The ‘Psychological’ Contract of Employment: A Case Study within English Professional Rugby Union

Mike Rayner, University of Portsmouth

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On the 27th of August 1995 the International Rugby Football Board legalised professionalism within rugby union. The opportunities to acquire money through television rights and sponsorship deals provided an irresistible opportunity for the sport and reduced any lingering attachment to outright amateurism that had evolved in the nineteenth century (Rayner, Webb & Webb, 2016). However, the concept of professionalism was uncharted territory and its embrace brought further complications for the sport. In 1995 the administrators of the rugby union game had to quickly identify its niche in an industry with which its sporting counterparts were already very familiar having been engaged in commercial practices to promote their profile and enhance market share for some time; ultimately player contracts became a central focus of debate.

In the amateur era the players were fundamental to the game itself, but as elements of commercialism filtered into the sport, the players themselves were often left out of the business decisions until the player contract arrived. Professionalism and the advent of a formal playing contract signified the transformation of the relationship of the player to the game. The spirit of intrinsic pleasure to be derived from playing was displaced or overwritten by a contractual relationship to the game in which the player becomes an employee paid to provide a service, paid to perform, employed to produce skills and abilities for the organisation (Singer, 2000). Professional rugby players became a highly valued commodity almost overnight, and research has suggested that in the professional era they are a club’s greatest assets (Collins, 2015; Harris, 2010; Sayre & King, 2010; Van Krieken, 2012). Although they may be replaceable, there is a greater responsibility on the club administrators to understand the employment relationship in order to retain, motivate and attract these assets (Horwitz, Heng & Quazi, 2003; Roehling, Cavanaugh, Moynihan & Boswell, 2000; Turnley & Feldman, 2000).

In the twenty-one years of professional rugby union the game has undergone a growth in international competition, deregularization and globalisation. Consequently this has caused the professional clubs to become more flexible and responsive to market conditions to increase productivity. Subsequently, this has seen the traditional variants of contract design, such as casual, temporary and fixed-term, attached to the professional player contract. These varying types of contract can not only cause a reduction in job security, psychological and emotional problems for the professional rugby player but a professional club can also suffer by employing the use of such contracts with research illustrating an increase in wage demands or a deterioration in the workplace relationship (Mirvis & Hall, 1994). These issues faced by both the professional rugby union player and the professional clubs make the psychological contract of employment a critical topic of research within professional rugby union.

The psychological contract is a theoretical framework popularized by Rousseau and it has been used to understand mutual obligations between an employee and an employer (Rousseau, 1996, 2001; Turnley & Feldman, 1998). It is argued that for recruitment and retention strategies for an organisation to be effective, it is vital to manage employees’ perceptions regarding what their organisation has promised them in return for their loyalty and commitment. While there are a range of research studies that have contextualised the significance of the psychological contract to organisational behaviour (Boroff & Lewin, 1997; Cappelli, 2001; Matthijs Bal, Chiaburu & Jansen, 2010; De Ruiter, Schalk, Schaveling & van Gelder, 2016) and volunteer practices (Nichols, 2013; O’Donohue & Nelson, 2009; Taylor, Darcy, Hoye & Cuskelly, 2006), little is known with regards to how the varying forms of contracts can impact upon organisational strategy and retention strategies within the professional sports industry.

It was therefore the central objective of this study to examine the extent to which the retention initiatives undertaken by human resource managers within the twelve professional rugby union clubs in England are in line with what the players’ value in their employment contract. In order to explore these concepts the research was broken down into
two studies, the first of which used a qualitative research design by interviewing the human resource managers within the twelve professional rugby union clubs in England. Content Analysis was applied to the interview data and these initial results illustrated the importance of financial rewards and club support as key variables of the retention strategies within the twelve professional rugby union clubs within England.

The second study used an online questionnaire that was distributed via internal email by the human resource managers to the contracted professional rugby players at the twelve professional rugby union clubs within England. At present, 394 professional rugby union players have completed the survey and of the respondents, 68% were aged between 25 and 30, 89.4% had been a professional athlete for four years or more and 34% had played for more than one professional club. The questionnaire was devised to obtain data from four key areas; the psychological contract using the scales reported in De Vos, Buyens and Schalk (2003) and De Vos and Meganck (2007), loyalty through adapting Boroff and Lewin’s (1997) three-item loyalty scale, an Intention to Leave analysis using the Staying or Leaving Index developed by Bluedorn (1982) and job search behaviour based on the Job Search Behavior Index established by Kopelman, Rovenpor and Millsap (1992). After checks of reliability, mean scores and inter-correlations for all study variables were constructed. Furthermore, a hierarchical regression analysis was conducted to examine the relationship between psychological contract evaluations, loyalty, intention to leave, and job search behavior variables. The results of the questionnaire illustrate that participating professional rugby players attach importance to employer inducements relating to financial rewards, career development and the work-life balance within their employment contract.

The key results of both studies within this research clearly demonstrated the importance of financial rewards in any recruitment or retention strategy developed within professional rugby union. However, more interestingly study two illustrated that the professional players also valued career development as a central factor for any employee retention strategy within professional rugby union. This initial finding encourages human resource managers within professional rugby union to re-evaluate future retention strategies to include opportunities for career enhancement for players both within and outside professional rugby union. Additional implications for practitioners and ideas for future research in this area will also be discussed in this presentation.