THE ROLE OF FINANCIAL MANAGERS IN FOOTBALL CLUBS IN SAUDI ARABIA

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Abstract

Recently the Saudi government has taken major steps towards privatization of many sectors of the economy. Privatization represents a major shift in the management of sport organisations from public to privately funded and controlled. Football has become the first sport subjected to long-term planning and organisational reforms through plans for (part-) privatisation, which is going to have major implications for clubs' financial management. Hence, understanding the existing nature and scope of the financial management, as applicable to the Saudi football industry, is an important issue that needs to be analysed if these plans are to be effectively implemented. This research offers original insights into the current state and future prospects of three main aspects of clubs' financial management - planning, controlling and decision-making.

RESULTS AND DISCUSSION

The analysis produced a number of interesting findings. The financial management profession in Saudi Arabia was found to be inadequately prepared to deal with the unique aspects of the football industry. Football clubs are still largely treated as public sector organisations, subject to many accounting standards governing this type of bodies. The non-profit nature of most football clubs was another crucial factor. The research also revealed a number of important similarities across the three levels of investigation as well as the two case clubs. There was an agreement on the fact that the current financial reporting practices are not entirely adequate. The lack of appropriate standardisation is a major contributing factor. A related practical issue is the lack of published annual reports and the unusual high level of secrecy that surrounds this issue. A common view held by the majority of participants was that accountability and compliance levels are still very inadequate amongst football clubs. Opinions diverged a little as to the reasons for this but most participants agreed on the measures required for future improvement. Another significant finding was the limited attention given to financial management and the related lack of involvement of financial managers in strategic decision making.
References: