></p>	<p>Johnsonville Rugby Football Club Inc.</p> <p><i>Joined Union 1904</i></p>	<p>Marist St Pats Rugby Football Club Incorporated</p> <p><i>Formed 1971 (includes St Pat’s College Old Boys - joined Union 1909 and Marist Old Boys - joined Union 1908)</i></p>	<p>Northern United Rugby Football Club Inc.</p> <p><i>Formed 1989 (includes Porirua - joined Union 1910 and Titahi Bay Rugby Football Club - joined Union 1955)</i></p>
<p>College Old Boys – Victoria University Rugby Club Inc</p> <p><i>Victoria University College - joined Union 1903</i></p>	<p>Oriental Rongotai Football Club (Inc)</p> <p><i>Oriental joined Union 1887 (recessed 1892/3)</i></p>	<p>Paremata Plimmerton Rugby Football Club Incorporated</p> <p><i>Includes Plimmerton - joined Union 1931 and Paremata - joined Union 1945</i></p>	<p>Petone Rugby Club (Incorporated)</p> <p><i>Joined Union 1885.</i></p> <p><i>Amalgamated 1891 with Epuni -joined Union 1886 and Petone Albion - joined Union 1886.</i></p>	<p>Poneke Football Club Inc</p> <p><i>Formed 1882 “Our Boys’ Club”. Renamed 1885</i></p>	<p>Rimutaka Rugby Football Club Incorporated</p> <p><i>Joined Union 1982. In 2014 (after research period) joined with Upper Hutt to form Upper Hutt Rams Rugby Football Club.</i></p>
<p>Stokes Valley Rugby Football Club</p>	<p>Tawa Rugby Football Club (Inc.)</p>	<p>Upper Hutt Rugby Football Club Inc</p>	<p>Wainuiomata Rugby Club (Inc)</p>	<p>Wellington Football Club Incorporated</p>	<p>Western Suburbs Rugby Football Club</p>

Incorporated <i>Joined Union 1949</i>	<i>Joined Union 1947</i>	<i>Joined Union 1909</i>	<i>Joined Union 1946</i>	<i>Formed 1871</i>	Incorporated <i>Formed 1983 [includes Athletic Club formed 1877, Karori formed 1876 (and after recess joined Union 1884) and Onslow- joined Union 1922]</i>
--	--------------------------	--------------------------	--------------------------	--------------------	--

* Historical data from Swan and Jackson (1952), respective clubs' websites and "Wellington Club Rugby".
(www.clubrugby.co.nz/wellington/story.php?id=790)

Table A-3 Breakdown of Income type as a percentage of total income for each five year period

Year	Membership Income/ Total Income	Structural & Merchandizing Income/ Total Income	Sponsorship and other External Income/ Total Income	Spectator and Media Income (WRFU/NZRU) /Total Income	Other inc/ Total Income (Includes govt subsidies)
1950	21%	70%	9%	0%	0%
1955	15%	65%	20%	0%	0%
1960	14%	57%	29%	0%	0%
1965	27%	48%	25%	0%	0%
1998	16%	25%	54%	2%	2%
2003	10%	18%	51%	18%	3%
2008	9%	21%	45%	12%	12%
2013	10%	24%	55%	6%	5%

Table A-4 Breakdown of Expenditure type as a percentage of total income for each five year period

	Property Expend./Total Inc	Administration Expenditure /Total Inc	Playing Expenditure /Total Inc	Interest & other Expenditure /Total Inc
1965	34%	22%	31%	1%
1960	43%	14%	22%	3%
1955	23%	12%	9%	1%
1950	47%	17%	20%	1%
1998	36%	17%	43%	4%
2003	33%	16%	41%	4%
2008	25%	19%	43%	12%
2013	35%	18%	42%	6%

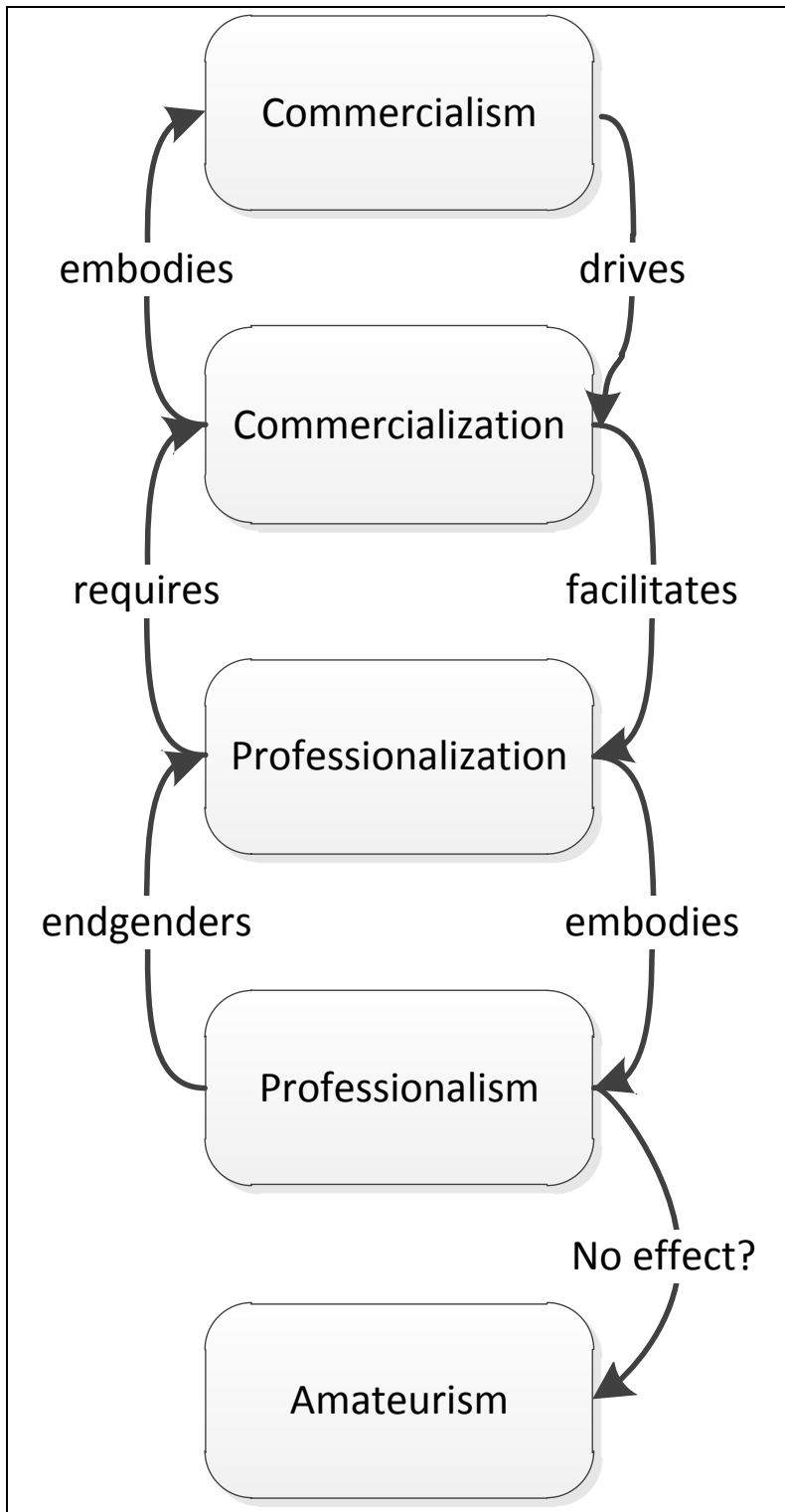


Figure 1. Professionalization and Related Concepts.

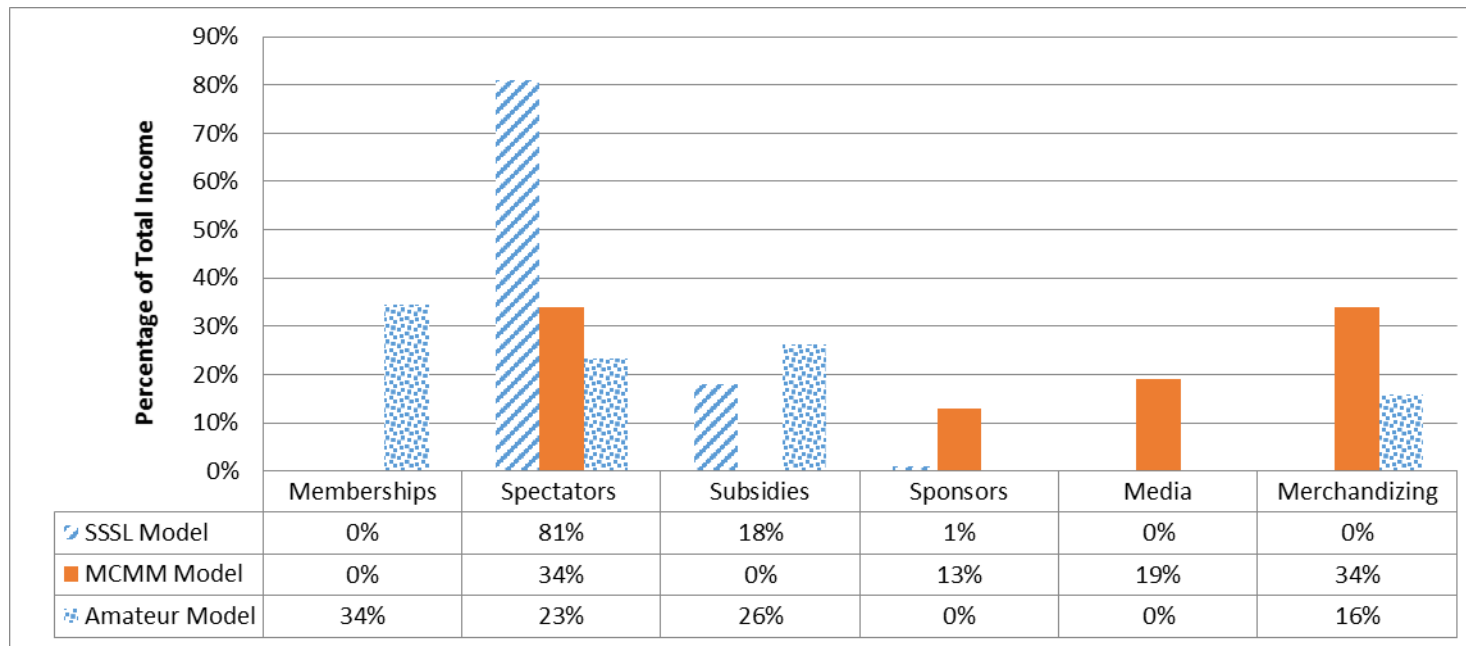


Figure 2. Comparison of Financing from SSSL Model, MCMM Model and Amateur Model (Andreff and Staudohar, 2000).

(This graph uses the Manchester United data - a 'typical' MCMM model. Merchandising also includes commercial activities such as bar receipts)

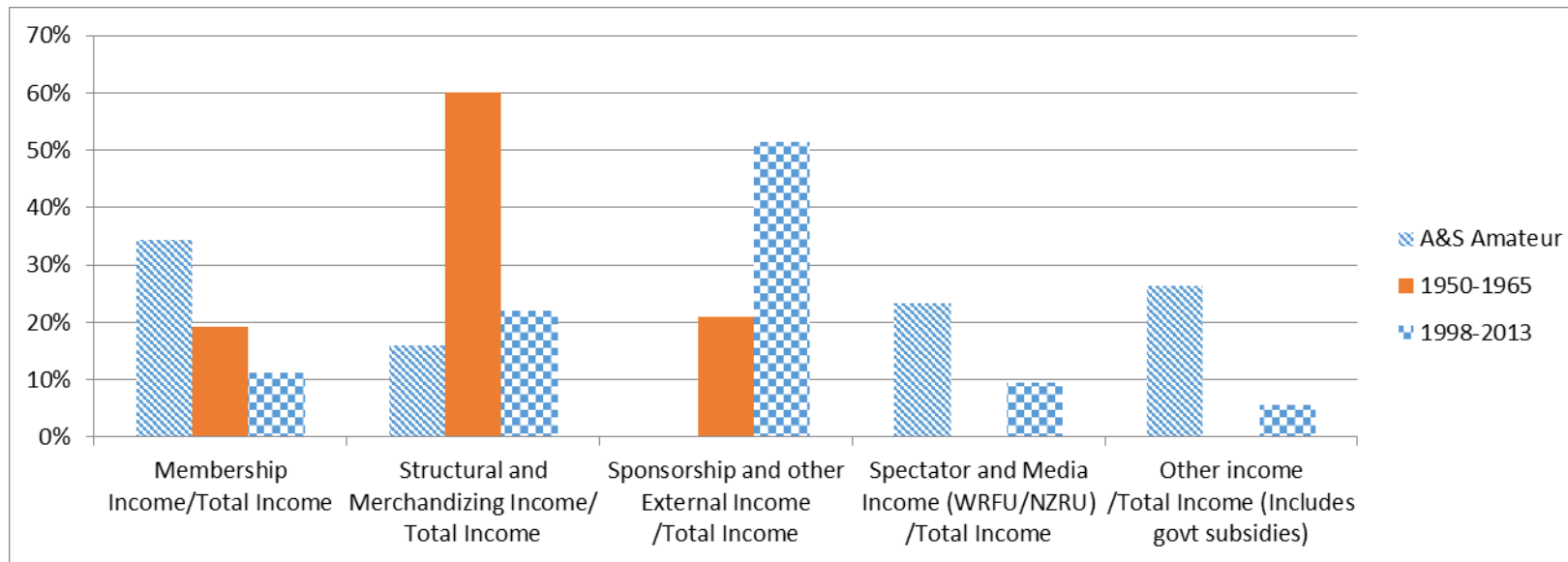


Figure 3. Patterns of Financing in WRFU Clubs from 1950-1965 and 1988-2013 compared to the Andreff and Staudohar (2000) amateur model.

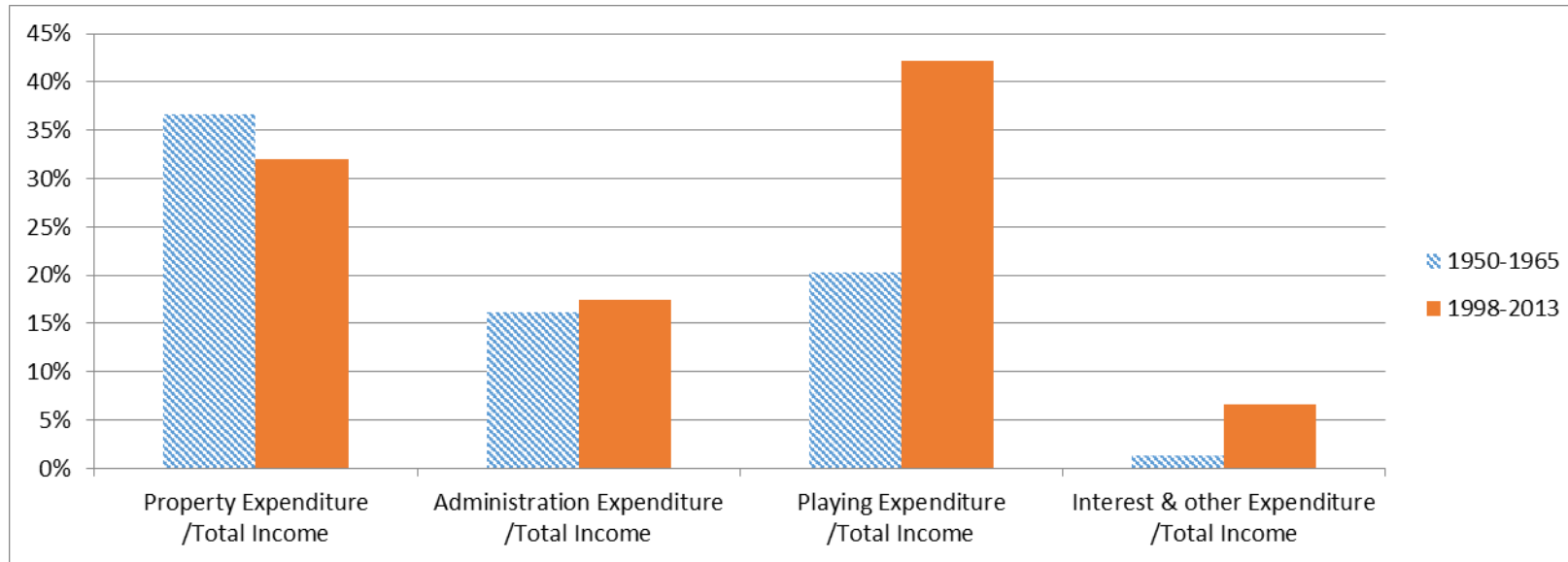


Figure 4. Patterns of Expenditure in WRFU Clubs from 1950-1965 and 1998-2013.

Table 1: Number of clubs recording a surplus or deficit in 1950-1965 and 1998-2013

Year	# of Clubs making Surplus	% of Clubs making Surplus	# of Clubs making Deficit	% of Clubs making Deficit	Total Expenditure/ Total Income (Average - %)
1950	2	50%	2	50%	87.0%
1955	4	80%	1	20%	81.5%
1960	5	100%	0	0%	44.6%
1965	4	80%	1	20%	84.5%
Average	15	79%	4	21%	74.4%
1998	11	65%	6	35%	99.4%
2003	12	70%	5	30%	92.8%
2008	10	53%	9	47%	99.9%
2013	11	65%	6	35%	101.1%
Average	44	63%	26	37%	98.3%

-
- ⁱ The conceptualization of professionalization in sport differs markedly, as has been shown even in accounting by Birkett and Evans (2005) (who highlight the ‘varying degrees of precision’ in the use of the term professionalization). It is necessary to distinguish between professionalization as it relates to ‘professions’ (such as accounting and law) and the use of the notions of professionalization and professionalism as they relate to forms of work. Freidsen (1994: 109) highlighted the differences between being a “professional” and “amateur” on the exchange value, or payments for work undertaken, which is the simple definition used here. This is because, even in the very top levels of sport, Seippel (2002) argued that payment alone is not enough and that professionalization of sport through payment of players has not yet reached Wilensky’s (1964) professionalization schema levels four (establishment of a jurisdiction through state-sanctioned licensing) and five (development of a formal code of ethics).
- ⁱⁱ Malcolm et al. (2000) note that Rugby League, which professionalized earlier than Rugby Union, gained players from that code who sought to be paid for play at the elite level and were able to use their Union skills in League. Following the IRB’s decision to allow payment, a number of League players returned to Union. Further, League clubs were a source of supply to the newly professionalized game (Malcolm et al., 2000).
- ⁱⁱⁱ Halabi et al. (2012) use of the term ‘professionalism’ in their case study of the Carlton Football Club in the 1910s to describe payment of otherwise amateur players. However, in this paper, we seek to distinguish payment (as an aspect of professionalization) from beliefs, values and actions (as dimensions of professionalism).
- ^{iv} Andreff and Staudohar (2000) also describe the ‘American model’ from which the MCM model is fashioned, although they recognise that specific North American aspects make it particular to that social-economic environment (including the mainly domestic and closed nature of its competition structures and its professional sports team franchises).
- ^v In this respect, the requirements on these clubs is similar to those on incorporated Victorian AFL clubs as reported by Halabi (2007).
- ^{vi} A club registered under the Incorporated Societies Act 1908 may be wound up voluntarily by its members (but not creditors), by application to the Supreme Court by a member, creditor or by the society itself, or by the Registrar – typically for non-filing of their annual accounts. In the case of dissolution, the net assets they may be distributed to the members at the date of dissolution (Incorporated Societies Act 1908 s.5(b)) or as the Court suggests.
- ^{vii} <http://www.societies.govt.nz/cms>
- ^{viii} <http://www.charities.govt.nz>
- ^{ix} Ethics approval was obtained from the relevant University committee.
- ^x Comparative figures for “other” from the Andreff and Staudohar (2000) study include funds sourced from national and local government. This does not occur in New Zealand.
- ^{xi} NZRU submission to measures proposed by MP Te Ururoa Flavell, as reported by Deane (2013).
- ^{xii} This included Premier team blazers and match-related expenses, travel related expenses (including buses for away games), weekly team meals and/or after-match catering for visitors, injured players’ insurance, team uniforms and playing equipment, laundry of same, medical tape, WRFU levies, ground rental, and sundry playing expenses.
- ^{xiii} This included the Community Coaching Officer (or Regional Development Officer), Summer Rugby Academies, International Rugby Association of New Zealand courses, pre-season tournaments, and assistance to the Junior section.

^{xiv} Injury insurance was moderately common in the pre-professionalization accounts, but it appeared that players funded this through a special subscription. Further, following the Accident Compensation Act 1972, New Zealand now has a 'no blame' accident insurance scheme which would cover the major expenses incurred from rugby injuries and 80% of the players' income foregone (after a short stand-down period).