

ORGANIZATIONAL CAPACITY IN EUROPEAN FOOTBALL CLUBS – KEY DETERMINANTS OF ORGANIZATIONAL PROBLEMS AND PUBLIC WELFARE EFFECTS

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Synopsis:

Framed by the concept of organizational capacity, this research paper investigates key determinants of organizational problems of more than $n=5,110$ European grassroots football clubs in six countries. Also, the effect of three dimensions of organizational capacity on public welfare generated by those clubs is analyzed.

Abstract:

Aim of research paper:

In order to realize a sustainable development of the European football pyramid, grassroots football clubs depend on their capacity to fulfill their roles, functions and missions. This involves the ability to deploy resources from different capacity dimensions including human, financial and structural resources. The clubs' problem solving capacity is critical for survival as macro changes in the global economy have gathered pace and economic and cultural shifts and discontinuities are impacting the participation in - and consumption of - football in new and often unclear ways. It is likely that the effects of those changes vary across Europe, thus, different clubs in different countries may experience different problems. Those differences may also appear between clubs within the same country.

Stakeholders within the European football pyramid need to know which resources contribute to minimizing organizational problems and maximizing organizational success. A better understanding of the relationship between capacities, problems and public welfare effects allows a better development of the sport.

While previous academic research on European football has mainly focused on the professional level, this research paper aims at comparing the organizational capacity at the bottom of the European football pyramid.

This leads to a two-step approach:

- 1) Differences in organizational capacity and problems, as well as in the public welfare effects of football clubs across Europe are assessed.
- 2) The influence of organizational capacity on the severity of organizational problems of football clubs, and on public welfare effects is analyzed. In particular, the effect of various resources on problem minimization and public welfare maximization are central to this research paper.

Theoretical background:

Organizational capacity is understood as the ability of organizations to perform functions effectively, efficiently, and sustainable. The concept received an increasing amount of attention within the community sport context as it provides a meaningful understanding of the challenges and strengths that exist within these organizations. Despite the growing body of literature in this area, significant gaps remain when the analysis shifts to the determinants of that capacity. The continued reconfiguration of broad capacity suggests that context-specific frameworks may be more pertinent. The framework of Doherty, Misener, and Cuskelly (2014) is used as a foundation for the current research paper as its dimensions – human resources, finance, infrastructure, planning and development, and external relationships and networks – align with several of the distinguishing features of grassroots football clubs; specifically, the critical reliance on human resources in the form of volunteers, relatively fewer economic resources, a more informal structure, a focus on member benefit goals and activities that address those goals, and relatively fewer external linkages.

Each of the capacity dimensions is expected to have varying influence on the ability of an organization to fulfill its mission and achieve its objectives. It can be assumed that organizations with less severe problem levels demonstrate better performance levels.

Methodology:

This research project conducts an empirical comparison between football clubs in Europe. It is designed as a cross-section study which draws primary data from a population of European football clubs in six countries (N=36,166) through an online survey consisting of roughly 30 questions.

The statistical data analysis consists of descriptive statistics to portray mean differences for the respective variables in the national associations as well as various regression models to determine the effect of different dimensions of organizational capacity on a) organizational problems and b) public welfare effects – in general, and for each country in particular. Problems and public welfare effects are assessed on subjective 5-point Likert scales. Several control variables are included in the regression models to account for size- and country-specific effects.

Results and conclusions:

Over n=5,100 clubs participated in the study and indicated that attracting/retaining volunteers and referees and the cost of operation are the biggest organizational problems. European clubs do not differ substantially with respect to ranking 20 different organizational problems and the respective magnitude.

The framework of organizational capacity allows demonstrating significant differences in resources that European football clubs can draw upon. The

picture of how specific capacities determine problem levels is not straightforward: the effect of capacities is often problem-specific and sometimes varies for each considered association.

All capacity dimensions have the potential to contribute to the organization's survival. While financial capacity is generally important, it does not contribute to public welfare as much as other capacities.

(Inter-) national federations should consider helping clubs in their efforts to develop strategic concepts and engage in solid financial management to ensure the sustainability of the grassroots of European football – as those capacities are key problem minimizers.

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