

Session: **Research for management and marketing IX.**

Abstract nr: **EASM-0291**

Performance Management And Performance Measurement In The Soccer Industry

A. Kern¹, A. Wiedenegger¹

¹Strategic Management and Management Control, Strategic Management and Innovation, Vienna, Austria

alexander.kern@wu.ac.at

The aim of this paper is to highlight the importance of performance measurement for professional soccer clubs (PSCs). Therefore following research question will be addressed:

How does performance management help PSCs to generate a competitive advantage?

The objectives of this study are to i) elaborate the difference between performance management and performance measurement, ii) point out the peculiarities of performance measurement in PSCs and iii) establish a literature-based performance measurement system for PSCs.

Performance management is an important topic for organizations. It is “the process by which the company manages its performance in line with its corporate and functional strategies and objectives” (Bititci et al. 1997) and thus it can help to generate a competitive advantage. Ariyachandra/Frolick (2008) describe the process of performance management as a cycle of four consecutive processes: (1) strategize, (2) plan, (3) monitor and analyze and (4) take corrective action.

With the rising economic importance of the soccer industry (Hamil et al. 2004), performance management has become crucial for PSCs as well. However, in line with several authors (e.g., Kaplan/Norton 2001, Sterling 2003 or Verweire/Van den Berghe 2004) we see the capability to implement a strategy as more important than to formulate one. Hence, this paper focuses on the processes (2) plan and (3) monitor and analyze which represent the performance measurement part in the performance management cycle.

When creating a performance measurement system for a PSC, there are relevant peculiarities that have to be considered. Firstly, the interdependence of sports-related and financial goals in PSCs

makes performance measurement difficult. The starting point of a possible cause-and-effect-chain is not clear because sportive success leads to financial success and vice versa (Keller 2008 and Ebel 2006). Secondly, an alignment of an incentive system to certain key performance indicators has to be well considered. Due to the limited predictability of sportive success a pay-for-performance system can undermine intrinsic motivation (Speckbacher et al. 2003).

If the performance measurement system allows for these peculiarities to be considered, PSCs can use it as a source of competitive advantage.