

BASIC STRUCTURAL CHARACTERISTICS OF PROFESSIONAL SPORT ORGANIZATIONS: THE IMPLICATIONS OF PROFESSIONALIZATION AND COMMERCIALIZATION ON SPANISH ELITE FOOTBALL CLUBS

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INTRODUCTION

The structure of an organization refers to the division of labour and coordination of different tasks (differentiation and integration) during an ongoing process of adaptation to an uncertain and constantly changing environment (Miles, Snow et al. 1978). The main task of a football club is to design and develop a competitive team, which is supposed to participate in official competitions and to achieve the sporting successes expected by the members and fans of the club. However, today sporting success is not the only way to measure a football club's performance (Van Uden 2005), nor are fans the only group with expectations relying on the club's performance (Mason 1999). Today, football clubs are challenged to be effective in their performance and efficient in the use of resources. The magnitude of their operations demands for a rationalization of their organizations, and the revenue generation opportunities that exists today in the sports sector demand for commercial and marketing strategies to exploit them. These two challenges refer to the processes of professionalization and commercialization of sports.

The aim of this article is to understand the structural implications of these processes on Spanish elite football clubs. Though they have transformed the world of sports, some sport organizations have experienced them more intensively than others, especially those dealing with high level professional players and those with a strong relationship to the media. Both being the case of Spanish elite professional football clubs.

We have studied their basic structural characteristics by focusing on the division of tasks and responsibilities they have developed within the context of professionalization and commercialization of sports. The questions arising are: what functional areas do these organizations consider relevant? How can the evolution of these relevant areas be characterized? Do these areas respond to an adjustment of the organizations to its environment? If so, is this adjustment an answer to the impact of the processes of professionalization and commercialization over elite professional football clubs?

METHODS

In order to see the evolution, a longitudinal analysis was undertaken with data related to structural characteristics of elite football clubs in Spain. We looked into differentiation patterns (Lawrence and Lorsch 1967; Blau 1970; Dalton, Lawrence et al. 1970) among football clubs that had participated in at least 60% of the seasons of the first division of the national championship from 1996 until 2006, using data gathered through secondary sources of information (information provided yearly by clubs related to their organizational chart).

The period under study considers the ten seasons between 1996 and 2006. Starting in 1996, just a few years after most of the clubs had been transformed into joint stock sport companies and the structural changes required in the new sport legislation had been already implemented. Several other changes affecting elite football clubs also took place during these years, like the increase in broadcasting contracts, in players' transfer fees, and in club revenues. The decade under study hence include changes both associated to professionalization and commercialization of sports.

RESULTS

The first results show that the main subsystems differentiated in elite football clubs are: sport, communication, external relations, commercial activity, finance, marketing, infrastructure, legal issues, and social affairs. However, not every club distinguishes all of them; they may even not differentiate any of them. Nevertheless, the longitudinal analysis of the ten seasons shows a slow but increasing number of subsystems differentiated by the clubs, from a mean of two subsystems in the season 1996-1997, to a mean of four subsystems in the season 2006-2007.

Looking into the most relevant subsystems differentiated and considering the increasing number of them, it is possible to see a reorientation of priorities from an emphasis on the economic and communication subsystems to an inclusion of sports, marketing and commercial subsystems as relevant in the management corps of Spanish elite football clubs.

Source: Marca (1997; 1998; 1999; 2000; 2001; 2002; 2003; 2004; 2005; 2006; 2007). Guía de la Liga.

DISCUSSION

As Lawrence and Lorsch (1967) pointed out, in the interaction between an organization and its environment, the first one is segmented into units, each of which is supposed to deal with part of the conditions outside the organization. If elite football clubs differentiate externally oriented subsystems, like commercial, marketing, communication, social affairs and external relations, an adaptive intention can be inferred in the relationship between football clubs and their environment. Moreover, the increasing relevance of the commercial and marketing subsystems reveal the intention of elite football clubs to particularly deal with the challenge of creating new sources of revenue through the development of commercial activity.

The implications of professionalization can be identified in the increasing number of subsystems differentiated, revealing that elite football clubs are dealing with more tasks than the traditional focus on sporting success, needing subsystems specifically dedicated to each of them. However, the differentiation criteria are more associated with the definition of job positions than that of functional areas (Blau 1970), which means they tend to differentiate particular tasks rather than strategic areas.

Professionalization and commercialization have changed elite football clubs. Some changes have already been institutionalized, like the transformation of clubs into joint stock sport companies, the increased number of tasks they have differentiated into subsystems, and the emergence of subsystems particularly dedicated to revenue generation like marketing and commercial subsystems. Nevertheless, there are other changes that remain still tacit and in process of implementation. Further research should focus on the implications of the differentiation patterns characterizing football clubs over the value creation opportunities they have.

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