**FOOTBALL CLUBS**
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**WHO DECIDES THEIR POLICY?**

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**Introduction – theoretical section**

In recent years, many European football clubs have been affected by financial problems. This applies both to clubs in the big-five leagues (England, Italy, Spain, France and Germany), but also to smaller football nations, such as for example the Nordic countries. These problems are in contrast to North-American professional team sports, where they have been less common (Simmons, R., Szymanski, S. & Lago, U., 2006; Haugen & Solberg, 2010).

| | Sport director | Managing director | Coach |
|---|---|---|---|
| Sporting success is absolutely necessary | 7,93 | 6,68 | 7,93 |
| Sporting success should be more prioritized than the financial situation | 6,86 | 1,84 | 2,60 |
| The club must be willing to purchase quality players to keep up with other teams | 6,71 | 3,52 | 3,73 |
| Relegation is a financial catastrophe | 2,29 | 5,48 | 4,53 |
| The club should avoid deficit | 5,43 | 8,28 | 8,27 |

One reason for this can be the objectives and financial policy of the clubs. According to the sport economic literature, European football clubs operate as win maximisers. This means that all resources are spent on talent. Therefore, the clubs have no safety-margin in case negative shifts in demand reduce revenues. This is different from North-American teams sports, where teams are assumed to operate as profit maximisers (Késenne, 1996).

In reality, however, the picture is more complicated than that. A football club does not operate as a homogenous unit where everybody agrees on every decision. Internal stakeholders within the club may have different preferences. In case of diverse logics and internal disagreements, the distribution of power can affect the club's strategic decisions (Gammelsæter 2010). One critical issue can be the spending on talent. Although the board formally has the power, their decisions are often based on information from the employees in charge of the daily operations. Therefore, they can influence major decisions by their selection of information to the board. This paper, which is of an explorative character, presents the results from a survey which investigated the attitudes of managing directors, sport directors and coaches in the top-two divisions in Norwegian football. The research focused particularly on how they emphasized sport performances vs. financial performances. This included the spending on recruitment of talent, but also attitudes towards risk and willingness to accept financial deficit.

**Data collection**
The data are from 2011 and were collected by Questback. In total, 97 questionnaires were sent out, of where 54 (56%) responded. The attitudes presented in this abstract were measured by means of Lickert-scale from 1 to 10 (1= totally disagreement and 10 = totally agreement).

**Results and discussion**
Table 1 presents the results that unveiled some of the most interesting differences in attitudes. More detailed analysis will be presented at the conference.
As seen, sport directors emphasized sporting performance significantly more than financial security, compared to both managing directors and coaches. The same pattern applied to spending on recruiting players of good quality. For managing directors (and coaches) it was very important to avoid financial deficits, while sport directors were more relaxed on this issue. Surprisingly, sport directors did not fear the consequences of relegation to the same degree as managing directors did.

Table 1: Attitudes / preferences (mean value)

Table 2 shows that sport directors have stayed eleven months longer in their positions than managing directors. This, in turn, may have strengthened their power within the clubs relatively to managing directors. Although managing directors formally are those who reports to the boards, football clubs will also have informal channels. When clubs are running deficit, the managing director will often bear the responsibility. In case it continues over several years, such responsibility can be a heavy burden. This, in turn, may explain why they stay in their position rather short. One consequence of this pattern can be that employees who are less risk aversive and more willing to spend resources on achieving sport success improve their ability to influence the policy of the club. Assuming these finding corresponds with the pattern in other European football nations, they may provide some explanations to the financial problems in European club-football.

Table 2 Average time in occupation1

| | |
|---|---|
| Managing directors | 27 months |
| Sport directors | 38 months |
| Coach | 22 months |
| Board leader | 41 months |

**References**

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