A Case Study Analysis of Competitive Advantage amongst Provincial Rugby Organizations in Canada

Scott Asselstine, University of New Brunswick
Jonathon Edwards (Advisor), University of New Brunswick

Organizational theory/culture Thursday, June 2, 2016 20-minute oral presentation (including questions)
Abstract 2016-017 10:50 AM (Forum West 1)

Competition for success in international sport has increased considerably during the last decade. As a result, nations across the world have been searching for the most effective ways to differentiate themselves from their competitors and gain a competitive advantage (De Bosscher, van Bottenburg, Shibli, & De Knop, 2013). While this may occur between nations, competition can also occur within a nation’s sporting system. Eady (1993) states that a system involves actors working together and independently to achieve a common goal. The challenge with having competition within a sport system is that resources (e.g., financial) are being fought over, and in some cases, one or two organizations dominate in producing elite level athletes. Within these systems, organizations attempt to gain a competitive advantage over their competition (i.e., organizations operating within the same system), Gerrard (2005) links this advantage to an organizations ability to utilize resources.

An example of competition within a sport system is the Canadian sport system where Provincial Sport Organizations (PSOs) compete with one another to produce national athletes and grow the participation levels in their respective sports. Currently in the sport of rugby, there is an imbalance in the number of players that each province produces to play at the national level. An analysis of the roster information from the Rugby Canada website (Rugby Canada, 2015) has revealed that two provinces have proven to be significantly more effective in facilitating the athlete transition to play on the national men’s and women’s fifteens and sevens teams over the past six years. Hence, the basis for producing national athletes is that if an organization has more resources then management will be able to produce a greater number of athlete athletes.

To explore the emerging imbalance among provincial rugby unions, we draw on a study by Truyens, De Bosscher, Heyndels and Westerbeek (2014), who used the Sport Policy factors Leading to International Sporting Success (SPLISS) model and the Resource Based View (RBV) to determine resources and first order capabilities that can be incorporated into an organizations strategy to develop a competitive advantage, specifically in the sport of athletics. RBV has been previously used to evaluate sport resources in international competition; however, until the study conducted by Truyens et al. (2014) no scholar had attempted to provide an overview of organizational resources in one specific sport. Thus, the purpose of this study was to explore the organizational resources and how these resources were utilized by ten provincial rugby organizations in Canada to gain an understanding of the resources that lead to some PSOs having a competitive advantage compared to other PSOs in the sport of rugby.

To develop a competitive advantage, previous studies utilizing the RBV have emphasized the presence of VRIN (valuable, rare, imperfectly imitable and non-substitutable) resource characteristics, which have been identified as a source of a competitive advantage (Truyens et al., 2014). However, if VRIN resources do not persist over time and cannot be a source of a sustainable competitive advantage (Gerrard, 2005) a competitive advantage is “based on using specific capabilities sooner, more astutely, or more fortuitously than the competition to create resource configurations that have that advantage” (Eisenhardt & Martin [2000] as cited in Truyens et al., 2014, p.462).

To understand how a competitive advantage may have been developed within the Provincial Rugby Organizations a two-phased approach using mixed methods was administered. In Phase 1, a questionnaire was administered to 11 upper management or executive board members of the ten provincial organizations between June and July of 2015. A total of 97 questions comprised of open and close ended questions, were generated using the 122 Critical Success Factors of the SPLISS Model, the nine pillars of the SPLISS model (i.e., financial support, structure and organization of elite sport policies, foundation and participation, talent identification and development, athlete career support, training facilities, coaching provisions and development, international or national competition and scientific research), and the 98 resources and first-order capabilities outlined in the study by Truyens et al. (2014).
The data analysis consisted of using descriptive statistics for each Provincial Rugby Organization in which an aggregate score was assigned to each pillar that resulted in a total overall score for the organization. The preliminary results from Phase 1 indicated that a competitive advantage is gained through the development of athletes rather than the number of resources that a provincial organization possesses. For instance, Province 5 scored the highest out of all provinces with an overall score of 72 or 81%. This is important to note, because Province 5 was not one of the two provinces that has been predominately developing national team players.

In Phase 2, qualitative interviews were conducted between August and September of 2015 with the same sample population as Phase 1 to gain in-depth understanding of the answers provided in the questionnaire. In addition, a representative of the national governing body also participated in Phase 2 for a total of 12 interviews. The interviews focused on exploring specific resources that may lead to the successful athlete development, the strategic planning process of each provincial organization, and the weaknesses of each provincial organization. The analysis in Phase 2 will consist of a five-stage process: familiarization, thematic framework, indexing, charting, and interpreting (Edwards & Skinner, 2009; Miles & Huberman, 1994).

Preliminary results from Phase 2, would suggest that the possession of various resources may be the foundation in developing a competitive advantage. For example, Province 6 states “you need funding to be able to deliver the programs, to service your members and to grow the game.” Truyens, De Bosscher, Sotiriadou and Heyndels (2015) stated, “Human, financial, and physical resources are the fundamentals of an organization’s strategy” (p. 7), and that the configuration and utilization of resources is representative of the organizations strategy and contributes to the development of the organization’s competitive positioning within the broader system (Truyens et al., 2015). This idea is supported by Province 2 who stated, “It’s the way you utilize them. There’s no point in having 10,000 resources if they are not used properly.” The preliminary results from both Phases would suggest that sport organizations can gain a competitive advantage by more effectively managing their resource configurations, and ensuring that these configurations are in line with the strategies and goals of the organization. This becomes important for sport managers to understand, whose organizations are competing with other similar organizations to develop national level athletes and grow the participation levels within their specific system.