

Session: **Local and global sport governance III.**

Abstract nr: **EASM-0259**

**The communication between the chairman and the CEO: Preliminary findings from Nordic football clubs**

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RESEARCH PAPER SUBMISSION EASM 2010

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**THE COMMUNICATION BETWEEN THE CHAIRMAN AND THE CEO: A STUDY OF TOP NORDIC FOOTBALL CLUBS**

Keywords

Communication, Football (Soccer), Management of professional sports.

**Research questions / aim of the paper**

The board should monitor managers on behalf of shareholders to mitigate agency problems arising from the separation of ownership and control of the publicly held company (Fama and Jensen, 1983). With reference to sports, there is also a vast literature on governing bodies at various levels, but surprisingly limited available knowledge at the club level. The views of the Chair of the football board and the communication between him/her and his/her CEO (sometimes called sport director) are overlooked (Goddard, 2006).

The purpose of this exploratory project is to identify features in the communication between the Chair and the CEO of football clubs. The task is performed by means of questionnaires, in which the Chair and the CEO are given three statements, which they are supposed to grade according to how they assess its importance for communication. Furthermore, the Chair and the CEO are asked to list the way they communicate with each other.

**Theoretical background / literature review**

An efficiently run board may resolve the agency problem between shareholders and management. According to agency theory, the effectiveness of a board monitoring a company's strategic goals and evaluating management's performance is mainly limited by information asymmetries and difference in personal goals in the relationship between the board and the management (Raheja, 2005). This can be limited through a change of information between the Chair and the CEO i.e. through communication between the two.

### **Methodology and Data Collection**

The study thus is being performed with the help of questionnaires that were sent to all Chairs and all CEOs of all football clubs in the two top divisions in each of the five Nordic countries.

In the study we first asked the Chair and the CEO to grade the importance of three aspects of the communication between the Chair and the CEO. These were the dialogue between the Chair and the CEO; how the Chair checks and governs the CEO; and how the Chair supports and justifies the CEO. Here the respondent was to answer on a five graded scale, where 1 is less important and 5 means very important. Further, in the study it is also asked how often the Chair and the CEO communicate by telephone, email and face-to-face meetings ie the number of contacts.

### **Discussion and Conclusion**

The Chair believes that the "dialogue" between the Chair and the CEO is "very important", which is indicated by an average score of 4.57. That the Chair supports and justifies" the CEO receives an average of 4.14, while it is only fairly important that the Chair "checks and governs" the CEO (average 3.73).

The Chair's communication with the CEO is extensive. Almost 40% of the Chairs claim that they talk on the phone as well as by email with the CEO on a daily basis. Face-to-face meetings are claimed by 52% to take place at least on a weekly base, whereas 35% claim that they occur more frequently.

The importance of the dialogue between the Chair and the CEO has significantly lower grading by the CEO. Here, the "importance of the dialogue" between the Chair and the CEO receives an average score of 4.50. The CEOs gives an average score of 4.26 for the importance that the Chair "supports and justifies" the CEO. The importance that the Chair "checks and governs" the CEO receives on average 3.31 by the CEOs. But there are more contradictions.

20% of the CEOs claim that they both talk on the phone and via email on a daily basis. Face-to-face meetings claim 50% that take place at least on a weekly base, 15% claim that they occur more frequently than that.

Different opinions between the Chair and CEO of the importance of communication can have an impact of how communication is made. Also the difference of how the communication actually has been performed as well means different views of how the monitoring is performed.

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