



## **SPORT | Issue No. 3 | *What can we learn from the Australian Rugby Union, McKenzie, Patson, Beale, Pulver disaster?***

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Sporting organisations and teams, particularly high profile ones, are extremely complex beings involving an array of potentially complex legal and personal relationships. In some respects they represent the sport and a health recreational activity and, in other guise, they are a commercial enterprise subject to the same laws and commercial arrangements as other medium size businesses.

For the purposes of this commentary I am avoiding allocation of blame or responsibility but I believe that I have identified a number of business principles, the absence of some or all of which have lead to or contributed to this mess.

The first important aspect is what I call the organisational dynamic. That is, how the organisation works. What are the roles and responsibilities that are necessary for the optimal performance of the organisation and the interrelationships between these people, ie. who is in charge of whom. The changes made to the organisational dynamic may have contributed to this problem.

Who is in charge of appointments? Clearly in organisations there can be some delegated authority for this. It is unlikely that most CEO's are responsible for the employment of the new copy room clerk or graduate position but for any successful organisation those in charge need to sign off on the organisational structure and need to then decide which of those important appointments and role descriptions they need to have an input into and sign off responsibility. If the most important commercial aspect of your business is the Wallabies the person in charge should be signing off on senior appointments in and around that team.

Senior employees need to stick to the script and be visible in times of crisis. The Chairman of the ARU has been invisible and senior employees (in this case senior players) and those within leadership ranks have put their own personal loyalties and opinions ahead of the organisation. Blaming the press (as Pulver did) for what is going wrong is a rookie error in any business and, even if it were true, nothing good can ever come of blaming the press. (He has since indicated his regret for this).

If it is necessary to discipline employees, this must be done fairly and quickly and to the extent that it is in the public domain, in a way that inspires confidence in the integrity of the organisation. Whether it was avoidable or not, the delay in dealing with Beale contributed to the lack of confidence in the process and the outcome.

Managing individuals and dealing with issues that arise between individuals is not easy. It is particularly more difficult when these issues are in and around one of Australia's flagship sporting teams but if somehow because it relates to a flagship sporting team you abandon good judgment and sound principles, you create a fertile ground for such crisis.



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