

Institutionalization Of Sport Clubs: Case Study Of Sport Managers

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Abstract

The place of sport is increasing day by day in our life and therefore to manage institutions well in the sport industry with its sub-sectors is important. Institutionalization process is composed of “formal operations structure”, “formal organizational structure”, “professionalism”, delegation of authority”, “cultural structure”, “compliance with the institutional environment”, “corporate social responsibility”, “compliance with social values and norms”, “transparency and accountability” and “compliance with the formal structure” elements. The aim of this study is to examine the institutionalization of sport clubs, how the managers and workers evaluate their clubs under these 10 elements. The data was collected from 10 managers from Super League and PTT 1. League clubs, which are the top level organizations of Turkish football system. The survey data obtained from the Super League and 1. League clubs managers and interview data by content analysis with the N Vivo9 program were evaluated. As a result, the elements of institutionalization are not completely available in sport clubs in Turkey yet and in addition to this elements providing institutionalization in the literature, “amateur/development level (grass roots)” should be taken into consideration covering its budget, physical plant, psycho-social support etc.

Keywords: Institutionalization, Professional football clubs, sport, sport management

Introduction

The importance of institutionalization is well-known and most mentioned issue recently because of its benefits as legitimacy, consistency, foreseeability, providing fund and accommodate to the environment. Also organizations aimed to institutionalization can develop original goods and products and so they can find the opportunities of differentiation and organizational value creation.

The output in sport is not only goods and services but also sportive performance. Therefore sport organizations need financial power, profitability, sustainability, professional employee/managers and athletes depending on the organization.

Sports industry in the world is larger than Hollywood industry and health industry with 1,6 trillion dollars. The transfer payments for athletes find 500 billion dollars per year. Also sport industry has sub-sectors like clothing, education, tourism and gambling (<http://www.cumhuriyet.com.tr>). Indeed there are ongoing crises between the Spanish government and Spanish sport clubs on broadcasting rights for nearly 20 years (<http://tr.eurosport.com>).

UEFA (the Union of European Football Associations) has criteria in five area. This criteria are sportive, financial, personnel and administrative, legal and amateur/development level (grass roots). Firstly the sport clubs which are competing in UEFA have to fulfill financial criteria which called “financial fair play”. Sport clubs also in particular football clubs have trouble fulfilling the conditions. When football clubs are competing in UEFA they are also representing their country internationally. UEFA’s criteria are based on institutionalization and sport clubs need to become institutionalized organizations because of their management system as businesses in today's economic conditions. In the same time institutionalization ensures a systematic and based on cause and effect relation structure and culture.

There are no studies in Turkey evaluating the institutionalization of sport organizations especially sport clubs, this study is an initial study in the area.

Institutionalization and Sport

Institutional theory holds the organization with its individuals together. It highlights values, norms, rules, beliefs, assumptions, formal structures and cultural influences on decision making (Barley and Tolbert, 1997: 93). Institutionalization is understood in Turkey as managerial efforts which takes sustainability in front, far from individual behaviors when running the organization and defining the responsibilities. Therefore the assumption is that institutional organizations do not go into an uncertain condition, do effective activities, and run the works systematically (Ulukan, 2005: 31-32).

Sport is a social institution in modern society and this condition of sport can be explained by the size and prevalence of frequent interactions with institutions such as policy, economy, education and family. According to MacPherson et al institutionalization is a global process as associated forms of social units and activities which are organized permanent and continuous. From this perspective sport has undergone a process of

rationalization with institutionalization of the elements and activities of the game. Indeed the activities designed for entertainment converted to utilitarian activities, such as commercialized sports leagues over time (Yetim, 2006:9). When technical requirements, organizations are exposed to achieve the efficiency, are shaping the business units and core functions such as coordination arrangements, institutional coercions shape organizational structures as management and control related to the environment (Scott, 2004: 4-15). Institutional environment includes structures, rules, beliefs, norms and legends formed by the interaction of organizations with regulatory bodies such as state, trade associations, trade unions.

Organizations often arrange their core activities according to accepted models and templates in their field. These templates are patterns for arranging organizational behavior that specify organizational structure and goals and reflect a distinct set of beliefs and values (D'Aunno et al., 2000:679). Also the organizations which get into the act in the same environment tend to resemble one another because of normative, mimetic and coercive pressures from the regulatory bodies in their institutional environment.

Football is a difficult job in terms of balancing the desire for achieving success on the pitch and job requirements. While coping up with these difficult challenges, the clubs should be equipped with the best management applications (Michie and Oughton, 2005: 529). Majority of football clubs that has gone public as joint stock company in public or private sector aims to improve football as sports activities and to sustain their activities as an enterprise (Hamil et, al. 2004: 45-46).

Elements of Institutionalization

While evaluating elements of institutionalization in sports clubs in this study, the literature in this field has generally evaluated it as ten sub aspects, same headings that are determined as elements of institutionalization. These aspects which are basis to the field study of this study are examined on the basis of sports clubs. The figures which composed via NVivo9 program is given with the element's explanation.

Formal Operations Structure:

Formal operations structure is defined as written job descriptions, rules and procedures in an organization (Wallace, 1995: 241). Organizational activities are determined with standards and systematical procedures. Providing functional coordination is possible with determining employees' duties, roles, authorities and responsibilities. Formal structure foresees keeping in the forefront the interests of the organization rather than individual priorities (Apaydın, 2009: 11).

Since sports organizations are associated with establishments and stakeholders of different levels and features rather than diversity of functions based on operations, there might be difficulties in terms of determining formal activity structure. Thus, the formal operations structure should be evaluated by taking into consideration the fact sports organizations operate under the impact of unique elements related to the sport.

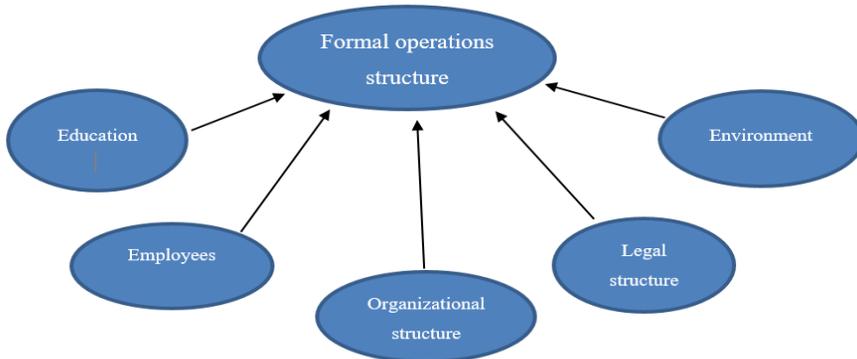


Figure 1. Formal operations structure

Formal Organizational Structure:

Organizations having formal organizational structure indicate an organizational chart and written job descriptions with defining superior-subordinate relationship. Activities are recorded and reporting system works properly.

As the activity areas and diversity of the organizations increases, organizational structure gets more complicated. Formal organizational structure is needed to manage this complication and provide the coordination between the functions. Otherwise because of the interrupted communication or the lack of communication occur conflicts, ineffectiveness and failures. Hence communication is an essential element in organizations (Elving, 2005: 131).

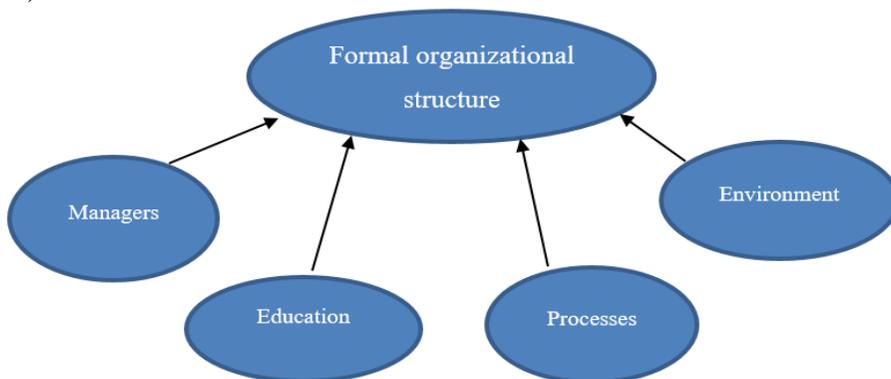


Figure 2. Formal organizational structure

Professionalism

According to Weber; professionalism contributes to the rationality of organizations. Also the rationality of organizations contributes to the development of the professions and so that it contributes to increased professionalism (Özkara and Özcan, 2004: 201). By Wallace (1995: 231-232) the professional authority usually has the right to decide about the evaluation of professional standards due to appear in the recruitment and promotion. Being the decision makers and legal experts carrying on tasks of professions increases their commitment to the organization.

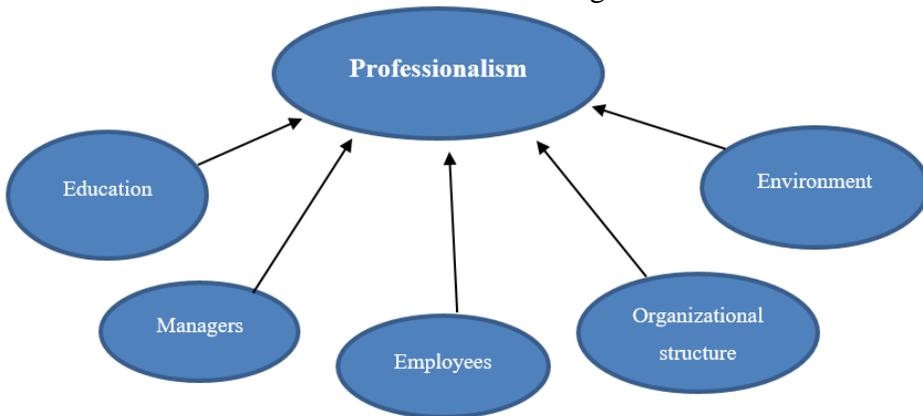


Figure 3. Professionalism

Delegation of Authority

Employee performance often being dependent on the level of trust between managers and their subordinates is important for an organization's success. Cooperative and altruistic behaviors provides trusting to the managers and in this way reducing organizational transaction costs (Pech, 2009: 27). However managers want to trust their subordinates while they are delegating their authority. Delegation of the authority is needed to run the business effective, fast and flexible.

It is explained that formal operations and organizations structure of sports organizations are created not completely but at a certain level. However, harmony to this structure has not been fully assured, yet. This harmony will reach up to the desired level in parallel to professionalization. The delegation of authority will be realized when superior – subordinate relation is experienced as due and managers have a say in the decision making process of the department they are responsible for.

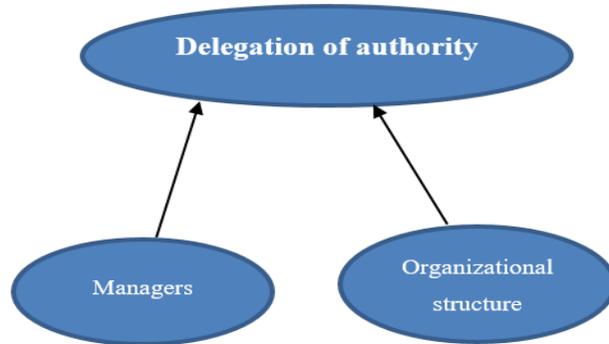


Figure 4. Delegation of authority

Cultural Structure

Organizational culture is often defined as a set of shared basic assumptions. Two points are important at organizational culture’s processes of formation. First one is the critical incidents that develop norms, second one is the identification with leaders. Founders and the subsequent leaders will strengthen their own values and beliefs. If the leaders are powerful enough, their values and beliefs will have a dominant impact on organizational culture. Also the shared expectations among organizational members and the organizational culture forms by this way (Yin et al., 2014: 975).

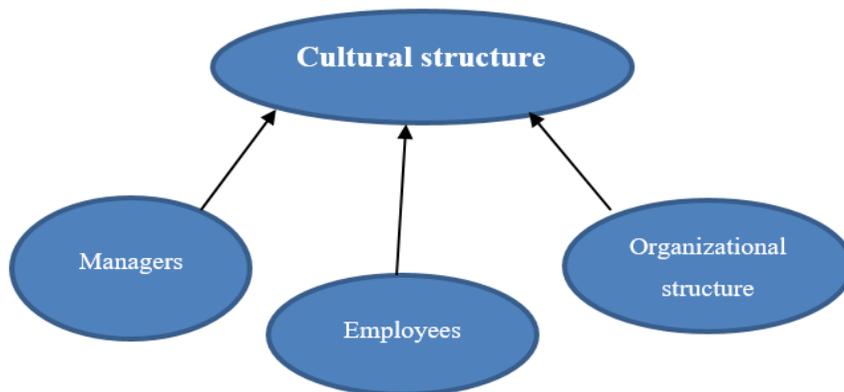


Figure 5. Cultural structure

Compliance with the Institutional Environment

By observing to the expectations of regulatory actors in the corporate environment, organizations reach the legitimate structure approved by the community. Legitimization supports organizations to request their products or services, to increase the brand value and to ensure the continuity of assets.

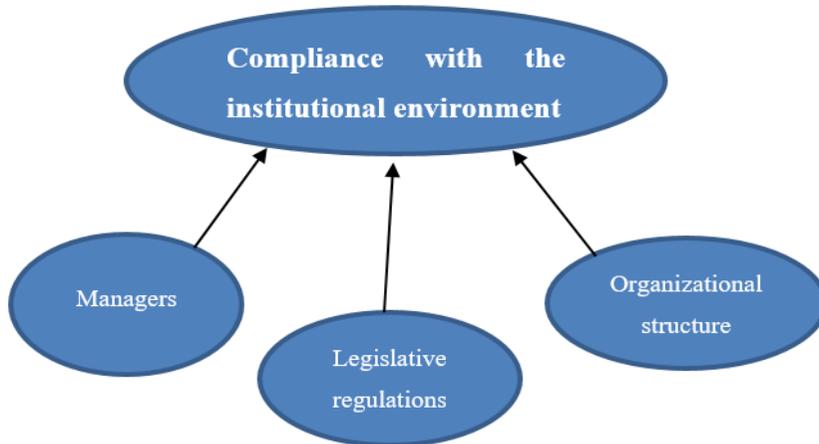


Figure 6. Compliance with the institutional environment

Corporate Social Responsibility:

According to Carroll (1979: 500), corporate social responsibility can be defined as economic, legal and ethical approaches expected by society from corporations and philanthropist activities. These activities to be performed by organizations, as expected by the society and environmental actors, facilitate the legitimatization of organizations.

It is argued that sports organizations use corporate social responsibility projects with social participation for organizational legitimatization and thus they are involved in trendy social responsibility activities that are similar to each other; ones focusing on product prefer sustainable environment activities, ones focusing on service prefer labor rights and voluntary works whereas clubs tend to establish charitable societies. Besides, sports organizations share these projects regularly on their websites in order to assure transparency of these projects and to prove realization of reporting system (Walker and Parent, 2010: 210).

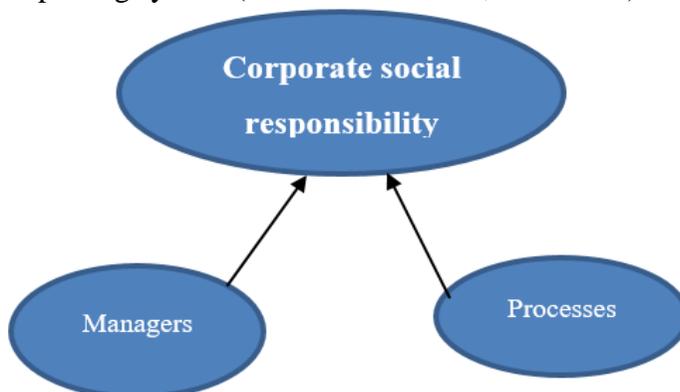


Figure 7. Corporate social responsibility

Compliance with Social Values and Norms

Social values are criteria and standards that determine ideal thinking patterns and that are embraced by the majority. Besides, they are approved by all and not subject to personal ideas and beliefs. The social norms are rules, standards and ideas that help to know right from wrong (Tavşancı, 2009:20).

Organizations, which are social structures, are accepted provided that they take into consideration and act according to values and norms their corporate surroundings and society they live in.

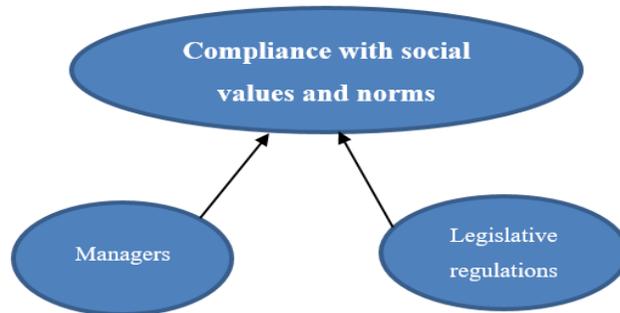


Figure 8. Compliance with social values and norms

Transparency and Accountability

Shareholders and stakeholders are entitled to have certain financial and legal information about the company and the principle of transparency and accountability makes sure that such information (such as partnership and board of directors structure, human resources policy) can be provided timely, accurately, fully in a cost efficient and understandable manner (Capital Markets Board, 2005: 20).

It is a known fact that sports and football which has the largest share in sports sector have been commercialized day by day. This increases the importance of relationships between sports clubs and their stakeholders. The supporters have been demanding transparency and accountability from clubs if their shares are traded on the stock exchange and all activities are covered by the media. The clubs should be clear to their stakeholders and media should be precise when investigating matters related to the football industry (Dinan et al., 2002: 177-178).



Figure 9. Transparency and accountability

Compliance with the Formal Structure

Establishing addressing and greeting procedures, rewarding and punishment methods, decision making methods and such other actions in manner reflecting the structure of that organization is significant in terms of institutionalization of that organization. The institutionalization process mentioned herein means that these actions are ethical and have become habits through repetition (Ulukan, 2005: 31-32). These repeated actions which should be performed will be recognized as standard actions and compliance with these actions means compliance with the formal structure.

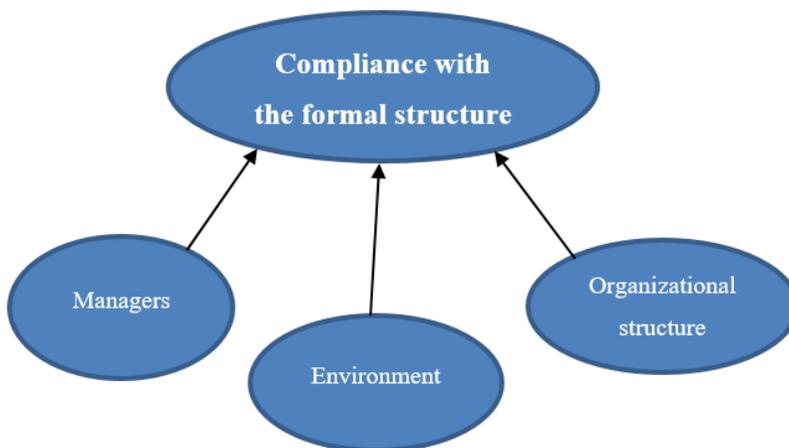


Figure 10. Compliance with the formal structure

Method

According to the law of autonomy of Turkish Football Federation (TFF), teams on the First League, Second League, and Third League should be managed professionally. Thus, the main focus of this study is the football clubs of the 3rd League in Turkey.

The study has used interviews and document analysis as qualitative research techniques. The goal is to get information from mid-level and senior managers of football clubs about management structures and processes of sports clubs. “NVivo 9 Program” is used at the stage of evaluating content analysis and data of the interviews are coded based on elements of institutionalization (sub aspects – themes), sub categories highlighted in the assessment of these elements and interviewer discourses making up these categories.

We were able to contact and interview ten mid-level and senior managers from Spor Toto Super League and PTT 1st League at the stage of data collection. The interviews took place at locations and hours agreed by them, as requested by the managers in question.

The goal of qualitative study made tried to answer three essential questions.

- How do club staff / managers see elements of institutionalization?
- How do staff / managers see implementation of factors mentioned at clubs?
- What are the other elements specified by staff / managers for institutionalization of sports clubs?

Results and Conclusion:



Figure 11. Institutionalization of sport clubs

Majority of managers states that there are problems related to existence of written documents and compliance to those when it comes to formal operation structure and formal organization structure.

A review of official club websites reveals that their organizational charts are not on the websites. However, review of each club’s website (Barcelona, Dortmund and FC Köln), which are defined as institutional and example by the interviewers, confirmed that their organizational charts are on the websites. The interviewers explained this difference with the new

implementation of the reporting system, external interventions to the clubs (from the managers who are politically or financially influential), jobs not completed duly due to change of related management or managers, not having a written job description and regular supervision system as well as the fact that only the Super League is considered as professional and enforcement of decisions made depend on the resources.

One of the most important issue experienced by the sports clubs is the intention of trainers, technical directors to organize their teams and tendency to work with that team and thus the former staff is dismissed even if they were previously hired by the clubs and they are real experts.

According to the statements of interviewers, the concept of trust is directly proportional to success in sports. In other words, income of clubs that do not achieve success in sport is reduced or they fail to collect some payments and they cannot make payments to the staff which impairs the feeling of trust. The supporters' trust and commitment of the club, having shared values and having strong communication with the stakeholders are important in terms of establishing cultural power. For example, FC Barcelona club selects % 50 of its players from Catalonia and combines the social culture with organizational culture. Borussia Dortmund has the highest number of spectators and uses the largest stadium of Germany for the games. Also, the fact that FC Köln team has the highest number of members in Germany is not only associated with its success in sports, it is a result of established club culture.

The vital aspect of institutionalization is to implement the plans rather than creating strategic plans. Smith (2009; 163-186) argued that strategies should comply with the structures but this compliance cannot be observed even in case of profit making sports organizations. Particularly, the goals that will improve social welfare such as constructing facilities, offering employment opportunities, finding talents and improving sports facilities cannot be completed within agreed periods.

The fact that clubs which are also companies are audited and thus have a more transparent structure in comparison to foundations but the clubs having a structure of a company use different methods and it confirms that a common method has not been adopted yet.

The data obtained from the study confirms that amateur/development level (grass roots) is one of elements that have impact of institutionalization of sports organizations. The amateur/development level (grass roots) is a system trains athletes within the sports club starting at an early age and the trained athletes play for adult teams or transferred to other clubs for generating income. The athletes who are trained on the amateur/development level (grass roots) program before playing for the club offer cultural power and financial advantages to the club and the amateur/development level

(grass roots) should have necessary investments, sufficient budget and the amateur/development level (grass roots) should be managed professionally in terms of expertise amateur/development level (grass roots) staff, payment and psycho-social support.

Besides amateur/development level (grass roots), elements that influence the institutionalization process of sports organizations are distribution of resources, psycho-social support, sponsorship and payment-trust relationship.

The suggestions made based on these results are as follows:

- The sports clubs should be familiar with elements influencing the institutionalization, including sub aspects.
- They should acknowledge that assuring these elements in any organization is a long and challenging process. Besides, this process should involve all departments of an organization, including the subordinates.
- Frequent replacement of staff, especially managers, challenges establishment and transfer of cultural values. Thus, the recruitment procedures applicable to the staff should be followed unless it is necessary to do otherwise and the focus should be on long term employment.
- Coming up with temporary solutions in order to offer short term solutions rather than sustaining the workflow as is should be avoided. The values to be achieved in the long run should not be disregarded.
- Human resource is the intellectual capital of any enterprise. So, personnel and athletes are the intellectual capitals of any sports organization. However, analytical methods should be used while deciding on whether or not amounts paid to the athletes accurately reflect this capital and this capital should be used at the optimum level for efficiency, just like it is used by enterprises.
- Written job descriptions, documents describing the flow of activities, organizational charts, reporting system and operations should be documented and recorded. This will allow transferring institutional activities to the future studies in a manner not depending on the individuals.
- Establishing standard criteria for the recruitment and promotion process and complying with such criteria are important in terms of achieving organizational trust.
- Increased number of supporters coming to watch a game is an indicator that increases the revenues and verifies existence of cultural power. The European clubs have proved their success in this aspect.
- One of the benefits of institutionalization is its contribution to the organizational prestige. Organizations should have an image to assure and sustain commitment of the supporters' and institutionalization can achieve this goal.

- Transparency and accountability aspects of institutionalization prevent organizations from being involved in unethical and illegal activities and enable organizations to easily defend themselves against such accusations.
- Sports clubs should focus on hiring people who are trained and experienced in the field of sport science for achieving professionalism.
- It is observed that different legal structures (such as company, association) increase unfair competition between organizations competing on the same platform. Turkish Football Federation is the foremost regulating authority of this field and it should implement supporting policies.
- This study can be considered as the first step of studies to be made in the future about institutionalization of sports organizations in Turkey. The sub aspects of institutionalization should be discussed at the Ministry and federation level which are the actors managing sports, especially in Turkey.

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