

The Formation, Processes and Impacts of Interorganisational Cliques:
A Study of New Zealand Provincial Rugby

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Abstract

A network is a group of organisations connected in ways that facilitate the achievement of a common goal (Provan, Fish & Sydow, 2007). Within this context, a clique is a distinct region in a network of firms with interconnections among the firms that are denser than in other regions of the network. Another way of describing cliques is that they are networks within networks (Rowley, Greve, Rao, Baum, & Shipilov, 2005). Professional sports leagues are structurally consistent with a federated network (Dickson, Arnold & Chalip, 2005; Provan, 1983). Within federations, the Federation Management Organisation (FMO) coordinates the collective interests of federation affiliates. Previous studies of federated networks have not explored the density of ties within a federation (Provan, 1983). The purpose of this study was to examine; 1) the determinants of clique formation; 2) how each clique is governed and how it functions; and, 3) the impact of each clique on its members, non members and the federated network in which it operates. These questions were investigated in the context of the 14 provincial rugby unions that participate in New Zealand's premier provincial rugby competition, the Air NZ Cup.

This research utilised semi-structured, in-depth interviews with a purposive sample that included all of the current premier rugby union CEOs and two former CEOs. A case study approach was also incorporated into the methodology in that each identified clique was utilised as a case to address the research question. To complement the primary data some secondary data sources were also utilised. Concepts from the literature guided both the investigation and the analysis. Because of the paucity of clique research, the conceptual framework was drawn from wider interorganisational relationship (IOR) literature. Key concepts included the determinants of IORs, network governance, member inclusion and decision making, interpartner legitimacy and cooperation. In addition to these a priori concepts, the investigation also allowed for the emergence of new themes and concepts.

The findings highlighted the existence of three cliques within this federated network: 1) Five Super 14 franchise cliques that were mandated by the FMO, the New Zealand Rugby Union; 2) A base union clique that includes the five unions responsible for managing the five Super 14 franchises; and 3) the G9 clique which includes the non

base unions that do not manage a Super 14 franchise. Cliques may be mandated by the FMO or they may be member initiated. Clique formation reflected commercial sustainability, organisational learning and political influence motives with the political influence motive being highly salient during the time of the research. Clique formation coincided with significant changes in the operating environment and therefore uncertainty reduction was also an underpinning factor of clique formation in this research. Governance structures ranged from very formal, with a lead participating member contracted to manage the clique on behalf of the FMO, to less formal structures with a shared participant mode of governance. Some cliques were extremely cooperative entities that embraced cooperation and member inclusion as being essential to the successful functioning of the clique. On the other hand, some cliques contained members who felt largely disengaged from the clique of which they were a member and these cliques demonstrated lower levels of cooperation. Interpartner legitimacy issues were also prevalent within some cliques.

The impact of each clique on clique members, non clique members, and the federation varied. Clique membership was associated with positive impacts that included enhanced commercial return, knowledge acquisition, sharing of critical resources and collegiality. Negative impacts included management complexities, losing critical resources to clique partners and no commercial returns as a result of being a member of an under performing clique. Clique impacts on non members and the wider network were demonstrated in the first instance when the formation of one clique greatly influenced the formation of another clique. Secondly one clique was able to achieve a degree of political influence as a result of a coordinated and concerted effort by the clique and its members. This political activity drew strong criticism by non members.

As well as contributing to an area of interorganisational relationship research that has to date received little academic attention, the key contribution of this study lies in the way it challenges an underlying assumption that organisations in professional sports leagues interact with each other equally and that this interaction is largely coordinated by the FMO.

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Attestation of Authorship

“I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.”

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Introduction

An interorganisational relationship (IOR) is defined as “a voluntary, close, long term, planned strategic action between two or more organisations with the objective of serving mutually beneficial purposes in a problem domain” (Babiak, 2007, p. 339). The study of IORs is primarily concerned with the way in which organisations interact with their environment and this examination is particularly relevant to professional sports leagues due to the interconnectedness of operations, their simultaneous cooperative and competitive actions and their existence as both single teams as well as a collection of teams (Dickson, Arnold & Chalip, 2005).

A sports league is a group of teams that programmes games and develops rules and policies for the purpose of determining a champion. The affiliates (the clubs or teams that participate in the league) are governed by a body that manages the collective interests of the league’s affiliates. Team sports are often organised into a hierarchy of leagues that serve to both generate demand, create opportunities for more teams to generate success at each level and provide pathways for aspiring players to eventually reach the top league. Sports leagues may be open or closed. A closed model has fixed membership for each participant whereas an open model has a promotion relegation system allowing entry into the top league for winners of the lower league competition and relegation for those at the bottom of the league ladder (Noll, 2003).

A network is defined by Provan, Fish and Sydow (2007) “as a group of three or more organisations connected in ways that facilitate achievement of a common goal” (p. 482). Provan (1983) suggests that the type of network that is structurally consistent with a sports league is a federated network or federation. In this form, the network members or federation affiliates relinquish control over some activities to the federation’s management, the Federation Management Organisation (FMO) who, in turn, coordinates the collective interests of the affiliates. The FMO, or governing body also manages the flow of resources to reduce both the uncertainty and complexity of the external environment to decrease the transaction costs involved in the operation of the network. The coordination of draws, provision of match officials, promotion of the league and the management of league sponsorship and broadcasting rights are just

some of the many functions fulfilled by the FMO, or governing body, of a sports league. Such tasks are generally viewed as outside of the core business of the affiliates or participating teams. Whilst there are varying degrees of interaction between affiliates, it is less intense than in non federated networks due to the fact that such interaction is usually facilitated by the FMO (Provan, 1983). Therefore it is generally accepted that in sports leagues or federated networks, affiliates either act autonomously or as one entity as a result of the coordination by the FMO. In theory there should be no middle ground involving subsets of affiliates within a federated network interacting at a level that is greater than, or outside of, that which is coordinated by the FMO. This research seeks to investigate the possibility of this scenario occurring. It therefore challenges the underlying assumption that organisations in professional sports leagues interact with each other equally and that these interactions are coordinated by the governing body.

Integral to the notion of subsets of organisations within a professional sports league or federated network is the term clique. A clique is defined as a distinct region in a network of firms with interconnections among firms that are stronger than in other regions of the network (Wasserman & Faust, 1994). Cliques have also been referred to as networks within networks (Provan & Sebastian, 1998). The purpose of this study is to examine the formation, processes and impacts of interorganisational cliques within the context of New Zealand provincial rugby and, more specifically, within the fourteen premier rugby unions that participate in the premier sports league known as the Air NZ Cup. To elaborate, this research seeks to understand: 1) the formation determinants of each clique; 2) how each clique is governed and how it functions; and 3) the impact of each clique on its members, non members and the federated network in which it operates.

New Zealand rugby is comprised of 26 provincial unions. The governing body or FMO is the New Zealand Rugby Union (NZRU). Within this network of 26 unions there are two hierarchies of sports leagues or competitions, which is the term more commonly used in New Zealand sport. The premier competition is the Air NZ Cup that consists of 14 premier rugby unions. The primary level of analysis for this research is on these 14 unions. There is also a Heartland Championship comprising of the remaining 12 unions. It is to be noted that following the data collection and during

the writing up of this thesis, the Air NZ Cup, as a result of the appointment of a new sponsor has been re-named the ITM Cup. However, for the purposes of this study it is referred to as the Air NZ Cup. This two division hierarchical structure was introduced in 2006 and replaced the three division structure which had existed in the former National Provincial Championship (NPC). The former structure had been in place since 1985, although the NPC competition had its inaugural year in 1976. Between 1976 and 1985 the competition operated within various formats. The Air NZ Cup, at the time of this research was a closed competition; it had fixed membership with no promotion relegation. The former NPC was an open competition with a promotion/relegation system. There was a playoff between the top team of the second division and the bottom team of the first division and similarly between the bottom team of the second division and the top team of the third. The Air NZ Cup and Heartland Championship are generally contested by participating teams between late July and late October of each calendar year (NZRU, 2010a).

Another important aspect of the New Zealand rugby environment for consideration in the context of this research is the existence of five Super 14 franchises that compete in the SANZAR (South Africa, New Zealand and Australian Rugby Unions) governed sports league, the Rebel Sport Super 14. This competition was established when rugby turned professional in 1995 and its inaugural year was in 1996. It was the first professional rugby competition in these three countries and generally operates between mid February and late May of each calendar year. Each New Zealand franchise has a fixed number of member provincial unions and a designated base union that is responsible for the management of the franchise on behalf of the NZRU. The member unions of some franchises include both Air NZ Cup and Heartland Championship unions, while other franchises are made up of only Air NZ Cup unions. For example, the Blues franchise consists of the base union Auckland and two Air NZ Cup unions, North Harbour and Northland. The Chiefs franchise, on the other hand, consists of base union Waikato, Air NZ Cup unions, Counties Manukau and Bay of Plenty, plus the Heartland Championship unions of Thames Valley and King Country. The base unions are Air NZ Cup level unions (NZRU, 2010b; Rebel Sport Super 14, 2010). Because the primary focus of this research is on the 14 premier Air NZ Cup unions, any examination of the Super 14 franchises only includes the premier Air NZ Cup unions, not the Heartland Championship unions. More detail regarding the

composition of all franchises is provided in the formation chapter of this thesis, chapter 4. In all franchises except the Chiefs, the base union chief executive officer (CEO) is also the franchise CEO. The Chiefs have a franchise CEO and a base union (Waikato Rugby Union) CEO.

This research utilised a qualitative research strategy and sought to gain the interpretations of key individuals with both an in-depth knowledge of the research context and, in particular, current or past clique involvement. A case study approach was incorporated into the research methodology in that the three cliques that were identified as part of the research process served as cases to address the research question. In-depth, semi-structured interviews were conducted with a purposive sample of current and former CEOs. Nineteen interviews were conducted in total. All fourteen current Air NZ Cup CEOs plus the Chiefs franchise CEO and two former Air NZ Cup CEOs were interviewed. Furthermore, two CEOs were interviewed twice. Fourteen of the interviews were conducted face to face and five were conducted over the telephone. Each interview was recorded, transcribed and then analysed using the common qualitative data analysis technique of coding. The coding process employed a combination of pre-analytical codes or categories based on the review of the literature and emergent codes as a result of key themes within the data. Data were therefore allocated to codes or categories (existing or emergent), then allocated to the relevant case clique and finally housed within one of the three core sections of the research question; formation, processes or impacts. To complement this primary data collected, secondary data was also sourced that focused on competition structures and Super 14 franchise structures. This data was sourced via official NZRU web sites.

The structure of this thesis begins with a review of literature which both elaborates on the key concepts and definitions provided in this introduction as well as highlighting prior literature relevant to the research question in chapter two. A comprehensive account of the research methodology then follows in chapter three. The next three chapters are a direct reflection of the research question with a chapter being devoted to each of the core sections of the question. The formation chapter is therefore chapter four, processes are dealt with in chapter five and impacts in chapter six. Within each chapter the findings are presented under each of the three case cliques that have been identified in this research. Interim conclusions are made with respect to each

identified clique in each chapter and a discussion completes each chapter. The discussion in each chapter serves to elaborate, integrate and reinforce the conclusions with reference to relevant literature. The final chapter highlights and summarises the key findings from this research, acknowledges limitations and proposes future research opportunities as a result of this examination.

Lastly, while sport has been the subject of prior academic IOR examinations, cliques have received no academic attention in this context. Furthermore, despite many industries containing locally clustered cliques of organisations with closely established ties, they are generally under represented in the empirical interorganisational literature (Rowley, Greve, Rao, Baum & Shipilov, 2005). IOR literature in a sports context has taken a number of directions. Sports leagues have received attention with a particular focus on the challenge of achieving a degree of competitive balance amongst participating teams in a league (Fort & Quirk, 1995; Noll, 2003; Booth, 1994; Michie & Oughtan, 2004). Interorganisational power (Dickson, Arnold & Chalip, 2005) and stakeholder influence strategies (Heffernan & O'Brien, 2010) have also been examined with reference to existing sports league members and those organisations wanting to join the league. The role that interorganisational linkages play in facilitating the adaptation of teams to the professionalisation of a formerly amateur sport has been highlighted by O'Brien and Slack (2004). IOR research in sport has also highlighted the role that interorganisational linkages play in assisting organisations to cope with and mitigate uncertainty faced in the changing environments in which they operate. Thibault and Harvey (1997) examined interorganisational links between non profit sport organisations, the private sector and the public sector that were established to cope with an environment characterised by high uncertainty and financial pressures. Thibault, Frisbee and Kikulus (1999) examined the development of relationships between public service leisure service departments and other public, non profit and commercial organisations as a means of dealing with environmental challenges. The determinants of interorganisational relationships have been specifically addressed in a sports context by Babiak (2007) who examined the determinants and conditions of partnerships formation in a group of collaborating non profit, public and private organisations. Networks have also been examined in a sports context with respect to sports events. Erickson and Kushner (1999) observed how a major event can facilitate

the coming together of two networks; the facility network and the promoter network. In conclusion, this research will serve to both add to the existing body of IOR sports literature by examining a type of IOR, cliques, that has not been addressed to date and to increase our understanding of cliques which have also received little academic attention in any context.

Literature Review and Conceptual Framework

The focus of this research is on the formation, processes and impacts of interorganisational cliques. Since this area has had little academic examination, this review begins broadly by considering IORs in general. Here, relevant definitions, key concepts and their common forms are explored. This is followed in the second section by a detailed discussion of federated networks, given the relevance of federated networks to the research context. The third section reviews what is presently known about interorganisational cliques. The final three sections reflect the three key components of the research question: the formation, processes and impacts of interorganisational cliques. Formation in this research refers to why a clique(s) was established and, if the members had a choice, what they were trying to achieve. This has also been referred to as formation ‘determinants’ of IORs (Oliver, 1990). Processes in broad terms refer to how the cliques are governed or managed and how they function. This section is particularly interested in the coordination of the collective activity of members and the levels of cooperation between them. Finally, impact refers to the impact of a clique(s) on its members, non members and the wider network.

2.1 Interorganisational Relationships

Dickson, Arnold and Chalip (2005) propose that the study of interorganisational relationships is primarily concerned with the way in which organisations interact with their environment. IORs are an established feature of the contemporary corporate (for profit) and non-profit landscapes. The proliferation of IORs reflects the dynamic and uncertain nature of the environments within which organisations operate (Babiak, 2007). This is well illustrated in a statement attributed to a former CEO of General Electric who stated, “If you think you can go it alone in today’s global economy, you are highly mistaken” (Barringer & Harrison, 2000, p. 368).

An IOR is defined as “a voluntary, close, long term, planned strategic action between two or more organisations with the objective of serving mutually beneficial purposes in a problem domain” (Babaiak, 2007, p. 339). An interorganisational network is

defined by Provan, Fish and Sydow (2007) “as a group of three or more organisations connected in ways that facilitate achievement of a common goal” (p. 482). They suggest that the relationships among members are non-hierarchical and each member maintains considerable operating autonomy. Connection among members may be either formal, such as the development of a contract or informal, built around cooperation and trust. Networks may be initiated by network members themselves or they may be mandated or contracted (Provan & Kenis, 2008). Given their cooperative underpinnings, IORs are often referred to as alliances. Das and Teng (1998, p. 1140) define strategic alliances as “inter-firm cooperative arrangements aimed at achieving the strategic objectives of the partners”. Contractor and Lorange (2002, p. 4) define an alliance as “any inter-firm cooperation that falls between the extremes of discrete, short term contracts and the complete merger of two or more organisations”. IORs can take a variety of forms including joint ventures, consortia, equity based partnerships, coalitions, collaborations, voting blocs and cooperatives (Anand & Khanna, 2000; Todeva & Knoke, 2005; Mazrahi & Rosenthal, 2001; Eguia, 2007). Barringer and Harrison (2000) propose that the types of IORs most commonly pursued in practice and represented in the literature are joint ventures, networks, consortia, alliances, trade associations and interlocking directorates. Given the large number of IORs and their respective definitions, it is feasible that any given IOR may indeed contain elements of more than one type.

2.2 Federated Networks

The distinguishing feature of a federated network is the existence of some form of controlling or organising body that seeks to manage the affiliates of the network. The perceived need to coordinate, manage and control the interdependent activities of two or more of the organisations provides the impetus for federated networks to be established (Provan, 1980). Provan referred to the controlling organisation as the FMO. Provan (1983, p. 82) observed “the FMO generally allows considerable day-to-day operating autonomy for affiliate organisations but all affiliates must act on behalf of the interests of the federation as a whole, at least regarding those issues that are managed by the FMO” (Provan, 1983, p. 82). It is important to recognise that the FMO has a legal and corporate identity that is separate from that of its affiliates.

In a participatory federation, day-to-day management of the federation is accomplished by the FMO. However, affiliates contribute to the development of FMO and federation policy through their involvement with each other regarding issues of concern to the entire network. The FMO will have its own management staff although a common feature is to have the FMO board consist of representatives of the affiliates. In contrast to the participatory federation, the FMO of an independent federation is not directly controlled by affiliates but is characterised by an independent FMO board and staff that are likely to be more committed to the FMO and the broader interests of the network than to any one affiliate. Affiliates retain day-to-day operation of their own organisations but relinquish control of one or more issues to the FMO. Although the affiliates are able to exert pressure on the FMO, the FMO is sufficiently autonomous that its decisions may not always reflect the best interests of any one or several affiliates. Accordingly, the relationship between an FMO and at least some of its affiliates may become antagonistic on occasions. A sports league is structurally consistent with a federated network (Provan, 1983). Some leagues adopt a participatory federation, whilst others utilise an independent structure.

There are two key forces that have driven sports leagues to adopt federated structures. The first is the “simultaneous cooperative and competitive forces that exist between clubs” (Shilbury, 1993, p. 123). Wilson (1998) commented, “the ‘product’ that professional sports sells does necessitate cooperative rather than independent action between firms” (p. 90). In simple terms, sports teams must cooperate with their competition. The second is the need for competitive balance; or the extent to which teams are sufficiently closely matched that game outcomes are uncertain (Noll, 2003). Fort and Quirk (1995) state that, “sports leagues are in the business of selling competition on the playing field” (p.1265). The long term domination of teams in a league and a lack of uncertainty of outcome of individual matches and the overall league championship, sports leagues can become predictable and boring for fans. This can result in a decline in fans both attending matches and watching them on television. The league then runs the risk of losing fan, sponsor and broadcaster involvement in the long term (Michie & Oughton, 2004). Professional sports leagues utilise a number of mechanisms to distribute the playing talent across all organisations. The most widely used and effective method of controlling competitive balance is a salary cap which limits the total amount of money an organisation can

spend on player salaries (Fort & Quirk, 1995). Revenue sharing and the draft are other key competitive balance mechanisms adopted by sports leagues. Drafts operate in different formats depending on the league. One format is the reverse order draft where the team that finished last in a sports league gets the first choice of players not allocated to a team for the following season (Sanderson & Siegfried, 2003). Revenue sharing involves the sharing and distribution of league generated income such as broadcasting rights amongst teams in a league. It can also include the sharing of match takings between participating teams (Booth, 2004).

A federated network is therefore a logical and efficient method of operation for sports leagues. Stewart, Nicholson and Dickson (2005) attribute the growth of the Australian Football League (AFL) to its independent federated structure and the significant powers that reside with the AFL's Management Organisation (AFLMO). The primary decision making group with the AFLMO is the AFL Commission. The AFL commission (FMO) manages most aspects of the league including; marketing of the game, stadium development, player behaviour, salary caps, draws and fixtures as well as being the sole negotiator and distributor of broadcast rights. The only matters the AFLMO must refer back to the affiliates are decisions on league expansion, contraction or affiliate relocation and even then it requires only a minority of affiliates to ensure that its recommendations are enacted.

All that is known about federated networks is based on an ideal federation structure: FMO and affiliates. No studies of federated networks have considered the existence and/or impact of cliques within federations. It is highly plausible that groups of affiliates may seek to influence the FMO and federation policy and that the level of collaboration between affiliates is unequally distributed throughout the federation. In ideal models, there is no middle tier between the affiliates and the FMO. Professional sports leagues are highly cooperative entities built on a foundation of on-field competition. On the one hand, they portray a picture of independent/autonomous activity, as you would expect from any team in a sports league. On the other hand, they operate as total collective with their collective interests governed by the FMO. What remains less clear is the extent to which league affiliates pursue collective interests with a subset of the league's affiliates. Put more simply, do league affiliates hunt in packs? Is it really all for one and one for all, or is it better phrased as 'some of

us for one and forget about the rest’? This research seeks to investigate the existence and extent of this phenomenon and therefore challenges the general assumption that federation affiliates either operate independently of other affiliates or as a total collective.

2.3 Interorganisational Cliques

A clique is described as a distinct region in a network of firms with interconnections among the firms that are denser than in other regions of the network (Wasserman & Faust, 1994). Provan and Sebastian (1998, p. 454) define a clique as a “group of mutually connected actors within a larger network”. These smaller ‘clusters’ of firms have cooperative ties that are stronger than those among others in the network. Cliques are not stand-alone networks - they have been referred to as networks within networks (Provan & Sebastian, 1998).

In its popular form, the term clique has negative connotations often reflecting the less desirable social dynamics such as exclusion and ostracism evident in relationships amongst teenagers (Rowh, 2007). The IOR literature does not reflect this and the benefits of cliques are well articulated. Clique membership facilitates economic transactions and provides access to resources that would otherwise be unavailable. The dense connections exhibited by cliques can promote cooperative norms and collective monitoring of member behaviour (Rowley, 1997). Provan and Sebastian (1998) argue that full integration of all firms in a network may not be either achievable or desirable and that a more controlled and manageable integration within and between cliques may lead to more effective networks. Furthermore, Rowley et al., (2005) suggest that cliques are common and many industry networks consist of locally clustered cliques of organisations with closely established ties. They state that cliques can hold a comfortable middle ground between what are often fragile, dyadic (two organisation) relationships and difficult to manage larger networks.

Cliques are underrepresented in the IOR literature, despite their importance and apparent commonality in industry (Rowley et al., 2005). Cliques are absent from Barringer and Harrison’s (2000) list of interorganisational forms that are commonly

pursued in practice. It is evident that cliques are, metaphorically speaking, rarely picked up on the academic radar.

There are only two articles that have focused exclusively on interorganisational cliques. In 'Service link overlap, organisational cliques and network effectiveness', Provan and Sebastian (1998) examined and compared clique structure and overlap across three health and human services networks with the goal of assessing the influence of these two constructs on network effectiveness. Network effectiveness in this study was based on the level of service clients received in a coordinated manner from a number of agencies involved in the care of mentally ill clients. While acknowledging the limitations of the research with a study of only three networks in the sole area of health and human services, a number of preliminary propositions are made. In the first instance, network effectiveness could not be explained as a result of full integration across all firms. It was acknowledged that such full integration can be very difficult to achieve across entire networks resulting in loosely integrated and less effective networks. On the other hand, network effectiveness could be explained by intensive integration within smaller subsets or cliques in the network, coupled with overlapping membership resulting in integration between cliques. When this occurs, clique members may learn a great deal from each other by establishing positive working relationships built on cooperation and trust and in doing so decrease transaction costs. Further, when cliques overlap, ideas that are developed in one clique may be subsequently built on by others and therefore knowledge may be shared across the network.

In 'Social and instrumental antecedents of firm exits from cliques', Rowley et al., (2005) examined the role that concepts such as social similarity, cohesion, complementarity and equal access to resources influenced firm exits from cliques within the Canadian banking industry. A number of interesting results were presented. In the first instance, it was apparent that the managers interviewed were aware that cliques existed and that cliques were a source of value. Second, the managers were also aware that cliques were regenerated by the behaviour of members and the stability of such cliques was determined by the attractiveness of the clique to its members. The results demonstrated that organisations were less likely to leave cliques characterised by: 1) low diversity and similar sized member firms; 2) differing

functional roles of members; 3) high interaction between members; and 4) equality in terms of access to key resources and distribution of rewards.

The paucity of clique research demands that the conceptual framework draws from the wider interorganisational relationship literature. The following sections address clique formation, processes and impacts.

2.3.1 Clique Formation

Five theoretical paradigms are evident in the literature on the formation of interorganisational linkages. Each theory provides a framework by which to better understand interorganisational relationships. However, in most cases no single theoretical framework is adequate and a combination of frameworks may provide a more realistic explanation for a relationship at any one time (Barringer & Harrison, 2000).

Transaction Cost Theory (TCT) refers to “The *ex ante* costs of drafting, negotiating and safeguarding an agreement and, more specifically, the *ex post* costs of maladaptation and adjustment...” (Williamson, 1994, p. 103). In simple terms, TCT is primarily concerned with managing costs (Sam, Batty and Dean, 2005). With this in mind, TCT helps to explain cases where firms establish relationships with other firms in order to create greater efficiencies and to minimise the sum of production and transaction costs (Barringer & Harrison, 2000). TCT further reminds organisations that the formation of interorganisational relationships involves a commitment of resources beyond that exchanged with the partner organisation(s). Such relationships often require significant costs to negotiate, develop and monitor. In the context of IOR formation and sport organisations, TCT has been used to better understand the costs involved in linkages between a sport organisation and sponsors. Sam et al., (2005) highlight three categories of costs involved in the sponsorship process. These are: 1) planning and safeguarding costs that relate primarily to establishing the relationship; 2) adapting and servicing costs that relate to the inherent ongoing management of the relationship; and 3) monitoring and evaluation costs that are involved with measuring the value of the relationship.

Resource dependency theory recognises that organisations must acquire resources from their environment and that other organisations are the key source of these resources. In their seminal work, Pfeffer and Salancik (1978) determined that the extent to which an organisation is dependent on another organisation for resources is determined by; 1) the importance of the resource; 2) the extent to which the organisation providing the resource has discretion over its allocation and use; and 3) the extent to which there are alternative sources from which the organisation can acquire the resources. This dependency exposes the organisation to the use of power by other organisations. A major tenet of resource dependency theory is that organisations will tend to avoid interorganisational linkages that limit their decision making and other forms of autonomy. Organisations will also tend to form relationships in an effort to fill a resource need (Barringer & Harrison, 2000). Gulati and Gargiulo (1999) propose that the likelihood of organisations forming alliances increases with their interdependence on each other and that organisations seek to build relationships with organisations that have a complementary resource portfolio to their own rather than a similar (or identical) resource portfolio.

Resource dependency also underpins Barney's (1991) more internally focused resource-base view (RBV) of a firm. RBV iterates that a firm is capable of generating a sustainable competitive advantage (SCA) if it acquires resources that are rare, have value, are difficult to imitate and are non substitutable. Arya and Lin (2007) place greater emphasis on the collaborative context of resource exchange by highlighting the advantages that the focal organisation may gain as a result of its own resources, partner attributes, and its network structural attributes. Tacit knowledge is regarded as a resource capable of underpinning SCA because it cannot be imitated or substituted. Powell, Koput and Smith-Doerr (1996) in their study of biotechnology firms observed a significant reliance on collaborations in order to access knowledge. Kraatz (1998), in another study of a knowledge intensive sector, this time the United States college sector, observed that colleges involved in interorganisational relationships of various forms demonstrated greater learning and adaptation than those who were not.

In the context of IOR formation and sport organisations, resource dependency has been used to explain the league expansion process – the formation of linkages

between existing teams in a sports league and organisations wanting to join the league (Dickson et al., 2005). The potential affiliates offered new markets for the league to take advantage of plus a license fee that could be shared by existing organisations some of whom were facing financial hardship. On the other hand, the potential affiliates were totally dependent on the league to achieve their sporting and business goals in that there was no other alternative league for them to join. Quite simply, this group was more dependent than the league members and because of this, in order to form an enduring relationship with the league and its members, succumbed to less than desirable terms in order to join the league.

In the context of IOR formation, stakeholder theory is concerned with firms establishing links that are consistent with the expectations or requirements of its stakeholders. Freeman (1984) describes stakeholders as any group of individuals who are affected by a firm or can affect a firm. Examples include employees, customers, government agencies, investors and local communities to name a few. In this research sports context, stakeholders in New Zealand Rugby include but are not limited to, the provincial unions and their affiliated clubs and schools, players, fans, media, stadia, and officials. The underpinning thesis of the stakeholder approach is that firms must be cognisant of the effects of their actions on their stakeholders and conversely the actions of stakeholders on the firm. Frooman (1999) recognised that the majority of stakeholder research focused on the firm's affects on stakeholders and sought to examine the influence of the stakeholder on the firm. In particular, Frooman focused on the different types of influence strategies employed by stakeholders and the influences on strategy choice by stakeholders. Underpinned by resource dependence theory, Frooman (1999) developed a series of stakeholder strategies that explained stakeholder actions with reference to a firm's dependency on stakeholders for resources and survival. There are two types of resource control strategies - withholding and usage. Withholding strategies occur when a stakeholder threatens or halts the supply of resources to a firm. Usage strategies occur when a stakeholder cannot stop the supply of resources however attaches conditions to their ongoing supply. Another type of strategy is an influence strategy. This occurs when a stakeholder works to restrict the flow of resources through an ally and therefore operate indirectly. In simple terms, when the stakeholder holds the power (i.e. the

firm is dependent on it for survival) the stakeholder will opt for a direct withholding strategy. When there is less power an indirect usage strategy is more likely to prevail.

In the context of IOR formation and sport organisations Heffernan and O'Brien (2010) investigated stakeholder influence strategies of an organisation seeking to gain a licence to participate in the National Rugby League (NRL), Australia's premier rugby league competition. They observed that the bid team's key stakeholders' strategies evolved throughout the bid process. Initially the organisation employed a direct withholding strategy. However, as the bid team progressed towards achieving a licence, it increased its power relative to key stakeholders such as the State government which in turn prompted the government to become more supportive of the organisation's efforts.

Institutional theory considers the environment to be instrumental in explaining the similarity among organisational forms. DiMaggio and Powell (1983) observed that institutional environments apply significant pressure on organisations to become legitimate and conform to dominant social norms. They refer to the environment in which the organisation operates as the 'organisational field' and that the process by which organisations change and become similar as 'isomorphism' or isomorphic change. They highlight three forms of isomorphism: 1) coercive, whereby organisations respond to pressure from more powerful organisations or those they are dependent on for resources; 2) normative, which is a consequence of professionalisation of an industry; and 3) mimetic, which occurs when organisations copy the actions of other organisations, usually in times of relative uncertainty. Institutional theory in an IOR context suggests that organisations will form relationships in response to coercive pressures by copying firms that have established IORs (Barringer & Harrison, 2000).

O'Brien and Slack (2004) investigated the emergence of new dominant 'professional' norms and processes in the newly established professional rugby environment in England in the first five years of professional rugby. Initially in a time of unprecedented uncertainty the firms (clubs) followed or mimicked the industry leaders in what the authors' refer to as a bandwagon approach. It was not until firms established strong interorganisational linkages that the diffusion of information and

best practice was able to occur. This diffusion of knowledge was essential to the survival and development of the clubs and concurrently the establishment of a new dominant professional logic. This occurrence saw mimetic isomorphic change give way to normative pressures for change.

In contrast to the highly deterministic environment posited by institutional theorists, strategic choice highlights the instrumental role of an organisation's leadership group to determine the organisation's structures and strategies. Strategic choice proposes that; "key people are able to affect the environment through the choices they make (Stevens & Slack, 1998, p. 145). In a sports context, Cunningham and Ashley (2001) observed that despite the seemingly prescriptive environment of the National Collegiate Athletic Association, different athletic departments did exhibit structural differences despite performing at a similar level. This study did indicate that managers in this environment were not totally influenced by the environment and were willing and able to make strategic choices for their departments. With reference to strategic theory, Barringer and Harrison (2000) provide four 'strategic' reasons that may help to explain why firms establish IORs. These are: 1) to increase market power through the erection of entry barriers or the creation of monopoly-type influence; 2) to increase political power to influence governing bodies; 3) to increase efficiency in research, production, marketing, or other functions; and 4) to provide product or service differentiation.

In addition to these broader theories, an applied approach has been adopted in the literature to better understand why firms enter into relationships. Oliver (1990) sought to integrate existing IOR literature prior to that date and develop a set of contingencies that help to explain both the reasons for and conditions under which firms form relationships. The outcome of this was the development of a framework for the determinants of interorganisational relationships that could be generalised across a wide variety of IOR forms. This framework consists of six variables that prompt or motivate firms to establish IORs. Many of these determinants are embedded in one or more of the theories used to explain IOR formation reviewed above. Oliver emphasises that a number of integrated determinants may lead an organisation into an IOR rather than just one in isolation.

Necessity is the first determinant. An organisation will develop links with other organisation(s) in order to meet a mandate or requirement from a higher authority or governing body. Without the direction of the higher authority it is quite possible that the relationship/link would never have occurred. Asymmetry reflects the desire to establish an IOR in order to exert power or control over other firms or their resources. An example of this is when a corporation forms a director interlock with a financial institution in order to increase control over sources of capital and increase its power compared to other firms competing for financial resources in the same industry. Reciprocity stands in contrast to the asymmetry motive. This determinant is underpinned by a strong desire to cooperate and collaborate in a coordinated and organised approach. This determinant is characterised by equal exchange and mutual support rather than conflict and coercion. An example of this would be two firms establishing a joint venture in order to target new markets. Efficiency reflects the organisation's desire to improve its input/output ratio and in particular gain greater returns on assets or resources and/or the decrease in critical costs incurred in the exchanges. This determinant is firmly rooted in transaction cost theory. As a motive for IOR formation, stability centres on the desire to reduce environmental uncertainty and create orderly and reliable flows of resources as a result of establishing IORs. The goal of relationships underpinned by this motive is to increase predictability for firms so they are able to manage operations with more certainty and confidence. This determinant is underpinned by strategic choice and resource dependency frameworks. Legitimacy, suggests that firms may be motivated or pressured to form IORs in order to appear more legitimate and conform to the widely the accepted expectations and norms of external constituents. Motives such as prestige and image are core motives underlying this determinant which is inherent to the institutional theory framework.

Babiak (2007) utilised Oliver's framework to better understand the determinants of IORs of a Canadian non profit sport organisation with partners from public, commercial and non profit sectors. More specifically, the examination sought to identify motives that led to the formation of the relationships and the conditions that facilitated the formation of these partnerships. This study found that a high level of interdependence between the organisations contributed greatly to the establishment of IORs, as did resource scarcity and the reliance on external sources of funding. Examples of interdependence included the receiving and exchange of federal funds

between partner organisations, same individuals serving in different capacities across a number of organisations in the IORs and the existence of interpersonal relationships among the various partnerships. Such personal relationships served to fast track relationship establishment with the creation of communication channels between firms. In addition to external funding in the form of federal government funds, access to scarce and valuable resources such as knowledge and expertise was also an important motivator for IORs as they sought to increase both the operational and strategic capabilities of firms. With specific reference to Oliver's (1990) key determinants, the focal sport organisation and its partners from various sectors reported a diverse range of reasons for being involved in the partnerships. The focal sport organisation reported asymmetry, efficiency, stability and legitimacy as key determinants whereas legitimacy, stability, reciprocity and efficiency were dominant for the collaborating organisations.

Babiak's findings support earlier work by Gulati and Gargiulo (1999) who asserted that interdependence is the most common explanation for IOR formation. For them interdependence is underpinned by both resource procurement and uncertainty reduction.

“Organisations build cooperative ties to access capabilities and resources that are essential to pursue their goals but that are at least in part under the control of other organisations in their environment. Interorganisational cooperation is thus a means by which organisations manage their dependence on other organisations in their environment and attempt to mitigate the uncertainty generated by that dependence” (p. 1443).

In summary, clique formation has not been explicitly addressed in previous research. Broadly speaking, IOR formation, and by default clique formation, is underpinned by resource procurement and/or uncertainty reduction. Oliver's six determinants – necessity, asymmetry, reciprocity, efficiency, stability, and legitimacy provide a useful conceptual framework to understand clique formation within the Air NZ Cup premier network of rugby unions.

2.3.2 Clique Processes

A key element of network membership is the attainment of positive network outcomes that could not normally be accomplished by individual organisations operating independently (Provan & Kenis, 2008). Central to this notion is the fact that degrees of cooperation, interaction and collective activity are required within networks if they are to be successful. Furthermore, such collective activity requires some sort of governance mechanism in order to manage or coordinate this interaction. Therefore this ‘processes’ section of the review of literature addresses governance and related concepts such as efficiency and inclusion; cooperation and trust; goal consensus; and legitimacy.

Mode of Governance

Network governance refers to the “use of institutions and structures of authority and collaboration to allocate resources and to coordinate and control action across the network as a whole” (Provan & Kenis, 2008, p. 231); network governance also refers to how activities within a network are managed and coordinated (Provan, Fish & Sydow, 2007).

Provan and Kenis (2008) propose that forms of network governance may reside at designated points along a continuum. At one extreme, networks may be totally governed by all of the organisations in the network requiring interaction and a dense, decentralised form. This is known as ‘shared governance’. At the other end of the continuum, governance is the responsibility of a single organisation (either an existing firm of the network or a specially created organisation) resulting in a more centralised structure. They propose three distinct modes of network governance: shared participant governed networks; lead organisation governed; and Network Administrative Organisation (NAO).

Participant-governed networks are the simplest and most common form of network governance. Members of a participant-governed network manage and coordinate the activities of the network. This coordination can be achieved either formally through activities such as meetings or more informally via various communication mediums

as required. This form of governance can be further categorised into ‘shared participant’ where all members interact equally in a decentralised manner or a more centralised manner where activities are governed by a lead firm within the network.

Shared participant governed networks rely on the involvement of all network members in most aspects of the network activities. A high level of cooperation is required in order for this mode of governance to be effective. Whilst there may be different levels of capabilities within such networks, there is generally an even distribution of power. Provan and Kenis (2008, p. 234) assert that, “only by having all network members participate on an equal basis, will participants be committed to the goals of the network”. Shared participant governed networks are likely to be most appropriate when there are: 1) high levels of trust across the network; 2) a small number of network members (i.e. less than eight); 3) a high level of goal consensus between members; and 4) the absence of specific competencies required to manage the network over and above those which the organisations already possess.

The second mode of governance is ‘lead organisation’. This type of governance occurs when the network activities are managed and coordinated through a single participating member of the network. This role may either emerge from within the members or may be mandated from some higher authority. This type of governance structure is suited to networks that possess: 1) low levels of trust within the network; 2) a high number of network members (greater than 8); 3) moderately low levels of goal consensus; and 4) a moderate need for special network level competencies.

Governance by a separate NAO is the third mode available to networks. In these circumstances, a “separate administrative entity is set up specifically to govern the network and its activities” (p. 236). The NAO is not an operational member of the network and may either be created by the members or mandated by a higher authority. This type of governance is equivalent to the FMO structure highlighted at the start of this review with reference to Provan’s earlier work in which he discusses the structural similarities between a sports league and a federated network. With this in mind, the term ‘federated network’ is utilised throughout this thesis to denote the context being examined, the sports league that is the Air NZ Cup which includes the 14 premier rugby unions and the FMO is the NZRU. It is also consistent with authors

of prior sports league studies who have utilised this term such as Stewart et al., (2005), highlighted earlier in this review. The three governance structures provided in this more recent work by Provan and Kenis (2008) will however be utilised to describe and discuss the mode of governance of each of the cliques (or networks within the federated network) that are identified within this research. Provan and Kenis (2008) suggest that the NAO governance structure is likely to be appropriate when: 1) there are moderate levels of trust within the network; 2) there are a high number of network members (more than 8); 3) goal consensus is moderately high; and 4) there is a high need for special network level competencies that are outside and above those contained by any members of the network to competently manage the network.

Provan and Kenis (2008) also highlight a number of tensions confronting networks and the governance choices they make. The most relevant to this research project is the trade off between efficiency and inclusiveness on the one hand and internal and external legitimacy on the other.

Efficiency and Inclusiveness: Trust and Cooperation

With respect to the 'Efficiency versus Inclusiveness' dimension, Provan and Kenis (2008) assert that, "In networks, the primary tension regarding efficiency is between the need for administrative efficiency in network governance and the need for member involvement, through inclusive decision making" (p. 242). Whilst shared governance promotes full involvement and cooperation between members, the process may be very time consuming and therefore inefficient, particularly as the network grows and activities become more complicated. Networks may address this by moving to a lead organisation model, but in doing so sacrifice inclusion and cooperation and therefore commitment by firms. Provan and Kenis (2008) suggest that the NAO mode of governance is more likely to provide the optimal balance between efficiency and member inclusion.

IOR literature recognises the benefits of member inclusion and the development of trust and cooperation. Eden and Huxham (2001) discuss the concept of goal ownership within collaborative groups and suggest that goals may belong to the

individuals within the relationships, the organisations they represent or the group as a whole. They found that goals that were agreed to by all members had a more galvanising effect in that the “very process of negotiating and working together often leads to a sense of group identity” (p. 377). Das and Teng (1998) highlight that opportunistic behaviour and a lack of cooperation explain the relatively high failure rate of alliances and that developing confidence in partner cooperation is a very important part in the development process of a network. Confidence in partner cooperation is defined as “a firm’s perceived level of certainty that its partner firm will pursue mutually beneficial interests in the alliance rather than act opportunistically” (p. 491). Confidence comes from two sources: trust and control and that the deliberate building of these can improve confidence in partner cooperation. They suggest that firms are more confident in their partners when they have a reasonable level of control over them. Control is defined as “the process of regulating behaviour to make it more predictable” (p. 508). Trust on the other hand is defined as “a positive expectation about others’ motives” (p. 508). Das and Teng emphasise that both concepts are supplementary in the way they affect confidence in cooperation. Control mechanisms highlighted by the authors include goal setting, rules, regulations and cultural blending. Cultural blending is “a system of shared values and norms that define appropriate attitudes and behaviours for organisational members” (O’Reilly & Chatman, 1996, p. 160). Trust building activities include risk taking, communication, equity preservation and interfirm adaptation (i.e. adapting to the needs of partners). Shipilov, Rowley and Aharonson (2006) propose that cooperation will only be established in a relationship after the fragile process of equivalent contributions by members that in turn build trust resulting in a long term view of the relationship.

These sentiments were also prevalent in the two clique articles highlighted in their discussions of inclusion and collective activity. Provan and Sebastian (1998) highlight the importance of intensive integration based on a foundation of trust and cooperation both within and between cliques. In ‘Social and instrumental antecedents of firm exits from cliques’, Rowley et al., (2005) contended that high interaction and equality between members was one of the key elements underpinning continued clique membership.

In summary, network literature suggests that the appropriate mode of governance is dependent upon the levels of trust and goal consensus within the network. The wider IOR literature suggests that member involvement and higher levels of trust and cooperation are conducive to better functioning and effective networks.

Internal and External Legitimacy

The trade-off between internal and external legitimacy is a second tension that impacts upon mode of governance. Legitimacy is defined as a “generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed systems of norms, values, beliefs, and definitions” (Suchman 1995, p. 574). The concept of legitimacy which resides in the institutional theory framework has been highlighted as essential to the evolution and development of all social systems (Human & Provan, 2000). The challenge of acquiring, maintaining and protecting legitimacy confronts all organisations (Kumar & Das, 2007) and it also confronts networks. Provan and Kenis (2008) propose that networks, on the one hand, must develop internal legitimacy among members and, on the other, must be responsive to external expectations. Establishing internal legitimacy necessitates members accepting that interaction between them is necessary for both the network and individual members to benefit. Quite simply, it legitimises interaction between members (Human & Provan, 2000). If members do not see interaction and cooperation as a legitimate way of conducting business, “then the network is likely to exist in name only with little real commitment by participants to the network level goals and outcomes” (Provan & Kenis, 2008, p. 243).

External legitimacy refers to the ability to “develop a recognisable identity that would allow both members and outsiders to perceive the network as a legitimate entity” (Human & Provan, 2000, p. 339). This is also known as legitimacy of the ‘network as an entity’. The acquisition, maintenance and protection of both internal and external legitimacy can be challenging. For example, a lead organisation may lead activities and be the public face for a network. This is likely to increase external legitimacy but at the same time undermine internal legitimacy leaving members disappointed and feeling ‘left out’. Provan and Kenis (2008) suggest that the NAO forms are best suited

to deal with internal legitimacy issues whilst external legitimacy issues can be better addressed by a lead organisation.

“The lead organisation will, typically, already have legitimacy as an organisation, and it can leverage that legitimacy on behalf of the network as a whole. It has the added incentive to do this, since as the most powerful member of the network it has the most to gain” (p. 244).

Provan and Kenis (2008) suggest that the NAO needs to pursue a balance between internal and external legitimacy. It can represent the network externally and also work to legitimise and facilitate interaction among members through its representative structure. The concept of external legitimacy is further discussed in the impacts section of this review.

Kumar and Das (2007) also examine the concept of legitimacy and, in particular, a concept of interpartner legitimacy which they define as the mutual acknowledgement by each partner that their actions are proper in the development process of the relationship. This acknowledgment is crucial to overcome the contradictory dynamics of cooperation and competition common to alliances (Das & Teng, 2000) and the potential for opportunistic behaviour (Shiplov et al., 2006). “When interpartner legitimacy exists, the alliance members act on a set of obligations that are likely to have been internalised and not on a basis of narrowly defined self interests” (Kumar and Das 2007, p. 1431). If member firms of a relationship view their partners as legitimate, they are more likely to enter the relationship with a cooperative as opposed to a competitive frame of mind (Kumar & Anderson, 2000). Three types of interpartner legitimacy exist. Pragmatic legitimacy occurs when members see their involvement as beneficial to themselves as well as the alliance. Moral legitimacy occurs when firms make a judgement about whether the alliance is the right course of action. Cognitive legitimacy occurs when the alliance is seen as the necessary course of action within the strategic environment of the alliance (Kumar & Das, 2007).

Provan and Kenis (2008) propose two reasons why network governance has received very little attention in academic literature. The first is that traditional views of governance denote hierarchy and control. Such terms may be at odds with networks

given they consist of “autonomous organisations and, thus are essentially cooperative endeavours” (p. 231). The second is that network research is costly and time consuming as it requires the observation of multiple groups of firms in a single network and perhaps the observation of multiple groups of firms across multiple networks. The multiplicity of organisations involved in network research provides a challenge for network scholars. The challenge is in “illuminating the structure of collective action” (Powell, White, Koput & Owen-Smith, 2005, p. 1133).

In conclusion, the holistic term ‘processes’ in the context of this research question addresses primarily how clique activities are managed and coordinated under the broad umbrella of clique governance. Furthermore it seeks to observe essential and related topics such as trust, cooperation, goal consensus, inclusion and legitimacy, all of which have been highlighted as playing an important role in the effective functioning of IORs.

2.3.3 Clique Impacts

As highlighted already, there is a paucity of research into interorganisational cliques and therefore the wider IOR and network literature will provide the necessary conceptual framework for this section as it has done for the formation and processes sections. Provan et al., (2007) propose that network research considers both the impact of the network on its individual members and the concept of network effectiveness. This latter term refers to the outcomes of the network as a whole as opposed to the positive or negative impacts received by its members as a result of their involvement in the network. They also state that most research tends to focus on the individual member level and not at the whole network level. The term ‘impact’ with regard to the whole network level is largely absent from network literature. It is perhaps fair to suggest that the term effectiveness is most appropriate when examining networks because a network is often viewed as a single entity which has been established in order to achieve certain outcomes or goals through the collaborative behaviour of its members. Cliques, on the other hand, exist within a network and may exist alongside other cliques and non members of the clique. In short, cliques do not exist in isolation; they are part of a larger framework. Therefore their very existence is likely to create some sort of impact on the network in which they reside. The degree

of this impact may depend on the clique's goals and motives and also how it goes about its business. Whilst the concept of impact is lacking from network literature with regard to whole network outcomes it is perhaps more appropriate for clique related research of this nature. There does, however, appear to be aspects of network effectiveness literature that are closely related to the concept of impact. For example, Provan and Milward (2001) assert that the establishment of legitimacy of the network as an entity in the environment in which they operate is one dimension of an effective network. This establishment of legitimacy for the network could also be viewed as a positive impact for the entire network.

With the above in mind, and given that cliques are conceptualised as 'networks within networks', this research proposes an approach that considers: 1) the impact of the clique on its individual members; and 2) the impact of the clique in a wider context, in particular the impact on non members and the wider network. Given that no specific literature addresses the latter, some relevant network effectiveness literature that may help to increase our understanding of the term 'impact' will be highlighted.

Positive Impacts of Clique Membership

In this section, a positive impact on the member organisations is conceptualised as the advantages that may accrue to firms as a result of their membership of a clique. Barringer and Harrison (2000) provide a comprehensive list of advantages that may accrue to firms as a result of participating in IORs. These include: access to a particular resource, economies of scale, risk and cost sharing, product and/or service development, organisational learning, access to a foreign market, speed to market and collective lobbying. Most of these advantages are essentially positive impacts that can also be traced back to one or more of Oliver's (1990) determinants. With this in mind, an understanding of the formation determinants and/or goals of an IOR or clique in this research may also help to assess the impacts of a clique as they provide a point of reference for the assessment. In short, if we understand why a clique was established or what the clique members were trying to achieve, we can assess the achievement of these. The following paragraphs elaborate on the advantages highlighted above and in doing so assist to increase our understanding of positive impacts a firm may receive as a result of IOR membership.

The positive impact of gaining access to resources is linked to the determinants of: 1) asymmetry, if the firm intends to use an element of force or assertiveness; 2) reciprocity, if the firm intends to cooperate with others in order to gain resources; and 3) stability if the desire is to create a more predictable flow of the resource(s). Knowledge is also an important resource and the positive impact of organisational learning asserted by Barringer and Harrison (2000) is achieved by gaining access to this valuable resource. Baum, Calabrese and Silverman (2000) examined the Canadian biotechnology industry and observed that start-up firms which established effective alliance networks were able to access social, technical and commercial resources that would normally require years of learning and experience to acquire and in so doing protected themselves from the hazards usually faced by new firms.

The enhanced ability to develop products or services as a result of IOR membership is also linked to the reciprocity determinant. Here firms pool resources and experience in order to enhance their ability to develop new products. Kotabe, Masaaki, Swan and Scott (1995) observed that firms which participated in IORs were able to develop more new and innovative product offerings than those who operated as single firms.

The two related advantages or positive impacts of achieving greater economies of scale and risk and cost sharing are both housed within the transaction cost framework and linked to the efficiency determinant. Here firms participating in IORs seek to achieve greater economies of scale as a result of higher production outputs and the ability to reduce or share the costs and risks associated with conducting business activities. The overall decrease of transaction costs is another important benefit. Noll (2003) highlights that teams may gain significant financial benefits by joining a sports league because the league is able to reduce transaction costs for teams by coordinating schedules rather than teams having to organise a series of bilateral agreements. A league also creates opportunities to efficiently market a game as both a stand alone contest and one of a series of contests that lead to an overall championship.

Further literature also highlights positive impacts individual firms may receive as a result of participating in IORs. Baum and Oliver (1991) examined institutional linkages and organisational mortality rates of Canadian child care centres. They found that institutional relationships played an important role in reducing the likelihood of

organisational mortality particularly for start-up organisations. Establishing links with older and more established organisations provided newer organisations with more immediate legitimacy and resources, “sheltering young organisations from the risks of youth and inexperience” (p. 214). This study also reinforced the institutional arguments in favour of IORs in that they may also provide increased legitimacy (which is one of Oliver’s determinants) to participating firms. Thibault and Harvey (1997) examined interorganisational linkages in the Canadian sport delivery system that consisted of IORs between the government, the private sector and not for profit sport organisations. Benefits that accrued to the government as a result of these IORs included increased exposure of the nation and the development of trade and tourism opportunities. Benefits to organisations in the private sector included increased awareness of their products and services and the ability to promote these via the less traditional channels that sport provided. Benefits to the sport organisations included access to resources that enabled the development of programmes and services that could benefit both the grass roots and high performance areas of the sports.

Lastly, it is important to note that positive impacts to firms may not be equal across an IOR. Arya and Lyn (2007) noted that organisations which have a high status and hold a strong central position within a network can enhance their capabilities as a result of their collaboration efforts. Rowley, Behrens and Krackhardt (2000) suggest that well positioned organisations augment their internal resources because holding superior network positions enhances access to resources and favours. This is very similar to the findings of Provan and Kenis (2008) with respect to lead organisations of a network. As previously highlighted in the processes section of the review; lead organisations can leverage their existing legitimacy or status on behalf of the network as a whole because as the most powerful member of the network they have the most to gain.

In short, there are many positive impacts that a firm may experience as a consequence of IOR or specifically clique membership. Generally speaking, IORs provide opportunities for firms to increase organisational capability and/or reduce risk and uncertainty. The net result is the creation of a more competitive organisation.

Negative Impacts of Clique Membership

Barringer and Harrison (2000) also provide a number of disadvantages that organisations may experience as a result of being a part of an IOR. These are conceptualised negative impacts of clique membership on an organisation. Like networks, cliques require coordination. “Communication, coordination and a multi disciplinary effort between and within firms is key to building trust and superior performance but must be balanced against the burden of these additional tasks” (Kotabe & Swann, 1995, p. 631). IORs can be inherently difficult to manage. Member organisations, especially in low trust relationships, spend significant time and effort formulating legal documents and alliance plans pertinent to the management of alliances (Gulati, 1995). Such time and effort essentially costs the firm directly in terms of allocation of resources and indirectly in that the resources may be better off allocated elsewhere. Frisby, Thibault and Kikulus (2004), in their study of partnerships in leisure service departments observed that the departments lacked the capacity to effectively manage the large number of complex relationships in which they were engaged. In this situation, a greater commitment of resources including time, staff training and the development of partnership management plans was offered as a solution. As previously explained in the formations section of this review, with reference to transaction cost theory, Sam et al., (2005) emphasised that the costs involved in sponsorship relationships included those required to establish the relationship, management of the relationship and finally evaluate the relationship. Such costs must therefore be weighed up against the potential benefits of the relationship. Barringer and Harrison (2000) assert that organisations may also lose proprietary information to a partner that is outside of the intended boundaries of the relationship. Hamel, Doz and Prahalad (1989) suggest that a majority of the information sharing is at the level of engineer to engineer or operations manager to operations manager and it is this inadvertent sharing of privileged information that is a risk in any IOR.

When involved in IORs organisations expose themselves to the potential of opportunistic behaviour by partners. Opportunistic behaviour is characterised by cheating, distorting information, misleading partners and appropriating a partner’s critical resources and is recognised as a common reason alliance failure (Das & Teng,

1998). The authors suggest that such opportunistic behaviour is in contrast to partner cooperation which is “the willingness of a partner firm to pursue mutually compatible interests” (p. 492). The inevitable cooperation and collective activity required in IORs may also decrease a firm’s ability to act independently with a consequential loss of its decision making autonomy (Barringer & Harrison, 2000). Pfeffer and Salancik (1978) observed that the price a firm pays for the participation in any collective structure is the loss of discretion and control over its own activities.

The final negative impact of IOR membership proposed by Barringer and Harrison (2000) is the creation of, or an increase in, the power imbalance between organisations. This situation increases the potential for opportunistic behaviour by the dominant partner. Singh and Mitchell (1996) propose that “interfirm collaboration has opposing influences on business performance” (p. 14) and places firms in a somewhat precarious position particularly if they become overly dependent and reliant on the relationship. In this light, firms capable of working collaboratively with their partners whilst at the same time identifying new potential partners are more likely to adapt and succeed compared to those organisations that are unable to do so. Opportunity costs are very real for networked organisations. Organisations that participate in an IOR may have to relinquish certain opportunities if they wish to be an IOR member.

While most of the literature emphasises the benefits of IORs, there are a number of potential negative impacts that a firm may encounter as a result of their participation in IORs. Knowledge of these impacts provides a more balanced understanding of the potential impacts of IORs to participating firms.

Impact of Cliques on the Network

In addition to understanding the impacts of IORs at the member firm level, it is also important to understand the impacts of IORs at a more holistic level. Focusing on cliques, this is primarily concerned with the impacts of cliques on non members and the wider network to which they belong. As already noted some aspects of network effectiveness research are applicable to this section and are covered below. Provan et al., (2007) do however assert that such literature is limited because it tends to focus on the benefits, or lack thereof, to individual members rather than the effectiveness of the

network as a whole. Furthermore, it was suggested in the introduction to this section that the term impact may in fact be more relevant to clique research as cliques exist within networks and their very existence is therefore likely to create some sort of impact within the network in which they operate. Also stated earlier, clique research is extremely limited. In short, the term impact in a context that looks outside of individual member impacts is largely lacking from IOR and network literature. There is, however, one relevant study that has been discussed in this review. In their research, Provan and Sebastian (1998) examined clique integration and overlap within a network. Their preliminary findings did suggest that intensive integration both within and between cliques can lead to more effective networks. The writer suggests that the term 'impact' would not have been out of place in this study, in that the 'impact' of such clique activity contributed to more effective networks.

Research that focuses on IOR success and network effectiveness that has some synergy with the term impact includes a study by Mazrahi and Rosenthal (2001), which examined coalition leaders' interpretations of success. It reported that achieving the goal was the most important outcome of their interorganisational collaborations. This successful goal achievement provided the coalition with strength and legitimacy and that "as a coalition amasses power, it becomes a place where organisations want to be, which in turn contributes to its power bases and legitimacy" (p. 71). Such legitimacy is clearly a positive impact for an IOR in this context. Legitimacy of the network is also highlighted by Provan and Milward (2001) and is strongly associated with network effectiveness. Human and Provan (2000) refer to this as the 'legitimacy of the network as an entity'. This refers to the ability of the network to develop an identity that is recognised by both its members and non members. To be viewed as legitimate is an important impact of a network just as it is for a clique. Human and Provan (2000) also refer to the concept of the 'network as a form' and found that "an early key to network success was legitimising the network concept as an acceptable form of organising" (p. 337). In other words, the network as a form of organising must be legitimised in the eyes of both members and non members. The concept of a 'clique as a form of organising' has not been examined previously either in a sport or non sport setting. This concept seems most appropriate for clique research in that non members of a clique are likely to make a judgement as to how legitimate it is for a subset of members within a network to establish a clique.

Lastly a further gap that has been identified in the literature under the heading of clique impacts is the impact of cliques with a political motive. A clique with a political dimension is likely to create more significant impacts on the wider network and this is an element that this research will endeavour to examine.

2.4 Conclusion

In conclusion, this literature review has summarised the key literature relating to the formation, processes and impacts of IORs. Given paucity of clique research, wider IOR literature has been sourced to develop an understanding of the three sections of the research question. The review has provided a navigation tool to guide the inquiry based on key concepts within the literature. It has also assisted in the analysis of data with the provision of some pre-analytical categories while allowing for the emergence of new themes and concepts from the data. In addition to emphasising some gaps in the literature it has most importantly provided a sound knowledge base on which to build and support the interim conclusions made in this thesis with reference to each identified clique within each component of the research question.

Methodology

3.1 Research Strategy and Orientation

Bryman and Bell (2007) describe a research strategy as the general orientation with which the business research is conducted and that the two broad strategies are qualitative and quantitative. This research has adopted a qualitative research strategy that is primarily concerned with words rather than quantifiable data and, more specifically with the perceptions of key individuals within the research context being examined. According to Bryman and Bell (2007) a qualitative research approach contains key characteristics with reference to: 1) its orientation to the role of theory within the research; 2) the ontological orientation; and 3) the epistemological orientation. Qualitative research is largely concerned with the generation of new theory, or building on the existing body of knowledge, in a process that is mostly inductive in contrast to the deductive process of theory testing in quantitative research.

It is however possible to incorporate elements of both induction and deduction into research methodology. This approach has been taken by the writer in this thesis. Existing literature has formed a platform of knowledge that both guides the inquiry and provides a basic framework for the analysis of data in a deductive manner, while at the same time allowing for the inductive emergence of new themes in the data. Perry (1998) suggests that prior research can have an important function in the design and analysis of data and cites Richards (1993, p. 40) who suggests that “both prior theory and theory emerging from the data are always involved, often simultaneously”. Miles and Huberman (1994) refer to the role that this prior academic platform plays in the research process as ‘prestructured’ research. The epistemological and ontological orientations of this research reflect the nature of the IOR theoretical framework which involves close strategic actions between two or more organisations in order to achieve mutually beneficial goals (Babiak, 2007). Inherent in these relationships are various degrees of interaction between the organisations and those individuals representing them. These relationships are often dynamic and in a state of reconstruction as a result of the interaction of these individuals and their perceptions of these interactions

(Bryman & Bell, 2007). Therefore, the ontological orientation that is most appropriate and consistent with a qualitative research strategy is constructionism which acknowledges that individuals are constantly developing and redeveloping their perceptions of reality at any one point in time. The last element within a qualitative research strategy for consideration is the epistemological orientation or what is regarded as acceptable knowledge within a discipline (Bryman & Bell, 2007). This research adopts an interpretivist epistemological orientation which assumes that the social world is separate from the natural world and that the meaning of this social world relies on the subjective interpretations of the actors within it. This research seeks to examine the interpretations of key individuals involved in the interorganisational cliques within the research context of the fourteen Air NZ Cup premier provincial rugby unions.

This research also incorporates a case study approach. Case study methodology “usually investigates a contemporary phenomenon within its real life context...” (Yin, 1994, p. 13). Perry (1998) highlights that case study research areas include contemporary areas such as IORs where the accepted principles and constructs are still developing. As already indicated, the study of cliques within the IOR framework is very limited. The case study approach was important in this study because before the research question could be adequately addressed, a number of cliques had to be identified or confirmed as part of the research process. Each clique served as a case to address the research question as opposed to being part of the research question. The core chapters therefore reflect the research question and within each chapter each identified clique is examined, rather than chapters dedicated to each distinct clique.

3.2 Researcher Background and Potential Influences on the Project

The purpose of this section is to acknowledge any aspects of the researcher’s background that may have the potential to influence this research. Bryman and Bell (2007) suggest that while one would expect that social scientists should be value free and totally objective in research, the researcher’s background and experience coupled with their values and beliefs will invariably influence parts, or indeed all aspects of, the research process from the choice of research area to the concluding comments. Therefore it is important to be transparent and acknowledge any potential influences

in this research project. The reader can then make their own judgements as to the magnitude of such influences.

The researcher has a passion for the sport of Rugby Union and has played the game to Senior A club level. After graduating from the University of Otago with degrees in Physical Education and Commerce the researcher has been employed in sport with varying levels of rugby involvement. Roles include Rugby Development Manager followed by Marketing Manager for the North Harbour Rugby Union, Operations Manager of the Adidas Institute of Rugby (employed by the NZRU), and Operations Manager for the Millennium Institute of Sport and Health. The researcher is currently employed as a lecturer at Unitec's Department of Sport. The researcher worked in rugby during its transition from amateurism to professionalism and was essentially employed by a rugby union that was not a Super 14 (then Super 12) base union. Therefore, one might conclude that the researcher is more closely aligned or has more empathy with a non Super 14 base union. In more recent years however, the researcher has been responsible for the establishment and management of a relationship between Unitec and the Auckland Rugby Union/Blues Super 14 franchise, which both utilise Unitec as a training base. The researcher was the main point of contact from the inception of this relationship in 2005 until February 2009. With this in mind, the researcher is also familiar with some aspects of a Super 14 franchise and base union, albeit one in particular. Further to this, the operations roles, particularly for the Adidas Institute of Rugby, enabled the researcher to meet and interact with many provincial union CEOs, officials, coaches, managers, players and administrators during that two year period. Lastly, the researcher first became aware of one New Zealand provincial rugby clique (the G9) while sourcing material for an assignment for one of the papers of the AUT Master of Business programme. He had some liaison with members of this group based on the contacts described above who provided information to assist with the assignment which focused on competitive balance and sustainability of New Zealand provincial rugby. This initial assignment and contact with the G9 planted some seeds for the development of this subsequent and more comprehensive thesis.

3.3 Selection of Participants

The primary method utilised for the selection of research participants was purposive sampling. Interviewees are deliberately targeted (Davidson & Tolich, 2003) because they are judged to have the ability to contribute to the theoretical understanding of a subject (Bryman & Bell, 2007). In this instance the logical course of action was to target all 14 premier provincial rugby union CEOs as well as the Chiefs franchise CEO given that the Chiefs franchise has a CEO independent of the CEO of the Waikato Rugby Union. Because there had been some recent appointments of non Super 14 base union CEOs it was decided to purposely target two former CEOs who had significant tenures with their respective rugby unions and who also were judged to have the ability to contribute to the research question particularly from a historical perspective.

The next step in the process was to source the contact details of all the above CEOs. These CEOs were then divided into those who were known to the researcher and those who were unknown. An informal email was sent to the known CEOs along the lines of 'remember me; this is what I am doing now'. This email essentially provided an overview of the research project and assessed the recipient's interest to be involved (See Appendix A). For those who were not known, a more formal email was sent providing an introduction as well as the same level of detail on the project and also assessed their interest in being involved (See Appendix B). This first contact set the scene for further correspondence either by email or phone to gauge the respective CEOs' desire to be involved.

Once the potential participants were identified each was sent three documents via email. The first was a project background document providing a more in depth overview of the research project (See Appendix C). The second document was a comprehensive participant information sheet explaining how they were chosen for the research, what would happen in the research, how their privacy would be protected, opportunities to consider the invitation, how to agree to participate in the research and what to do if they had any concerns about the research (See Appendix D). The last document that was included was a consent form. This process insured that all potential participants were fully informed of all aspects of the research prior to

agreeing to formally participate in the project via the signing of the consent form (See Appendix E). All seventeen targeted CEOs agreed to be involved. There is no doubt that the researcher's prior relationships played a significant part in gaining one hundred percent involvement. Further to this, a written endorsement from the NZRU added credibility to the research project. While it was decided that this letter did not need to be sent to each potential participant, it was stated that the NZRU endorsed the research project in the initial 'introductory email'.

3.4 Data Collection

The interpretivist epistemological position of this research requires a data collection strategy that provides the ability to gather rich descriptive data with an emphasis on the perceptions and detailed explanations of the participants in the study. In line with Bryman and Bell (2007), it is the interviewee's point of view that is of the greatest interest in this research and in particular authentic reflections and insights of their experiences related to the topics and issues inherent to the research question.

With the above in mind, the data collection technique that has been employed in this research is semi-structured interviews. Bryman and Bell (2007) describe this technique as an approach whereby "the researcher has a list of questions on fairly specific topics to be covered, often referred to as an interview guide, but the interviewee has a great deal of leeway in how to reply" (p. 474). Whilst there is usually an established set of questions in the interview guide there is also flexibility to examine and extend emergent themes that may arise throughout the interview process.

The review of literature that has been undertaken with reference to the research question provided an excellent navigation device to guide the inquiry and underpin the interview guide. The "fairly specific topics" that are referred to above related to the research question. These topics were incorporated into the interview and more specifically crafted into each interview question. Davison and Tolich (2003) refer to this as a list of 'recurrent themes' that represent the project's research interests that are to be incorporated into the research guide. The semi-structured interview ethos allowed for adaptation and flexibility outside and around these core topics.

Therefore the interview guide was very much a reflection of the research question and the literature related to each section of the question. The research question contains three key sections. They are: 1) the formation; 2) processes; and 3) impacts of interorganisational cliques. Within each of these three major sections, relevant literature was sourced providing categories, concepts and themes. The interview guide was therefore divided into these three sections with a series of questions within each section reflecting the literature relevant to key themes, concepts and categories highlighted within the review. The processes questions in particular were more targeted in terms of the link to key concepts in the literature, for example governance, inclusion and decision making and cooperation. Whereas the key formation and impacts questions were more open, for example why was this group/clique established and what has been the impact of this group/clique on your union? Further to this, the literature review also highlighted potential gaps in the literature and areas requiring further investigation.

While the interview guide stayed relatively consistent throughout all interviews there were some amendments made during the interview process regarding both the content in the guide and execution of the questions within the guide. Such changes were often based on information gained from prior interviews, for example; the existence of a potential clique and why it was established and key processes or impacts of that potential clique. The amended questions were designed to extract from future participants the perceptions on information gained from earlier interviews. See Appendix F for the interview guide.

Of particular note was the fact that seven interviews into the scheduled seventeen interviews, one identified clique, the G9 conducted an unprecedented level of political activity prior the 2009 NZRU AGM. This activity prompted two responses: 1) to incorporate questions around this activity into the remaining interviews; and 2) to re-interview two CEOs who had already been interviewed to gauge their perceptions of the activity that had occurred.

Secondly, the execution of the interview guide tended to change based on whether it was a Super 14 base union CEO being interviewed or a non Super 14 base union CEO being interviewed. In general, when a Super 14 base union CEO was interviewed, the

interview usually started with a focus on one of the identified cliques; the franchise cliques. If a non base union CEO was being interviewed the interview usually started with a focus on the G9 clique. The main reason for these variations was that the interviewer decided that interviewees tended to relax and felt more comfortable talking about their main areas of involvement. This does indicate an element of flexibility and adaptability that would not be permissible in a quantitative research project. However, in a qualitative research project of this nature, utilising semi-structured, flexible interviews as the data collection technique is the norm and as Bryman and Bell (2007) suggest the interviewer may ask new questions, vary the order of questions and even the wording of these questions. They also state that participants may be interviewed more than once.

The interviews were conducted between the period of the 1st of March and the 5th of June, 2009. Of the nineteen interviews, fourteen of these were face to face and five were conducted over the telephone. The ideal situation would have been to conduct all interviews face to face, however it was acknowledged in the research proposal for this project that given the geographical spread of interviewees from the top of the North Island to the bottom of the South Island of New Zealand, and the budget limitations of the project, it was always likely that there would be some telephone interviews. Most of the face to face interviews were conducted at the premises of the CEO being interviewed at a time and date that most suited the interviewee. Each interviewee was made aware, in documents sent prior to the interview that the interview would be recorded and each had consented to this. However, at the interview this was explained again and each interviewee was shown the recording device and told when the device was going to be turned on and told when it was turned off at the conclusion of the interview.

To complement the primary data collected some secondary data was also sourced that focused on competition structures and Super 14 franchise structures. This data was sourced via official NZRU web sites.

3.5 Transcription of Interviews

Each interview was transcribed by either the researcher or one of two transcribers. Both transcribers signed confidentiality agreements (See Appendix G). The researcher transcribed the initial interviews to gain an opportunity to reflect on each interview. When a transcriber completed an interview, it was sent back to the researcher who then checked the transcription with the audio file and made corrections accordingly. This ensured the accuracy of the transcription as well as giving the researcher the opportunity to understand the data, its key concepts, categories and themes. Once this process was completed, a hard copy of the transcription was then returned to the interviewee to provide them with the opportunity to check that it was a true and fair reflection of what was said at the interview and to remove or amend any material in the transcription. Interviewees were normally given three weeks to complete this process. While some interviewees did return transcriptions with amendments, most did not and this was treated (and discussed in the covering letter with the transcription) as an indication that they were satisfied with the transcription and its content.

3.6 Analysis and Interpretation of Data

Davidson and Tolich (2003) suggest that a major issue with qualitative data is the great volume of information which is a result of the semi-structured interview technique containing many open ended questions. A common qualitative data analysis technique designed to manage large volumes of data and employed in this research is coding. Coding essentially identifies and aggregates areas of theoretical and empirical interest within the transcribed interview (Davidson & Tolich, 2003). Miles and Huberman (1994, p. 56) suggest that codes are “tags or labels for assigning units of meaning to the descriptive or inferential information compiled during a study.” A combination of pre-existing codes from the literature and codes that emerged as key themes in the data were utilised. The use of either pre-existing or emerging codes tended to change depending the section of the research question. For example, in the processes section, there were a number of core concepts in the literature review, governance, legitimacy (particularly interpartner legitimacy), inclusiveness and cooperation. These key areas provided relatively straightforward pre-analytical

categories in which to code the data. With reference to the franchise cliques, a number of sub codes were developed under the cooperation category to reflect the data received. Sub codes included: improving levels of cooperation; the role of history in cooperation; lack of cooperation in some franchises; legitimising interaction and special initiatives to enhance cooperation levels. Pre-analytical categories were however not 'set in stone' in the processes section and the data still drove its application. For example, an additional category of 'political processes' was added to the processes section of the G9 clique to reflect their political activities. The coding of the formation section on the other hand was very much data driven and codes were created from the data. Whilst the literature provided an ideal framework with which to understand the formation of IORs, specific formation codes for each clique were established based on the data received. The literature thus served to explain and understand the findings rather than to simply provide a series of pre-existing formation categories into which to allocate the data. With reference to the G9, the data indicated that the three formation motives were commercial sustainability, political influence and organisational learning. Codes were therefore created and labelled as such during the analysis process. A further concept titled a 'mimetic counter response' was also created for the G9 as a reflection of the data received. The impacts section tended to use a combination of predetermined codes and data driven codes. The impacts of the franchise cliques were coded into positive and negative impacts on members, whereas the G9 impacts were assessed relevant to that clique's formation determinants/goals and were therefore more 'data driven'.

The actual mechanics of the coding process involved a series of stages similar to those provided by Bryman and Bell (2007) and started with reading and understanding the content of each transcription, followed by the allocation of data into codes (existing and new) and the gradual refinement of the codes based on patterns and relationships between them. The first step in understanding each transcription occurred in the cross checking of the transcription with the audio file. This initial stage contributed greatly to the understanding of what was being said in the interview and basic notes were made in the researcher's notebook regarding initial thoughts, relevant pre-analytical codes, potential emerging themes and codes and links to existing literature. The next phase was more deliberate and involved the categorising of each transcribed interview into the three main sections of the research question – formation, processes and

impacts. This was achieved by utilising different coloured highlighter pens for each of the three sections. At the same time memos were made in the right hand column of the transcription regarding: 1) The identified clique (and therefore case) to which the quote was related; 2) What pre-existing code (if relevant) from the literature it related to; and 3) If a new theme or code was apparent and where this may reside. This process of memos is suggested by Bryman and Bell (2007) as important to aid in the generation of concepts and categories. The next step was to try to redevelop the data under case clique titles, for example the G9 clique, the franchise cliques and the base union clique, that had been identified and within each clique establish the three key sections of formation, processes and impacts. Further to this within each of these three sections, based on the memos made on the transcriptions, codes and sub codes were finalised and based on the relevant pre- existing codes from the literature and the data driven codes created. The relevant quotes were then included under each of these codes. The final stage was to relocate the data under the headings that reflect the sections of the research question and further refine the data under each case clique as it currently presented in this thesis.

3.7 Ethical Considerations

This research is deemed to be a ‘low’ ethical risk research project and its design and practice has incorporated the three core principles of the Treaty of Waitangi, partnership, participation and protection in the relationships between the researcher and its participants. These are discussed in detail as follows.

3.7.1 Partnership

In the design of this project a relationship was developed with the governing body of New Zealand Rugby, NZRU. Consultation took place with the Relationship Manager, of the NZRU regarding the proposed nature of the research. The Relationship Manager who is no longer with the NZRU, was responsible for managing the relationships between the provincial rugby unions and the NZRU and therefore was deemed the most appropriate person to contact given the nature of the project. The Relationship Manager was extremely supportive of the project and following a

briefing meeting, a more formal written endorsement of the project via the staff member responsible for research liaison, Ken Quarrie was arranged. Ken also made telephone contact before sending a letter of endorsement (See Appendix H). Ken has been kept informed of the progress of this project and he will be provided with a copy of the thesis. This 'partnership' philosophy has also been extended to all of the participants that been interviewed. A proactive and positive communication approach was taken with all interviewees prior to the interview with each interviewee being clearly and truthfully informed of the purpose, nature and implication(s) of the research for them and New Zealand rugby in general. As discussed above, this began with a 'friendly' introduction or re-introduction letter, followed by further emails and/or telephone conversations, and the sending of the three key documents being the project information document, participant information sheet and consent form. This was also concluded with a 'thankyou' gift. All interviewees received email progress reports in December of 2009 and will also receive a copy of the thesis.

3.7.2 Participation

This research has ensured full, reciprocal and free participation by all of the relevant CEOs involved. All fifteen CEOs, plus the further two purposively selected former CEOs, were provided with the opportunity to participate in this project and the researcher allowed for as much practical flexibility as possible to provide for maximum participation by working around the busy schedules of the participants. One example of this was that a phone interview was postponed twice due to unforeseen commitments of one CEO. This flexibility was essential to the successful completion of all interviews. Further to this, participation in this project was entirely voluntary and participants could withdraw at any time throughout the process without any adverse consequences. Lastly, there were no direct costs to any participants other than the provision of time for the interview and for the reading and completion of all related information and paperwork for this project.

3.7.3 Protection

Respect for the interviewee's rights of privacy and confidentiality was provided for in this research in order to protect the identity of the participants. In brief, the identity of individuals and their respective unions/franchises was not disclosed in any part of this research. Super 14 franchise CEOs were known as franchise CEOs (FCEOs) and all other CEOs including the two former CEOs were simply known as non franchise CEOs (NFCEOs). The two former CEOs were non franchise CEOs. The original intention was to have three distinct groups; base union CEOs, former CEOs and G9 CEOs. However, because there were only two former CEOs interviewed, it was felt that this would not provide enough privacy protection. Furthermore, the Waikato and Chiefs scenario complicated matters somewhat in that the Chiefs CEO was not a base union CEO and the Waikato CEO was not a G9 CEO. Therefore the most appropriate solution that was both accurate and provided the requisite privacy protection was to opt for FCEOs and NFCEOs. However, when it was appropriate to differentiate between the two types of unions they were labelled as base unions and, G9 unions or non base unions. It is important to note that with regard to the unions examined in this research, G9 unions are non base unions and both terms are utilised depending on the nature of the examination. For example the term 'non base union' is used more frequently when discussing franchise cliques and the term 'G9 union' is utilised more often when discussing the G9 clique. When there was no need to differentiate between the two types of CEOs, or where in the context of the findings it was quite clear that it was a FCEO or NFCEO, the quote was simply attributed to a 'CEO'. Further provisions were made in the coding of data and the labelling of all transcriptions to protect the privacy of the participants. In this process each CEO received a randomly issued code under the two distinct headings of FCEOs and NFCEOs. Each FCEO was coded FCEO (1,2,3,4 or 5) and each NFCEO was coded NFCEO (1,2,3,4,5,6,7,8,9,10,11 or 12). Only the researcher was aware of which CEO received which code. The above outlines comprehensive steps taken to protect the privacy of the CEOs interviewed in this research. It should be noted however that anonymity could not be guaranteed as readers with an in depth understanding of this industry may try to make links to certain individuals or the unions/groups they represent based on the information in the thesis.

Clique Formation

This first component of the research investigates the determinants of clique formation amongst the fourteen Air NZ Cup unions. The research identified three clique types: 1) Super 14 franchises cliques; 2) the Super 14 base union clique; and 3) the G9. The findings of each clique are presented with reference to ‘formation’ with evidence in the form of quotes from the interviewees. Interim conclusions are made regarding the formation of each clique and the chapter concludes with a comprehensive discussion that seeks to reinforce the interim conclusions with the integration of relevant literature.

4.1 Super 14 Franchise Clique Formation

This research collected only a small amount of primary data on the formation of the franchise cliques. None of the Super 14 franchise CEOs interviewed were involved in the formation of the franchise cliques and the decision of the NZRU not to participate in the interviews compromised primary data in this respect. Given the large number of interviews already carried out, the scope of this masters research could not be extended to the more significant historical investigation that would be required to adequately source this information. Therefore some secondary data sources were utilised.

The Super 14 franchise cliques comprised of the provincial unions that are associated with a single Super 14 franchise. Given that there are five Super 14 franchises, there are five franchise cliques. Each franchise is one hundred percent owned by the NZRU. The NZRU contracts five PUs to manage the five franchises on their behalf. These PUs are known as ‘base unions’ or ‘host unions’ and one base union is allocated to manage each franchise of which it is also a member. Partner unions in some cases include both Heartland Championship and Air NZ Cup unions while others include Air NZ Cup unions only. (NZRU, 2008). The focus of analysis in this research is at the Air NZ Cup or premier level of rugby unions. As discussed in the preceding methodology chapter, the partner unions at this premier level are also

referred to in this research as non base unions and G9 unions. The organisations within each of these cliques are outlined in Table 1.

Table 1. Franchise cliques; base union and partner unions

Franchise clique	Air NZ Cup member organisations	
	Base union	Partner unions
Blues	Auckland	Northland, North Harbour
Chiefs	Waikato	Counties Manukau, Bay of Plenty
Hurricanes	Wellington	Manawatu, Hawkes Bay, Taranaki
Crusaders	Canterbury	Tasman
Highlanders	Otago	Southland

In all instances, except for Waikato, the CEO of the base union is also the CEO of the franchise. In the case of Waikato, there is a separate CEO for the Chiefs and a separate CEO for the Waikato Rugby Union. The franchise cliques were established in 1995 as a result of the NZRU being allocated five teams to participate in the SANZAR governed Super 12 competition which had its inaugural year in 1996. The NZRU created an additional tier of rugby over their existing National Provincial Championship to participate in the newly established professional sports league. To achieve this, the NZRU established five franchises, attached all PUs to one of these five franchises and allocated the management of these franchises to one of the partner unions of each franchise. The franchises in broad terms are responsible for managing the franchise team as well as organising and promoting the fixtures of the team via a franchise agreement with the NZRU. The franchise agreement is with each base union or more specifically a management company that is 100% owned by the base union. The NZRU receives an annual franchise fee of \$15,000 per franchise (NZRU, 2008; NZRU, 2010b). A NFCEO provided a straightforward statement regarding the establishment of the franchises: "...really the franchise was set up for one team to win one competition...". This base union receives a management fee from the NZRU to operate the franchise. A FCEO commented: "...we've signed a management

agreement with NZRU to undertake the management of that and the fees we charge are reviewed on a regular basis”. The makeup of each of the franchises has been largely enduring since their inception with the most significant Air NZ Cup level change being the move of North Harbour and Northland from the Chiefs to the Blues franchise and Counties Manukau from the Blues to the Chiefs franchise in 1999 (NZRU, 2008).

There are three noteworthy features of the franchise cliques. The first feature is the instrumental involvement of the FMO in their creation. These are FMO sanctioned cliques. A NFCEO remarked that they were: “...part of the structure that’s put in place by the NZRU”. The second is the formalised nature of these cliques and on going ownership of them by the NZRU. A NFCEO stated “...the Super 14 franchise relationship is much more formalised in that you are part of a franchise...”. Another FCEO referred to the “formal franchise agreement”, whilst another FCEO stated “the Franchise Agreement is really the governing document”. The NZRU franchise structure review discussion document (2008) highlights the advantages of NZRU ownership. Some of these include the central contracting of professional players, the ability to control the franchises’ important role in the development of a successful All Blacks team and to control the integration of high performance rugby with the community game. The third feature is their geographical clustering. Each franchise represents a geographical zone and clique members reside within one of the five strategically developed geographical zones. After the North Harbour, Northland and Counties Manukau realignments outlined above, most members of each clique share union boundaries in a logical geographical manner. Furthermore, there is an even spread of the five franchises throughout the length of New Zealand. This is strongly influenced by the NZRU’s obligation to promote rugby as a game for all New Zealanders (NZRU, 2008).

4.1.1 Interim Conclusions: Super 14 Franchise Clique Formation

A number of propositions with respect to clique formation can be developed. 1) Geographic proximity may be a factor in determining clique composition. 2) the FMO may utilise cliques as a means of achieving stakeholder inclusion. 3) The FMO may be explicitly involved in clique formation of its affiliates. 4) FMO sanctioned cliques

will be more formalised to maintain influence over clique activity. 5) A proliferation in cliques is associated with a significant change in the environment, in this case the introduction of a professional sports league. 5) The FMO will utilise franchises as a means of achieving stakeholder inclusion.

4.2 Super 14 Base Union Clique Formation

The second type of clique is the Super 14 base union clique. This clique is comprised of the five base unions listed in Table 1. This clique emerged when the franchise cliques described in the previous section were established. The provision of management rights for each of the five Super Rugby franchises gave them their commonality or point of mutual interest. A NFCEO statement reflects this situation: “We had five unions which were given franchises by NZ. Those franchises then all of a sudden had their points of interest which were their franchises and they started working together”.

This commonality provided impetus for a formalised exchange agreement between the base unions. A joint signage agreement established by the Super 14 (then Super 12) base unions underpinned the formation of this clique. A NFCEO commented on this arrangement as follows:

There has been, most definitely been a commercial alliance now since the inception of Super Rugby...a classic example of that was signage deals that were done for those five that didn't include the non base unions...so it's well known that there has been at least a commercial alliance for those five.

A FCEO elaborated on the commercial agreements that the franchises and the base unions have between them emphasising the difference between the two:

The franchises do have a number of – they've got a media joint sponsorship. They've also got combined NZ wide Vodafone sponsorship so there are some things we do collectively. But it's not a spin off into Auckland-Waikato-Wellington-Canterbury-Otago. The one thing that those five unions have done

though, collectively, and this is the host PUs, is go into a joint venture on the Union Projects Ltd – the scrolling signage and the event management cameras.

Reflections varied regarding the nature of the interaction between the base unions and the actual existence of the clique. One FCEO acknowledged that interaction exists between these five unions when he says: "...we've certainly had discussions from time to time. They've been a lot around test matches and common interests". The same CEO went on to clarify that their Super 14 interests did not solely drive this interaction. The CEO stated that their interaction was "More to do with other matters because we're a bigger union and we're involved in more things".

In denying the existence of a base union clique, a FCEO argued that the interaction between the franchises should not be confused as collaborative efforts between the base unions:

No, there isn't one. If anyone does they're wrong. It simply doesn't exist. Sometimes we get completely confused here because there is confusion between the host provincial union i.e. Host PU and the franchise. The franchises from time to time have issues that affect the franchises. But there are only five of them. If we are meeting as franchise CEOs to discuss something, that's not a G anything. It's just all the franchise CEOs, not franchise union CEOs getting together. I don't know whether the host provincial union CEOs, same people but wearing a different hat have ever met to talk about provincial union stuff as a kind of a balance to G9. Franchises have issues, but it's all of them. No split, no clique no nothing. There is no such thing as a G5.

Another FCEO did however state that this group of unions have had discussions around provincial union matters:

We have had meetings around competition structures saying look 14's too many, which most people, including the G9, now accept. That we've got to have the best playing the best...If you go back to 2005 or 4 when the competition's review happened, the meetings were...some elements of that

five would've considered breaking away and my union became a voice of reason in that and probably if my union had decided to go with PU X and PU Y at that time it could've been...or finding another option. It got quite close to that.

Despite the efforts to clearly articulate differences between franchise and base union collaborations a number of NFCEO's were equally convinced that they are a definable group:

Of course they are. They have a business together that sells that signage so of course they're a group. That's just a crock. Again that's just them trying to say they are not. The thing is you see their commercial managers and their CEOs get together basically monthly with NZ Rugby.

The denial of the existence of base union clique is premised upon the absence of any deliberate collaborative efforts between the base unions to do with provincial union matters. Whilst it may occur only very rarely, it is apparent that non Super Rugby issues have been discussed by the group. At the very least, the Super 14 relationships are likely to lead to increased familiarity between the CEOs and other executive staff, which can only provide a platform for closer base union interaction. There is no denying that the Super 14 base unions have a 'mutual connection' and have established cooperative ties via a signage agreement. The resulting subset of five unions is consistent with the academic description of a clique i.e. a distinct region in a network of firms with interconnections among firms that are stronger than in other regions of the network (Wasserman & Faust, 1994). The joint signage agreement between the five unions is illustrative of a clique in this sense.

The primary determinant of clique formation in this instance is improved commercial outcomes through a joint signage alliance. The clique also appears to have engaged in modest levels of knowledge sharing around common areas of interest and there was also evidence of a political dimension in so far as the group discussed the structure of provincial rugby competitions. These final two dimensions however are inconclusive.

4.2.1 Interim Conclusions: Super 14 Base Union Clique Formation

A number of propositions with respect to clique formation can be proposed based on this identified clique. 1) The allocation of a common responsibility, role or status to a select group of organisations within a federated network by the FMO can create a group with interests distinct from the other organisations. This mutual connection and commonality may lead to the establishment of stronger ties and the development of a clique. 2) Core motives such as maximum commercial return and enhanced commercial sustainability through the combination of resources may underpin the establishment of a clique. 3) Clique existence may be contested or debated within a network. 4) The term ‘clique’ conveys negative connotations.

4.3 G9 Clique Formation

The third clique that has been identified is the G9. This clique is comprised of the nine unions that do not manage a Super 14 franchise. The data analysis reveals three core motives for the formation of the G9: 1) Commercial sustainability; 2) A desire for enhanced organisational learning, knowledge sharing and the acquisition of best practice; and 3) Improved political influence or collective lobbying by the non-Super 14 base unions. This was the desire to influence NZRU policy on key issues and in particular the perceived inequities between Super 14 base unions and non base unions. Furthermore and inherently linked to the commercial sustainability motive is the concept of a ‘mimetic counter response’. This concept emerged from the data and is evident because the G9 (then G5) was initially established in response to the five base unions establishing their own signage agreement (that did not include the five non-Super 14 base unions). This mimetic counter response reflected the desire not be ‘left out’ by the non-Super 14 base unions and to essentially follow suit with their own collective signage agreement. In essence, there is evidence to suggest that the G9 in its conception stage was a ‘reactionary clique’ to the clique that was established by the five Super 14 base unions. The following provides a more detailed explanation of the above with evidence from the data to support the explanations.

The G9 was established in approximately 1997 during the second year of Super Rugby. At that time there were five Super 14 (then Super 12) base unions and five

non-Super 14 base unions that were competing in Division One of a three division Air NZ NPC. The G9, therefore, was originally known as G5. The formation of the clique was initially in response to the five Super 14 base unions establishing the signage agreement discussed earlier. This agreement was with a company called Super Sport. Prior to this, all NPC signage had been managed by Carnegie Sports on behalf of all ten of the Division One unions. This prompted the remaining five non base unions to pool their signage properties and enter into an agreement with Carnegie Sports to sell and manage the signage on their behalf. The following quote provides an historical account of the formation of the G9 and in doing so also emphasises both the mimetic counter response and the commercial motive:

It started off as the G5 about ten years ago...In about the second year of Super Rugby – all the signage of the Super Rugby and the Air NZ Cup was done by Carnegie Sports which Grant Fox was a shareholder at that stage and the franchises sold both theirs and the five PUs to Super Sport ...and left us out the wings. It cost us about 90 grand a year. So what happened was Foxy put a deal together with myself and a couple of others at the time to continue on with NZ Rugby and the five PUs that weren't Super franchises or Super Rugby bases and he continued with selling signage for our group and so we had a joint contract with the five unions and Foxy and then that followed on and so that was a beneficial commercial arrangement for all five of us and then when four more teams got included, we rolled out that out with Carnegie to ensure it included the other four as well and that I suppose the initial start of the G9 came about because we needed to sign a commercial deal which would be beneficial to the new guys coming in and from there things just flowed.

4.3.1 Mimetic Counter Response: The G9

While respondents in the interviews articulated the commercial, organisational learning and political motives for forming the G9, the mimetic counter response concept which suggests the G9 (or G5 as it was then) was initially a 'reactionary clique' emerged from the data rather than being overtly stated. In the first instance there appeared to be concern on being left out from the base union signage agreement as indicated by the following quote: "...they started working together on those things

and then that evolved into working on other things and so the people that were left behind in those days which was just five of us...”. This non inclusion in the base union signage agreement was perceived to put the five non base unions at a disadvantage: “We were at a significant disadvantage because the other five had a well formed, well established and very effective commercial alliance that didn’t include the G9 unions...”. Therefore the counter response by those left out was to follow suit and establish their own arrangement in a similar vein to the base unions. Hence the ‘mimetic’ element to this response:

Well hey, if these five unions are doing these common things together; essentially around Super Rugby but had some flow-on benefits to their respective PUs. Then it was probably worthwhile the remaining nine getting together and see whether there were some benefits in terms of working together primarily around sponsorship and revenue generation...

4.3.2 Commercial Sustainability: The G9

The commercial sustainability determinant was manifested in a desire for increased revenues and increased efficiency. The joint signage agreement with Carnegie Sport as a response to the base union signage agreement defined G9 clique membership in its earliest days. One NFCEO commented: “To go backwards I suppose the G9 obviously was established as a commercial alliance”. This combined approach was deemed to generate greater returns for individual unions compared to ‘going it alone’ with their own properties. This is explained by a NFCEO: “The key thing that glued it together was commercial opportunities across the nine because we were finding that we were struggling to get good values for properties on our own”. Further to this, the combined commercial strength of the non base unions was important to counterbalance the strength of the five Super 14 base unions. The following NFCEO statement supports this view and in doing so links the commercial benefit with increased influence: “I think the initial concept of the G9 was very clear; that it was to progress the commercial direction of those unions. It didn’t have the clout and the leverage that Super 14 unions had”.

4.3.3 Organisational Learning and Knowledge Sharing: The G9

The G9 also emerged from a desire for enhanced organisational learning, knowledge sharing and the acquisition of best practice. The establishment of five, Super 14 base unions resulted in distinctive differences in terms of needs and resourcing between the two groups. As one NFCEO suggested, “G9 was set up as a group of people, a group of unions who had likeness in terms of needs. We have clear, distinctive differences from the five franchise-based unions particularly in terms of resourcing”. The following quote also reinforces this point emphasising the vast difference between the two groups: “...the differences between hosting and not hosting Super 14 is moon beams... they are just in a whole different league”. Non base unions quickly recognised the widening gap between the base unions and the non base unions and the commonality of issues affecting the non base unions. This prompted a desire to pursue knowledge and best practice from other non base unions. Another NFCEO described the knowledge sharing element to the G9:

The third reason would be around best practice...sharing of ideas and all the nine unions share some real issues around sustainability, viability-financially, high performance issues, in terms of recruitment and being able to...given the role of the franchises play being able to access good players...so all those sorts of things...being able to throw around in a forum were also really beneficial.

After acknowledging the superior resource of the ‘big five’, one NFCEO asserted that the non base unions “have to work a little smarter and try and keep up...the collective experience and knowledge of the G9 works well for us”. Participants also spoke of the support and guidance they had received from the other non base union CEOs when appointed to their CEO positions. It was evident that the G9 was able to provide a vehicle with which to assist with the induction and up skilling of new CEOs. The following two quotes support this:

When I first started back in...there was very little contact at all. The only contact really was informal relationships that I had with other CEOs – very

lonely role. There was no CEO induction; NZRU induction. We were basically just thrown in there and away you went.

I've been to a couple of meetings in recent times, and I feel comfortable now that I would go back to any of my G9 colleagues, any one of them, if not all of them and be fairly open with what I can and can't say to them. We've obviously got our commercial differences and some information that we probably wouldn't share but everyone of them has said to me if you've got any problems, give us a call. It's a supportive mechanism.

There was also an acknowledgement from participants that the rugby environment is unique and has undergone considerable change particularly with the establishment of the new Air NZ Cup in 2006. Add to this the high turnover of CEOs at G9 level and the G9 as a knowledge sharing mechanism becomes very important:

But the thing is that there's been so much change even in the three years, CEO turnover in those three years has been phenomenal really and is actually another reason why the businesses as units I think struggle because it takes a year to 18 months to really hook into the business...

4.3.4 Collective Lobbying and Political Influence: The G9

Members of the G9 were also motivated by a desire for improved political influence or collective lobbying. This motive reflects the desire of the G9 to influence, or at least bring to the attention of the NZRU, matters of mutual interest including key issues and concerns of the group. Central to the G9 concerns were the perceived inequities between the base unions and the G9 unions and the competitive advantage provided to each base union as a result of managing a Super Rugby franchise. These issues were described as "not little advantages...they certainly still exist and they are significant, which creates a major imbalance". This issue is elaborated more fully in this statement by a NFCEO:

...in the early days it was pretty much all but the Chiefs, were achieving very good financial results and the provincial unions that were hosting a franchise

had incredible benefits with that. They ended up with staffs that trebled over a few years, they ended up with reserves – millions and millions of dollars worth of reserves all on the back of profits their franchises were making. On top of that they also managed to get all the players. They were basically hoarding players...So those were the main things that were having huge impacts on us trying to build or develop our businesses.

There are also perceptions by some G9 members that the base unions act in the best interest of the base union and the lack of independent management of the franchises is at the core of this problem. A NFCEO stated: "...the model's fraught because we've seen the manipulation of the rules and people have leveraged their hosting position to benefit their PU. It's a poor structure" and "...it's a challenge for NZ Rugby and an important one to get right that the structures are more independent so that host union PUs aren't leveraging benefits back to themselves...you know... propping themselves up".

There is also a perception by some NFCEOs that the NZRU has inadequately addressed the imbalances. Sentiments range from not acting at all, "Well there's been no moves whatsoever [by the NZRU] to date to alter that imbalance" to avoidance "I think to a large extent the NZRU have turned a bit of a blind eye to it".

In line with the above perceptions of the NFCEOs regarding advantages that the franchise base unions have compared to the non base unions, it is important to understand perceptions of the FCEOs with reference to this issue. In the first instance it appears that some FCEOs are aware of these sentiments and that whilst acknowledging that there are advantages, such perceptions are a source of ongoing frustration. The following quote supports this point:

...The one thing that continues to stagger me and I get tired of the accusations of how much my PU benefits perhaps even unfairly from its management role of the franchise...And so that becomes a continual frustration in our environment. And equally we have a whole range of relationships between my PU and the franchise that from time to time require managing in and around opportunities, responsibilities and obligations and contractual rights that if you

didn't have a franchise you wouldn't be worried about trying to manage them. So there is a lot more advantages in our relationship than disadvantages but it requires a lot of work to keep it together.

There is also an acknowledgement by some FCEOs that there are five franchises and they need to be managed by someone and that to totally separate out the management of these franchises from the unions in a truly independent manner makes no economic sense at all particularly in the challenging economic environment that exists. These sentiments are demonstrated in the following FCEO quote:

...there are franchises, they have to be managed, and the kind of the attitude from some of the G9, maybe all of them is well because there is an advantage to the host union, they should be completely separate, completely misses the point in that it is such an unnecessary level of administration that would be required. There is no room for two in this town anyway, particularly in the economy...

A NFCEO reflects on a more independent option and also highlights the cost issue as well as a concern that a totally independent model may result in the total separation and loss of control of Super Rugby from the stake holder member unions.

...yeah I mean there's points for and against, and obviously one of the negatives to having separate structures is in the past it's always been raised that you've then got to have separate staffing structures, you've got have separate this, separate that, which adds cost ...but yeah there's a school of thought that some independence from the host franchise would be useful; having said that of course, how do you fully staff it, structure it etc as completely independent and we wouldn't want the partner unions as a group to lose control of the franchise because then you've got a whole chunk of rugby that's alienated potentially from another chunk of rugby.

Further to the above, another FCEO suggested that the dominance of the base unions is related to their population base and all of its related factors:...“it's got an education, it's got a university, it's got lots of opportunities and it's an exciting, dynamic place

for young people to live so it's always going to attract..." and: "Cities are always going to be stronger than provinces... So nothing's changed...professional or not...nothing's changed and how are you going to distort that. The only way you can distort it is to...force players away from their home into the other areas..."

Lastly it was emphasised that that base unions (and/or their local governing bodies) have invested significantly in stadia and it is the base union (not the franchise) that has the rights to the stadia and there is a desire to generate return on investment. Therefore there is an inherent need to get a return on such investment for the base union and the city. The following quotes provide evidence of these points: "...my PU city, or my PU, invested in a stadium that's capable of doing that, so there has to be a pay back".

...Just because the franchise get bigger crowds, they can't play at the stadium without my PU's say so because my PU has got the agreement to access it. So my PU's got some rights that the franchise has to accept regardless whether anyone says it's fair or anything else. It's just the way it is...

With regard to the above issues and concerns, there was a realisation by non base unions that lone efforts to influence policy would be largely ineffective and that like the commercial sustainability motive, the strength of the non base voice would be more powerful if combined. One CEO explained it as a case of "When you've got some disquiet around such a significant issue around funding, people tend to flock together. You know...human nature I think." Another explained, "we wanted to bring those to the attention of NZRU as a group rather than previously we tried to as individuals. And it was quite easy to sort of cut us off ...and just dumb down any sort of feeling or momentum that might be going ..." and "...as individuals we seemed to be able to get picked off and so we decided that it was worth getting together...to cooperate to compete really...We felt that as five we had more influence than just as one".

4.3.5 Interim Conclusions: G9 Formation

A number of propositions with respect to determinants of clique formation can be proposed based on the G9 clique. 1) Commercial sustainability, knowledge sharing and political influence are all potential determinants of clique formation. 2) Cliques may be established in response to another clique's establishment. These reactionary cliques may be mimetic at two levels – the establishment of a clique and the establishment of a clique with the same purpose (i.e. a 'mimetic counter response'). 3) In federated networks, cliques may form to collectively lobby and influence the FMO when they believe there is an unequal flow of resources within the network to a select group of organisations within the network. 4) Cliques will seek influence policy collectively to address such inequities particularly after individual policy influencing efforts have failed.

4.4 Discussion: Clique Formation

The review of literature demonstrated that the pursuit of collective interests by a subset of a sports league's affiliates is not well understood. This research challenges the assumption that federation affiliates either operate independently of other affiliates or as a total collective and that interaction is co-ordinated only by the FMO.

The findings presented in this section provide evidence that cliques do exist within the federated network of premier rugby unions in New Zealand. These are; 1) the Super 14 franchise cliques; 2) a Super 14 base union clique; and 3) the G9 clique. The determinants of clique formation vary from clique to clique and consistent with Oliver (1990), a number of integrated determinants have contributed to the establishment of these cliques. This discussion will therefore seek to explain the formation of the three cliques utilising Oliver's (1990) determinants of IORs. Other relevant research will also be incorporated to further explain the findings. This process will assist to both reinforce the interim conclusions made with regard to each clique as well as highlight areas for future investigation. Lastly new concepts that emerged from the findings will also be discussed accordingly.

Provan and Kenis (2008) suggest that networks may be self initiated by network members themselves or they may be mandated and cliques may also be viewed as networks within networks (Provan & Sebastian, 1998). In this study the franchise cliques were mandated and the base union and the G9 cliques were member initiated. In traditional federated network structures, interaction between firms or affiliates is predominantly facilitated by the FMO (Provan, 1983). It is therefore perhaps no surprise that the first type of cliques identified, the Super 14 franchise cliques and the first of the three to be established was both orchestrated and sanctioned by the NZRU. This is consistent with the conclusion that the FMO may be directly involved in the clique formation of its affiliates and illustrates Oliver's (1990) determinant of necessity. In the case of the franchise cliques, the affiliates were allocated to formally established cliques as part of a structure that was 'put in place' by the NZRU. The other closely related determinant to the formation of the Super 14 franchise cliques is asymmetry. In this case, the allocation of a base union to manage each franchise on behalf of the NZRU via a formalised franchise agreement ensured ongoing ownership of the franchises, and therefore professional rugby, by the FMO. The 'asymmetry' determinant is integral to the conclusion that FMO sanctioned cliques will be more formalised to maintain influence over clique activity. Formation of the franchise cliques was deliberate and formal and was underpinned by legally binding Franchise agreements as opposed to a more organic process that may be associated with member initiated cliques.

Each franchise consists of logical geographical groupings of neighbouring provincial unions and hence an interim conclusion was made that geographical proximity may indeed be a determining factor in clique composition. This is consistent with Rowley et al., (2005) who suggest that cliques are common in many industries with the presence of locally clustered cliques of organisations with closely established ties. The determinant of efficiency is at play here. This proximity would decrease critical management and operational costs for each franchise clique compared to trying to logistically manage the integration of a number of geographically diverse member unions. Primary data in the form of NZRU justifications of geographical proximity and secondary data with reference to the determinant of efficiency is lacking and therefore this aspect of the discussion is suggestive only. The even distribution of franchises is not closely linked to any one determinant. It is however underpinned by

the stakeholder approach (Freeman, 1984). When referring to this theoretical paradigm, Barringer and Harrison (2000) suggest that organisations adopt this approach when they are at the centre of a network of stakeholders and have a responsibility to consider these stakeholders when making decisions around IORs. The NZRU has clearly articulated its mandate to make the game available to all New Zealanders (NZRU,2008) and this even spread of franchises does clearly provide for maximum stakeholder involvement and participation. Therefore the conclusion that the FMO will use cliques as a form of inclusion is highly plausible.

As the discussion moves from mandated clique formation of the franchise cliques to member initiated establishment of the base union and G9 cliques, it is appropriate to highlight the stability determinant and the significant role it has played in the development of all three cliques. Central to this determinant is the desire for organisations to establish IORs in order to reduce environmental uncertainty. This research has demonstrated a series of significant changes in the operating environment of the FMO and affiliate unions causing instability and uncertainty resulting in the subsequent formation of interorganisational cliques. The first significant change was the sport of Rugby Union turning professional. This was a significant change to the previously amateur environment in which these organisations had been operating in for over one hundred years prior. It is highly likely this change would have created a degree of uncertainty for both the FMO and its affiliate members, the NZRU and its provincial unions. The NZRU in creating these formalised and largely enduring clique structures may well have been seeking to decrease uncertainty and provide an element of continuity and predictability within this new environment which was essentially uncharted territory. In the absence of primary data from the NZRU, this point is simply an assumption. What is more certain however, is that had the sport of Rugby Union not turned professional and the amateur environment remained unchanged, the franchise cliques would most likely not have been established.

Another critical change to the operating environment was the allocation of the management responsibility of each of the franchises to the five base unions. This additional role responsibility contributed to the formation of the base union clique that is underpinned by a signage agreement between them. Again, it is highly unlikely that

these five unions would have formed a relationship to the extent they have without the allocation of this management role. The relationship established by the base unions and the decision by them to break away from the previous 'all of Division One approach to managing signage' in turn created considerable uncertainty for the non base unions who were 'left out of this new signage alliance'. This group of non base unions responded by forming a new clique in the G5 which was then to become the G9 with the introduction of the Air NZ Cup and the addition of four unions to the premier network. This new Air NZ Cup competition created more environmental change and uncertainty (particularly for the new entrants) therefore elevating the importance of knowledge sharing within the G9 clique. With the above in mind there is no doubt that uncertainty reduction and the quest for stability has played a role in the formation of cliques in this research. This is consistent with prior research of Gulati and Gargiulo (1999) and Babiak (2007) who suggest that uncertainty reduction is one of the most important considerations for the formation of IORs. It is therefore fair to conclude that a proliferation in cliques is indeed associated with significant changes in the environment.

In contrast to the mandated nature of the Super 14 cliques with the direct involvement of the FMO, the other two highlighted cliques, the base union clique and the G9, formed independently of the FMO. The allocation of the management role of a Super 14 franchise to five unions by the FMO did however create a group with interests distinct from the others within the network. This mutual connection and commonality led to the establishment of stronger ties and in particular the subsequent formation of a joint signage agreement to maximise the commercial return from their signage properties. The G9, in response to the base unions establishing their signage agreement, also established their own signage agreement. These signage agreements reflect the desire of both cliques to achieve enhanced commercial sustainability and illustrates Oliver's (1990) determinants of stability, reciprocity and efficiency. In this instance, the determinant of stability is extended from the above discussion in that the signage agreements aimed to achieve orderly and reliable returns for members from their signage properties as a result of the established IOR. Reciprocity is evident in the desire of the clique members to cooperate in order to achieve mutually beneficial 'commercial' goals and that such returns would not be achieved without this coordinated collaborative approach to signage. Lastly, the determinant of efficiency is

prevalent in that the pooling of signage properties and contracting an organisation to manage and sell these properties on behalf of the clique essentially reduces transaction and labour costs making the process more efficient and seamless for all parties. The above discussion reinforces the conclusion that the motive for enhanced commercial return and commercial sustainability via the combination of resources may underpin the establishment of a clique.

Further reinforcing Oliver's (1990) assertion that a number of integrated determinants serve to explain the formation of IORs, the two further G9 motives of knowledge sharing and political influence are also linked to the reciprocity determinant, while the asymmetry determinant is linked to the political influence motive. In the first instance, the reciprocity determinant was evident with the collaborative and mutually beneficial exchange of knowledge that served to enhance both the individual and collective knowledge of the G9. In this case, the resource of knowledge was critical in the complex and rapidly changing New Zealand Rugby environment. This coupled with the high turnover of personnel meant that the resource of knowledge carried a high value and the G9 provided an ideal vehicle for members to acquire and exchange this resource. It is also apparent that a commonality of needs of clique members relative to operating environment was essential for the meaningful exchange of knowledge to occur. The new and inexperienced members in particular were highly dependent on this clique for access to the important knowledge resource. This research has demonstrated that organisational learning, knowledge sharing and the acquisition of best practice is a motivating factor for clique formation.

In the second instance, the reciprocity determinant is also evident with the political influence and collective lobbying motive of the G9. This determinant is central to the conclusion that cliques will seek to influence policy collectively particularly after individual policy influencing efforts have failed. In the case of the G9, members believe that a coordinated and cooperative approach to influence FMO policy is likely to achieve greater results than that which could be achieved by individual unions. Furthermore, the asymmetry determinant is at the core of this political influence motive. Provan (1983) suggests that the FMO acts on behalf of its affiliates and that a key role of the FMO is to mitigate uncertainty and manage the flow of resources within the network. In the case of the G9, affiliates sought to collectively lobby and

influence the FMO when they perceived there was an unequal flow of resources within the network. In particular, the flow of benefits to a select group of organisations within the network as a result of the franchise management role they assume. Therefore it is fair to conclude that in federated networks cliques may form to collectively lobby and influence the FMO when they believe there is an unequal flow of resources within the network to a select group of organisations within the network.

Another finding worthy of discussion is the concept of a ‘mimetic counter response’ in that the G9 (then G5) was initially formed as a response to being left out of the initial signage agreement of the base union clique. The response of the remaining unions was to follow suit and develop their own signage agreement. Whilst it is inherently linked to the commercial sustainability motive it may also be explained utilising Oliver’s (1990) determinant of legitimacy. This determinant suggests that firms may participate in IORs in order to appear more legitimate. While legitimacy was clearly not the sole driving factor it may have played a role as the five non base unions responded by forming their own ‘legitimate’ commercial alliance in response to the base union signage arrangement. It should be noted, however, that the remaining unions did not ‘blindly’ copy or mimic the base unions. These unions were very aware of how to manage their signage properties and had been doing so for some time prior as a group of ten unions. The term mimic is primarily used in the sense the non base unions followed suit with their own commercial arrangement for the same overarching reasons as the base unions. This however may not preclude ‘blind faith’ copying from occurring in future investigations of this concept within other networks in another context.

The concept of a mimetic counter response does pave the way for new concepts in network and clique literature with respect to ‘primary’ and ‘reactionary’ cliques. In this instance it was the establishment of one clique (the base union clique) as the primary clique that prompted the establishment of a reactionary clique in the G9. In a mathematical analogy, within the first whole set (or network), a subset was established by the five base unions (the base union clique). The remaining organisations responded by developing a ‘complementary’ subset (the G9 clique). To simply flounder as a group of individual organisations within the network did not appear to be an option. With this in mind, it is fair to conclude that cliques may form

in response to another clique's establishment. These reactionary cliques may be mimetic at two levels – the establishment of a clique and the establishment of a clique with the same purpose (i.e. a 'mimetic counter response'). This is an area that would benefit from further investigation and in particular whether the formation or establishment of a clique within a network will lead to the establishment of further clique(s) in a 'domino like' manner?

Two further interim conclusions from this research, that may be related, warrant discussion and would benefit from further investigation. These are: 1) Clique existence may be contested within a network; and 2) The term 'clique' conveys negative connotations. With respect to the former, the franchise cliques and the G9 clique are both recognised and acknowledged by members and non members. The base union clique, on the other hand is acknowledged by G9 members (non base unions) but largely not acknowledged and/or its existence is contested by some base unions. Base union members do acknowledge the signage alliance, however they emphasise that their interaction is infrequent and centres around common areas of interest that are less relevant to most G9 members such as franchise rugby issues and test match hosting. Therefore this does not warrant the label of a clique or indeed prove the existence of one. Whilst a related concept of the 'legitimacy of the clique as a form of organising' will be discussed in the impacts section and may serve to elaborate on this interesting scenario, more focused future research could add to an understanding of these two issues. In particular, an examination of: 1) Managers' definitions of a clique; 2) Perceptions around the type of activity with which cliques are usually involved; 3) The extent to which primary cliques (or first mover cliques) do or do not name or acknowledge themselves as cliques in comparison to reactionary cliques; 4) The extent to which groups of organisations that have been allocated a unique role or status in a network; a) interact at a level that is greater than would otherwise have happened without that role, b) justify such interaction and c) formalise the interaction by establishing and naming a clique.

In summary, the findings demonstrate that cliques may be established within federated networks. On the one hand the FMO may be explicitly involved in the establishment of these cliques and in this instance such cliques are likely to assume a very formal structure with the FMO retaining ownership of and influence over the

cliques. Geographical proximity is likely to influence clique composition for efficiency reasons and the FMO may utilise cliques as a means of achieving stakeholder inclusion. On the other hand organisations themselves may establish cliques in order to achieve commercial, knowledge sharing and political goals. Mutual connection via a commonality of needs, status or roles may lead to the establishment of stronger ties within the network and subsequent clique formation.

All six of Oliver's (1990) determinants of IORs were apparent in this research. The necessity determinant was present in the mandated clique. The stability and efficiency determinants were present in all three cliques whilst the reciprocity determinant was present in both member initiated cliques. The stability determinant reflected clique formation in response to a series of significant environmental changes. Organisations responded by establishing cliques in order to reduce uncertainty and also to create reliable and orderly resource flows in the form of knowledge and financial returns from commercial properties such as signage. The desire to improve the production input output ratio by reducing costs and increasing revenue through signage agreements influenced clique formation and is reflective of the efficiency determinant. The reciprocity determinant was also strong emphasising that a collaborative approach was necessary to achieve mutually beneficial commercial, knowledge sharing and political goals. Such goals were not as achievable to the individual organisations operating on their own. Therefore a relatively high degree of interdependence between the organisations contributed to the formation of cliques in this research. This is consistent with Babiak (2007) who also highlighted interdependence as an important factor in IOR formation. Gulati and Gargulio (1999) also emphasised the importance of interdependence and explained that this is underpinned by resource procurement and uncertainty reduction. Both are relevant in this research, particularly uncertainty reduction. Furthermore, the determinant of legitimacy is integral to the new concepts of 'primary' and 'reactive cliques'. These concepts contribute to this body of knowledge and warrant further examination. Finally, this research has also proposed that clique existence may be contested or debated and that the term clique carries negative connotations. These assertions too would benefit from further examination.

Clique Processes

This chapter presents and then discusses the findings related to the clique processes. The chapter utilises a priori notions or categories from the literature review to guide the investigation and subsequent analysis. These categories are governance, member inclusion and decision making, interpartner legitimacy and cooperation. Not all sections utilise all four categories. For example, only governance is utilised in the Super 14 base union clique section. This is because of data paucity - the existence of the Super 14 base union clique was denied by some and debated by others. Therefore it was not pursued in the same manner throughout the interviews as for the G9 and the Super 14 franchise cliques. In contrast, cooperation was a significant category within the Super 14 franchise cliques and because of this a number of sub headings were established to reflect the themes in the data. A political dimension was also strong in the G9 and therefore a separate category was established to reflect the G9's political processes. A new concept; tiers within cliques, emerged from the base union and the G9 data and was also added. A theme within the inclusion and decision making category of supra-ordinate goals also emerged within the G9 findings.

The processes of each of the three identified cliques - Super 14 franchise cliques, the Super 14 base union clique and the G9 - are presented in turn with interim conclusions made end of each section. A comprehensive discussion completes the chapter in which key elements of the findings, including interim conclusions, are discussed with reference to the extant literature.

5.1 Super 14 Franchise Clique Processes

5.1.1 Governance: Super 14 Franchise Cliques

The Super 14 franchises are one hundred percent owned by the NZRU. A provincial union is contracted to manage each franchise. This is known as the base union. The franchise agreement, as discussed by a FCEO, is essentially the governing document: "Yeah there's a franchise agreement and a constitution of the company. The franchise

agreement is really the governing document and then my union has a management agreement with the franchise to run it”.

Each Super 14 franchise has a board of seven directors. Two directors are appointed by the base union, two by the non base unions and three independent directors are appointed by the NZRU in consultation with the franchise provincial unions. The independent provincial unions are accountable to the NZRU (NZRU, 2008). A FCEO explained the board make up as follows: “There are three independents. There are two from my union because of the size of my union and there are two directors that represent the other provincial unions within the franchise. So there is a board of seven”.

There is a voting process for board membership and it appears that the non base provincial union allocation of board members is usually taken by the Chairmen of those respective unions. A NFCEO explained this process:

There’s a voting process, I think XG9 union at the moment, their Chairman’s on the board; there are two or three categories of directors, and there’s some independence on there. There’s the host union which has of right has I think two members on there; the non-Air New Zealand Cup unions, have as of right somebody on there; and then Air New Zealand Cup unions have as of right somebody on there and at this stage, the representation from our level of the game, for want of a better term, is the chairman of the XG9 union – but not that my union doesn’t have the opportunity, it’s just that we currently don’t have anybody on there.

There are however exceptions to the above scenario with franchise board allocated positions being taken up by a G9 CEO or by a G9 union board member. This is represented by the following NFCEO quote and suggests the ability of the G9 union to also allocate its position to an independent person:

From our perspective we put an independent person on the S14 board; we don’t actually put one of our board members just because it wears them out. We used to have the chairman on and I was actually there in the initial

stages...you burn people out... I don't even know how many are on there any more, one person against five or whatever it is. Its bloody hard work, they are batting on behalf of us.

The above quote also suggests that there are, or at least have been issues or tensions at governance level regarding the balance of power within each board between G9 and base union representatives. This is further reinforced by the following FCEO quote which, whilst it was said 'tongue in cheek', does indicate that 'historical rivalries' can be difficult to overcome at board level:

The issue, from my observation between the unions, is not at the paid staff level, like they actually get it...it's often at the board level, and you know I say this flippantly, you know we've got 65 year old, white, middle class males who hate each other's guts...*have done forever...*

There is also evidence that the political environment within some franchise boardrooms is harmonious. This is supported by the following NFCEO quote: "They don't get into politics as far as I've seen...on the face of it...there's not any conflict between members of the G9 and non members".

The boards do appear to meet approximately six weekly: "Yeah the board meets nine times a year. So every six weeks". There are indications that some Super 14 franchise board meetings are also attended by the member union CEOs who are not board members. NFCEO provided an account of this: "...our Chairman generally attends, he is one of the members, but the Chief Executives usually attend as well".

Given the more prescriptive nature of the franchises and the NZRU ownership, it is apparent that the ability of the boards to initiate any real 'strategic thinking' is limited. The following FCEO quote elaborated on this:

One of the failings of the system I think is that you attract better people on franchise boards but they've got less to do. It's effectively a budget-checking thing where as everything is more or less centrally controlled because the NZRU owns the franchise so effectively we set a budget and we tick it off. We

talk about how they're playing but there isn't really any strategic stuff to do which is probably a failing of the central system.

These sentiments are in part supported by a NFCEO: "The ones that I've attended, to be honest, are very much operational board meetings". As well as this formalised governance structure, the CEO's of each union within each franchise appear to meet independently of the board through out the year as the following CEO explained: "The CEOs have met on three or four occasions this year on various issues. There's not a formalised meeting process but particularly through player transfers and things we meet probably three times to discuss those issues".

The CEO of the base union is ultimately responsible for managing the franchise and reporting to the franchise board. There are concerns by some NFCEOs that it is difficult to wear two hats make decisions for the franchise independently of the base union. The following NFCEO quote suggested that the Franchise CEO is influenced by the franchise board which is weighted in favour of the base union:

They all have the same CEO except for Waikato and that only happened in the last year. They are all run by the CEO of the base union. They are all basically controlled by the boards; no...control is the wrong word...they are very easily influenced by the dominant [provincial union]. Not controlled because obviously the way the board is set up, but they are very heavily influenced.

With the above in mind, there is a strong feeling by some G9 CEOs that the CEO of the franchise should be independent from the CEO of the base union. The following NFCEO quote supported this:

For me a lot of this comes down to the leadership within the structure. Within the franchise you've got a formal leadership structure in terms of a board that manages that. Unfortunately I suppose with the current structure, in a franchise you've got a CEO who has two different, should be, two different areas of clear responsibility.

It is noteworthy that the Chiefs Super 14 franchise has opted for a separate CEO from the Waikato Rugby Union which has their own CEO. Ideally, a separate case study approach could be applied to this structure and the interview process did cover this in detail with the relevant individuals. It has however been conceded that given the space limitations of this thesis, adequate coverage could not be given to this topic and that there is potentially room for a more dedicated coverage and analysis of the Chiefs' independent structure in the future. The Chiefs are however included with the other four franchises in all elements of this research.

With respect to the governance and leadership structure of the Super 14 franchises there are perceptions by some NFCEOs that some Super 14 franchise CEOs are taking a 'whole of franchise' perspective as indicated below:

We thought at least the person would be thinking what's best for the region rather than what's best for the franchise base union. To be fair to the guy we've got at the moment does think that...he seems to me he is always thinking about the franchise thing but then in saying that he works for a board – and one of them is the PU board they couldn't give a toss about anything else besides the PU which is their job.

5.1.2 Member Inclusion and Decision Making: Super 14 Franchise Cliques

This category reflects the nature and level of member inclusion within each clique, which as emphasised in the review of literature, is often a key tension within the various modes of governance, particularly lead-organisation governed networks. Inclusion encompasses the ability of members to have input into the decision making processes of the clique. It is also the extent to which members are able to participate in the negotiation and debate that may take place prior to key decisions being made. It has been explained in the governance section that input at board level into 'strategy' is limited due to the NZRU's ownership of the franchises. Further to this, when a G9 union does not have a representative on the franchise board (because there may be, for example, only one G9 board position available and more than one G9 member in the franchise) there is a sense of separation from the franchise and in essence no opportunity to contribute at all. This is supported by the following NFCEO quote:

...you're largely removed from what happens in the Super 14 X franchise in terms of the decision making process. I mean my union for example doesn't have a direct representative as a board member and we therefore don't sit round the board table and have a direct input.

Further to the above, and as highlighted in the governance section, there is an indication from one NFCEO that the inability to make a contribution due to the structure of the franchise's boards, has resulted in the voluntary withdrawal from the governance process. More of the quote has been included to emphasise that this union does make an effort on the more 'operational issue' of getting their players represented in the franchise team.

From our perspective we put an independent person on the S14 board... And so what we do is we don't have a hell of lot to do with the franchise to be fair and we've got a lot of players in obviously and we do our best to make sure that they you know, we get as many players in there as we can.

There is also evidence to suggest that whilst this NFCEO acknowledges they are part of the franchise, they don't feel a strong affiliation to the entity:

I don't know if we would say that we are not part of the franchise...we acknowledge we are part of it because we are a member union...but we don't feel strongly aligned to the aspirations and/or emotions that should be attached with being aligned to a sporting team.

The following NFCEO quote does suggest that more recently, his union has become more involved in the franchise to which he belongs:

I think it's improving. Again historically the anecdotal evidence that you hear from staff here and directors who have been involved for a period, is that it's not always been particularly cooperative. My union...you get the feeling that my union has not been included...was being run with very much a Super 14 union focus. I think I've certainly seen a change since I've become involved...and there seems to be certainly a more inclusive policy coming out

of it. Yeah hopefully...yeah relationships may have been a bit strained over the years but I think they're improving.

5.1.3 Interpartner Legitimacy: Super 14 Franchise Cliques

Kumar and Das (2000) define interpartner legitimacy as the extent to which members of a group perceive each other as being legitimate, competent members who warrant or deserve their status in the IOR. They suggest that if member firms believe their partners are legitimate they are more likely to enter into a relationship with a cooperative mind set. Therefore the degree of interpartner legitimacy within a group, clique or network has a significant influence on the degree of cooperation that is likely to exist and therefore special focus has been dedicated to this within this findings section.

Issues of interpartner legitimacy are evident within the Super 14 franchises and there are a number of illustrations of this. The first is where the base management union is perceived by a non base union member of a franchise as being less capable than the non base union. The following NFCEO quote is evidence of this: "...our union itself probably operates better than the Super 14 base union. And the base union CEO would - the board wouldn't - admit that's the case. At every level really...". Consequently, the non base union has decreased its involvement or engagement with the base union as there is not a lot that the base union can offer them. In other words this non base union believes it is better for their own union to simply get on with running their own union as successfully as possible. This statement is supported as by this NFCEO:

Our problem is that we are stronger than they are...Our capability level...I know that may sound pretty arrogant but across the board from our finance manager through to our rugby development officer is stronger than theirs...So from a Super 14 base union perspective they don't actually have a lot to offer us.

Another illustration of interpartner legitimacy is where a non base union perceives itself as not necessarily more capable than the prescribed base union, but capable in

their own right of running their union successfully without the assistance of others. This scenario again results in a reluctance to engage in regional 'franchise' initiatives and very much a 'we don't need your charity' viewpoint. The following CEO quote is indicative of this scenario:

The franchise per se, used to have a lot of regional initiatives; still does have some, which by choice, are largely aimed at Heartland unions, because we were one union that said...there's far too much focus on regional this and regional that when really the franchise was set up for one team to win one competition...and that if, in our case, our union can't deliver rugby development etc in our union, then frankly we shouldn't be in business so why should the franchise feel that they've got to come to town and help us do it...

The third illustration is one where a non base union member perceives itself as not necessarily more capable than the prescribed base union of the franchise they are a member of, but capable in their own right of managing a Super 14 franchise. Further to this they believe they are more capable or deserving of this position than some of those who have currently been given the role. This may have the potential to create interpartner 'within franchise' issues as the G9 partner may feel they have more to offer a franchise than that which is currently allowed for in the prescribed structure. The following NFCEO quote in part provides evidence of this:

Our union in our biased view legitimately believe because of the scale of population, because of the nursery and the number of players we've developed and the commercial base and commercial growth within our region, we deserve that (Super 14 franchise) ahead of the people who've already got it and certainly if you allocate it, it should be lay down misere that it's us.

This situation is acknowledged by a FCEO as follows: "...I mean there are two or three unions within that G9 who seem to wish to be higher up the pecking order..."

A NFCEO describes the franchise of which he is a member where everyone is content with their place and contrasts this with some franchises that have members that are not so content:

The relationship's just critical because it's very hard to run a franchise if you haven't got those relationships and they haven't all got them I don't think, because there's always a little bit of competition, but within this region anyway, people have found their place if you like and that's a critical part of the process.

5.1.4 Cooperation: Super 14 Franchise Cliques

As the review of the literature emphasised the importance of cooperative and collective activity, so too does the researcher by dedicating a separate section in this processes chapter to this all important topic. The cooperation category has been divided into a number of distinct sub headings reflecting the data retrieved. The data suggests that there are both positive perceptions regarding the levels of cooperation within each franchise as well as negative perceptions that indicate less cooperative environments. A theme of history emerged from the data, in particular the role history or historical issues play in both enhancing and inhibiting cooperation. This is presented accordingly. It was also evident that some franchises have developed specific cooperation initiatives and strategies to enhance cooperation within the franchise. These are also presented. Lastly, under the category of cooperation, there was significant data that focused on the issue of franchise team game allocation throughout the franchise region during each Super 14 season. This issue provides a dilemma for franchises who, on the one hand, are trying to maximise revenue and, on the other hand achieve buy-in or support from all member union supporters. This issue is also discussed with evidence from the data provided.

Improving levels of cooperation in some franchises.

The evidence suggests that historically the level of cooperation within the Super 14 franchise cliques has not always been strong. However, in more recent times, there seems to be an improvement. The following FCEO quote supports this emphasising a change of focus from base union to franchise: "Yeah I think it was pretty bad and think it's a lot better. I think one of the things that we've done not very well here is put the franchise at the forefront of our thinking". This is further reinforced:

...we've tended to have a viewpoint ...you know what's good for province X rugby or what's good for province Y rugby as opposed to what's good for the franchise. Now we're changing that and I think it's changed quite a bit. Province Y are our partner, they're not a junior partner they're a partner, and they've done a lot of things right over the last 10 years; we arguably haven't done that good a job. So we absolutely acknowledge that for us to be the best we can be we've got to have a good working relationship with them...

In light of the preceding comments it is easy to focus on the role of the base union when considering cooperation, or lack of it. However, the following NFCEO quote supports the view that cooperation has been poor in the past and, furthermore, they were just as responsible for this with the establishment of a 'them vs. us mentality: "I think it's good. Historically it's been bad. My PU are to its own detriment and our board's view they've been anti - it's a Super 14 base union X thing, real sort of parochial about it." Again, in support of the evidence supplied in the governance section, this quote emphasises that historical rivalry has been difficult to overcome.

Legitimising interaction.

The following NFCEO quote suggests that in some franchises, interaction and cooperation has finally been legitimised. This is the collective acceptance or realisation by all members of a franchise that Super Rugby is likely to get bigger and therefore a more cooperative mindset is important moving forward:

We've all taken the view here in 'Super 14 franchise X country' that Super Rugby is very likely to get bigger like it or not, so we've got to make sure we're working as x number of unions towards the good of the franchise.

Another FCEO discussed this: "So we absolutely acknowledge that for us to be the best we can be we've got to have a good working relationship with [the other franchise unions]..."

This realisation that cooperation is important and indeed legitimate within a franchise provides opportunity for ongoing cooperation and future initiatives. The following NFCEO quote is indicative of a franchise with a cooperative philosophy:

Probably where it fits for us is we have got a very strong relationship with G9 PU members through the X franchise. We have a CEO's meeting, which CEO X orchestrates...and we have meetings every two or three months and keep very close to one another...

Another NFCEO quote is consistent with the above quote highlighting a 'franchise wide' acceptance of cooperation as something to be valued or even a 'core value': "It's difficult to say because I've only been involved for x months, but it's certainly something that we as a group have recognised and I find Super 14 X CEO and his staff really cooperative, very helpful".

Some very simple initiatives have been employed by a number of franchises. The fact that it has taken so long to implement such basic strategies confirms the historically uncooperative environments that previously existed in some franchises as discussed by this FCEO:

Oh yeah that's right I mean you know one of the very simple things that made a hell of a difference this year was playing in X colour jerseys. Like why the hell we hadn't done that for the last 10 years who knows...but that was pretty simple.

Also of particular interest is the perception by some FCEOs that they look after their partner unions more so than their own base union. The following two quotes from different FCEOs provide evidence of this sentiment:

We are very conscious of the relationship with our member unions and we've gone out of our way to try and I would suggest that we would look after those unions better than we would look after our union...The franchise is underwriting the cost of recruiting outside players.

One of the things you will get from people – they'll say well, if you are the CEO of PUX and the franchise then you've got a conflict of interest and you are always going to favour PUX. I don't necessarily think that's true. In fact I think when you've got a dual role; I think it's the province that misses out.

The role of history in cooperation.

Improving cooperation levels is being assisted by the turnover of CEOs. New CEOs do not appear to have the historical issues of their predecessors and therefore are more open to cooperation. The following NFCEO emphasised how he started his role at his union with an entirely new board and to complement this, one of the other non base member unions of the franchise also had a new CEO:

We definitely needed to look at ourselves...the cupboard got cleared out, you've got new people and the baggage has gone. Also at PU X you've got a new CEO there too so all that baggage went...it allowed us just to all start again and look, I think it's very good.

Lack of cooperation in some franchise cliques.

Despite the many positive quotes above that demonstrate improved levels of cooperation within franchises, there are still indications that cooperation is lacking in some. There are a number of possible reasons for this non cooperation including historical issues as illustrated above. The challenge for some franchises is to blend a number of unions that hold multiple decades of intense competition and 'bad blood' that has been passed down from generation to generation. The following FCEO quote supports this view:

Well here it's about ninety percent of the people who are actually from here and ten percent aren't. So things that happened 1, 2, 3, 4 generations ago actually are still real. So there is a...well the first sort of sub-conscious thought is not to trust people, so that's nothing new in itself

A lack of trust is certainly affecting cooperation within some franchises. The trust issues are particularly prevalent with respect to funding and players. A NFCEO highlights the player issue: “We used to lose our players to our franchise. They used to pillage our talent”. The following NFCEO reinforces concerns regarding funding and players:

At the moment I would say what happens with the funding in the franchise is that they try and hide it away within their provincial unions to be able to stack up their provincial unions, to then be able to pay for players there, and it’s not a very collaborative approach at all.

Consistent with the issue of funding is whether or not a franchise is able to distribute a dividend amongst its member unions and the impact this has on cooperation levels. The following FCEO suggested that the dividend is a major driver for a G9 partner and if they don’t get the dividend, they won’t be happy: “...The major driver from these guys...is bottom line dividend” and “Yes, and everybody is happy. If they don’t get the dividend, and it’s struggling a bit this year because we are going to be behind budget, they’ll be grizzling”.

Also within this cooperation category it is important to address the emphasis placed by some CEOs on personalities. It does appear that clashes in personalities play a part in cooperation as a FCEO points out: “Are there any tensions around the table? Yes there are. Probably personalities more than the reality of the situation.” Another NFCEO also highlights the role that personalities play in cooperation:

For me to be honest it’s personality. Because what happens is you form an opinion on people and you trust their opinions and instincts more so than whether they are from PU X or PU Y or whatever.

A number of CEOs indicated that they are in an environment that is struggling from a cooperation perspective. They provided no concrete reasons for such non-cooperation. The sentiments simply emerged from various responses. The following NFCEO statement reflects a franchise with cooperation issues: “I mean we argue on a lot of

big issues so...they've been pretty critical of us, we've been pretty critical of them, so it's not a very harmonious relationship. It's superficial quite frankly."

Special initiatives to enhance cooperation levels.

A number of initiatives to enhance cooperation have been established by franchises. Some franchises have established structures, rules and protocols to do with player recruitment. A CEO explained how player recruitment protocols can either make or break a relationship and how they have set procedures in place:

That can make or break the relationship you have with your member unions. And what we've agreed to is that if for instance, if a G9 union X player wanted to come to base union X, we would go to G9 union X as soon as he'd made contact with us or his agent and say this guy has approached us we need to get your support for doing this because if it means that he is leaving G9 union X and deciding between franchise base union X and franchise base union Y, he is better to come here and stay in the X franchise. And so G9 union X have got to take the attitude 'we're going to lose him but we are better to retain him in the franchise'. And that takes quite a bit of trust with one another...

A FCEO discussed a more collaborative holistic approach to managing players within the franchise compared to a historically competitive approach, which inevitably drove player salaries up:

We've started particularly in what I call stock control, which are players. We've got to stop competing with each other in the market and driving players' wages up; you know we've got to have a holistic approach. We've got three number eights and you've got one. Well, have one of ours. So certainly the whole player thing, very definitely and we've been doing that for nine or ten months, so we have regular meetings; we've got one shortly coming up, where the province Y coaches and the province X coaches overseen by the franchise coach, make a judgement call on fifty players. So that's certainly starting...

Other protocols were also identified within some franchises. First, a base union will not contract a player from a partner non base union within a franchise unless that player is going to leave the franchise. A FCEO commented, “for example my union won’t contract players from the franchise partner unions unless those players are at risk of leaving the region”. Second, CEOs will contact each other to seek permission to approach a player. A NFCEO remarked, “S14 base union X want to take one of our players, the CEO must ring me and if I say no, they back off straight away. There has to be no approach without a CEO being approached first”. Third, there are specially established meetings coordinated by the franchise which include the franchise coach and the partner union Air NZ Cup coaches. A NFCEO explains this:

We do have regular monthly meetings with the coaches and the executives where we discuss issues like ranking of players, the ability to loan players to each other and player development and I’ve found that useful and I know person X, our coach, finds it very useful.

Other initiatives, not specific to players, have also been implemented by a number of franchises which have enhanced cooperation. One franchise undertook a comprehensive strategic planning process, which resulted in a number of initiatives including the establishment of a group called the Premier Province Executive. This created a forum for the inclusive, collaborative involvement and input from all premier union CEOs within the franchise. The FCEO explains this group:

The whole strategic planning process involved all X number of provinces. One of the outcomes of that was that we need to have greater communication and cooperation between the X premier provinces so we set up the PPE – Premier Province Executive which is myself...X CEOs from the provinces...plus the franchise team coach. We meet at least once a quarter, maybe twice every quarter and we talk about issues...Talk about loan players and how best to invest in your franchise profits back into the region, so all those sorts of things we talk about.

Other initiatives include the base union contracting their financial services to a partner union as discussed by a CEO:

We do all the finances for franchise member G9 union X...we'll be doing franchise member G9 Y as well. We've kind of taken over the shared services position for them. And it's quite good...they have been able to shed all that and concentrate on the things that make them money not cost them money.

A NFCEO discusses the benefits to them of such shared services within the franchise: "...we've contracted out our financial accounting resource over to base union X...We pay for that. But it works well. So that brings us slightly closer together".

Another initiative was the introduction of regional franchise tournaments as explained by a FCEO: "One of the things we're kicking off this year is a regional, franchise region secondary schools competition...it's starts tomorrow". Another initiative was the introduction of a High Performance Manager who is employed by the franchise and not the base union. This role is discussed by a FCEO:

The one thing we've done in particular...was to introduce the High Performance role...We saw we needed to have a greater degree of cooperation between my union and union X for the benefit of the franchise. And the best way to do that was to have a franchise perspective...and that's worked pretty well in and around the rugby side of it.

A final cooperative initiative was the proactive role of the base union chairman in managing the political relationships between the member unions of the franchise.

There's a political involvement not from the whole board but from the chairman, he cares about the activities of all of the other provincial unions. He spends time keeping in touch, spending time and getting feedback to keep the relationships strong. That's an important link with the other provincial unions.

The allocation of games within a Super 14 franchise.

The allocation of Super 14 franchise games emerged as a factor that influenced cooperation between the franchise member unions. In most instances, the base union has the larger stadium and commitments to the stadium. This stadium is usually able to gross the most revenue from a home franchise game which in turn may lead to greater franchise profits and therefore a larger dividend to the member unions. On the other hand there is the issue of trying to embrace all franchise union members and their fans to the franchise which is more difficult to achieve when games are not allocated to non base member unions. Furthermore, when franchise games are allocated to non base member unions, there is the issue of how to best involve the staff of that non base union. The following FCEO explains this dilemma faced by franchises:

Well you're getting to the point in the attendance sort of...graph, where the major, and I'll exclude us from this, but franchise X,Y,Z in particular, could effectively buy people's silences and say we're not giving you games because we're paying you 'X'. Now that the attendances are falling to a level, that probably needs to be reviewed. But the problem with that is that you've got arrangements with stadiums that you've spent hundreds and millions of dollars on and you know I'm not privy to their agreements but I'll bet you there'll be a minimum of X games per season...so it's actually starting to become a very hard thing to deal with.

This financial dilemma is explained by a NFCEO suggesting that the lack of games in his region is disenfranchising fans:

But, the bottom line is the activities that are being undertaken by the Super 14 franchise that is disenfranchising a lot of people, all relates to money. The best thing for the S14 franchise community would be for them to have at least two games every year outside of the base union.

However the need to receive a dividend is highlighted by the following NFCEO: "There's good reasons not to host games here, good financial reasons and I support

them, because hopefully we will get it in the form of a dividend...”. The final issue in the allocation of games is how to involve the G9 union and its staff when games are allocated outside of the base union. There is evidence in the data to suggest that if the base union staff essentially take over the match, the result can be very negative for the non base union staff with a real ‘undermining’ effect. The following two quotes from different NFCEOs speak to this issue:

And whenever they gave us a game it was a shit thing. The guys would drive in and drive out on the day we played...When the S14 franchise ran their events they totally came in and managed the whole thing. I might as well have just had a beer up in the lounge.

I guess it really for a lot of the staff it reemphasised that point that throwing us a game was like throwing the dog a bone sort of forgetting about it and they came here two days before with a whole entourage of staff and people.

5.1.5 Interim Conclusions: Super 14 Franchise Clique Processes

A number of propositions with respect to clique processes can be proposed. 1) Cliques that have been constructed by the FMO are likely to have more formalised governance structures and procedures. Cliques of this nature will invariably have limited strategic capabilities due to the parameters established by the FMO. 2) A challenge for these formally constructed cliques is to overcome historical rivalries and potential generations of mistrust. Such rivalries may be particularly hard to overcome in the early stages of the ‘marriage’ and may also influence clique governance in a detrimental manner. 3) New personnel who are unaware of such historical rivalries may be inclined to enter the relationship with a more cooperative mindset. 4) The allocation by the FMO of management and coordination responsibilities of the clique to one member organisation may disenfranchise some clique members due to lack of inclusion and the inability to contribute. 5) Some members may remove themselves from the governance process altogether if they perceive the direction of the clique is being dominated by the allocated management organisation at the expense of the other members. 6) If a member believes they are more capable than the allocated ‘clique management organisation’ they are also likely to withdraw from cooperative

engagement within that clique. 7) If cliques contain members who believe they too are capable of managing a clique, the cooperation levels within cliques may be impacted negatively in contrast to cliques composed of members that are content with their status. 8) Higher status clique members are generally more willing to cooperate with clique members who are of a similar status. The former believe these higher ranking members have more to offer the franchise compared to lower status/less legitimate members. 9) A lack of trust as a result of perceived opportunistic behaviour by members around funding and critical resources can greatly inhibit cooperation levels within cliques. 10) Cooperation levels may be enhanced as a result of the acceptance by all members that the clique has an important role to play in their operational environment and that a collaborative approach will benefit all members and the clique as a whole. 11) Special cooperation initiatives may enhance cooperation, such as: i) Rules and protocols to control the flow of valuable resources within the clique; ii) The establishment of collaborative management teams to create a more formalised and regular communication platform for key clique members; iii) Shared services to achieve greater economies of scale for clique members; and iv) The employment of clique staff who are able to take a more holistic view of the clique without member organisation influence or bias. 12) Care needs to be taken when opportunities exist for clique members to work on joint projects or events together. If such events are dominated by the allocated 'clique management organisation' the capabilities of other clique members are likely to be undermined and there is likely to be significant disharmony or resentment as a result.

5.2 Super 14 Base Union Clique Processes

5.2.1 Governance: Super 14 Base Union Clique

The Super 14 base union clique is comprised of the five base unions. There is no evidence to suggest that the base union clique has any sort of formal governance structure or leadership. The only formal element binding this group is the commercial signage agreement between them. Primarily this group of CEOs appears to meet to discuss issues that are common to them primarily relating to franchise business and test match hosting. The following franchise FCEO sentiments reflect this: "If we are

meeting as franchise CEOs to discuss something, that's not a G anything. It's just all the franchise CEOs, not franchise union CEOs getting together".

The lack of formality around this group is reflected in the irregular meetings this group has and the emphasis of these meetings is on 'franchise' issues and not 'provincial union' issues as one franchise CEO explains:

I've never had one discussion with the other four that has had anything to do with provincial rugby. I've had plenty of discussions with the other four to do with franchise rugby" and we've only ever, I think had one meeting we called together and that was no big deal. We don't meet on a regular basis to discuss things.

Rather than organise specific meetings, this group appears to take advantage of meetings that are coordinated by the NZRU. A FCEO commented, "We take advantage of when we're in Wellington at the same time, we'll find half an hour to have a chat about stuff".

The following quote, whilst reinforcing the infrequent nature of the contact within the group, suggests that these CEOs have met to discuss provincial union issues as well as franchise issues:

We have certainly conducted...we've certainly had discussions from time to time. They've been a lot around test matches and common interests. More to do with other matters because we're a bigger union and we're involved in more things. We have had meetings around competition structures saying look 14's too many, which most people, including the G9, now accept. That we've got to have the best playing the best, that...you know for a while there we had All Blacks available, we all understand well that's not possible any longer. We've had meetings around that. If you go back to 2005 or 4 when the competition's review happened, the meetings were...some elements of that five would've considered breaking away and my union became a voice of reason in that and probably if my union had decided to go with PU X and PU

Y at that time it could've been...or finding another option. It got quite close to that.

The preceding quote must be put in its historical context and perhaps indicates that this group did meet more in the past than it does presently. This comment is supported in this FCEO statement:

We used to have a meeting about three or four times a year, just the five but that's sort of gone by the by. So the relationship tends to be more of a one-on-one basis as in when you need to get in touch with them. But we are not necessarily a clique that says, 'Hey we are the five biggest provinces and let's work out what our long term strategy is going to be'.

The main source of interaction between this group therefore appears to be less formal presumably over the phone, by email and perhaps at match fixtures as discussed by this FCEO: "...but it is true say that the five of us talk reasonably often". Another reflected, "We don't meet on a regular basis to discuss things. Having said that I do ring FCEO A and FCEO B on a regular basis..."

5.2.2 Tiers within the Base Union Clique

Within the base union clique there appears to be more interaction between a smaller group of unions with more in common or in a similar position to each other. There is no indication however that there are any interpartner legitimacy issues within this clique (i.e. member capability doubts). The response by the FCEO at the end of 5.2.1 continues and confirms this:

Having said that I do ring FCEO A and FCEO B on a regular basis and not ...they are probably in a different position to where Base Union A and B and my union are. To say it was a clique though, I wouldn't see it as that. Just if I am looking for somebody to run things past it would be FCEO A and FCEO B I'd go to first...We've never met on a regular basis. And it's more related to the people who are in a similar position to you.

A related scenario to the above is highlighted by another FCEO who states that his union in terms of size has more in common with a larger G9 union. There is, however, no mention of any level of interaction: “we perhaps identify more with G9 union X than we do with Super 14 base union X. Just the makeup of our province and the size of our province – we’ve got more in common with G9 union X”.

5.2.3 Interim Conclusions: Super 14 Base Union Clique Processes

The following statements with regard to clique processes may be made as a result of the Super 14 base union clique findings. 1) Cliques may function at an informal level without any governance structure or leadership. 2) A formal commercial agreement may underpin the clique; however ongoing processes may be very informal. 3) Interaction between members of this informal type of clique will tend to utilise less formal modes of communication in contrast to formalised interaction such as meetings. 4) Cliques of this nature may however capitalise on opportunities to meet when they are on formal industry business, such as meetings that are coordinated by the FMO for the entire network. 5) Common responsibilities and scope of business tends to drive the limited and informal interaction. If this commonality did not exist it is unlikely that the interaction would occur. 6) Members within a clique who share greater commonality will tend to interact with each other more. This may create tiers or sub tiers within the clique.

5.3 G9 Clique Processes

5.3.1 Governance: The G9

The G9 is comprised of the Air NZ Cup level non base unions. The G9 is governed by a chairman and a management team consisting of three NFCEOs all of whom are participating members of this clique. A NFCEO describes the appointment process like this: “The group nominates people, someone to chair it, and usually there’s a couple of others, not a board as such but to be on a management group and that sort of runs its course”. The main pre-requisite for the role of chair is knowledge and experience within the rugby industry and more specifically in the role of CEO of a G9

rugby union. A NFCEO quote supports this statement: “We have had two chairmen and that’s always been the longest serving CEO – it’s the way it has worked...”. The chairman of the G9 coordinates most activities: “My role as chair is more around pulling it all together and organising meetings. I wouldn’t suggest it’s a leadership role...More a management sort of function”. The management team of three has some delegated authority and is entrusted to make decisions in the best interests of the G9 as one NFCEO described: “They basically trusted the three of us to make some core decisions on their behalf”. The level of formality of the governance structure is described by a NFCEO as follows: “It was relatively formal. We had meetings we kept minutes, chaired by the chair, it grew a governance structure within itself. Not completely informal. Not adhoc at all...”.

There are also indications that there are some dominant CEOs within the G9 who appear to have formed some a strong and enduring relationship and have been able to influence the direction of the G9. These CEOs have status, experience and knowledge; it is unclear if they are on the management committee. The following two NFCEO quotes are evidence of this informal, ‘additional’ leadership within the G9: “I think probably CEO A and CEO B are probably two of the more vocal guys and that’s largely positive. They probably push things along”.

I think you’ve got some of the bigger unions that have known each other for a while too, like the likes of CEO A and CEO B has been there X years. Those guys have got a strong familiarisation with each other and CEO C from X union. So, there’s probably those guys and they’ve got a lot of knowledge as well, and then the rest of us are relatively new, it’s reasonably fresh. But even that clique is minor.

The G9 appears to meet approximately three to four times per year as required and meetings are largely issues driven. This is described by a NFCEO: “The G9 as a group doesn’t meet regularly. It only meets on demand”. In particular, G9 meetings have a predominantly commercial focus with only two meetings in the last three years dedicated to political/strategic issues. Another NFCEO quote supports this:

It was really set up and called the G9 around commercial arrangements so the only time we really meet was on commercial things. In the three years it's only been probably twice that we've ever met on what I'd call political type things or strategic.

Further to the more formal interaction around meetings, there is significant communication between G9 members outside of these meetings. The following NFCEO quotes support this: "The nine CEOs get together reasonably regularly by phone regarding commercial matters because we have number of deals that we have together." Another remarked:

I think...even though there's this perception around G9...it doesn't meet a hell of an often in a formal setting. Probably once or twice a year; maybe three times a year tops. But there's a lot of interaction between those CEOs over the course of the year.

The norm has been to involve the NZRU by inviting a NZRU senior manager to each G9 meeting. This is not supported by all G9 members. A NFCEO reflects on this strategy:

Within the group I mean there's been two separate thoughts, whether we should have NZRU involved (a number of people sort of think...well no) but then a number of us really saying we have to be quite inclusive. So they have participated and an NZRU manager has typically sat in at every meeting we've had.

5.3.2 Member Inclusion and Decision Making: The G9

The G9 has the challenge of blending the different goals and aspirations of the members and making decisions around both smaller tactical issues and larger strategic issues. The following NFCEO quotes serve to highlight the significant differences within the G9 in terms of members' size and aspirations and the difficulty finding common ground on key issues: "To get consensus on a lot of things in the group is

very difficult. Because there's probably three tiers within the group...". Another NFCEO commented:

The fact that you've got maybe eight unions that want to have franchises and then maybe you have six that just want to be part of Air NZ Cup and then you've probably got eight or nine unions that want to reduce the number of people playing in Air NZ Cup. There's just not a lot of common view on the world.

Within the group there are members who want to say more than others or who try to dominate proceedings. To counteract this, strong leadership and facilitation skills are provided from the chair. The following NFCEO provides evidence of this:

Well, there's always one who wants to talk more than others but everyone gets a fair say and the group is chaired by person X and he does a bloody good job – top bloke; he would always make sure that everyone gets their fair say.

The G9 provides a forum for open discussion and debate amongst members. This is deemed to be very important as a G9 CEO states: "The part of what is good about even the G9...we challenge each other...that's really important with robust discussion and debate around options, around competition structures specially were really important".

A theme that has emerged from within this category is the ability of the group to gain consensus on some of the big picture strategic issues. The following NFCEO quote supports this: "...on the actual strategic issues I think everybody pretty much; well I know we just had a meeting in the last few days and we do agree around a lot of things". Related to this is that underlying many of the strategic issues is a supra-ordinate goal of *what's best for NZ rugby*. This appears to guide behaviour and influence negotiation. In other words if something is perceived to be best for NZ rugby then agreement or consensus is easier to achieve. The following NFCEO quotes provide evidence of this: "Again this is the issue – is it good for NZ rugby? That's what we have to keep coming back to..." and "...we reached consensus after you

know some pretty good debate around a number of topics we felt as a group were relevant to New Zealand rugby...”

Implicit within the supra-ordinate goal is the desire to maintain the All Blacks at the top of world rugby and the protection of the domestic/provincial game. Two NFCEO quotes serve to demonstrate this are as follows: “It’s most important. It’s where we are going to keep our status as the best rugby nation in the world. It’s where we are going to derive our revenue. We should all be working incredibly hard to protect that.” Another asserted:

“...what we talked about was first and foremost, ensuring that the domestic product, in other words the current Air NZ Cup and whatever its future will be, was retained as a paramount, important competition to ensure that the pathway to Super Rugby and the All Blacks is maintained as it currently is.

5.3.3 Interpartner Legitimacy and Tiers within the G9

As highlighted within the Super 14 franchise processes above, interpartner legitimacy refers to the degree to which members of a group perceive other members or partners as legitimate, worthy, capable partners (Kumar & Das, 2000). The data suggests that there are significant interpartner legitimacy issues within the G9. These are primarily to do with the performance of each G9 union in the Air NZ Cup and in particular the ability of each union to meet the membership criteria for the Air NZ Cup. There is a concern that a number of unions are in a dire financial position and require NZRU assistance as described by a NFCEO:

At the moment my understanding is that there’s three to four unions that won’t be solvent as of 1st April of the fourteen – well, if that’s the case, obviously New Zealand [Rugby Union] are going to have to prop them up and that’s not fair on everybody else either so...that’s not a good position to be in.

This situation created real concern; these underperforming unions were perceived to be letting the other G9 unions down. A NFCEO remarked:

It's alright to aspire to it and say you are going to do it but it's another thing to actually not meet the standard. How many years do you not meet the standards before everybody says enough is enough and we can't keep paying your bills for you and actually you're just letting everyone else down.

There is also a sense of resentment by the unions that have worked very hard for a long period of time both throughout the former Air NZ NPC and now the Air NZ Cup to become financially viable compared to those who are struggling to survive in the Air NZ Cup environment. In short there is an indication that those struggling unions are simply not legitimate members of the G9. This NFCEO highlights this:

And so, to me, straight away that says there's four unions that are struggling to actually stay in this competition. For the G9 Unions A, B and C we've been doing this for twelve years. If you can't raise that sort of money and keep paying your bills at that level for ten odd years, it's one thing saying you can do it, but it's another thing proving you can do it.

Extending the above concept of interpartner legitimacy and the perceptions that some members are viewed as less legitimate than others, it is apparent that the G9 is not an entirely homogenous clique. There is evidence of tiers within the G9, primarily based on size, experience, capabilities and ambition. This is acknowledged as follows: "...there's probably three tiers within the group...people with aspirations who are pretty gung ho, people with aspirations who are conservative and people who are just struggling to be there...". The diversity within the G9 is captured in this comment:

You've got people that in my view I would say are in survival mode – happy to be part of an expanded Air NZ cup and then you've probably got a number of others, a smaller number of people – who say that our goal is to be part of something bigger...

This hierarchy may have generated, or at least has the ability to generate, micro-clusters within the G9. The following quote indicates that this is the case particularly at the top of the hierarchy with those who are essentially outperforming the rest:

“There was always one or two of the unions within that group that...(and rightly so), probably thought they were batting above the other six or seven.”

Further to the above it appears interaction between top tier members may be more intense than amongst others within the G9. This statement refers to the top group of unions within the G9:

I think you’ve got some of the bigger unions that have known each other for a while too, like the likes of CEO A, CEO B has been there x years, those guys have got a strong familiarisation with each other and CEO X from X union...But even that clique is minor.

The data also supports an increased interaction at the opposite end of the G9 hierarchy with evidence of more intense interaction by those facing removal from the Air NZ Cup. A CEO shared the situation his union was confronted with:

We would share information in terms of how we were being treated by the NZRU. We were both on death row. We talked to each other as to how we were approaching the NZ board particularly when we had to go out and state our case.

5.3.4 Cooperation: The G9

The review of literature has emphasised that the study of IORs is particularly relevant to professional sports leagues due to the interconnectedness of operations, their simultaneous cooperative and competitive actions and their existence as both single teams as well as a collection of teams. (Dickson, Arnold & Chalip, 2005). This unique situation can provide many challenges for members of a sports league/federated network. The following NFCEO quote epitomises this competition/cooperation dynamic.

We are all in the industry together but we all compete with each other. So when you get together as an industry, you are also mindful of the fact you are competing with these people; not just on the field but for revenue,

sponsorship. We are all trying to get a bigger share of NZRU funding. We're all competing for players...It's an interesting dynamic that underpins a lot of these sorts of informal groups. On one hand you are cuddling up to each other when you feel it's in your interest and at other times you are going over and trying to steal their players or whatever.

Whilst acknowledging the competition/cooperation dynamic and the inter-partner legitimacy issues discussed earlier, there appears to be a good spirit of cooperation within the G9 as this NFCEO quote demonstrates: "I think there's a good spirit of cooperation in that group and I think there is a sense of realism...". Cooperation is particularly strong regarding the sharing of knowledge, which is one of the key formation motives of the G9. Such sharing can generate a significant amount of goodwill within the G9. The following two NFCEO reflections are evidence of this: "I was amazed....how willing the chief executives of those G9 were to help in any way they could and share information..." and "The only time we see ourselves as being competitors is on the field; and for players. Other than that we are willing to share information with each other".

It is also evident that in the same way new personnel may have improved cooperation in the franchise cliques, they have also enhanced cooperation within the G9. These new CEOs needed knowledge and were, in turn, more willing to share. Cooperation improved because the new generation of CEOs did not carry the historical, 'competitive' baggage of former long-standing CEOs. The following NFCEO quote supports this view:

And I've seen a change even in my time; there's a different administrator coming through rugby now. When I first started there were some very senior CEOs who had been in the game a long time. It was a new competition and we were all in it together. And so, generally people were very happy.

5.3.5 Political Processes: The G9 Clique

The formation chapter identified a political dimension to the G9. In the governance section, it was identified that the G9 has very rarely had meetings with a 'political

agenda'. However, during the interview process the G9 clearly engaged in an extraordinary and unprecedented level of political activity prior to the NZRU AGM.

A number of weeks prior to the NZRU 2009 AGM, the G9 unions called a special meeting of the G9 CEOs and the G9 union chairmen to discuss their key concerns with the intention of gaining consensus on the most critical issues of the G9 unions and presenting these concerns via a letter to the board of the NZRU immediately prior to the NZRU AGM. All G9 union chairmen signed the letter containing the concerns, and a delegation of three G9 chairmen presented the concerns to the NZRU board lead by Chairman X. He also chaired the special meeting leading up to the AGM. The following NFCEO quote provides a comprehensive account as to why this political activity occurred:

What happened was the G9 CEOs had a telephone conference call. And we talked a bit about domestic rugby stuff as we know it – financially struggling and all these issues, sponsorships going down hill. And the NZRU is not responding to any of us; it seems to be sitting on the fence and that's what started it. And it was then felt, let's not, any one union, because over the last couple of years, every time a union has put their neck out, they've been plucked off – Northland and Tasman financial issues, so they said let's not, any one of us put our neck out on the line, we need to work as a unit. Then it came to a point, they were going to write a letter of expression of issues. Then we got round that and said, no, look, we wouldn't be comfortable writing a letter, unless we made sure everybody was on board and we need to face each other face to face around the table. So we set up a meeting in Wellington to do just that.

There is a real acknowledgement that this activity is a change in focus for the G9 as the following two NFCEO quotes indicate: "I think now that the situation for most unions is so financially tough, the G9 is starting to grow some legs in different directions" and "I guess we've moved into a bit of a lobbying voice or role to really say hey, there's nine of us here, we've all got some serious concerns about the way rugby is going...". There is a strong indication that the G9 had real concerns about the direction in which the NZRU were taking rugby. These concerns appear to have been

fuelled by information provided to them from NZRU staff. The following NFCEO quote is evidence of this:

...I guess some frustrations as to...what direction rugby's heading in. There was a desire to make a statement about what the G9 or the nine unions as a group would like to see for rugby in the future...there was a letter sent to Jock Hobbs and the combined stance that was taken was the absolute protection of the domestic rugby product as a paramount competition, which is the Air New Zealand Cup....because we've had literature coming out of NZRU, particularly from staff, well in fact not particularly, FROM staff, that gives us a message otherwise.

The concern with the NZRU management is further highlighted in the quotes that follow which indicate a concern about how previous submissions have been treated. Therefore the G9 preferred to approach the NZRU board directly. The following two NFCEO quotes provide a detailed account:

It needed to come from them [chairmen]. The CEOs collectively couldn't do much about it. The other issue that went with that was there are some concerns about the bullying nature of the management of the NZRU and of some of the individuals there. There's been a long-standing view of that. The PUs feel that the NZRU management need to be more sympathetic and less bullying in their reception when we call or visit NZRU with issues.

You can put submissions in, we've done that in the past but that doesn't always work either. You don't know how those submissions are being treated or whether they are all getting through to the board, the people we select to govern the game. There's been a whole lot of issues about how much does the management pass on and how much are the board actually aware of it. I think there was a thinking from our chairmen and our boards they are all volunteers, administrators as well, they want to say it from the horse's mouth; they didn't want to go through any of those other processes they have had in place in the past. They actually wanted to get in front of those people that count and tell them how they felt.

There were also strong indications that many of the G9 unions were struggling financially. There appear to be two elements to this. Firstly the financial struggle to simply compete in the Air NZ Cup. The following quotes are evidence of this: “But at the end of the day, what we’ve set up is a scary monster that is now sucking everything out of every community.” and:

It is not sustainable financially really. We get 900,000 close to a million dollars from the NZRU. That doesn’t even pay the wages of the players, let alone paying the staff. And what are the options? It’s all risk money you’re living on - gaming trusts which are all pulling back and sponsorship.

The second key element which contributed to the economic hardship was the economic climate. This is discussed as follows:

I suppose because of the recession there is financial struggle out there, and I guess some of us unions are saying we can’t sit around and wait, we are going down the gurgler, sponsorship is pulled back, we can’t keep sustaining this pressure.

A number of key issues were presented to NZRU. These are detailed in the following statement by a NFCEO:

We came to the conclusion we probably all agreed on three things: 1) We wanted to have a sustainable and competitive Air NZ Cup and a national competition locally; 2) We didn’t really want to see Super Rugby increase; and 3) We wanted them to move sooner rather than later, on creating a fair and equitable funding model or reviewing it or whatever they wanted to do.”

The G9 was able to reach consensus on these issues. The data indicates that there was significant debate around a number of issues as highlighted by this NFCEO quote: “...we reached consensus after you know some pretty good debate...” and furthermore it appears there was a very united feeling amongst the group as explained by a NFCEO

Right from the word ‘go’ it was pretty clear that there was a lot of support for each other. And everybody was feeling quite united in what they were thinking. And for the first time, some of them felt as if they could talk without it affecting them as an individual union.

Furthermore, it is evident that the timing of this activity around the AGM was essential in order to increase the possibility of achieving an impact. This is emphasised as follows: “The timing was perfect...there was the potential there to vote in or out – different people to suit the situation. There was an opportunity to make them sit up and take note”.

Lastly it is important to highlight the role played by the chairman of the special G9 meeting who also presented the G9’s issues to the board of the NZRU, person X. It should be noted that this person is not the usual chairman of the G9 clique. That position as described earlier is held by a G9 union CEO. The chair of this meeting was a non base union (also known as a G9 union chairman). He essentially chaired this process and presented to the NZRU. This needed to come from union chairmen (not CEOs) given that it was directed at a governance level and not a NZRU management level. A NFCEO comments on his abilities and the final process of agreeing on the key points:

Person X is an astute businessman, had a hundred games for the PU X, well known in rugby circles. So he’s got the right credentials. And has obviously gained respect from other chairs in his time. So, a good chairman whose style is quite diplomatic, so quite softly spoken, he’s not a bang ya fist person...We had a reasonably good agenda that we’d all agreed on and it was well chaired and I think it was pulled back on track where it either went off the rails or when self interest started to come through too much. Not only by the chair but by some of the other good chairmen and CEOs to say ‘hey, just think about that’... we were trying to get to one whiteboard of key issues, we narrowed it to about 4 or 5 and we got there at the end of the day. But then to agree on the minutes, because minutes were taken, it took about five days of emails with people saying no, this was said...

In summary, the flexing of the G9's political muscle in the lead up to the AGM is useful in a number of respects: 1) It provides a vivid example of the G9 activating their political motive in a more concerted manner; 2) It gives a unique insight into the processes of the G9 particularly the process of the nine unions gaining consensus on a fixed number of key issues; 3) It better to better understand the climate in which the G9 unions were operating at the time of the research; 4) It adds significant and important information with which to better assess the impact and more specifically political impact of the G9 which will be assessed in the impacts chapter; 5) This research challenges the assumption that in federated networks all affiliates interact equally due to the coordination or facilitation role of the NZRU. This activity by the G9 is real evidence to support this challenge, as the lead up activity was independent of the NZRU; and 6) This activity demonstrates what can occur when there is some discontent by some affiliates within a federated network.

5.3.6 Interim Conclusions: G9 Processes

The following interim conclusions may be made as a consequence of the above G9 findings. 1) Cliques may establish semi-formal governance structures that include elected and/or nominated personnel to carry out the management and coordination responsibilities for the clique. Such responsibilities, whilst deemed important, may not be specified in the form of a legal document such as a constitution. 2) Core functional areas may be derived from the formation determinants of cliques. Various modes of operation will be established to address each of these functional areas. For example, formal meetings may be utilised as the main mode of operation for dealing with commercial and political matters, whereas less formal individual member to member contact may be the preferred means of sharing knowledge. 3) Cliques in federated networks may also elect to invite FMO representatives to attend meetings. However, if meetings are of a political nature, then it is unlikely the FMO will be included. 4) Cliques that have a number of motives or 'reasons for existence' may not dedicate equal amounts of operational time to each of these areas and environmental conditions may dictate activity. For example, a clique that has a political motive, may very rarely activate this motive and will only do so when one or more of the following factors are present: i) survival in the current operating environment becomes oppressively difficult; ii) the collective vision of the clique is at odds with the

direction in which they believe the FMO is moving; iii) the league or 'area of business' they are operating within is under threat or has the potential to have its status and therefore legitimacy downgraded; and iv) the clique believes the FMO is not ensuring an even distribution of resources throughout the network. 5) When cliques do activate their political motive, timing is critical and it is likely that such activity will coincide with key governance activities of the FMO in order to maximise potential impact. 6) Strong leadership and facilitation skills are important in reaching a united political stance particularly when there is large diversity within cliques. These qualities are also important for non-political discussions and debate. 7) When diversity exists and members' goals and aspirations are at odds, consensus is most likely to be gained on over-arching, big picture strategic/survival issues rather than smaller operational issues. 8) Diversity within a clique based on size, ambition, capability and performance levels may cause a clique to fragment slightly and develop tiers or hierarchical 'micro clusters'. 9) Resentment may be directed towards those organisations that are; i) part of the 'under achieving, struggling tier; ii) have received assistance or dispensations from the FMO; and iii) are perceived to be lowering the legitimacy of the clique. 10) It is likely that more intense interaction will occur between members who are in close proximity at the extreme ends of the hierarchy (i.e. higher achievers at one end and lower achievers at the other).

5.4 Discussion: Clique Processes

Each of the three cliques has a governance structure that reflects both the nature of the clique and the level of formality of that entity. As highlighted in the review of literature, Provan and Kenis (2008) provide three forms of network governance. These are: 1) Shared participant; 2) Lead organisation; and 3) Network administration organisation (NAO). The franchise cliques are most representative of 'lead organisation' governed cliques, where one member organisation within the network (or clique in this instance) either emerges or is mandated to manage and coordinate the activities of the network. In this case, the NZRU has mandated five existing unions to manage the activities of the five franchises. This FMO involvement has led to a very formal governance structure. However the centralised control of these cliques by the FMO appears to have limited the strategic scope of the boards and some members view this limitation as problematic.

The franchise cliques have been constructed based primarily on geographical zones as opposed to members selecting partners. Some have had to overcome historical rivalries and, in some instances, many generations of mistrust. Such issues are consistent with those offered by Gulati and Gargiulo (1999) who suggest that there are a number of uncertainties facing organisations when embarking on IORs. These include uncertainties around capabilities, plus competitiveness and reliability of potential partners. In the case of the franchise cliques, many of the unions within these cliques have competed aggressively both on and off the field for many years and therefore to be suddenly placed into a relationship with those very same unions appears to have created some 'trust' issues for some franchises. The evidence suggests that mistrust may also exist at board level. There are also concerns by some non lead members regarding the lead organisations' having the ability to act opportunistically within this structure. Provan and Kenis (2008) suggest that when trust is low, lead organisation governance structures are likely to prevail. This is exactly the case with respect the franchise cliques.

Provan and Kenis (2008) also propose that the lead organisation governance structure is also likely when goal consensus is low and therefore the lead organisation will tend to dominate, drive or at least have the ability to influence most clique decisions. This situation may however disenfranchise some clique members due to their lack of ability to make a meaningful contribution to the clique. The authors note that one of the key downsides of this model is indeed member inclusion and commitment by firms. The findings provide evidence of one PU becoming so frustrated with the governance structure they withdrew from the board of that franchise and replaced their position with an independent representative and subsequently have little to do with the franchise. This is consistent with Provan and Kenis (2008) who suggest that when there is extremely low consensus on network goals, there may be very little point in network involvement at all. Eden and Huxham (2001) proposed that the process of working together as a group on goals owned by all members has a galvanising effect and can lead to a stronger group identity. Again, the ability to build such an identity in a lead organisation governed structure appears to be more difficult and the findings do indeed demonstrate some unions who do not feel closely aligned to their franchise.

With the above in mind, there is a general desire from some non base union members (i.e. the non lead organisations in the clique) for a more independent governance structure. This has been highlighted in both this chapter and in the ‘collective lobbying and political influence section’ of the formation chapter. A more independent structure would be equivalent to what Provan and Kenis (2008) refer to NAO whereby a separate entity is established to govern the network, or clique as in the case of this research. They propose that with this structure members are less suspicious of this organisation compared to a lead organisation as they can jointly monitor the NAO. This NAO can also create a platform for more inclusion by facilitating involvement and managing conflict between members.

Whilst independent NAO governance of franchises would potentially address a number of key issues (e.g. mistrust and a lack of inclusion), there are reservations regarding the efficiency and or sustainability of such a structure. The establishment of five additional administrative entities may be a cost that is not sustainable in comparison to simply drawing on the existing skill set of the five existing base unions. Furthermore, there is the concern that a fully independent model may result in the total separation of the franchise from its member unions (current lead and non lead members). The closest scenario to a NAO model observed in this research is the Chiefs franchise, which as discussed, has an independent CEO for the franchise. Waikato, the base union of the Chiefs also has a CEO. One could perhaps view this independent CEO franchise position as a ‘network administration manager’ as opposed to ‘network administration organisation’. This CEO does however draw on the operational resources, including the staff, of the base union to manage the franchise. The case of the Chiefs is extremely interesting and would benefit from a more intensive examination. The concept of a network organisation manager is not prevalent in the literature and perhaps it could be seen as an appropriate ‘transition strategy’ when working towards a more independent governance structure from a lead organisation structure.

In contrast to lead organisation governance structure, shared participant governance occurs when network members themselves govern the network (or clique in this instance). Activities in this type of structure may either be managed more formally through meetings or, informally, by the less coordinated efforts of those who have a

stake in the network's success (Provan & Kenis, 2008). The former scenario is evident in the G9 whilst the latter scenario is reflected in the base union clique. The base union clique has no formal governance structure or leadership and interaction between members is adhoc and informal. There is no indication of any structure or leadership within this clique. The G9, on the other hand, is more formal in nature, with delegated leadership roles and responsibilities, as well as more organised meetings that are chaired with minutes taken. The G9 contains some personnel endowed with the key resources of knowledge and experience that permit them to lead the clique. In the G9, a chairman is elected and is supported by a small group of elected CEOs. Such responsibilities, whilst deemed important, do not appear to be formalised in a legal document in the same way as the formal governance structures of the franchise cliques. Consistent with Provan and Kenis (2008) high levels of trust are necessary for this type of governance structure, as is member inclusion. The findings have demonstrated that the G9 is particularly dedicated to involving all members.

This research also suggests that certain modes of operation will be established for specific clique functions or goals. In the case of the G9, formal meetings were the main mode operation for commercial and political matters, whereas less formal person to person contact was often used as a means of sharing knowledge and discussing common points of interest. This does not preclude formal meetings from being a forum in which to knowledge share.

A further interesting aspect of clique governance in relation to the G9 is the decision to invite a senior manager from the FMO (NZRU) to meetings. The desire to include the FMO and to be transparent is perhaps recognition that clique activity that is largely managed and coordinated independent of the FMO and not facilitated or mandated by that body is not the norm in a federated network. Such activity may indeed go against the tradition of over one hundred years of previously coordinated and managed activity by the NZRU and perhaps is not a totally legitimate form of organising within a federated network particularly when there are political motives involved. The concept of the 'clique as a form of organising' will be discussed in more detail in the impacts section, however it does warrant inclusion at this point with reference to how cliques manage and coordinate their activities. The inclusion of a

NZRU senior manager at meetings may well have added value to commercial and knowledge sharing discussions. However one would imagine that any political discussions would have been difficult with the NZRU manager present. Unfortunately this was not discussed in detail during the interviews although it appears there was not a NZRU manager present in the political meeting that occurred prior to the NZRU AGM.

Another interesting finding from this research is that cliques with a number of goals, motives or reasons for existence may not dedicate equal amounts of operational time and energy to each and that environmental conditions may dictate activity. The G9 for example, whilst it has a consistent and steady focus on commercial activities, organisational learning and sharing of best practice appeared to become increasingly important for its members with the introduction of the new and unfamiliar sports league – the Air NZ Cup. The political motive for this clique, on the other hand, was very rarely enacted and the G9 only activated this motive in a more concerted and coordinated manner as a result of a number of factors that included: 1) Survival in the current operating environment became oppressively difficult; 2) The collective or desired direction of the clique was at odds with the perceived direction they perceived the FMO to be moving; 3) The league or ‘area of business’ the clique was operating within was under threat or had the potential to have its status and therefore legitimacy downgraded; and 4) The clique believed the FMO was not facilitating an even distribution of resources throughout the network. These conditions contributed to the clique activating its political motive. Furthermore, in order to enhance the possibility of political success, it was important to time political activity around key governance activities of the FMO.

With the above political activity in mind, a challenge for any clique that has a shared governance structure and has diversity across its members is gaining consensus on key issues. Gaining consensus on key political issues, in order to present a ‘united position’ to a governing body, is potentially even more challenging. Provan and Kenis (2008) suggest that when the activities of a network become more complicated, the process can become extremely time consuming. One can suggest that such political activity falls within the realms of being of a complicated nature. Bazzoli et al., (2003) emphasise the importance of leadership when such diversity is apparent, in particular

the ability to manage conflicting agendas, dealing with potential conflict and obtaining buy in from all members. Mazrahi and Rosenthal (2001) also state that leadership qualities such as specific knowledge, facilitation and the ability to create a structure that enables and encourages participation is important to achieve network objectives. Such leadership is apparent within the G9 and the chair has respect and is able to obtain input from all members at official meetings of the clique. The findings also suggest that the chairing and leadership of the politically focused activity was also particularly strong. The chair of the special meeting was, in conjunction with other senior personnel, able to facilitate discussion to ensure it was not dominated by self interest and instead focused on the greater 'clique/network' issues resulting in the agreement on three key points to be presented to the FMO. The findings suggest that it is easier for cliques to gain consensus on such big picture strategic goals. This emergent concept has been termed 'supra-ordinate goals'. These supersede personal interest and aspirations and at times deal with the survival and legitimacy of all members. These over-arching, supra-ordinate goals can help to channel and guide discussion and debate. Therefore consensus is easier to achieve when issues fall within the realms of such goals. Eden and Huxham (2001) suggest that the "very process of negotiating and working together often leads to a sense of group identity" (p. 377). This appears to have been particularly prevalent throughout this political process initiated by the G9. Eden and Huxham (2001) also refer to the concept of 'episodes' within the negotiation and debate process. Here each 'debate' or 'negotiation' session is labelled according to the group dynamics that take place. Eden and Huxham refer to 'cohesive group episodes' characterised by a united 'we are all in this together' attitude. The following quote regarding the G9 political meeting is representative of this: "Right from the word go it was pretty clear that there was a lot of support for each other. And everybody was feeling quite united in what they were thinking".

Another category that plays an important role in the overall cohesiveness of any IOR and has a strong influence on cooperation is interpartner legitimacy. This exists when members of a group believe that other members have the necessary skills and capabilities that warrant membership in that group. If member firms view their partners as legitimate they are more likely to enter the relationship with a cooperative rather than competitive frame of mind (Kumar & Das, 2000). Cliques in this research

have demonstrated significant interpartner legitimacy issues particularly when there is considerable diversity within a clique. The G9, for instance, has demonstrated the emergence or at least an acknowledgement of tiers or a hierarchy comprising three distinct levels or micro clusters within the clique. The top group who have performed well and have higher ambitions, the middle group who are content with their place in the network and at the bottom are those who have not performed well and are struggling to meet the criteria for ongoing membership. There is also evidence of more intense interaction within the top and bottom tiers of this clique. This area would benefit from further research and in particular whether or not these tiers are the first step to subsequent clique formation. Shiplov et al., (2006) suggest that firms will more likely form alliances with those they believe are at least as capable as themselves. This ranking of the G9 clique into some sort of hierarchy based on capabilities may have resulted in the inevitable attraction of similar organisations to each other. The same is evident within the base union clique in that unions with 'more in common' tend to interact more with each other. Shiplov et al., (2006) also suggest that previous relationships are important in partner selection and the G9 lead 'tier' does indicate more familiarisation between personnel within this tier. Lastly there is also evidence within the G9 clique of some resentment towards the members that are struggling and in particular a feeling that these struggling members are 'dragging the status of the entire group down'. This is another area that would benefit from further investigation, especially an examination of how a clique (or network) deals with such members in the long term. Another interpartner legitimacy scenario observed in this research is when a non base franchise clique member views themselves as being more capable than the mandated clique leader (base union). The resulting action from the clique member (non base union) is a reluctance to engage with the clique lead organisation (base union) as the latter has 'very little to offer them'. This is an interesting scenario and one that would also benefit from further investigation. In particular an analysis of merit based leadership of such franchise cliques compared to the prescribed structure that currently exists. Such a scenario may however, create an unsustainable competitive dynamic within each franchise at the expense of ongoing cooperation. Closely related is the situation where a non base union believes that they are not necessarily more capable than the base union of the franchise to which they belong, but that they are capable of managing a Super 14 franchise, or at least the equivalent of such, and are more capable than some of the other mandated base

management unions. This may: 1) Increase the reluctance of that union to cooperate and participate in franchise led activities; 2) Cause the G9 union to decline assistance from the base union because they deem themselves more than capable of ‘looking after themselves’; and 3) Create frustration or resentment as such unions may believe they have more to offer to a franchise than is permitted in the given structure. All three situations may lead to disharmony within a franchise. This situation is in stark contrast to a franchise clique whose members of which have ‘found their place’ and are content with their status resulting in less competition and more cooperation.

The second element of internal legitimacy observed in this research is ‘legitimacy as interaction’. Legitimacy as interaction is the acceptance by members that interaction and cooperation will benefit both the members and the entity as a whole (Human & Provan, 2000). If members do not see interaction and cooperation as a legitimate way of conducting business, the network (or clique in this research) will likely exist in name only with minimal commitment to network level goals (Provan & Kenis, 2008). The findings with particular reference to the franchise cliques highlight that there are both high and low levels of cooperation. It is apparent that historically cooperation has been low and it has taken significant time to ‘legitimise interaction’ as a way forward for some franchises. It is also apparent that other franchises still may have a long way to go as far as legitimising interaction. In short, some franchises have slowly built up what Das and Teng (1998) refer to as ‘confidence in partner cooperation’ which they suggest is vital for IOR success.

The findings indicate a number of potential obstacles to developing confidence between clique members. These include, but are not limited to: the initial signage agreement developed by the base unions that did not include the non base unions, blending historical rivals, the interpartner legitimacy issues and grievances such as having players ‘pillaged’ by the base union. There a number of contributing influences as well as specific strategies that have been developed by franchises to improve confidence in partner cooperation leading to the legitimisation of interaction. The following quote is highly representative of such legitimisation of interaction: “We’ve all taken the view here...that Super Rugby is very likely to get bigger like it or not, so we’ve got to make sure we’re working as x number of unions towards the good of the franchise”. Influences have included the introduction of new personnel to

a clique who perhaps do not carry the 'historical baggage'. Specific initiatives or strategies include: 1) Rules and protocols to control the flow of resources such as players within the franchise; 2) The establishment of a collaborative management team called the Premier Province Executive group to create a more formalised and regular communication platform for the franchise; 3) Shared services between members of a franchise; and 4) The development of franchise positions such as a high performance role. Other examples include favourable player loan deals to members, the inclusion of all member union colours into the franchise team playing strip and the chairman making a commitment to managing the political relationships between members of franchises. Such activities and strategies are in line with what Das and Teng (1998) refer to as control mechanisms which are developed in order to regulate behaviour and make it more predictable. These activities and strategies serve to enhance cooperation by regulating behaviour, enhancing trust, increasing contact and blending the cultures of the member unions of each franchise clique.

The final section of the cooperation category worthy of discussion is the allocation and management of home games within each Super 14 franchise. The games are important for a number of reasons. They are a vital source of revenue for the franchise and therefore will inevitably have a bearing on the profit and final distribution of profits within the franchise. They also contribute to the 'stock' of games that make up unions' season ticket and hospitality packages. The games also provide the opportunity for local fans to engage with the team and assist to develop a sense of ownership of the franchise by these fans. Lastly, the more high profile games a union hosts, the more competent the staff of the host union become in all areas of game management and operations, as too does the stadium hosting the game. Further to this, it appears that each base union has commitments to their home stadium regarding the number of games it is obligated to provide it. With the above in mind there is a real dilemma for each franchise. On the one hand, there is the desire to maximise revenue for the franchise and therefore maximise the dividend for member unions. On the other hand, some G9 unions have had very few Super 14 matches played at their venue and their public have not fully embraced the team. Furthermore there is the concern that when games are taken to the G9 provinces, it is a low quality game and that the base union staff simply come in and take over. As one NFCEO stated, "I may as well have just had a beer up in the lounge". This is consistent with

Provan and Kenis (2008) who suggest that a lead organisation may lead activities and be the public face for a network, and while this may improve the external legitimacy of network, it has the potential to decrease internal legitimacy leaving members disappointed and feeling left out. The findings suggest that if such games or 'joint projects' are not managed carefully and are viewed as 'token' by the G9 union and or do not allow for G9 union input, the outcome will be largely negative for the franchise. These games potentially offer a franchise clique a team-building and 'cultural blending' opportunity where operational staff could work together on the game and in turn improve the collective knowledge and capabilities across New Zealand Rugby as a whole.

In summary, with reference to Powell (2005), the findings in this processes section have endeavoured to illuminate the structure of collective action of the three identified cliques in this research, more specifically how each clique is governed and how it functions. The findings have demonstrated that each clique has a governance structure that reflects the level of formality of the clique and range from extremely formal to very informal. To better understand how each clique functions, key concepts were observed including: inclusion and decision making, interpartner legitimacy and cooperation. While not all concepts were highlighted in the base union clique, the G9 and the franchise cliques were rich in data and a number of sub categories were developed to reflect themes in the data. Significant insights were also gained into the political processes of the G9 clique and a new concept of tiers within a clique emerged from two of the case cliques. A further emergent theme of supra-ordinate goals in the negotiation and decision making process also illustrated the ability of cliques to reach consensus on big picture strategic issues that affect all clique members.

Clique Impacts

The third section of the research question examines the impacts of each clique on: 1) The clique members; 2) Non members; and 3) The whole network. The presentation of the impact findings for each of the three cliques varies significantly. For example, because the franchise cliques were mandated, member goals are absent. The NZRU franchise structure review discussion document (2008) clearly sets out the responsibilities of a franchise around the management of the team, promotion and organisation of fixtures and also discusses financial distributions of profits. These are obligations that the base unions have contractually agreed to meet and therefore member driven goals are not prominent within this formalised structure. In contrast, the G9 has clearly defined formation determinants and goals. The achievement of each was able to be addressed quite explicitly in the interview process. The impacts are therefore presented under specific headings in comparison to the franchise cliques. Because the G9 also has a political influence motive, the consequential impacts on the non members of the clique are presented accordingly. In line with the chapters on formation and processes, this chapter presents the findings relevant to each clique, proposes interim conclusions with reference to each clique and then discusses and integrates the conclusions with reference to relevant literature.

6.1 Super 14 Franchise Clique Impacts

The impacts of the Super 14 franchise cliques have largely been addressed from a member perspective. The research asks, what impact has the franchise had on its member unions? In this section the impacts of these cliques are primarily divided into positive and negative impacts under the headings of base unions and non base unions.

6.1.1 Positive Impacts of the Super 14 Franchise Cliques on the Base Unions

The findings indicate that the base unions have received a number of positive impacts as a result of their lead organisation role. One of the major benefits is that the base union has been able to develop a bigger business operation and therefore attract and retain quality human resources. The following FCEO quote is evidence of this:

There are huge positives; not least of which it enables us to recruit and retain good people for 12 months of the year. Because we really do have...we have quite a big business. My union controls \$30 million worth of revenue...so it enables us to have good people...We get a management fee from the franchise which again enables us to recruit and retain good people. So we are able to have a bigger business operation by virtue of the fact that we run the franchise.

The year-round involvement in 'top level rugby' is a positive impact and is reinforced by a FCEO who states: "I wouldn't be doing this job if we didn't run a franchise...I don't know what I'd do for five months of the year". This is in contrast to the G9 or non base unions whose primary direct involvement with top level rugby is via the Air NZ Cup. Furthermore the base unions have been able to invest in infrastructure such as training facilities as described by this FCEO: "...we've invested in infrastructure like our training facility, which we get a rental from the franchise for, and has made that viable."

Another key advantage is the ability not only to recruit top staff but also to attract players, who are a critical resource. The following FCEO quote supports this statement:

...there's still a practical issue, because a player would prefer to live in the same place for 12 months of the year. So a player is always going to be attracted to my PU for that reason, because that's where the franchise is based, but we don't actively encourage that.

These positive impacts are also recognised by non base unions and are highlighted in the following quote: "All the advantages, whether it be number of home games, revenue generation, the player base, the whole thing; the staffing levels that you need and are able to get based on the revenue its generated and all that stuff."

Despite the advantages, it is also acknowledged that not all base unions have maximised the potential opportunities to the same degree as others. A FCEO describes his union's situation:

I think it should have been, but I think our fixation potentially on what was right for our PU...as opposed to the franchise has muddied those waters. I don't think it has been as successful as it should've been. But has it been successful and helpful? I think the answer's yes but it's been managed averagely. You know we could have done a lot better job than we have. Because the end result of your question is by having a franchise that should absolutely have solidified our PU in the top five or six in the country...and it hasn't.

6.1.2 Negative Impacts of the Super 14 Franchise Cliques on the Base Unions

There are a number of highlighted disadvantages to the base union. In particular it takes a significant amount of work to manage not only the franchise but the relationship between the franchise and the base union. This is explained by a FCEO as follows:

And equally we have a whole range of relationships between my PU and the franchise that from time to time require managing in and around opportunities, responsibilities and obligations and contractual rights that if you didn't have a franchise you wouldn't be worried about trying to manage them. So there is a lot more advantages in our relationship than disadvantages but it requires a lot of work to keep it together.

The findings also suggest that there are a number of financial costs incurred by the base union that are not incurred by the other unions. In particular, while players are drawn to the base union, these players also come at a cost as described by the following FCEO:

Yep, so my union has 19 or 20 more players than the franchise. Those players have cost my union, because they're Super 14 players, have cost my union

more money than your average bloke. Your All Blacks, we pay All Blacks that don't play for us. We don't get the money back.

There is also the suggestion that while the base union receives a management fee, this is in fact lower than the cost to the union of running the franchise:

The fees we charge are vastly below what it costs my union to run the franchise. But there are some offsets in terms of ticket prices and things that almost balances it out. But no question that my union would subsidise the management costs.

The following quote does suggest that contrary to popular opinion, it is often the base union that misses out as a result of the dual role of managing a rugby union and a franchise:

One of the things you will get from people – they'll say well, if you are the CEO of union X and the franchise then you've got a conflict of interest and you are always going to favour union X. I don't necessarily think that's true. In fact I think when you've got a dual role; I think it's the province that misses out.

The key finding is that the positives appear to outweigh the negative impacts of being a base union. When asked if there are any negatives to being a base union, a FCEO remarked, "Oh probably, you have to work a bit harder...no, none that really spring to mind...I'm sure if I gave it some thought I could come up with something...".

6.1.3 Positive Impacts of the Super 14 Franchise Cliques on the Non Base Unions

Despite their indirect involvement in the franchise management, a number of positive impacts for the non base unions have been highlighted. However, these are not equally distributed throughout all the non base unions. Improved player pathways is one positive impact. The following NFCEO explains that his franchise provides a pathway for his players who in this case are able to live in his province and play for

the Air NZ Cup side during the Air NZ Cup season and also play for the franchise during the Super 14 season:

The positive for us is that it provides a pathway for our players, which is as close to home as you can get while still living/staying in our PU. So we've been able to build our PU up based on local players who want to live here and stay here but can also...play for the franchise...

Another NFCEO notes that prior to their inclusion in the Air NZ Cup they were unable to get player representation in the Super 14 team. However, since they have been an Air NZ Cup union and have performed well in this competition, they have had more representation. A NFCEO discusses this positive aspect:

...since we've got back in the Air New Zealand Cup and our team, I think, has performed reasonably well, we started getting players in the Super 14 team – for whatever reason we couldn't get players in the Super 14 team when we were a second division outfit, we weren't good enough. But I guess we've had a win on that side...

The degree to which non base unions have benefited financially is based primarily on whether or not the franchise to which they belong has been profitable. Because of the uncertain nature of the financial return from franchises, many unions view such returns as a 'bonus': "We don't budget on it...we talk about that being cream. Of course the last year and a half the franchise has been under some pressure financially, not making anything like what they used to do." Another NFCEO discusses the positive financial impact on his union and also acknowledges this has decreased somewhat recently:

Obviously we've benefited financially from some significant dividends over the years of the X franchise but certainly in the recent two years that seems to have diminished considerably. But yeah, overall it would get a pass mark in terms of that.

The distribution of profits is highlighted in the NZRU franchise structure review discussion document (2008, p. 36) as follows:

Subject to the retention of such funds as the Board of the franchise considers appropriate, the franchise must distribute its net income to the Provincial Union beneficiaries. The proportions of distributions...must have regard to the objective of ensuring that is equitable distribution of net income generated by the franchise but is ultimately at the discretion of the Franchise Board.

Other positive impacts include the sharing of resources within a franchise particularly from the base union to the G9 union. A NFCEO discusses how they have utilised the staff expertise from the base union for their union in a positive way: "...we have utilised...the franchise marketing expertise and their PR expertise...person X is going to be giving some of the directors and senior staff and some of the key players, media lessons." Another NFCEO comments on the positive impact of contracting financial services: "We've contracted out our financial accounting resource over to X which is an off shoot; it's in the union quarters but it's a separate business unit, so that works well. We pay for that. But it works well".

6.1.4 Negative Impacts of the Super 14 Franchise Cliques on Non Base Unions

The negative impacts of the franchises on the non base unions also fall under similar areas to the positive impacts, namely financial and player impacts. The following CEO quote stresses how difficult it has been for his union to get player representation in the franchise team: "...it hasn't really helped us to develop any players because it's a closed shop...unless your players are absolute superstars, what you find is that it's better for X franchise to choose players from their local union if it's close...". This situation causes his union to lose his players to the base union: "...a natural thing for our players to do will be to gravitate towards the Super 14 province and that will increase. And Super 14 provinces have used it as a tool for getting players." This scenario is highlighted by another NFCEO: "We used to lose our players to our S14 base union. They used to pillage our talent".

In the same way that there are positive and negative ‘player’ impacts, there are also positive and negative financial impacts. The following NFCEO comments on how his union has had no financial return compared to some other G9 unions and also comments on the benefits the positive impacts the base unions receive:

Look at the money they have generated out of them. X union’s the same – we are talking millions of dollars. \$300,000 on average a year for ten years. It’s cost us to have our franchise, financially. From our perspective I might sound really ungrateful and you might think “gee what’s he going on about” ... But we’ve had no financial returns you see. And really that was the whole point of these franchises that the PUs were meant to get these benefits but all we see is benefits to the base union.

Some non base unions perceive that lead organisations have been able to leverage their lead position to the benefit of their own organisation and disproportionately to other members. This has already been discussed in both the G9 collective lobbying and political influence section of the formations chapter and the Super 14 franchise governance section of the processes chapter. A non base union CEO comments that, “we’ve seen the manipulation of the rules and people have leveraged their hosting position to benefit their PU. It’s a poor structure.” Furthermore, there is a perception that the lead organisation model lacks independence and therefore the decision making process is weighted in favor of the lead organisation as is evident from this non base union CEO quote:

But unfortunately there are times when you need to have to make decisions that are in the best interests of one entity, the provincial union being (base union) or the franchise. There’s not any independence. So, I think the ability to make the decision that benefits one entity gets compromised significantly. But, we’ve seen that for a long period of time.

Not all non base union CEOs feel this way. Some believe that while, in the ideal world, a more independent model may be preferable, their franchise CEO is able to manage the ‘dual role’. A NFCEO remarked:

I think in the ideal world you'd probably...we'd prefer to have that, but I think my perception is that our Super 14 CEO does a particularly good job and manages both...you know take one hat off and put the other one on; it seems to work reasonably well in that case.

6.1.5 Interim Conclusions: Super 14 Franchise Clique Impacts

A number of interim conclusions can be made based on the above findings regarding the impacts of the formally constructed franchise cliques managed by a lead organisation. 1) Lead firms are able to accrue a number of benefits as a result of this role. In the first instance, the scope of work for each of these firms is vastly increased in comparison to non lead firms. This increased status provides these firms with greater capacity to recruit quality staff. The added scope of business also enhances capabilities and prompts growth and investment by the lead firm resulting in comparatively larger, resource rich and competitive firms. 2) Some lead firms are able to maximize this opportunity more than others and therefore achieve greater positive impacts over a longer period of time. 3) Positive impacts generally outweigh some of the negative impacts such as the increased workload required to manage the franchises affairs in conjunction with their own. There is some evidence that 'clique activities' may be prioritised ahead of the lead organisations' own affairs. 4) While non lead members are also able to accrue benefits, the extent of such benefits is largely dependent on the success of the clique to which they belong. 5) Because there is no choice of 'partners' in these cliques, consistent non-performance can be a source of frustration for non lead members. 6) Positive impacts may also be dependent on the level of cooperation within the franchise that enables it to develop joint initiatives and share resources. Conversely activities such as the poaching of human resources by the lead firm from its own members may create issues of mistrust. 7) The ability of non lead clique members to receive positive impacts is lower than lead members. 8) Some non lead organisations perceive that lead organisations are able to leverage their hosting positions to benefit their own unions more than non lead members. This is a negative impact of clique membership for these non lead members.

6.2 Base Union Clique Impacts

The amount of data sourced regarding the impacts of the base union clique is limited. Therefore the presentation of ‘impact’ findings does not contain the key headings used for the franchise cliques or the G9 clique that follows. It is also important to note that in contrast to the franchise cliques, members of this clique largely disputed its existence. Therefore, impacts of the clique on its constituent members simply were not pursued during the interviews. Impacts on non members and the wider network were however discussed and reported accordingly.

The key impact of the base union clique on non members and the wider network was that it led to the formation of the G9. Had this group not have established their signage agreement in 1997 that underpins this clique, the G9 would likely never have been established. The following NFCEO quote serves to reinforce this point:

“...and as I say the initial reason for the G9 getting together was a commercial alliance because it was a well known fact there’d be five unions outside the franchise hosting unions in the old NPC First Division. We were at a significant disadvantage because the other five had a well formed, well established and very effective commercial alliance that didn’t include the non base unions. So that’s how the G9 started.”

It is evident that there are elements of mistrust from some non base members towards this group. The following two quotes reflect this: “we would be less suspicious of them if there was a degree of independence” and:

They meet on a regular basis. G9 were actually having an email communication just this week and one of the G9 said that he noticed in the travel arrangements returning back to the respective unions after the AGM, that the five CEOs from the franchises were staying overnight and weren’t going back till Friday afternoon. We were all starting to think...what the hell are they up to? They might have totally legitimate reasons for staying down. It might be about Super Rugby and the way forward for Super Rugby.

The above quote also brings the concept of the ‘legitimacy of the base union clique as a form of organising’ into play. It is apparent that any activity coordinated by this group that focuses on Super Rugby is viewed as legitimate, whereas any non Super Rugby discussions are viewed by non base unions with suspicion. It is also evident that some members of this clique also stressed the ‘franchise focused activity’ as the only focus of the group. One FCEO explains: “I’ve never had one discussion with the other four that has had anything to do with provincial rugby. I’ve had plenty of discussions with the other four to do with franchise rugby”.

Another impact of the base union clique on non members is that it created a perception that these unions disproportionately influence the policy/strategic direction of the NZRU. The following two quotes support this assertion: “...but hey the big five unions have been getting together with the NZRU for the last 10, 12 years...I mean suddenly they feel threatened because they’ve effectively been running New Zealand Rugby with the NZRU...”. The second quote is “...The thing is you see their commercial managers and their CEOs get together basically monthly with NZ Rugby [NZRU].”

The commercial impact of the signage agreement that underpins this clique must be seen as a positive impact by the members especially given the longevity of the agreement. Furthermore, because this group does discuss ‘franchise related issues’ there may have been a degree of knowledge sharing particularly earlier in Super Rugby life cycle. Unfortunately the degree of such impacts was not gleaned from the research and therefore these comments are speculative only.

The key impact of this clique on non members and the wider network is that the establishment of the group with its formalised signage agreement officially ring fenced these five unions and separated them from the remaining Division One unions (then five) and subsequently nine. This resulted in the remaining non base unions establishing their own clique. Furthermore, there is an apparent mistrust of this clique by non members that centres on any activity of this clique that is perceived by non members to be outside of the range of activities they are mandated to be involved in and that is franchise business.

6.2.1 Interim Conclusions: Base Union Clique Impacts

The following propositions regarding clique impacts may be made with reference to the base union clique. 1) A significant impact of a clique being formed within a federated network may be the subsequent formation another clique that includes those who were excluded from the original or primary clique. 2) Non members of a clique within a federated network will make a judgement on the legitimacy of a clique as a form of organising based on the types of activities the clique conducts. In the case of the base union clique, franchise related activities serve to legitimise and justify any activity of this group because this group have essentially been mandated to manage such activities. Any activities outside of this are not viewed as legitimate and may lead to suspicion and mistrust of the clique by non members.

6.3 G9 Clique Impacts

The final clique in which to examine clique impacts is the G9. These are assessed with reference to its members and non members. In the first instance, the impacts of the G9 on its members are discussed according to two of the three formation determinants/goals of the G9; 1) Commercial sustainability; and 2) Organisational learning, knowledge sharing and the acquisition of best practice. Impacts with non members and the wider network including the FMO are discussed with reference to the third formation determinant/goal which is collective lobbying and political influence. Within the latter ‘collective lobbying and political influence’ category, general political impacts are presented first and are followed by the specific impacts of the political activity prior to the 2009 NZRU AGM. With reference to the AGM activity, impacts on the Super 14 base unions are also assessed. Finally, an emergent impact of collegiality is also presented.

6.3.1 Commercial Sustainability Impacts of the G9 Clique

A number of G9 CEOs reported positive commercial sustainability impacts as a result of the collective commercial initiatives primarily around signage and sponsorship. A CEO asserted that, “...having the collective grunt of nine provinces has been successful for us...in terms of getting some national companies onboard like PGG

Wrightsons and Fonterra as examples”. There is an indication that without a collective approach, some of the commercial accomplishments achieved by the group would not have been achieved by some unions on their own. The following quote is evidence of this: “...we’re probably accessing sponsors through G9 that really we wouldn’t be able to access if we were on our own...so I think yeah that sort of cooperative approach too has been quite helpful to us”. The recession however has decreased the commercial impact of the G9. A CEO elaborates: “I think in terms of creating revenue for itself it has really good benefit. It’s struggling now because of the climate...”.

The positive sentiments are however not apparent across all G9 members, some of whom believe the G9 had not delivered satisfactory commercial results for example: “From a commercial perspective it hasn’t been successful, I don’t believe”. Others believe it has not reached the expectations that were initially set by the group:

It didn’t achieve the commercial goals that we had expected but in hindsight we probably had set our targets too high...We didn’t achieve our commercial goals. We found it hell of a lot tougher in the market than we thought we would.

6.3.2 Organisational Learning, Knowledge Sharing and the Acquisition of Best Practice Impacts of the G9 Clique

The following two quotes demonstrate the organisational learning impacts for G9 members are very positive. There is a strong indication that because most of the G9 unions were confronting similar challenges the G9 provided a very positive conduit to exchange knowledge. There were no indications of any negative perceptions regarding the achievement or fulfilment of this motive:

... the real benefit from my perspective was the togetherness and the collective, discussion around issues, contracting, and players and funding and stadia criteria, and NZRU. We were all facing the same problems. It was nice to have a group of guys which to bandy that around.

...sharing of ideas and all the nine unions share some real issues around sustainability, viability-financially, high performance issues, in terms of recruitment and being able to...given the role of the franchises play being able to access good players...so all those sorts of things ...being able to throw around in a forum were also really beneficial.

6.3.3 Collective Lobbying and Political Influence Impacts of the G9 Clique

General political impacts of the G9 clique

The following NFCEO quote provides an overview of the G9's political impacts and in general suggests that whilst there has been no real political influence to date the G9 has potential to make an impact. The point that "the fight that we are fighting, which is probably stronger than ever" in the following quote is perhaps an indication of the political activity that was pending around the 2009 NZRU AGM:

But on the political front, it's fair to say that the fight that we are fighting today, which is probably stronger than ever, is still about all those same things pretty much that we started ten years ago – nothing really has changed on any of those fronts. So it's fair to say that politically we haven't had a lot of influence. There are a whole lot of other benefits that have been positive and you can't stop fighting just because you're not winning. You've just got to keep going and I still believe as nine unions, we have a lot more impact than we do. They definitely are listening and they are aware of the group and they are nervous about the group...if you like...especially on political matters...so all of that's good. To me it means it's been recognised as a group that could have some impact. As far as impact with regard to making change, not a lot really....not on the major issues.

The above quote does highlight that the G9 has achieved legitimacy as an entity as a result of this 'external recognition'. Such recognition is further highlighted by a NFCEO who stated that, "It made people sit up. Take notice. A lot more than you'd do on your own...suddenly nine of the fourteen were together...nine were in collaboration ...".

One reason provided by a NFCEO for the lack of political impact is the fragmentation within the G9. In his view fragmentation prevents it from being the united lobby group it could be:

...so again I understand from the history of it that this is not unusual...that where there is initially a very strong will, it doesn't seem to follow through. There is fragmentation takes place and it's maybe for that reason not as strong a lobby group as it could be.

The same way the non base union members question the legitimacy of the base unions when they are operating outside of 'franchise related business', some non G9 members also question the legitimacy of the G9's political motives. They are however supportive if the G9's collaborative efforts to achieve commercial objectives as the following FCEO quote suggests:

The initial purpose of it was to (and I think it was a good purpose) from a commercial point of view was to leverage their joint power and so I think that was good. I think where they went wrong a bit was they sort of got on to us v. them, we're the G9 and you've got the big five over here and it was like we are going to make sure we look after our position and they became a lobby group politically. And I don't think that was right...

In fact, some G9 members also question the G9 as a legitimate political vehicle as highlighted by this G9 member: "I'm just wondering whether it's been the right forum for trying to initiate changes of thinking or changes of policy or anything like that".

Specific impacts of the G9 clique's political activity around the 2009 NZRU AGM on the NZRU

There are a number of G9 member perceptions regarding the impact of the activity that was conducted around the AGM by the G9. A common theme is that despite the criticism the group received for conducting such activity, a key impact was the G9 did get a hearing and were listened to. The following NFCEO quote is evidence of this:

Yes, from a personal view point too I think that if we had done it individually we would never have got anywhere...there's been a lot of criticism of the way we went about it (which I don't necessarily agree with)...we were listened to.

Such activity was important to represent the views of the stakeholders for each of the nine unions involved. It also demonstrated the capacity of the G9 to gain unanimous agreement of its constituents on three key points. This is particularly significant in that 'fragmentation' did not occur regarding these three issues presented to the board of the NZRU. A CEO quote highlights this as follows:

NRZU management and the Super 14 franchises – base unions. They were all pretty critical – the way we went about it. I think some of it is about being threatened. At the end of the day it doesn't really matter. Our job is to get a message across and to stick up for our stakeholders. I think we did that and the fact that nine of us all agreed on all three points was quite significant in itself.

In terms of a direct response to the issues presented to the NZRU board, there are a number of impacts. Firstly it did appear to form the basis for discussion that took place the following day. A CEO suggested that, "...some of the outcomes of that meeting with the [NZRU] board the previous day formed the background to some of the discussions we subsequently had at the meeting the next day". Secondly the following quote suggests that the key points were taken on board and that a meeting to discuss the future of the Air NZ Cup was organised. It is, however, unclear whether this meeting was a direct result of the political activity or if it was already scheduled. The following NFCEO quote provides an overview of this:

Certainly taken on board and they got a very clear message at the Board meeting, verbally, from our delegates. It was taken on board. It would probably be fair to say in our opinion, or in my opinion, that since that time the NZRU's moved to water down some of it, for want of a better term. And the meeting that we're having next week is I guess as a result...to talk about the Air New Zealand Cup...which I guess is a result of...or partly as a result of the G9 saying we need to do something to have some affirmative action

about our rugby structures in the future. And it's interesting that I note that it's being called by the NZRU...

It is also apparent the G9 did also receive answers to the questions or concerns regarding the growth of Super Rugby. The following quote indicates that the overriding justification for the growth of Super Rugby and the ongoing partnership with South Africa and Australia (as opposed to just Australia) is the revenue earning capabilities this relationship has for New Zealand Rugby:

We got answers to the Super Rugby thing. I suppose NZ [NZRU] put it to bed by saying we will add it all up when we get a final offer but at the end of the day we need the money. The money that Super Rugby provides helps fund NZ rugby and that's it, end of story and this is the only way we think we are going to get it. Now it could be that the Africans veto that anyway, at the end of the day you can't argue with that. If they say they are they sums then they are the sums...some people do argue with it but at the end of the day we were just saying what is the cost to NZ Rugby?

Furthermore the G9 did appear to receive an answer to the funding issue as explained by this CEO: "...and funding things being reviewed again this year so we were all listened to and we can all argue that they would've done all that anyway".

Lastly it is worth emphasising the following quote in that not only does it lead nicely into the impact of the activity on the base unions, it also demonstrates the underlying fervor that perhaps was present in some G9 unions:

In the end, I think if you're going to ask the effect, it probably sat the five bigger unions on their ear a little bit and you know they've been out in the press saying, hey it's not right for the nine unions to get together and flex their muscles just because they've got 45% or 49% of the voting power. Hey it wasn't about that, but hey the big five unions have been getting together with the NZRU for the last 10, 12 years...I mean suddenly they feel threatened because they've effectively have been running New Zealand Rugby with the NZRU and to hell with the smaller boys. Yeah the smaller boys flexed a little

bit of muscle and suddenly the big five probably haven't liked it as much...or the big three, I should say the big three...X base union falls into a slightly different category. So, it probably had more of an impact on the bigger three or four unions and put them on notice.

Specific impacts of the G9 cliques' political activity around the 2009 NZRU AGM on the Super 14 base unions

The findings suggest that the Super 14 base unions were not at all impressed by the political activity of the G9 prior to the AGM. The following FCEO quote indicates that it was both out of the realms of normalcy and that the impact could have been greater had all fourteen unions fronted the NZRU:

Only in they did it so badly and they pissed people off, they were ineffective and I wondered why they had to do it as a G9 when many of the issues they were talking about actually affect all 14. There could have been a much more coordinated industry approach to the NZRU. But I haven't seen the detail of what they said, I don't know everything that they had issues with, I don't know whether we could have been in the room with them or not. But it just seemed to be an odd, unusual and pretty unsuccessful thing to do.

There is a strong theme in the base union responses that this activity upset the NZRU as indicated in the following two quotes: "They [NZRU] were pissed off. They were aggravated, they were angry and I doubt that's the way to achieve your outcomes" and "They went backwards a long way in the NZRU's mind because of the manner they went about it".

The following FCEO quote does reinforce that this activity was a new step in political activity for the G9 clique:

...but I think it was a new development in terms of, not so much in that they had concerns, but the manner in which they went about it where they used strong language, became aggressive and got it wrong in terms of how they were trying to – in my opinion, in terms of how they were trying to influence

by the manner in which they went about it and therefore, personally I felt we would have been better off with them, but given they did it in my opinion badly. I was really happy my PU's name wasn't part of it.

Despite the strong reaction by some base unions, this final quote suggests the impact on the base unions as a group was not that significant: "Interestingly enough we had a meeting of the five on another matter the next day. It wasn't raised at all. Because I think there's a general view amongst the five that these guys have lost the plot..."

6.3.4 Collegiality Impacts of the G9 Clique

Collegiality, whilst not part of the formation motives, emerged as a positive impact and therefore warrants its own category. Mutual friendship and moral support appear to have been extremely positive outcomes for G9 members as the following two quotes demonstrate: "The collegiality I found excellent" and "So I think some good friendships have developed out of it". Further to these quotes, there is also the indication that the role itself can be both challenging and lonely and the following two quotes are evidence that the G9 was able to make a very positive impact with regard to addressing these issues. A CEO stated, "It's a tough gig, and it's a lonely seat. There was always that open door to any new CEO. Giddy mate ...this is who I am here is my card..." and another CEO asserted, "They would offer me moral support and if I ever felt I needed to have a chin-wag with someone I could do it with one of the other eight, no problems at all."

6.3.5 Interim Conclusions: G9 Clique Impacts

There are a number of conclusions that can be made with reference to clique impacts as a result of the G9 findings. 1) Success or accomplishment of core formation motives/goals of a clique will have a bearing on the impacts – either positive or negative on clique members. For example, a degree of success in the commercial sustainability and knowledge sharing goals of the G9 resulted in positive impacts to a majority of clique members. 2) Not all members will perceive success or accomplishment in the same way; what is successful to one member may not be viewed as successful to another and hence there is no resulting positive impact. 3)

Cliques may provide a platform for enhanced commercial return and knowledge sharing that result in positive impacts for members. 4) Further positive impacts may emerge as a result of clique membership that are outside of the original formation motives of a clique. In the G9 case, collegiality emerged as a positive impact for clique members. 5) The non achievement of political goals within a federated network may not be seen as a negative consequence by its members particularly if they believe the FMO and non members are aware of the clique and its potential to make an impact. If clique members perceive that non members are nervous about the existence of a clique then this may be viewed by members as a positive impact and a gauge that the group had achieved a degree of legitimacy as an entity. 6) Reasons for the non accomplishment of clique political goals may be due to the diversity within cliques and the resulting fragmentation and lack of ability to gain consensus on key issues. 7) Cliques are likely to achieve greater political impact by instigating one-off more intense coordinated political activity around key governance activities of the FMO particularly when there is one hundred percent consensus by the clique on key issues to be presented to the FMO. This one hundred percent consensus in itself is viewed by clique members as a significant achievement. 8) To draw responses by the FMO to key concerns of the clique including acknowledgement, answers and action is viewed as a positive impact by clique members. 9) Any political activity including one off more intense activity of this nature is likely to draw harsh criticism by non members within the federated network. With this in mind, it is concluded that in federated networks, cliques may be viewed by members and non members as an acceptable or legitimate forms of organising in order to achieve commercial and knowledge sharing outcomes. However, some members and most non members will doubt the appropriateness or legitimacy of a clique as a form of organising to achieve political outcomes.

6.4 Discussion: Clique Impacts

The findings have demonstrated both positive and negative impacts to members as a result of clique membership as well as illuminating the extent to which benefits are accrued to the lead organisations in comparison to non lead organisations in cliques with this mode of governance. Examples of positive impacts to clique members include increased knowledge and learning, enhanced commercial returns, sharing of

resources and improved collegiality between members. On the other hand financial costs of membership, the loss of critical resources to clique members, management complexities and increased work loads are examples of negative impacts.

In the case of the G9, such benefits are a direct reflection of the achievement of commercial and organisational learning/sharing of best practice goals, whereas collegiality was more of a consequence of clique membership as opposed to being a clearly stated motive for the clique. The strong knowledge sharing impacts demonstrated in the findings are consistent with Barringer and Harrison (2000) who suggest that organisational learning is a key advantage to firms as a result of involvement in IORs, as is gaining access to resources. Baum et al., (2000) assert that membership in networks provided access to key resources such as knowledge that would normally takes firms years to acquire. Furthermore, membership protected them from the hazards normally confronted by new firms. In the case of the G9, this clique provided access to knowledge for the four newly promoted unions to the Air NZ Cup (when the G5 became the G9 in 2006) by providing new CEOs with the opportunity to learn rapidly from more experienced G9 CEOs. It also provided all CEOs a forum in which to share and discuss common issues confronting all of them in their operating environment and in particular the newly established competition.

The G9 was also able to achieve commercial goals and therefore provide positive commercial impacts to its members, however the findings demonstrate that the impacts to individual member organisations varied based on each member's interpretations of success. Some members were very satisfied with the returns whereas others were not and felt the group had under achieved. Barringer and Harrison (2000) also suggest that IORs provide members with advantages such as greater economies of scale and there is no doubt that the G9's collective signage agreement does provide members with this positive impact. The findings also suggest that the ability to maximise commercial achievement has been more difficult in the present challenging economic environment. This is consistent with Provan and Milward (1995) who suggest that poorly funded environments will decrease the possibility of effective network level outcomes.

The impact of the franchise cliques on members provides an interesting contrast to the G9 clique in that the franchise cliques are mandated with a lead organisation mode of governance and the G9 is member initiated with a the shared participatory mode of governance. The predominant finding is that the lead firms are able to accrue greater benefits as a result of leading the franchise in comparison to the non lead members. The greater capacity, turnover and high level involvement of activity coupled with the receipt of an annual management fee from the FMO all contribute to the lead firm's ability to attract and retain human resources as well as develop a physical portfolio of resources resulting in a more competitive organisation. In simple terms, the lead organisations hold a superior position in the clique. This is consistent with Arya and Lyn (2007) who assert that organisations that have a high status and hold a strong position within a network can enhance their capabilities as a result of their collaboration efforts. They refer to (Rowely, Behrens, & Krackhardt, 2000) who suggest that this superior position enables them to augment their internal resources and enhance access to resources. It is however evident that the lead position does not guarantee profitability or on-field success and some have been able to maximise the advantages more successfully than other lead firms.

Despite the positive impacts on lead organisations, this research does indicate that there is an increased workload involved in the management of these cliques and there are a number of complex relationships to manage. This is consistent with literature that states there are significant management complexities involved in managing IORs which must be balanced against the potential positive impacts (Barringer & Harrison, 2000). The coordination effort can be a burden for the organisations involved (Kotabe & Swann, 1995). Furthermore, there is an indication that the management fee does not cover the true cost of managing a union and that at times the activities of the franchise are put ahead of the activities of the base union. In general, however, positive impacts appear to outweigh the negative impacts for the lead organisation.

The non lead member firms or G9 unions reported mixed impacts as a result of membership of the mandated franchise cliques. The lack of independent leadership is perceived as a negative impact by some non lead unions who believe the lead organisations are able to leverage their position to advantage their unions. Further negative impacts include the non selection of players in the franchise team and the

loss of players to the lead organisation. As discussed in the processes section, players are an essential and valuable resource to the provincial unions and failure to establish rules and protocols around player movement/recruitment can prove to be problematic for a franchise. Das and Teng (1998) propose that organisations involved in collective behaviour may expose themselves to opportunistic behaviour by partners such as the appropriation of partner resources. This negative impact is evident in this research and is emphasised by one non base union CEO with reference to the base union of the franchise in which he is a member: “they used to pillage our talent”. Those franchises which have been able to cooperate and develop strategies and joint initiatives, such as the sharing of resources, reported positive impacts to their unions in these areas. Examples such as contracting financial services, media training supplied by franchise expertise are consistent with the advantages of achieving greater economies of scale, cost sharing and access to resources highlighted by Barringer and Harrison (2000) and Baum, Calabrese and Silverman (2000). Other important positive impacts include the provision of pathways for players and enhanced financial return. The financial return, however, is largely dependent on the franchise to which a union belongs. If a non lead union is fortunate enough to be a member of a profitable franchise, then it has been able to benefit from some significant financial returns over the years. On the other hand, some unions which are members of less profitable franchises have had no financial benefit from Super Rugby and it is apparent that this is a genuine source of frustration and even resentment for some of these unions. With the above in mind, it may be fair to conclude that non lead members of mandated cliques may feel frustrated in that their ability to receive positive impacts is largely out of their hands. Barringer and Harrison (2000) do assert that a potentially negative outcome of IORs is that a firm may become a dependent partner.

Despite the mandated nature of the franchise cliques that precludes member goal establishment in the same manner as the member driven G9 clique. A number of assumptions based on the data can be made with respect to what members would ideally want from their membership of these cliques. Firstly each franchise wants to be successful on the playing field and this reflected in this CEO quote: “...really the franchise was set up for one team to win one competition...”. Closely related to this is that each franchise seeks to achieve maximum financial return for its members. It is also fair to assume that members ideally would like a fair portion of any financial

return that is made, fair player representation in the franchise team, as well as player retention as opposed to player loss to base unions. It is also apparent that joint initiatives, such as shared services do create positive impacts for some unions. In general the findings indicate that some franchises have been successful in achieving such outcomes and returning positive impacts for its members whilst others have been less successful. It is appropriate to suggest that based on relevant literature, the achievement of positive impacts for the mandated franchise cliques was always going to be challenging. Human and Provan (2000) assert that that networks which are formally constructed were more likely to fail than those that emerged naturally out of existing relationships. Rowley et al., (2005) highlighted that cliques experienced less departures (whilst acknowledging that members simply can't leave the franchise cliques) when they demonstrated equal access to key resources (the findings demonstrate this is an issue for some non base unions), low diversity in size (some franchises contain significant diversity in member size), high contact (some franchises have relatively low contact between members), and dissimilar functionality (all members are in the business of rugby union). Furthermore, Shiplov et al., (2006) observed that networks consisting of firms of similar status were less likely to break up. It is fair to state that the franchise cliques have considerable status differences across members. With the above points in mind, it is perhaps no coincidence that there have been some growing pains for these franchises and it has taken significant time for some to develop into cooperative and collaborative entities that are able to deliver positive impacts to its members.

The findings are limited with regard to the positive impacts of the base union clique on its members. In short, the signage agreement is consistent with the advantage that IORs provide firms with the ability to develop new products or services (Kotabe, Masaaki, Swan and Scott 1995; Barringer and Harrison, 2000). In this case, the base unions moved away from the whole of Division One approach to selling signage and developed a new signage offering for the market. Based on the findings, one can only assume this clique has achieved commercial returns for its members due to the longevity of the arrangement. The knowledge sharing impacts across this group are inconclusive.

The last area to discuss is clique impacts on non members and the wider network. Specific examples have been observed for both the base union clique and the G9. In the case of the base union clique, the most significant impact of this clique was indeed the subsequent formation of the G9. The new concepts of primary and reactionary cliques have already been discussed in detail in the formations chapter. In addition to these discussions and with reference to impacts of cliques on the wider network, it is fair to conclude that a significant impact of a clique on a network is the subsequent formation of another or other cliques. A further impact on non members of a clique in a federated network that consists of mandated lead organisations such as the base union clique, is the perception of mistrust or suspicion when the non members perceive the group to be operating outside of the parameters in which they have been mandated to manage. This concept is closely related to Human and Provan's (2000) concept of the legitimacy of the network as a form of organising in that the base union clique is viewed by non members as a legitimate form of organising for franchise business only.

The G9's political influence motive also provides an ideal scenario from which to glean a better understanding of the impacts of a clique on non members and the wider network. As there is no relevant literature to refer to regarding the political impacts of cliques, this is considered to be a contribution to both IOR and clique literature. The findings in general and in isolation of the political activity that was instigated by the G9 prior to the 2009 NZRU AGM, indicate that the G9 has made very little political progress regarding their key areas of concern. This however was not necessarily viewed as a negative outcome by some members who believe if there is an awareness of their clique by the FMO and non members and that these parties are nervous regarding the clique's potential to make an impact, then this is still viewed as a positive impact. This awareness of the group is linked to Human and Provan's (2000) concept of legitimacy of the network as an entity. In the case of the G9, such recognition is an indication of the achievement of legitimacy of the clique which can be viewed as a positive impact. The lack of overall political achievement can however be potentially attributed to the following factors: 1) The limited time devoted to such activity by the G9 in that a majority of its meetings, as discussed in the processes section, have a commercial focus; and 2) Fragmentation and difficulty gaining consensus on key political issues within the group.

It is therefore important to highlight the political activity that took place prior to the AGM by the G9 clique. In this instance, the G9 established a coordinated and dedicated meeting to address key issues to take to the NZRU board via the chairmen of the G9 provincial unions. It had one hundred percent commitment by all G9 member unions and had worked extremely hard to ensure one hundred percent consensus on the three key issues that were eventually presented to the board. The fact that the G9 achieved one hundred percent consensus on three key issues was deemed to be a significant achievement in itself by its members. The findings demonstrate that this activity created the following impacts: 1) It drew harsh criticism by the base unions and this is consistent with the conclusion that any clique political activity within a federated network is not considered to be legitimate or appropriate by non clique members; and 2) According to G9 members who discussed this activity, the G9 received acknowledgement by the FMO in that they were able to present their issues to the board, they received answers to key issues as well as subsequent action following the meeting. It is however unclear whether some actions were as a result of the G9's political activity or whether they were already scheduled by the NZRU. Because the NZRU were not interviewed, their perceptions on the activity could not be assessed. The predominant feeling of the G9 members was that the impact was far greater than they would have been able to achieve independently. The conclusions from this activity are that cliques in a federated network are likely to achieve greater political impacts by coordinating less frequent, more intense political activity around key FMO governance events such as an AGM. One hundred percent consensus by clique members with regard to critical issues, as opposed to fragmentation, is essential to maximise the potential impact of such activity. The activity itself is however likely to draw criticism from non members of the clique. Furthermore, while there was one hundred percent commitment to this particular political activity, the findings did suggest that some G9 members doubted the overall political role of the clique. With reference to Human and Povan's (2000) concept of legitimacy of the network as a form of organising, it is also fair to conclude that non clique members and some clique members too will perceive that clique activity in a federated network that has a political agenda is not a totally legitimate form of organising. On the other hand, commercial and knowledge sharing activities of a clique are viewed as legitimate forms of operating within a federated network.

In summary, cliques in this research have demonstrated positive impacts to members such as enhanced commercial returns, acquisition of knowledge as well as improved collegiality. Other positive impacts as a result of cooperative efforts between members include shared services and shared resources. These positive impacts show that cliques are able to produce greater economies of scale and cost sharing advantages for members. Negative impacts to members include becoming a dependent partner and losing critical resources to partner unions. In general, cliques with a lead organisation governance structure have demonstrated that the lead organisations are able to increase both capacity and turnover and therefore enhance their potential to accrue more positive impacts than non lead members. Some lead members are able to maximise this potential more than others. Perceptions by some non lead members that the lead organisations have leveraged their leadership position of cliques to benefit their own organisations may result in mistrust of the lead organisations and a general desire from non lead organisations for a more independent governance structure. The lead organisation, as a result of its leadership responsibility for the clique, is faced with management complexities which are viewed as a negative impact, as is the inclination of this lead organisation to put the clique ahead of its own organisation at times.

Clique impacts on non members and the wider network were demonstrated in the first instance when the formation of one clique (primary clique in the base union clique) greatly influenced the formation of another clique (reactionary clique in the G9). Secondly the political activity of the G9 clique provided an ideal opportunity to observe the impact of a clique on the FMO and non members of this clique. This clique was able to achieve a number of impacts from this activity due to its strong commitment to the cause, its ability to gain one hundred percent consensus on key issues and the timing of the activity to coincide with governance activities of the FMO. Such political activity was viewed by non members as a highly inappropriate means of operating.

Conclusion

This research has challenged the general assumption that federation affiliates either operate independently of other affiliates or as a total collective under the coordination of the FMO. With this in mind, little is known about the extent to which league affiliates pursue collective interests via a subset of the league's affiliates and whether affiliates do in fact 'hunt in packs'. Such subsets within the context of a network are known as cliques (Provan & Sebastian, 1998) which are under-represented in academic literature (Rowley et al., 2005). Therefore not a great deal is known about this form of IOR.

This research highlighted the existence of three types of cliques within the context of the 14 premier provincial rugby unions that participate in the Air NZ Cup competition. Each of these cliques provided a case with which to address the research question; the formation, processes and impacts of each interorganisational clique. A series of interim conclusions were made with respect to each case clique within each of three sections of the research question. These conclusions were then synthesised and reinforced with reference to relevant literature in the discussion that completed each of the three chapters dedicated to the three components of the research question.

The first type of clique highlighted in this research are mandated cliques. These cliques demonstrate a high degree of formality and structure as a result of the direct involvement of the FMO and the ongoing influence on these cliques by that governing body. This type of FMO managed construction of cliques is perhaps to be expected within a federated network of this nature. The research has also highlighted a second type of clique that formed independent of the FMO. These cliques are less formal and members have driven their establishment. Determinants for clique formation in this research include enhanced commercial sustainability, acquisition of knowledge and sharing of best practice and political influence and collective lobbying. Clique formation in most instances coincided with considerable changes in the operating environment and uncertainty reduction therefore underpinned clique formation in this research. A common responsibility, role or status between select network members also provided a mutual connection that created impetus for clique formation. Most

network members viewed cliques as acceptable and legitimate forms of organising to achieve both commercial and knowledge sharing goals. Political activity, on the other hand, was viewed by non members of the clique that pursued the activity as a far less acceptable form of organising. This research however has shown that cliques with a political motive will rarely activate this motive and will only do so when they perceive that: i) survival in the current operating environment has become extremely difficult; ii) the collective vision of the clique is at odds with the direction in which they believe the FMO is moving; iii) the league or 'area of business' they are operating within is under threat or has the potential to have its status and therefore legitimacy downgraded; and iv) the clique believes the FMO is not ensuring an even distribution of resources throughout the network. Prior clique studies have not examined cliques with a political motive and this is considered a contribution to the literature.

Furthermore, this research highlighted specific governance types that reflected the degree of formality of each clique. A lead organisation structure was observed in the Super 14 franchise cliques, a shared participant, semi-formal structure was observed in the G9 clique while the base union clique, being extremely informal, demonstrated no governance structure whatsoever. Key concepts such as inclusion, cooperation and interpartner legitimacy were all examined and those cliques that demonstrated high levels of each were essentially more cooperative entities as a result of the legitimisation of interaction within the clique. The impact of each clique on clique members, non clique members, and the federation varied. Clique membership was associated with positive impacts that included enhanced commercial return, knowledge acquisition, sharing of critical resources and collegiality. Negative impacts included management complexities, losing critical resources to clique partners and no commercial returns as a result being a member of an under performing clique. Clique impacts on the wider network and non members were observed in the political activity scenario above as well as the subsequent formation of a clique in response to an initial clique being formed within the network.

A number of new concepts were highlighted in this research that would benefit from further investigation. Whilst these have been covered in the discussion, they are as follows: 1) The mimetic counter response to clique formation and the concept of

primary and reactionary cliques, in other words, the extent to which clique formation leads to subsequent clique formation within networks; 2) The contestability of clique existence and the potentially negative connotations of the term clique. Closely related to this is the concept of clique as a form of organising and what are deemed by members and non members to be acceptable areas of operation for a clique. As discussed above, political activity was deemed as not legitimate by non members in this research; 3) The existence of tiers, micro-clusters or hierarchies within cliques and the extent to which these are precursors to future clique formations. Related to this concept is how cliques deal with consistent under performing members who are deemed to be ‘dragging the others down’; 4) The concept of supra-ordinate strategic goals as a means of channelling and achieving consensus within a clique or network that contains significant diversity; 5) The concept of an independent leadership (CEO) position such as that which is present in the Chiefs franchise. Whilst this was covered in some detail during the interview process, it could not be included in depth in this research and does warrant its own dedicated examination.

A number of limitations are acknowledged in this research. Firstly, on reflection, the scope of the research question is very broad and this has resulted in a very large thesis. Narrowing the research question to one or two of the components addressed may have allowed for a more manageable and focussed approach to these sections. Two further limitations were that the inaugural Super 14 (then Super 12) franchise CEOs were not targeted to be involved in this research process and that a scheduled interview with the NZRU did not occur. In the first instance, inaugural franchise CEOs would have offered a unique ‘primary’ insight into the formation and initial challenges facing both the franchise cliques and the base union clique. In short, the scope simply couldn’t be extended beyond the seventeen interviews held. Whilst it may have been better to restrict the number of current CEOs involved, the researcher was also aware of the Treaty of Waitangi principle of providing for maximum ‘participation’ of those CEOs within the context being examined. Secondly, the NZRU would have offered insight into both the formation of the franchise cliques and the impact of the cliques on the governing body. An interview was scheduled to take place with a senior manager of the NZRU. A brief meeting was held with this manager at the scheduled time but the manager decided not to participate and asked for the questions to be sent to him. This was done and they were not returned. In part,

the political activity that took place by the G9 not long prior to this scheduled interview had led to a particularly sensitive environment and it is perhaps understandable that this interview did not take place and that answers to the submitted questions were not received. Some secondary data sourced did however help to fill some gaps in the data.

A number of practical considerations have arisen as a result of this research. The first is that cliques are likely to exist or form within federated networks either via the orchestration of the FMO or independently of this governing body. The real challenge for the network and all its members is to acknowledge the existence of these cliques and maximise the integration both within and between these cliques which may lead to a more cohesive and effective network. Provan and Sebastian (1998) argue that full integration of all firms in a network may not be either achievable or desirable and that a more controlled and manageable integration within and between cliques may lead to more effective networks. When such integration occurs, clique members may learn a great deal from each other by establishing positive working relationships built on cooperation and trust and in doing so decrease transaction costs. Further, when cliques overlap, ideas that are developed in one clique may be subsequently built on by others and therefore knowledge may be shared across the network.

The current clique structure within the context examined provides an ideal opportunity to achieve the type of integration discussed above. The existence of the base union clique, given the unique role that the base unions have is both logical and necessary for these unions. The same logic extends to the G9 clique as its members also share the same degree of commonality. This research however does suggest that there are opposing forces at work between these two cliques which has created a hypothetical 'fault line' between them potentially decreasing the effectiveness of the network. The political activity around the AGM optimised the existence of this gap. See Figure 1.

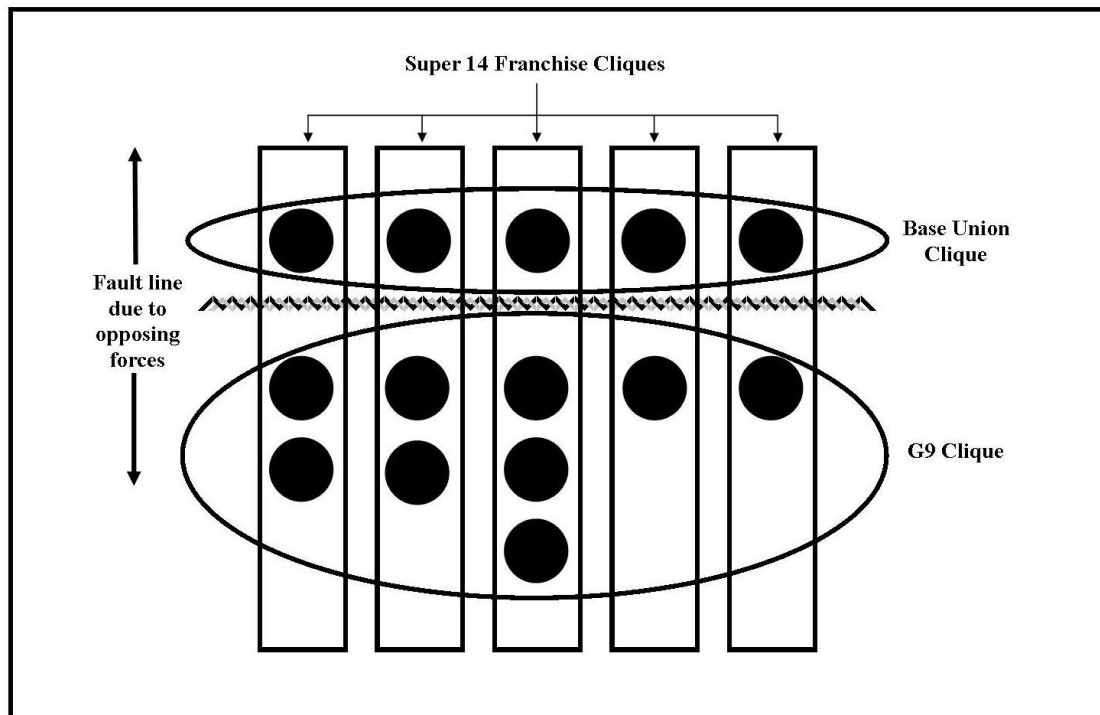


Figure 1: Clique Integration and Overlap in the Premier Rugby Network

The mandated Super 14 franchise cliques provide an ideal overlapping and integrating 'linking' opportunity for the network. These franchise cliques may be viewed as 'linking cliques' and may serve to close the fault line by reversing the opposing forces that currently pull these two groups from apart. A reversal of forces will only occur with the legitimisation of cooperation and more intensive integration within each franchise clique acting as the 'cement' to close this fault line. Given the ever increasing role Super Rugby is likely to play in the rugby landscape this suggestion is justified. Prior research however indicates that networks which are formally constructed are more likely to fail than those which emerge naturally out of existing relationships (Human and Proven, 2000). Furthermore diversity in size and status, lack of contact and unequal access to resources have been attributed to clique failure (Rowely et al., 2005; Shiplov et al., 2006). The evidence from this research has highlighted the existence of some of these attributes in some cliques. The lead organisation mode of governance has also created issues for these franchises and for non lead organisations given that the lead role has created the potential for these unions to become more competitive than their non lead partners. This mode of governance has also created issues such as of lack of inclusion and frustration for non base unions. Furthermore there is the perception by some that the lead organisations

have leveraged their position in an opportunistic manner. However, whilst a more independent mode of governance such as a network administration organisation (NAO) is an alternative, there are concerns from base unions and some non base unions regarding the economic viability of this option as well as the potential to alienate the key stakeholder unions from the very large 'chunk' of rugby that is Super Rugby. Finally, a number of initiatives and strategies have been highlighted in this research that focus on maximising cooperation and integrating members within franchise cliques.

With the above in mind, consideration should be given to the following as recommendations to create more cooperative franchises: 1) Maintain the current lead organisation mode of governance however adopt a NAO governance philosophy. An increase in the ratio of independent board members may assist with the achievement of this; 2) Develop rules and protocols to control the flow of resources within each franchise. Examples of such initiatives implemented by some franchises have been demonstrated in this research; 3) Establish collaborative management teams to create a more formalised and regular communication platform within each clique as already implemented by one franchise; 4) Related to the prior recommendation, establish specific 'rules of engagement' for franchises that focus on increasing contact, cooperation and inclusion of all members of franchise cliques; 4) Consider the employment of more franchise personnel such as the high performance role referred to earlier in this research. In the same way as the franchise cliques have the potential to be linking cliques; these positions have the potential to be 'linking roles or linking individuals'. Franchise positions in other functional areas would also be a worthwhile consideration and create more opportunities for interaction between union members at other functional levels as well as the potential for increased shared services between franchise member unions; 5) Utilise franchise games as team building and cultural blending opportunities for member unions. Also utilise these events as professional development opportunities to improve the collective knowledge of both base union and non base union staff members across the New Zealand Rugby network. These events can be viewed as 'linking events'. The preceding recommendations are based primarily on the findings from this research with the goal of enhancing integration both within and between the three identified cliques to ultimately benefit the premier rugby network of provincial rugby unions in New Zealand.

In conclusion, team work is a key ingredient to the success of any sports team. New Zealand has always prided itself on its ability to play an inclusive, expansive and exciting 'fifteen man game' that involves all players in the team from prop to fullback. Because of this, many New Zealand players are multi talented and have a large number of skills and techniques at their disposal regardless of their position in the team. Within the team however, there are subsets, mini units, or teams within teams that include; the tight five (which may further be broken down to the front row and locks), the loose forwards, the half back and 1st five combination (one can also add the number eight to this at times), the inside backs and the back three (fullback and wingers). Some of these mini teams overlap, for example the hooker has a unique relationship with the props and the half back at scrum time, and the half back in turn has a unique relationship with the number eight and 1st five. Each of these mini units often have a commonality of physical attributes required for membership such as strength, speed, weight and height as well as specific roles and responsibilities that are unique to each of them. The interaction and strength of ties is often stronger and more intense between members within each of these subsets than between members of the team that are not in the same subset, for example props and a wingers. The interaction and bonds within these mini units is however encouraged and fostered as is the interaction, coordination and overlap between them resulting in an expansive and successful game that involves all team members. This very approach may be a worthwhile consideration off the field with the cliques that exist within the network of premier provincial rugby unions in New Zealand.

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APPENDICES

APPENDIX A

Sample Email to a CEO known to the Researcher

From: Trevor Meiklejohn [mailto:tmeiklejohn@unitec.ac.nz]
Sent: Tuesday, 17 March 2009 12:41 p.m.
To:
Subject: Trevor Meiklejohn research project

Dear

You may remember me as a former staff member of the Institute of Rugby and more recently the Millennium Institute of Sport and Health. I am now taking an academic pathway in sport management as a lecturer at Unitec's Department of Sport. I am also completing a Master of Business (with AUT University) and am in the process of undertaking the formal research component of my thesis.

In summary, the focus of my thesis is on the relationships between rugby unions in the various groups that exist in NZ provincial rugby, ranging from Super 14 franchises to less formal groups/cliques (if indeed they exist). In particular how they are managed/led, how they function/operate/cooperate and their effectiveness/impact (on members and non members).

The NZRU are aware of this project and have endorsed it.

I am hoping to interview most of the 14 premier provincial CEOs and some former CEOs where the existing CEO may have just started.

Ideally this will be a face to face interview and I intend to travel to each CEO. Phone interviews are an option although certainly not my preferred one. The interview will last for an hour to an hour and a half max.

The purpose of this email is simply to provide you with a basic overview and then I would like to follow this up with a phone call to provide you with more detail and assess your initial thoughts and prospects of your involvement. Following this I would send you more detailed written information regarding the project (also covering off issues such as anonymity and confidentiality) and organise a time that most suits you for an interview if you wish to be involved.

I appreciate you will be extremely busy at the moment and therefore the interview could occur in a few months time?

I look forward to the prospect of your involvement in this project and to touching base shortly.

Kind regards

APPENDIX B

Sample Email to a CEO not previously known to the Researcher

From: Trevor Meiklejohn [mailto:tmeiklejohn@unitec.ac.nz]

Sent: Thursday, 2 April 2009 12:28 p.m.

To:

Subject: Trevor Meiklejohn, provincial rugby research project

Dear

My name is Trevor Meiklejohn. I am a lecturer at Unitec's Department of Sport and currently completing a thesis as part of a Master of Business. Prior to this I have held positions with the North Harbour Rugby Union (Marketing Manager 7 years), New Zealand Rugby Union (Institute of Rugby, Operations manager 2 years) and the Millennium Institute of Sport and Health (Operations manager 3 years).

In summary, the focus of my thesis is on the relationships between rugby unions in the various groups that exist in NZ provincial rugby, ranging from Super 14 franchises to less formal groups/cliques (if indeed they exist). In particular how they are managed/led, how they function/operate/cooperate and their effectiveness/impact (on members and non members).

The NZRU are aware of this project and have endorsed it.

I am hoping to interview most of the 14 premier provincial CEOs and some former CEOs. Ideally this will be a face to face interview and I intend to travel to each CEO. Phone interviews are an option although certainly not my preferred one. The interview will last for an hour to an hour and a half max.

The purpose of this email is simply to provide you with a basic overview and then I would like to follow this up with a phone call to provide you with more detail and assess your initial thoughts and prospects of your involvement. Following this I would send you more detailed written information regarding the project (also covering off issues such as anonymity and confidentiality) and organise a time that most suits you for an interview if you wish to be involved.

I look forward to the prospect of your involvement in this project and to touching base shortly.

Kind regards

Trevor Meiklejohn

APPENDIX C
Project Background Letter



29 May 2009

Dear

Further to our correspondence the following information coupled with the participant information sheet attached provides you with more comprehensive detail regarding the nature and all related issues pursuant to my research project.

This research seeks to examine the formation, processes and impact of interorganisational cliques in New Zealand provincial rugby. New Zealand provincial rugby provides an ideal context with which to examine Interorganisational relationships (IORs) and more specifically to extend this examination to the topic of 'cliques'. The term clique is most easily described as smaller 'clusters' of firms with cooperative ties that are stronger than among others in the network or in very simple terms; networks within networks (Provan and Sebastian ,1998).

In the case of New Zealand provincial rugby you will be well aware there is a 'network' of 14 provincial rugby unions competing in the Air NZ Cup. Within this network there has been the formal establishment five Super 14 franchises (that can be viewed as cliques using the above descriptions). There has also been the less formal emergence of other cliques or groups in the past such as the G9 group consisting of the nine 'non Super 14' base unions. Further to these there may be other 'groups' that have emerged and have since ceased or indeed are still operating. This research will attempt to better understand the extent of such groups and more specifically seek a greater understanding of the reasons for the formations of these cliques, the way they function and their impact on the members, non members and the wider network. The existing formal cliques such as the Super 14 franchises highlighted above will be examined. This knowledge may highlight critical information or issues that may contribute to the better functioning of such groups with more positive impacts for all involved.

Further to these practical contributions is also hoped that this research will contribute to the interorganisational relationship body of knowledge and in particular the study of cliques which is relatively limited. In fact this research is the first of its kind in any business context in New Zealand and therefore has the potential to contribute to many other fields in which interorganisational relationships play an important part. Finally as well as contributing to the thesis a further goal of this research is to produce an article in an appropriate and respected New Zealand and/or international management journal(s).

The opportunity to participate is an acknowledgement of your expertise, involvement and understanding of the context being examined and therefore your ability to add significant value to the research project. Your participation is however entirely voluntary and you may withdraw totally during the study up to the completion of data collection without any adverse consequences of any kind.

Please do not hesitate to make contact with me if you require any further detail regarding this project. I look forward to your involvement and to our forth coming interview.

Yours Sincerely

Trevor Meiklejohn

APPENDIX D
Participant Information Sheet

Participant Information Sheet



Date Information Sheet Produced:

10 February 2009

Project Title

To examine the formation, processes and impact of interorganisational cliques:
A study of New Zealand provincial rugby.

How was I chosen for this research?

All Chief Executive Officers of the 14 premier rugby unions are being offered the opportunity to participate in this research. It is a logical selection process given the level of experience and involvement in matters relating to the research question by these individuals. Some former CEOs may also be interviewed.

What will happen in this research?

The research will involve one interview conducted by the researcher with each CEO and it will take approximately one hour. Subject to available funding to the researcher, the interviews will be face to face with the CEO at the head office of each provincial rugby union. The second option will be to interview the South Island CEOs at an agreed location, when and if they travel north on business at an agreed time and location that is suitable to the relevant CEO(s). Telephone interviews will be utilised as the last preferred option. Each interview will be taped allowing for a full and accurate record of the interview. Two tape recorders will be used at each interview in case of malfunction. Notes will also be taken by the researcher. All interviews will be fully transcribed and these will be made available to the each CEO to check the accuracy of the transcriptions with the opportunity to withdraw any information provided.

The next stage is the data analysis phase where key concepts are identified in the data and then grouped into categories or themes reflecting the key components of the research questions i.e. formation, processes and impacts. Each of these categories also contains a number of sub concepts based on information sourced from a comprehensive review of Interorganisational relationship literature. New concepts identified in the data may also emerge and contribute to the development/redevelopment of theory. Throughout the analysis process, excerpts from the data in conjunction with relevant theory will be utilised to explain and

elaborate on patterns and relationships between and among existing and emerging themes and concepts.

The final stage of the process is the writing up of the results and the production of a Masters thesis which will be submitted to AUT for examination. All participating CEOs will receive a summary of key information within the thesis.

What are the benefits?

It is common knowledge that the failure rate of interorganisational relationships are extremely high in many business sectors. As highlighted above this research seeks to gauge a greater understanding of the reasons why cliques or groups (other than the formerly established Super 14 franchises) have formed in the New Zealand Rugby environment, how they function, how they are managed and the impact on its members, those who are not members and the wider rugby network. This knowledge may highlight critical information or issues that may contribute to the better functioning of such groups with more positive impacts for all involved. This is also an opportunity to participate in research that is the first of its kind in New Zealand that may have positive implications for both the rugby and sports industry and also for many other fields in which interorganisational relationships play a part.

How will my privacy be protected?

Significant consideration has been made to this area in this research project to protect the privacy of participants. It is acknowledged that the rugby ‘fraternity’ is a closely knit one and that the research project in dealing with interorganisational relationships may involve the discussion of issues such as power relationships and cooperation to name a few. With this in mind, the researcher having much experience in the rugby industry asked a simple question of himself... “If I was a CEO of a union considering participation in this research project, what provisions regarding the disclosure of my identity would I require in order for me to agree to participate?” The very simple answer to this question is that the exact identity of all participants and their related unions/franchises will not be used in any aspect of the project. The management of this process is described below.

Privacy of the participating CEOs will be protected in the following ways: There are clearly two distinct groups of CEOs within the network of fourteen provincial unions. Five Super 14 franchise CEOs and nine non Super 14 franchise CEOs. The documented cliques that the researcher is aware of are the five Super 14 franchise cliques and the G9 clique consisting of the nine non Super 14 base unions. There may also be a clique consisting of the five Super 14 base unions. (This will be confirmed in the research and is noted below). Further cliques may also be highlighted throughout this research.

With the above in mind, the following terminology will be utilised in the thesis when referring to cliques, franchises, unions and CEOs to protect the anonymity of the CEOs.

Actual terminology	Terminology used in thesis	Example of how this may look in the thesis.
Blues, Chiefs, Hurricanes, Crusaders and Highlanders Super 14 franchises.	Super 14 franchise(s). (Franchise names will not be used)	One Super 14 franchise held regular meetings
Super 14 Franchise base unions: Auckland, Hamilton, Wellington, Canterbury and Otago.	Super 14 base union(s). (Individual union names will not be used).	The impact on a Super 14 base union was that
Non Super 14 base unions: Northland, North Harbour, Counties, Bay of Plenty, Manawatu, Hawkes Bay, Taranaki, Tasman, and Southland.	G9 union(s). (Individual union names will not be used).	The inclusion of a G9 union meant that....
Individual Super 14 franchise CEOs e.g. Joe Bloggs, CEO X franchise, X rugby union.	Super 14 franchise CEO(s). (Individual's names and franchise/union names will not be used)	A Super 14 franchise CEO felt that
Individual non Super 14 (G9) CEOs e.g. Joe Bloggs, CEO, X rugby union.	G9 CEO. (Individual's names and union names will not be used)	A G9 union CEO's involvement in a
G9 Clique	G9	The G9 consisting of the nine non Super 14 base unions was formed....
Super 14 base union clique (If this group of the 5 base unions formally exists).	G5	The G5 consisting of the five Super 14 base unions meets every
X Clique(s) Other clique(s) discovered as a result of the research.	X Clique Will be named as described by its members. Members will not be named.	A Clique consisting of Super 14 base unions and G9 unions formed to
Former CEO X union	Former CEO	A former CEO felt that....

Further to the above thesis reporting, further provisions will be made in the coding of data and the labelling of all transcriptions, to protect the privacy of individuals. In this process each CEO will receive a randomly issued code under the two distinct headings of Super 14 franchise CEOs and G9 CEOs. Each Super 14 franchise CEO will be coded S14FCEO (1,2,3,4 or 5) and each G9 CEO will be coded G9CEO (1,2,3,4,5,6,7,8 or 9). Only the researcher and supervisor will be aware of which CEO receives which code.

The above is a comprehensive approach to protect the privacy of the CEOs being interviewed in this research. It should however be noted that anonymity can not be guaranteed as readers with an in depth understanding of this industry sector may try make links to certain individuals or the unions/groups they represent based on the

information in the thesis. Further to these privacy provisions, all interviewee data will remain confidential and stored safely under lock and key by the researcher and supervisor. The only other person outside of the researcher and the supervisor who will be given access to the data will be a transcriber charged with the responsibility of transcribing the audio taped interviews. This person will sign a confidentiality agreement prior to carrying out this responsibility to ensure confidentiality. This transcriber however will only see a code (e.g. G9CEO2) and will never see the name of a participant. As discussed, each interviewee will be given the opportunity to view a written copy of their interview (transcription) to ensure it is a true and accurate reflection of what they said in the interview and will also be given the opportunity to withdraw any statements. The information itself will only be used for the purpose of this research project and not utilised for any other purpose. The data will be held for a period of no longer than 6 years and destroyed after this.

What are the costs of participating in this research?

The major cost for each participant in this research is the provision of time that will include an estimated one hour and a half for the interview as well as the reading of and completion of the documentation associated with the project.

What opportunity do I have to consider this invitation?

Unless organised prior, each participant will have one calendar month to consider their participation following the receipt of this invitation. This will allow time to digest all information provided as well as the opportunity for the further explanation and/or clarification of any issues, concerns or questions the participant may have (see details below). As highlighted earlier, participation is totally voluntary, all participants will be able to a) sign off on transcripts, b) withdraw any information provided and c) withdraw totally during the study up to the completion of data collection without any adverse consequences of any kind. The process regarding transcript sign off will simply involve the applicant sending written communication to the project supervisor within two weeks of receiving the transcript confirming they agree that it is a true and accurate account of what they said and highlighting any material they would like to have withdrawn. Further to this, the process for withdrawing completely from the study is again via written communication to the project supervisor indicating your desire to do so.

How do I agree to participate in this research?

Acceptance to participate in this research project will be confirmed with the completion of the AUT consent form which is attached to this information sheet prior to the interview.

Will I receive feedback on the results of this research?

Yes, a summary of the thesis will be sent to every participant following the examination of the thesis.

What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, Dr Geoff Dickson, Associate Dean (Research) - Faculty of Health and Environmental Sciences, AUT University, geoff.dickson@aut.ac.nz (09) 921 9999 ext 7851.

Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTEK, Madeline Banda, madeline.banda@aut.ac.nz , (09) 921 9999 ext 8044.

Whom do I contact for further information about this research?

Researcher Contact Details:

Trevor Meiklejohn, Lecturer School of Sport, Unitec New Zealand, tmeiklejohn@unitec.ac.nz (09)815 4321 ext 8196. Private Bag 92025, Auckland.

Project Supervisor Contact Details:

Dr Geoff Dickson, Associate Dean (Research) - Faculty of Health and Environmental Sciences, AUT University, geoff.dickson@aut.ac.nz (09) 921 9999 ext 7851. Private Bag 92006, Auckland.

Approved by the Auckland University of Technology Ethics Committee on 18 February 2009, AUTEK Reference number 09/14.

APPENDIX E
Consent Form

Consent Form



Project title: To examine the formation, processes and impact of interorganisational cliques: A study of New Zealand provincial rugby.

Project Supervisor: Dr Geoff Dickson

Researcher: Trevor Meiklejohn

- ☐ I have read and understood the information provided about this research project in the Information Sheet dated 10/02/2009
- ☐ I have had an opportunity to ask questions and to have them answered.
- ☐ I understand that notes will be taken during the interviews and that they will also be audio-taped and transcribed.
- ☐ I would like to receive a copy of the transcribed interview to ensure it is a true and fair reflection of what I have said in the interview. Yes ☐ No ☐
- ☐ I understand that I may withdraw myself or any information that I have provided for this project at any time prior to completion of data collection, without being disadvantaged in any way.
- ☐ If I withdraw, I understand that all relevant information including tapes and transcripts, or parts thereof, will be destroyed.
- ☐ I understand and agree with the provisions taken to protect my privacy and that my anonymity whilst protected cannot be guaranteed.
- ☐ I wish to receive a copy of the report from the research (please tick one):
Yes ☐ No ☐
- ☐ I agree to take part in this research.

Participant's signature:.....

Participant's name:.....

Participant's contact details:

.....
.....
.....

Date:

**Approved by the Auckland University of Technology Ethics Committee on
18/02/2009. AUTEK Reference number 09/14.**

APPENDIX F
Interview Guide

Interview Guide:

1. Formation questions

- i) Within the Network 14 of premier provincial rugby unions are there smaller groups of unions that you interact with on a more regular basis or have done in the past?
- ii) Why were these groups established and what were you trying to achieve?
- iii) Has membership of multiple groups created any issues or challenges for you?
- iv) Have you been excluded or not been allowed membership to a group of unions that you would like to be a member of?
- v) Are/were these groups that we have been discussing formal or informal groups? What makes a group formal?

2. Processes questions

- i) How do these groups function? How often do they meet/communicate?
- ii) How are they governed, managed or led?
- iii) Are there dominant members of these groups?
- iv) Do all members get on? Are there any issues regarding inequality or trust in these groups?
- v) Do these groups have an agreed purpose or goals? How was this/were they determined?

3. Impact questions

- i) How would you describe the impact of each group you are a member of on your union?
- ii) How would you describe the impact of the groups you are a member of on a) those whom are not members and b) the wider network? c) The NZRU?
- iii) Are you aware of any other groups that you are not a member of? Have they had an impact on you?
- iv) Are the groups that you belong to successful or effective?
- v) Have you belonged to any groups in the last few years that are no longer operating? Why are they no longer operating?

APPENDIX G
Confidentiality Agreement

Confidentiality Agreement



Project title: To examine the formation, processes and impact of interorganisational cliques: A study of New Zealand provincial rugby.

Project Supervisor: Dr Geoff Dickson

Researcher: Trevor Meiklejohn

- ☐ I understand that all the material I will be asked to transcribe is confidential.
- ☐ I understand that the contents of the tapes or recordings can only be discussed with the researchers.
- ☐ I will not keep any copies of the transcripts nor allow third parties access to them.

Transcriber's signature:.....

Transcriber's name:.....

Transcriber's Contact Details:

.....
.....
.....
.....

Date:

Project Supervisor's Contact Details (if appropriate):

.....
.....

Approved by the Auckland University of Technology Ethics Committee on

.....

AUTEC Reference number

APPENDIX H

Letter of endorsement from the NZRU

Telephone +64 4 499 4995

Facsimile +64 4 494 0771

<http://www.allblacks.com>

12 September 2008

Re: Thesis Project – Trevor Meiklejohn

To whom it may concern

Trevor Meiklejohn, who was formerly the Manager of the adidas Institute of Rugby at Palmerston North is planning to undertake research to examine how groups and clusters arise and function within New Zealand provincial rugby. No doubt many of you will know Trevor from his previous role.

Trevor's research seeks to answer how and why smaller clusters of provincial rugby unions within the larger network of fourteen premier rugby unions were formed. It also seeks to address the way in which each cluster functions, key processes and the governance mechanisms utilised. Lastly it also aims to assess the impact of the clusters on the individual members of each cluster, those who are not members yet still in the wider network and the wider network itself.

It is Trevor's goal that the research project provides valuable information to the members of the clusters, those charged with managing the clusters, the cluster and the NZRU to assist with the management/facilitation of these interorganisational relationships that play an important role in the current rugby environment.

The New Zealand Rugby Union endorses Trevor's research, and believes it will provide useful insights into how key groups in New Zealand rugby form and interact. If you are contacted by Trevor with respect to participating in the research please give generously of your time and expertise.

With best regards



Ken Quarrie
Senior Scientist, Injury Prevention and Performance
New Zealand Rugby Union

