

Changing Business Management Practices: An Examination of the English Professional Football Industry

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Abstract

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This thesis examines business management practices within the English professional football industry from the early twentieth century through to the first decade of the twenty first century. Much has been written about the poor state of management practices over the period; however, academic, practitioner and media accounts fail to provide an in-depth and comprehensive account. This thesis addresses this gap by developing a broad ranging picture of the management of finance, marketing, human resources and stadium operations within football clubs before and after the commercial transformation which took place in the early 1990s. Furthermore, this study acknowledges the SME status of football clubs and evaluates their business management practices within this context.

A multi-method approach, incorporating data gathered from semi-structured interviews with key informants, non-participation observations and analysis of primary and secondary documents, was adopted. Specifically, thirty four interviews were conducted with a wide variety of people with extensive experience of the football industry; non-participant observations were conducted at Norwich City FC and Sheffield United FC; and relevant football, business and management literature was investigated along with archival material.

The research findings indicate that significant developments have occurred in management practices in all of the key functional areas, but HRM was found to be the least developed. In terms of the extent to which football clubs resemble mainstream SMEs although both types of organisation face challenges relating to reluctance to change, resource scarcity, short-termism and ownership and control, the findings of this study show that these issues continue to mark football clubs out as being a 'special case'.

Contents

<i>Abstract</i>		<i>i</i>
<i>Contents</i>		<i>ii</i>
<i>List of Tables</i>		<i>viii</i>
<i>List of Figures</i>		<i>ix</i>
<i>List of Abbreviations</i>		<i>x</i>
<i>Acknowledgements</i>		<i>xi</i>
1.0	Introduction	1
1.1	Background	1
1.2	Definition of Terms	3
1.3	From Foundation to Post-commercialisation: The Development of the English Professional Football Industry	7
1.3.1	The Foundation Phase	10
1.3.2	The Codification Phase	11
1.3.3	The Stratification Phase	11
1.3.4	The Professionalisation Phase	12
1.3.5	The Post- professionalisation Phase	13
1.3.6	The Proto-commercialisation Phase	15
1.3.7	The Rapid-commercialisation Phase	17
1.3.8	The Post–commercialisation Phase	19
1.4	Small to Medium Sized Enterprises (SMEs)	21
1.5	Aim & Objectives	25
1.6	Structure	26
2.0	Review of Literature	28
2.1	Introduction	28
2.2	Sociological Perspective	28
2.3	Historical Perspective	30
2.4	Economic Perspective	34
2.5	Business Perspective	38

2.5.1	Finance	40
2.5.2	Marketing	43
2.5.3	HRM	46
2.5.4	Stadium Management	49
2.6	Summary	52
2.7	Management in Twentieth Century Britain	53
2.7.1	Management Skills	54
2.7.2	Management Knowledge	56
2.7.3	Management Attitudes	57
2.7.4	Personal Capitalism	59
2.7.5	British SMEs	65
2.7.6	Summary of Key Management Characteristics and Emerging Themes	71
2.8	Conclusion	73
3.0	Research Strategy: Design and Implementation	75
3.1	Introduction	75
3.2	Philosophical Issues	75
3.3	Methods	77
3.3.1	The Research Process - Phase 1	79
3.3.2	The Research Process - Phase 2	79
3.3.3	The Research Process - Phase 3	84
3.4	Methodological Considerations	87
3.4.1	Validity, Reliability and Generalisability	88
3.4.2	Access	90
3.4.3	Relations between Interviewer and Interviewee	92
3.4.4	Ethical Issues	95
3.5	Conclusion	98
4.0	Business Management Practices prior to the Rapid-commercialisation Phase	99
4.1	Introduction	99
4.2	Ownership and Organisational Culture	99
4.2.1	Ownership	99

4.2.2	Organisational Culture	103
4.3	Finance	107
4.4	Marketing	110
4.5	Human Resources	116
4.6	Stadium Management	120
4.7	Conclusion	123
5.0	Financial Management	125
5.1	Introduction	125
5.2	Financial Management in UK SMEs	126
5.3	Contemporary Financial Management Practices in English Football Clubs	129
5.3.1	Revenues	133
5.3.2	Costs	137
5.3.3	Debts	138
5.3.4	The Changing Expectations of Owners	141
5.4	Conclusion	149
6.0	Marketing Management	150
6.1	Introduction	150
6.2	Marketing in SMEs	150
6.3	The Practice and Peculiarities of Marketing in English Football Clubs	155
6.3.1	Sponsorship	159
6.3.2	Branding	164
6.3.3	Brand Extension	166
6.3.4	Customer Relationship Management (CRM)	168
6.4	Marketing Orientation: Role & Relevance of Marketing in English Football Clubs	172
6.5	Conclusion	176

7.0	Human Resource Management	178
7.1	Introduction	178
7.2	HRM and SMEs	179
7.3	Owner /Manager Characteristics	182
7.3.1	Owner/Manager Characteristics of clubs in the English Professional Football Industry	183
7.4	External Market Conditions	188
7.4.1	The External Environment encountered by clubs in the English Professional Football Industry	189
7.5	Nature of Work Environment	192
7.5.1	Informal HR Practices in the English Professional Football Industry	194
7.5.2	HR Strategy in the English Professional Football Industry	196
7.5.3	Resource Scarcity in the English Professional Football Industry	198
7.6	Company Structure	202
7.6.1	The Structure of clubs in the English Professional Football Industry	203
7.7	SME Recruitment and Selection	205
7.7.1	Recruitment and Selection in the English Professional Football Industry	206
7.8	SME Training and Development	210
7.8.1	Training and Development in clubs in the English Professional Football Industry	211
7.9	Conclusion	217
8.0	Stadium Management	219
8.1	Introduction	219
8.2	Stadium Management into the 1990s: Evidence of Change?	219
8.3	Event Management	221
8.3.1	Project Management	221

8.3.2	Service Operations Management	224
8.3.3	Logistics Management	225
8.4	The Football Match Lifecycle Model	228
8.4.1	Pre-Match Day Phase	230
8.4.2	Match Day Phase	237
8.4.3	Post – Match Day Phase	244
8.5	Knowledge and Learning	250
8.5.1	Generation of knowledge	251
8.5.2	Transference of knowledge	251
8.5.3	Use of knowledge	253
8.6	Conclusion	255
9.0	Conclusions	257
9.1	Introduction	257
9.2	Business Management Practices: Evidence of Change?	258
9.2.1	Finance	261
9.2.2	Marketing	261
9.2.3	HRM	263
9.2.4	Stadium Management	264
9.3	Management Themes: The extent to which football clubs resemble mainstream SMEs	265
9.3.1	Reluctance to Change	265
9.3.2	Resource Issues	269
9.3.3	Short-termism	271
9.3.4	Ownership and Control	274
9.4	Conclusions	277
9.4.1	Limitations	279
9.4.2	Future Research	282
	References	284

Appendices

A	Football Match Disasters in Twentieth Century Britain: Key Incidents and Responses	334
B	List of Interviewees	338
C	Example of Interview Guide Questions	340
D	Examples of E-mail Requests for Interviews	341

List of Tables

Table 1.1	Phases of Development of the English Professional Football Industry	9
Table 1.2	Definition of Micro, Small and Medium Sized Enterprises	22
Table 1.3	Clubs Categorised as Large Scale Enterprises	23
Table 2.1	Key Management Characteristics and Emerging Themes	72
Table 3.1	Research Paradigms	75
Table 3.2	Phases of the Research Process	78
Table 3.3	Stages of the Grounded Theory Approach	82
Table 6.1	Summary of Sponsorship, Branding and Brand Extension	167
Table 9.1	Baseline Period - Key Management Characteristics of each Business Function	259
Table 9.2	Contemporary Period - Key Management Characteristics of each Business Function	260

List of Figures

Figure 1.1	The Components of the English Professional Football Industry	6
Figure 5.1	Aggregate Revenue for Premier League and Championship Clubs	134
Figure 5.2	Premier League Clubs Revenue Streams By Category	135
Figure 5.3	Estimated Total Players' Wages 1992-2008	138
Figure 6.1	The Role & Relevance of Marketing: SME Marketing Orientation	153
Figure 6.2	The Role & Relevance of Marketing: Football Club Marketing Orientation	173
Figure 7.1	Key Determinants of SME HR Policy and Practice	181
Figure 8.1	Life Cycle Stages and Core Management Processes of Major Sports Events	223
Figure 8.2	The Football Match Lifecycle Model	229

List of Abbreviations

FA	Football Association
FIG	Football Industry Group
HR	Human Resources
HRM	Human Resource Management
LMA	League Managers Association
NCFC	Norwich City Football Club
PNE	Preston North End
SAG	Safety Advisory Group
SME	Small to Medium Sized Enterprise
SUFC	Sheffield United Football Club
YTS	Youth Training Scheme

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Chapter 1 – Introduction

1.1 Background

During the latter part of the twentieth century, after over one hundred years of relative stability, the English professional football industry underwent a period of profound and far reaching change. The commercial and financial basis of the industry shifted and the sport became a vital part of the complex English entertainment, leisure and sports industry (Buraimo *et al.* 2006: 32; Williams, 2006: 98; Kelly, 2008: 400). The scale of the transformation is staggering; in their *Annual Review of Football Finance: Lost in Translation The Football Money League* Deloitte (2009: 30) observed that

‘In 1991/92, the last season before the formation of the Premier League, the former Division One clubs had a collective turnover of £170m. By contrast the revenue of the top 20 Premier League clubs in 2007/08 is projected at over ten times this amount at £1.9billion.’

Indeed, even clubs in the lower divisions became ‘multifaceted leisure businesses with a range of income streams’ (Matusiewicz, 2000: 166). Consequently, for many success ‘on the pitch’ is no longer the sole concern; issues such as survival, liquidity, revenue maximisation and profitability loom large (Szymanski and Kuypers, 2000: 16; Guillianotti and Richardson, 2004: 554; Milanovic, 2005:883, Buraimo *et al.* 2006: 34; Gilmore and Gilson, 2007: 410).

Despite this transformation a number of scholars have argued that business management practices remain ill-suited to the challenges which have emerged. For instance, Cannon and Hamil (2000: 36) suggested that the ‘amateur tradition’ prevails in the boardrooms and the back offices of most clubs. They argued that clubs are still run predominantly by non-executive directors with little experience of the type of business issues facing contemporary football. Likewise, Banks (2002: 139) explored the financial aspects of the sport and observed that ‘amateur practices’ were instrumental

in the difficulties faced by clubs. Similarly, Syzmanski and Kuypers (2000: 79) commented that clubs have hardly advanced beyond Victorian business practices. These observations highlight an apparent paradox: on one hand the football industry has experienced an unprecedented period of growth and commercial success, but on the other business management practices are regarded by many as being unsophisticated and outdated. In essence a successful, dynamic twenty-first century industry appears to be dominated by commercial practices and modes of operation that would not look out of place in the late nineteenth century.

These claims are worthy of further investigation because at best they are inadequately outlined and weakly substantiated (see Cannon and Hamil, 2000; Matusiewicz, 2000; Syzmanski and Kuypers, 2000). Although there has been increased academic interest in football in refereed articles (see Baldwin, 1997; Malcolm, 2000; Clowes and Clements, 2003; Grundy, 2004; Michie and Oughton, 2005; Gilmore and Gilson, 2007), edited books (see Brown, 1997; Michie *et al.* 1999; Hamil *et al.* 2000; Hamil and Chadwick, 2010) and single authored texts (see Banks, 2002; Morrow, 1999 and 2003; Boyle and Haynes, 2004; Conn 2005; Carter, 2006; Goldblatt, 2007; Hornby, 2008) a detailed study of business management practices, which draws upon extensive primary data gathered from key informants and documentary sources, is absent. Moreover a comprehensive exploration of business management practices in the English professional football industry before and after the period of rapid commercialisation that began in the early 1990s has not been undertaken.

The remainder of this chapter is structured as follows. Section 1.2 briefly defines the terms used in this thesis. Section 1.3 outlines the historical development of the English professional football industry and identifies the two periods on which the research is focused: the Baseline and Contemporary periods. Section 1.4 adds further contextual detail by discussing the Small to Medium Sized Enterprise (SME) status of English professional football clubs. Section 1.5 builds on the previous sections and presents the aim and

objectives of the study. Section 1.6 details the structure of the remainder of the thesis.

1.2 Definition of Terms

In order to establish the scope and focus of this work the key terms *business management practices* and *English professional football industry* are defined in this section.

Business management practices

The term 'business management practices' is used in the context of this thesis to distinguish between the on-the-pitch related activities performed by team managers and coaches and the activities undertaken by those responsible for the business operations of football clubs. This study focuses specifically on the management of the functional business areas of finance, marketing, human resources and operations (i.e. stadium management). These areas are widely accepted as being the fundamental functions of any business organisation (Linstead *et al.* 2004: 127; Hatch, 2006: 297; Mullins, 2009: 530).

The functional approach was selected because it provides a clear and coherent framework by which to explore and analyse management activity. Indeed the consideration of each business specialism in a structured and systematic way is effective on two counts.

Firstly, by focusing upon each business specialism in turn, a comprehensive picture of the challenges faced by managers operating in each specialist area is developed. For instance, some of the issues faced in financial management differed from those encountered in marketing (for example, those involved in financial management worked more closely with board members than those managing the marketing function). By considering each specialist function separately a more refined analysis, which captures the nuances of the management of each functional area, is produced.

Secondly the adoption of a functional, rather than a generic, approach ensures that a thorough exploration of management practices across the organisation is achieved. In essence, because this approach involves investigating management practices in all of the key business activities of a football club it reduces the likelihood that important aspects will be overlooked.

The English professional football industry

Although many scholars accept that English football has become an industry in its own right a comprehensive definition of the term 'English professional football industry' does not exist (see Haynes, 2007: 362; Breitbarth and Harris, 2008: 180; Edensor and Millington, 2008: 18). In order to address this lacuna, and define the scope of this thesis, it is helpful to begin by briefly considering the works of those who have focused upon defining the wider sport industry. Overwhelmingly, scholars working this area have concentrated upon identifying and categorising the component parts of the industry (Robinson, 2003: 171; De Schriver and Mahon, 2007: 267; Humphreys and Howard, 2008: 27).

For instance, Chelladurai (1994: 8) suggested that the sport industry could be divided into two fundamental elements: participatory activities and spectator activities. The former is categorised in terms of the motives of participants, for instance health and fitness or the pursuit of pleasure, excellence or skill, and the latter is divided in terms of whether the sport offers commercial entertainment (i.e. professional sport) or non-commercial entertainment (i.e. amateur sport). Similarly, Pitts *et al.* (1994: 17) and Parks *et al.* (1998: 33) investigated the component parts of the sport industry and identified three segments: sport performance (i.e. the spectators and participants who consume the sport); sport production (i.e. the training, sportswear and equipment utilised in playing the sport); and sport promotion (i.e. individuals, organisations and products used to market and promote the sport). Building on these works, Robinson (2003: 172) suggested that the sport industry comprised four inter-linked elements: sport delivery, sport requirements, sport products and sport support services. The first segment, sport delivery, is the

means by which sport is offered to the spectator, participant or customer and comprises amateur and professional sport. The second component, sport requirements, consists of the products and services needed to produce or enhance the quality of the sport. Key elements in this category include governing bodies and officials. The third area, sport products, incorporates the enterprises which produce goods for the sport industry (for example equipment and clothing manufacturers). The final category, sport support services, consists of those products or services that support and promote sport. For instance, this segment consists of the media, merchandising organisations and those engaged in endorsements and sponsorship.

In attempting to define the English professional football industry Robinson's work is of particular interest because, unlike other works, it emphasises the inter-connectedness of the industry's components and in so doing goes beyond merely identifying and labelling them. In essence, by considering the relationship between the segments which constitute the industry as a whole this approach more clearly captures its complexity and multifaceted nature. For the purpose of explaining the scope of this thesis Figure 1.1 shows an adapted version of Robinson's framework which has been applied to English professional football.

Figure 1.1 The Components of the English Professional Football Industry



(Source: Adapted from Robinson, 2003: 172)

Figure 1.1 shows the principal actors involved in the English professional football industry and locates these within the components identified by Robinson. The figure effectively illustrates the breadth and depth of the industry and in so doing emphasises the need to limit the scope of an investigation of this type. Indeed, a study which attempted to explore business management practices across all components of the industry would be ill-conceived, unmanageable and lacking in focus.

In order to avoid these difficulties the scope of this thesis is limited to the delivery component of the industry. Specifically this study concentrates upon the business management practices of professional football clubs operating within the Premier League, Championship and Leagues One and Two; however, the opinions and observations of actors located within other components of the industry have not been ignored. Rather contributions from those located outside the delivery component have been used to inform and augment material gathered from those employed by football clubs. For instance, interview data gathered from past and present employees of the Football Association and the Football League and current employees of the League Managers Association and Supporters Direct has been incorporated in order to build a more comprehensive and broad ranging picture.

The following section builds upon the definition of these terms, and adds further context to the thesis, by outlining the historical development of the industry and identifying the two periods on which the research is focused.

1.3 From Foundation to Post-commercialisation: The Development of the English Professional Football Industry

The development of English football, from its earliest foundations to its modern commercialised form, has been charted by a number of scholars (see Mason, 1980; Wagg, 1984; Holt, 1989; Walvin, 1994 and 2001; Russell, 1997; Beech and Chadwick, 2004; Harvey, 2005; Taylor; 2007; Beech, 2010). Of particular interest is the work of Beech and Chadwick (2004: 5) who analysed the development of the sport. They considered the development of the football industry in terms of evolutionary periods, where change was relatively slow and incremental, and revolutionary periods, where fast paced change and high levels of uncertainty occurred. They identified seven phases of development: Foundation, Codification, Stratification, Professionalisation, Post-professionalisation, Commercialisation and Post-commercialisation. This approach is of value because it provides a comprehensive, but concise, overview of the sequence of events which led to the growth and development

of the contemporary football industry. However, this work has two limitations. Firstly, although a structured framework is presented there is no attempt to identify the start and end date of each period; consequently the timing and duration of each phase, and indeed the complete process, is unclear. Secondly, in the case of the Commercialisation Phase, the framework does not capture the complexity and key characteristics of this crucial stage. In order to address these weaknesses an adapted version of Beech and Chadwick's work is presented in Table 1.1.

Table 1.1: Phases of Development of the English Professional Football Industry

PHASE	DESCRIPTION	LEVEL OF UNCERTAINTY	RATE OF CHANGE	
Foundation (pre 1860 approx)	Evolution	Low	Low	
Codification (1860 to 1870 approx)	Revolution	High	High	
Stratification (1870 to 1880 approx)	Evolution	Low	Low	
Professionalisation (1880 to 1914 approx)	Revolution	High	High	
Post-professionalisation (1914 to 1960 approx)	Evolution	Low	Low	B A S E L I N E
Proto-commercialisation (1960 to 1992 approx)	Evolution	Moderate	Moderate	
Rapid-commercialisation (1992 to 2000 approx)	Revolution	High	High	C O N T E M P O R A R Y
Post – commercialisation (post 2000)	Evolution/Revolution	Low/High	Low/High	

(Adapted from Beech and Chadwick 2004: 5-7)

In Table 1.1 each phase has been ascribed an approximate end and start date and the original Commercialisation Phase has been divided into the Proto-commercialisation phase and the Rapid-commercialisation phase. The introduction of these phases is necessary in order to effectively explain the complexity of the changes that occurred between 1960 and 2000. Another important feature of the table is that it identifies the Baseline and Contemporary periods which are the main focus of this study. The Baseline period encompasses the Post-professionalisation and the Proto-commercialisation phases and the Contemporary period consists of the Rapid-commercialisation and Post-commercialisation phases. In the remainder of this section each phase of the framework is considered in turn and a commentary of the main elements of each is provided.

1.3.1 Foundation Phase (pre 1860 approx)

During this initial evolutionary phase levels of risk and rates of change were low. Here the game was beginning to emerge from a variety of different sources. The earliest examples of a game similar to football are evidenced in the ancient civilisations of China, Japan, Greece and Rome. In England games of football had been played for centuries before the modern game became established (Walvin, 2001: 22; Taylor, 2007: 19). One of the most popular forms was a version that was played on Holy Days such as Shrove Tuesday (Hornby and Inglis, 2008: 45; Hamil and Chadwick, 2010: 4). 'Shrove football' was a chaotic game with unlimited numbers of players whose objective was to force the ball into an opponent's goal (Harvey, 2005: 1). The game quickly acquired a reputation for causing breaches of the peace and community disturbance, and as a result it was legislated against at both national and local level (Curry, 2004: 337). Although these restrictions had the effect of curbing the growth and development of this form of football other versions of the game evolved in England's public schools. Indeed by the mid-18th century the game was established at Charterhouse, Eton, Harrow, Westminster, Shrewsbury, Winchester and Marlborough (Walvin, 2001: 25; Harvey, 2005: 24; Hornby and Inglis, 2008: 9).

1.3.2 Codification Phase (1860 to 1870 approx)

This revolutionary phase was characterised by uncertainty and increased rates of change. In 1863, in the Freemason' Tavern in Lincoln's Inn Fields, the FA was founded in order to unify the plethora of different codes and conventions. The aim was to regulate the playing of the game (Beech, 2010: 240). At the first meeting twenty-three provisional rules were reconstituted into fourteen laws in order to form the Association's code. Most notably, the FA defined the dimensions of the 'goals', and banned 'running with the ball in hand' and 'hacking' (i.e. kicking opponents in the shins) (Mason, 1980: 15; Harvey, 2005: 140; Taylor, 2007: 30;). Indeed it was the FA's decision to ban hacking that led a team called from Blackheath Proprietary School to break away from the Association; a move which was instrumental in forming the Rugby Football Union in 1871 (Walvin, 2001: 28; Harvey, 2005: 266; Beech, 2010: 240).

1.3.3 Stratification Phase (1870 to 1880 approx)

During this phase the organisation of the sport became more complex as FA affiliated leagues and cup competitions began to emerge. Local FA branches, such as Birmingham, established in 1875-6, and Lancashire, established in 1878, ensured that football clubs adhered to national rules and conventions (Mason, 1980: 15; Walvin, 2001: 73; Taylor, 2007: 33). The establishment of regional leagues also had the effect of intensifying local rivalries and increased competitiveness throughout the sport (Carter, 2006: 17). Indeed, Walvin (2001: 31) commented that 'By 1880, the game had begun to take on a recognisably modern shape.' As complexity increased the need for a more structured approach became evident. Pressure mounted for the establishment of a national league system in which clubs would agree to play 'home and away' matches with each other on fixed dates during the season. Progress was slow, but this eventually culminated in the formation of the Football League in 1888 (Mason, 1980: 16; Walvin, 2001: 38, Beech, 2010: 241). Despite these changes the pecuniary risk and uncertainty faced by clubs remained low and the industry was in an evolutionary, rather than revolutionary phase (Beech and Chadwick; 2004: 5).

1.3.4 Professionalisation Phase (1880 to 1914 approx)

This phase was a revolutionary period in the development of the sport for three reasons. Firstly, in 1885 the FA reluctantly legalised payments to players and in so doing began the professionalisation of the game (Mason, 1980: 236; Walvin, 2001: 38; Huggins, 2004: 65, Beech, 2010: 240). Although a few semi and fully professional players had been in the sport since the mid-1870s the FA's formal acceptance of the situation marked an important milestone in football's history because it sparked a period of struggle between advocates and opponents of the professional ethos (Buraimo *et al.* 2006: 30; Taylor, 2007: 52). For instance, in 1907 a group of clubs, who were disgruntled with the FA about this issue, broke away to form the Amateur Football Association. However, their protest was short lived and they rejoined the FA in 1914 (Carter, 2006:18).

Secondly in 1899, as professionalisation process began to gather momentum, the FA introduced a series of rules that were designed to protect the 'sporting heart' of football clubs and preserve the unique values and traditions of the sport (Conn, 2005: 110; Samuels, 2008: 92; Beech, 2010: 242). These rules, which later became codified as Rule 34, imposed measures to prevent bankrupt clubs from being stripped of their assets, required that gate receipts be shared between home and away teams, sanctioned the formation of clubs into limited liability companies, and limited payment of dividends to 5 per cent of nominal share value (Hamil *et al.* 1999: 15; Beech and Chadwick 2004: 7; Harvey, 2005: 137). The pace of change was brisk and by 1914 all professional clubs had abandoned the traditional structure (i.e. ownership by members and administration by elected committee) in favour of limited liability company status. (Mason, 1980: 35; Carter, 2006: 22).

Thirdly, the professionalization of the sport was supported by rapidly increasing spectator numbers. Walvin (2001: 39) estimated that in 1875 only two games attracted crowds of over 10,000 people; however within a decade the number had grown to eighteen. Moreover, in the inaugural season of the Football League 602,000 spectators attended matches between the dozen leading clubs. In 1893 this figure had reached almost two million.

Furthermore, as numbers grew the composition of crowds became increasingly diverse. Mason (1980: 152-53) noted that 'There is no doubt that in the 1880s at least, a significant proportion of a good many of football crowds was made up of the better-off or middle classes.' However, he goes on to observe that by the turn of the century '...evidence suggests that they [spectators] had become increasingly working class in composition... .' This move highlights the social transformation that the sport underwent during the mid nineteenth and early twentieth century. As Walvin (2001: 45) commented 'In the thirty years before 1914 the game had gone full circle, passing through the reforming hands of the public school pioneers, to return whence it had originated – as the game of the common man.'

In summary the professionalisation of players' contracts, the transformation of football clubs from committee run organisations to limited liability companies and significant increases in spectator numbers were key influences that effected the sport during the late 1800s and early twentieth century. These changes marked a shift away from the sport's amateur roots and proved to be instrumental in the commercial transformation that took place later in the twentieth century.

1.3.5 Post- professionalisation Phase (1914 to 1960 approx)

During this evolutionary phase football entered into a relatively stable period, change was largely incremental and risk was low. Up until the early 1950s the popularity of the sport was high and the number of professional clubs increased from 158 in 1914 to 427 in 1951 (Fishwick, 1989: 26; Buraimo *et al.* 2006: 31). As the sport thrived it attracted increasing commercial interest.

In particular, football became an important part of the English gambling industry (Mason, 1980: 48). Although by 1914 betting on football was a firmly established pastime it was not until the 1930s that the football pools became popular and attractive to the mass market (Walvin, 1994: 126). Indeed, according to Fishwick (1998: 121) with the advent of the pools industry '...football betting moved from the back street to the high street.' The football pools presented gambling as an acceptable activity that was convenient and

available to all. Walvin (1994: 127) estimated that by the mid 1930s '...five to seven million people were spending £30 million a year' on the pools. Pools companies flourished and by 1951 42 were operating in Britain. The top three companies Sherman's, Vernon's and Littlewoods accounted for 85 per cent of the market, their respective shares being 10, 25 and 50 per cent Fishwick (1998: 121).

During the early part of this phase the British public's growing interest in football was further fuelled by the popular media (Mason, 1980: 187; Fishwick, 1989: 111; Walvin, 2001: 48). For example, by the 1930s newspapers provided detailed statistical data, such as players' ages and scoring rates, to cater for the interests of those subscribing to the pools. Also 'football specials' emerged. These were newspapers containing match reports that were available on a Saturday afternoon minutes after a match had finished (Fishwick, 1998: 95; Walvin, 2001: 48). As Holt (1989: 308) recounts such was the popularity of these publications that 'In Barnsley in the early 1950s men were even seen reading the 'Green Un' over their partner's shoulder as they mechanically steered the wife around the ballroom on a Saturday night.'

The broadcast media also developed an ongoing interest in football at this time. Although film clips of football date back to the 1890s, it was not until the 1930s that cinema audiences had the opportunity to regularly watch football highlights on newsreels (Fishwick, 1998: 107). Additionally during the interwar years radio broadcasts of football matches had become increasingly frequent and popular. Indeed, Walvin (1994: 141) commenting on the listenership of football matches suggested that 'In 1935 ninety-five per cent of the population could listen, on cheap wireless sets, millions of them bought on hire purchase, to BBC broadcasts.' This exposure helped to establish football's position in the social and cultural life of the British people.

With the advent of the Second World War professional football in Britain was immediately suspended (Taylor, 2007: 133). However, the importance of the sport to morale meant that it was not banned completely. Leagues were organised on a regional basis and, although teams lost players who were

drafted into the forces, games went ahead with *ad hoc* collections of retired professionals and volunteers from the terraces (Holt, 1989: 277). At the end of the war, despite shortages and rationing, the British people returned to their traditional leisure patterns (Buraimo *et al.* 2006: 31). Football was at the forefront of this trend with 35.5 million spectators attending matches in the 1946-47 season and attendances reaching a record 41.25 million in the 1948-49 season (Walvin, 2001: 92). However, as post-war austerity began to recede, and Britons enjoyed record levels of material wealth, match attendances began to fall - a trend that continued throughout the 1950s (Holt, 1989: 335; Brown *et al.* 2008: 306). Against this backdrop broadcast interest in football began to shift from radio to television. Television ownership gradually increased during the 1950s and according to Walvin (2001: 107):

'The millions who settled down in front of the TV for the Cup Final in the 1950s converted that end-of-season game into a genuinely national sporting occasion. It was an example of what television might offer; a major, national sporting event beamed into millions of homes across the country....It was, in time, to prove an irresistibly tempting formula.'

In summary, between 1914 and 1960 English football enjoyed a period of relative stability. Despite the establishment of the football pools as a national institution and increasing interest in the sport by the popular media the extent of change and levels of uncertainty and risk, within the industry remained low.

1.3.6 Proto-commercialisation Phase (1960 to 1992 approx)

During this evolutionary period English football slowly underwent a series of cumulative changes which shaped the future direction of the industry. In 1961 the FA abolished the player's maximum wage (Carter, 2006: 89; Taylor, 2007: 158; Beech, 2010: 245). This immediately placed economic pressure upon clubs and meant that the costs of running a football club began to increase (King, 2002: 46). This was problematical for all clubs, but it was of particular concern for those at the highest level who found that in order to attract and retain the best players they had to pay higher and higher wages. Accelerating costs were exacerbated by the Football League's continued insistence on the

redistribution of income from the largest to the smallest clubs. This meant that although the elite clubs were attracting the bulk of television coverage they were unable to exploit their popularity. The problem was highlighted by Conn (2005: 45) who explained that 'In 1965 the BBC paid £5,000 for the first regular football highlights package and the League's policy of equal distribution resulted in each club receiving approximately £50 each.'

Economic pressures continued to accelerate throughout the 1960s and 1970s. Attendances had begun to fall as potential spectators turned to other leisure pursuits, such as car travel, and football matches had become blighted by hooliganism. Indeed, according to King (2002: 50), the fall in attendances meant that 'By the late 1970s...professional football could no longer support itself through its traditional means of gate revenue.' This observation is corroborated by the comments of John Smith the Chairman of Liverpool Football Club in 1979. Discussing the club's decision to break Football League rules and sign a shirt sponsorship deal with Hitachi he said 'We felt somebody had to show initiative over this. Football is hard up as an industry. From an income of £2,400,000 last season we showed a meagre profit of only £17,000' (*The Times*, 25th July, 1979).

Clubs were becoming increasingly frustrated by the situation and problems continued into the 1980s. Indeed, in 1983, a number of 'big city' clubs threatened to abandon the Football League's collective television agreement and enter into a contract with ITV unless the League sanctioned shirt sponsorship. Realising that television revenue would be significantly reduced the League reluctantly acquiesced and promptly allowed shirt advertising (Cox *et al.* 2002: 12; King, 2002: 52). Despite this, tensions continued and rumours of the formation of a breakaway league persisted. In 1985 the 'Big Five Clubs' (Liverpool, Everton, Manchester United, Arsenal and Tottenham) threatened to split from the rest of the Football League if they did not receive a greater share of TV revenues. The Football League responded by making some concessions; however, these were not enough and in 1988 the big clubs entered into a four year 'private' deal with ITV which allowed the media group exclusive broadcast rights to their games. This action stalled the breakaway

and temporarily enabled the Football League to preserve its structure and membership (Conn, 2005: 47).

Sponsorship and media issues were not the only factors to impact on the football industry at this time. The disasters of Bradford, Heysel and Hillsborough highlighted the need for renewal and cultural change (Barros and Leach, 2006: 1450; Beech, 2010: 247-248). Indeed as a direct result of the Hillsborough tragedy, the Taylor Report of 1989 called for a huge programme of investment in order to make football stadiums comfortable and safe. In addition the decision of the FA to relax Rule 34 and allow the flotation of clubs attracted a new breed of entrepreneur, such as Alan Sugar at Tottenham Hotspur and John Hall at Newcastle United, into the sport (Carter, 2006: 124).

In 1990, sensing the prevailing mood, the Football League produced a proposal to combine with the FA. By unifying with the FA the League felt that a larger TV deal could be secured and income redistribution could be maintained. However, in 1992 the 22 clubs of the First Division broke away to form the FA Carling Premier League.

1.3.7 Rapid-commercialisation Phase (1992 to 2000 approx)

This phase was a revolutionary period for the English professional football industry (Beech and Chadwick; 2004: 5). The formation of the Premier League resulted in a separation between its clubs and those of the Football League. With this separation came a rapidly expanding financial gulf between the elite group and the rest. For example, Carter (2006: 108) estimated that in 2002 whilst the average turnover for a Football League club was £7.2 million, the corresponding figure for the average Premier League club was £75 million.

With the abandonment of cross subsidisation clubs outside of the top flight could no longer rely upon the financial support generated by their high profile counterparts. As a result clubs at all levels became more commercially oriented during the period. Indeed according to Beech and Chadwick (2004:7) 'By the end of the 1990s commercialisation had become firmly established

across the whole of the top four leagues with sponsorship of a range of events and facilities, including individual stadia, common practice.' Increasingly, as the 'new breed' of director became established, emphasis was placed on the revenue generating potential of clubs and fans were viewed as customers (King, 2002: 91; Duke, 2002: 49; Conn, 2005: 109-10). Themed bars and restaurants became common in the smallest of clubs and merchandise ranges were broadened to encompass products such as motorcycles, credit cards, leisurewear and mobile phones (Dempsey and Reilly, 1998:128). The rate of growth was remarkable. For instance in 1990 Manchester United made £1m from merchandise; by 1995 this figure had grown to £15m (Grundy, 2004: 407). Furthermore, in the 1999/2000 season the total revenue of all English professional clubs rose to £1.1bn (Carter, 2006: 124).

The rapid commercial growth of the industry, particularly the Premier League and its clubs, attracted the attention of financial institutions and as a result football clubs came to be viewed as investment propositions (Walvin, 2001: 203; Buraimo *et al.* 2006: 34). Conn (2005: 108) captured the mood of the times when he commented that:

'...accountants, bankers, investment analysts...were convinced there was a gold rush, that football, repackaged, recovered was the passport to millions...The men in charge of most clubs did not need too much convincing to cash in and between 1996 and 1997 a flood of clubs floated on the Stock Market, making fortunes for the chairmen or other major shareholders...'

This comment is also noteworthy because it emphasises an additional feature of this phase, namely the trend for some clubs to relinquish their private limited liability status in favour of a public listing on the Stock Exchange. Although only a relatively small number of clubs chose to make the transition the activity is symbolic because it indicates the extent to which the football industry had moved away from its founding values. Indeed with the blessing of the FA, which abolished Rule 34 in 1998, clubs were for the first time able to

structure and administer themselves in the same way as any other business enterprise.

In summary, this phase was characterised by high levels of uncertainty and profound change. The creation of the Premier League acted as a catalyst to the rudimentary commercial activity seen in the industry during the Proto-commercialisation phase. Rapid commercialisation affected all levels of the professional game, but this was most pronounced in the Premier League where clubs fully embraced the market.

1.3.8 Post-commercialisation Phase (2000 onwards)

This stage is characterised by relatively stable evolutionary periods which are punctuated by brief spells of uncertainty and change. According to Beech and Chadwick (2004: 6), very few sports can claim to have reached this phase. However, they suggest that English professional football has entered it. This statement is based upon the observation that, although there is still evidence of commercial advancement, change is evolutionary rather than revolutionary. The commercial dimension of the industry is now firmly established and although there is the potential for revolutionary changes to occur, such as the formation of a European Super League, these have yet to materialise.

Despite almost a decade of stability this phase has witnessed a number of significant events which have led to uncertainty within the industry. Most notable of these are the collapse of ITV Digital and the demise of Leeds United.

In 2002 the collapse of the ITV Digital deal caused major financial difficulties for Football League Clubs (*Soccer Investor Weekly*, 2003a: 1). The three year £315 million deal signed in 2001 disintegrated when only 1.2 million viewers agreed to subscribe in the first year. The 72 clubs of the Football League were left with a shortfall of £178.5 million on the original deal (Cassy, 2002: 45). First Division clubs saw their income from television fall from an expected £2m to £700,000 per year (Conn, 2005: 140). However, although this period was difficult, predictions that up to 30 clubs would go into administration did

not come to pass (Carter, 2006: 124). The episode highlights the fragility of the relationship between the football industry and the media, and is a cautionary tale for those clubs which have become over reliant upon revenue from television.

The problems encountered by Leeds United showed that Premier League clubs were not immune to the financial difficulties encountered by their lower league counterparts. In 2001 the club entered into a 25 year securitisation deal to borrow £60 million. Borrowings were secured against future ticket sales and corporate hospitality income, and the funds were used to clear existing debts and purchase new players (Morrow, 2003:158). However, as transfer values began to fall the club faced financial ruin and was only saved when new owners agreed a debt reduction scheme and the implementation of a refinancing package (Carter, 2006: 124; Conn, 2005: 132). Interestingly, on his departure from the club the Chairman, Peter Ridsdale, said

‘Mistakes were made, but I don’t regret the ambition we had and the pursuit of that ambition...Did we make mistakes? Yes, of course we did. Did we probably invest too much? I think time would suggest that we invested too much as well. Looking back I know we were probably over-ambitious, we overstretched...’

(Soccer Investor Weekly, 2003b: 7)

The episode, and Ridsdale’s comments, emphasise the precarious nature of the football business. Here an elite club had quickly encountered financial problems despite having a very experienced businessman at the helm. However, this event was of no surprise to Banks (2002: 139) who two years earlier had catalogued the financial crises facing English football and concluded that ‘...amateur practices lie at the heart of many of the financial difficulties facing contemporary football clubs.’

This sent shock waves throughout the industry and challenged the widely held notion that football clubs could be operated in the same way as any other business organisation.

In summary, although this phase is best characterised by relative stability it has not been without incident. Football clubs have continued to evolve commercially but doubt has been cast upon their ability to cope with existing and future business challenges.

This section has provided a brief, but comprehensive, overview of the key phases of development of the English professional football industry. The focus of the remainder of the thesis is upon two periods: the Baseline period, which comprises the Post-professionalisation and Proto-commercialisation phases, and the Contemporary period, which comprises the Rapid-commercialisation and Post-commercialisation phases. The Baseline period was limited to the Post-professionalisation and Proto-commercialisation phases because, although events occurring during the early history of the sport had some impact upon the development of business management practices, it was not until the Post-professionalisation phase that significant commercial activity emerged. At this time the foundations of the modern form of commercialisation were established and consequently this phase marks the starting point for this analysis. In terms of the Contemporary period, this begins in the Rapid Commercialisation phase because it was at this time that the Premier League was established and commercialisation at all levels of game accelerated.

1.4 Small to Medium Sized Enterprises (SMEs)

Despite the commercial transformation of the industry the vast majority of football clubs have remained relatively small scale organisations. This is seen when clubs are measured against the European Commission's definition of SMEs.

Table 1.2 Definition of Micro, Small and Medium Sized Enterprises

Enterprise category	Headcount	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 million		≤ € 43 million
Small	< 50	≤ € 10 million		≤ € 10 million
Micro	< 10	≤ € 2 million		≤ € 2 million

(EC, 2006: 14-15)

Medium-sized enterprises have fewer than 250 employees. Their annual turnover should not exceed 50 million euros or their annual balance-sheet total should be less than 43 million euros.

Small enterprises have less than 50 employees. They should have an annual turnover not exceeding 10 million euros or an annual balance-sheet total not exceeding 10 million euros.

Micro-enterprises are enterprises which have fewer than 10 employees. Their annual turnover should not exceed 2 million euros or their annual balance-sheet total should be less than 2 million euros.

Measured against these criteria almost all English professional football clubs can be classified as being either small or medium sized enterprises. The only exceptions are the clubs which have turnover and headcount figures that exceed those specified in the medium sized category. Table 1.3 identifies these clubs.

Table 1.3 Clubs Categorised as Large Scale Enterprises

CLUB	EMPLOYEES	TURNOVER (€M)
Arsenal	379	340
Aston Villa	1191	82
Everton	254	82.3
Fulham	754	58.3
Liverpool	369	181.5
Manchester City	276	89.4
Manchester United	313	278.1
Middlesbrough	285	51.9
Newcastle United	425	107.3
Portsmouth	635	76
Reading	409	56
Sunderland	562	69.0
West Ham United	864	61.9

(Fame Database, 2009¹)

The transformation of this small group of clubs into large scale enterprises is a significant development. However, given that this transition has occurred very recently and that it only applies to a small number of clubs, it is clear that overwhelmingly the delivery segment of the industry has been, and continues to be, dominated by SMEs. Consequently, when exploring past and current business management practices it is essential that the SME status of clubs is acknowledged and discussed. Indeed any study focusing on this area would be incomplete and inaccurate if it was not grounded and contextualised in this way. Failure to take cognisance of the key characteristics of SMEs, and the unique issues faced by them, would result in an unreliable and flawed account.

Indeed, a number of scholars have cautioned against ignoring the SME status of an enterprise when undertaking organisational analysis (see Penrose, 1959; Stanworth and Gray, 1991; Handy *et al.* 1988; Wilson, 2006; Beaver, 2006). For instance, Penrose argued that it is a mistake to assume that SMEs are simply scaled down versions of larger enterprises. She commented:

¹ Turnover figures calculated in October, 2009 based on an exchange rate of £1: €1.08 and financial returns for 2007/08.

'..the differences in the administrative structure of the very small and the very large firm are so great that in many ways it is hard to see that the two species are of the same genus...we cannot define a caterpillar and then use the same definition for a butterfly.'

(Penrose, 1959: 19)

Stanworth and Gray (1991: 15) argued that small businesses experience a range of unique problems and issues that are not applicable to their large scale counterparts (e.g. succession issues and resource poverty). Similarly, Handy *et al.* (1988: 47) observed that SMEs were different in a whole host of ways when compared with their larger counterparts. For instance, they suggested that the constraints and uncertainties faced by SMEs tend to be different from those faced by large scale enterprises. Likewise Stokes and Wilson (2006: 327) focused specifically upon management in SMEs and commented 'Managing in a small business is not like managing part of a large organisation.' Beaver (2002: 60) provided a more detailed explanation and observed:

'Management processes in small firms are unique. Much of the contemporary theory is founded upon the empirical analysis of managerial action in large organisations. These principles, no matter how refined, cannot be applied directly to small enterprises. While common skills need to be in evidence in many organisations, the contextualisation of these skills to meet the requirements of the small business operating environment is distinctive.'

This study addresses these concerns by analysing football club business management practices within their SME context, and in so doing provides a unique and valuable insight into the problems faced by managers operating within the industry.

1.5 Aim & Objectives

The aim of this study is to critically analyse business management practices within the English professional football industry. Three objectives are associated with this aim.

Objective 1: To form a baseline for analysis by establishing the state of business management practices in the industry prior to the early 1990s

In order to establish an extensive picture of business management practices in the industry it was necessary to begin by considering the Post-professionalisation and Proto-commercialisation phases. A clear understanding of practices during these periods was deemed essential in order to establish a baseline for further investigation and analysis. However, an early survey of the literature revealed that, at best, only a fragmented account existed. A clear and comprehensive picture of how business functions were managed was absent. The purpose of this objective is to address this gap and in so doing provide a valuable contribution to existing knowledge and understanding.

Objective 2: To explore the extent to which management practices have changed since the commercial revolution of the early 1990s

This objective focuses upon exploring how business management practices have changed in response to the period of accelerating commercialisation that began in the early 1990s. Here the focus is upon comparing the practices that prevailed in the Baseline period with those present in the industry during the Contemporary period. The establishment of a 'before' and 'after' picture will facilitate a comprehensive analysis which will identify areas of both change and stability. As with the first, this objective also provides a valuable contribution because to date a holistic view of contemporary business management practices that explores the extent to which they have changed since the commercial transformation of the industry in the early 1990s does not exist.

Objective 3: To critically evaluate the extent to which changes in the business management practices of English professional football clubs reflect those seen in the wider British business environment

This objective aims to build on the previous two by locating football club business management practices within their wider context. Specifically, the aim here is to acknowledge and discuss the SME status of football clubs and compare and contrast their management practices with those found in SMEs operating in mainstream industries. This analysis will yield a valuable insight into the problems and issues faced by business managers operating in football clubs and will highlight areas of commonality and difference between football clubs and their mainstream counterparts.

In summary, taking the aim and objectives of this study together, the main contribution of this thesis is that it is the first study to produce a comprehensive and broad ranging account of the management of finance, marketing, HR and stadia within English professional football clubs before and after the commercial transformation of the industry in the early 1990s. Furthermore, the work locates football clubs within their wider SME context and in so doing provides a unique and valuable insight.

1.6 Structure

The remainder of the thesis is structured as follows. Chapter Two is an extensive Literature Review which begins by investigating what sociologists, historians, economists and business scholars have said about the commercial transformation of the English professional football industry. The chapter then moves on to consider business management practices within mainstream enterprises in twentieth century Britain. The chapter concludes by summarising the key management characteristics and themes which are taken forward throughout the study and used to underpin the remainder of the thesis. Chapter Three, Research Strategy: Design and Implementation, describes the methods used during the research. It outlines the procedures adopted, the participants involved, the materials used and justifies the chosen approach. Chapter Four, Business Management Practices Prior to the Rapid-

commercialisation Phase, combines both secondary and primary investigation in order to establish a baseline view of business management practices in the Post-professionalisation and Proto-commercialisation phases. In chapters Five, Six, Seven and Eight respectively the contemporary state of business management practices in the areas of finance, marketing, HR and stadium management are considered. In each of these chapters interviews, observations, archival material and secondary sources are synthesised to develop a micro level picture of management practices within contemporary football clubs. The final chapter analyses the extent to which management practices have changed; discusses the key management characteristics and themes identified in the Chapter Two and uses these to examine the extent to which football clubs resemble mainstream enterprises; presents the conclusions and limitations of the investigation; and makes recommendations for further research.

Chapter 2 - Literature Review

2.1 Introduction

The literature review presented in this chapter is divided into two parts. The first summarises and critically evaluates literature that focuses upon the English professional football industry. Sections 2.2, 2.3 and 2.4 investigate football related literature emanating from the disciplines of sociology, history and economics respectively. Section 2.5 explores works produced by scholars whose interests lay in the areas of football club finance, marketing, HR and stadium management. The second part of the chapter expands the scope of the study to consider business management practices in twentieth century Britain. Specifically, Section 2.7 evaluates the nature of management skills, knowledge and attitudes in mainstream industries of the time; explores personal capitalism as a form of business enterprise ownership and control; discusses and identifies the key characteristics of non-family and family run British SMEs during the period; and summarises the key characteristics and themes which emerge. Overall, the chapter provides an in-depth analysis of the literature focusing upon the 'business' of football and places business management practices in the industry in their wider context. Taken together these elements create a rich picture which enables the identification of gaps in the current literature and provides justification for the focus and direction of the remainder of the study.

2.2 Sociological Perspective

The academic study of football is a relatively new area of research (see Dunning, 1971; Russell, 1996; Perry, 1999; Brown *et al.* 2008). Indeed Russell (1996: 57) argues that scholars with an academic interest in sport ignored football prior to the late 1960s and favoured the study of other leisure pursuits, such as cricket. In 1968 the first comprehensive study of football was conducted by Sir Norman Chester, Warden of Nuffield College from 1954-78, on behalf of the Department of Science and Education (Perry, 1999: 98; Mellor, 2002: 37). The focus of the study was the impact of football upon local communities in general, and groups of fans in particular. This work is

noteworthy, not only because it was the first scholarly investigation of football, but also because it began an enduring sociological interest in the sport.

Overwhelmingly, the sociologically based analysis of football provided the bulk of early academic material pertaining to the sport. In particular, the study of crowd disorder and hooliganism became a much considered area. Dunning *et al.* (1988), Hobbs and Robins (1991), Stott and Pearson (2007), Spaaij (2008), Stott *et al.* (2008) and Tsoukala (2009) investigated and attempted to explain the violent actions of fans. Sociologists have also considered other football related issues. For example, media reporting of football has been explored (see Satterlee, 2001; Boyle *et al.* 2002; Crabbe, 2003; Morrow, 2003), football fanzine culture has attracted considerable scrutiny (see Giulianotti and Williams, 1994; Haynes, 1995; Atton, 2006; Millward, 2008), international cultural issues and worldwide fan behaviour patterns have been investigated (see Wagg, 1995; Giulianotti, 1999; Kuper, 2003, Manzenreiter and Horne, 2004; Dart, 2009; Millward, 2009) and fan resistance to the transformation of English Football at the end of the twentieth century has been scrutinised (see Nash, 2000a; King, 2002; Williams, 2006; Edensor and Millington, 2008).

Of particular interest here is the work of King (2002: 99), who examined the 'new consumption of football' which occurred as the sport transformed in the 1990s. Specifically, he contextualised the transformation of English football by considering broader political, social and economic issues, such as the post-war settlement and Thatcherism. His analysis also identified the emergence of a new breed of entrepreneurial director and facilitated an in depth examination of the growing trend of treating fans as customers. This work is valuable because it provides extensive contextual material; however, it fails to explore how clubs should be managed and organised to cope with the challenges of contemporary 'club - customer' relationships.

Perspectives grounded within sociology have undoubtedly helped to develop a greater understanding of fan culture and behaviour. However, as Moorhouse (1998:229-231) argues, in the main sociologists have produced

broad social accounts which have omitted to consider key issues such as '...football as a site of employment and [football] as an economic activity'. Moreover, he questioned the methodological rigour of many sociologically oriented football studies. He observed that literature focusing upon fanzine culture adopts '...scholarship which takes its lead from the New Musical Express' and called for 'more attention to methodological matters' and 'for new methodological rigour to be injected'. Indeed, these observations resonate with Giullianotti (1999: 170) who commented:

'There has been a noticeable lack of fieldwork undertaken into the day-to-day football running of football clubs...Social researchers need to demonstrate the value of their various disciplines through detailed studies of football clubs from the inside.'

This work addresses these issues by utilising interview data, entries from football club minute books and non-participant observation to construct a comprehensive picture of football club business management practices.

2.3 Historical Perspective

Along with sociologists, historians have also contributed to the academic study of football. Historical works can be segmented into three broad areas.

Firstly, studies which chart the development of the sport from its earliest beginnings through to the present day. Those focusing upon the 'full scale' historical development of the game in Britain include Walvin (1975); Dunning, (1971); Dunning and Sheard (1979); Tischler (1981); Wagg (1984); Holt (1989); Taylor and Ward (1994); Russell (1997); Goulstone (2001); Harvey (2005); Taylor (2007); and Hornby and Inglis (2008). Texts adopting a wider more global view of the development of football from its earliest origins include Murray (1994); Oliver, (1995); Murray (1998); Lanfranchi *et al.* (2004); and Goldblatt (2007).

The second broad area covered by historical literature is that which focuses upon specific time periods. For example, Mason (1980) limits his study to the period 1863-1915. His work, which draws solely on published sources, provides a comprehensive account of the origin and evolution of football over the period and supplies a rich description of life in late Victorian and early Edwardian England. Other works of this type include Tischler (1981) who considers key figures in the development of football during the first half of the nineteenth century; Gorn (2001) who looks at the evolution of the sport from 1890 to 1920; Clarke (1979) who focus upon the post second world war period; Fishwick (1989) who scrutinises football's development during the first half of the twentieth century, and Walvin (1986) focuses upon the second half of the twentieth century. Specifically, and of particular pertinence to this work, Walvin provides an interesting treatment of English football in the 1970s and the early 1980s and considers wider social and economic issues, such as changing patterns of leisure consumption, in order to locate football in its 'historically shaped context' (xii). He explored football club management in the context of management in mainstream industries and suggested 'Indeed, the history of management in this one small and rather important industry is a telling insight the broader story of British attitudes towards business management in general.' (p27). Furthermore, he concluded that English football provided a revealing insight into the qualities, strengths and ailments of wider British society during the 1980s (p128). Although Walvin's work is of interest, it relies completely upon the use of published sources of data and provides a very descriptive treatment, which is of limited value in building a comprehensive picture of football business management practices during the period. An example of the limitations of his work is demonstrated in the comment that:

'The major problem was (and is) the clubs themselves. By and large, they are Victorian and Edwardian institutions, often fiercely resistant to change, determined to maintain their methods and traditions – most of which were forged in an earlier and quite different epoch. Clubs have been 'old fashioned' in the worst of senses; reluctant to change their outlook and their mode of operations.'

(Walvin, 1986: 17)

This claim appears early in the text, but it is not explored or analysed further and is not substantiated with any evidence derived from sources such as interviews. A more compelling and academically rigorous contribution would have been achieved if Walvin had incorporated data gathered from interviews with key informants who were able to give first-hand accounts of prevailing business management practices in a range of English professional football clubs of the time.

The omission of a clear, comprehensive and coherent picture of the true state of business management practices prior to the Rapid-commercialisation phase is a significant gap in the work completed within this field. By establishing a baseline view of the state of such practices during the period this thesis will address this neglected area.

The third category of historical texts consists of those that focus upon specific aspects of the sport. For example, Curry (2004: 351) examined football during the late 1870s and early 1880s in Sheffield. Specifically, he focused upon the career of James J. Lang who moved from Scotland to play for Sheffield Wednesday in 1876. Curry's work provides a rich picture of the early stages of the professionalisation of the game and he concludes that Lang '...was the first person to be paid, on a long term basis, for his skills at football.' Other examples include Johnes (2004) who provided a historical treatment of crowd disasters in twentieth century Britain and discovered that in the main each incident was met with indifference and apathy by football authorities, central government and fans alike; Kennedy (2004) who analysed the demographics of football club support in late Victorian Liverpool and identified that the lower

middle and middle class population of the Anfield area were of vital importance in the establishment and on-going sustenance of both Everton FC and Liverpool FC.; Kennedy (2005: 855) also investigated power relations in English football by analysing the social profile of club directors in Merseyside in the late nineteenth century and concluded that: 'The men controlling the clubs were an exclusive body, the vast majority being middle class – mostly involved in commerce rather than the professions – who were British-born Protestants.'; and Garnham and Jackson (2003) who investigated shareholders in Newcastle football clubs during the two and half decades before the First World War and concluded that most shareholders were middle class, middle aged, married men.

Carter (2006) and Gilmore and Gilson (2007) also provided noteworthy contributions to the historical literature pertaining to football. In his work on the history of football club management, Carter explored the development of the role of team manager against the backdrop of historical, economic and sociological changes within Britain from the late nineteenth century to the present day. He found that as the role has evolved it has mirrored changes in the wider socio-economic and cultural life of Britain. For instance, he observed that the advent of the media age has meant that a manager's ability to deliver an effective interview is regarded as being as important as their tactical ability. Carter's work is of value but it is limited on two counts. Firstly, the study is not extended to the development of other management roles within football clubs, for instance finance and marketing, and consequently it only produces a fragmented picture. Secondly, although the work does acknowledge the small firm status of football clubs it does not investigate the consequences of this status upon business management practices. This thesis addresses these gaps by providing an in-depth exploration of the development of football business management practices within their SME context. Gilmore and Gilson (2007) used a case study approach to investigate how Bolton Wanderers FC responded to the changes in the football industry during the late 1980s and early 1990s. The exploration briefly considered changes to business operations but its primary focus was upon the playing side of the club and consequently it covers technical areas such as sport

science, psychology and the development of Academy players. The findings of the study indicated that the club adapted well to challenges on the playing side of its operations by adopting strategies such as attracting and retaining players in the twilight of their careers and concentrating resources on the development of young players. However, although the work is of interest because it gives a comprehensive account of the impact of change on one football club; overall it is of limited value to this study because it does not provide an in-depth treatment of the changes that have occurred in the key functional areas of finance, marketing, human resources and stadium management.

In summary, scholarly activity from a historical perspective has been valuable because it has helped to construct a rich picture of the development of the English football industry. The body of work enables contemporary researchers to develop a clear understanding of the chronology of key events associated with the sport and helps to contextualise many of the problems and issues evident in football today. However, despite these contributions much of the historical work written on the subject of football is highly descriptive, and tends to provide only 'broad brush' treatments that rely too heavily upon documentary sources, rather than first-hand accounts of those directly involved in the industry. Consequently, although historians have comprehensively described what has happened to football in England over the past 150 years, their progress in building a detailed picture of business management practices in the industry has been very limited.

2.4 Economic Perspective

Despite some clear limitations sociologists and historians have provided a significant contribution to the scholarly investigation of English football. However, more recently the subject area has attracted attention from other academic disciplines. In particular, economists have scrutinised the rapid commercialisation of the industry since the early 1990s.

An in depth investigation of the economics of football is offered by Dobson and Goddard (2005). Their work considers the development and structure of the English football industry, and provides an economic perspective upon issues such as competitive balance, uncertainty of outcome and information transmission. The authors incorporate an impressive range of quantitative analysis which helps to enhance understanding of many of the key economic issues facing football. However, a lack of qualitative data severely limits the value of this work. In short, the rigorous application of economic theory evidenced here provides a valuable insight, but for those interested in the micro-practices of management this type of analysis is of limited appeal. In a similar vein Szymanski and Kuypers (1999: 318) considered the financial data of football clubs and investigated links between playing performance and economic success. In particular they considered Manchester United's financial performance and concluded that 'The analysis of the way in which Manchester United makes money suggested that this will be very difficult for other clubs to imitate.'

Some economists have chosen to adopt a more focused approach. A particularly fertile area of investigation is the demand for sport. For example, Borland and MacDonald (2003) produced a broad ranging analysis of the international literature pertaining to the demand for professional sport. This investigation considered eight sports, including football, and concluded that uncertainty of outcome, high contest quality, the quality of viewing (i.e. in terms of stadia and the time of viewing), the cost of attendance and the extent of TV coverage had a significant influence upon levels of demand. Scholars focusing exclusively on the demand for football include Peel and Thomas (1988) who investigated outcome uncertainty and match attendances in English football and Jennet (1984) who considered the same issues in relation to Scottish football; Simmons (1996) who conducted a club level analysis of demand for English league football; Bainbridge *et al.* (1996) who analysed the impact of satellite television on the demand for football in Scotland; Dobson and Goddard (1992) who evaluated demand for viewing accommodation in English League football clubs; Forrest and Simmons (2006) who investigated the adverse impact of televised midweek Champions League matches on

Football League attendances; and Buraimo (2008) who explored the demand for English League football in terms of both stadium attendance and television audiences.

The economic impact of professional football upon regions has also attracted interest. For instance, Merseyside and the economic benefits that accrue to it from Liverpool and Everton football clubs was studied by the Football Research Unit, of the University of Liverpool. The study outlined the economic significance of the sport and identified that 3,000 full time and 1,400 part time jobs were dependent upon the football industry in 2000 (FRU, 2001). Penn and Dolby (2002: 8) also explored the effect of football clubs on local economic development. Their study focused upon the impact of Old Trafford, The Reebok Stadium and Ewood Park on their localities and he concluded that although these stadia could be viewed as 'prime catalysts' of development their full impact was hard to determine because '...we lack appropriate data upon which to base an informed judgement.'

Economic investigation has also extended to labour markets within the football industry. In particular, transfer markets have been considered in depth. Most notably by Carmichael and Thomas (1993) and Carmichael *et al.* (1999) who investigated bargaining; Speight and Thomas (1997a; 1997b) who evaluated arbitration in transfer dealings; Frick (2007: 41) who investigated issues relating to transfer fees, contract lengths and career durations and concluded that '...football as a labour market is a kind of 'laboratory' that deserves more attention"; and Goddard and Wilson (2009) who investigated the economic impact of racial discrimination on players playing in English professional football.

Economists have also investigated football from an industrial perspective. For instance, the motivations of directors who invest in football clubs have been considered in depth. Sloane (1971: 123), and more recently McMaster (1997:27) and Buraimo *et al.* (2006: 34), argue that investments are often made, not for commercial gain but, for 'less tangible utility return'. In essence, it appears that when directors are making investment decisions commercial

considerations are secondary to the pursuit of utility maximisation. McMaster extends his analysis to the distribution of property rights within the UK football industry and suggests that share ownership is too concentrated. He concludes that wider share ownership may help to resolve underlying agency problems, such as limited fan involvement in the decision making mechanisms of football clubs (p41). Hamil and Morrow (2009:7) investigated alternative modes of ownership of football clubs and concluded that 'Supporters Trusts offer an opportunity for organised collective action and ownership which is increasingly rare...' and 'In doing so they represent a case of 'back to the future' with their commitment to the traditional cooperative ideals of Robert Owen and the Rochdale Pioneers.' The generation and distribution of revenues within the professional football industry has also attracted the interest of economists. For example, Dobson and Goddard (1998:783) considered trends in the distribution of revenue within the industry and noted that:

'Although it is clear that the distribution of total revenues within football has become more unequal, the absolute magnitude of the revenues has increased dramatically in recent years, to the benefit of clubs at all levels.'

They proceed to examine the impact of reduced subsidisation on football clubs in lower divisions and somewhat optimistically concluded that:

'History suggests that whenever cross subsidy is required to ensure the survival of a desired number of clubs, mechanisms of one sort or another evolve to satisfy this need.'

(Dobson and Goddard, 1998:784)

Managerial efficiency has also been investigated by economists studying football. Kern and Sussmuth (2005: 499) conducted an econometric analysis of the Erste Bundesliga and concluded that 'Surprisingly, paying a high salary to the coach seems to have no significant impact on athletic output.' Although

their work is of interest, it relies solely upon quantitative data analysis and does not attempt to consider prevailing business management practices.

As with the works of scholars from other disciplines, economists have contributed to the understanding of English football. In particular, broader considerations such as changes in patterns of demand for football and changes to labour market activity have been scrutinised. The application of economic theory and econometric analysis has yielded some valuable perspectives. However, overall scholarly activity in this field has mainly produced rich contextual material, rather than insights into the micro-practices that football clubs adopt in order to manage their business operations.

2.5 Business Perspective

Closely allied to the work of economists is the work of those who have investigated the 'business of football'. Business related football literature is a burgeoning area and encompasses both non-academic and academic authors. Non-academic sources are overwhelmingly aimed at the populist market and consequently in the main fail to offer appropriate academic rigour; as a result such works must be approached with caution. To illustrate this consider the works of two investigative journalists whose populist texts emerged after the commercial transformation of English football in the early 1990s.

Tom Bower's work, *Broken Dreams: Vanity, Greed and the Souring of British Football* (2003) scrutinised investigators, regulators, governing bodies, managers, chairmen, politicians and agents operating in the contemporary English football industry. Although a compelling argument of corruption and the sad demise of English football is presented, the reliability and validity of Bower's work is questionable. For example, he refuses to reveal his sources of primary data and incorporates many unsubstantiated comments and accounts. This results in a work that lacks objectivity and academic rigour; based upon these measures Bower's text is of very limited value. However, these issues aside, the author's use of secondary data is impressive and the

work provides a clear chronology of some of the most dramatic and important events witnessed in the history of the contemporary English football industry (for example the criminal investigation into Bruce Grobbelaar, and others accused of match fixing, is recounted in depth). On this level the text contributes to the rich picture developed by those viewing the industry from other, more scholarly perspectives.

David Conn's work includes two books, *The Football Business: The Modern Football Classic* (2001) and *The Beautiful Game? Searching For The Soul of Football* (2005). Taken together these texts provide a compelling and effective account of the transformation of English football during the latter part of the twentieth, and the early part of the twenty first, century. The author employs both primary and secondary sources, but unlike Bower these are acknowledged and verified. Interview material gleaned from football administrators, club officials and fans is skilfully incorporated and consequently Conn provides a comprehensive account which appeals to the reader's emotions, powerfully engaging both mind and heart. The emotional nature of Conn's work clearly has an attraction for the populist reader. However, for those adopting a more academic stance this approach is problematical. In keeping with other authors of this genre (see Boyle and Haynes, 2004; McGill, 2002; Dempsey and Reilly, 1998) Conn is in the main scornful of the changes that have occurred over the past two decades. This results in an unbalanced treatment and requires serious scholars to approach these works with caution.

In summary, the business of football has attracted considerable scrutiny from those writing from a non-academic perspective. In the main, populist works lack rigour and consequently have insufficient validity and reliability. Despite this however, a 'blanket' rejection of all such works is inappropriate because as Wagg (1984: xiii) argues '... [non-academic texts] don't analyse the football world - they only provide some of the raw material for doing so.' This perhaps, highlights the true value of texts such as those of Bower and Conn - specifically that they provide easily accessible background material and help researchers to develop an overall appreciation of the subject matter.

In terms of the academic study of the business of football Szymanski (1998: 51) advocated that the football industry should be used as a laboratory to study success and he argued that we can learn a lot about business strategy from the sport. Bolchover and Brady (2006: 3) suggested that football '...provides unique insights into the crucial management issues confronting the modern corporate environment' and that 'Football has been neglected as a model for far too long.' Indeed it is noteworthy that to date there is only one academic text which delivers a holistic overview of the key football business management functions of finance, marketing, HRM and stadium management. The text, *Managing Football: An International Perspective* (2010) edited by Hamil and Chadwick, provides an insight into the key principles and issues encountered by business managers operating in the global football business and as such is a useful undergraduate and postgraduate textbook. However, for those attempting to develop a clearer understanding of the past and present day to day business management of English football clubs the work is limited on two counts. Firstly, the book does not incorporate interview data gathered from key informants who have past and current experience of the football industry, rather it draws solely upon secondary sources and synthesises extant knowledge. Secondly, the work does not acknowledge or explore the SME status of English football clubs and as a result provides an incomplete account.

The remainder of this section reviews the academic literature which focuses specifically on the functional areas of finance, marketing, HRM and stadium management in the football industry.

2.5.1 Finance

Traditionally, English professional football clubs have not made financial issues their highest priority. Utility, rather than profit, maximisation was the main objective (Dobson and Goddard, 2005: 15; Buraimo *et al.* 2006: 34). Consequently, minimum levels of financial solvency sufficed and performance on the pitch was the primary benchmark of success (Sloane, 1971: 123). Hawkes (1998: 37) neatly described the situation when he commented

'Typically, the wealthy owner would run, the club with his heart rather than his head, profit being secondary to the objective of team success.'

It was not until the Proto-commercialisation and Rapid-commercialisation phases that financial issues became more significant. The Rapid-commercialisation phase that began in the early 1990s ignited interest in the financial dealings of football clubs. This interest was catalysed by a number of high profile incidents. In 1999 BSKyB made a failed £623m bid for Manchester United (Banks, 2002: 48). This takeover attempt highlighted that once a football club becomes a public limited company it is available for purchase to the highest bidder. This issue was to be revisited later of course with the successful takeover of the club by Malcolm Glazer. As outlined in Section 1.3.8, a second incident that raised general awareness of the state of football finance was the difficulties encountered by Leeds United in 2004.

The precarious state of football finance was highlighted by Deloitte and Touche in their 2003 News Release. They commented:

'The game has never had more money and England's clubs lead the world in all areas of income generation and also stadium investment. English football should be proud of that. What is needed now is strong management and leadership to control costs and improve the bottom line.'

(Deloitte and Touche, 2003: 1)

Likewise, Matusiewicz (2000: 167) bemoaned the quality of financial and general business management competence within football clubs and argued that:

'A football club is doomed to failure if it does not have a business plan, budgets, financial forecasts and projections, manpower plan and strategic plans covering all aspects of the business.'

Although these comments highlight important concerns the difficulty here is that although there are strong calls for these issues to be addressed the true nature and extent of the problem is not convincingly outlined. For instance, Matusiewicz fails to cite examples or corroborate his claims with primary data, consequently his points remain unsubstantiated.

In addition to scholarly consideration of difficulties and crises in the football industry, academics concerned with financial aspects of football have also focused upon technical aspects. Areas such as income deferral, the sale and leaseback of players and the securitisation of income streams, such as ticket sales, have attracted academic interest (see Michie and Verma, 1999; Grundy 2003; Morrow, 2003; Brookfield and Miller, 2006). The works of Grundy and Brookfield and Miller are of particular interest. Grundy (2003: 421) investigated aspects of financial strategy and financial management within four English football clubs (Manchester United, Arsenal, Chelsea and Leeds United) and found that the clubs tended to ‘...default to a narrow range of financing strategies..’ rather than exploring new and innovative solutions. Although his work gives a valuable insight into the financial strategies adopted by each club it does not explore the management practices which underpin the formulation and implementation of these approaches. This study aims to add to Grundy’s work by concentrating upon the practices adopted by those who are responsible for managing football club financial operations. Brookfield and Miller’s work is notable because in addition to providing a valuable insight into securitisation their work also emphasised the dearth of literature focusing upon the financial management of football clubs. Indeed, the authors commented that:

‘The academic literature on management structures and capabilities in football, which is underdeveloped anyway, has concentrated on areas such as marketing and sponsorship, or aspects of risk and crisis management associated with the stadium disasters of the 1980s, ignoring financial management.’

(Brookfield and Miller, 2006: 6)

To reiterate the academic consideration of financial aspects of English football clubs has been limited to the study of high profile crises and the consideration of technical issues occurring within the unique context of the football industry. Where the quality of financial management practices is discussed, arguments tend to be only weakly outlined and substantiated – in terms of both quality and quantity of research this area of investigation requires significant development.

2.5.2 Marketing

This sub-section explores the literature pertaining to marketing practices in the football industry. Specifically, it considers what scholars have found regarding the historical development of marketing activity and also what has been discovered regarding the marketing practices of contemporary football clubs. The section begins by outlining the evolution of marketing activity and then moves on to consider contemporary practices.

Rudimentary marketing activity in the English football industry was evident in as early as the Professionalisation and Post-professionalisation phases. Inglis (1987: 252) showed that in 1913 ground advertising for Bovril and Swan Vesta Matches, using posters and signs, was used at Stamford Bridge. Later, during the Post-professionalisation phase, football cigarette cards were introduced and in 1923 Lillywhites, the sports equipment and clothing suppliers, purchased the rights to publish the rules of the FA Cup. Product endorsement by well known players began in the 1930s, but beyond these areas marketing and associated practices were very limited (Walvin, 2002: 48).

It was not until the 1960s that marketing activity became more sophisticated. Increased television exposure and England's World Cup success provided sponsorship opportunities and the establishment of new, though short lived, competitions such as the Texaco and Watney's Cups in 1970 (McCrae, 2008: 244). In 1974 Umbro became the first shirt maker to display its logo on a team's kit (Liverpool) and, as discussed in Section 1.3.6, in 1979 Liverpool established the first shirt sponsorship deal with Hitachi. As the commercial

revolution in the English football industry progressed football clubs became aware of new revenue generating opportunities. Consequently marketing, branding and sponsorship issues came to the fore. Unsurprisingly, increased opportunities to engage in marketing and related activities in the football industry were accompanied by growing academic interest.

Scholars have explored a variety of areas relating to marketing activity in the contemporary football industry. Most notably the areas of segmentation, brand extension, e-marketing, discriminatory ticket pricing and customer relationship management (CRM) have attracted attention.

The segmentation of fans has interested marketing and non-marketing scholars alike. King (1997: 1230) identified a segment that he termed 'the lads'; Tapp and Clowes (2002) categorised fans in terms of their match day behaviour and identified six segments; Giullianotti (2003: 32) suggested four categories: supporters, followers, fans and flaneurs; Tapp (2004: 207) segmented fans in terms of their loyalty and identified 'fanatics', 'repertoire fans', 'season ticket churns' and 'casual supporters'; and Skinner (2010: 105) explained the growing need for sport marketers to engage in the segmentation of their consumers. Although these works are valuable because they explore segmentation possibilities and highlight the unique characteristics of football as a business they do not consider the marketing capabilities and competencies of football clubs. Advice is given regarding how supporters may be segmented, but the authors offer no assessment of whether or not football clubs would be able to engage in such activity. An exception to this is the work of Malcolm (2000) who investigated the composition of football crowds and alluded to increasing marketing competence. He linked the improvements to the emergence of marketing managers within clubs and noted that '...they gained seats on executive boards and their influence started to filter through the club as a whole.' However, these comments are unsubstantiated and the author does not attempt to underpin his claims with either primary or secondary data. Indeed Malcom's findings are contrary to those of Lafuente (2006: 186) who suggested that despite the increasing commercialisation of football since the

1990s '...these changes have not modified the [marketing] management system of clubs, which is still amateur...'

Chadwick and Clowes (1998) investigated brand extension strategies, and emphasised the need for football clubs to develop their commercial operations in order to maintain their market position in relation to rival leisure products and they went on to provide some assessment of the marketing capabilities of clubs. The authors indicated that 'on field' pressures often lead to clubs adopting a short-termist approach and noted that:

'...if ongoing commercial gain is to be derived from a club brand, each club needs to adopt a more coherent and a more strategic approach to brand extension. The employment of marketing professionals is a key element in achieving this. This must be underpinned by the relevant competence of professionals employed and the allocation of appropriate resources to the task.'

(Chadwick and Clowes, 1998:203)

In terms of e-marketing Beech *et al.* (2000: 51) found that the use of electronic resources was underdeveloped and went on to suggest that football club marketing strategies in general tended to be emergent, rather than deliberate and purposeful. They suggested that although there was recognition of the potential value of effective marketing operations planning was poor and clubs lacked both operational and technical expertise. They noted that:

'.....The problem that most clubs have is that they do not have an integrated vision of marketing in this sense, nor do they have a fully scoped functionality – for example, most clubs did not have a 'supporter services' department or anything resembling it.'

(Beech *et al.* 2000: 7)

Similar conclusions were drawn by Clowes and Clements (2003: 108) who explored the use of discriminatory ticket pricing in the English Premier League. They observed that the use of price as a revenue generating tool could potentially be an effective strategy for football clubs. However, they questioned whether clubs had the marketing competency to implement and operationalise such strategies.

Adamson *et al.* (2006: 169) explored the use of CRM systems by football clubs and also called into question the levels of marketing expertise. They suggested that ‘...the discipline of marketing has a long way to go. Indeed one cannot necessarily assume that these people [football club employees] have the relevant marketing skills.’

In summary, although academic interest in the marketing activities of football clubs has been considerable these works have failed to build a comprehensive and reliable picture of the state of marketing management during the Baseline and Contemporary periods. Historical accounts provide a chronology of events but they do not provide an insight into how early marketing activities were implemented and managed. Investigations into marketing activities in the Contemporary period tend to be primarily focused upon technical aspects, such as segmentation, and consequently, although some observations have been made about the general level of marketing competence, a detailed exploration is absent. This study addresses this gap by utilising interview material and Minute Book data to develop a comprehensive picture of marketing management practices in both periods.

2.5.3 HRM

It is widely acknowledged that the study of HRM practices in sports organisations is underdeveloped (Wolsey and Whitrod-Brown, 2003: 172; Trenberth, 2010: 180). However, despite this limitation a literature search identified a small number of scholarly works which focus upon HRM in football clubs.

Taylor and Ward (1997: 23-25) highlighted that traditionally the football club secretary shouldered a wide range of responsibilities, including football rules and regulations, travel, ticket sales, stewarding, transfers, wages and first aid provision. However, as football became 'intensely commercialised' greater specialisation was introduced and dedicated roles were created. In essence, the multi-tasking club secretary was replaced by a number of specialised positions. According to the authors the difficulty here was that the tradition of employing people from 'within the game' continued and consequently those filling the newly created roles were not of the highest calibre. They commented:

'..the meticulous professionalism that football clubs adopt to create a team in the right frame of mind for victory often contrasts sharply with the almost amateurish improvisation of the non playing side.'

In addition, they argued that the range of HR services offered by clubs was narrow. For instance, they related that stress counselling had been firmly rejected by most clubs and was not seen as being a legitimate service to offer. The authors emphasised the poor state of HRM in the industry and noted that, at the time of writing, only five Premiership clubs had HR managers. A similar observation was noted by Cannon and Hamil (2000: 41), when discussing the poor state of football club business management in general. They singled out the human resources function and commented that '...it is absurd that not one Premier League Club has on its main board a HR personnel director as a full time executive member of staff.'

Although these works provide some insight into HRM within football clubs they are of limited value for two reasons. Firstly, because they are drawn from data gathered over a decade ago, they do not provide an up-to-date account of the contemporary state of HR practices in the industry. Secondly, both works rely upon a very limited range of primary data and a great deal of unsubstantiated secondary material, consequently they do not provide a reliable and comprehensive treatment.

Wolsey and Whitrod-Brown (2003) provide a broad ranging account of HRM in sports organisations which uses football industry illustrations and case studies to explore challenges such as the influence of external factors (Gibb, Chairman of Bradford City and Crozier CEO of the FA p170-171) and the need for clear communication and trust between management and key stakeholders (Ridsdale and Leeds United, p175-176). However, although this work provides an intriguing insight, it is of limited value to those attempting to build a clear picture of football club HRM practices because it does not incorporate material gathered from HR practitioners who have experience of working within the industry.

A further insight into the state of HRM practices in football clubs is provided by Michie *et al.* (2006) in their report titled *The State of the Game – The Corporate Governance of Football Clubs*. This is the final annual report of a series which began in 2001. The findings are based upon a postal survey of all football clubs in the Premier League, the Championship and Leagues 1 and 2. In terms of the existence of induction procedures and training for new board members only 11 per cent of respondents indicated that their club made any provision. As for appraisal procedures for directors only 9 per cent of clubs claimed to have any in place (p.26). These findings suggest that at board level, in the majority of clubs involved in the survey, there is a reluctance to utilise these HR practices. However, the findings do not provide any additional insight into the reasons for this nor do they help to create a clear picture of the state of HRM practices for employees at sub-board level.

An additional contribution to the literature pertaining to HRM practices in the football industry has been provided by Trenberth (2010). Her work ‘...discusses HRM as a key management and organising tool in the context of sport, with particular reference to the football industry.’ (p170) Here the emphasis is upon the potential for effective HRM to enhance organisational performance. The work effectively uses illustrations from the football industry, such as Juande Ramos’s brief tenure at Tottenham Hotspur in the 2008/09 season, to show how failure to adopt HRM practices can contribute to poor performance (p175). Trenberth also observes that although HRM is becoming

established at National Governing Body level (i.e. the FA) progress is a lot slower at club level (p173). This is an interesting observation which is worthy of further investigation. Indeed this study aims to explore this assertion further by utilising qualitative data, provided by interviewees currently employed in the football industry, to build a comprehensive picture of the development and current state of HRM practices within football clubs.

In summary, although it is acknowledged that some scholarly work has focused on HRM practices and issues in the English professional football industry, overall coverage remains limited. In particular, an in-depth understanding of the development and state of contemporary HRM practices is absent. This study aims to address this lacuna by providing a comprehensive insight which draws upon the experiences of past and present football club employees.

2.5.4 Stadium Management

In terms of stadium management, the bulk of work related to this area focuses upon the dramatic and poignant disasters that occurred in the industry during the twentieth century. Appendix A contains a table which draws upon the key literature and summarises the details and main outcomes of each incident.

The table highlights a number of issues. Firstly, successive UK governments were slow to respond to the tragedies that befell the football industry during the twentieth century. Indeed it was not until nearly three quarters of a century after the first disaster at Ibrox in 1902 that relevant guidance and legislation were introduced (i.e. The Guide to Safety at Sports Grounds (1973) - known as the 'Green Guide' and Safety at Sports Grounds Act, 1975).

Secondly, the FA consistently failed to react appropriately to the tragedies affecting the football industry. This is graphically illustrated by its responses to the 1902 Ibrox disaster and the chaos seen at the 1923 FA Cup Final. In response to the former the FA's only response was to become a private limited company in order to avoid potential litigation from fans in the event of future disasters and in the case of the latter the governing body refused to

take part in the Shortt Inquiry and ignored its recommendations. Indeed, according to Walker (2005: 40) the only tangible response from the FA was to give an undertaking to make all future FA Cup Finals all ticket in order to avoid '...embarrassment in the future'.

The indifference to safety displayed by the FA was mirrored by football clubs. This is illustrated by Johnes (2004: 140) who commented that 'Football enjoyed no over-riding commitment to ensuring the safety of its fans' and Inglis (1987: 28) who explained 'A century ago clubs did virtually nothing to protect spectators. Thousands were packed onto badly constructed slopes with hardly a wooden barrier in sight.' Clubs were persistently reluctant to update their stadia. Financial resources tended to be concentrated on 'on the pitch' activities rather than being invested in facilities. Harrington (1968: 34) commented 'Clubs often seem keener to spend money on the purchase of players than to undertake any major spending on ground improvement which would increase safety...' As a consequence, fundamental crowd control measures were not in place and overcrowding was common because clubs did not know what their ground capacities were. As Johnes (2004: 137) noted 'The philosophy was to pack in as many spectators as possible: a ground's capacity was simply whatever the previous record was' and '...the decision when to close the gates was often a rather haphazard guess.'

Furthermore, supporters were arguably complicit in the situation. Ives (1992: 14) observed

'Given the choice between an exceptionally comfortable seat and a centre forward with balance, skill and the ability to shoot with both feet, most of them [supporters] would answer very quickly. Only some time after the initial decision would they pause to ask 'Is he any good in the air?'

Similarly, Johnes (2004: 142) noted '...many fans would rather see their club buy better players than build a safe and comfortable stadium.' For many a fundamental attraction of the sport was a vibrant terrace culture that

encompassed 'heaving terraces and crumbling grounds'. Issues such as safety, comfort and customer service were disregarded (Darby *et al.* 2005: 5). Consequently for much of the twentieth century fans were apathetic towards the risks and dangers associated with attending football matches.

To reiterate during the twentieth century thousands of supporters were injured and over 270 people died in stadium disasters in Britain. The industry was 'dogged' by disasters and tragedies. The response of key stakeholders, governments, governing bodies, football clubs and supporters, was one of apathy. Indeed evidence shows that operationally the staging of football matches remained unchanged for much of the twentieth century. As a consequence, event management practices were severely underdeveloped and unfit for purpose. A point not lost on Gratton and Henry (2001: 67) who, when analysing the Hillsborough tragedy, described it as '...a failure in the stadium event system.' Given this observation it is surprising that scholarly activity in this area has not generated a comprehensive insight into the management practices required before, after and during the staging of a football match. At best works have only produced a fragmented picture.

For instance, an analysis of the Ibrox, Bradford, Heysel and Hillsborough disasters was conducted by Elliott and Smith (1999). They found that football clubs had failed to learn from these incidents and that senior managers were complacent. Over reliance upon technical solutions meant that essential 'softer elements', such as culture, communication and configuration were ignored (p101). More recently the authors have augmented their work by considering the role of institutional context, and its impact upon organisational learning (Smith and Elliott, 2006: 314). Here they found that institutional factors, such as inappropriate patterns of control, harmful mindsets and role ambiguity, prevented cultural readjustment within football clubs and resulted in them remaining 'crisis prone'. This work is valuable because it stresses the poor quality of business management within English professional football clubs. However, it does not provide a wider assessment of management practices. The focus is limited to the management of crowds and stadia on

match days, and consequently the investigation does not provide any insight into the pre and post event stages of the process.

Similarly, Johnes (2004) and Darby *et al.* (2005) investigated twentieth century football disasters and situated each event within its broader sociological and political context. However, although these works help to develop a clear understanding of the macro issues which contributed to each disaster, they do not produce a micro level view of the prevailing management practices which were instrumental in each event. This is a serious omission because it results in only a partial treatment of the issues surrounding each event.

In summary, although stadium management issues have attracted considerable academic interest works have been focused upon the tragedies which befell the industry during the twentieth century. Analysis of the historical, social and economic factors which contributed to these events has been extensive; however, a clear picture of the management practices adopted by those responsible for staging football matches in both the Baseline and Contemporary periods is missing. This study addresses this issue by developing a clearer understanding of management practices in both periods.

2.6 Summary

The first part of this review has evaluated football literature emanating from a number of academic disciplines (i.e. sociology, history, economics and the business functions of finance, marketing, HR and stadium management). It has been shown that although each has provided a contribution, this body of literature does not satisfactorily provide a clear and coherent picture of the state of business management practices of clubs in the English professional football industry. At best a highly fragmented treatment has been achieved. Where some assessment of general business management practices has been made, observations are not clearly substantiated with primary data; this has resulted in the development of a very ambiguous picture.

Moreover, the SME status of clubs in England is not clearly acknowledged in any of the literature written to date and consequently relevant issues are not 'framed' correctly. The establishment of a baseline view of business management practices in Chapter Four will help to reduce this ambiguity and will provide a firm foundation for an in-depth investigation into the state of contemporary practices in the industry. Indeed, it is anticipated that a comprehensive investigation that considers management practices holistically, across a range of business operations, and acknowledges the SME status of clubs, will yield a new and valuable perspective. In order to support the development of the baseline view the remainder of this chapter considers what the literature says about management in twentieth-century Britain.

2.7 Management in Twentieth Century Britain

A re-occurring theme in the literature focusing upon the practice of management in Britain during the twentieth century is scathing criticism (see for example Keeble, 1992; McTavish, 2005; Carter, 2006; Kirby, 2006; Wilson and Thomson, 2006a). Indeed Kirby (2006: 121) argued that 'British management was castigated for its poor overall quality, its amateurism and lack of professionalism, qualities exacerbated by the extensive 'old boy' network...' In order to provide a coherent and comprehensive exploration of the main criticisms levelled at those leading and managing British organisations this section explores a number of aspects of management in twentieth century Britain. Firstly, sub-Sections 2.7.1, 2.7.2 and 2.7.3 consider management skills, knowledge and attitudes during the period. Secondly, sub-Section 2.7.4 explores personal capitalism and its impact upon management practices at this time. Thirdly, sub-Section 2.7.5 discusses and identifies the attributes of non-family and family-run British SMEs in the twentieth-century. Finally, sub-Section 2.7.6 synthesises the key findings of Section 2.6 and produces a summary of the management characteristics and key themes which emerge from the literature.

2.7.1 Management Skills

The skill level of British managers during the twentieth century has been extensively questioned (Keeble, 1992: 129). For example, Brech (2002: 39) argues that during both the First and Second World War weaknesses in the management of production, planning and control resulted in the unsatisfactory supply of goods and essential materials. This is in keeping with Grinyer and Norburn (1975: 81) who surveyed 21 UK companies and concluded that strategic planning processes were inadequate and did not result in high financial performance. Additionally they observed that managers operating in Britain's boardrooms during the 1970s lacked clear objectives and common purpose. Grinyer *et al.* (1986: 19) investigated corporate planning in 48 UK companies and found that they lagged behind their US counterparts in the adoption of evaluative techniques, such as discounted cash flow and pay-back methods. More generally, Hutton, (1996: 53) suggests that management practice during the twentieth century was for the most part characterised by '...administration rather than intervention; on high policy rather than commercial strategy' and Tiratsoo (2004: 119) suggests that those running British industry were 'over authoritarian, under skilled and frequently lacking in ambition'.

A number of scholars have argued that the skills of British management were inadequate. For instance, Jones (1999: 128) explored the skills limitations of British managers and noted that the country had '...a preoccupation with finance and an accountancy trained managerial elite'. Matthews (1999: 82) added that British accountants have been more successful in reaching the higher echelons of managerial hierarchy than any other profession, at the expense of other specialists, such as engineers, who were called upon to occupy relatively lowly managerial positions (e.g. production management) (Jones, 1999: 128; Reinstaller, 2007: 293). This is a problem because, as Matthews (2001: 337) noted, accountancy skills are not seen as the most appropriate for those occupying senior management positions. Accountancy training is too narrow and is generally an unsuitable preparation for general management. In contrast, Glover (1999: 127), acknowledged that accountants have been a '...fairly consistent and a traditional strength of British

management, but suggests that the adoption of a destructively critical attitude towards them is to threaten to throw a baby out with the bathwater.'

Regardless of the merits or otherwise of the accountancy profession it does appear that the breadth and scope of managerial skills in British industry was limited. For instance Tiratsoo (1999: 111-114), observed that most 'Boards of Directors had decidedly uneven competencies'. In essence it appears that, over reliance on one functional aspect excluded other potentially valuable contributions and perspectives. Important commercial issues such as the poor quality of goods and inappropriate levels of customer service were largely discounted and ignored. Tiratsoo went on to capture the mood of the times by reproducing a comment from the Secretary of a textile trade association. In 1964 the Secretary commented publicly that '...he was sick of the British housewife' because only 'one in three complaints...which are investigated ...is justified'. Despite this spirited, if not misguided, defence poor product quality was in evidence in a number of other British industries. For instance, in the motor industry, when the Consumer's Association tested 90 new cars in the mid 1960s, it found that on average each had 27 defects on delivery.

Indications of other weaknesses in Britain's managerial 'skills set' are seen in a number of specific high profile episodes. For example, Bowater's poor post World War II growth is directly attributed to its failure to develop capabilities at top and middle management level. Indeed these managerial weaknesses were at least partially responsible for the company's financial crisis in the early 1960s, its takeover by the promoter Walker Lewis in the early 1970s, and its continuing difficulties in the following years (Reader, 2006: 49). Similarly, in the motor vehicle industry, Leyland, a truck manufacturer with no experience of volume car production, decided to acquire the British Motor Corporation to form British Leyland in 1967. A series of management failures followed. The new management failed to rationalize production and deal with inherited human resource issues (e.g. the 'piece work' method of remuneration). In addition marketing, quality and product design were ignored. In the mid 1970s BL was bankrupted and then nationalised (see Marsden, 1985; Bowden and Maltby, 1998; Greener and Hughes, 2006).

2.7.2 Management Knowledge

A number of authors have commented on the poor educational standards of British managers during the twentieth century. For instance Gardener (1987:29) compared British managers with those overseas and noted that '...educational standards of British management were generally low by international standards.' According to Wilson (1995: 177) 'The dominant ethos was one of 'managers are born, not made'' and Jones (1997: 121) highlighted the dominance of British boardrooms by 'gifted amateurs'. Likewise, Tiratsoo (1999: 114) observed that most Boards of Directors were composed of individuals who were experienced in industry, but very few had academic or professional qualifications. He supported this statement by citing a 1959 survey by The Institute of Directors that concluded 'The striking feature is the relatively small proportion of directors with a University Degree and the high number who think that experience alone qualifies them for directorship'. Carter (2006: 2) and Wilson and Thompson (2006b: 365) argued that a 'practical tradition' dominated and consequently knowledge was transferred by *doing* rather than *learning how to do*.

For much of the twentieth century management development in Britain was *ad hoc* and uncoordinated (Brech, 1999: 5; Graham, 2008: 349). Indeed it was not until the mid 1950s that management studies became a 'fully fledged' academic subject (Keeble, 1992: 120) and began to be '...championed by industrialists, consultants and government officials, working largely outside of the universities' (Roper, 1999: 39). In the 1960s the situation improved with the introduction of MBA programmes in British business schools (Matthews, 1999: 101). However, Tiratsoo (2004: 118) argued that 'Real progress only finally began to be made in the 1980s and 1990s'. Crainer and Dearlove (2000: 57) corroborated this observation and noted '...that the number of British business schools expanded from two in 1960 to more than one hundred by the mid 1990s.' Although growth is in evidence the overriding inference is that Britain was slow to engage in management development. Indeed Tiratsoo (2004: 118) commented that 'If Britain is to be characterised, then, the appropriate image is of a latecomer [to management education], and a somewhat reluctant one at that.' Similarly, Wilson and Thomson (2006a:

156) suggested that Britain's reluctance to develop its managers highlighted an interesting paradox; namely that '...although it was the first country to industrialise, it was amongst the last of the developed nations to recognise management as a distinctive economic role, requiring a body of knowledge and standards...'

2.7.3 Management Attitudes

In addition to the poor state of management skills and knowledge in twentieth century Britain, prevailing managerial attitudes also had a profound effect upon business management practices (Amatori and Jones, 2003: 346; Carter, 2006: 4). The dominant corporate culture in Britain tended to regard management as a political game in which 'Senior executives and head office generalists tried to implement company policy but staff in specialist departments did not necessarily respond, preferring instead to stick to their own agendas.' (Jones, 1999: 116). This tension between strategic and operational activities restrained progress and resulted in an overcautious management approach.

British managers were slow to respond to the challenges in their competitive environment (Graham, 2008: 355). Jones (1999: 110) argued that managers opted to engage in collusive agreements, rather than aggressive and creative competitive strategies. He suggested that Britain's domestic markets were uncompetitive and observed that in the early 1950s between 50 per cent and 60 per cent of British firms were regulated by cartels. These collusive agreements were encouraged by successive British governments between the 1940s and 1970s and dominated sectors as diverse as banking and agriculture. Here the prevailing attitude was one of risk avoidance and an acceptance of the 'status quo'. As a result potentially lucrative opportunities were missed (p129). This is illustrated well by the experience of Ferranti. The company built and installed the first commercial computer in 1951, but the Ferranti family 'refused to commit greater resources to both production and marketing' and followed a risk averse strategy, eventually divesting from the computer business in 1963 (Wilson, 2000: 127). In essence Britain's initial pioneering role in computer technology was not exploited because senior

managers failed to embrace risk and engage in assertive and visionary strategies. These observations are congruent with the findings of Tiratsoo (1999: 113), who surveyed the business publication *Management Today* and suggested that in the 1970s ‘...the large mass of British companies were halting, uncomprehending and limp...’ in their take up of innovations. Similarly, Wild and Swann (1972: 149) suggested that even well established concepts and ideas were treated with suspicion by British managers. They surveyed 50 West Yorkshire companies and concluded that they were guilty of low utilization of ‘accepted and well proven techniques’. According to Glover (1999: 133) change avoidance was a symptom of complacency and an over reliance on past achievements.

A further obstacle to British industry was the prevalence of short-termism (Keeble, 1992: 161; Jones, 1999: 111; Bowden and Maltby, 1998: 186; Kirby, 2006: 116). Directors ignored long term corporate health, in favour of short term profit and as a consequence investment rates were low. According to Jones (1999: 111) this was a fairly consistent feature of British management from the 1950s to the 1970s. In the 1950s it was caused by Britain’s unstable macroeconomic environment. He argued that during the 1960s and 1970s managers focused upon short term survival because they became fearful of the predatory intentions of others.

In summary, British management was afflicted with a number of fundamental problems. Managerial skills were underdeveloped and ill equipped to cope with changes to the business environment. The state of management knowledge and development in Britain was poor. In many quarters management education was treated with disdain and suspicion. As a result Britain’s business schools were established very slowly. The prevalence of management attitudes such as reluctance to change and short-termism, also severely limited Britain’s industrial development. In an attempt to explain the breadth and depth of problems displayed by British management during the twentieth century Chandler (1990); Jones (1999); McKinlay (1999); Colli (2003); Toms and Wilson (2003) and Colli and Rose (2008) offer a valuable

perspective. They suggest that prior to the mid 1940s British firms were dominated by personal capitalism.

2.7.4 Personal Capitalism

In *Scale and Scope: The dynamics of industrial capitalism*, Chandler (1990: 286) suggested that personal capitalism was the dominant corporate form in Britain for much of the twentieth century. He argued that British businessmen ‘...viewed their businesses in personal rather than organisational terms, family estates to be nurtured and passed on to their heirs.’ According to McKinlay (1999: 235) even the largest UK firms were dominated by this corporate form. He commented:

‘...managed by individuals, or by small numbers of associates, often members of founder’s families, assisted by only a few salaried managers, or they were federations of such firms. These federations were holding companies. Each legally controlled its small personally managed operating subsidiaries but did not have a large, central, corporate office for coordinating, monitoring or resource allocation.’

This approach resulted in many sectors of British industry being controlled by relatively small, highly specialized enterprises, with ‘thin managerial hierarchies’ and very few centralized management control structures (Jones, 1999: 119; Wilson and Thomson, 2006b: 359). Indeed Chandler (1990: 385) convincingly outlined their existence in all of Britain’s key industries (i.e. branded, packaged products; rubber; glass; stone; clay; explosives; chemicals; machinery; electrical equipment; paper, textiles; transport etc.). In order to appreciate the key issues associated with personal capitalism it is helpful to briefly outline its strengths and weaknesses.

Personal capitalism undoubtedly afforded British firms a number of significant advantages. For example, small family owned and operated enterprises were able to reduce problems of legal and economic uncertainty (Colli *et al.* 2003: 33). By relying on family members and close friends British entrepreneurs were able to reduce business costs, (e.g. high rates of interest) and limit risk.

As Rose (1994: 66) commented:

'In a world where malpractice or an imprudent debt policy could bring personal ruin, it was logical to turn to trusted members of one's family and circle of connections in any quest for new partner, whether active or sleeping.'

Additionally, personal capitalism encouraged the development of networks, which in turn facilitated long term commitment and trust between business organisations (Colli, 2003: 149; Wilson and Popp, 2004: 37). Industrial communities became characterised by high levels of interdependency and informal networks based upon shared interest and trust. Rose (1994: 76) observes that 'Shared values and attitudes were reinforced by an impressive array of institutions as well as more informal arrangements.' Informal links were strengthened through institutions such as chambers of commerce, trade associations, literary and philosophical societies and the church. For example, Rose (1994:76) goes on to relate that:

'...the Manchester Royal Exchange has been described as 'a power house of Manchester and Lancashire [which acted] as the nerve centre'.... [it] strengthened personal links within the business community. The Exchange therefore acted as a centralised source of business information where regular daily contact with both suppliers and competitors was inevitable.'

Thus strong informal networks, reinforced by formal institutions, ensured that small and large business enterprises were intimately tied to their local communities.

Personal capitalism also provided opportunities for the development of charismatic leadership. Owners who were closely connected to their staff and the operations of their businesses provided a 'personal touch' that enabled their firms to run more smoothly (Langlois, 1992: 517; Colli *et al.* 2003: 31). This intimate relationship between business owners and their employees

facilitated the development of a power culture within such organisations Handy (1993: 183). This type of organisational culture has power and influence radiating out from a single individual, or a small group of individuals, and is most frequently associated with autocratic, rather than democratic, approaches to management.

A further benefit of personal capitalism was that it encouraged innovative developments. In some instances family run enterprises were able to support and encourage the development of innovative products and processes. Absence of pressure from shareholders and other external financiers enabled firms to pursue long term development strategies in secret. For example, the success of Pilkington Glass, and its development and exploitation of float glass, is attributed in part to the fact that it was a family owned company (Roberts, 2007: 40).

Despite providing significant advantages the influence of personal capitalism also contributed to the poor performance of British firms. In enterprises dominated by this form managerial hierarchies were 'thin' and senior managerial positions were usually reserved for the owning family or their close associates (Colli and Rose, 2008: 195). Consequently, key decisions were made by major stockholders who inherited their positions, rather than by professional salaried managers (Wilson and Thomson, 2006b: 360-61). De Long (1996: 4) supports this observation and argues that often top executives were loathed to 'take seriously the problem of choosing appropriate managers'. Chandler (1990: 391) notes that British firms failed to 'sharpen product-specific managerial and technical skills in functional departments, as well as the capabilities of monitoring, planning and resource allocation in the top corporate office.' The desire of founders and their families to retain control and their reluctance to appoint experienced non-family managers supports those who argue that Britain's boardrooms were dominated by amateurism (Wilson, 1995: 67; Kirby, 2006: 121).

Personal capitalism also contributed to underinvestment in British firms. For example, Colli and Rose (2008:198) argued that this approach lacked '...both

the financial and human capital to sustain business growth...' According to Chandler (1990: 286) British entrepreneurs favoured large stable flows of dividend income, rather than long term growth (De Long, 1996: 6). This policy contributed to British industry's reputation for short termism and led to an anaemic rate of investment. Limited access to investment funds severely reduced Britain's productive capacity. In the organic chemicals industry, for example, by the mid 1880s it was German, not British, entrepreneurs who made investments in large production plants and complex technological processes (Chandler, 1990: 287). Similarly, investment in regional national and international marketing and distribution networks was deficient (Langlois, 1992: 522). British enterprises moved into foreign markets less systematically and more hesitantly than their American and German counterparts. Chandler (1990: 373-74) commented that:

'The decision to invest overseas was usually made personally by one or two senior managers. In the enterprises where the personal ways of management lingered on, expansion overseas remained limited by the lack of organisational resources - financial as well as managerial'

Personal capitalism also contributed to British industry's reputation for an inherent reluctance to change. Highly concentrated family ownership resulted in a suspicion of 'outsiders' and their ideas. Firms became inward looking and consequently failed to embrace changes originating in their external environment (Graham, 2008: 353). British management's conservative approach meant that traditional practices were championed above other more contemporary approaches (Wilson, 1995: 219; Reinstaller, 2007: 296). Even when firms opted to make changes these were often limited in scale and scope. For example, new brands were usually only minor variations of the primary product. During the interwar years Lever Bros and Reckitt & Sons did try to develop new soaps and cleaners however the range was limited (Church and Clark, 2003: 33-35). This is in contrast to American companies who diversified very successfully during the same period. For example, Corn

Products successfully diversified into starch, salad and cooking oils, syrups, sweeteners, desserts and plastics (Chandler, 1990: 377).

In summary, the management of British industry during the twentieth century was afflicted by a number of serious weaknesses. A key source of these problems was the influence of personal capitalism. Although this form of ownership provided a number of benefits, it has been shown that it severely impeded the growth and development of Britain's industrial and managerial capabilities.

Despite the dominance of personal capitalism for much of the twentieth century, Jones (1999: 118) argues that by 1970 it made little sense to talk of this industrial form because '...large family run firms had progressively disappeared off the corporate scene'. Many British firms had begun to adopt American-style managerial capitalism (Chandler, 1990: 385; Gospel and Pendleton, 2005: 6; Pettitt, 2006: 41). Large companies which had a 'central administrative office, manned by senior managers, which coordinated a hierarchical structure comprised of functional departments (e.g. production, sales, R&D etc)', were the preferred form (Wardley, 2004: 6). This approach involves the use of comprehensive managerial hierarchies, decentralization, expansion by acquisition and merger, product diversification and the creation of predatory conglomerates. The adoption of the M-form (Multidivisional – form) of organisational structure is also encouraged. This separates firms into divisions or profit centres. Each unit has autonomy in operational decision making, but questions relating to strategy are reserved to head office (Laperche, 2006: 154; Wilson and Thompson, 2006a: 108). According to Jones (1999: 121), of Britain's 92 largest companies 68 had adopted the M-form of structure by 1970 and the M-form had been more widely adopted in Britain than in any other large European economy.

This process of industrial, organisational and managerial change in Britain was accelerated in 1979 with advent of the Conservative Government. King (1997: 226); Anderson *et al.* (2000:11); Tiratsoo (2004: 122); Longstreth (2006: 418) and Hay (2009: 184) provide comprehensive commentaries on

the development of Thatcherism and its ethos. The prevailing attitude towards the role of management at this time was succinctly expressed by the then Secretary of State for the Environment, Michael Heseltine. He said 'Efficient management is a key to the (national) revival...And the management ethos must run right through our national life – private and public companies, civil service, nationalised industries, local government and the National Health Service.' (Heseltine, 1980: 61). Pollitt (1990: 49) emphasised that 'US and UK governments during the period tended to rely on management solutions to solve what were previously conceived of as political problems'. For Pollitt the transfer of management thinking, or managerialism as he terms it, from the private sector into sectors previously characterised by quite different traditions of thought represents the 'injection of an ideological 'foreign body''.

This trend has been charted by a number of commentators. Learmouth (1997), Marmor (2002) and Newman and Kuhlman (2007) investigated its development within the health care industry. Smith (1999), Preston (2001) and Deem, Hillyard and Reed (2007) researched the emergence of managerialistic behaviour within educational organisations. Lawler and Hearn (1995), Blomquist (2000), Anderson, Griffin and Teicher, (2002) and Flynn (2007) considered the impact of managerialism in the public sector in general. Clarke, Kell, Schimdt and Vignali (2000) considered managerialism in relation to consumer experience of the British pub and Palmer (1998) investigated the growth of managerialism in arts organisations.

During the 1980s Britain's situation began to improve. Glover (1999: 133) suggested that the country was no longer 'widely regarded as having a sick economy', the quality of British management had begun to change and labour productivity had accelerated. Likewise, Jones (1999: 140) highlighted industrial improvements, citing British aerospace companies, which improved their labour productivity by over 60 per cent on average between 1980 and 1989, as a prime example. McKinlay (1999: 159-160) also noted a move towards innovation and efficiency. He suggested that new approaches to work organisation, such as teamworking, enabled managers to harness workforce ingenuity. He argued that a new managerial interest in participation,

innovation and involvement began to emerge and as a result 'Workforces are now conceptualized, not as hostile collectives to be dissolved and subjugated by Taylorism, but as rational economic agents to be engaged in the pursuit of corporate goals.' Gospel (2008: 439) corroborated this notion and explained that '...there was a shift away from the [old] managerial ideology to new forms of direct employee voice, joint consultation and employee involvement of various kinds, such as participation in small groups and team working.' In addition, there was an increasing emphasis on flexibility and responsiveness, with corporate hierarchies becoming 'processural' rather than structural. The workplace itself became the focus of 'competitive strategy and the lynchpin of competitiveness.' Similarly, Supple (1992: 344) argues that corporate Britain began to accept that changed circumstances (market forces, technology etc) warranted a '...determined organisational response, with new structures, an injection of management theory, and the appointment of 'new blood' managers.'

Although the management of Britain's largest organisations improved significantly in the later stages of the twentieth century the state of management in the country's SME sector continued to be a cause for concern. In the next section the scope of this investigation is broadened to explore the characteristics of British SMEs.

2.7.5 British SMEs

This section explores how the characteristics of short-termism, informality, reluctance to change and resource scarcity have effected business management practices in British SMEs.

A number of scholars have highlighted that SMEs tend to have very short planning horizons and that they tend to be focused upon immediate issues rather than those in the medium and long term. This results in management practices that are short-termist and reactionary. For instance, decision making in SMEs is often geared towards dealing with immediate operational matters, rather than considering longer term strategic issues (Gelinas and Bigras, 2004: 270; Achanga *et al.* 2006: 460).

Informality is also a widely recognised characteristic of SMEs. The flow and control of work and information tends to be informally organised and organisational design is generally organic, rather than planned and ordered. As a consequence management practices are flexible, unconventional and best described as being *ad hoc* in nature (Thorpe *et al.* 2008: 29; Hutchinson and Quintas, 2008; 139).

In terms of change, Burns (2001: 23) suggested that SMEs tend to be suspicious of outside influences and reluctant to embrace new initiatives. As a result they are often introverted, closed minded and slow to respond to new opportunities. Managers favour 'tried and tested methods' and look inside the organisation for solutions to their problems. Indeed, Stanworth and Gray (1991: 20) noted that these characteristics help to explain why small businesses in Britain are traditionally sceptical of government assistance.

Resource scarcity is a long established characteristic of SMEs (Gray, 2004: 454). Specifically enterprises of this size face both financial and human resource deficiencies.

In terms of finance, a number of scholars have identified that the cost and availability of finance for British SMEs is a persistent barrier to growth and expansion (Bolton, 1971: 35; Casson *et al.* 2008: 5). More specifically, Poutziourous (2002: 114) and Gregory *et al.* (2005: 383) suggested that British SMEs face a 'finance gap' which consists of two components. Firstly, they face a problematical flow of development debt (debt gap). This type of debt is mainly in the form of bank loans and is problematical because it tends to be available only on a short term basis and is costly. Secondly, SMEs face an 'equity gap'. Here Poutziourous (2002: 125-26) argued that the owners of smaller firms are reluctant to raise additional finance through the issue of shares because this may result in a loss of control. She observed that '...monolithic ownership coupled with idiosyncratic funding approaches, enable small firms to embark on business strategies and transitions with a minimum influence from outsiders'. Similarly, Stanworth and Gray (1991: 61)

noted that '...many small firms resist equity finance because it results in a sharing of profit and control.'

In terms of scarcity of human resources, according to Saru (2007: 38) the tendency to have insufficient human resource provision is a problem which is common to large, medium and small scale enterprises alike. He argued that whereas the marketing function is traditionally accorded higher priority because it creates demand for the organisation's product or service, and the finance function is valued because cash flow is the 'life blood' of the organisation, and the production or operational function is managed tightly because it supplies customers with the service or product, the contribution of the HR function is least understood and valued. This problem is accentuated in SMEs where resources are very limited. Here resource allocation tends to be prioritised in terms of those functions that are perceived to be the most valuable – consequently the development of human resource activities, such as training and development and recruitment and selection, tend to be neglected (Harrison, 2002: 228; Mazzarol, 2003: 31; Kotey and Slade, 2005: 18; Barret and Mayson, 2007: 309).

With regards to training and development resource limitations often mean that these activities are informal and 'on the job' rather than formal and externally sourced (Kotey and Folker, 2007: 216). Indeed, although it is recognised that formal training and development have the potential to produce results, the time and cost involved are often regarded as being prohibitive (Patton and Marlow, 2002: 261); Walker *et al.* 2007: 295). The problem also extends to the development of managers. Indeed, Gray (2004: 466) investigated management development in 700 firms and commented that:

'Size is confirmed as having an inverse relationship with levels of management development and the acceptance of practices associated with formal systems of management development. This is consistent with the comparatively low level of management development actively engaged in by SMEs'

Recruitment and selection of managers also poses a challenge for SMEs. According to Stanworth and Gray (1991: 133-134) SMEs are unable to attract managers of the right calibre because they cannot offer high salaries and provide attractive career pathways. Consequently, the tendency is to promote from within and rely upon 'insiders' who are known and trusted. This compounds further the problem highlighted earlier that SMEs tend to be introverted and closed to outside influences. Indeed the propensity of SMEs to source managers from within severely limits the introduction of new ideas and innovative solutions.

To reiterate, this sub-section has shown how the characteristics of short-termism, informality reluctance to change and resource scarcity have impacted upon management practices within SMEs. Before moving on to Section 2.7.6, which summarise the key management characteristics and themes which emerge from this part of the literature review, this section concludes by highlighting the main issues encountered by family run SMEs.

According to Reid *et al.* (2002: 253) family owned firms are the most prevalent form of business organisation in the UK. In addition to the problems outlined above family run SMEs have to contend with the following range of issues.

Governance

A number of scholars argue that family run SMEs have special governance characteristics. For instance, Colli and Rose (2008: 211) commented that governance in such enterprises was often complex and turbulent. They suggested 'This [governance] can be especially difficult in large family groups, where managers may become more active on behalf of the owning family rather than other stakeholders.' Such complexities mean that in this context traditional approaches to governance are inappropriate. This was emphasised by Nordquist and Melin (2002: 95), Westhead and Howorth (2006: 180) and Lubatkin, Ling and Schulze (2007: 956) who argued that the agency theory view of corporate governance, which depicts a distinct chain of command comprising of three levels – the principal (owner), the intermediate (board of directors) and the agent (top management), is not applicable to many family

run SMEs. This is because levels of command are often amalgamated and consequently one individual, or a small number of individuals from one family, adopt the key functions and roles associated with each level. In practice this may mean that owner managers will have to rely upon their own experience and intuition to inform decisions rather than engaging with others at board and managerial level. In family run businesses the family and the business are inextricably linked and consequently emotions are unavoidable. Despite such difficulties some aspects of family governance are advantageous. Poutziourous (2002: 112) observes that such enterprises may be able to nurture cultures characterised by loyalty, commitment and pride in the family tradition. These unique characteristics are often a source of competitive advantage (Songhi, 2006: 276; Habbershon *et al.* 2006: 74).

Objectives

The objectives of family run SMEs may also be problematical. Hall (2002: 44) suggested that the key stages of the strategic decision making process may be negatively influenced by family values, goals and relations. Likewise, Miller *et al.* (2008: 58) argued that 'Conflicts among family owners...may give rise to stalemate in decision making.' Furthermore, in contrast to non family enterprises, family run firms tend to have defensive and reactive strategies. This means that they respond in a docile manner to environmental situations and that they endeavour to protect their market position (Cromie *et al.* 1995: 12; Lubakin *et al.* 2007: 963). Indeed Colli (2003: 12) suggested that '...the family firm proves historically to be conservative in its policies of development and investment.' In addition it is likely that when it comes to formulating strategic objectives concerns such as continued independent ownership and provision of employment for family members will take precedence over issues such as profit maximisation (see Westhead *et al.* 2002: 27; Hall *et al.* 2006: 254). Indeed Astrachan and Jaskiewicz (2008: 144) commented that '...the employment of inefficient family members can have a positive emotional return for owners and, consequently, owners might accept lower profit margins in the business.'

Relationships

Family run firms of any size are often beset by interpersonal and relationship problems which have the potential to be 'chronically abrasive' Cromie *et al.* (1995: 13). In such organisations owner managers not only have to deal with the day to day product, market, employee, growth, marketing and training issues that affect all managers, but they have to manage and negotiate a complex set of social and emotional relationships involving family and non-family members with different expectations and motivations for involvement in the family business (see Fletcher, 2002: 4; Colli and Rose, 2008: 210). An article entitled 'Special Report Family Business – Passing on the Crown' in *The Economist* outlined the relationship difficulties that can occur in family enterprises and commented that:

'Family firms are frequently more riven with intrigue and visceral than a medieval court – and for similar reasons. Substitute the founder for a medieval monarch and the professional managers for courtiers, add in a pair of rivalrous heirs with jealous wives and scheming cousins, and you have the perfect recipe for a Shakespearean drama.'

(*The Economist*, 2004: 84)

Succession

Another of the fundamental problems faced by family run SMEs is that of succession. Here it is argued that one of the most difficult times faced by any family enterprise occurs when the firm passes from one generation to the next. Indeed it is suggested that only a third of firms successfully make the transition and that '...only 5 per cent of family firms are still creating shareholder value beyond the third generation' (*The Economist*, 2004: 83). Burns (2001: 361) succinctly captures the essence of the situation when he relates the old adage '...from clogs to clogs in three generations'. Cromie *et al.* (1995: 16) also note that succession is a difficult issue for most family run firms. They emphasise that often a key problem is that the process is not planned and typically the issue is only considered as founding members approach retirement age. An indication of the scale of the problem is that 42

per cent of CEOs who expect to retire in five years have not yet chosen a successor (Kaslow, 2006: 357). A further problem is that first generation entrepreneurs face the problem that their children may not want to be involved in the business. A business career may not be attractive, particularly if it involves having to work with second generation family members with whom you have little in common (*The Economist*, 2004: 84).

In summary it has been shown that the management of large, medium and small scale enterprises in Britain attracted considerable criticism for much of the twentieth century. However, whilst large corporations showed signs of significant improvement by the end of the century, SMEs continued to be dogged by a number of significant problems.

2.7.6 Summary of Key Management Characteristics and Emerging Themes

Table 2.1 synthesises the findings of the literature discussed in Section 2.7. Specifically, the table summarises the key characteristics of British management during the twentieth century and arranges these into four thematic groups: Reluctance to Change, Resource Issues, Short-termism and Ownership and Control Issues.

Table 2.1 Key Management Characteristics and Emerging Themes

MANAGEMENT CHARACTERISTICS	THEMES
<ul style="list-style-type: none"> • Slow to respond to change and take up opportunities (i.e. risk averse) • Sceptical about new initiatives and challenges – preference for continuing with 'tried and tested' methods (i.e. traditionalist) • Maintenance of the status quo – consequently practices remained underdeveloped, informal and amateurish • Suspicious of outsiders and closed to outside influences • Inward looking and introverted • Lacking in ideas and creativity 	<p>Reluctance to Change</p>
<ul style="list-style-type: none"> • Tendency to avoid investment – consequently quantity and quality of available resources inadequate • Lack of management skills (i.e. poor state of education, lack of training and development – focus on doing rather than learning to do) • Imbalance in competencies (i.e. a heavy bias towards finance and accounting) • Boardrooms dominated by 'gifted amateurs' who had little understanding of issues such customer service and quality 	<p>Resource Issues</p>
<ul style="list-style-type: none"> • Poor planning • Lack of strategic awareness • <i>Ad hoc</i> approach • Reactive (i.e. fire fighting) • Focus is short term rather than on medium to long term • Organic growth 	<p>Short-termism</p>
<ul style="list-style-type: none"> • Dominance of personal capitalism (i.e. ownership and control concentrated in the hands of a very few- often a family group) • Family control can be complex and turbulent and objectives may be unconventional and unclear (i.e. not always profit orientated). • Autocratic management style • Power culture (i.e. owner/managers personally involved in most, if not all, aspects of the business. 	<p>Ownership and Control Issues</p>

2.8 Conclusion

This review began by investigating what sociological, historical, economic and business literature says about management practices in English professional football clubs. It has been found that, at best, these sources only produce a fragmented picture. Although some assertions are made regarding the amateurish and unsophisticated nature of management practices in the industry these are at best only weakly outlined and substantiated. Moreover, scholars focusing upon the football industry have, for the most part, not put football into the context of management studies in general and have failed to acknowledge that it is a sector that consists almost entirely of SMEs.

The second part of this review has focused upon the management practices of enterprises operating in the wider British business environment during the twentieth century. In particular, the areas of management skills, knowledge and attitudes; the prevalence and influence of personal capitalism; and the characteristics of British SMEs have been explored. As a result, a number management characteristics and emerging themes have been identified and summarised in Table 2.1. These elements provide a framework by which to explore past and present management practices in the football industry. Indeed, these elements underpin the remainder of this thesis and are the common strands which are taken forward throughout the study.

More specifically the characteristics and themes highlighted in Table 2.1. inform the exploration of business management practices in the Post-professionalisation and Proto-commercialisation phases undertaken in Chapter Four. Chapters Five, Six, Seven and Eight also build on the elements identified in Table 2.1 and develop them further by taking cognisance of the specialist literature pertaining to each functional area. Here additional secondary material, which focuses upon the unique challenges and issues faced by SME managers operating within each specialism, is utilised to refine the focus of the investigation and develop a comprehensive picture of contemporary management practices within football clubs. Chapter Nine concludes the study and provides an in depth critical analysis of practices in

the industry by returning to the management characteristics and themes identified in Table 2.1.

The following chapter, Chapter Three, establishes the philosophical paradigm in which this investigation is located, discusses the research design adopted and outlines the methodological issues that were considered.

Chapter 3 – Research Strategy: Design and Implementation

3.1 Introduction

In the previous chapter a wide ranging literature review encompassing two areas was presented. Firstly, literature focusing upon historical, sociological, economic and business perspectives on the football industry was considered. Secondly, literature pertaining to the management of business enterprises in twentieth century Britain was explored and discussed. This chapter outlines the philosophical paradigm in which this study is located, justifies and explains the research methods adopted and discusses the methodological issues that were considered.

3.2 Philosophical Issues

The importance of researchers declaring their philosophical stance is emphasised by many social science scholars (see Johnson and Duberley, 2000: 9; Easterby-Smith *et al.* 2008: 77; Flick, 2009: 16; Saunders *et al.* 2009: 107). Accordingly, this section provides a reflexive account of my philosophical position and methodological standpoint.

Research philosophies, also termed paradigms, can be divided into two broad categories: positivistic and phenomenological (Collis and Hussey, 2009: 47; Saunders *et al.* 2009: 118). These two philosophical standpoints are often labelled with alternative terms. Collis and Hussey (2009: 47) summarise the most common terms as follows:

Table 3.1 Research Paradigms

POSITIVISTIC PARADIGM	PHENOMENOLOGICAL PARADIGM
<i>Quantitative</i>	<i>Qualitative</i>
<i>Objectivist</i>	<i>Subjectivist</i>
<i>Scientific</i>	<i>Humanistic</i>
<i>Experimentalist</i>	<i>Interpretivist</i>
<i>Traditionalist</i>	

This study is located within the phenomenological paradigm. According to Gill and Johnson (2002: 43) phenomenology is the '...study of how things appear to people - how people experience the world'. Easterby-Smith *et al.* (2008: 59) suggest that phenomenology argues that the world and 'reality' are not objective and exterior, but rather they are socially constructed and ascribed meaning by people. Reality is socially constructed rather than objectively determined. Griseri (2002: 53) emphasised that for the phenomenologist inner interpretation has to be considered alongside explicit observable behaviour. Similarly, Thomas (2004: 45) argued that from the phenomenologist viewpoint the focus of research should be to develop an appreciation of the different constructions and meanings that people place upon their experience, rather than on the gathering of 'facts' and measurement of patterns. Those adopting this philosophical paradigm embrace a number of fundamental assumptions.

Firstly, there is recognition that the researcher cannot be totally independent of what is being observed. Researchers are not objective, rather they bring their own values and interests to the study, and consequently they have a bearing on the investigative process. Secondly, there is acceptance of the notion that the phenomena under investigation cannot be isolated from their context. Consequently, a comprehensive understanding cannot be achieved without developing an appreciation of contextual factors that impact upon the phenomena. Thirdly, the positivistic need for a highly structured research design and the gathering of data using a single measure, is rejected in favour of a flexible approach which incorporates a variety of research methods (see Gill and Johnson 2002; Thomas 2004; Easterby-Smith *et al.* 2008; Collis and Hussey, 2009).

A number of scholars argue that adoption of a phenomenological position is beneficial when researching management issues. For instance, Johnson and Duberley (2000: 173) observe that, unlike the positivist stance, phenomenology acknowledges that unobservable mechanisms exist and that these influence behaviour. Likewise, Gill and Johnson (2002: 101) emphasise the importance of considering the 'internal dimension' and argue that '...human action has an internal logic' which must not be ignored. The

emphasis of these factors is in keeping with the call for management researchers to develop a sympathetic understanding of the frames of reference in which behaviour occurs (Flick, 2009: 27).

In summary, this study is located in the phenomenological tradition. Adoption of this standpoint has clear methodological implications. The following section discusses the methods used to generate qualitative data.

3.3 Methods

The core aim of my research strategy was to produce in-depth qualitative data in order to develop a picture, which captured the key characteristics and nuances of business management practices in the English professional football industry, and the ways in which they had changed since the unprecedented events of the late 1980s and early 1990s. In order to achieve this the multi-method, or triangulation, approach advocated by most phenomenologists was adopted (see Jankowicz, 2005, 55; Collis and Hussey, 2009, 78; Gray, 2009, 204-05; Saunders *et al.* 2009: 146). Primary methods, including semi-structured interviews, non-participant observation and the examination of primary documents were used to complement an extensive review of secondary literature. The precise combination of methods used varied depending on the data that was being gathered, the stage of the research process and the type of analysis that was being undertaken. The remainder of this section charts the development of the research path and explains when and why each method was utilised.

Figure 3.2 provides an overview of the research focus, methods employed and analysis undertaken during each phase of the research process.

Table 3.2 Phases of the Research Process

PHASE	RESEARCH FOCUS	METHODS EMPLOYED	ANALYSIS
PHASE 1	<p>Literature Review</p> <p>Nov 2003 – May 2005</p>	<p>Secondary – Initial Review of Literature</p>	<p>Content Analysis</p>
PHASE 2	<p>Development of Baseline View</p> <p>June 2005 – March 2007</p>	<p>Primary - Semi-structured interviews and Minute Books</p> <p>Secondary – ongoing Review of Literature</p>	<p>Grounded Analysis: Coding of transcribed interview data</p> <p>Content Analysis</p>
PHASE 3	<p>Exploration of Contemporary Football Industry Practices</p> <p>July 2007 – June 2009</p>	<p>Primary - Semi-structured interviews and non-participant observation</p> <p>Secondary – ongoing Review of Literature</p>	<p>Grounded Analysis: Coding of transcribed interview data</p> <p>Content Analysis</p>

3.3.1 The Research Process - Phase 1

The initial phase of the research process involved a comprehensive review of secondary documentary sources, including books, journal articles and media resources, such as newspapers and television programmes. Polonsky and Waller (2005: 94) advocate this approach and comment that by doing this '...you tend to pull together the arguments, theories, and results as discussed in the literature and summarise them.' They go on to explain that researchers may '...identify any gaps in previous works....' and may find that '...some issues or variables have not been fully considered.' This enabled me to develop a fundamental understanding of business management practices within the industry.

As a result of conducting the literature review it was evident that a coherent picture of the state of business management practices in the football industry was lacking on two counts. Firstly, a clear outline of the state of practices prior to the Rapid-commercialisation phase was absent. Secondly, a picture of contemporary business management practices, incorporating the Rapid and Post-commercialisation phases was lacking. In particular, a comprehensive overview of the management of the key business functions of finance, marketing, human resources and stadium management had not been established.

The discovery of these gaps helped to shape the remainder of the research process, determined the methods employed and also the nature of analysis undertaken.

3.3.2 The Research Process - Phase 2

In order to develop a baseline view of business management practices in the industry this stage of the research process focused upon the Post-professionalisation and Proto-commercialisation phases.

Data Collection

In order to develop a comprehensive picture of the situation during the period two data gathering methods were employed: consideration of primary documentary evidence and semi structured interviews.

Document Based Primary Research

Discussions with staff working in the Football Industry Group at the University of Liverpool revealed the existence of a collection of Preston North End minute books, located in the archives of the National Football Museum at Preston, and a collection of Liverpool Football Club minute books in the archives of the club's museum in Anfield, Liverpool. Access to both collections was agreed and a series of visits undertaken between June and December 2005. During each visit minute books were read and extensive handwritten notes were collected.

A number of scholars highlight the value of engaging in document based research such as this (see Bryman and Bell, 2003: 566; Flick, 2009: 255; Gray, 2009: 428). In particular, Polonsky and Waller (2005: 132) identify minute books as being a valuable source of data when investigating the behaviour of business organisations. They go on to explain that 'Document based studies can contribute to exploring issues as well as building or testing theoretical concepts and models...' and suggest that they are often '...an adjunct to other qualitative methods such as in-depth interviews.'

Semi-structured interviews

Interviewing began in June 2005 and ended in March 2007. In total twelve participants were interviewed during the period (see Appendix B). Interviews lasted between thirty and ninety minutes and were tape recorded and later transcribed. Once complete, transcripts were returned to interviewees for approval.

Semi-structured interviews were deemed to be the most appropriate data collection method because they are congruent with the phenomenological approach in that they enable contributors to 'tell their own story', thereby

enabling the interviewer to gain a more comprehensive understanding of the participants' 'world' (Bryman and Bell, 2003: 477; Barbour and Schostak, 2005: 42-44; Polonsky and Waller, 2005: 131; Easterby-Smith *et al.* 2008, 88; Gray, 2009: 373). To this end, only a small number of pre-prepared questions were used during this interview phase. Here the aim was to encourage participants to provide a rich picture and consequently it was important to adopt a highly flexible approach which allowed interviewees to digress if necessary. The need for this type of flexibility was emphasised by Polonsky and Waller (2005: 106). They commented that 'The method chosen should match the degree of flexibility you require in terms of informational needs' and went on to explain that in '...exploratory research, you may need a method that provides room for respondents to give answers that the researcher may not have anticipated.'

Data Analysis

A Grounded Theory approach was adopted in order to analyse interview transcripts and minute book entries. According to Bryman and Bell (2003:728) grounded theory '...aims to generate theory out of research data...' Similarly, Collis and Hussey (2009: 73) advance that 'The purpose of grounded theory is to build theory that is faithful to and which illuminates the area under investigation.' Researchers using this technique systematically analyse data in order to '... tease out themes, patterns and categories...' (Easterby-Smith, *et al.* 2008: 175).

This analytical method was selected for this phase of the investigation because in the absence of a clear account of the state of business management practices in the English professional football industry during the period, it was felt that it would be inappropriate to analyse the data using a wide range of preconceived concepts and categories. Rather, it was necessary to allow a clear and coherent picture to emerge inductively as the data was analysed. Although a small number of guide questions were used to provide a 'loose' structure to interviews these were minimised in order not to inhibit the grounded theory process.

Easterby-Smith *et al.* (2008: 178-80) provide a seven stage framework for conducting grounded analysis. An adapted version of this is presented in the table in Table 3.3.

Table 3.3 Stages of the Grounded Theory Approach

Stage of Analysis	Description
Stage1: Familiarisation	This involves reading and re-reading transcripts of data and field notes in order to review the main objectives of the research activity
Stage 2 : Reflection	Here the researcher reflects on the content of additional information sources such as secondary data. The aim here is to begin to interpret and evaluate the data in accordance with other published sources.
Stage3: Conceptualisation	At this stage 'explanatory variables' are identified from the data. These variables are the key concepts and ideas that respondents have mentioned.
Stage4: Cataloguing	This involves using the variables identified in the previous stage to catalogue, or code, the data into discrete categories and sub-categories.
Stage 5: Re-coding	Here the researcher returns to the original data in order to identify specific properties that may have been missed initially. Also, in accordance with the iterative nature of grounded analysis, the researcher may also be able to identify additional variables and re-code data accordingly
Stage 6: Linking	This involves identifying links between variables in order to establish a holistic view of the phenomena under investigation.
Stage 7: Re-evaluation	In this the final stage, the researcher reflects on what has been achieved so far and identifies where additional work may be needed.

(Adapted from Easterby-Smith *et al.* (2008: 178-80)

The seven stages presented in Table 3.3 were used to structure the analysis of data in the second phase of the study.

The process began with the familiarisation stage described in the table. Here I became fully immersed in the gathered data. Interview transcripts and minute book entries were read and re-read and initial observations recorded. In the reflection phase these ideas and thoughts were considered in accordance with secondary data collected during the initial Literature Review. As a result, I was able to begin to evaluate the primary data in accordance with published sources. The third stage of the process involved conceptualising the gathered data. This was achieved by identifying emergent themes. These were then arranged into 'explanatory variables'. The variables took the form of single, or two, word labels which encapsulated re-emerging ideas and concepts in the data. For instance, terms such as 'Ownership' and 'Resource Issues' were used. In the fourth stage, the Cataloguing Stage, these terms were converted into nodes and then used to code the gathered data. This form of coding is known as 'open coding' and was completed using the NVivo software package. After careful reflection it was felt that electronic, rather than manual, coding should be used during this phase of the research process. This was decided because a large amount of data had been generated and electronic means offered a more efficient way of storing and retrieving the data. Also, again given the volume of data involved, the decision was based on the notion that use of NVivo would enable me to identify and explore a more diverse range of themes and concepts within the data. This was particularly important at this phase because here the focus was on building a comprehensive and coherent picture of the state of business management practices in the industry. In essence, the use of electronic coding more readily supported the 'theory building' nature of this activity by facilitating a more efficient and effective treatment of the primary data.

The value of electronic coding was further reinforced in the next stage of the process. This stage is termed Re-coding and involved the reviewing of nodes in order to identify additional categories. This involved using NVivo to produce node trees. These were derived from the nodes identified in the previous

stage. For instance, the primary node 'Governing Bodies', was sub-divided into a node tree that consisted of the categories 'FA', 'Football League' and 'Premier League'; relevant data was then coded at these additional nodes. In the penultimate phase, Linking, the primary nodes, and their trees, were considered holistically in order to develop a rich picture the state of business management practices during the period. The final stage, Re-evaluation, involved reflection on what had been found as a result of working through the analysis. This was a very valuable stage in the process and resulted in the development of a number of new perspectives. For instance, as a result of re-evaluating themes and concepts that had emerged from the analysis it was decided that it was important to explore the positioning of football clubs as SMEs. This demonstrates the iterative nature of grounded theory and reinforces the value of adopting an inductive approach when trying to develop a comprehensive understanding of a previously underdeveloped area of investigation.

3.3.3 The Research Process - Phase 3

The focus here was to build upon the baseline view established in the previous phase and explore how business management practices had changed, or not, in the contemporary period which spans the rapid and post commercialisation phases.

Data Collection

To achieve this, in addition to an extensive literature review, primary data was collected using non-participant observation and semi-structured interviews.

Non-participant Observation

This was undertaken in two football clubs: Norwich City (NFC) and Sheffield United (SFC).

Observations conducted at NFC took place on an annual basis over a period of three years. On each occasion I attended the club in the capacity of an External Moderator on an MBA Management Game Module. The game is a simulation exercise that involves students engaging in a series of business

focused tasks over a two day period. Participants are given full access to all business functions of the organisation and are briefed on how each operates. For instance, opportunities were provided to observe operations on a match day. In addition, by questioning key staff within the club, learners are able to explore and investigate management and business issues of specific interest.

My involvement afforded me unprecedented access to the key business functions of the club and consequently I was able to develop a comprehensive understanding of how the organisation operated. Additionally, by working closely with the Chief Executive I was able to develop a valuable insight into managerial, cultural and structural aspects of the club.

Observations were organised differently at SUFC. Here I was able to shadow the club's Stadium Manager/Safety Officer over a six hour period on a match day. This again provided a valuable insight into the operations and activities of a football club. Shadowing enabled me to observe a practitioner operating a 'real' world situation.

According to Saunders *et al.* (2009: 290) observation enables the researcher to attempt '...to get to the root of 'what is going on' in a wide range of social settings.' However, they argue that there are three inherent problems associated with this approach: subject error, time error and observer error. Subject error involves observing subjects who are not typical examples of the phenomena under investigation. In both clubs the potential for this error this was reduced by selecting subjects who are established practitioners in their areas of operation. For example, the Stadium Manager/Safety Officer at SUFC was an experienced member of staff who had been in post for a number of years. In terms of time error, the risk here is that observations take place at an untypical time which does not provide a valid picture of the phenomena under investigation. Here again, the risk of this occurring was negated by observing stadium management on the day of a 'routine' game. Observer effects occur when the behaviour of the subject is influenced by the presence of the observer. Here the advice to the observer is 'to melt into the background' and thereby have as little involvement with the subject as

possible. This was heeded and as a result, for instance, during the shadowing exercise in SUFC, when the club played Scunthorpe United, I resisted the impulse to ask questions, avoided eye contact with the subject and when sitting in the Control Room ensured that I was positioned as discreetly as possible.

Semi-structured interviews

Interviewing began in July 2007 and ended in June 2009. In total twenty two participants were interviewed during the period (see Appendix B). In keeping with the approach in the previous phase of the study interviews lasted between thirty and ninety minutes and were tape recorded and later transcribed. Once complete, transcripts were returned to interviewees for approval.

Unlike, the first phase of interviewing activity the aim here was explore the state of management practices in a predetermined set of categories: the business functions of finance, marketing, human resources and stadium management. Consequently, a more rigid approach to selecting and interviewing participants was adopted. In terms of selection, interviews were sought with managerial representatives of each of the functional areas present within a club. In terms of design interviews remained semi-structured, but whereas interviewees involved in the earlier phase were only asked a very small number of unfocused questions, here participants were asked predetermined guide questions which were specifically related to their area of expertise (see Appendix C). These questions were devised by considering themes that emerged from analysis of both the baseline data and secondary documentary sources. An iterative approach was used, in that responses from early interviews informed the wording and content of some of the questions asked in later interviews.

Data Analysis

In order to analyse data generated during this phase the Seven Stage Framework presented in Figure 3.3 was repeated. However, the following modifications were made.

Firstly primary data, along with findings and emergent themes generated from Phase Two of the study, were incorporated in the process and used to inform and illuminate the evaluation of data. For instance, a key finding of Section 4.7 was the reluctance of football clubs to engage in change; this observation was used to frame and inform the analysis of data gathered during this phase.

Secondly, the data was coded manually during this phase. NVivo was not used here because in this phase, unlike the previous phase, data collection had been structured around four themed groups (i.e. the functional areas of finance, marketing, human resources and stadium management). As a result the data contained within each category was relatively modest (two or three interviews) and was therefore easier to handle and interpret. This approach is in keeping the advice of Easterby-Smith *et al.* (2008: 179) who argue that

‘Although there may be pressure to use computer packages for your analysis there is a debate about the way the software structures the data and where there are modest amounts of data it may still be worth considering manual methods.’

In summary, this section has provided a comprehensive overview of the research focus, methods employed and analysis undertaken during each phase of the research process. It has been shown that as the research path evolved the combination of methods and data analysis techniques adopted were modified.

3.4 Methodological Considerations

According to Silverman (2000: 9-10) the decision to engage in qualitative, rather than quantitative, research does not absolve the researcher from employing a rigorous, critical approach to their investigation. This section outlines the methodological considerations that were considered during the research study. Issues relating to validity, reliability and generalisability are

discussed, along with considerations regarding access, aspects of interviewer and interviewee relationships and other ethical issues.

3.4.1 Validity, Reliability and Generalisability

Validity

Validity relates to ‘...the degree to which data in a research studies are accurate and credible.’ (Gray, 2009: 582). Approaches to enhancing the validity of phenomenological inquiry are well established and these were utilised in this study. For instance, Easterby-Smith *et al.* (2008: 97) suggest that methods must be made ‘transparent’. This means that

‘...it is very important for the researcher to explain how she gained access to the particular organisation, what processes led to the selection of informants, how data created and recorded, what processes were used to summarise or collate it, how data became transformed into tentative ideas and explanations, and how she felt about the research.’

The approach utilised in this study is congruent with that advocated above. This is demonstrated in a number of ways. For example, the difficulties of gaining access to interviewees within the football industry are discussed in Section 3.4.2. Similarly in Section 3.3 issues relating to the gathering, recording and analysis of data were considered. The procedures, practices and methods that have been used have been made explicit and consequently a high degree of procedural transparency has been demonstrated.

The validity of the study was further enhanced by the use of a number of research methods. As outlined in Section 3.3 ‘triangulation’ was achieved by using semi-structured interviews, primary documentary sources, non-participant observation and secondary sources of data. Kane (1985: 51) discussed the use of a range of methods including archival review, interviews, questionnaires and observation and suggested that when applied to a single phenomenon these would be overlapping in scope. He went on to emphasise how the combination of these methods enhanced validity. He said

'If you had to stake your life on which one of these is likely to represent the most accurate, complete research information, you would choose the centre [of the overlap] in which you got the information through interviews and questionnaire, reinforced it by observation, and checked it through documentary analysis...Here you are getting not only what people say they do and what you see them doing, but also what they recorded as doing.'

Reliability

Reliability refers to the extent that the same results could be generated regardless of who was undertaking the research investigation; it is concerned with the replicability of findings. Unlike inquiries undertaken in the positivist paradigm, the criterion for reliability is not afforded a great deal of status in phenomenological studies (Collis and Hussey, 2009: 58). This is because, from a phenomenological standpoint, findings are offered as a unique interpretation constructed at specific time. As Bryman (1988: 74-75) observed 'Two qualitative researchers working on the same problem in the same setting would generate two unique interpretations.' Saunders *et al.* (2009: 218) also question the need for the phenomenologist to display a high degree of reliability. They argue that findings are '...not necessarily intended to be repeatable since they reflect the reality at the time they were collected, in a subject that may be subject to change.' However, they advise that researchers involved in an investigation of this type should make comprehensive and clear notes regarding all aspects of their research (i.e. design, choice of strategy and methods and data gathered). These notes should then be stored and made available to other researchers so that they can more fully understand the process used. To this end, notes and interview tapes and transcripts have been retained.

Generalisability

This is the extent to which results can be applied from one context to another. In essence the concern here is the applicability of findings beyond the specific situation from which they were generated (Flick, 2009:469; Gray, 2009:577).

When considering this issue those adopting a phenomenological stance encounter similar criticisms to those levelled at the issue of reliability, namely that because results are generated from the observation of occurrences at a particular time their applicability in other circumstances is limited. This argument does have some weight, in that phenomenologists cannot claim that their findings are directly transferable to either the general population or even a specific case. However, to suggest that phenomenological studies have no applicability whatsoever beyond the context in which they are located is misguided. According to Warhurst (2005:83) there is great potential for such findings to act as 'illuminative case law'. That is, provided appropriate judgement and careful consideration of key factors (such as the context in which the research was undertaken) are exercised, findings generated in this way have the potential to inform the interpretation of phenomena occurring outside of the context of the original study.

3.4.2 Access

Conducting research into the professional football industry is problematic (Gilmore and Gilson, 2007: 414; Kelly, 2008: 401). The industry has a high profile and attracts global interest. Most clubs, and many individuals working within the industry, are frequently asked to cooperate in, and contribute to, a wide variety of projects. Interest emanates from many sources, ranging from those wanting to conduct academic research to professional journalists investigating issues of 'popular' interest. As a result, opportunities to engage in primary research are scarce. In addition, cooperation and help are often withheld because potential participants are highly sceptical of the motives of enquirers. This, again, is a function of the high level of media scrutiny that the industry attracts.

In order to overcome these barriers a number of strategies were adopted. In the first instance it was decided to approach individuals and organisations with close links to the Football Industry Group (FIG) of the University of Liverpool. My PhD registration was with the Group and my supervisors, and their colleagues, are well 'connected' within the industry. This is in keeping with the advice of Welch *et al.* (2005: 7) who advise that '...researchers need

to draw attention to their institutional affiliation', where possible '...obtain an influential 'sponsor' and also enlist the help of 'personal connections'. By utilising contacts and affiliates known to staff working in FIG I was able to avoid the need to engage in cold canvassing and as a consequence I achieved a high degree of cooperation. Examples of emails used to request interviews are contained in Appendix D.

The need to engage in cold canvassing was reduced further by my adoption of a 'snowball networking' technique. According to Collis and Hussey (2009: 158) this approach is often used by those conducting phenomenological studies in order to expand their sample size. In this investigation interviewees were asked to recommend people known to them, whom they felt could contribute to the research study. As a result 'key informants' were identified and approached. Jankowicz (2005: 252-55) argues that this approach enables the interviewer to select participants on the basis of their 'idiosyncratic, specialised knowledge'. He goes on to suggest that interviews of this type are useful in developing knowledge of a particular issue and can be helpful in identifying the key characteristics of an event by drawing upon the personal experience and understanding of people involved. This technique did prove to be successful in identifying 'high quality' participants who had highly relevant knowledge and experience. The technique was also beneficial because by asking for a 'personal referral' doubts regarding my motives were overcome. Indeed, in some instances interviewees approached prospective participants on my behalf. This was helpful because it reassured the prospective interviewee that my motives were genuine and reduced the chances that my approach would be ignored.

Accessing individuals and organisations in this way did have its drawbacks. A criticism that could be levelled at this approach is that there was no attempt to survey the whole English professional football industry. This was considered, but it was rejected from the outset because, given the inherent difficulties of conducting research in the industry (i.e. volume of requests and scepticism of motives), the level of cooperation that would have been required would not have been achievable. Indeed, according to Parry (2003: 249) in qualitative

research 'the sample size should help understand the phenomenon, not represent statistically the population.' Also, the fact that early interviews were drawn from a relatively small group could be regarded as a weakness. However, it was felt that by starting the primary research process with interviewees who had links with FIG this was a practical and expedient method of generating data and also provided an opportunity to begin the snowball networking technique.

In summary, gaining access to individuals and organisations within the football industry was potentially a significant obstacle to the progress of the study. However, by using contacts who were closely linked to FIG in the early stages this facilitated access to more a diverse group of participants.

3.4.3 Relations between Interviewer and Interviewee

The method by which access was secured also had a bearing on the relationship that developed between me and the interviewee. As mentioned above, in the main contact was made by 'personal referral' and consequently my credentials and authenticity were established very early on in the process. However, despite this interviewees remained suspicious of my motives in some instances and felt it necessary to have me 'checked out'. This involved contacting FIG directly in order to establish that I was a bone fide academic researcher. However, once participants were confident of my authenticity, levels of trust increased and interviews progressed well. Despite high levels of cooperation and disclosure I do not think that I ever achieved the status of being an 'insider'. Interviews, and non-participant observations, were relatively short in duration and consequently relationships were transient and in no way approached the depth that would have been achieved had a true ethnographic approach been adopted.

Another consideration when preparing to engage in the interview phases of the fieldwork was the status of the participants. Given, the high profile nature of the English professional industry, it was deemed necessary to develop an understanding of how to interview 'elite' individuals. This proved to be valuable because as the study evolved the range of interviewees expanded

to encompass media personalities, acting and former club chairmen, CEOs, senior managers and administrators of football clubs, governing bodies and football related associations (e.g. PFA), and high profile coaches/managers.

The interviewing of elites has received considerable attention from scholars (see Aberbach and Rockman, 2002; Berry, 2002; Welch *et al.* 2005; Kvale and Brinkman, 2009). An exploration of the literature generated guidance that was helpful for the pre-interview, interview and post-interview stages of my field work.

Pre-interview Stage

An essential element of the pre-interview stage is effective preparation. Berry (2002: 681) implores interviewers to do their 'homework' and Lilleker (2003: 210) suggests that preparation is of utmost importance in order to maximise the opportunity you have to question the interviewee. Good preparation helps to project a business-like, competent and professional image that will not only help to glean valuable information in the current interview but may help to secure future interviews (Goldstein, 2002: 671). A good knowledge of the subject under discussion and also the interviewee will strengthen the interviewer's credibility and help place the interviewee at ease. In order to prepare effectively for my interviews I gathered as much background data on each participant as I could. In some instances this involved gathering information on the individual from autobiographies and other secondary sources. Where individuals were not so well known I reviewed the transcript of the interview in which the participant was recommended and gleaned as much background detail as possible.

A further consideration at this stage was the need to brief potential interviewees about the purpose of the study. Given the level of scepticism and suspicion of many of those involved in the football industry it was deemed necessary to provide reassurance that interview material would only be used for the purposes of this doctoral study and any academic papers generated from it. In addition interviewees were reassured that if the material was to be

included in any other type of publication (e.g. a textbook) permission would be sought.

Interview Stage

Welch *et al.* (2005: 8-13) suggest that when interviewing elites interviewers are often 'put into the position of a 'supplicant', so humbly grateful to obtain an interview that he or she is unwilling to ask critical or demanding questions'. They explain that this problem can be overcome by the researcher '...maintaining a professional attitude and demonstrating a command of the topics under discussion'. Likewise, Kvale and Brinkman (2009:147) advocate that

'The interviewer should be knowledgeable about the topic of concern and master the technical language, as well as be familiar with the social situation and biography of the interviewee. An interviewer demonstrating that he or she has a sound knowledge of the interview topic will gain respect and be able to achieve an extent of symmetry in the interview relationship.'

This advice was heeded and potential problems averted by the researcher demonstrating subject specific knowledge and maintaining a professional demeanour throughout. For example, in some instances interviewees mentioned their professional qualifications and the interviewer was able to relate his experience of teaching on these programmes – this established credence and developed an instant rapport with participants.

In addition, Welch *et al.* (2005:15), comment that elite interviewees are 'professional communicators' who are experienced in addressing a broad range of audiences and constructing elaborate and persuasive arguments. Similarly, Kvale and Brinkman (2009:147) note that elites may have '...prepared 'talk tracks to promote the viewpoints they want to communicate...' and this '...requires considerable skill from the interviewer to get beyond.' In both interview phases the interviewer adopted different approaches to the 'steering' and control of the encounter.

As discussed in Section 3.3.2 interviews focusing upon the generation of baseline data were less structured than those focusing upon the contemporary state of management practices within a specified business function. Here the 'Grand Tour' style of questioning, advocated by Leech (2002: 667), was used. This encouraged respondents to provide a 'rich' description, or 'verbal tour', of situations and issues that were felt to be of interest. For example, interviewees were asked 'What were commercial operations within clubs like during the period?', and supplementary prompts such as 'That was very interesting, could you elaborate on...' were used. This approach encouraged respondents to provide in-depth accounts and enabled them to 'tell their story'. During the third phase of the study, the approach to interviewing was modified. Some 'Grand Tour' type questions were included, but other questions focusing upon specific aspects of the interviewees' specialist area of operation were used. For instance, those working within the finance function were asked about the type of financial software that was utilised when processing numerical data (e.g. Sage, BRIXX etc). 'Grand Tour' questions provided valuable contextual material and questions relating to functional specialisms generated subject specific data.

Post-Interview Stage

A fundamental consideration at this stage was deciding whether or not interviewees would be allowed to edit interview transcripts. Again, it was felt that the level of scrutiny directed towards the football industry was going to be a major consideration. In order to secure high levels of participation and cooperation it was deemed necessary to allow interviewees to check transcripts for accuracy. Interestingly, in a number of instances interviewees declined the opportunity to have sight of their interview transcript and gave full approval for the material to be used prior to the interview being conducted.

3.4.4 Ethical Issues

According to Saunders *et al.* (2009: 600) in the research context the term ethics refers to '...the appropriateness of your behaviour in relation to the rights of those who become the subject of your work, or are affected by it.'

Ethical issues have attracted considerable scholarly attention. Indeed the study of ethics, both inside and outside, the social sciences has produced a burgeoning literature and a complex array of guidelines and codes of practice (see Jankowicz, 2005 and Maylor and Blackmon, 2005; Easterby-Smith *et al.* 2008; Collis and Hussey, 2009). However, Bryman and Bell (2003:132) have formulated four key ethical principles in business research. In this section each of these is used to discuss ethical issues relating to this study.

Avoiding harm to participants

Clearly, it is vital that no harm comes to participants. This notion extends beyond the physical, to areas such as causing stress, reducing self-esteem and jeopardising career prospects and future employment (Bryman and Bell, 2003: 133; Polonsky and Waller, 2005: 62). Whilst, there was very little chance of any physical harm coming to participants involved in the study the interviewer was conscious that being interviewed is a potentially stressful activity. To this end the interviewer attempted to quickly put the interviewee at ease. This was achieved by beginning the interview by asking the participant to provide some very general biographical information (name, job title, years involved in the industry etc.). Potentially difficult questions involving long, convoluted answers were not incorporated during the initial stages of the interview process. The presence of a microphone and tape recorder was also felt to be a potential stressor for some interviewees; consequently in all cases the interviewer used a small unobtrusive Dictaphone recording machine with the permission of the interviewee.

In retrospect, there were no indications that any participants were unduly anxious or stressed. Indeed, in a number of cases participants indicated that they had enjoyed the experience. A further indication that the interviewing process was conducted in an appropriate manner was that in the majority of cases participants were happy to recommend other potential interviewees whom they felt had a valuable contribution to make to the study.

A lack of informed consent

It is essential that all participants make an informed decision about their involvement in the research activity (Jankowisc, 2005; Easterby-Smith *et al.* 2008; Collis and Hussey, 2009; Flick, 2009). Consequently, it is incumbent on the researcher to ensure that potential participants are informed of all relevant information. As noted in Sections 3.3.3 potential participants were made fully aware of the purpose, scope, structure and objectives of the research investigation prior to the commencement of the interview. As a result, interviewees fully understood 'what they were letting themselves in for'.

Invasion of Privacy

Gray (2009:438) argues that 'The ethics of research stipulate that the privacy and anonymity of participants must be respected during the research process.' Likewise, Bryman and Bell (2003:139) comment that 'The right to privacy is a tenet that many of us hold dear, and transgressions of that right in the name of research are not regarded as acceptable.' Although this study did not actively attempt to intrude on the privacy of participants the flexibility of the interview process did result in the sharing of some information which could be regarded as private. For instance, one interviewee was about to tender his resignation to the football club for which he worked and when asked why he was leaving he declined to answer. The issue was not referred to again and his privacy was respected.

Deception

In the context of research, deception can take a number of forms. For instance, interviewees can be misled about the aims and objectives of the research project, data can be misrepresented in order to distort findings and conflicts of interest may not be declared (Bryman and Bell, 2003: 141; Maylor and Blackmon, 2005: 285; Easterby-Smith *et al.* 2008: 134). In order to negate any hint of deception, or any other form of inappropriate behaviour, this study was conducted in a fully open and transparent manner. This is evidenced, for instance, by the practice of allowing participants to check interview transcripts for accuracy prior to their inclusion in the thesis.

3.5 Conclusion

In conclusion the four main sections of this chapter – the philosophical paradigm, methods, methodological considerations and ethical issues – have highlighted a number of important methodological issues which relate to this study. Firstly, a phenomenological stance has been adopted and this has been shown to have informed the design of the study. For instance a flexible multi-method approach, incorporating data gathered from interviews, non-participation observation and primary and secondary documents, has been adopted. Secondly, in the absence of a coherent and full account of business management practices in the industry, a grounded theory approach has been utilised in order to inductively generate a clear and comprehensive picture. Thirdly, in keeping with requirement for phenomenologists to provide a reflexive account of their relationship to the phenomena under investigation key issues relating to validity, reliability, generalisability, access to data, relations between interviewer and interviewee and research ethics have been discussed.

In the next six chapters data generated by the methods outlined here is discussed and analysed in order to generate a comprehensive picture of business management practices in the English professional football industry in both the Baseline and Contemporary periods. Chapter Four establishes a baseline view of practices in the industry during the Post-professionalisation and Proto-commercialisation phases. Chapters Five, Six, Seven and Eight focus upon the key business functions of finance, marketing, HR and stadium management respectively. Here the aim is to establish a comprehensive account of the state of management practices within each functional area during the Rapid-commercialisation and Post-commercialisation phases. Chapter Nine, concludes the study and analyses how management practices have changed and the extent to which football clubs resemble mainstream enterprises.

Chapter 4 – Business Management Practices prior to the Rapid-commercialisation Phase

4.1 Introduction

The first objective of this study is to form a baseline for analysis by establishing the state of business management practices in the football industry prior to Rapid-commercialisation phase. In Section 2.5 it was shown that the literature focusing upon business management practices in the English football industry only provides a very fragmented and ambiguous picture. This chapter aims to address this issue, and meet the first objective of this study, by producing a more coherent and reliable assessment of the state of business management practices during the Post-professionalisation and Proto-commercialisation phases. Here material gathered from interviewees and minute books is evaluated and discussed in the context of the management characteristics and emergent themes identified in Section 2.7 and summarised in Table 2.1. The chapter begins by considering generic issues regarding ownership and organisational culture during the period. It then moves on to evaluate management practices associated with the specialised functional areas of finance, marketing, HR and stadium management.

4.2 Ownership and Organisational Culture

4.2.1 Ownership

In terms of ownership, Section 2.7.4 highlighted that for most of the twentieth century British industry was dominated by personal capitalism. With this corporate form ownership was concentrated in the hands of one individual or a small closely knit group, often a family. Owners took a personal interest in the running of their businesses and consequently managerial hierarchies were thin and management practices remained unsophisticated and rudimentary. The prevalence of personal capitalism in the football industry during the Post-professionalisation and Proto-commercialisation phases is striking. Section 1.3.6 highlighted that until the 1980s English professional football clubs were private limited companies and Section 2.3 identified that clubs were most

often owned and controlled by exclusive groups. Such groups were often families (e.g. the Moores Family at Liverpool) or select groups of local businessmen (Morrow, 2003: 80-81).

Typically, Boards of Directors were composed of ‘...the butchers, bakers, candlestick-makers of local industry’, who had part time involvement in their clubs (Roger Reade²; 2005; Andy Williamson³, 2005; David Dent⁴, 2006; Neil Prescott⁵, 2006). Their motivation to become involved was driven by a number of factors. For instance, the pursuit of local prestige was important. Bill Beswick⁶ (2005) commented that in some instances individuals chose to own their local clubs because ‘[their]...dads took them to watch the team from the terraces when they were twelve’. These individuals acted as benefactors to their clubs and in return gained local prestige; prominent examples include Jack Walker of Blackburn Rovers and Jack Hayward of Wolves. Similarly, Graham Kelly⁷ (2005) commented ‘It certainly seemed to be a matter of local pride to get selected to join [the Board of] the local football club in those days.’ Dent (2006) reinforced this view and suggested that for some, football clubs were ‘...a little bit of a plaything’ and that association with a successful club could provide ‘...an awful lot of personal kudos’.

² Roger Reade is former Chief Community Officer at the Professional Footballer’s Association. He began his career in football administration with Doncaster Rovers FC as Club Secretary and moved to Manchester City FC to become Assistant Secretary.

³ Andy Williamson is currently Chief Operations Director of the Football League. He began his career in football administration with the FA in the late 1960s.

⁴ David Dent began his career in football administration in 1963 as Secretary at Carlisle United. In the mid 1970s he moved to become Secretary of Coventry City FC. He has held a number of senior positions with the Football League and he is currently a Member of the FA’s Disciplinary Commission.

⁵ Neil Prescott currently works in the Financial Advisory Unit of the Football Association. He is a Fellow of the Institute of Chartered Accountants and prior to his appointment with the FA he gained fourteen years experience in an accountancy practice.

⁶ Bill Beswick is an Applied Sports Psychologist who has operated his own sport consultancy business, SportMind Ltd, for the past twenty years. He has worked with the English National Football Team and also with a number of English professional football clubs including Derby County (1996-99), Manchester United (1999-2001) and Middlesbrough FC (Assistant Manager 2001-06).

⁷ Graham Kelly was the former Chief Executive of the Football Association (1988-98). He began his career in football administration in 1968 when he joined the Football League. He became Assistant Secretary of the Football League in 1973 and Secretary in 1979. He was a non-Executive Director of Luton Town FC (2000-03) and a member of the National Council of the Football Supporters Federation (2004-05).

Although these individuals were keen to be associated with their local football clubs the contributions that they made were often very limited. Williamson (2005) suggested that despite Board members being wealthy individuals they were typically very reluctant to provide financial assistance and that in terms of investment many directors ‘...supported the club only as a last resort.’ Similarly, Board members were also reluctant to transfer their business acumen to the running of their football clubs. Reade (2005) argued that ‘...a lot of the knowledge that they’d got from their own businesses they seemed to basically leave at home!’ Jimmy Hill⁸ (2005) expressed an interesting perspective on the knowledge and experience of typical football club board members. He acknowledged that the majority had some degree business competence, but crucially in the main they had very little experience of the ‘entertainment industry’. For Hill this severely limited their capability to run a football club.

Minutes of Board Meetings show that directors focused their efforts on activities such as, ‘scouting’ potential new players, discussing match reports and arranging player transfers.⁹ They delegated responsibility for day to day operations to the full time Secretary Manager. This role combined both on and off the pitch responsibilities. David Rose¹⁰ (2007) provided a comprehensive account of Alf Ramsay’s duties as Secretary Manager at Ipswich Town. He explained that this was a coaching/administrative role with Ramsay taking responsibility for players and all playing related activities including routine administrative tasks such as making travel and accommodation arrangements

⁸ Jimmy Hill has had a broad ranging football career. He began his playing career with Brentford in 1949 and moved to Fulham in 1953. In 1957 he became Chairman of the Professional Footballer’s Association and was instrumental in achieving the abolition of the player’s maximum wage in 1961. He then moved into a career in the media with London Weekend Television from 1967 to 1972, before moving to the BBC and latterly SKY. In 1975 he became Managing Director, and then Chairman, of Coventry City FC. After a brief spell as Chairman of Charlton Athletic, he became Chairman of Fulham FC in 1987.

⁹ Liverpool Football Club Board Meeting Minutes (Minute Book Numbers 8 to 11- 1933 to 1952) – archived at Liverpool Football Club Museum, Anfield, Liverpool and Preston North End Football Club Board Meeting Minutes (Minute Book Numbers 5 to 9 – 1936 to 1977) – archived at The National Football Museum, Preston, Lancashire

¹⁰ David Rose joined Ipswich Town in 1958 at the age of 15. He was initially employed as a clerical assistant to the then Secretary Manager, Alf Ramsay. In 1969 he became Club Secretary and in 2006 he became honorary Vice President.

for away fixtures. He went on to describe how in 1969 Bobby Robson joined the club and the role of Secretary Manager was abolished. Robson took responsibility for all playing related activities (coaching, tactics etc) whilst Rose became Club Secretary concentrating on all day to day administration relating to the running of the club.

Similarly, Ken Webster¹¹ (2005) mentioned the duties of Liverpool Football Club's Secretary Peter Robinson and described it as one of the most influential roles at the club. He related how Robinson was responsible for activities ranging from selling match tickets through to arranging Liverpool's European Cup matches. He commented that Robinson was '...involved in everything, you couldn't buy a paperclip!' The Secretary's diverse role was emphasised by Reade (2005). He said:

'They [Club Secretaries] were responsible for ground safety, the employment of stewards, the training of stewards, the briefing of stewards, before match days, the liaison with police etc. etc. It was a big call in those days....the responsibilities spanned all these different areas.'

The Club Secretary's role evolved into that akin to a General Manager. Dent (2006) described the role as the 'Officer in Charge'. Secretaries were the link between the Board of Directors and the wider football club. Incumbents were charged with operationalising decisions made at Board level and were responsible for the day to day running of the club. Despite this level of responsibility the role was under resourced and post-holders were expected to be highly resourceful. Dent (2006) provided a comprehensive description of his first day as Secretary at Fourth Division Carlisle United in 1960. He explained how he was 'left to his own devices' and was expected to make arrangements for club's next away match at Rochdale. The only instruction that he received was from Andy Beattie (Team Manager) who said 'Well all I

¹¹ Ken Webster worked as an IT consultant before moving to Liverpool FC in 1996. He now is Head of IT at the club and has responsibility for business development.

can really tell you is that we're playing away at Rochdale on Saturday, and we'll need transport and we'll need meal arrangements.'

In summary, the picture developed here confirms that, in keeping with their mainstream counterparts, clubs were dominated by personal capitalism. As a result they displayed many of the management characteristics seen in the wider British business environment; such as poor managerial skills, a lack of relevant experience, underinvestment and resource scarcity (see Section 2.7.4). Directors lacked appropriate knowledge, skills and experience and consequently they were ill equipped to run their clubs effectively. The day to day management of clubs was delegated to hard-pressed Club Secretaries who were expected to undertake a wide variety of disparate tasks with limited financial and human resources.

4.2.2 Organisational Culture

During the twentieth century British enterprises were closed to outside influences, resistant to change and disdainful of the needs of their customers (see Section 2.6 and Table 2.1). This sub-section builds upon these observations and explores the extent to which football clubs of the time displayed these cultural characteristics.

In terms of the extent to which football clubs were closed institutions it is important to note that as private limited companies their disclosure obligations afforded them significant protection from external scrutiny. Privacy allowed clubs to function in isolation and develop their own idiosyncratic ways of operating. This point was highlighted by Dave Boyle¹² (2005) when he commented that '[football]...it's got its own little rules, its own little ways of doing things, and sometimes that's great and sometimes it's actually a bit of a problem.' Indeed Boyle went on to argue that the tendency for clubs to remain isolated and suspicious of outside influences led to a 'sclerosis' that severely limited their ability to modernise and develop. He suggested that this situation

¹² Dave Boyle is currently Deputy Chief Executive of Supporters Direct and is a National Council Member of the Football Federation. He joined the organisation as a Development Officer in 2000 and was formerly a local government press officer.

led to a type of atrophy in which the '...the old buggers who were blocking progress were able to get away with not doing any work on the stands for 50 years'.

This was also illustrated by an episode related by Reade (2005). He described the reaction of English football clubs to the newly introduced Youth Training Scheme (YTS) in the late 1970s. Although generous government funding was made available to employers who were taking on apprentices in any sphere of business, football clubs treated the offer with scepticism and suspicion. According to Reade the prevailing attitude was '[We're] not sure about this...What's the catch?' Traditionally clubs had taken full responsibility for employing and paying apprentices; the YTS was '...a fundamental, massive change ...that was totally alien to anything that had gone on before.' Consequently take up for the scheme was slow and the evolution of youth training within English professional football was severely stunted.

In relation to resistance to change, as new opportunities arose the majority of clubs were content to perpetuate the status quo and remain within their 'comfort zones'. They continued with traditional ways of operating and were of the opinion that they had very little to learn from those outside of the industry. This was illustrated by Webster (2005) who argued that an important limiting factor was the tendency for traditionalists '...to put the brakes on' and to engage in 'compartmentalised thinking'. However, for some, stability and predictability were highly prized. For example, Ken Friar¹³ (2005) commented that 'One of the things that made this place work well is the fact that we've had great stability at Board level for lots and lots of years'. Similarly, Williamson (2005) argued that continuity of ownership encouraged a 'mutuality of interest' that preserved the culture and philosophy of the sport.

Although resistance to change was a dominant feature of the vast majority of professional English football clubs during the Post-professionalisation and

¹³ Ken Friar joined Arsenal FC in 1950 as an administrative assistant in the Ticket Office. He was appointed Assistant Secretary in 1965 and Company Secretary in 1972. In 1983 he became Managing Director of the club. He remains a Director of the club and successfully oversaw the move from Highbury to the Emirates Stadium.

Proto-commercialisation phases there were some exceptions. For example, Hill (2005) described how whilst at Coventry City between 1961 and 1966 he introduced new and innovative schemes that challenged mainstream thinking within the sport at the time. He attributed his pioneering approach to the relationship he developed with Derrick Robins¹⁴, the Club's Chairman. According to Hill the blend of his football experience and the 'business acumen' of the Chairman resulted in a progressive approach that enabled the club to engage in meaningful and extensive change. Rather than adopting the closed minded stance of the 'traditionalists' club officials decided to be open to new initiatives and the prevailing attitude was one of 'Come on, yes. Let's have a go and do it!' Hill's account was corroborated by Brown (Coventry Telegraph Internet Archive, 2009). He commented:

'Hill supported at every turn by go-ahead Chairman Derrick Robins introduced many innovations at the club [Coventry City] including pre-match entertainment, the Sky Blue special train for away games, a modern award winning programme and a culture which put the fans at the heart of the club's strategy.'

In terms of the relationship between clubs and their supporters, in the main clubs displayed an indifferent attitude and were neglectful of the needs of their customers. For example, a number of interviewees felt that fans were not valued and their opinions were not sought. Boyle (2005) commented that '...clubs often held fans in contempt'. Similarly, Webster (2005) observed '...we had supporters in spite of the way we treated them rather than because of the way we treated them. In those days the attitude of the club was 'Why the hell should we care and worry?'" He went on to comment that fans watched matches in 'abysmal surroundings'. Likewise, Reade (2005), commenting on the facilities available for female supporters at Doncaster Rovers in the early 1970s, said that:

¹⁴ Derrick Robins was Coventry City Chairman from 1960 to 1975. He was also a successful sports promoter who arranged several tours of South Africa by English cricketers between 1972 and 1976.

'I went around the ground and I saw a little cubby-hole near a set of turnstiles. I looked in, there was no door, but inside there was a bucket and I said to him [the Chairman] "What's that?" He said "That's the ladies toilet", and I said "Ladies toilet, singular?!"

Friar (2005) highlighted the prevailing sense of arrogance of those involved with running football clubs at this time when he mentioned the treatment of a supporter who became a shareholder. He recounted how the irate fan approached the Arsenal Chairman and berated him about recent incidents at the club. The Chairman responded and said 'My man, how do you expect to have any say in these matters if you are not a shareholder?' A few months later the fan approached the Chairman again and informed him that he was now the proud owner of a single share. He went on to enquire as to whether this now meant that he could have more access to the club. The Chairman replied 'No, becoming a shareholder means that you will still know bugger all, but quicker!'

Dent (2006) offered an interesting perspective on the relationship between clubs and supporters. He suggested that during the period many clubs were heavily subsidised by Supporters Associations and unsurprisingly relationships were often strained. He said 'Associations sometimes demanded a say in how clubs spent the funds that they supplied and even attempted to hold clubs to ransom by threatening to withdraw funding unless the club met their demands.' An entry dated 27th October, 1970 in Preston North End's Minute Book highlighted the potential of Supporters Associations to undermine the authority of the club's Board.¹⁵ The entry reports an offer of a £3,000 cheque from the Supporters Association for the purpose of purchasing players. However, the offer of the cheque was conditional on it '...being paid to the manager personally and not to the football club'. Unfortunately the outcome of this episode is unclear, but clearly the relationship between the

¹⁵ Preston North End Minute Book Number 09 held in the archives of the National Football Museum, Preston, Lancashire, England

Board and the Supporter's Association appears to have been 'frosty' and fraught with mistrust and suspicion.

However, there is evidence that the relationship between some clubs and their fans was different. Coventry City, for example, adopted the attitude that they wanted to develop a 'friendly' relationship with their supporters. The club introduced a pre-match entertainment programme that was designed to increase 'entertainment value' In addition Hill wrote his own programme notes and used these as a vehicle to introduce new ideas and concepts. For Hill, open and honest communication with supporters was vitally important and provided an opportunity to make fans feel involved in club affairs. He said

'We didn't think of them as miraculous ideas in those days, it was more "Why don't we try this and get them to come in the ground, be friendly with them. We want them to come in on Saturday."'

In summary, during the Post-professionalisation and Proto-commercialisation phases the majority of football clubs were closed to outside influences, resistant to change and disdainful of the needs of their customers. Given that these characteristics were also the hallmarks of many enterprises operating in the wider business environment of Britain at this time these findings further demonstrate the extent to which football club business management practices mirrored those of mainstream organisations. In order to develop a more comprehensive picture of the state of management practices the following sections focus upon the key business functions of finance, marketing, HR and stadium management.

4.3 Finance

Although the literature relating to football club finances is underdeveloped, the general consensus among scholars is that prior to the Rapid-commercialisation phase financial matters were of secondary importance to playing success (see Section 2.5.1). Consequently financial management within football clubs has been characterised as being amateurish and

unsophisticated (Banks, 2002: 139; Matsuewicz, 2000: 169). Interviewee and archival data provided an interesting insight and corroborated these observations.

Evidence shows that player related financial decisions, such as wages and transfers, were made at Board meetings whilst routine financial decisions were devolved to the Club Secretary and/or a Finance Committee. Indeed Minute Book entries reveal that directors were directly involved in even the smallest of transactions that related to player remuneration. For example, the purchase of Christmas gifts for players and their wives was recorded in detail each year (Liverpool FC and Preston North End minute books). This level of detail was required because prior to the abolishment of the maximum wage agreement in 1961 any additional payments, gifts etc had to be declared and available for audit by the Football League.

Apart from transactions which had to be recorded for official purposes, to comply with the Companies Act, Football Association, Football League, financial activity was managed in an *ad hoc* manner. For instance, Reade (2005) related his experience of financial operations at Doncaster Rovers in the 1970s. He outlined how the club survived for many years without engaging in meaningful financial planning and budgeting. He commented 'The idea that you would actually forward plan and have a cash flow it never crossed anyone's mind in those days.' And regarding the overall financial strategy of the club he said 'I think it was just a sort of hit and hope, and don't worry if we don't break even, we'll sell a player, and that was the way it was managed.' Clubs were short termist and reactionary in their approach to financial matters. This was largely due to the tension that existed when allocating finite resources between on the pitch and off the pitch activities. When faced with pursuing short term playing success or investing in the long term development of a sustainable organisation clubs opted for the former and consequently financial operations were neglected. Here again football clubs are seen to closely resemble their mainstream counterparts in that they were pre-occupied with the short term and reactive, rather than proactive, in terms of their strategic response (see Table 2.1).

Further evidence of the rudimentary state of financial management practices in clubs at this time was provided by Dent (2006) when he recounted his areas of responsibility while he was the Carlisle United Club Secretary. He began by relating the situation when he first joined the club in the late 1950s. On his arrival he found that the 'Club had no systems. It had absolutely nothing! I couldn't find a minute book or any financial records.' He then proceeded to describe how over a period of eighteen years the club never had an accountant and that all financial affairs, including the preparation of books for the auditor, were his responsibility. He went on to outline his approach to dealing with the bank:

'When I had to go to the bank I had to put a sign on the door "back in half an hour, gone to the bank", and we used to, Friday morning, go for the players' wages. It was all cash; nobody wanted cheques in those days. The pay packet was cash and a payslip, and I had to work out how much I wanted, how many 2/-d, how many 10 pence pieces or shillings they were in those days, two shillings or florins, half crowns or whatever they were. You'd go to the bank and put a sign on the door "back in half an hour", and you carried fair amounts of money in your briefcase. It was an absolute pattern, go to the bank on a Friday morning and come back with a case with some money in it, walk into the office nobody else in the office, there could have been somebody waiting for me!'

Friar (2005) also provided a valuable insight into how financial affairs were managed at Arsenal FC. Commenting on how the club would arrange its overdraft he outlined how he would meet with the local bank manager and regional director and discuss business over lunch. The paperwork would be drawn up and then Friar would be invited for drinks with the bank's Chairman to finalise the deal. This 'cosy' relationship between business organisations and their financiers was common in wider British industry during the period (Chandler, 1990: 191; Cromie *et al.* 1995: 13; Collie and Rose, 2008: 210). Lending decisions were not always based upon sound business principles;

other factors such as social and historical relationships had a dominant influence (e.g. 'the old school tie' network). The informal approach to financial matters was furthermore highlighted by Friar (2005) when he described how a visit from the auditor was handled. The first part of the meeting would involve Friar answering technical questions regarding the end of year accounts and then Friar's boss (the Club Chairman) and the auditor would adjourn for drinks and then a prolonged 'business lunch'. Again practices were dominated by social relationships at the expense of sound financial decision making.

To reiterate, this sub-section shows that clubs were unsophisticated organisations which were dominated by rudimentary and amateurish financial management practices. This corroborates the literature discussed in Section 2.5.1. It is important to note that these criticisms have also been levelled at general management practices in British industry during the Post-professionalisation and Proto-commercialisation phases. Indeed as Table 2.1 shows twentieth century British management was characterised by *ad hoc* practices that were short-termist and reactionary. Although football clubs faced unique challenges and tensions their financial management practices mirrored those that existed in Britain's wider business environment.

4.4 Marketing

Although football clubs were involved in marketing in the Professionalisation and Post-professionalisation phases these activities were basic and rudimentary (see Section 2.5.2). Progress was slow and it was not until the Proto-commercialisation phase that marketing sophistication began to increase. This sub-section builds upon these observations and develops a more comprehensive picture of marketing practices at this time. Specifically the section considers how the reluctance of clubs to engage in change and the tendency for clubs to under resource their marketing activities affected the development of this business function.

Reluctance to change was in evidence during the earliest accounts of marketing related activities. For instance, Preston North End's minute books showed that despite repeated requests the club refused to allow adverts to be

played over its public address system. An entry dated 3rd June 1947 noted that the club was approached by Sound Advertising Rights Ltd to negotiate a deal for advertising rights on its amplifier system but the club refused to engage in negotiations¹⁶. A similar enquiry was recorded in the minutes of 10th February 1959. Here, A Pemberton Ltd and WD & HO Wills Ltd made requests to advertise but they were refused¹⁷.

Even when clubs did experiment with new marketing initiatives they tended to be conservative and cautious in their approach. This was shown in a Liverpool Football Club Minute Book entry dated 12th August 1933. The entry indicates that permission was granted for the London, Midland and Scottish Railway Company, The Royal Court Theatre, The Shakespeare Theatre, The Empire Theatre and Messer's Barker and Dobson Limited to 'parade advertising boards' around the ground and that 'In the event of the boards causing an obstruction the privilege is to be withdrawn'¹⁸. This account highlights the rudimentary nature of early marketing activities and also shows that the club was prepared to abandon the initiative, and revert to its traditional half-time activities, if the parade became problematic.

Further evidence of the cautious stance adopted by clubs at this time was their steadfast refusal to allow their matches to be broadcast on radio and television. Football clubs were very slow to recognise the marketing potential of radio and television coverage. Indeed Preston North End Minute Book entries clearly show how the club refused repeatedly to broadcast matches. Indeed one entry dated 10th June, 1949 reads 'It was agreed that the Society for the Protection of Copyright in Sport be informed that we were in favour of a complete ban on the broadcast of sports events'¹⁹. It was not until 1960 that

¹⁶ Preston North End Minute Book Number 06 held in the archives of the National Football Museum, Preston, Lancashire, England

¹⁷ Preston North End Minute Book Number 07 held in the archives of the National Football Museum, Preston, Lancashire, England

¹⁸ Liverpool Football Club Minute Book Number 08 held in the archives of the LFC Museum, Anfield, Liverpool, England

¹⁹ Preston North End Minute Book Number 06 held in the archives of the National Football Museum, Preston, Lancashire, England

the Preston North End Board softened its position. A minute book entry for 16th August records the outcome of a discussion focusing upon the Football League's recommendation to consider the televising of League matches reads as follows 'It was agreed that the League be informed that this Club was in agreement and suggested that payment be made direct to the clubs from the TV authorities.'²⁰

In the few cases when innovative clubs attempted to introduce new marketing initiatives they encountered long standing and well established institutional barriers which prevented movement and change. This was evidenced in an episode related by Dent (2006). He described how in the 1970s Coventry City's forward thinking Board of Directors were thwarted in an attempt to enter into a revolutionary sponsorship deal with Talbot, a locally-based car manufacturer. He said:

'We had this idea of creating a very close link with the Talbot company by changing the name of the football club to Coventry Talbot. The idea was that we would wear on our shirt the Talbot emblem but instead of it being the standard size as allowed for normal sponsored adverts, the shirt was going to be made to depict a big "T", the Talbot "T" logo. But the powers that be (The FA) wouldn't let us do it, they saw through it.'

Although this sponsorship deal was blocked the episode indicates that during the 1970s there was some realisation of the marketing potential of football. Further evidence was provided in Preston North End's minute books. An entry dated 5th October 1971 outlines an offer made by the Club's manager, Alan Ball Senior, to pay £2000 for all advertising rights in the ground and also details a request by him to be given permission to open a Sports and Souvenir shop in the town centre²¹. The Board's response is not recorded, but Ball's offer is surprising because as team manager and coach he was one of

²⁰ Preston North End Minute Book Number 08 held in the archives of the National Football Museum, Preston, Lancashire, England

²¹ Preston North End Minute Book Number 09 held in the archives of the National Football Museum, Preston, Lancashire, England

the least likely people at the club to be qualified to become involved in these areas. This again emphasises that club Directors and other officials were slow to realise the full commercial potential of their football clubs. In this instance the club's manager demonstrated more strategic thinking, commercial vision and entrepreneurial flair than those whose sole responsibility was to look after 'off the pitch' operations.

As the Proto-commercialisation progressed marketing and commercial opportunities increased, but practices remained underdeveloped and rudimentary. This was evidenced by a number of interviewees. For instance, Reade (2005) described how in the 1977-78 season Manchester City introduced a Sponsorship Suite at Maine Road. He said:

'It was about £2,000 or £3,000 to sponsor a game. We had to try and create a block of seats in the stand but we couldn't because we had season ticket holders who had had their seats for many years and did not want to move. We couldn't get a block of seats together. So we ended up with 50 seats all over the stand and of course we had sponsors of the match who were wandering around, not knowing where they were supposed to be going, what they were doing or anything! And it was part of my job to try and make sure we got them all back together and got them a drink after the game!'

Similarly Andy Daykin²² (2007), Commercial Manager Sheffield United Football Club, described sponsorship activities and commented that:

'...in the programme it would say, sponsor a player's kit and you could buy Keith Edwards' shirt for £5 - it was all rubbish! The whole lot of it added up together came to £100 and yet people would put their name on it- so tiny in the programme that you could hardly see it.'

²² Andy Daykin is Commercial Manager at Sheffield United FC. He joined the club in 1982 after leaving his position as Sales Manager with Spear and Jackson Limited.

In terms of other commercial opportunities Phil Thompson²³ (2005) provided an interesting insight when he recounted an incident at Liverpool FC during the 1980s. He described how a scout at the club approached him with a business proposition. He said:

'I had a chat with him and he had a skateboard. He had LFC put under the two ends and the rough parts in the middle and he said, and you wouldn't believe it, he said, 'This is possibly the best team in Europe and I've gone in to the guy in the club shop, showed him this and he said fantastic idea - pass me two in and I'll see how they go! We should have been proactive in using the name of Liverpool Football Club and it would have been huge.'

These accounts show how marketing and commercial activities were small scale and poorly developed. Although commercial opportunities were emerging appropriate systems and procedures, such as market research, were absent.

One area in which clubs demonstrated some commercial success was the introduction of lottery schemes. Indeed a number of interviewees explained that marketing activities were mainly centred around these schemes. For example, Daykin (2007) explained that the Lotteries Act (1976) was instrumental in the commercial development of clubs. This was also emphasised by Kevin Platt²⁴ (2008), Club Secretary Norwich City FC, who related that he joined Norwich City in 1980 and was given the post of Lottery Clerk. He observed that the club's Commercial Department had been established in 1978 and did very little other than sell match and lottery tickets.

²³ Phil Thompson was a professional footballer with Liverpool FC (1971-84) and Sheffield United (1984-86). During his career he represented England on 42 occasions. At the end of his playing career he returned to Liverpool FC as coach but was sacked in 1992. In 1998 he was reappointed as Assistant Manager to Gerard Houlier. He remained with the club until 2004 when Houlier was replaced by Rafael Benitez. He is currently a pundit on Sky Sports Television.

²⁴ Kevin Platt is Club Secretary at Norwich City. He joined the club in 1980 as a Ticket Office Clerk.

He emphasised the importance of the lottery scheme and said 'The club sold huge numbers of scratch card lottery tickets. In fact in the region of 25,000 tickets were sold per week at a cost of 20 pence each.' The importance of lottery ticket income was also emphasised by Dave Bassett²⁵ (2007). He said

'When I was at Wimbledon the crowds weren't very big and the Chairman, Ron Noades, was very commercially minded. We had to make money off the field. He had ten or twelve cars out on the road, with girls going to newsagents selling lottery scratch cards.'

As lotteries became more established those charged with running the schemes became more powerful. Daykin (2007) commented that

'All of a sudden you had this lottery guy and the Chairman would say 'He's bringing in a lot of money, we'd better look after him!' He would get the glamorised title of Commercial Manager, but he was actually a Lottery Man at the end of the day.'

Steve Sutherland²⁶ (2007) corroborated Daykin's observations and went on to suggest that 'That an awful lot of the commercial managers were actually lottery managers. They had very little expertise in commercial matters.' Platt (2008), talking of his early experiences at Norwich City, graphically illustrated this point when he described how, despite his initial appointment as a Lottery Clerk, he was quickly drafted in to manage the club shop. He went on to say '...it was all off the hoof really. There wasn't a great deal of forward planning!' Daykin (2007) also commented on the competence and commercial experience of those he worked with when he joined Sheffield United's Commercial Department in 1982. He explained that the department was

²⁵ Dave Bassett is an experienced coach and manager. He has worked at Wimbledon (1981-87), Watford (1987-88), Sheffield United (1988-95), Crystal Palace (1996-97), Nottingham Forest (1997-99), Barnsley (1999-2000), Leicester City (2001-02, 2004), Southampton (2005) and Leeds United (2008).

²⁶ Steve Sutherland is currently a self employed marketing consultant working with a range of English football clubs. At the time of interview he was Charlton Athletic's Commercial Manager. Prior to joining the club in 1988 he had held the post of Marketing Executive at Barclays Bank.

headed by an ex-player, Derek Dooley, and that the majority of the rest of the staff were also ex-players with no commercial experience. He said 'I was thrown in at the deep end. I hadn't got a clue what I was doing!'

These accounts further demonstrate the tendency of football clubs to under resource their non-playing activities. Clubs relied upon inappropriately qualified and inexperienced individuals to develop their marketing activities. Consequently, as commercial opportunities emerged clubs were most often naïve, amateurish and unsophisticated in their response.

In summary, this section has corroborated the findings of Section 2.5.2 and has confirmed that the development of marketing practices during the Post-professionalisation and Proto-commercialisation phases was limited and basic. In the main clubs were conservative and slow to embrace new opportunities. Prevailing attitudes mirrored those seen across Britain's business environment of the time. Clubs operated within their comfort zones and as a result innovation and change were stifled. Even when clubs did begin to experiment with new initiatives attempts were poorly executed. Available resources were limited and often clubs used existing unqualified employees, rather than employing the services of specialised competent staff with relevant experience. Consequently, strategies and initiatives were poorly planned and implemented.

4.5 Human Resources

In keeping with most small business organisations the HR function of football clubs during the period was the least developed. This is predictable because the contribution of the HR function in UK businesses in general has traditionally been underplayed and undervalued (see Section 2.7.5). In terms of HR activities within football clubs Section 2.5.3 established that scholarly activity had been very limited and as a result a clear and coherent picture is absent. This sub-section aims to address this issue by drawing upon interview material and minute book entries in order to develop a clearer understanding

of HR procedures and practices during the Post-professionalisation and Proto-commercialisation phases.

Football club minute books show that the primary forum for discussing HR related issues was the Board meeting. An interesting episode is seen in a Preston North End minute book entry dated 16th November 1937. It shows that the Board had been approached by the club's turnstile checking staff to ask permission to form an Association (i.e. a trade union). This sparked extensive debate and one director, Mr E Bradshaw, '...warned of the dangers of Trade Unionism and in sanctioning such a body as this.' Despite this protest the minutes show that the Association was established and that a club director was appointed President²⁷. This episode reveals an interesting approach to industrial relations - directors reluctantly allowed the Association to be established, but maintained control by ensuring that the organisation's President was a board member. This approach is in keeping with the observations made in Section 2.7.4 that British business enterprises were centrally controlled and autocratically managed and further demonstrates how football clubs mirrored their mainstream counterparts.

Board members were also heavily involved in the recruitment of both playing and non-playing staff. Indeed minute books show that, along with player transfers, the recruitment of ancillary staff was discussed extensively at Board level. For example, a Liverpool Football Club Minute Book entry dated 29th August 1950 shows that the Board decided to advertise for a 'Head Groundsman whose age must not exceed 45 years at a maximum salary of £520 per annum'. The interview process was to be managed by a dedicated committee consisting of '...the Chairman, the Chairman of Finance, the Grounds Committee and a Technical Adviser – who would also determine the duties of the position.'²⁸ Clearly, Board members exerted considerable power and influence in the selection of successful candidates.

²⁷ Preston North End Minute Book Number 05 held in the archives of the National Football Museum, Preston, Lancashire, England

²⁸ Liverpool Football Club Minute Book Number 11 held in the archives of the LFC Museum, Anfield, Liverpool, England

Clubs abused their position as prominent employers in their local communities and took advantage of the loyalty of those whom they employed. The dominant attitude was one of arrogance and employees were treated with disdain. Most were regarded as being dispensable because others would take their place given the opportunity. The maxim 'People are an organisation's most important asset' was largely ignored by football clubs of the time (Pfeffer, 1998: xvi; Forster, 2005: 539; Phillips, 2005: 111). For example, Thompson (2005) provided a revealing insight into Liverpool Football Club's autocratic management style and in particular prevailing attitudes to staff retention. He commented:

'Whether it was girls who cleaned the floors, to any people who worked in the offices the club felt they should have been working for Liverpool for nothing because it was a real delight and it was an honour for you to work for Liverpool and it was when people used to go for rises that they'd say "What are you asking for a rise for? What an opportunity you have to work for me!"'

Evidence indicates that the treatment of players was no better. For instance, Friar (2005) explained how players' contracts were handled. He made the point that during the period when the maximum wage was in force contractual negotiations were almost non-existent and the process of drawing up contracts for the whole Arsenal squad could be completed within a couple days. Thompson (2005) reflected that even when the maximum wage was abolished many players were vulnerable to exploitation during contract negotiations. He commented:

'Players weren't clever enough to do this [negotiate] and you could understand going and sitting there with very clever people - who know the financial side of all the deals - they know and have done many of them. The players wouldn't understand. They were still only young boys.....'

Clearly, the treatment of players was open to abuse and was dependent upon the prevailing attitudes and opinions of Board members. Formalised systems and procedures were not in place and consequently the treatment of players was on a 'grace and favour' basis. This was illustrated by an episode outlined in Preston North End's minute books. An entry dated 21st April 1959 describes how a player on the transfer list had approached the club for a loan to set up a business and had intimated that he would be happy to be taken off the list if this could be arranged. The club refused to grant a loan but agreed that two Directors would meet with the player to see if they could help him identify a suitable business opportunity in the Preston area²⁹. Clearly, although the club did not have any formalised systems to overcome this problem the minute book entry shows that when it was deemed appropriate *ad hoc* arrangements could be utilised and special treatment could be given to preferred individuals.

The risk of exploitation was compounded by the poor state of welfare support provided by clubs. Thompson (2005) observed that 'Our problems years ago, when we were players, were your own problems.' He went on to describe how the manager would only become involved if a player's performance was affected and that even then marital issues and money problems were the sole responsibility of the player. He commented that 'There was very little relationship between the players and the club when we played ...we didn't really have much input.' However, Hill (2005) contradicted this point by describing the approach that he adopted at Coventry City. He suggested that open and transparent communication was valued and that both playing and non-playing staff were encouraged to think of ideas that could help the club. He said 'We didn't say "Be quiet, you don't know what you're talking about!" rather we said "What did you say? Well, erm, right maybe we could"'. Despite Hill's pioneering approach the enduring picture is of clubs being dominated by

²⁹ Preston North End Minute Book Number 07 held in the archives of the National Football Museum, Preston, Lancashire, England

cultures where power and control were centralised and concentrated in the hands of a small number of senior people within the organisation.

In summary, the HR activities of football clubs during the Post-professionalisation and Proto-commercialisation phases were centrally controlled and autocratically managed. At best, only informal HR procedures and practices were in evidence, and these tended to be offered on an *ad hoc* basis to those who Board members deemed to be worthy. In the main, playing and non-playing, employees were exploited and their opinions were not valued. This is of no great surprise as these features mirror the characteristics of both large and small business enterprises at this time. Indeed, as Table 2.1 shows, for much of the twentieth century British managers adopted an autocratic approach and relied upon *ad hoc* and informal procedures.

4.6 Stadium Management

Section 2.5.4 showed that the literature relating to stadium management is dominated by accounts of the crises and disasters that occurred during the twentieth century. At best these accounts have only provided a limited insight into the management practices which contributed to these tragedies. This subsection aims to develop the picture further. In particular the tendency for clubs to be disorganised in their preparation and implementation of match day operations and also the failure of clubs to support those who were responsible for these activities are explored. These characteristics were demonstrated by the following four examples provided by Dent (2006), Carlisle United Club Secretary.

Firstly, Dent described the chaotic pre-match preparations undertaken for the first home match which he was responsible for at Carlisle United. On the Monday prior to the game the police contacted him and reminded him to submit a requisition for the number of officers required by the club for the match day. Dent did not have a clue how many to request and could not locate the necessary paperwork. His only course of action was to request the

same number of officers that had been required for the previous game. He went on to relate the following story:

'On the day of the match a Police Sergeant came to my office and said "Just reporting for duty, what would you like us to do?" I said "What do you normally do?" and it finished up as "Can you put one officer there, one on the car park to help park the Directors' cars, one on the public car park to help the stewards with the parking of the fans' cars, one at the turnstiles on the far side of the ground, one walking round the perimeter and round the track of the pitch before the game, and if you've got one left could you put him on the fence at the far corner, there's a hole in the fence and the kids come through, so could you put him on the outside there and stop the kids coming through the fence" At the end of the match, he came back again, knock on the door again, I opened it and he's standing to attention again, and he says (he called me boss), "Just clocking off boss. Nothing to report, see you next time". That was match day policing in 1960!'

This illustrates that systems and processes were lacking. Staff were not trained and guidance was not given to help them execute their duties.

The second example provided by Dent showed that disorganisation was also a prominent feature of other aspects of match day operations. He explained that prior to the kick off he was often required to meet late requests for tickets, deal with telephone enquiries and play records to entertain the crowd. He commented:

'I was just running round the office. Somebody there wanting something, somebody here, somebody there and the telephone ringing. I was absolutely on my own...'

Dent's account is congruent with that provided by Sutherland (2007) who described the chaotic situation that he encountered when he began working at Charlton Athletic in 1988. He explained that on the day of his first home match

he was 'thrown in at the deep end' and needed the impromptu help of a couple of loyal fans to perform his duties.

Thirdly, Dent explained the rudimentary approach that he adopted when determining the crowd capacity for a home FA Cup tie in 1964. He described how he contacted the local police inspector and negotiated an increase in capacity of 2,000 fans to 25,000. He based his request on the observation that Carlisle's highest previous attendance had been 23,000 two years ago but since then the club had provided additional railway sleepers for supporters to sit on. The inspector agreed with the request without undertaking a ground inspection and based his decision solely on the information provided by Dent.

Prevailing attitudes towards wider match day safety were also mentioned. Reade (2005) described the situation at Doncaster Rovers. He said 'When I was at Doncaster, nobody cared about the safety of the fans coming to watch the game, they didn't!' He went on to describe the poor state of the stadium and how he '...used to pray that the damn thing wouldn't fall down on match days!' Similarly Dent (2006) outlined his concerns. He said:

'I used to worry tremendously when there was a big match... I used to sit there watching things happening around the ground, people swaying on this and that ... I used to think 'Something's going to happen'. It was a very fraught time.'

Clearly the safety of spectators was not given a high priority. The physical conditions endured by spectators were archaic, inappropriate and dangerous – these mirrored the state of match day organisational practices and procedures.

The fourth example provided by Dent described the approach used to produce the Match Day Programme. Dent's role as Carlisle's Club Secretary encompassed this responsibility. He wrote articles and sold advertising space in the programme. Although Dent's goal was to make sure that the publication was able to 'breakeven', the activity was a commercial undertaking. He

described how he had to meet tight deadlines and chase advertisers for payment. Again the operation was chaotic and under resourced. However, despite these pressures, he argued that he enjoyed the process and, with echoes of the exploitation mentioned in Section 4.5, he said that he was '...starry-eyed' and that despite the club being short staffed, and the stresses that this created, he was excited to be involved. This further demonstrates that clubs had a tendency to exploit the goodwill of their employees and that they required their staff to provide very high levels of commitment, but offered very little support in return.

In summary, match day operations and associated activities appear to have been managed in a chaotic and unsophisticated way for much of the twentieth century. The coordination and control of operations and activities was the responsibility of the Club Secretary. Resource limitations required Secretaries to adopt a very wide range of roles, multitask and function effectively under intense pressure. Given these demands it is of little surprise that issues such as customer service and safety appear to have been compromised. Severe resource shortages and the limited skills of those who worked for clubs resulted in a reactive, rather than a planned and measured, approach to operational challenges. This is a further illustration of how closely football club business management practices mirrored those of organisations operating in other British industries. Indeed Table 2.1 highlighted that managers of the time had little regard for the needs of their customers and under resourced their operations.

4.7 Conclusion

The aim of this chapter has been to meet the first objective of this study by producing a comprehensive picture of business management practices in football clubs prior to the Rapid-commercialisation phase which began in the early 1990s.

In keeping with their mainstream counterparts clubs were dominated by personal capitalism and as a result they were autocratically controlled by a

single individual or a small close knit group. Although directors were often owners of small local businesses they were reluctant to share their knowledge, experience and resources. The day to day running of clubs was delegated to the Club Secretary. Incumbents of this post were expected to undertake a broad range of tasks with very limited resources and support.

Despite the efforts of some modernisers, for example Jimmy Hill at Coventry City, the majority of clubs were closed institutions which were reluctant to change and indifferent to the needs of their customers and employees. When taken together the business management practices of each of the functional areas of finance, marketing, HR and stadium management are found to have been underdeveloped, amateurish and rudimentary. This is not surprising given the state of business management practices in wider UK industry at this time. Indeed when viewed in the context of British industry more generally it can be seen that football club management practices bear a striking resemblance to those seen in the wider business environment (see Table 2.1).

The following four chapters focus upon the functional areas of finance, marketing, HR and stadium management respectively. They use data gathered from interviews, observations, archival material and secondary sources to evaluate business management practices within each function during the Rapid-commercialisation and Post-commercialisation phases.

Chapter 5 – Financial Management

5.1 Introduction

Section 1.4 highlighted that football clubs, despite their high profile, can largely be classified as SMEs. This sector of the economy is widely regarded as being a vital element of economic and business activity in the UK. It is credited with creating employment, stimulating innovation, acting as an engine of growth and promoting social regeneration. However, despite their importance, such enterprises are regarded as being volatile and vulnerable to failure. Reasons for this are complex and varied, but a reoccurring issue for many is the quality of their financial management (Peel and Wilson, 1996: 52; Smallbone *et al.* 2002: 196; McCartan-Quinn and Carson, 2003: 202; Casson *et al.* 2008: 253).

In Section 4.3 it was established that during the Post-professionalisation and Proto-commercialisation phases the financial management of football clubs mirrored the state of management practices throughout British industry in that it was unsophisticated, underdeveloped and amateurish. This chapter builds on these findings and explores financial management practices in clubs during the Rapid-commercialisation and Post-commercialisation phases. Section 5.2 contextualises the financial practices of football clubs by developing a picture of prevailing financial management practices in mainstream UK SMEs. Specifically, the section explores and discusses the importance of financial management practices to the survival and success of SMEs, the development of financial management practices during the lifecycle of the enterprise and the role of organisational learning. Section 5.3 moves on to consider practices in contemporary English professional football clubs. In particular, the section considers how the dominant forces of increasing revenues, costs and debts and the changing expectations of owners have influenced financial management practices.

5.2 Financial Management in UK SMEs

Received wisdom is that financial management practices in SMEs are chronically underdeveloped. For example, McCarton-Quinn and Carson (2003: 203) found that financial procedures and control systems were 'irregular, informal and often incomprehensible'. Michaelas, *et al.* (1999: 116) found that in most instances financial practices in UK SMEs fell short of best practice. Similarly, McMahon (2001: 154) identified that SMEs did not tend to utilise historical data, for example balance sheets, or future oriented financial statements, such as cash flow forecasts, when making decisions. Likewise, McMahon and Holmes (1991: 23) and Dyer and Ross (2007: 130) observed that SMEs failed to use the financial planning and control techniques of their larger counterparts in a systematic manner, and where financial management systems were used they were poorly designed and managed. The implication here is that SMEs prefer informal, tacit procedures rather than more formalised methods and for many management of financial resources amounts to little more than passive record keeping. Management of financial resources is instrumental and pragmatic rather than strategic and reflective. (Deakins *et al.* 2001: 357; McMahon, 2001: 157; Dyer and Ross, 2007: 132).

Poor financial management practices are a serious threat to the survival and success of SMEs. This was emphasised by Berryman (1983: 52) who investigated small business bankruptcy and found that management inefficiency, particularly in accounting and finance, was a commonly cited reason for failure. Peel and Wilson (1996: 53) suggested that business failure amongst SMEs could be significantly reduced if financial management practices were improved. Similarly, McMahon and Holmes (1991: 26) argued that sound financial management is crucial for the survival and well being of SMEs of all types and they observed that studies of the reasons for business failure inevitably showed poor or careless financial management to be the most important cause.

Despite the weight of evidence that supports the notion that SMEs have inadequate financial management practices a number of scholars argue that it

is important to emphasise that such failings are often temporary because SMEs tend to evolve and develop their financial management practices as they grow (see Dodge and Robbins, 1992; Lester *et al.* 2003; Rutherford *et al.* 2006; DeAngelo *et al.* 2006). From this perspective financial management practices are seen to progress through a recognisable lifecycle. During the earliest phase financial management is basic and rudimentary. This is because at this stage SMEs are struggling to become established and consequently the emphasis is on survival. The focus is on the short, rather than the medium to long, term (Deitz *et al.* 2006: 445; Nadin and Cassell, 2007: 42; Thakkar *et al.* 2008: 99). The problem of short termism is compounded by the capital structure adopted by many SMEs. They generally find it difficult to raise medium to long term funding and consequently have to rely upon working capital for growth and survival (Peel and Wilson, 1996: 54; Berger and Urdell, 2006: 2946). This results in what Deakins *et al.* (2001: 360) describe as a 'fire fighting' approach to financial management. This 'hand to mouth' existence is not conducive to the adoption of sophisticated, forward looking financial management practices. As McMahon (2001: 162) commented

'...pragmatic, owner-managers are likely to expect a demonstrable pay-off in terms of higher growth rates and improved financial performance before they will fully adopt the many financial reporting practices recommended to them.'

The problem is compounded further because during their infancy SMEs tend to experience severe resource poverty. Indeed, a number of scholars have emphasised that organisations of this type often lack the time, money and expertise to engage in meaningful and effective management of their finances. For instance, Marriot *et al.* (2008: 3) considered levels of financial acumen within SMEs and emphasised the poor standard of 'financial literacy' amongst managers. Similarly, Brown *et al.* (2006: 188) investigated small business entrepreneurs and commented that in general they '...have low levels of understanding of what their financial needs are, what products, services and techniques are available to satisfy those needs, and are not

aware of where and how to find out what they need to know.' Severe resource limitations also mean that SME managers are expected to undertake a wide variety of roles, adopt a flexible approach and be able to manage across a range of functional areas (for example finance, marketing, human resources and operations) (Deakins *et al.* 2002: 10; McLarty and Dousios, 2006: 183; Owens, 2007: 242).

As the organisation grows financial management practices begin to change. Practices adopted during the early stages become insufficient and the need for well designed and managed systems, controls and procedures grows. Increasing organisational complexity, in terms of sales, revenue and employee numbers, result in greater demand for more varied and frequent historical and future oriented financial data. This is used to identify progress towards predetermined goals and objectives and facilitates the monitoring of resource utilisation. In essence, with growth and maturity the organisation becomes more institutionalised, systematic and bureaucratic (McMahon, 2001: 161; McCartan-Quinn and Carson, 2003: 208; DeAngelo *et al.* 2006: 230).

According to Chaston *et al.* (1999: 202), Stokes and Blackburn (2002: 18) and Ngah and Jusoff (2009: 217) movement from rudimentary financial management practices to the adoption of more sophisticated techniques is facilitated by organisational learning. SMEs engage in organisational learning in two ways. Firstly, they draw upon their network of external advisers. Key stakeholders such as accountants and banks provide specialised financial guidance and advice (Berry *et al.* 2006: 34; Dyer and Ross, 2007: 130; Marriot *et al.* 2008: 3). Secondly they engage in experiential learning. Practices evolve in response to internal and external critical events. From these difficult situations organisations modify and adapt their systems and procedures (Deakins *et al.* 2001: 366; Stokes and Blackburn, 2002: 19). Here learning is not regarded as being extensively structured and planned, rather it is seen as an incremental and organic process that is the result of a series of responses to opportunities, issues and problems. This view is congruent with the contingency model of organisational development which advocates that

the most expedient approach is dependent upon the specific circumstances encountered by the organisation (Langfield-Smith; 2006: 248).

In summary, this section has identified that financial management practices within contemporary British SMEs have attracted a great deal of criticism. In particular, practices have been found to be poorly developed, unplanned, informal, focused on the short term, under-resourced and undertaken by managers with low levels of financial understanding. Given the management characteristics and themes identified in Table 2.1 these features are of little surprise. Indeed the criticisms of contemporary SME financial management practices identified in this section are in keeping with those levelled at generic management practices across Britain's business environment during the twentieth century. However, despite this it is important to note that the situation is not static. Organisational growth and learning have the potential to act as catalysts for improvement. In the next section the financial management practices of clubs operating in the English professional football industry are considered.

5.3 Contemporary Financial Management Practices in English Football Clubs

The observation that financial management practices tend to evolve as an SME matures and grows is interesting because it highlights a key difference between football clubs and their mainstream counterparts. Namely, although all clubs were long established mature organisations by the start of the Rapid-commercialisation phase, they had financial management practices that were synonymous with infant SMEs. This further demonstrates the intransigence of clubs and the extent to which they were reluctant to change. Indeed, even as the Rapid-commercialisation phase was well under way the state of financial management practices across the industry continued to be an area of concern. For instance, in 1998 the Football Task Force concluded that:

'Although the Task Force was split on the terms of its recommendations, it achieved consensus on the need for improvements to the commercial practices of football and for greater openness and transparency in the sport's financial affairs.'

(Smith, 1998: 1)

Also in the same year Sir John Smith, former Metropolitan Police Commissioner, published a report titled *Football: Its Value, Finances & Reputation* on behalf of the FA. He found that appropriate financial systems and procedures were lacking and that the industry faced persistent rumours of corruption and financial misconduct (Smith and Le Jeune, 1998: 1).

A number of interviewees also commented on the poor state of financial management practices during this time. For example, Andrew Blakemore³⁰ (2007) recounted that when he joined Crewe Alexandra in 1993 '...there wasn't any detailed financial reporting and internal accounts weren't great.' In essence bank statements were the primary source of financial information. He goes on to describe how the Club Shop did not have any accounts and consequently there was no record of the profit it was making. The prevailing attitude within the club was 'If it had money in the bank it was doing OK'.

Likewise, Dominic Field³¹ (2007) described the state of financial management at Sheffield United in 1991. He made the point that although the club was in the First Division at that time, it had only one bookkeeper. She produced manual records and prepared 'basic handwritten accounts for the Board of Directors'. Field also went on to describe how as the club's commercial operations became more complex, in the late 1980s and early 1990s, the Club Secretary and the bookkeeper were unable to cope. Preparing the accounts was becoming more specialised and '...the job was getting beyond

³⁰ Andrew Blakemore joined Crewe Alexandra in 1993. He was recruited straight from college after successfully completing a HND in Business, Finance and Computer Studies.

³¹ Dominic Field is a Chartered Accountant. He joined Sheffield United FC in 1991. Prior to joining the club he worked for a Sheffield based accountancy firm which was responsible for auditing the clubs books.

the Club Secretary at the time'. As an auditor, employed by the local firm who worked with the club, Field was invited to become an employee. On his arrival he found that systems were inadequate and worryingly lax. For example, he described how a Football League audit found that the club had over £150,000 due from a number of debtors, but the Club Secretary appeared to have no knowledge of this.

A similar account was provided by Shaun O'Hara³² (2008) who joined Norwich City in 2000 as the club's Financial Controller. He summarised the club's attitude to financial management during the 1990s when he commented 'Surprisingly, the outgoing accountant thought that the post of Financial Controller was a part-time role. But I learned fairly early on that it clearly wasn't!' This comment further illustrates the low level of importance attributed to financial management matters by clubs at this time. O'Hara went on to describe how he inherited a chaotic situation. The club was due to be audited and its management accounts had not been updated for four months. There was very little urgency and the prevailing attitude was one of complacency. He commented that 'Things were very lax - I had to spend literally three or four months getting everything bang up to date, it was a complete baptism of fire!'

Despite the poor starting point afforded to financial managers during the 1990s interviewees indicated that in some areas financial management practices have progressed significantly. Prescott (2006), of the FA Financial Advisory Unit, commented 'Don't rely only on perceptions because the game has moved on significantly. The level of sophistication has increased.' Blakemore (2007) neatly summarised the change in approach when he commented 'We went from bank statements to full financial reports'. Here he is emphasising that at Crewe Alexandra finances were traditionally controlled using data gleaned from bank statements. However, as the Rapid-commercialisation phase progressed more sophisticated management

³² Shaun O'Hara joined Norwich City FC in 2000 as Financial Controller. A Chartered Accountant he previously worked as Finance Director at Kingswood Ltd. a provider of residential holidays for children. At the end of 2007/08 season he left Norwich City to take up the post of Financial Director at MK Dons Football Club.

accounting techniques were introduced. Indeed Blakemore went on to describe the systems and procedures that the club now operates. He produces monthly trial balances and summary accounts showing variances for each of the club's 'cost centres' using a Sage software package that is linked to an Excel spreadsheet. This relatively simple system enables the club to forecast and monitor the performance of each 'business centre'. Blakemore produces summary data which is presented by the Director of Finance to the Board on a monthly basis. It is interesting to note that although this financial management procedure may appear to be fairly basic Crewe Alexandra has been commended by the FA Financial Advisory Unit for the quality of its financial management and Blakemore has been told that the club has systems and procedures that compare favourably with their larger counterparts within the English football industry (Prescott, 2006; Blakemore, 2007).

A further example of improving financial management practices was provided by O'Hara (2008) of Norwich City. He operates a similar system to that described by Blakemore. Managers of each of the club's cost centres produce a monthly variance report that provides data on current performance. O'Hara analyses each of these and produces a summary report for the Board. He said '...so there's a nice, documented system that's in place there, and I know that when I go to the board at least I've got all the information.' Also, he went on to describe how he utilises a financial management software package, BRiXX, to aid directors and managers in their decision making. In addition, he related that the club has purchased a corporation tax accounting software package that has reduced professional accounting costs by £12,000 per year (O'Hara, 2008).

An interesting insight into the financial management practices of a publicly listed club was provided by Field (2007) of Sheffield United. He outlined his duties as Head of Finance and explained that he was responsible for consolidating group accounts on a monthly basis, preparing summary information for the Board, collating figures for the half and full year Stock Exchange reports and preparing for the auditors' annual visit. In explaining

how his role would be different if the club de-listed Field felt that the only difference would be that he would not have to work on the Stock Exchange reports; other than this he felt that his duties would be very much the same as they are now.

In summary, evidence shows that although football clubs were mature well established organisations they persisted with rudimentary and unsophisticated financial management practices during the 1990s; however as the Rapid-commercialisation phase progressed practices began to change and clubs started to utilise more sophisticated financial management techniques. The remainder of this chapter explores how the key factors of increasing revenues, costs and debts and changes to ownership prompted these changes to occur.

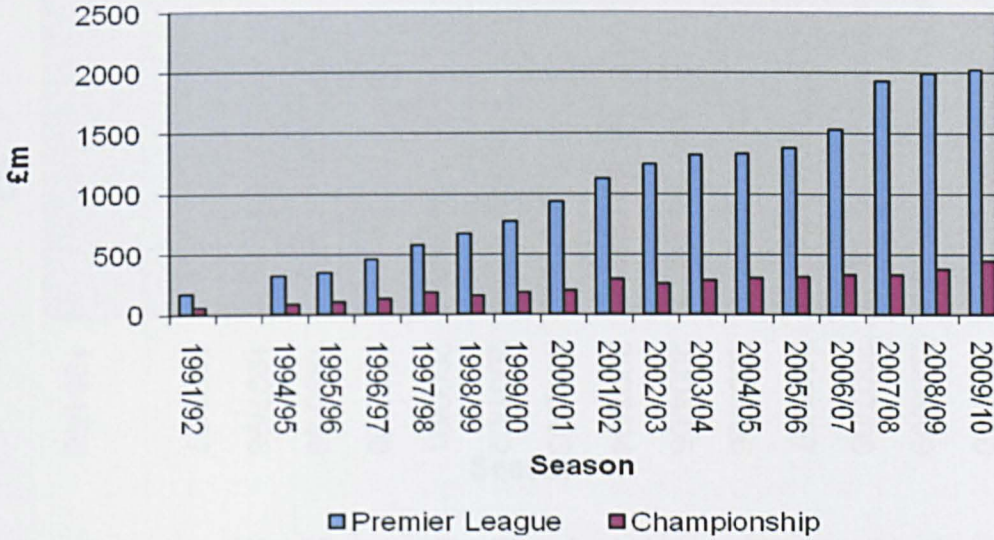
5.3.1 Revenues

At all levels, football club revenues have grown substantially and income streams have become more diverse. These points are illustrated in Figures 5.1 and 5.2.

Figure 5.1 shows the Aggregate Revenue for Premier League and Championship Clubs - 1991/92, 1994/95 to 2007/08 actual and 2008/09 to 2009/10 projected.

Figure 5.1

Aggregate Revenue for Premier League and Championship Clubs - 1991/92, 1994/95 to 2005/06 actual and 2008/09 to 2009/10 projected



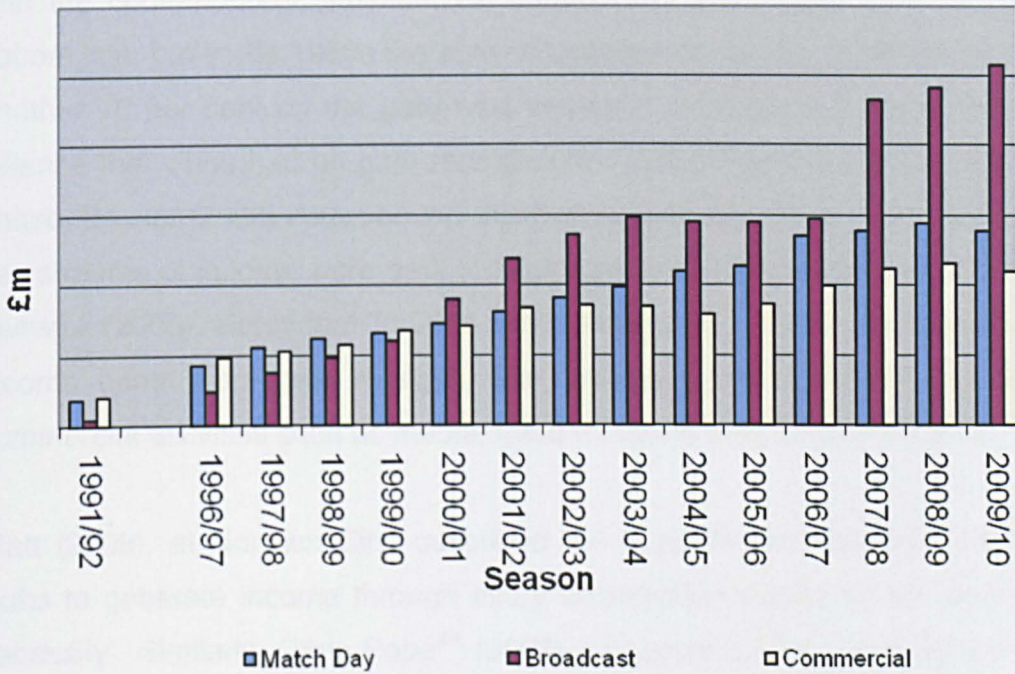
(Source: Adapted from Deloitte, 2007:24 and 2009:25)

The graph shows that Premier League revenue has grown steadily over the period and that Championship revenue, although not accelerating rapidly, has remained steady.

Figure 5.2 shows the Premier League clubs' revenue streams by category 1991/92 and 1998/99 to 2007/08 actual and 2008/09 to 2009/10 projected.

Figure 5.2

Premier League clubs' revenue streams by category 1991/92 and 1996/97 to 2007/08 actual and 2008/09 to 2009/10 projected



(Source: Adapted from Deloitte, 2007: 25 and 2009: 26)

The graph shows that since the 2001/02 season broadcasting income has made the largest contribution to Premier League club revenues, with match day revenue and commercial revenue accounting for the remainder. This contrasts with the situation immediately prior to the inception of the Premier League. Here the revenue of elite clubs was overwhelmingly dominated by match day and commercial activities with broadcasting making the least contribution.

A number of interviewees commented on revenue related issues. For instance, Boyle (2005) noted the change in emphasis towards revenue generation and commented that clubs are very much focused on 'getting more money in'. Field (2007) observed that 'everything is geared towards

generating income' and Graham Mackrell³³ (2008) suggested that a key concern for many clubs is 'How can we add another profit centre?' Dent (2006) contrasted his experiences during the Post-professionalisation phase with the contemporary situation. He commented that 'Today it is all about bottom line, but in the 1950s the abiding question for us was 'How can we get another 10 per cent on the gate next season?'. This quote emphasises the reliance that clubs had on gate receipts prior to the Rapid-commercialisation phase. Basset (2008) corroborated this and suggested that for most clubs the key streams of income were gate receipts and programme sales. In contrast, Beswick (2005) related that 'In 2004 at Middlesbrough only 18 per cent of total income came from gate receipts, the remainder was derived from other commercial activities such as media, merchandising and conferencing etc.'

Platt (2008), at Norwich City, described the need for contemporary football clubs to generate income through every conceivable source as an 'absolute necessity'. Similarly, Chris Pope³⁴ (2007), of Leyton Orient, emphasised the importance of diverse revenue streams in reducing the club's annual losses. John Bowler³⁵ (2007a) drew an interesting analogy when he suggested that contemporary football clubs are best described as being like an octopus in terms of their revenue generation activities (i.e. multifaceted and broad ranging), whereas pre 1990 clubs were more akin to an amoeba (i.e. simple and rudimentary). He substantiated this by explaining that in 1988 Crewe Alexandra had a gross income from commercial activities of £48,000. However, today commercial activity contributes nearly £1 million per year and encompasses activities as diverse as setting up a local amateur football league to hiring out accommodation at the club's training ground.

³³ Graham Mackrell is Head of Football Administration at the League Managers Association. He is a Fellow of the Chartered Association of Certified Accountants. He began his career in football in 1974 as Club Secretary at AFC Bournemouth and he has also held posts at Luton Town, Sheffield Wednesday and West Ham United.

³⁴ Chris Pope is Commercial Director at Leyton Orient FC. In 2003 he graduated from Sheffield Hallam University with a degree in Sports Management and secured a post as a Marketing Manager at Wolverhampton Wanderers. He has held his current post since June 2006.

³⁵ John Bowler is Chairman of Crewe Alexandra FC. He joined the club in 1987 after his retirement from the post of Regional Director of the Wellcome Foundation.

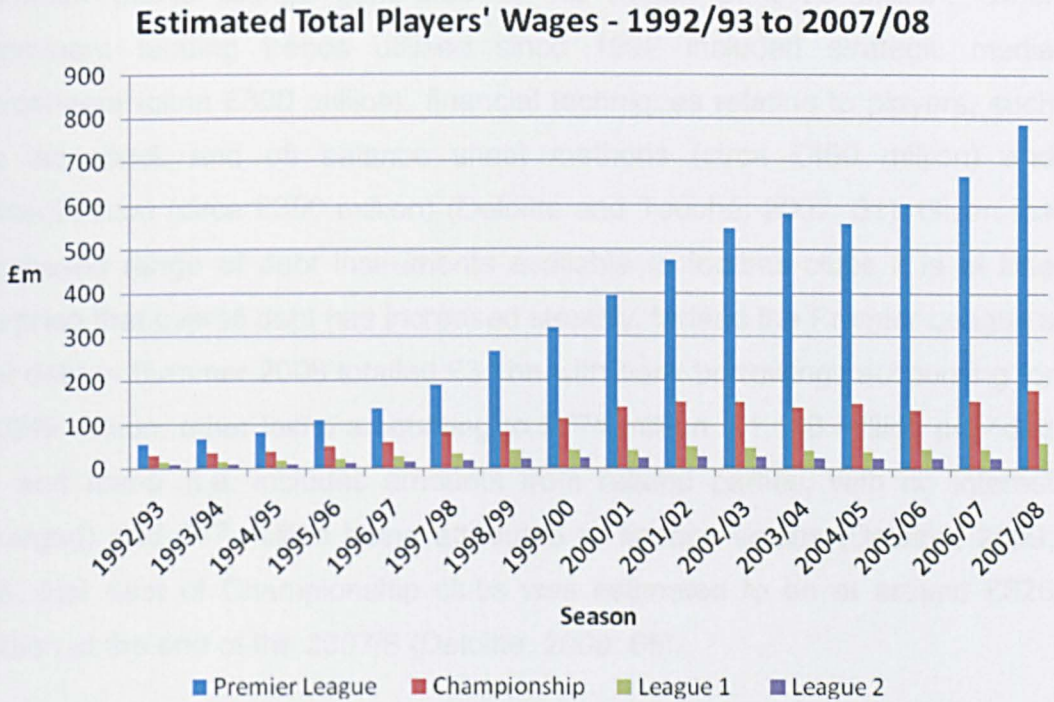
A further revenue related problem is that football remains a 'cash business'. Prescott (2006) explained that '...football club income basically consists of many small transactions and a few very large ones.' In addition he commented that 'Even if look at typical Premier League clubs, when you take out the SKY money and any European competition revenue, what you are left with is a large number of relatively low value cash transactions.' These high volume cash sales, which include tickets, merchandising and catering, necessitate effective and efficient financial monitoring and control systems. The importance of cash flow to clubs was also emphasised by Blakemore (2007) at Crewe Alexandra. He commented that the Chairman regularly asked 'How much cash have we got?' Likewise Les Wheatley³⁶ (2008) commented that cash was vital for the 'smooth running' of the club.

5.3.2 Costs

In terms of costs the investment required to establish and maintain a squad of players has accelerated rapidly. Basset (2008) emphasised this and contrasted the contemporary situation with his experience at Wimbledon in the 1980s, he said 'My entire wage budget for the playing side, that was me, the coach, the kit man and the squad of players, was £300,000 per year!' Mackrell (2008) also noted the escalating cost of maintaining a playing squad and related how young unknown players at Tottenham Hotspur were earning £200,000 per year and '...were nowhere near playing for the first team.' The extent of wage inflation is shown in Figure 5.3.

³⁶ Les Wheatley is a Chartered Accountant. He was Finance Director at Newcastle United Football Club from 1997 to 2000 and Director of Finance at Liverpool Football Club from 2000 to 2009. Prior to embarking on his career in the football industry he gained extensive commercial experience with Ernst & Young, GM Buses and Printing.com. He is currently a self employed consultant working with a broad range of business enterprises.

Figure 5.3



(Source: Adapted from Deloitte, 2009:43)

The graph shows that wage inflation has been consistent characteristic of all divisions since the early 1990s. In order to cope with this clubs at all levels have adopted systems and procedures to monitor and control their costs. A point emphasised by Beswick (2005), who commented 'In the main, football clubs are not profitable enterprises their finances have to be managed 'very tightly''.

5.3.3 Debt

A further factor that has complicated the financial management of clubs, particularly at the highest level, is the nature of club financing. Traditionally clubs were financed on a short term basis using equity investment and bank overdrafts. However, during the 1990s heavier financial demands were placed upon clubs, in terms of players' wages and transfer fees, and also other more sophisticated sources of funding became available. The early to mid 1990s saw some clubs become listed PLCs. Indeed, according to Szymanski and Kuypers (2000: 121), by 1997 fifteen English clubs were listed on either the

Stock Exchange or Alternative Investment Market. Deloitte (2009: 58) estimate public listings generated in the region of £175 million. Other prominent funding trends utilised since 1992 included strategic media investment (circa £300 million), financial techniques relating to players, such as leaseback and off balance sheet methods (circa £150 million) and securitisation (circa £350 million) (Deloitte and Touché, 2007: 61). Given the increased range of debt instruments available to football clubs it is of little surprise that overall debt has increased steadily. Indeed the Premier League's net debt in Summer 2008 totalled £3.1bn with bank borrowings accounting for £1099 million, other loans amounting to £774 million, £1,186 million provided in 'soft loans' (i.e. includes amounts from related parties, with no interest charged) and £47 million being attributed to finance leases (Deloitte, 2009: 59). Net debt of Championship clubs was estimated to be at around £326 million at the end of the 2007/8 (Deloitte, 2009: 65).

As debt levels have increased, and the range of financial instruments available to clubs has broadened, the relationship between clubs and their financiers has changed radically. For example, Friar (2005) explained that Arsenal FC had borrowed £357m for the Emirates Project and as a result '...we now employ Rothschilds to act as financial advisers and we're now talking about swaps, we're now talking about hedging, all sorts of things!' O'Hara (2008) described how he has an excellent relationship with Norwich City Football Club's bankers. He works closely with the bank and described an open, honest and transparent working relationship. Indeed, he commented

'For me, the most important friend to the football club is the bank manager. If the bank manager's happy then I know my life's a lot easier and it's therefore very important to me – I have a very good relationship with the bank manager. It's very important that he's kept up to speed with what's happening. One thing bank managers don't like is surprises. Even if it's bad news, we have to give it to them early. We need to be up front about it because that immediately builds respect.'

He went on to further highlight the value and importance of cultivating a close relationship with the bank manager. He said

'Sometimes, however well you manage your cash flow, there can be times when you might 'sail very close to the wind' on your overdraft. It might be that your main sponsor hasn't paid on the right week of the month that you were expecting. It's important to be able to get in a position where you can pick up the phone to the bank manager and say this is coming but it's not going to be for another four or five days - he'll increase the limit for you, knowing that it's going to happen, and they trust you.'

Likewise Wheatley (2008), Financial Director of Liverpool Football Club, highlighted the importance of having a close relationship with officials at the club's bank. He suggested that regular contact, clear communication and trust facilitate a strong relationship. The importance of effective and comprehensive financial management in the relationship between clubs and their bankers was also highlighted by Field (2007). He explained that Sheffield United's bankers, Bank of Scotland, require comprehensive financial data as the transfer window approaches. Specifically he said that '...if you want to spend £10 million in the transfer market you've got to have your figures ready for the bank to go through with a fine tooth comb'. He went on to describe the relationship between the club's owner, Kevin McCabe, and the bank. He said that

'The club uses the same bank that he uses for his property company, Scarborough Properties, and he's on one of the bank's subsidiary boards. So they are used to the way that he works and they've got confidence in his operation.'

5.3.4 The changing expectations of owners

Another influential factor on the development of financial management practices in the industry was the increased involvement of owners with radical ideas about how football clubs should be managed. As documented by King (2002) a 'new breed' of football club director, who was attracted by new commercial opportunities within the game, emerged during the 1990s. Rogan Taylor³⁷ (2005) suggested that as a consequence key roles, such as Chief Executive and Financial Controller, were introduced and this resulted in a 'professionalisation' of football club administration. Dent (2006) and Kelly (2005) noted that paid Chief Executives and Directors began to emerge and this signalled a fundamental change in how clubs were run. Williamson (2005) supported this claim and commented

'...suddenly directors were able to be remunerated and that was a significant development. It attracted different people. Owners could suddenly invest and then draw out a salary based on some sort of assumed employment.'

Williamson went on to observe that nationally and internationally successful business people with 'inflated egos' and an 'aversion to being told what to do' became involved. Boyle (2005) corroborated this and cited the examples of Alan Sugar, Tottenham Hotspur, and Simon Jordan, Crystal Palace. Of the latter he said 'Jordan challenged the status quo and said 'Actually, this is not the way it is going to be. I have invested my money and I will decide how it is spent!' Increasingly, boards became populated by 'capable' business people who had challenging expectations of how their clubs should be managed. O'Hara (2008) observed the tension between the modernisers and the traditionalists and said 'As more successful business people came in to clubs they began saying 'You can't run a business like this!'. He went on to comment that:

³⁷ Dr. Rogan Taylor is a Senior Lecturer and Director of the Football Industry Group at the University of Liverpool.

'All of a sudden we were seeing that at the Board level there was a clear understanding of the need to have appropriately qualified and professional people in these positions. In the industry you saw successful people coming in as non-execs and realising that you just couldn't run a business like that anymore. Some of the directors that have been and gone on this board have been hugely successful business people in their own right - to run the club the way it used to be run would not have been acceptable to them.'

Reade (2005) reinforced this view and commented that 'The whole professionalisation of Board input has changed dramatically from the early days.' Beswick (2005) made similar observations. Commenting on a past Chairman of Manchester United he said 'Martin Edwards was the best Chairman I've come across, he was educated, he had a degree and he recognised a growing need for business professionals on the Board.'

These are interesting insights because they support the observation made in Section 4.2.1 Here it was highlighted that a key determinant of management practices during the Post-professionalisation and Proto-commercialisation phases was the influence of football club owners and directors. The comments of Boyle, O'Hara, Reade and Beswick corroborate this and suggest that despite significant changes to other aspects of the industry the influence of owners and directors remains a consistent factor in the development of business management practices of football clubs.

The introduction and utilisation of well qualified and capable staff extended beyond the Boardrooms of most clubs. Prescott (2006) emphasised this when he commented that 'The biggest change has been the quality of people who have been attracted into the industry.' Clubs tend to have specialised financial staff who have clearly defined roles and tasks. For example, Friar (2005) at Arsenal explained that the club now has a Finance Department which comprises fourteen staff, three of whom are qualified Chartered Accountants. The department's sole responsibility is to manage the finances of the club and its associated operations.

A number of interviewees explained that expectations about the quality, accuracy and availability of financial data increased. For instance, Field (2007) of Sheffield United outlined that financial management systems were in place to provide directors with detailed data on each revenue stream. Likewise, Blakemore (2007) of Crewe Alexandra described that one of his main tasks was ‘...extracting data and manipulating it into the format that the directors requested’. The operating procedures and the systems that he instigated were in place to meet the decision making requirements of the Board. O’Hara (2008) corroborated this and emphasised that ‘...the last thing you need is to have a Board meeting and then have directors querying things and you don’t know. You need to be able to give answers.’

Clearly, the aims and objectives of the Board have a direct influence on the type and quality of financial management systems adopted within a club. According to Field ‘...in clubs where directors were less concerned the [financial] staff could get away with producing less’. O’Hara (2008) explained that

‘I don’t give the board the detailed management accounts because I know they wouldn’t read them all. They get a summary pack with the cash flow and I send exactly the same information to our funders, so they are all completely aware of everything that’s happening.’

Similarly, Bowler (2007a) at Crewe Alexandra argues that because the club’s key aim is ‘...to be financially stable at all times and [to] seek to play football at the level that is commensurate with being financially strong’, financial management practices need to deliver timely and accurate information to aid the decision making processes of the Board. Blakemore provided an interesting illustration of how financial data was used effectively at the club. He related how the club’s match day refreshment kiosks and bars were outsourced for a fee of £20,000 per season and then the club decided to ‘bring this operation back in house’. Using the procedures described earlier he

estimated that the club now receives in excess of £200,000 net profit per season from these facilities.

The aims and objectives of directors also impact on financial management practices in other ways. For instance, Field (2007) explained that Sheffield United was part of a portfolio of companies owned by McCabe. He described a symbiotic relationship in which expertise and knowledge gleaned in one organisation is shared with others in the group. This extends beyond the sharing of financial expertise and contacts. For example, Field explained that McCabe's property company was instrumental in the redevelopment of Bramall Lane and that the owner had recently bought a football club in China and renamed it Cheng Du Five Blades. Field (2007) speculated that '...Kevin's trying to turn that club into a money making venture, and it will give him a foothold in Cheng Du to do property deals'.

The trend of incorporating a football club within a group or portfolio of companies was also mentioned by Pope (2007). He outlined how he was seconded to work in Barry Hearn's Matchroom group of companies. He said '...they're our parent company (Matchroom)...they look after our accounts and that whole department is based in Essex.' This indicates that Leyton Orient's finance function is centralised. This is interesting because clearly it is not felt that the club warrants individual treatment in the management of its financial resources, rather this function can be subsumed in the wider financial operations of the Matchroom Leisure Group. Where resources are scarce and their efficient utilisation is crucial this is beneficial because it prevents duplication of activities and facilitates organisational learning.

Learning of this type was also described by Webster (2005) of Liverpool. He outlined how when the Granada organisation purchased a stake in the club in 1999 the relationship went beyond a mere 'financial transaction'. Rather the collaboration resulted in valuable IT and media expertise being shared. Specifically, the club benefited from Granada's experience in overseas markets and sponsorship negotiations. Webster went on to describe how traditionally the club had shunned involvement with 'outside' organisations

and how opportunities to learn were lost because the club was a closed institution. He said 'Football is a very, very traditional industry underneath it all'. This point was also emphasised by Boyle (2005) he said 'Football's a very conservative game. It has its values and its traditions, that's one of the good things about it, but it also is very closed to outside influences.' This further demonstrates that traditionally football clubs have mirrored their counterparts in the wider business environment. As Table 2.1 shows British management during the twentieth century was characterised by closed mindedness and an unwillingness to change.

However, despite this it appears that as ownership has changed and new opportunities have arisen clubs have begun to look outside of their immediate environment for opportunities to learn and develop. Indeed the organisational learning described by Pope and Webster is congruent with that described in Section 5.2. Here it was observed that contemporary mainstream SMEs develop their financial management practices by learning from their network of associates and external contacts. Whereas traditionally clubs only collaborated with other clubs, in the Rapid-commercialisation and Post-commercialisation phases clubs have entered into fruitful relationships with non-football organisations. This development was further illustrated by a number of interviewees. For example, Field (2007) of Sheffield United described how he periodically updated his financial knowledge and skills by attending seminars delivered by Grant Thornton; O'Hara (2008) of Norwich City explained that he regularly attended the training events presented by large accountancy firms on issues such as taxation; and Blakemore (2007) of Crewe Alexandra related that

'We've got a very good relationship with our auditors and they provide a lot of help and guidance. When the Inland Revenue introduced FRS 10 which effected the treatment of players' contracts, the auditors briefed us and explained what we needed to do.'

In summary, indications are that financial management practices of football clubs have progressed. Accelerating revenues, costs and levels of debt along

with the increasing involvement of a new breed of business oriented owners and administrators has resulted in the adoption of more sophisticated financial management practices.

This finding is of interest because it is presented against a backdrop of accusations of economic madness within the football industry. Indeed, the findings of this chapter reveal an apparent paradox. On one hand indications are that during the Rapid-commercialisation and Post-commercialisation phases financial management practices have progressed; however on the other hand, evidence suggests that football clubs are financially unstable and vulnerable to insolvency. This contradiction exists because, despite the improvements noted in this chapter, two fundamental aspects of football club financial management remain unchanged.

Firstly, the direct relationship between playing success and financial performance remains. This point was highlighted by a number of interviewees (Friar, 2005; Reade, 2005; Platt, 2008; Wheatley, 2008). For example, Platt (2008) of Norwich City emphasised the link and explained that in order to overcome any potential problems the club's aim is to '...separate the football side from the financial planning side'. In other words the club attempts to reduce risk by ensuring that it has an element of financial security regardless of how the team performs on the pitch. This requires close monitoring of the financial performance of the club's 'business units'. Team performance is factored into the decision making process in that at the start of the season the club conservatively estimates that they will finish in a mid-table position and that they will exit cup competitions at the early stages. However, despite this level of prudence Webster (2005) suggested that,

'Regardless of the grand planning and scheming you can never get away from the fact that those lads out there have still got to go and do it – they've still got to go out and win otherwise the business side of the club will suffer.'

Clearly, revenue streams are dependent upon team performance. At best it can be argued that by expanding their commercial activities clubs have attempted to cushion the effects of a 'bad run' of results. However, ultimately if clubs fail to succeed on the pitch revenue streams will be adversely affected. This was emphasised by Beswick (2005) of Middlesbrough. He related that it was essential for the team to secure its place in the Premiership as early as possible. Poor results, and the uncertainty that they create, have a negative impact on the club's ability to manage its financial operations. In essence uncertainty delays financial planning and decision making and negatively impacts upon commercial operations, such as merchandising, banqueting and corporate packages.

Secondly, football continues to have the capacity to render otherwise pragmatic and competent business people incapable of making rationale decisions. For instance, Dent (2006) suggested that Chairmen and owners are vulnerable to the persuasive, and often misleading, arguments of coaches and managers. He commented that:

'You get persuasive managers who convince the Chairman that all that is needed is two or more players to complete the 'jigsaw'. Chairmen respond and support them, but they should be saying "That's your budget, I'm sorry there isn't anymore." I think that it is true that many people in football lose their business head.'

Similarly, Beswick (2005) highlighted how decisions made on the playing side can have a profound effect on the financial operations of a club. He cited the £11.5 million purchase by Middlesbrough of Michael Ricketts in 2004 as a key mistake and commented that 'He's now playing two leagues below us and we're still paying his wages!' Prescott (2006) corroborated Beswick's observations and summarised the situation as follows,

'You can have all of the most sophisticated financial systems in the world, but if there isn't someone who can rationally look at that information, analyse it and make the right decision it's of limited value.'

Friar (2005) endorsed this view when he commented on the decision making process at Arsenal. He said

'If I was asked to sum the business up in one word, which is virtually impossible but I'll try, it is all about judgement and we rely very heavily on the judgement of the manager. Arsene is undoubtedly, in my experience, the finest manager I've ever dealt with. He's cool, he's calm, and he's intelligent, he understands, he's got a degree in economics, so you can sit with him and you don't have to explain things, he understands them. He really thinks about the longer term, rather than the quick buck.'

5.4 Conclusion

In conclusion, this chapter has shown that despite the rapid commercialisation of the industry in the 1990s football club financial management practices were slow to change. Indeed, evidence presented here shows that during the 1990s practices continued to resemble those seen in the Post-professionalisation and Proto-commercialisation phases. Furthermore, it has been shown that despite their maturity twentieth century football clubs had financial management practices that would not have looked out of place in fledgling SMEs. This is further evidence that clubs were dominated by traditionalism and were reluctant to change. However, despite this inertia, as the Rapid-commercialisation phase progressed significant changes began to occur. Increased financial complexity and the emergence of a new breed of owners and directors catalysed the growth and development of financial management practices at all levels of the industry. More sophisticated management accounting techniques, such as forecasting and variance analysis, started to emerge and clubs began develop their financial practices by learning from those outside of the industry.

Despite these improvements it should be noted that those charged with managing the finances of football clubs continue to face some perennial

challenges. Regardless of the type and nature of financial management systems adopted the commercial success of the organisation continues to be dependent upon playing performance. Similarly, sophisticated financial management systems are rendered useless if decision makers abandon them and allow their 'hearts to rule their heads'. The next chapter moves on to consider the management of the marketing function within contemporary football clubs.

Chapter 6 - Marketing Management

6.1 Introduction

Chapter Five established that the financial management of contemporary football clubs during the Rapid-commercialisation and Post-commercialisation phases has progressed when compared to the Baseline period. This chapter focuses upon the contemporary marketing activities of English professional football clubs. Here the aim is to explore the extent to which marketing practices have progressed during the Rapid-commercialisation and Post-commercialisation phases. Section 6.2 explores the key characteristics of marketing operations within SMEs and builds a comprehensive picture of the problems faced by marketing managers operating within this type of organisation. In addition the section also introduces a model which explores the marketing orientation of SMEs. Section 6.3 utilises a combination of interview data and secondary sources to develop clearer understanding of the state of contemporary marketing practices within the football industry. Specifically, the section explores developments in the areas of sponsorship, branding, brand extension and customer relationship management (CRM). Section 6.4 builds upon this analysis by applying the SME marketing orientation model introduced in Section 6.2 to the football industry. The application of the model provides an effective framework by which to evaluate the changes that have occurred in the Rapid-commercialisation and Post-commercialisation phases.

6.2 Marketing in SMEs

Marketing effectiveness is widely acknowledged as being a key success factor for SMEs. For example, Rue and Ibrahim (1998: 26) suggested that there is a direct relationship between the level of marketing sophistication in an SME and its growth. They found that the utilisation of even the most basic of marketing techniques, such as a written marketing plan, had a positive effect upon sales turnover. Although the marketing function has the potential to deliver valuable benefits many SMEs struggle to market their products and services effectively. Huang and Brown (1999: 77), who studied 973 small

business owner/managers in South Eastern Australia, found that 40.2 per cent regarded marketing and sales as the most pressing problem that they faced. The reasons behind these problems fall broadly into two categories those associated with the size of the SME and those linked to the competencies of the SME.

In terms of size, McCarten-Quinn and Carson (2003: 202), argued that SMEs benefit from being relatively small because they are close to their customers and they are flexible enough to respond to changing customer needs. However, Gilmore *et al.* (2001: 6) suggested that these advantages are outweighed by the fact that most SMEs have a very limited customer base and have very little power and influence in the markets in which they operate. Typically, SMEs are not market leaders and their customer bases are narrow.

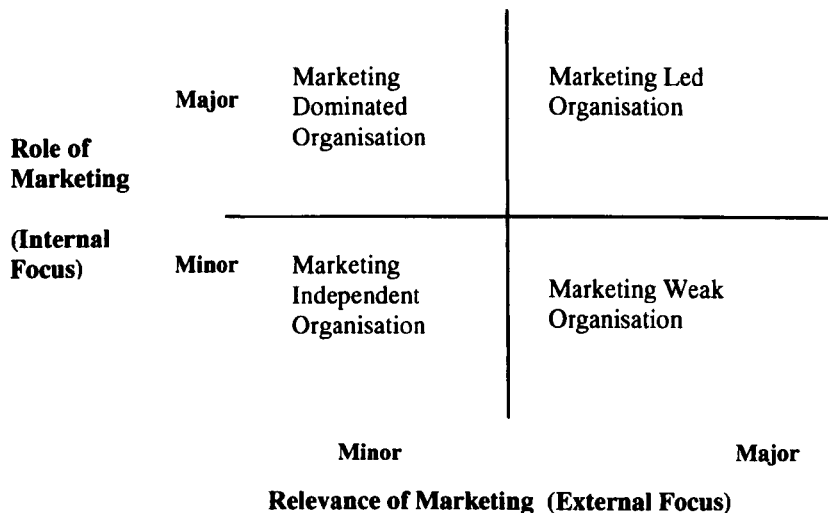
In terms of the marketing competencies of SMEs the situation appears to be similar to that of the finance function. Practices are characterised by informality, spontaneity and chaos (McCarten-Quinn and Carson; 2003: 205 Carson and Gilmore; 2000: 366). In addition SME marketing is characterised by a lack of strategic awareness and an inability to innovate. More often than not the focus is on *ad hoc* selling and personal recommendation sales, rather than building long term strategic relationships (Freel, 2000: 69).

These weaknesses are the result of severe limitations in a number of areas. For instance, SMEs tend to lack specialist marketing knowledge and expertise. Freel (2000: 82) claimed that technical competence is valued more highly than functional expertise. SME employees involved in marketing tend to have to be 'generalists' and be able to undertake a range of disparate tasks. The emphasis is on survival and 'doing' rather than the development of formal marketing strategies (Scase and Goffee, 1982: 201; Carson and Gilmore, 2000: 366). Even where a degree of marketing competence and knowledge is present severe resource limitations, particularly in the areas of time and finance, often act as barriers to the development of coherent and effective marketing strategies. For instance, Simpson and Taylor (2002: 370) found that limited resources severely curtailed the ability of SMEs to search for,

collate and manage marketing data. Furthermore, they found that such organisations lacked effective management information systems and consequently were unable to make use of data already held within the enterprise. Decision making is conducted in isolation by generalists who are heavily influenced by dominant personal and business priorities at any given time (Scase and Goffee, 1980: 363). Often the marketing issues faced by SMEs are unconventional and do not conform to textbook solutions that have been devised for large corporations. This again, causes many SMEs to engage in unstructured, spontaneous and haphazard marketing activities (Gilmore *et al.* 2001: 6).

The exact nature of marketing for any given SME will be highly dependent upon a number of variables, such as the inherent characteristics and behaviours of the leader/manager, the stage of development of the enterprise and the nature and level of competition in the SME's operational environment. The interaction of these variables is complex and as a result it is difficult to develop a clear picture of the precise characteristics of an SME's marketing activity. However, Simpson and Taylor (2002: 372) advanced an interesting framework which categorises marketing orientation by analysing the role and relevance of the function to the organisation.

Figure 6.1 The Role & Relevance of Marketing: SME Marketing Orientation



(Simpson and Taylor, 2002: 372)

The 'role' dimension of the framework is an internal measure that considers the importance, or otherwise, of the marketing function to the SME. Where marketing is valued it is predicted that time and effort would be expended on producing marketing plans and strategies, product innovation would be a priority, the formulation and on-going monitoring of advertising campaigns and other marketing tools would be in evidence and the enterprise's competitive environment would be regularly scanned. In addition, where a high value is placed upon the marketing function it would be expected that the organisation would have a recognisable marketing department with director level representation and dedicated marketing personnel and an effective marketing database.

The 'relevance' dimension of the framework is externally focused in that it considers the extent to which the SME is required to engage in effective marketing in order to be successful in its operating environment. SMEs operating in very competitive markets would be expected to regard marketing

highly and see the function as being highly relevant to future success. They would actively promote their products and services and would likely face intense rivalry and the threat of substitute products and services and potential new entrants into the marketplace. Strategically, an SME that regarded its marketing function as highly relevant would recognise its need for growth, market penetration, increased market share and product and service diversification.

The quadrants are explained as follows:

Marketing Led Organisation – here the marketing function plays a vital role in the success of the organisation and dictates its strategic direction. The organisation's environment is fiercely competitive and consequently marketing activity consumes a great deal of organisational effort. The enterprise has a strong marketing orientation and adheres tightly to established marketing principles and practices. The marketing function would be represented at board level.

Marketing Dominated Organisation – this is an unbalanced approach. The marketing function is very powerful in that it dominates the strategic direction of the company and it has a heavy concentration of resources. However, the difficulty is that the organisation's operating environment does not warrant such a preoccupation with marketing activity because the enterprise operates in a 'guaranteed market' with loyal customers or a single large customer. Concentrated effort on marketing is not justified given the state of the business environment in which the organisation operates.

Marketing Weak Organisation – here effective marketing is essential in order to maintain and grow market share. However, the enterprise expends little time and effort on marketing activities. Such an organisation is unlikely to have a marketing department and would be incapable of formulating a marketing strategy and carrying out even the most basic of marketing tasks.

Marketing Independent Organisation – such an organisation would not require a well developed marketing function because its environment would not

warrant it. Marketing activity would be mostly absent from the operations of the enterprise because it would not have any significant competitors in its marketplace. Simpson and Taylor suggest that an SME providing a unique service to a single large customer (e.g. a Local Authority) would fall into this category.

Simpson and Taylor's work provides a useful framework by which to analyse the marketing practices within SMEs. Before moving on to apply the model the following section uses secondary data and interview material to build a comprehensive picture of marketing management practices during the Rapid-commercialisation and Post-commercialisation phases.

6.3 The Practice and Peculiarities of Marketing in English Football Clubs

Section 4.4 showed that for the majority of the twentieth century the marketing activities of football clubs were conservative, under resourced and limited in scope. Typically, when new opportunities arose clubs were naïve, amateurish and unsophisticated in their response. However, by the 1980s there were some indications that commercial awareness was beginning to increase and marketing activity was beginning to change. The extent of change immediately prior to the advent of the Rapid-commercialisation phase is unclear; however one of the stories that provides an interesting insight into the situation is that of Steve Sutherland.

Sutherland joined Charlton Athletic in 1988 after a successful career as a Marketing Executive with Barclays Bank. This in itself illustrates an important point - that by the end of the 1980s clubs were recognising the need to employ experienced professionals from outside of the industry. However, on his arrival at the club Sutherland was met by a chaotic situation. He said

'I was thrown in at the deep end. I joined once the season was underway and our next game was Liverpool at home. The biggest game of the season, the only game that was sponsored that year, by British Gas - a deal done by one of the Directors. I was stuck in a Portakabin – no files, no databases and the help of one or two loyal fans.'

He went on to describe how when he tried to modernise the marketing operations of the club he encountered considerable opposition. For instance he related how he attempted to take advantage of a government scheme that provided grant funding for small businesses to produce a marketing plan. The scheme enabled participants to employ a marketing consultant to help them develop their marketing operations and the DTI would fund half of the cost. He approached the Board and said

'I'm a one-man band, somebody else will pay for an expert to come and sit with me for two weeks and leave me with a manual and the cost is £3,000' and one of the Directors said "You're here to bring money in, not to spend it!" Luckily he was out voted and I got the money, but there was a bit of resistance from some people on the Board.'

This episode indicates that some of the key decision makers at the club were sceptical of modern approaches, even when the potential benefits could vastly outweigh the costs. Sutherland also commented on the prevailing attitude amongst some in the wider football industry at that time. He said

'A Club Secretary once said to me at a function, "You commercial people are ruining football!" He'd had a few drinks but that was representative of what many believed.'

Despite considerable resistance Sutherland decided to engage in a range of high profile activities in order to raise awareness of Charlton Athletic. One of his first projects was to secure a weekly column in the local free newspaper. Here he wrote about the club and events that were taking place on and off the

pitch. He also secured a two hour slot on local radio and developed a programme called Charlton Chat. He commented 'I was engaging with people and I was getting the Charlton name across to people.' In a further awareness raising activity Sutherland enlisted the help of the club's shirt sponsor. He said

'Our big sponsor at the time was the Woolwich Building Society – their name was on the shirt – no-one had spoken to them before, other than at Chairman level. No-one had tried to leverage the sponsorship.'

Sutherland worked closely with the Woolwich's Chief Marketing Manager, Roger Han, to develop an innovative 'road show' which they took to local schools. The activity promoted the club, and its sponsor, and helped to raise awareness amongst local school children. In addition, Sutherland got the club involved in the Bexley Show, a large borough festival. He commented that

'... the club had a big marquee and we played games with kids, we used to have a shop and we were 'belting out music', and we were just having a fun time with people.'

An interesting perspective on Sutherland's efforts to promote Charlton Athletic is that he had to take sole responsibility for designing and implementing the strategy. There appears to have been very little support from inside the club and, as discussed, at times those in powerful positions within the club attempted to block progress. Furthermore, marketing activities were severely under resourced and as a consequence Sutherland had to display considerable initiative and creativity. These points were further illustrated when he described how he began to sell videos of matches. He said

'When I first started I brought in a video camera to video our matches - so that we could sell videos. I used to get them delivered in plain video cases. I couldn't afford to have a printer or a designer, so I used to cut the front cover of match programmes, and insert them into the front of the cases.'

The rich picture described by Sutherland is important because it provides an insight into commercial and marketing activities during the period immediately prior to the Rapid-commercialisation phase. These activities were severely underdeveloped and more often than not their quality and effectiveness were heavily dependent upon the skills and acumen of one individual, the Commercial Manager. Even in instances where marketing initiatives were successful they were on a relatively small scale and were amateurish in execution. Within clubs dedicated marketing resources were scarce and support from Chairman and Directors was limited.

However, despite this situation in the early 1990s marketing activity began to change. The primary catalyst was the inception of the Premier League in 1992. This had wide ranging implications for the commercial development of the English Football Industry. Daykin (2007) observed that during the 1980s football was going through a very bad period and he said 'In the business community football was regarded very poorly, not a thing that you would want to be associated with.' However, he went on to say that '...once the Premier League was formed people became more interested in football'. Thompson (2006), Friar (2007), Webster (2007), Bassett (2008), Bowler (2007a) and Platt (2008) also mentioned the changes that occurred after the formation of the Premier League. For instance, Thompson (2005) argued that the formation of the League, and the associated Sky television contract, was instrumental in changing the public's perception of the game. He said 'Sky changed the image of football...they had fireworks and dancing girls...and people watching the coverage began to say 'I want a bit of this!'" Likewise, Bassett (2008) commented that 'Sky came in and made football a major sport. It moved onto another planet!' Webster (2007) compared early television coverage with the post Premier League situation and said that 'Murdoch and Sky blew everybody else out of the water!' As football began to change it became more attractive to marketers and as a result new marketing activities began to emerge. In particular, opportunities to engage in sponsorship, branding, brand extension and CRM increased. In the following sub-sections these areas are explored in detail.

6.3.1 Sponsorship

According to Beech and Chadwick (2007:536)

'Sponsorship [is a] Cash and/or in-kind fee paid to a property in return for access to the exploitable commercial potential associated with the property; based on mutual exchange between a sports entity and an organisation.'

With the advent of increased media exposure football clubs became attractive to sponsors. According to a joint 1997 report by *Oliver and Ohlbaum Associates Ltd and Fletcher Research Ltd, Net Profits – How to make money out of football*, there is a direct correlation between media coverage and the amount paid by sponsors. They concluded that the amount of media coverage generated by a club is the overriding factor when a sponsor is deciding which club to enter into an agreement with. Friar (2007) of Arsenal Football Club, endorsed this observation and commented that '...when Sky came on the scene and the television coverage was agreed the advertisers and sponsors saw the amount of exposure and quickly came on board.'

Chadwick (2002: 261) also investigated the decision making process that clubs and sponsors undertake. He found that clubs frequently chose the best financial offer rather than looking for relationships that would bring additional non-financial benefits. He showed that in many instances sponsorship deals amounted to little more than one off, arms length transactions, rather than strategic business to business alliances. He went on to argue that clubs and their sponsors should be proactive and be prepared to make sacrifices in order to see the relationship succeed. In essence, he highlighted the need for sponsorship deals to evolve into strategic partnerships which had the potential to maximise benefits to both parties.

Progress in this area was illustrated by the experience of Sutherland (2007) at Charlton Athletic. He commented that

'When I first came into football, it was like any other business. If you were coming in to see me about a box or an advertising board – I'd lock the door and I wouldn't let you out until you'd signed up. But now it has to be the right business...if your brand image doesn't sit well with mine, then we won't do the deal.'

He went on to say

'In football we must show the game can enhance a company's brand. The power of the Charlton brand should be used to walk side by side with companies who want to put something back into the community. I have row after row with traditional marketing agencies that just look at the name on the pitch, boards round the ground, how many times you're on telly. We're looking for companies who share the same values as us – it's about what a football club can actually deliver in combating things like children's health, education, race equality, drug abuse, and we feel that's where sponsorship has got to go, as opposed to just 'Bet Fred' on your shirt, which guarantees you some money, but where does that really go?'

In early 2008 the club's primary sponsor went into administration and the club appealed for a 'new partner'. Sutherland reiterated the points he made in 2007 and commented that '....ideally the club needs a partner with the same CSR commitment as us. Some brands, such as alcoholic drinks, will be excluded as it is against Charlton's policy to separate the club and its community programme sponsorships' (Jay, 2008: 3).

Later in 2008, the club secured a new sponsorship deal with the sport retailer Allsports. Interestingly, the deal required Allsports to pay £300,000 per season, a stark contrast with the £1,500,000 per season deal with the club's previous sponsor. Sutherland explained the reality of the situation by suggesting that the difference in sponsorship revenue was due to the fact that the club was no longer in the Premier League and therefore media exposure would be less. This episode graphically illustrates the negative impact that

relegation has on the marketing activities of a club. The ability of a club to attract high profile sponsors who are willing to pay large amounts of money is severely impeded if the club does not reside in the Premier League.

Pope (2007), of Leyton Orient, provided an interesting insight into the difference between those operating inside and outside the Premier League. He described how he worked for Wolverhampton Wanderers in the year that the club achieved promotion to the Premiership and commented that

'The day after Wolves were promoted the phones were hot with businesses wanting to book hospitality packages and do other commercial deals – they all came out of the woodwork! When you are in the Premier League all you have to do is pick up the phone and someone wants to spend cash. The marketing gurus have realised that all of the value is in the Premier League.'

Likewise, the Business Operations Manager of Crewe Alexandra, Alison Bowler³⁸ (2007b) suggested that '...a lot depends on what division you are playing in. If you are in the Premiership or the Championship everybody wants to advertise in the programme and buy hospitality packages etc'.

Clearly the dominance, and commercial attractiveness, of the Premier League creates significant problems for those working in marketing in lower league clubs. Mackrell (2007) contrasted the current situation with that which existed before the Premier League was formed. He said that 'Previously money circulated freely around the game and it was redistributed'. Williamson (2005), of the Football League, developed this point and argued that when the Premiership was formed the redistribution of money between those in the top flight and those in lower divisions ceased and consequently lower league clubs faced restricted commercial opportunities. He said

³⁸ Alison Bowler has been Business Operations Manager at Crewe Alexandra since 1993. Prior to holding this post she was a Marketing Executive at the Wellcome Foundation. She is the daughter of Crewe Alexandra's Chairman, John Bowler.

'In 1992 the Football League was fractured with the formation of the Premier League. This was formed in order for the top flight to capitalise on commercial opportunities – this was at the expense of the rest of the clubs in the Football League.'

Similarly, Boyle (2006) argued that'...the Football League income redistribution requirements were the last vestiges of socialism' and once these were removed the larger clubs adopted an attitude of 'It's their look out, it is not our job to look after Mansfield Town or Northampton Town'.

The stark reality for clubs operating outside of the Premier League is that they are often desperate to secure sources of revenue and consequently they cannot afford to be over selective when entering into commercial agreements. For instance, Sutherland (2007) emphasised that those outside the Premiership may not be in a position to reject offers from unsuitable prospective partners. Bowler (2007a) of Crewe Alexandra also conceded this when he explained that he had engaged in extensive shirt sponsorship negotiations with Durex. The deal collapsed but Bowler emphasised that regardless of any potential controversy or criticism the club was not in a position to reject a serious sponsorship offer from anybody. Pope (2007) also illustrated how financially stricken clubs often have to undertake unsuitable commercial deals. He related the dilemmas he faces when he is approached by those wishing to advertise in Leyton Orient's ground. He said

'...at clubs like ourselves there's very little value at all. We stick an advertising board up and I'd be surprised if anybody responds. We had a couple of Window and Conservatory firms advertising – they haven't renewed because during their yearlong contract they didn't have a single call. It is hard when you know that there won't be much mileage in the advert they want – but if they come in and they are waving a cheque at you, you have to take it!'

The harsh commercial realities faced by clubs in the lower divisions also have an impact upon the way marketing initiatives and activities are regarded. Miles (2004: 50) investigated the marketing strategy of Plymouth Argyle Football Club and related the comments of the Vice Chairman Peter Jones, he said 'One of the issues I have found is that in the lower divisions there is always a terrible squeeze on money. Expenditure on marketing and communication strategy is charged as a cost, rather than an investment.' This indicates that because resources are relatively scarce expenditure on marketing activity is not accorded the highest of priorities. Indeed, the amount and quality of resources available to lower league clubs was illustrated by the comments of a number of interviewees. Pope (2007) explained that

'I don't get a marketing budget. Every penny is accounted for here and it goes back into the club. Its real money – I have to look at it as though it's like my own business – I have to be really tight with the money that goes out.'

Bowler (2007a) explained that because resources were limited at Crewe Alexandra the Commercial Manager was assisted by a retired Marketing Executive from Nestle. He commented that 'He is a big fan, he doesn't have a desk in the club, and he works from home on a commission basis.' To further illustrate how stretched the club is in terms of its available resources it was explained that the help given to the Commercial Manager is vital because along with being responsible for developing the club's streams of income, she also has the role of managing player contracts and liaising with the manager on a broad range of player related issues. She said '...if we are doing things on players then everything stops. So for example, if we had had a player issue this morning I would have had to cancel our meeting' (Bowler, 2007b).

Another marketing issue faced by clubs operating in the lower leagues is that poor results have a very profound impact upon commercial success. Although it is argued that fans demonstrate higher degrees of loyalty than customers in other more mainstream industries Russell (1997: 255) analysed crowd sizes stretching back to the Second World War and concluded that levels of support

are directly related to a club's position in the league. Pope (2007) widened the scope of this observation to include all aspects of commercial activity and said 'When you are at the top of the League everything sells!'. Likewise, Rob Wilson³⁹ (2007) of Crewe Alexandra, commented that

'...it's amazing how much depends on what they [the team] do on a Saturday afternoon. It has an amazing knock on effect. If you get into a sequence of three or four losses there is a reduction in attendances and interest in the club begins to wane.'

6.3.2 Branding

A further indication of increasing marketing sophistication is the establishment of the top football clubs as brands. As discussed in Section 4.3, traditionally clubs focused upon financing their on field endeavours rather than developing other activities. Taylor (2005) illustrated this when he commented on the experience of overseas football fans visiting Liverpool Football Club during the 1980s. He said '...you had Norwegian lads wandering around Anfield for years. But the club missed out you couldn't buy an Ian Rush hamburger or anything else.' Here he is emphasising that branded goods were unavailable and consequently clubs missed out on a lucrative commercial opportunity. However, Papadimitriou *et al.* (2004: 32) observed that more recently many large clubs have opted to manage themselves strategically as brands. Chris Bevan⁴⁰ (2007) of Arsenal Football Club, corroborated this commenting that the club had '...become more strategic in terms of developing the brand' and that Arsenal is now a huge global brand'. Similarly, Olsen *et al.* (2006: 14), who provided an in-depth study of Manchester United's commercial success, noted that the club is now beginning to emerge as a 'global brand'. Beswick (2007) mentioned the potential of English football club brands. He said 'Football is a global industry, and for global corporations it is a tremendous

³⁹ Rob Wilson is Press Officer at Crewe Alexandra FC. He took up the post in 1998 after graduating from the University of Bristol with a degree in English Literature.

⁴⁰ Chris Bevan is currently a Marketing Executive working at Arsenal FC. He joined the club in 2002 after graduating from University of Liverpool with an MBA (Football Industries). Prior to joining Arsenal he also work worked briefly for the sport marketing company Sport 5.

lever into communities all over the world.' For Bowler (2007a) the flurry of foreign interest in English football clubs is related to their value as global brands. Commenting on the acquisition of Liverpool Football Club by Gillett and Hicks he said '...they're developing the brand.' On a cautionary note a number of interviewees mentioned some of the potential difficulties associated with becoming a global brand. For example, Webster (2005) said 'There is a risk with going global. Fans scattered all over the world don't really spend a lot of money with you.' Taylor (2005) elaborated on this and suggested that although theoretically a global fan base is attractive, in practical terms extracting revenue from overseas fans can be problematic. He said:

'A club may be thrilled to think that it has over 50 million fans worldwide but how is it going to generate revenue from them? How much do you think you could collect from five million Chinese fans? If they could afford to pay you how would you pick the money up? A Chinese rice farmer can't send you any money, he hasn't got a Visa credit card. Even if the fan is a smart city kid he'll find it difficult to send money to the UK.'

In branding terms, clubs at the highest level of the football industry are particularly attractive because, in keeping with other sports brands, clubs have a high degree of fan/customer loyalty. Friar (2005) of Arsenal Football Club, highlighted this and commented that

'If I want to buy some shoes or a suit I can go to twenty different stores, but with a football club it is different. Fans grow up with a club. It is part of their heritage. They don't tend to switch their allegiances.'

He went on to illustrate the commercial value of this by explaining that although the club shop sells replica shirts at a higher price than other sport retailers fans were prepared to pay more in order to purchase it directly from the club. Bevan (2007), also of Arsenal Football Club, made a similar point commenting that 'In football you have a high degree of brand loyalty – you've got a customer who isn't going to change allegiances.'

6.3.3 Brand Extension

According to Keller (2003: 55) a brand extension strategy involves introducing new products and/or services under an existing brand name. Kotler (2006: 147) describes the strategy as a way of extending a successful brand to launch new or modified products or lines. In essence extension strategies provide leverage to an existing brand and enable an organisation to 'sweat' one of its most valuable assets. Also the approach allows organisations to capitalise on recognition of the parent brand among consumers and existing distributors and lowers the cost of promoting and moving the new product into the market (Tauber, 1998: 27). An important aspect of the strategy for Smith and Park (1992: 305) is that it enables consumers to experience the brand in a number of ways. Mullin *et al.* (2000: 171) build on this point and suggest that for sports marketers in particular, peripheral products and services extend the experience of the sport consumer. In essence sports brand extensions have the potential to strengthen a fan's loyalty and emotional attachment by giving him or her opportunities to connect with the team in multiple ways.

Beswick (2007) emphasised the extent to which clubs had begun to extend their brands and said that

'English football club brands are becoming increasingly attractive to global corporations who want to use the football club as a vehicle for their other products. It enables them to penetrate markets in Asia, Australia, South America, wherever they want to take their product.'

Platt (2008) indicated that brand extension was an important element of the Norwich City's marketing strategy when he mentioned that within its marketing department the club had four Brand Development Managers. Similarly, Webster (2006) described how Liverpool Football Club had recently created the post of Brand Executive.

An important concept allied to brand extension is 'perceived fit'. According to Papadimitriou *et al.* (2004: 34), perceived fit refers to the extent to which an extension appears to be a logical and appropriate offering. For example,

extensions that are closely related to the sport product (e.g. team publications) are deemed to have a close fit, whilst more peripheral offerings, such as motor cycles and snowboards, are described as having a 'low perceived fit'. Boyle (2005) challenged brand extension strategies by football marketers and questioned the appropriateness of 'fit' of many branded products and services. He went on to describe how in his view the availability of extensive branded goods and services had contributed to the emergence of a monoculture amongst many fans. He said 'Supporters turn up at the game, paint their faces, sing a song inserting City, Rovers or United as appropriate, and go home after purchasing branded goods from the Club Megastore.' Here Boyle is suggesting that commercialisation, and in particular the actions of football marketers, have inhibited the development of a 'vibrant fan culture'.

Table 6.1 Summary of Sponsorship, Branding and Brand Extension

TYPE OF CLUB	SPONSORSHIP	BRANDING/ BRAND EXTENSION	LOCAL / NATIONAL SUPPORTERS	INTERNATIONAL SUPPORTERS
PREMIER LEAGUE	<i>Very Important</i>	<i>Very Important</i>	<i>Partially Dependent</i>	<i>Increasingly Important</i>
CHAMPIONSHIP	<i>Important</i>	<i>Not so Important</i>	<i>Very Dependent</i>	<i>Important</i>
LEAGUE ONE & TWO	<i>Not so Important</i>	<i>Not so Important</i>	<i>Totally Dependent</i>	<i>Not so Important</i>

Table 6.3 summarises elements of the discussion in the previous sections and shows the extent to which clubs in the English football industry are reliant upon sponsorship, branding and brand extension activities. Clearly, as discussed in Section 6.3.1, for Premier League clubs sponsorship is a very important revenue stream. However, for those operating below this level its value and importance is significantly less because sponsors are reluctant to enter into agreements with those outside of the top flight. Similarly, clubs in the Premier League benefit from lucrative branding and brand extension activities, but again these are of very limited value and importance for those clubs in the Championship and Leagues One and Two.

The table also summarises the relationship between clubs and their local, national and international supporters. For the Premier League clubs there is less dependence on local, those living within twenty miles of the ground, and national supporters. Although commercial activities linked to these groups do provide streams of revenue (ticket revenues, programme sales, catering etc), their value is dwarfed by the revenue gleaned from other commercial activities such as sponsorship and media agreements. However, in contrast overseas supporters are becoming more important. As mentioned previously, the emergence of football club brands and the international (global) appeal of the Premier League's top clubs provide a challenging and potentially lucrative set of commercial opportunities.

Outside of the Premier League clubs are heavily reliant upon their local and national supporters, indeed local support becomes relatively more important to clubs at the lowest levels. Here match day revenues are a high proportion of overall income and consequently local supporters, and those who are prepared to travel from other parts of the UK, are a crucial income stream. From an international perspective, in the main, clubs located in the Championship and Leagues One and Two are not heavily dependent upon overseas supporters for revenue growth. As mentioned, the Premier League attracts the greatest level of interest and consequently lower league clubs are unable to attract large numbers of prospective foreign fans. However, there are exceptions with some clubs attracting inordinate levels of interest. Sheffield United, for example, is in the process of developing a supporter base in Cheng Du Province in China. The club actively promotes its history and provenance in order to appeal to prospective Chinese supporters. However, despite this proactive strategy the project has yet to yield significant commercial benefits.

6.3.4 Customer Relationship Management (CRM)

The relationship between football clubs and their fans has increased in complexity as supporters have become more heterogeneous. This was illustrated by Tapp and Clowes (2002: 1251) who investigated changes in the profile of football supporters and observed that 'From 1863 to the late 1980s

football was enjoyed largely by a skilled working and lower middle class male audience but since the early 1990s supporters have become a more diverse group'. As a consequence those involved in football marketing have increasingly been required to develop a more sophisticated understanding of supporter needs and preferences (Tapp, 2004: 214). Indeed, as was highlighted in Section 2.5.2, the segmentation of fans into different categories has proved to be a very absorbing area for marketers and non-marketers alike.

One segment which was of particular interest to Tapp and Clowes (2002: 1251) was a new type of supporter, the 'Professional Wanderer'. They observed that these supporters were transitory middle class workers who moved into an area and began to support the local team but then moved on. Such individuals maintained an interest, but they tended to be less loyal than 'traditional' supporters who had long-held, strong allegiances to their clubs. This fan segment was also mentioned by Wilson (2008) of Crewe Alexandra, he said 'We have fans who seem to stay with us for five or six years, but then they go elsewhere.' Miles (2004: 69), also investigated emerging fan segments. She considered Plymouth Argyle's fan base and identified a distinct, but small, group of high spending individuals.

In order to cope with increasing levels of complexity football clubs have begun to utilise CRM systems. According to Bose (2002: 93) CRM involves '...the acquisition, analysis and use of knowledge about customers in order to sell more goods or services and to do it more efficiently.' The central focus of this approach is the customer and its aim is to generate 'lifetime customer value'. Winer (2001: 101) suggested that 'The CRM philosophy involves retaining and growing new customers rather than merely acquiring new ones.' In the context of football, where the majority of fans are unlikely to switch their allegiance, CRM enables clubs to keep fans '...engaging regularly and fully with their club' (Perry, 2003: 63). Additionally, Esland (2003: 16) argued that effective use of CRM enables a better understanding of customers and helps to meet increased customer service expectations. In effect the approach facilitates the effective management of a club's fan base and its product and

service offerings. Pope (2007) of Leyton Orient Football Club corroborated this and commented that ‘..it’s all about building relationships – you have got to know who your key customers are who will come back year after year.’ Webster (2005) further illustrated this when he described how in the past Liverpool Football Club did not know who its supporters were, but today the club has a comprehensive fan database and is able to track fan loyalty by using a membership card. He argued that the system enables the club to develop an in-depth understanding of fan behaviour and provides opportunities to

‘...reward fans in the way in which they want to be rewarded. So the system enables us to identify good customers who purchase merchandise and then reward them with merchandise offers and discounts. If people buy tickets we can reward them in that area.’

Sutherland (2007) of Charlton also charted the development of the club’s CRM system. He said

‘When I first joined the club we didn’t have a clue who our supporters actually were. We didn’t know whether they were a dustman or a managing director. But now we do, I know their sales record with my club, I know what they like, I know what games they don’t come to. I know where they bought a shirt before, I know whether they’ve come to a function at the Valley.’

An integral component of an effective CRM system is information technology. Olsen *et al.* (2006: 17) emphasised this and described how Manchester United utilised technology to develop a database comprising a total of 2.5 million current, lapsed and potential fans. A number of interviewees also cited information technology as a vital marketing tool. Webster (2005) described how Liverpool Football Club began to develop its information technology systems when he arrived 1996. He said

'I was disappointed when I arrived because there was no IT strategy. Each department had set up its own little network in isolation from the others. We had a number of databases and consequently when we did mail shots supporters got numerous letters, fliers etc – it didn't look very professional'.

He went on to relate how things had improved and explained that the club has a fully integrated system which facilitates more efficient and effective use of customer data.

The link between extensive fan databases and the use of the internet as a marketing tool was highlighted by Wilson (2007) of Crewe Alexandra. He suggested that club's website is a vital component element of its marketing activity and said that

'We are doing 400,000 hits per month, these people don't come to games because they may be in London or Australia but we can still sell them a shirt. So I think that's the biggest marketing tool we've had in the last nine years since I've been here.'

He went on to explain the value of using email in a direct marketing campaign. Commenting on postage costs he said, 'Where we can email out and it doesn't cost us anything, a full 'traditional' mail shot will cost us in the region of £4,000, which is a lot for us.' Similarly, Webster (2005) of Liverpool Football Club also outlined the value of utilising email in marketing communications. He said

'In the old days everything was limited by how many 25p stamps you could afford. Whereas now obviously email is just God's gift to marketing. The sort of software we use now enables you to extract from data-bases and produce emails. If match tickets aren't selling well we can email people to invite them along and attempt to do something about it.'

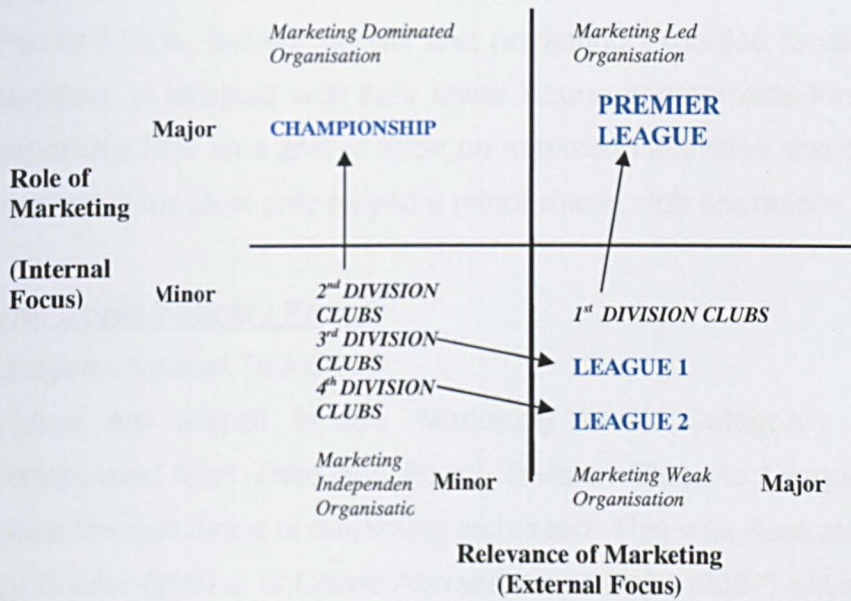
Clearly clubs have found new and innovative ways of engaging with their supporters. By utilising information technology clubs have been able to adopt and adapt mainstream marketing techniques, such as CRM and direct marketing.

In summary, this section has explored marketing practices in the Contemporary period. It has been shown that, despite some evidence of growing commercial awareness and increased marketing activity, the period immediately prior to Rapid-commercialisation phase continued to be dominated by unsophisticated and conservative marketing practices. It was not until the inception of the Premier League that opportunities to engage in sponsorship, branding, brand extension and CRM accelerated and became more widespread. The next section builds upon these findings and uses Simpsons and Taylor's model, outlined in Section 6.2, to evaluate the marketing orientation of English professional football clubs.

6.4 Marketing Orientation: Role & Relevance of Marketing in English Football Clubs

Figure 6.2 shows an adapted version of Simpson and Taylor's model which indicates the marketing orientation of English football clubs in both the Baseline and Contemporary periods. The position of clubs during the Baseline period has been included here in order to emphasise the extent to which the role and relevance of marketing to clubs has changed.

Figure 6.2 The Role & Relevance of Marketing: Football Club Marketing Orientation



KEY
 BASELINE PRE - 1992
 CONTEMPORARY POST - 1992

(Adapted from Simpson and Taylor, 2002: 372)

The Baseline Period

Here Second, Third and Fourth Division clubs are best described as being ‘Marketing Independent’ organisations. During this period these clubs did not require a well developed marketing function because the divisions they were operating in did not warrant it. The bulk of revenue came from gate receipts and, as Section 4.4 showed marketing opportunities were severely limited. On the few occasions when small scale opportunities arose they were most often rejected because ‘traditionalists’ were reluctant to engage in change and embrace new initiatives. Consequently, marketing activities had a minor role within the organisation and only a minor relevance.

In contrast, First Division clubs are located in the ‘Marketing Weak Category’. This is because in comparison to their lower division counterparts these clubs attracted greater numbers of supporters and consequently, in marketing

terms, they were relatively more attractive. As a result marketing activity potentially had greater relevance. However, Section 4.4 showed that even the largest and most successful of clubs in the First Division at this time, Liverpool Football Club, lacked the will and marketing expertise to capitalise upon its success. In keeping with their lower league counterparts First Division clubs expended little time and/or effort on marketing activities and consequently the marketing function only played a minor role in club operations.

The Contemporary Period

League One and Two Clubs

These are placed in the 'Marketing Weak Category'. As clubs were transformed from Third and Fourth Division Clubs to League One and Two clubs the relevance of marketing increased. This was illustrated in Section 6.3 by Bowler (2007a) of Crewe Alexandra and Pope (2007) of Leyton Orient who both indicated that revenues from activities such as sponsorship and advertising were essential sources of income for their clubs. However, Section 6.3 showed that the marketing activities of clubs in these divisions are severely under resourced. Resource limitations prevent clubs from expending the time and effort necessary to formulate coherent marketing strategies and undertake effective marketing activities. This was highlighted by Bowler and Pope who both described how resource scarcity impeded the marketing activities of their clubs. The unwillingness of clubs to divert resources into marketing activities indicates that marketing is accorded a relatively minor role. In summary, from an external perspective marketing has a strong relevance, but internally it has a relatively minor role; as a result clubs operating in Divisions One and Two are classified as Marketing Weak .

Championship Clubs

These are located in the 'Marketing Dominated Organisation' category. As clubs moved from the [old] 2nd Division to the Championship the role of marketing increased. Dedicated marketing staff and departments have begun to emerge and clubs have become engaged in increasingly sophisticated marketing activities. Marketing functions are allocated dedicated resources and marketing activity is afforded a high priority. These points were illustrated

in Section 6.4.3 by Platt (2008) of NCFE who explained that brand management had become an important activity for the club and as a result four Brand Development Manager posts had been created. Similarly, in Section 6.4.4 Sutherland (2007) outlined that Charlton had begun to use a CRM system and that this had enabled the club to implement more sophisticated marketing activities. Although the role of marketing has increased, its relevance for clubs operating in the Championship remains relatively minor. As Table 6.1 shows Championship clubs focus heavily upon their domestic (local and national) fan base and do not tend to invest heavily in international ventures. Even in exceptional cases where overseas marketing activity is conducted, such as SUFCs activity in Cheng Du Province in China, significant commercial benefits have yet to be realised. Because the focus is primarily on local, loyal fans concentrated effort on marketing is not justified; hence marketing relevance is termed as being relatively minor. In summary, Championship clubs have been found to Marketing Dominated Organisations. They expend considerable time and effort on marketing activities; however, in the main their operating environment is restricted to local and national markets and consequently it does not warrant such high levels of resource allocation.

Premier League Clubs

These are located in the 'Marketing Led' category. As former First Division clubs entered the Premier League the role of marketing became more important. Relatively sophisticated marketing functions, funded from increased commercial revenue, have evolved. Clubs have developed a strong marketing orientation and they have begun to adhere to established marketing principles and practices. Indeed Section 6.4 showed that Premier League clubs have become increasingly adept at developing their sponsorship, branding and CRM activities. In terms of the relevance of marketing activity, as Table 6.1 illustrates, the appeal of the Premier League has begun to transcend international boundaries, and its clubs have attracted interest on a global scale. As a result clubs now operate in a more complex business environment and the relevance of marketing activity is very high. In summary, Premier League clubs have evolved into Marketing Led organisations, with

relatively sophisticated marketing departments which consume a great deal of organisational effort. Clubs are focused upon maximising revenue from a challenging array of business opportunities.

6.5 Conclusion

This chapter has investigated the evolution of marketing practices in the English football industry during the Contemporary period. It has been shown that, when compared to the Baseline period, the marketing orientation of clubs in all divisions has changed. The most dramatic transformation has occurred in the elite division where Premier League clubs have become marketing led organisations. Here, as reliance upon local and national supporters has diminished, the importance of overseas markets, sponsorship, branding and CRM systems has increased. Moreover, although evidence shows that clubs at all levels have become more sophisticated in their marketing activities, those in the lowest two divisions continue to be constrained by resource limitations.

These findings highlight some interesting issues. Firstly, clubs at all levels have undergone significant changes. This is important to note because it shows a departure from the situation described in Section 4.4 where it was found that in the Post-professionalisation and Proto-commercialisation phases clubs were reluctant to move outside of their comfort zones and engage in new marketing initiatives. Moreover, the changes described in this chapter challenge the notion that football clubs continue to resemble their mainstream SME counterparts. Table 2.1 highlighted that throughout the twentieth century British management practices were characterised by a reluctance to change; however in the area of marketing management football clubs at all levels have shown progress.

Secondly, a further area of interest that emerges from these findings is the extent to which clubs continue to resemble their mainstream counterparts in terms of the resource challenges they face. It has been shown here that clubs in the lowest two divisions continue to face severe resource shortages and in this regard are very similar to British SMEs in general, and football clubs operating during the Baseline period in particular. However, in contrast the

marketing functions of Championship and Premier League clubs have expanded and are now relatively well resourced. This indicates that clubs operating in these divisions invested in their marketing functions and were responsive to the commercial opportunities which emerged during the Rapid-commercialisation and Post-commercialisation phases.

The next chapter continues to build the picture of contemporary business management practices in English professional football clubs by considering the management of HR.

Chapter 7 - Human Resource Management

7.1 Introduction

Human Resource Management (HRM) emerged as a management discipline in the early 1980s. It was heralded as a new approach to managing people which recognised the importance of developing and utilising human resources in the pursuit of organisational strategic objectives (Pichot *et al.* 2009: 137). This approach regarded employees as being valuable assets that could be 'leveraged' to achieve successful business performance (Wagner and Rondeau, 2006: 6). By the mid 1980s the approach had become widely accepted and had begun to replace other more traditional approaches such as 'personnel management' and 'industrial relations' (Reid *et al.* 2002: 246).

HRM recognises and emphasises the relationship between organisational strategy and human resource practices. The alignment and integration of these two elements is perceived by its advocates as having the potential to be a key source of sustainable competitive advantage and enables organisations to respond to challenges in their external operating environment (Brand and Bax, 2002: 451; Barret and Mayson, 2007: 309; Karami *et al.* 2008: 10). Many scholars have shown that there is a positive correlation between effective HRM and the achievement of important organisational outcomes. For instance, studies by Cameron and Miller (2008:3) and Compton *et al.* (2002: 17) found that enhanced work performance and a positive contribution to business success could be achieved by the adoption of effective HRM practices. Carlson *et al.* (2006: 537) found a direct relationship between the existence of HRM practices and productivity, turnover and financial performance. Likewise Huselid (1995: 668) found that the adoption of HRM practices, such as performance appraisal and reward schemes, contributed to reduced employee turnover and higher productivity.

Section 4.5 established that HRM practices during the Post-professionalisation and Proto-commercialisation phases were autocratic, informal and exploitative. This chapter investigates football club HRM

practices in the Contemporary period. It begins by exploring the key determinants of SME HRM policies and procedures: Owner/Manager Characteristics, External Market Conditions, The Nature of the Work Environment and Company Structure. Each factor is considered in turn and its relevance to clubs in the English Professional Football Industry is investigated. Sections 7.7 and 7.8 build upon this analysis and provide a comprehensive exploration of HRM practices and procedures in the key areas of recruitment and selection and training and development. The concluding section, 7.9, explores the extent to which club HRM practices and procedures have changed and investigates the similarities and differences between contemporary football clubs and mainstream SMEs.

7.2 HRM and SMEs

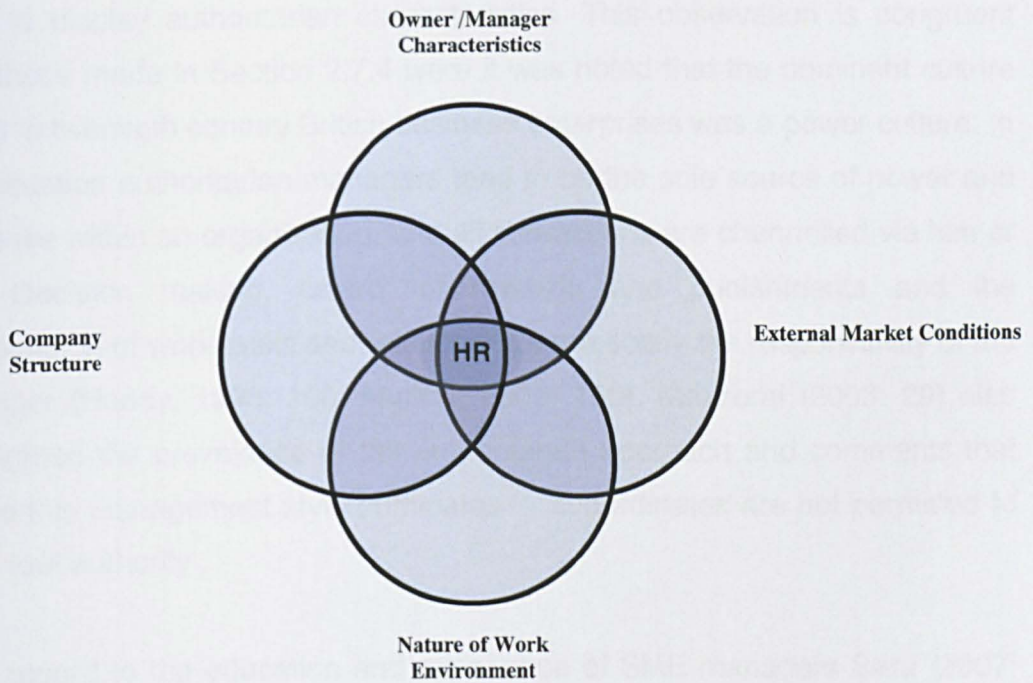
In keeping with the observations made in Section 1.3 about British management practices in general a number of researchers have noted that much of the academic literature focusing upon HRM practice and performance is concentrated on large firms, rather than SMEs (Wilkinson, 1999: 206; Carlson *et al*, 2006: 532; Havenga, 2007: 2). This has resulted in inappropriate HRM solutions being advanced to SME managers. Indeed Kotey and Slade (2005: 16), argued that advice is frequently '...based upon textbook prescriptions...more suited to large firms' and Andersen (2003: 1) concluded that those managing SMEs regard HRM as being '...unresponsive and not tailored enough to their needs.' However, despite these observations, Andersen went on to suggest that some academics have begun to recognise that SMEs are '...fruitful subjects for investigation'.

For example, one in-depth study advocated that, in terms of their HRM policies and procedures, SMEs could be located on a spectrum ranging between two stereotypical categories: 'small is beautiful' and 'bleak house' (Wilkinson, 1999: 207 and Kotey and Sheridan, 2004: 474). Firms in the former category are characterised by harmonious working relationships, good HR practices, little bureaucracy and a family style of management. In contrast, the bleak house scenario is typified by hidden conflicts between managers

and workers, hazardous working conditions, poor HRM practices and an authoritarian approach to management. Although it is acknowledged that these two polarised perspectives have some appeal and value, Kotey and Sheridan (2004: 474) observe that ‘...such simple categorisation does not adequately capture the diversity of experience within small firms.’

In terms of this study the work of Mazzarol (2003: 45) is of interest because instead of attempting to produce a typology of SMEs he focused upon identifying and evaluating the factors which influenced HRM development. His work focused upon SMEs operating in both the manufacturing and service sectors and he concluded that four key variables, owner/manager characteristics, external market conditions, the nature of the work environment and company structure, ‘...impacted upon the nature of HR policy and practice’. Although Mazzarol’s work is limited in scope, in that it was concentrated solely on Australian SMEs and focused on only four case study organisations, his study is of value because it clearly establishes the importance of each influencing factor and provides a coherent framework by which to investigate and explore the evolution of HR practices within other contexts. Figure 7.1 summarises Mazzarol’s work in the form of a Venn diagram.

Figure 7.1 Key Determinants of SME HR Policy and Practice



(Adapted from Mazzarol, 2003:45)

The figure locates HR at the intersection of each of the four variables identified by Mazzarol (2003). The diagram highlights the interdependence of each variable and shows the contribution of each area to HR policy and practice. In the following sections each factor will be considered and discussed using additional sources of information.

7.3 Owner/Manager Characteristics

This characteristic has two variables: the prevailing management style within the organisation and the levels of education and experience of managers operating within it (Mazzarol, 2003: 45).

In terms of management style Havenga (2007: 7) argued that SME managers tend to display authoritarian characteristics. This observation is congruent with those made in Section 2.7.4 where it was noted that the dominant culture found in twentieth century British business enterprises was a power culture. In this situation authoritarian managers tend to be the sole source of power and influence within an organisation, and all interactions are channelled via him or her. Decision making, control of rewards and punishments and the coordination of work tasks and relationships are solely the responsibility of the manager (Handy, 1993: 100; Mullins, 2009: 153). Mazzarol (2003: 29) also highlighted the prevalence of the authoritarian approach and comments that where this management style dominates '...subordinates are not permitted to have real authority'.

With regard to the education and experience of SME managers Saru (2007: 36) suggested that they tended to be unprofessional and ill-prepared to deal with the range of HR issues that they encounter. Likewise Harrison (2002: 228) commented that 'Many owner-managers in the UK have had little if any formalised management/HR education or training, and so are often unaware of HRM's relevance to their organisations.' These points support those made in Section 2.7.2 which highlighted that for most of the twentieth century management education was lacking. Here the indication is that in terms of HRM little progress has been during the first decade of the twenty first century. Indeed, Mazzarol (2003: 27) made similar observations and found that most SME managers do not have the necessary skills or competence to deal effectively with HRM issues and problems, and consequently they tend to find HRM burdensome and stressful. Frequently employee issues and problems are regarded as being distractions which divert attention away from

more obvious success factors such as turnover and profitability (Harrison, 2002: 228; Saru, 2007: 41).

7.3.1 Owner/Manager Characteristics of clubs in the English Professional Football Industry

Regarding management style and the level of education and experience of those responsible for HRM practices in football clubs one of the most revealing insights was provided by the Chairman and staff of Crewe Alexandra.

The Chairman, Bowler (2007a), has been in post for 25 years. Prior to joining the club he worked as a Regional Director for the pharmaceutical company, Wellcome. He explained that his commercial experience was invaluable when he became Chairman and he went on to contrast the difference between the two organisations. He commented

‘... here the [staff] numbers in the club are so small – I talk to all of them and they all come and talk to me. It’s not like in my Wellcome days when I had 3,000 people working for me. I don’t think there’s anything goes off here that I don’t hear about, that they don’t tell me about.’

Clearly, Bowler regards himself as being the principal source of power and influence within the club. His sphere of control is far reaching and extends to involvement in HRM issues. Talking specifically of his involvement in HRM he said ‘Well, I tend to do that job because of my background and so it’s pretty well formalised, with job descriptions and this, that and the other, contracts of employment etc.’

Bowler’s ‘hands-on’ approach was also mentioned by staff working at the club. For instance Wilson (2007), the Press Officer, explained that

‘The Chairman...keeps pushing us to better ourselves. We are encouraged to think outside the box a bit more. He encourages the

staff to get together – “Come on, what can we do? What ideas have you got?” It’s really good and challenging. He gives the staff responsibility, and he tries to push us... We can sit and make excuses all day long, but he says, “Well let’s try something different.”

Blakemore (2007), Finance Operations Manager, also enthused about Bowler’s management style. He said ‘He’s very good to talk to – he’s very understanding. He’s got a lot of time for the staff. He’s down to earth; he’s got a good relationship with everybody in the office. It’s a nice place to work.’ In terms of Bowler’s day to day involvement Blakemore went on to comment:

‘It’s is not beyond the Chairman put a picture up in the office! I think that he has even got involved in a little bit of stock taking. He’ll quite often come and empty our shredder! Even when the he goes on holiday he’ll make it clear to everyone that we can ring him...he’s always got the club in the back of his mind.’

These accounts show that some elements of Bowler’s management style mirror those of many SME owner/managers. For example, he is the central focus of power, control and influence within the organisation. However, it appears that he has not adopted an authoritarian approach. Rather, he has used his business knowledge and commercial experience to inform his dealings with staff. He clearly shares control and power with subordinates and as a consequence is seen to have adopted a paternalistic/consultative, rather than an authoritarian, management style (Handy, 1993: 100).

Another interesting element of Bowler’s story is the length of time that he has been in post. His tenure of a quarter of a century is a lengthy period in the life span of a football club. However, despite his ongoing and lengthy involvement the club has remained progressive in its approach. This has not been the case at other football clubs.

For example, Friar (2005) of Arsenal cited stability at Board level as being a key success factor both on and off the pitch. However, John Beattie⁴¹ (2007) Arsenal Stadium Manager, suggested that the primary barrier to the establishment of a HR department at the club had been the 'reluctance to change' of the Board of Directors. In response to a question enquiring about the existence of a HR department at the club he said, 'No, there isn't, which is one of the bugbears of the whole place. We've now got a full time staff of about 250-260, and we can't understand why there is not an HR department, but it's always been shied away from by the Board.'

Similarly Platt (2008), Club Secretary of Norwich City, mentioned how the attitude and actions of a long serving Chairman, Robert Chase, and his Board inhibited the growth and development of the business functions of the club. He said

'We had a very autocratic Chairman, who was very hands on. He spent a lot of time here and everything went through him – you had to get decisions from him on the craziest of things. It was very difficult to operate...The culture was one of fear, he did rule by fear.'

Interestingly, Platt (2008) goes on to contrast how the culture of the club altered when its ownership changed. He described how when Delia Smith and Michael Wynn Jones took control they decided that they did not want 'day to day involvement' and that they would delegate responsibility by employing people to run the club on their behalf. They employed Neil Doncaster, a commercial lawyer, later to become Chief Executive, and Andy Cullen, an experienced Marketing Executive.

⁴¹ John Beattie became Stadium Manager at Arsenal Football Club in 1987. Prior to this appointment he had worked as an Administration Officer at Channel Four. He has a BSc (Hons) in Applied Chemistry. He is currently Chairman of the Football Safety Officers' Association.

Likewise Gary Townsend⁴² (2007), HR Director of Everton Football Club, explained that when Keith Wyness, the club's Chief Executive Officer, arrived in 2004 he made it clear that the business functions of the club had to be professionalised and consequently a HR department was quickly established. Townsend commented 'The desire for change stemmed from Keith's vision. He just woke the club up and decided that we had to get the business right in order to support the playing side.'

A further perspective on the influence of organisational ownership on HR activities was provided by Avis Lundberg⁴³ (2008), the HR Manager at Liverpool Football Club. She explained that the club's change of ownership from David Moores to Tom Hicks and George Gillett, and the subsequent dispute between the two Americans, was having a negative impact upon the club in general and the HR function in particular. She commented, 'Our ownership issues are having a detrimental effect because we can't move on. We want to restructure elements of the business but we can't move forward - as a result everybody's a little bit low, a bit insecure.'

Daykin (2007), Commercial Manager at Sheffield United, also mentioned the effect that a new owner had upon the club. He explained that the club had changed dramatically when the new owner, Kevin McCabe, took control. He said '...he has had a massive impact and he introduced things I would never have dreamed of ...there's an Accounts team, there's HR and all that sort of thing.' This observation was corroborated Field (2007), Finance Manager, who commented that 'He [Kevin McCabe] has brought a lot of business expertise to bear on the current Board.'

⁴² Gary Townsend joined Everton FC in 2004. Prior to this he had worked as a manager in a Virgin Cinema and also for Manchester United as Head of Museum and Stadium Tour operations. In October 2009 he left Everton to take up the post of CEO at Notts County FC.

⁴³ Avis Lundberg joined Liverpool FC in 1997. Prior to this she gained twenty years administrative experience working in a wide variety of organisations located outside of the football industry.

Although the new owner appears to have had a positive impact in business terms other indicators suggest that the culture of the club has not changed significantly. For example, Daykin (2007) talking of HR issues observed that

'I think that employees outside of football are treated a lot better. If you work for the City Council for 25 years you'll be going away with a big golden handshake. Whereas at this club you're lucky if they even say "Cheerio" as they kick you out of the door after 25 years! It's a cruel industry....even though we've got Human Resources and all the rest of it I don't think that the caring attitude displayed in many major industries is in football.'

Field (2007) reinforced this view and suggested that the prevailing attitude to human relations within the club was still a little outdated. For instance, in response to a question about how secure he felt his job was he suggested that 'It's a bit like Victorian times, when the mill owner would just chuck people out willy-nilly.' Clearly, although the change of ownership at the club has resulted in the introduction of a tangible HR presence, Daykin and Field question the extent to which underlying attitudes towards human resources have actually changed. A similar observation was made by Mackrell (2008) who is Head of Football Administration at the League Managers Association (LMA). He suggested that even where clubs had introduced some modern practices the prevailing attitude when dealing with HR issues was still one of 'Does he know what the colour of a P45 is?'

In summary, interviewees have emphasised that a football club's owner and senior management team have a profound effect upon the development, adoption and use of HRM policies and procedures. These key figures 'set the tone' and have a key influence over whether contemporary HRM practices are utilised. This is consistent with the point made in Section 4.2 regarding the dominant role of owners and senior managers in determining management practices prior to the Rapid-commercialisation phase; and is congruent with the points made in Section 5.3.4 regarding the importance of owners and senior staff in determining financial management practices during the

Contemporary period. In small clubs, such as Crewe Alexandra, the Chairman and senior managers have a highly pragmatic and 'hands on' approach. This is in keeping with Harrison's (2002: 228) observation that SME managers will be task oriented and focused up operational issues. In clubs such as Norwich City a change of ownership resulted in a shift away from an autocratic management style and greater acceptance of the need to improve HRM policies and procedures. However, such progress has not happened everywhere in the industry; outdated attitudes and practices, which would not look out of place in the nineteenth century, are still in evidence.

7.4 External Market Conditions

Mazzoral (2003: 45) suggested that the extent to which an SME's market is growing or declining, the influence of political, economic and legislative factors, and the behaviour of competitors, suppliers and customers will impact upon the development of HRM policies and procedures. For instance, SMEs experiencing rapid growth are likely to have to recruit additional staff and consequently effective recruitment and selection methods may be required. Similarly, when new government legislation is introduced an SME may find that it has to establish new policies and procedures in order to comply. For example, in the UK adults working with children are required undergo Criminal Record Bureau checks; consequently organisations are required to have appropriate processes in place to ensure that these are completed. Such issues have to the potential to shape the direction and development of current and future HRM operations.

In keeping with points made in Section 5.2, regarding the tendency for financial management practices to develop as an organisation matures, a number of scholars have noted that with growth SMEs tend to develop more sophisticated and formalised HRM policies and procedures (Kotey and Sheridan, 2004: 484; Kotey and Slade, 2005: 36; Barret and Mayson, 2007: 309; Saru, 2007: 36). With growth, product lines expand, staff numbers increase and a hierarchy emerges. As a result formal mechanisms with the

capacity to deliver consistent and effective outcomes are required (Mazzarol, 2003: 27).

Also expanding enterprises develop more complex relationships with their stakeholders and consequently accountability and scrutiny increase. For example, managers in growing SMEs are likely to become distanced from employees and as a result formal policies and records need to be utilised for control purposes. Similarly, standardisation of systems and procedures in areas such as recruitment and selection and promotion and reward may be needed to avoid costly disputes and litigation (Kotey and Sheridan, 2004: 482). As SMEs penetrate new markets, and win new customers, it is important that they maintain, and improve, levels of service and quality. Increased expectations may necessitate more sophisticated and formalised training and development programmes in areas such as customer service and product knowledge (Wilkinson, 1999: 210).

7.4.1 The External Environment encountered by clubs in the English Professional Football Industry

This section examines the impact of three external factors on the development of HRM practices and procedures in football clubs: increasing complexity in the business environment of clubs, increasing customer service expectations of fans and changes to government legislation.

Section 1.3 established that the English football industry has undergone a period of unprecedented change over the last two decades. Contemporary professional football clubs operate in a complex environment and face a range of challenges which have a direct bearing upon their HRM policies and procedures.

For example, as the range of activities that clubs have become involved with has expanded club structures have changed. Staff numbers have not only grown, but a variety of new roles have emerged. Townsend (2008) commented that modern professional football clubs are ‘...loads of different industries in one. You’ve got marketing, you’ve got corporate sales, you’ve got

ticketing, you do tours – so you are a visitor attraction as well, you've got a charity arm. Lots of different industries under one roof.' He went on to emphasise that from a HRM perspective this is challenging because the organisation has to manage a variety of human resources with different needs. He said 'You've got maintenance guys, you've got facilities guys, you've got the pitch staff – a whole broad spectrum that you need to try and get to grips with.'

In terms of the increasing customer service expectations of fans Webster (2005) observed that 'The biggest thing in a non-footballing sense, is the gradual development of the fan as a customer and as a consequence having to implement the same sort of customer service ethos that is found in companies like Tesco's.' Similarly, Bevan (2007), of Arsenal, commented that '...improving customer service is the big challenge – to make sure that we operate as any blue chip company would.' These comments are of interest because they indicate a shift in the prevalent attitudes identified in Section 4.2.1. Here it was noted that prior to the Rapid-commercialisation phase fans were treated poorly and issues such as quality and customer service were not prioritised. However, here the indication is that progress has been made and that these issues have become more important. Indeed, evidence suggests that as result of increasing customer expectations clubs have begun to train and develop their staff in areas such as customer service. For instance, Webster (2005) outlined that at Liverpool football club a call centre operation was being introduced and staff were being trained to NVQ level in customer service.

Changes to government legislation have also influenced the growth and development of HR operations; this was mentioned by a number of interviewees. Beswick (2005), for example, commented that 'The administration of the game has been brought into line with professional management by legislation. The only change that has been taken on willingly has been legislative change – otherwise it would have been stuck in the 1930s.'

Similarly, Dent (2005) commented on the situation before the commercial explosion of the late 1980s and observed that there was no need for an HR function because 'The staff wasn't big enough really, there weren't enough of them to have any real need for Personnel Officers...of course in those days there was a lot less legislation.' Likewise, Field (2007) emphasised that '...the law is becoming more complicated. You can't afford to fall foul of the law.'

Lundberg (2008) suggested that regulatory changes in areas such as child protection, health and safety and employment law had acted as a catalyst for the establishment of the HR function at Liverpool football club. She went on to say

'We have to make sure that we are complying with employment law, that we are up to date because when we have got to do unpleasant deeds we have to deal with them professionally and make sure that they are procedurally correct, otherwise we're vulnerable.'

However, she also indicated that progress in some areas had been slow. She explained that inconsistencies still remained and that these posed a potential threat the club. She said

'If Joe Bloggs in the warehouse is sacked because he's been off six times in a month and yet Fred Smith in the PR department doesn't even get a slap on the wrist for the same, we've got no consistency and we're not being fair, we haven't got a leg to stand on.'

A growing recognition of the potential penalties of falling foul of employment legislation amongst clubs was also mentioned by Mackrell (2008). His role involves advising members on employment matters such as unfair dismissal. He suggested that many clubs had traditionally been ignorant of employee legislation but the situation was beginning to change. He commented

'Clubs have traditionally had very poor HR departments and as a result we [the LMA] have been successful in winning lots of cases. Clubs are

incredibly poor at keeping documentation up to date so if we go to a tribunal we are going to get an automatic uplift. I say to clubs, "Look, sorry, but your documentation's crap. We are bound to get an uplift because you've failed on that score." But suddenly now, because the awards of the industrial tribunals are becoming more significant, they are thinking "Bugger me, this is getting expensive!" So they've started to get their house in order.'

7.5 Nature of Work Environment

According to Mazzoral (2003: 45) this variable relates to the internal operating environment of the SME and consists of factors such as the level of informality within the organisation, the extent of strategic awareness and the availability of resources.

Section 2.7.5 established that a key characteristic of SME management practices is the use of informal methods. Consideration of the literature pertaining to HRM practices supports this observation. For example, Kotey and Slade (2005: 34) found that HR policies and records in SMEs were casual, informal and unstructured. They discovered that the utilisation of appropriate documentation, such as job descriptions, was almost non-existent in the smallest of firms. Likewise, Kotey and Sheridan (2004: 475) found that very few SMEs had formal policies in areas such as promotion, incentives and disciplinary action. Indeed Wilkinson (1999: 210) observed that rewards and incentives were subject to management prerogative and discretion.

The formalisation of operations presents unique challenges for SMEs. For instance, Walker *et al.* (2007: 297-8), explored HRM within SMEs and noted that '...many small businesses trying to balance formal HRM policies and practices (used by larger firms), with the informal culture of smaller firms can get into difficulties...' The inference here is that SMEs struggle to assimilate formalised procedures and policies because they often operate using unstructured and *ad hoc* methods. Indeed Saru (2007: 37) emphasised that

for many employees working in SMEs a key attraction is the high degree of workplace autonomy and independence that exists.

Despite the prevalence *ad hoc* approaches in most small firms, Kotey and Slade (2005: 34) observed that as firms began to grow formalisation, and some standardisation, began to emerge. This is attributed to the fact that as the firm develops, and greater division of labour occurs, the span of control of the manager expands and consequently it becomes difficult to manage increasing numbers of staff effectively. The informal approach becomes difficult to maintain and control can only be achieved by the introduction of formalised policies and procedures. Formalisation in areas such as health and safety and employee records is also necessary because these areas are prone to regulation and legal dispute.

From a strategic perspective, Section 2.7.3 showed that during the twentieth century British management tended to focus upon operational issues rather than the development of long term strategies. This was partly due to the tendency for organisations to be 'introverted', and also because the priority for most was short term survival. As a result, strategic objectives tended to be emergent rather than planned (Reid *et al.* 2002: 9). In keeping with these observations Wilkinson (1999) observed that contemporary SMEs find it difficult to develop their overall strategic direction, let alone consider issues such as HR planning and development. As a consequence SME HRM practices and procedures are mostly limited to the realm of the reactive, pragmatic and the operational (Barret and Mayson, 2007: 308; Cameron and Miller, 2008: 4).

Regarding the availability of resources, Section 2.7.4 established that twentieth century British business organisations often faced severe limitations. In terms of the situation faced by contemporary SMEs Walker *et al.* (2007: 296) described managers as being 'time poor' and guilty of adopting a 'just in time' mentality. Wilkinson (1999: 209) argued that SMEs lack resources, in particular specialist staff, and consequently managers adopt the view that '...people management is not a technical matter requiring specialists.' Barret

and Mayson (2007: 311) concluded that small firms suffer from a 'liability of smallness' and as a result find implementing HR systems expensive and resource intensive. Havenga (2007: 2) noted that SMEs experience 'resource poverty' and Saru (2007: 36) explained that in comparison to their larger counterparts 'Small organisations do not have the same kind of resources to implement official human resource practises...' According to Barret and Mayson (2007: 311) as a result of resource inadequacies SME operators encountering HRM problems frequently turn to trusted outsiders, such as solicitors and accountants, for help and guidance. Similarly, Wilkinson (1999: 209) also noted that SMEs use personal links, associates and business contacts, to overcome HRM problems and difficulties. Although such advice is costly it helps SME owners and managers to avoid expensive 'mistakes' in areas such as recruitment and selection and unfair dismissal (Barret and Mayson, 2007: 311). Indeed, Walker, *et al.* (2007: 298), emphasised that ignorance of how to terminate the employment of unsuitable staff can be costly and is '...an additional burden on the small business owner-manager.'

7.5.1 Informal HR Practices in the English Professional Football Industry

Section 4.7 established that given the state of management practices in Britain's wider business environment it is unsurprising that football clubs were dominated by informal and *ad hoc* business management practices. However, some interviewees indicated that even as the Rapid-commercialisation phase took hold HRM practices were very slow to change. For instance Lundberg (2008) of Liverpool outlined what she found when she joined the club in 1997. She said

'There was absolutely nothing. They got by on a wish and a prayer. If they ever got any contentious issues they'd either pay somebody off or just sack them. That's how it was here. Not everybody had a contract, there were no policies, there were no procedures, there was nothing structured. When I arrived it was very much there's the desk, there's the phone, just see what you can do! It was a shock, I had worked for larger companies, Otis Elevators for one, and I was used to quite a structured environment.'

Likewise, Townsend (2007) of Everton described what he encountered when he joined the club in 2004. He said

'There wasn't anything. No staff handbook, no contracts of employment, or if there were they were out of date and weren't worth the paper that they were written on. It was all a little bit "hit and miss" - If you were off sick you got paid. If you misbehaved you were moved around because no-one ever managed the problems. The basics that you would expect a business to have just weren't in place. What they had wasn't HR; it was just maintaining staff files. It was the responsibility of the Ground Safety Officer because before he came to the club he'd managed hundreds of people in his previous role. '

However some interviewees indicated that, although progress is slow, some formal HRM policies and procedures are beginning to emerge. For example, Friar (2005) at Arsenal argued that from a welfare perspective human relations had improved. He said, 'There's an in-house website to tell people what they can do, who's had a baby this week and whose birthday it is. It's all there and that's circulated to every member of staff. It gives you a family feel.'

Likewise, Lundberg (2008) of Liverpool described how she has moved on from her initial difficulties and has begun to standardise and formalise some elements of HRM activity. She commented,

'I decided that I needed to prioritise those areas which needed the most attention...the areas where we were vulnerable and from an employee's perspective where they needed protection. We started with contracts. Some staff said "Why do I need a contract?" We said, "You need it to protect you" The number of people who didn't sign their contracts was amazing. We'd ask why they hadn't signed it and they would say "What are you trying to do - are you trying to get me out?"'

Similar levels of intransigence were experienced by Townsend (2007) of Everton when he began to formalise HR practices and procedures. He stated

'People were stuck in their ways, wanting to do things the way that they'd always done them. They'd say, "What do you mean you need me to do it this way, I've always done it this way and no-one's ever told me it's a problem!" It is a legacy of crap, for the want of a better word, people not wanting to change, people with the wrong attitude.'

However, he did indicate that in some areas progress had been made. He said,

'I'm still trying to force changes through. I've done a couple of things recently that have been very well received. We've put all staff through a Wellness Check, so that every single member of staff has had their numbers done –blood pressure, cholesterol, BMI, weight, height, all that sort of stuff- they've all had that done. That was last week and the response has been fantastic. It obviously cost us, but from a PR point of view, we've had a great response, we're the first club to do it.'

7.5.2 HR Strategy in the English Professional Football Industry

In terms of the state of HRM strategy during the Contemporary period evidence from interviewees provided a mixed picture. For instance, Lundberg (2008) and Webster (2005), both of Liverpool, expressed opposing views. Lundberg said,

'HR is not represented at Board level, there is no HRM strategy, there is no strategic plan. I meet with Les (Financial Director) every year and, we discuss what I should look at. This year I'm working with our IT guy, to put an HR database together. That mightn't happen, but that's something that we're aiming for. We want to interlink the salaries, child protection and health and safety data. It's trying to bring into the modern world as far as we can.'

In contrast Webster described his approach to introducing changes to operating procedures. He explained that he had resistance from 'traditionalists' within the club and consequently, in conjunction with his line manager, he decided to introduce the changes incrementally. Webster's approach was well thought out and strategic in nature. Indeed he said 'I don't think of it as one battle, it's a war and you get your victories along the way. I look back and see how far we've come in just four or five years.'

Townsend (2007) at Everton emphasised that 'off the field' activities had to be managed strategically in order to capitalise on 'on the field' success. From a HRM perspective he suggested that a key factor was getting '...the right people in the right positions' and he emphasised that '...people have to be at the forefront of what we're doing here, otherwise we're not going to succeed'. However, he went on to say that he had been unable to formulate a formal medium term HR strategy for the club because '...there had been a lot of fire-fighting for the last two years and although it would be great to take time to write a five year plan – unfortunately I haven't got it'. However, he did explain that he had been able to develop a twelve-month HR plan which was closely linked to the club's overall business strategy. Here again the experience of staff working in football clubs is found to be similar to that of those working in SMEs in mainstream industries. Taking time out to engage in strategic planning is a luxury and consequently, at best, only short term planning is possible (see Section 2.7.5).

Clearly both Webster and Townsend display a high degree of business and strategic awareness. Both of their approaches require a comprehensive understanding of the strategic aims and objectives of the football club. In the case of Townsend commercial aspects appear to take precedence over the sensibilities and feelings of employees. This was revealed when he commented, 'I am not a traditional Personnel Person – my loyalties are with the business and getting the business right. Personnel has always been on the side of the employee – the fluffy slippers stuff – I'm a million miles from that!'

7.5.3 Resource Scarcity in the English Professional Football Industry

The difficulty of allocating resources between 'on the pitch' and 'off the pitch' activities during the Post-professionalisation and Proto-commercialisation phases was discussed in Section 4.3. In terms of the Contemporary period interviewees indicated that resource scarcity continues to be a major issue for clubs. For instance, Bevan (2007) of Arsenal emphasised this when he commented that 'I think when you start working in the football club, you realise it's very much hands to the pump ... because the resource is relatively limited in terms of staff numbers.' Similarly, Pope (2007) of Leyton Orient observed that lack of resources was a major source of stress for him. He said, 'Fans don't realise that some guy has been working for 50 hours this week, and has been ripping his hair out because of a deadline that has been set by the Chief Executive. They just don't see it.'

Here the inference is that resources allocated to off the field activities are not sufficient and consequently employees are required to work beyond their contractual obligations. Daykin (2007) effectively illustrated this point when he commented that

'Football doesn't mind if you work 60 hours every week. The problem is if you aren't prepared to work hard and you want a family life - you're going to get kicked out. If you say, "I can't come on Saturday because I'm taking the kids to the funfair". You might get away with that once, but if you start doing that a couple of times you're going to be gone. A lot of people come in and survive six months and then say "Right I'm off". There are some glamorous times but suddenly they realise they're in a job and unless you're fully committed you aren't going to survive.'

Bowler (2007a) of Crewe also identified the difficulties of coping with scarce resources. He compared the problems he encountered at the club with those he experienced in his career with the Wellcome Foundation. He said,

'I've always said it's easier to run a big business than a small business. You have a lot more people and a lot more expertise. I used to find that

for somebody running our small pharmaceutical company in Norway it was more difficult than for the guy in France running our larger company. The guy in Norway had got to be able to do everything – the guy in France just rang somebody up and told them what to do!

Webster (2005) of Liverpool also explained how resource scarcity impacted upon how HRM issues were dealt with at the club. He said,

'If I've got problems, things of a personal nature, I go to my line manager Les Wheatley, who is the FD [Financial Director]. He is an extremely approachable guy, sympathetic, hard if necessary - I'm lucky in that sense. Unfortunately our HR department is one person - she has an almost impossible task sometimes. She is so busy all the time, - it is something that really does need attending to.'

Lundberg (2008) also of Liverpool corroborated Webster's point and explained that because of her high workload important HR records were not regularly updated. She said 'Every day there's enquiries and queries; I have to deal with all of this without admin support. I have to ensure that staff files are kept up to date – I cringe at that one because they never are!'

A further problematical resource issue for HR managers working within football clubs is their uneven distribution. The divide between resource allocation for playing and non-playing activities was emphasised by Townsend (2007) of Everton. He explained the difficulties of managing two distinct groups of employees, those involved on the playing side and the rest. He commented

'Staff ask for a pay rise and often we have to say "Sorry, the budget is a bit tight", then they say "But you've just given him [a player] £10 grand a week extra!" Everyone sees the money that surrounds the players and thinks it should be around for the non-players as well, but that isn't going to happen.'

Field (2007) of Sheffield United commented that 'Everything is geared around the players, but the club does neglect some of the basics for staff...The players drive around in their Lamborghinis and it is alienating.' Beswick (2005) of Middlesbrough also discussed the challenges of allocating resources between playing and non-playing staff. He explained

'If you are not a player you are treated abysmally. For instance, our players arrive at the training ground, they park their Porsche, and their first stop is the kit room where they meet Elaine and Lesley, on £7k a year. They will have washed the kit overnight and will have it ready for when they come in. So you've got a player on £1.5 million, £2 million a year taking kit and exchanging good mornings with a girl on £7k. The dichotomy for football clubs is that the investment in certain groups of people is absolutely massive, sometimes unimaginable, and yet the rest of the people surrounding them are on the basic wage. I would suspect that in many clubs they don't even bother to address this issue but we have tried to deal with it. Players can be very generous when directed in the right fashion. But it's harder to get a wage increase for a basic employee than it is for a £2 million a year player.'

Given the resource difficulties encountered by football clubs it is unsurprising that they engage in outsourcing. Beattie (2007) of Arsenal recounted how the club deals with employment law problems. He explained, 'We employ lawyers to deal with employment law issues. I've got 80-odd staff. Invariably a couple of them are in some sort of disciplinary discussion. Now we know exactly what we're doing because we're doing them so often!'

Bowler (2006) of Crewe and Lundberg (2008) of Liverpool also described how their clubs utilised the services of external legal consultants when they encountered employment law issues. Lundberg, in particular, provided a comprehensive description. She said,

'I've worked with Mark Hatfield [Club Solicitor] since day one - I've learned so much. Early on I'd write a letter and say to Mark, "Would

you have a look at it?" It would come back crossed out. Now, when I do it there are maybe one or two words that are wrong. I know I'm doing it right and that gives me the confidence.'

This account captures the difficulty that many SMEs face when they encounter complex employment related problems. Often HR staff do not have the knowledge, experience or confidence to make decisions in these areas. As a result they have to turn to trusted 'outsiders' for help and guidance.

As discussed in Section 5.3.4 Involvement with external advisors provides clubs with an opportunity to learn and develop. The potential for this was further emphasised by Lundberg (2008) of Liverpool. She explained that the club had outsourced its retail operation to company called Sporta. She said, 'Sporta is run by George Davis, the retail guru. He's brought a lot of expertise and a "Marks and Spencer's" mentality for quality and excellence we would like to cascade that to other departments.'

Webster (2005) of Liverpool also extolled the advantages of outsourcing, he said 'You learn very quickly – it's great. There's an awful lot of knowledge, talent out there that you can draw on!' Additional outsourcing benefits were advanced by Townsend (2007) of Everton. He explained that the club had been able to reduce its staff by approximately 100 employees by outsourcing 'under-performing areas, such as catering, and redistributing the cash.' Friar (2005) of Arsenal also talked of the benefits of outsourcing. However, he offered another perspective, arguing that outsourcing was a wise strategy because of the inherent risks associated with running a football club. He said, 'I think many clubs outsource because they don't want the commitment of redundancy payments. In the Premier League if you go out, then apart from parachute payment, suddenly you've got yourself a bloody great headache!'

Friar's point highlights the potential problems that clubs face if they are relegated. The problems associated with a significant loss of income would be compounded by the need to provide employees with redundancy payments.

7.6 Company Structure

Mazzoral (2003: 45) suggested that company structure relates to issues such as the degree of organisational complexity that the SME has. As indicated in Section 7.4, while an enterprise is small, power and control can be centralised and key individuals, or small groups of individuals, are able to micro manage employees. HRM issues and problems tend to be relatively uncomplicated and easily solved. However, as the organisation grows issues become more complex and individual owners/managers are less able to cope. They tend to become preoccupied with matters that have a direct bearing upon profitability and growth. As a result standardisation replaces informality and more rigid and robust procedures emerge. Also power becomes decentralised as managers begin to delegate responsibilities (Kotey and Slade, 2005: 36).

In structural terms this can be seen as shift away from an organic to a more mechanistic form. Brand and Bax (2002: 456) suggested that mechanistic organisations have standardised procedures and a clear hierarchical structure, whilst organic organisations are characterised by an absence of hierarchy and standardisation. In essence, organic organisations tend to be highly flexible and adaptable. For many SMEs flexibility is a positive characteristic that differentiates the enterprise from larger competitors. Indeed, in HRM terms, Aragon-Sanchez and Sanchez-Marin (2005: 287) argued that flexibility is a positive factor that compensates for other weaknesses. They contended that flexible HRM in SMEs facilitates efficient adaptation and a fast response to change and consequently is a key element in developing and sustaining competitive advantage. Similarly, Brand and Bax (2002: 2) suggested that successful small firms are required to display both internal and external flexibility. The former enables the firm to adapt in response to changes in its environment, whilst the latter enables the enterprise to shift from one environment to another by altering its strategic niche.

The shift from an organic to a mechanistic structure clearly has the potential to be problematical for SMEs and in extreme cases may result in a loss of competitive advantage. As Kotey and Sheridan (2004: 484) noted,

'Owner-managers should be made aware of the importance of maintaining a balance in HRM practices that enable proper accountability and control, reduce the risk of litigation, and ensure statutory requirements are met, whilst at the same time providing adequate flexibility for response to changing strategies and operations.'

Here Kotey and Sheridan acknowledge that increasing organisational complexity generates the need for more sophisticated HRM policies and procedures, but this has to be balanced with the need for SMEs to remain flexible and adaptable.

7.6.1 The Structure of clubs in the English Professional Football Industry

A number of interviewees indicated that their football clubs had become more structurally complex. For example, Field (2007) of Sheffield United observed that as commercial opportunities developed operations expanded. He commented, 'Before the club grew we never had banqueting, we never had Executive Boxes. With growth the business became more complicated. Exploiting catering and other opportunities has become the driver. In catering alone we have got three hundred part time employees.'

Beattie (2007) of Arsenal emphasised how increasing organisational complexity had reduced the informality and flexibility of operating practices. He contrasted the situation before and after the club's move from Highbury to the Emirates Stadium. He said,

'This is more difficult to run, just the coordination of things. In the past, a Director would call and say "I've got twenty people coming can you show them around?" Today we can't do that, because we've got functions here, we've got tours and other complications. Now it's not

just a matter of being the little friendly business it is now very much a commercial one where things have to be regimented.'

Similarly, Platt (2008) of Norwich City explained that the club's structure had changed completely and illustrated this by saying 'Staffing levels have mushroomed to huge levels. For example, in the Marketing Department we have three or four in our Media Team, we have three or four in Sponsorship Sales and we have three or four Brand Development people.' Lundberg (2008) of Liverpool also described increasing structural complexity. She said, 'We've now got ten different locations – I find that's a huge challenge, keeping the communication channels open and understanding what the other areas are doing - the tendency is that you act in isolation.'

Bevan (2007) of Arsenal also offered an interesting perspective on communication within the club. He suggested that although organisational complexity had increased the club's move to the new stadium had actually helped to improve communication. He commented,

'Traditionally departments at Arsenal were 'silo' based. Each Head was master of their own castle and protective of their empire. But with the move to the new stadium the barriers have gradually been broken down. This has been helped by the physical environment. At Highbury the offices were scattered around the stadium – it was unchanged from the 1930s. But the Emirates is open plan - that facilitates easier communications and access.'

For those football clubs who have not moved to a new stadium the development of organisational structures has mirrored that of mainstream SMEs, in that it has occurred organically. Boyle (2006) observed, 'Clubs developed their structures like they were extensions to a house - they've evolved in a non-organised way. Functions such as banqueting and merchandising have been added on as afterthoughts, and you get the feeling that still they don't talk to each other!'

Webster (2005) of Liverpool corroborated this observation and suggested that, 'In football different business opportunities arose at different times...so you had corporate-type things all developing separately...it was just fragmentation and then gradually there was an awareness that integration was needed.'

In summary, the key determinants of HRM practices within SMEs have been outlined. Specifically, the chapter has shown how owner/manager characteristics, external market conditions, the nature of the work environment and company structure have influenced the development of HRM within English professional football clubs. In order to develop the picture further the following sections provide a detailed examination of the key HRM functions of Recruitment and Selection and Training and Development.

7.7 SME Recruitment and Selection

Kotey and Slade (2005: 18) investigated recruitment and selection within SMEs and found that small firms opted to use informal channels and networks based on knowledge of the individual by the owner, managers or other trusted employees. In terms of selection criteria for prospective employees, they found that the emphasis was on the need for the candidate to 'fit in', rather than upon their qualifications or previous work history. Similarly, Barret and Mayson (2007: 309) found that in these areas SME policies and procedures were unimaginative, convenient, inexpensive, closely controlled by the firm and heavily reliant upon 'word of mouth' approaches. Mazzarol (2003: 31) summarised the situation by commenting that 'Rather than adopting a formal recruitment and selection policy, the tendency is for the owner/manager to 'muddle through'. Saru (2007: 41) also emphasised the use of informal procedures and practices, and commented that SMEs needed to hire competent employees who '...fitted into the organisation's current team of employees and the work culture.' A further problem that SMEs encounter when they attempt to recruit, select and retain staff was highlighted by Walker, *et al* (2007: 298). They found that for many prospective employees larger organisations were regarded as being more attractive. For example, they

found that in terms of pay and other rewards SMEs could not match what was being offered by their larger counterparts.

7.7.1 Recruitment and Selection in the English Professional Football Industry

As was highlighted in Section 4.5 traditionally, English football clubs have displayed many of the recruitment and selection characteristics of SMEs operating in other industries. For example, like their mainstream counterparts they have tended to recruit people who were known to the organisation. Taylor (2005) emphasised this when he commented, 'Clubs would often 'mine' their commercial partners for staff. Say the Club wanted a Chief Executive – they'd reason, "Why don't we approach that guy we've been dealing with for a while?"'

This observation was supported by Webster (2005) of Liverpool who described how he had worked on consultancy projects for the club prior to being invited to join the club on a full time permanent contract. Likewise Wilson (2007) of Crewe recounted how he began working freelance for a firm which the club had commissioned to re-design its programme and once the Chairman had got to know him he was invited to join the staff as a full time Press Officer in 1998. Another Crewe employee, Bowler (2007b), explained how she was 'known' to the club prior to her appointment as Business Operations Manager. She said,

'Initially I worked in marketing for the Wellcome Foundation. I knew the then Club Secretary. She needed someone look after the commercial side...I'd known her for a long time and I had associations with the club. My father's the Chairman, I'd grown up with everybody, and it was home from home.'

Similarly, Sutherland (2007) of Charlton Athletic recounted how he was recruited as the club's Commercial Manager. He was a friend of the Club Secretary and when the vacancy occurred she recommended him. He said,

'She (the Club Secretary) said "Steve, we need a Commercial Manager and I've recommended you". I said "That's very kind. What does that mean?" She said "We just need someone who's good at commercial matters" and I said "What does that mean though?" She said "You work in marketing, don't you? Come and meet Roger Alwen (the Chairman)."

A further element of Sutherland's recruitment story is also of interest here. He explained how in order to secure his move to the club the Chairman personally guaranteed his salary for 12 months in the event of the club going bankrupt. He said, 'I thought if he's prepared to do that, then it'll be wrong of me not to go.'

This emphasises how football clubs, in keeping with other SMEs, adopted and utilised unconventional HR practices in order to recruit those whom they had selected. Furthermore, all of these episodes demonstrate that football clubs shared the recruitment and selection characteristics of SMEs in other sectors. In essence, where possible they preferred to recruit people who were known to them; people whom they knew would fit into the organisation and as a result would be relatively low risk. However, some interviewees observed that this approach was open to abuse and often caused problems. For example, Townsend (2008) of Everton strongly criticised the policy saying 'When I arrived there were too many people who had been recruited like this: "'What's that, your brother wants a job? Bring him in! We'll pay him £15,000 a year to sit in a corner of the Box Office doing nothing!'" Beattie (2007) of Arsenal corroborated Townsend's observations when he explained what he discovered when he decided to change the stewarding operation at the club. He commented,

'It did cause consternation with our stewards because I was having to get rid of long serving people. This was necessary because suddenly they had to sit an exam to prove to us that they had the knowledge. In the old days stewarding was about looking after the cigarette tray and

showing fans to their seats. We had supervisors who just couldn't write – they'd got in because they'd been mates with the Chief Steward. It was frightening!

Despite the tendency for clubs to engage in unsophisticated recruitment and selection activities in the recent past some interviewees indicated that practices were beginning to change. Bevan (2007) of Arsenal, explained that he had joined after working in a sport marketing company and he had no prior involvement with the club and he went on to say,

'Over the last five years it's changed. Jobs are now advertised in Marketing Weekly or the Sunday papers, as opposed to maybe ten years ago when if you knew someone they'd get you a job here. There were a lot of people here who were family members, friends....it's moving away from that now, it's becoming more professionalised.'

Dent (2006) reinforced this observation. On his appointment as Club Secretary at Carlisle United in 1963 he commented,

'I had few qualifications - I often think if I was looking for a job in a club now, I'd be lucky if I got in as a clerk, I certainly wouldn't the position I got in then [Club Secretary]...If you were looking to appoint now, you'd be looking for somebody with a degree. They would have to be computer literate and a track record away from football!'

Other interviewees supported Dent's comments. For instance, Lundberg (2008) of Liverpool recounted how she had twenty years' experience outside the football industry working a variety of HR roles in a number of industries. Townsend (2007) of Everton described how after graduating from University he became a manager of a Virgin Cinema and then left the post in order to take responsibility for Manchester United's Museum and Stadium Tour operations. Likewise, O'Hara of Norwich City related how he had held a general management post in the leisure industry prior to joining the club.

Sutherland (2007), of Charlton Athletic, reinforced these observations and went on to describe the profile of each member of his management team. He said,

'Richard, my Database Manager – has got a marketing degree and previously he worked selling air compressors. Michael is my retail manager - he's an extremely experienced buyer. He's worked for big retail organisations, worked in Japan, has had his own business. Dave Archer, he's my Commercial Centre manager. He's very sales-driven, he used to run the Conference and Banqueting Department, so he's very experienced - it's a good team.'

Clearly there is evidence to suggest that football clubs are beginning to use more conventional recruitment methods. This change has been driven by the need to have club staff with the experience and qualifications to be able to operate in multifaceted leisure organisations. As Friar (2005) of Arsenal commented '...we're tending to employ graduates and people with proper training and qualifications. That is why the business has improved. The business couldn't have progressed unless we had changed.'

However, despite this progress, there is little evidence to suggest things have begun to improve when it comes to the recruitment of players and coaches. Indeed, questionable practices remain. For example, Beswick (2005) commented,

'There's no more crucial meeting of business and football than that of the recruitment of a player and yet, for me, the process is the most archaic and poorly managed situation that I've ever seen. Buying a Premiership player could be a £24 million plus decision. Yet you get football people who have seen somebody on the television saying "He can play. What he could do for us! Right we'll go for him!" They have completely ignored about twenty significant factors, not least whether or not he speaks English!'

Likewise, Mackrell (2008) of the LMA made similar observations when he discussed the recruitment of managers and coaches. He felt that clubs were quick to appoint ex-players who had little or no management experience. He said 'Why are certain people selected as managers? I've no idea why Paul Merson was chosen. He was a great player but who's done the research on him to say whether he's suitable for doing that?'

7.8 SME Training and Development

In terms of training and development, Kotey and Slade (2005: 19) found that in the main SMEs relied heavily on 'on the job' methods, did not engage in formal training needs analysis, and did not have a systematic approach. Similarly, Walker, *et al* (2007: 295), noted the reluctance of SME managers to engage in formal training despite their readiness to acknowledge its potential value. For many SME operators formal training is deemed to be complex, resource intensive and an expensive luxury which diverts the workforce from 'productive activity' (Wilkinson, 1999: 210). Kotey and Slade (2005:303) identified an inherent scepticism amongst SME managers with regards to the relevance, applicability and potential benefits of training and development. As a result most SMEs utilise tried and trusted methods and '...rely on what they have vicariously learnt from previous work experience.' (Wilkinson, 1999: 296). Patton and Marlow (2002: 261) concur with this observation and comment that training in SMEs is a '...diffuse process that occurs throughout the organisation as individuals observe, imitate and learn from others on a fragmented and flexible basis.' This is in keeping with the findings of Harrison (2002: 231) who noted the reliance of SMEs on the development and transference of 'tacit' knowledge amongst employees.

Where formal training initiatives were adopted, Kotey and Slade (2005: 265-267) found that the process was most often triggered by the need to solve immediate problems. In effect the demand for training and development was driven by issues which had the potential to affect firm performance adversely. From this perspective SMEs should be regarded as 'tactical trainers'; that is they engage in formal training as and when it is deemed necessary to cope

with '...economic and bottom-line pressures'. The prediction here is that if SME managers are able to choose between training and development initiatives which have the potential to provide a substantial investment return to the organisation or engage in activities which provide personal development opportunities for individual employees the former option will be favoured. Saru (2007:42) advanced a further reason why SMEs may be reluctant to engage in formal training and development. He argued that employees with enhanced skill sets are more likely to find employment elsewhere and consequently managers will ration training and development opportunities in order to inhibit staff mobility.

7.8.1 Training and Development in clubs in the English Professional Football Industry

Clearly the training and development of playing staff is a vital element of footballing success. Clubs invest large amounts of financial and other resources in the training and development of their players. However, a number of interviewees further highlighted the divide between playing and non-playing employees by suggesting that training and development opportunities for those employed in off the pitch activities were limited. For instance, Lundberg (2008) of Liverpool, observed that, 'We're not focussed on training, which is ridiculous because we are a football club – footballers have to train every day. We need to do more but there isn't anybody saying "Let's do some training'. It is a bit strange!'"

Townsend (2007) of Everton made similar observations. He said, 'On the training side we've not really done much here. As a club we spend all that time and money on getting the players to produce on the pitch, but not many clubs do it on the non-playing side.'

Despite these observations both interviewees did go on to provide evidence of training and development activities within their respective clubs. Lundberg (2008) outlined how new operating methods had been introduced into the club's Ticket Office. She said, 'The Ticket Office has been exceptional in its

approach to change. We've gone from Monday to Friday operations to seven days a week and the introduction of mini shifts. This has been achieved by training and developing staff.'

Webster (2005) of Liverpool supported Lundberg's comments and went on to talk of how training and development initiatives had evolved in the club. He explained that the club, after four years of persuasion, had employed a part time IT Trainer. He related that

'We conducted a needs analysis and found that everybody from the manager down is using IT. If Raffa says "I want to see a spreadsheet on that", it's no longer good enough for his staff to say "I don't know how to do that, I don't use a computer..." – they've got to be able to do it. So we've employed a trainer to work on a one to one basis with people.'

Townsend (2007) explained how Everton had introduced an NVQ in Customer Safety for all of its stewards. He said, 'It's tricky but I'm committed to getting them trained to deliver better customer service. Traditionally stewards are trained in "look out for this, look out for that, everyone's a potential criminal" – but actually it's a customer service role.'

He also suggested that the club was beginning to change its policy on other areas of training and development. He said

'If it is time to do a two day course it is there. That's the training philosophy we're trying to instil. We also want to employ a Training Officer and I'm looking to introduce a Management Development Programme, so junior managers get experience of other parts of the business. We plan to, do Finance for non-financial people, we'll teach them things like Discipline and Grievance.'

However, the progress evidenced at Liverpool and Everton was not seen at all football clubs. For example Wilson (2007) of Crewe explained that he had not

received any training and development when he undertook the post of Press Officer. His only qualification was his English degree and he joined the club because he '...basically just wanted to write about football' but the Chairman asked him to '...deal with media and keep them in check.' This approach is in keeping with that adopted by SMEs in other industries, namely that staff are regularly expected to adopt roles and engage in activities for which they have received very little, or no, training. Again, this a result of resource poverty and the need for SMEs to deal with immediate threats expediently. Wilson also highlighted another predictable characteristic of SME training and development. He described how staff learned informally by trial and error, rather than by rigid formal procedures. He said

'The good thing about the Chairman and Alison (the Business Operations Manager) is that they set challenges. You might have an idea, it might cost the club but we have a go. They come back to see what we have done. You might lose £500 but they say, "Well you've learned your lesson. How can you improve next time?"'

Webster (2005) of Liverpool also commented on how, in the absence of formal training and development, employees engage in informal learning. He related that, 'Without training people find other ways to do things or they learn from others. Some of the bad habits are OK, but some of them aren't!'

Clearly, employees working in any organisational setting have the potential to develop tacit knowledge. Where training and development activities are restricted staff may fill the gaps in their knowledge by learning from their colleagues. This has the potential to deliver significant benefits and cost savings.

However, as was discussed in Section 2.7.4 and highlighted in Table 2.1, it can result in an introverted approach whereby ideas and views that originate outside the organisation are treated with scepticism and suspicion. Section 4.2.1 established that traditionally football clubs have been slow to change and have found it difficult to embrace the ideas of those outside the industry.

In organisational terms their learning has been stunted and the development of knowledge has been severely restricted. However, as was highlighted in Section 5.3.4, there is evidence that clubs have begun to share and learn with organisations located outside of the football industry. In terms of sharing and cooperation between clubs. Pope (2007) of Leyton Orient said

'Football Clubs are quite open to chatting with each other. We chat about best practice and things like that. We may ask "How much do you charge on room hire?" or "How do you get involved in recycling at the club?" - you can always pick up the phone and forge relationships with other clubs.'

Similarly, Bowler (2007b) of Crewe observed that 'We [football clubs] do talk to each other. We're friends with a lot of clubs. On a Saturday it is a bit different, but you have your ties and links. It is quite a unique business!' Friar (2005) of Arsenal, substantiated Bowler's point commenting that,

'We all know each other well and we can get in touch and say "What do you think about that regulation change?" or if we have a physio who wants a pay increase I can find out what others are paying. There is a bonhomie, we talk and get on. I don't know whether that happens between Safeways and Tesco's!'

Likewise Townsend (2007) of Everton commented, 'We're not in direct competition in most areas so we are happy to share information. At the end of the day, if you share it makes football better. It makes the club operate better.'

Platt (2008) of Norwich City gave some specific examples of informal collaboration and knowledge sharing with which, he had been involved. He explained,

'West Brom's secretary rang me to say "I'm doing an emergency loan, I really don't know what I have to do". I explained the procedure.'

Leicester rang asking “When you’ve got players on loan do you monitor their behaviour in their hotels? Do you tell them that they can’t watch porn, or use the telephone? Do you actually write it into their contracts?” We said “No, we don’t”. As a result we will because if it is happening to them it probably will to us at some point. So, you nudge your way through your problems and share best practice wherever possible’.

Interestingly, Platt also claimed that more formal attempts to share knowledge and understanding had not been successful. He explained that he had been a member of a group that had been formed by the LMA but that he had not found this to be of value. He said, ‘They had an annual booze up, followed by seminars, but I wasn’t sure what it was achieving...I think that there is little to be gained from sitting down in a big forum and doing it that way.’

Townsend (2007) of Everton also mentioned a forum for HR managers which had been established. However, like Platt he questioned the value of formalised and structured knowledge sharing. He said

‘I don’t want to go to that HR Forum. I haven’t been in years. I don’t think that I have been since I arrived here. I know what I have to achieve here. I don’t need to listen to the problems of other clubs. Those in the forum were record keepers. They weren’t at the heart of the business; they weren’t involved in the day to day running of the business at a senior level. I don’t need to share ideas with them. If people approach me I will share, but it is rare.’

In contrast, Lundberg (2008) of Liverpool attributed great value to the HR Forum. She explained that the group met formally four times a year and each member was required to share knowledge and experience as required. She commented that, ‘We’d discuss things like salary benchmarking. We’d ask “Have you got job descriptions?” You’re always going to learn from such meetings. However, it is time consuming; I just haven’t been able to go this year because of time constraints.’

Unlike Townsend, Lundberg's difficulty with the HR Forum was the time commitment involved. This again is congruent with the experience of others working in SMEs in mainstream industries. Time limitations prevent employees from engaging fully in highly structured and formalised activities. Consequently, when given the choice of sharing knowledge and experience in a formal way, such as through involvement in a regular meeting or forum, or engaging in informal, quick communications with those in a social network SME employees are likely to prefer the latter.

Beswick (2005) offered an interesting perspective on the lack of formal information and knowledge sharing amongst clubs. He said

'In general in clubs there is no big picture feel. In other industries you get coordinating groups. But in football there is no formal exchange, there is no sharing of competitive strategies. Football sees itself as a competitive industry, whereas, in fact it should be a cooperative industry.'

This observation is of interest because clearly the inference here is that the informal networks that currently exist amongst clubs are inadequate to meet the challenges of the modern football industry. The growth and development of the English football industry requires more formalised and structured ways of managing knowledge. Beswick's perspective questions the role of the FA in encouraging clubs to cooperate and share information. Indeed when Lundberg of Liverpool was asked about the role of the FA and the Premier League in providing guidelines and support on HR matters she commented 'No, nothing at all. The only area they've advised on is the safeguarding of children and the need for every club to have a Child Protection Officer, but apart from that nothing.'

7.9 Conclusion

This chapter has explored the evolution of HRM practices in the English professional football industry. In particular, the key influencing factors which effect the development of HRM procedures and policies have been considered.

In terms of owner/manager characteristics the chapter has shown that, in keeping with mainstream SMEs and football clubs in the Post-professionalisation and Proto-commercialisation phases, owners and managers continue to play an important role in determining the extent to which contemporary football clubs are oriented towards modern HRM practices. Similarly, external market conditions have had an impact on the extent to which football clubs have adopted new HRM procedures. For instance, the evolution of a customer orientated approach to supporters has resulted in formal training initiatives in areas such as NVQs in customer service. Changes to the internal work environment have also resulted in the introduction of more formalised HRM policies and procedures. For example, increased formalisation of hitherto *ad hoc* policies and procedures, such as the use of employee contracts and recruitment policies, was in evidence.

In terms of HRM strategy the findings indicate that although there has been an increase in awareness of the need to engage in strategic HRM, in practice HRM activities are focused at the operational level and do not extend beyond the short term. A key contributory factor to this problem is the uneven distribution of resources within football clubs. As with the Post-professionalisation and Proto-commercialisation phases playing related activities continue to take the lion's share of resources and of the resources allocated to non-playing related activities functions such as finance and marketing take precedence over the HR function. The final influencing factor, company structure, was also seen to be an important element in the development of HRM operations within football clubs. The findings reveal that, in keeping with mainstream SMEs, as clubs have grown larger and have become more organisationally complex they have had to adopt more

formalised HRM policies and procedures. This is because as they become more complicated informal HR approaches, such as not issuing contracts of employment and not having a formal grievance procedure, become inappropriate. Moreover continued use of outdated and inappropriate HRM policies and procedures can have serious consequences in terms of organisational performance, costly litigation and adverse publicity. Predictably the findings indicate that although changes to HRM practices have occurred in clubs throughout the industry the most significant of these have been seen in clubs at the highest level. Here clubs, such as Arsenal, Everton and Liverpool, have made improvements to recruitment and selection and training and development policies and procedures. In contrast, clubs at the lower levels, such as Crewe Alexandra, continue to closely resemble their mainstream SME counterparts. For instance, in terms of training and development, they still place great emphasis on 'learning by doing' and the development of tacit knowledge.

Overall, the findings indicate that despite improvements to HRM practice in clubs at all levels of the English professional football industry this business function remains underdeveloped. Despite some evidence of change progress has been slow and some of the traditional attitudes identified in Sections 4.2.1 and 4.5 are still in evidence. For example, the expectation that employees will work beyond their contractual obligations and the notion that there will be an endless supply of exploitable and dispensable 'starry eyed' employees who are grateful for a job in the industry appears to persist in some quarters. The next chapter focuses upon the final functional area of stadium management.

Chapter 8 - Stadium Management

8.1 Introduction

The findings of Chapter Seven indicate that improvements to HRM management practices have been very slow and as a result they remain largely underdeveloped. This chapter focuses upon developing a clearer understanding of the processes and procedures used by clubs to stage matches within their stadia. Section 8.2 briefly explores the changes that occurred as a result of the Hillsborough tragedy and provides the context in which contemporary stadium management practices have developed. Section 8.3 provides the theoretical underpinning from which contemporary practices can be evaluated by considering three generic theoretical perspectives on events management. Building on Sections 8.2 and 8.3, Section 8.4 assesses contemporary management practices in this area. Specifically, the theoretical perspectives considered in Section 8.3 are synthesised and developed further in order to produce a bespoke Football Match Event Lifecycle Model. This framework is then used to evaluate primary data gathered from semi-structured interviews and non-participant observations. Section 8.5 expands the analysis to explore the role and contribution of knowledge transfer and organisational learning to the development of management practices in this area.

8.2 Stadium Management into the 1990s: Evidence of Change?

As Section 4.6 showed for most of the twentieth century the staging of football matches in Britain was characterised by unsophisticated and chaotic management practices. Hard pressed Club Secretaries were faced with operational challenges that they were ill prepared to deal with. They were under resourced and lacked training and experience. The situation mirrored that seen in wider British industry of the time. Indeed, in keeping with their SME counterparts in the wider business environment, clubs were reluctant to

change, they lacked resources and they utilised *ad hoc* practices that were poorly planned and reactive.

However, the tragic events at Hillsborough, and the subsequent Taylor Report, acted as a catalyst for change. The requirement for all-seated accommodation in the top two divisions resulted in a large scale programme of building works (Elliott *et al.* 1999:20-21). Money diverted from the levy on the football pools was made available to the Football Trust, which in turn channelled the funds to clubs to facilitate stadium redevelopment (Ford and Heatley, 1994: 21). Johnes (2004: 144) estimated that over the period 1990-97 the rebuilding of football stadia in England, Wales and Scotland cost £500 million, £150 million of which was provided by the Football Trust.

The rebuilding of Britain's football stadia was not the only legacy of the Hillsborough Disaster. Johnes (2004: 144) noted

'Hillsborough thus became a catalyst not only for the rebuilding of Britain's stadiums, but also for the reinvention of the game itself. It focused ideas for a breakaway league and contributed to the chain of events that led to the Premier League, a lucrative deal with Sky television and the current fashionableness and wealth that pervades the upper echelons of football.'

Despite significant tangible evidence of change, Elliott and Smith (1999: 101) advise caution when attempting to assess the full extent to which clubs had progressed. They explored safety issues and crowd management in the early post-Taylor period and concluded that '...the football industry in the UK has learnt little from the disasters that occurred during the latter part of the 1980s and beyond.' Here the inference is that football clubs have continued to miss opportunities to develop their practices, learn and engage in knowledge transfer. This is an interesting, if not contentious, comment given that since the recommendations of Taylor Report were implemented the English football industry has not witnessed any form of disaster approaching the scale of Hillsborough. Clearly, this could be due to good fortune; however, because a

coherent picture of the true state of event management practices within the industry is lacking Elliott and Smith's claim cannot be accurately assessed. The remainder of this chapter aims to address this gap.

8.3 Event Management

Although the practice of sport event management dates back to the ancient civilisations of Egypt, Greece and Rome, progress towards establishing the activity as a fully fledged management function has been very slow. Consequently the planning and implementation of events draws upon other, more well established management disciplines (see Bowdin *et al.* 2006; Masterman 2004; and Van Der Wagen 2007). In this section the key contributions of Project Management, Logistics Management and Service Operations Management are considered.

8.3.1 Project Management

The field of project management has begun to emerge as an effective contributor to the management of events. This is emphasised by Van Der Wagen (2007: 193) who suggests that as events management matures as a business function it is increasingly adopting sophisticated project management techniques. Likewise, Emery (2003: 277) suggests that '...events management draws heavily upon the more well developed discipline of project management'. Wild (2002: 257) develops this point further and argues that it is unsurprising that there is a resonance between event and project management because 'An event is a project, since it is a finite activity in terms of the time spent in its duration and in the use of resources.'

According to O'Toole and Mikolaitis (2002:23) adopting a project management approach when staging an event is advantageous because it offers a systematic approach that makes the management of the event explicit and encourages stakeholder accountability. However, on a more cautionary note, Bowdin *et al.* (2006:285) argue that traditionally project management techniques are dependent upon clearly defined, stable environments and consequently they may be unsuitable for some types of events where there is

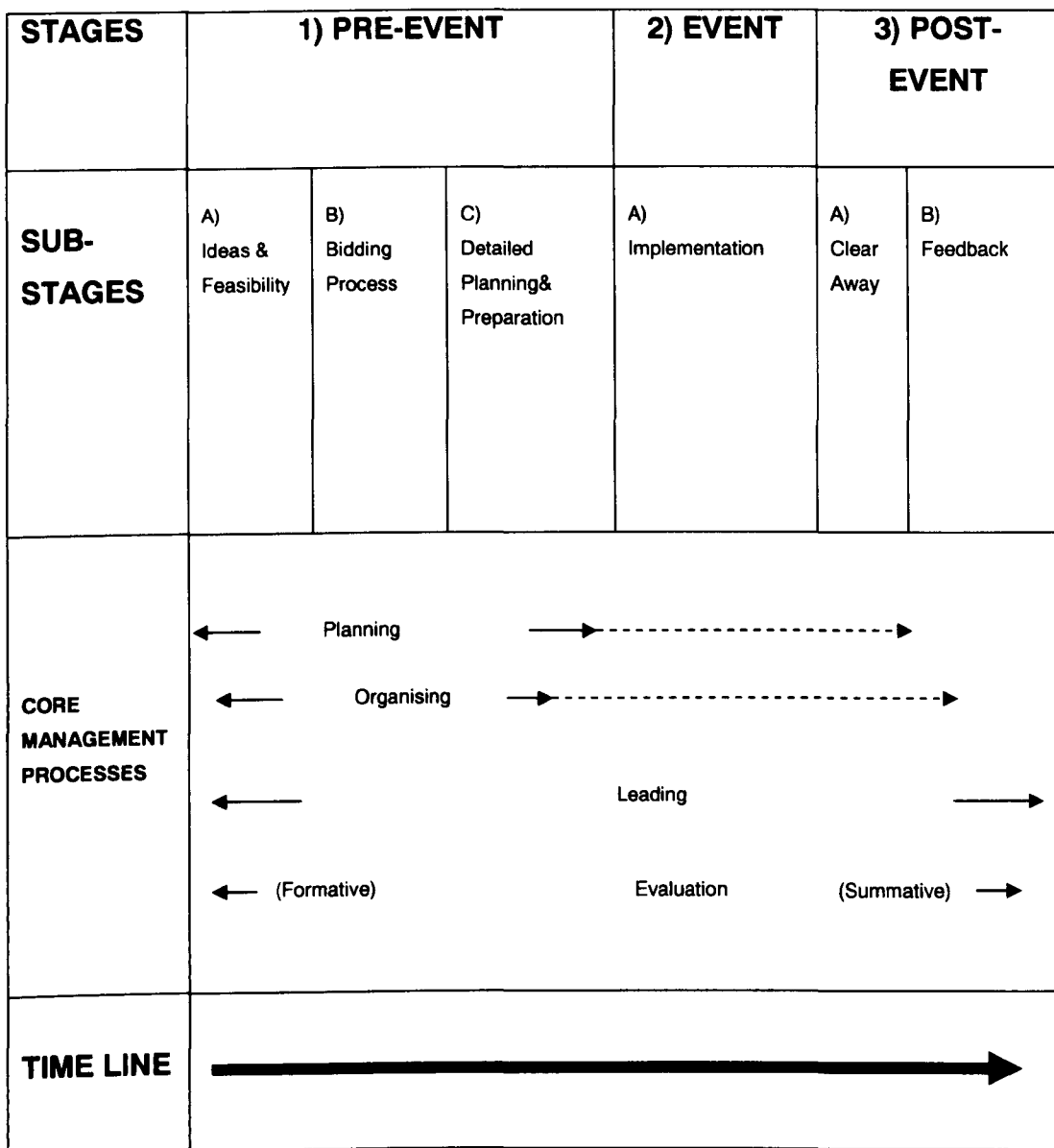
a high degree of uncertainty and complexity (e.g. festivals). To remedy this problem they advocate avoiding management inertia by having a flexible project management approach with limited procedures and formality.

Emery (2003:277-79) also recognises the unique challenges posed by events management. His work focuses upon sports events and he emphasises that in this context event management '...can be clearly viewed as a specialist type of project management, albeit a particularly complex one.' He goes on to argue that the sport environment is uncertain and consequently

'...it is recommended that each management process should be considered as a dynamic activity, which needs to be developed over time. Therefore initial plans should never be set in stone, but be continuously updated.'

Emery synthesised his observations into the Life-cycle Events Model shown in Figure 8.1.

Figure 8.1: Life Cycle Stages and Core Management Processes of Major Sports Events



(Source: Emery, 2003: 279)

Key: ← Start of Management Activity → End of Management Activity -----▶

In keeping with mainstream project management approaches Emery’s model depicts the process as a lifecycle. He segments events management activities into three discrete phases – pre-event, event and post event. In addition he also incorporates the generic management processes of planning, organising, leading and evaluation. He goes onto explain that

'An event life cycle refers to the chronological stages (pre-event, event and post event) and sub stages (idea and feasibility, bidding process, detailed planning and preparation, implementation, clear away, and evaluation) that sport events typically progress through. This cycle additionally includes the core management processes of planning, organizing, leading and evaluation.'

(p279)

Clearly, Emery's framework has value in describing and analysing the life-cycle which a 'one off' event passes through over time. Indeed, Westerbeek (2005: 31) supports this approach and comments that

'The important point to grasp is that lifecycle models are an attempt to simplify the chronological and developmental process of managing projects – to integrate both general and specific planning requirements across a time-driven management context, so that succeeding activity can be better prepared for and cost-effectively managed.'

However, in the context of staging a football match the model has elements which are of little or no relevance. For example, for a football match the Pre-Event stage would not include the 'ideas and feasibility' and the 'bidding process' elements. A further weakness of the model is that it does not adequately capture the importance that feedback has in informing all phases of the next match. In essence, Emery's model does not capture the repetition involved in the process and does not emphasise the importance of continuous development and organisational learning. Given these weaknesses, in order to develop a more relevant and effective football match event model, other theoretical perspectives on the practice of event management were considered.

8.3.2 Service Operations Management

From the Service Operations Management perspective the event organisation is seen as a system that transforms inputs (i.e. resources) into an output (i.e.

the event) (Tum *et al.* 2006: 19). Organisational success is directly linked to the efficiency and effectiveness of the transformation process (Yeomen *et al.* 2004: 28).

In terms of leisure and sport events, McMahon-Beattie *et al.* (2004: xi) comment that:

'Operation processes take in a set of input resources, which are then used to transform 'something' into outputs...This transformation process in sport and leisure is the processing of 'customers', 'visitors', 'leisure users' or 'supporters'. It can be seen as a transformation process of location and movement of visitors at festivals and events, or a physiological transformation state at a sporting occasion.'

In keeping with this approach Slack *et al.* (2009: 27) suggest that resources can be classified as either transformed resources or transforming resources. The former are the resources that are treated or converted in some way and the latter are the facilities (buildings, equipment, plant and technology) and staff (operatives, supervisors and managers) who maintain the operation.

In the context of football, clubs use transforming resources, such as the stadium and players, to produce an output, the match, and as a consequence of this process the emotions (i.e. physiological aspects) of supporters are changed. The aim of the football club is to utilise transforming resources to deliver the event experience in the most effective and efficient way possible.

8.3.3 Logistics Management

Some theorists advocate adopting a logistics approach when planning and staging events. For example, Bowdin *et al.* (2006: 353), highlight that logistics has become a specialised area in mainstream management studies and that the discipline has a valuable contribution to make to the practice of events management. They go on to emphasise the complexity of staging an event and argue that the traditional approach to logistics management requires adaptation when applied in an event management context. They suggest that

'Most logistics theory is concerned with the supply of products to customers, but events logistics is also concerned with the supply of customers to the product, and the supply of facilities to and from the event site.'

Viewed from this perspective the organisation delivering the event is responsible for supplying the customer (i.e. engaging in effective marketing, providing tickets, managing entry and exit to the venue etc), supplying the product (i.e. ensuring that key staff – performers, players, officials – attend) and supplying the venue (i.e. ensuring that it is fit for purpose) Bowdin *et al.* (2006: 359-60).

Westerbeek (2005: 196-97) concurs with this and goes on to comment that:

'In the event management scenario this [the logistics approach] involves establishing coordinated systems, which ideally permit effective and efficient flows of people, information and other resources around the event venue...The ultimate aim must always be to create a safe secure environment for all..'

When considered from this perspective safety issues clearly become of paramount importance. This in turn, results in risk management being regarded as an integral part of good event management practice.

Because of their complex nature events are particularly susceptible to many different forms of risk. Indeed, according to Bowdin *et al.* (2006: 319) 'Risk, in the event context, may be formally defined as the likelihood of the event not fulfilling its objectives.' This definition clearly emphasises that risk goes beyond the safety and security of stakeholders and encompasses broader issues such as profitability and customer satisfaction. In keeping with this Tum *et al.* (2007: 149) describe risk management as '...the art of being aware of all of the things that could go wrong and having plans and contingencies to prevent them.' Risk, and its management, clearly cut across all aspects of

event management practice, and as incidents such as Hillsborough show, when organisations fail to plan, control, monitor and evaluate risk effectively the consequences can be catastrophic.

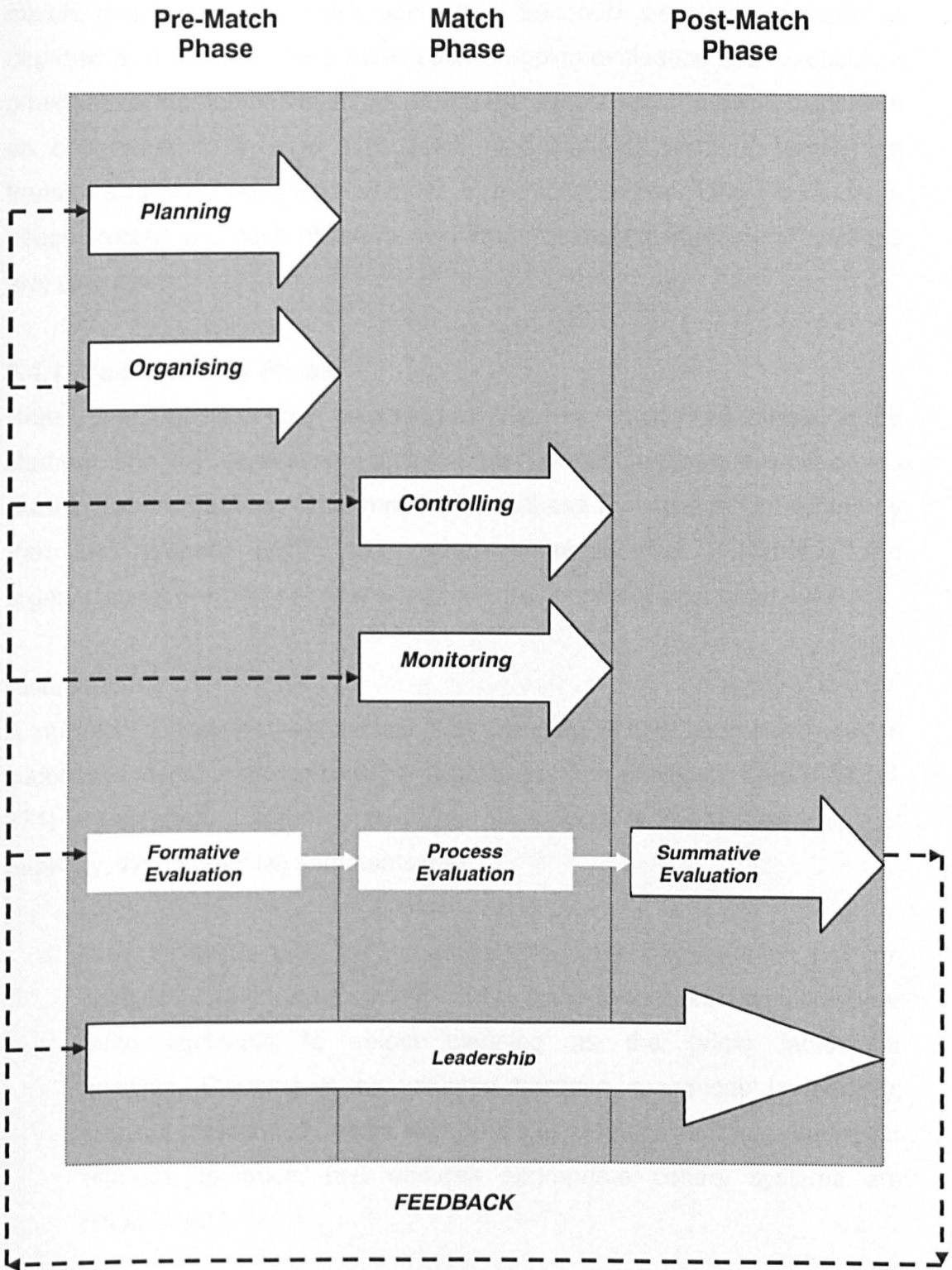
In summary, three perspectives on the management of events have been considered and it has been shown that elements of each have a contribution to make to the development of a clearer understanding of the issues encountered when staging a football match. From the project management perspective the event is seen to progress through a series of stages and key management activities are ascribed to each phase. The service operations approach emphasises that organisations are engaged in the transformation of inputs into outputs. In the context of sports events this involves using 'transforming resources', such as the stadium and players, to influence the emotions of supporters. The emphasis is on providing an experience. The logistics approach focuses upon the movement, or flow, of resources to, from and around the event venue. A key element of the approach is the management of safety and other forms of risk.

Although each approach has some value in helping to develop understanding of how a football match should be staged it is important to note that none of the perspectives adequately capture the fundamental characteristic of staging an event of this type. Namely that a football match is both a single event and one of a series of very similar events for which standard procedures and processes can be put in place. In order to address this gap the remainder of this chapter draws upon the theoretical perspectives presented in this section and synthesises them in order to develop a Football Match Event Lifecycle Model. This model is then used to evaluate primary data gathered from semi-structured interviews and non-participant observations. Application of the model to this data provides a coherent structure by which the state of contemporary stadium management, and the state of knowledge transfer and learning in the industry, can be evaluated.

8.4 The Football Match Lifecycle Model

Sections 2.5.4 and 8.2 showed that after nearly a century of apathy from key stakeholders, and a catalogue of stadium disasters in Britain, the full extent to which football clubs have improved their stadium management is unclear. Although tangible improvements can be seen (i.e. improvements in stadia etc) a clear picture of the extent to which clubs learn from events at previous matches and engage in knowledge transfer is lacking. This section begins by presenting the Football Match Event Lifecycle Model and then progresses to explain each phase, and its associated management activities, in the context of contemporary football match event practices.

Figure 8.2 The Football Match Lifecycle Model



This model is an effective tool which can be used to analyse the phases involved in staging a football match. It is useful on two counts. Firstly, it clearly

shows the interrelationship between the key management functions of pre match, match and post match operations. Secondly, because the model is depicted as a lifecycle which relies upon on-going evaluation and feedback, it emphasises that football matches are repeat events which provide clubs with an opportunity to engage in ongoing organisational learning, knowledge transfer and continuous improvement. In the following sections the model is deconstructed and each phase is, and its associated management functions are, discussed.

8.4.1 Pre-Match Day Phase

Here the emphasis is upon preparing for the next match to be staged at the stadium. The key management activities that take place during this phase are planning and organising. The importance of these functions is highlighted by Van Der Wagen (2007: 181), who comments that ‘...planning and organisation are the key elements that determine the success of an event.’

Planning

A number of theorists emphasise that planning is the bedrock on which successful event management is established. For example, Emery (2003: 271) argues that ‘...planning pervades all aspects of event management’. Similarly, Watt (1998:14) comments that:

‘It is always a little dangerous to select one management function rather than another, but in terms of event organisation, it would appear quite legitimate to select planning as the prime factor for success...Planning is so valuable because it reduces uncertainty, focuses attention on goals and produces unity of purpose, makes for efficient operation, and ensures appropriate control systems are established.’

Likewise, Tum *et al.* (2006: 25) insist that

‘Detailed planning must take place prior to the implementation of the event. No event should take place without planning. If plans are made

in advance and communicated well, then the event will be effective and efficient in its delivery. The greater the amount of time taken at this stage the better the event will be.'

The notion that time is an important aspect of planning activity is also highlighted by Van Der Wagen (2007:196), who observes that 'The nature of the event business is that most of the time is spent in planning and very little is spent in the execution phase.' Torkildsen (2005: 471) expands on this and concludes that '...because events are delivered within a short space of time advanced planning is concentrated into specific hours and moments.' In order to meet the challenge of successfully delivering an event in a timely and efficient manner planning activity must result in the formulation of written plans. Such plans are evidenced in a number of areas.

For example, Bowdin *et al.* (2006: 376) advocate that operational plans, which incorporate contact lists, site maps, running orders, evaluation sheets and emergency plans should be produced and issued to all of those working at an event in the form of an Event Manual. In the case of the Emergency Plan they argue that that this should be compiled from major incident and disaster plans and that procedures, demarcation of duties and the allocation of responsibilities should be agreed in writing with all relevant parties (emergency services, venue managers etc.) during the planning stage. Tum *et al.* (2006: 160) also focus upon the need for effective emergency planning. They emphasise that effective risk management is dependent upon having detailed contingency plans in place. They argue that these should be integrated plans of action that are communicated to all those involved in staging the event and should be utilised if the risk becomes a reality.

As Table 2.1 highlighted, during the twentieth century British managers, operating in both large scale enterprises and SMEs, relied upon *ad hoc* methods and did not plan effectively. Moreover Section 4.6 established that, in terms of staging football matches football, clubs in the Post-professionalisation and Proto-commercialisation phases shared these

characteristics. However, Steve Hicks⁴⁴ (2007), Stadium Manager and Safety Officer at Sheffield United, indicated that pre-match planning had now become an important activity. He explained that several planning meetings take place prior to a match. He related that

'We've got a match tomorrow (Saturday) against Stoke and we had a meeting last Thursday with the police. We had a full briefing and all of the various police commanders came and we discussed Stoke City. The police ask "What particular unique occurrences are happening at this game, as far as the club is concerned?" and I brief them. We also look at where the other teams are playing. For instance Sheffield Wednesday and Barnsley, because quite often on the rail network you get supporters meeting in Sheffield city centre. On occasions, if kick-off is at different times, you may get supporters from Sheffield Wednesday or Barnsley who may want to try and converge around the ground. So, it's quite vital really for us to know what likely problems may occur on any particular day, and that meeting covers all that.'

This account gives a clear outline of the detailed planning that takes place three or four days before a match. Hicks (2007) also outlined the detailed planning that takes place during the days prior to the match. He then went on to explain what happened forty eight hours before a game. At this time he conducts a 'Preview Meeting'. This involves bringing together the commercial and catering departments, the club's security company and club's Press Officer in order to '....prepare everybody for what they might expect and it has the effect of raising the 'ante' a little bit – to get the adrenalin running a little bit better – it is a good way to prepare.' Here the focus is clearly upon briefing the key departments, and staff, within the club in order to guard against complacency and to ensure that all parties are prepared effectively. Again, this indicates that planning is comprehensive and is based upon effective

⁴⁴ Steve Hicks was a police officer in Sheffield from 1971 to 2001. On retirement from the force he relinquished his post of City Centre District Commander and became Stadium Manager at Sheffield United. He also holds the post of Secretary of the Regional Area of the Football Safety Officers' Association.

communication. Stephen Clare⁴⁵ (2009) corroborated Hicks comment that a preview meeting was an important part of the planning process. He related his experience of working with Liverpool FC and Everton FC, in his capacity as a Licensing Officer for Liverpool City Council. He said

'The clubs have a pre-match meeting. A whole range of people go the maintenance team, the catering team, representatives from the stewards etc. Each group produces a report which is collated into a larger document. This is used to de-brief the previous game and plan for the next. The meetings can last an hour plus and we can turn up unannounced to see what is going on if we wish.'

Clare (2009) also mentioned the importance of contingency planning. He commented that 'Clubs have contingency plans, they have a format for dealing with potential problems, for example power cuts etc.' Hicks (2007) explained that contingency planning was an important aspect of his role. He related that the club employs a Deputy Safety Officer on a part-time basis. The individual is fully trained and works with Hicks on a match day. In the event of Hicks not being able to perform his role (e.g. because of sickness) his deputy can step in and take over.

Organising

The second core management activity in the pre-match phase is organising. Watt (1992: 25) suggests that organising involves

'The activities to be accomplished towards achieving the end objectives; the gathering together of these activities into relevant structures; and allocating the achievement of objectives, through these activities, to the appropriate groups or individuals...it provides the framework within which individuals can cooperate together to achieve what they could not achieve on their own.'

⁴⁵ Stephen Clare joined Liverpool City Council in 1981. Since 1994 he has held the post of Licensing Officer in the Council's Licensing Unit. He is the Chairman for the Safety Advisory Group for both Liverpool and Everton Football Clubs.

Here organising is shown to be the activity that structures and coordinates organisational effort. It is inextricably linked to planning and is necessary if plans are to be implemented in the next phase of the lifecycle (Westerbeek, 2005: 34). However, given the importance of this activity it is surprising that according to Torkildsen (2005: 479) many event organisations are deficient in their ability to organise. He comments:

‘Unfortunately with many event organisations, the structures are poor and without coordination. The result is that informal dealings flourish without coordination; misunderstandings and miscommunications abound leaving many parts of the planning process to flounder.’

In terms of the ability of British managers to organise, the characteristics presented in Table 2.1 indicate that this was a further area of weakness. For instance, the tendencies of management to be reactive and rely upon informal procedures and practices suggest that organisational skills were not well developed. Again this situation was mirrored in football clubs of the time. In particular, Section 4.6 shows how poor organisation resulted in chaotic match day operations and ultimately contributed to the catalogue of tragedies that befell the football industry in the twentieth century.

Regarding the Contemporary period Hicks (2007) and Beattie (2007), Stadium Manager Arsenal FC, both emphasised that organising the resources of their respective clubs was an essential, time consuming and challenging activity. Hicks explained that his dual role as both Stadium Manager and Safety Officer required him to be involved in organising activities that spanned the entire structure of the football club. He outlined how one of his duties was to organise the on-going maintenance of the stadium and explained that he had to organise not only the repair of broken items, such as terrace seating and sanitary ware in the toilets, but also the cleaning and tidying of the stadium. He said:

'When you get 30,000 people in a stadium you sometimes get plumbing that's wrenched away from its mountings and needs to be repaired, you'll get seats that have been broken – so there's lots and lots of maintenance issues...From the cleaning and tidying point of view we have over 350 toilets that have to be cleaned, as well as the public concourses and private boxes etc... there is vast amounts of rubbish that needs to be removed...I have a responsibility to ensure that the stadium is presented in the correct way; that involves organising the maintenance and cleaning.'

In order to further explain the span of his organisational responsibilities Hicks went on to outline how he also has to organise the briefing of stewards on a match day. He commented:

'I brief the Steward Supervisors, who in turn cascade information to their teams. We have 250 or so stewards so it is quite a big operation. I meet the Supervisors at 12.40pm when we have a 3 o'clock kick off. I tell them what I have learned from the police and I outline any potential issues that they may need to be aware of.'

The breadth of Hick's responsibilities was further demonstrated when he explained how he was responsible for organising the safe passage of players to and from the car park. He said:

'The protection of players has become an issue over the last couple of games. I have had to change where they park and organise bringing them in through a new gate.'

Beattie (2007) explained how his organisational skills are challenged by the unique environment in which he operates. He commented

'We are forever working to deadlines. We can't afford to miss a game. So whereas your deadlines in an office block may slip by a week and

it's annoying, but not desperate. If we slip by a week – we don't open the stadium and it gets noticed!

Furthermore, he went on to say

'The problem with football, I find, is that quite often how you start is how you carry on all the way through. Because you're always going two weeks, two weeks, two weeks, quite often two weeks throughout the season, it's not that easy to change too many systems during the time scale.'

This comment is interesting because it emphasises the need for clubs to have effective systems in place at the beginning of the season. Since procedures are repeated fortnightly, and opportunities to make alterations are limited, it is important that procedures are 'fit for purpose'.

Beattie (2007) also highlighted how the expectations of the general public impacted upon his organisation of the stadium. He explained

'You'll get people turning up and saying "I want to use the toilet". We say "You can't" and they complain saying "But it's a football stadium, you must have toilets in here!" It's crazy you don't knock on the door of any other company's headquarters and say "Can I come in and use your toilets!"

Clearly, the organisational skills of those responsible for staging football matches have improved significantly when compared with those undertaking the task prior to the Rapid-commercialisation phase (see Section 4.6). As the staging of matches has become more complex managers have been expected to deal with a broad range of disparate activities in a highly effective and efficient manner. Although those responsible for staging matches in the Contemporary period are expected to adopt a range of roles and responsibilities with a limited amount of resources the situation is much more

favourable than that faced by those undertaking the task in the Post-professionalisation and Proto-commercialisation phases.

8.4.2 Match Day Phase

This is the implementation, or delivery, phase of the event. From a managerial perspective the focus here is monitoring and controlling the plans and organisational activity developed in the pre-match stage.

Controlling

Tum *et al.* (2006: 242) suggest that control is vital to successful events management because it ‘...keeps plans in line’. Likewise, Bowdin *et al.* (2006: 294) argue that event planning can only be successful if the execution of plans is carefully controlled. Cole (2003: 225) directly links control to planning and organising. He comments:

‘If planning represented the route map for a journey, then organising represented the means by which one could arrive at the chosen destination. We can now add that controlling ensures that the travellers know how well they are progressing along the route, how correct their map is, and what deviations, if any, they need to make to stay on course.’

Cole’s comments offer an interesting perspective on the control of an event. The analogy that controlling is a vital part of progressing through a journey is congruent with the logistics approach to event management. As outlined in Section 8.2.3 from this perspective the primary focus is the safe and effective movement, or flow, of resources around the event. Effective control is a vital element of this process. For instance control mechanisms, such as queue management systems and security procedures (e.g. accreditation passes for events staff to control access to sensitive areas of the event) are essential elements of an organisation’s risk management strategy. Bowdin *et al.* (2006: 298) also advocate a range of additional control methods, including reports and meeting, project status reports and delegation. Tum *et al.* (2006: 243) offer a similar perspective, but in keeping with Bowdin *et al.* advocacy of

delegation argue that events staff should be empowered so that '...control is exercised by each person at the lowest level possible' and consequently 'The event is then within the remit and authority of the staff responsible for it.' Clearly, this approach to control requires event managers to be prepared to relinquish some of their power and responsibility and requires them to provide empowered staff with appropriate levels of resources and support.

Hicks (2007) offered a useful insight into control at a football match. He said:

'Since Hillsborough, the responsibility for safety in a football ground is that of the club. The police work in partnership to support the club, but the only time that they will take decisions about issues inside a ground is if an incident occurs and they believe that they need to take full control. Then they will formally do so - a note will be made on the log and control will be handed over.'

Here Hicks refers to the use of a log. This is a 'live' document that is created during the pre-match phase and then updated during the match and post-match phases. Key incidents are recorded so that an account of events is available. This is used to inform the writing of post match reports and is also retained for use in the event of litigation and other legal proceedings.

During the match at Sheffield United Hicks is located in the Control Room. He explained that, aided by technology (i.e. CCTV, radio communication etc), he '...runs match day from this room...' For example, he can speak directly to all stewards via a radio link and he can control the flow of spectators into the ground.

He explained that 'There are all sorts of things impacting upon safety now, and a lot of it is about getting greater control of spectators.' He outlined how the club had recently replaced their turnstiles with a 'smart card' system. He went on to say that this facilitates the control of spectators in number of ways. Firstly, in terms of flow, if a part of the stadium is reaching capacity the system

warns operators in the control room and entrances can be quickly closed. He said:

'I can look at the Kop and know precisely how many people have come in at any time. For instance, if we did have a forged ticket problem, it might not be apparent until all of a sudden that screen was flashing at me – it starts to flash at 90 per cent and then becomes more intense if it's getting up to 97 or 98 per cent. I would look outside using the CCTV and if there were massive queues I would say to operator "Shut the entrance, there's something wrong!" – The last thing we would want is the Hillsborough situation where we've got more spectators in the stand than we should have.'

A second aspect of control that the smart card system affords is that of preventing banned spectators from entering the stadium. Hicks (2007) commented:

'If someone in row J, seat 222, stands up and starts making racist comments or swearing or throwing punches around the place we can make decisions as to whether that person's going to come along and if we suspend him all I have to do is deactivate his card. I'll probably write to him saying "We're sorry but we've deactivated your card for the next three games!" That works – he comes along and puts his card reader and can't get in. So he goes along to a customer service steward who has a little hand-held computer. They take his card, scan it and it will say "This supporter has been suspended for the next three matches" and they won't be allowed in. That's the power and control that you've got over spectators, and if you want to keep the place safe then that's absolutely vital and it is a step forward.'

The extent of control was further illustrated during the non-participation observation conducted at Sheffield United. On arrival I was issued with an accreditation pass that I was instructed to wear at all times. This was signed personally by Hicks and gave me access to all areas. I was assured that

without this pass I would not be allowed to move freely around the stadium. This claim was not tested; however, by issuing the pass the club is clearly attempting to control access and movement around the ground.

Clearly, from an events management perspective the control of spectators has become more sophisticated. The push for a safer environment has resulted in more extensive control measures being introduced by clubs.

However, on a more cautionary note Beattie (2007) explained that some control issues remained. He contrasted the Emirates Stadium with that of Wembley and he argued that regular fans who attend the Emirates every fortnight were more difficult to control because they quickly become familiar with their surroundings. He explained

‘Regulars don’t follow signs – they go the quickest way that they’ve found. So you suddenly find people popping up in various places where they shouldn’t be. At Wembley that familiarity takes years.’

In summary, clubs use a range of techniques to control various aspects of the match phase of the event lifecycle.

Monitoring

Closely allied to the activity of controlling is monitoring. Indeed, Slack *et al.* (2009: 313) define control as ‘...the process of monitoring activity...’ However, in the context of managing an event although the two activities are very closely linked they can be considered separately.

Bowdin *et al.* (2006: 414) suggest that ‘Monitoring is the process of tracking an event through the various stages of implementation.’ Here the emphasis is on scrutinising the progress of different aspects of the event in order to make corrections if planned objectives are not being met. Westerbeek (2005: 36) agrees with this viewpoint and suggests that the monitoring process is best seen as a form of evaluation. From this perspective information gleaned from monitoring activity is used to inform and alter key aspects of the event. For

instance, in the context of a sports event monitoring may take the form of tracking the progress of supporters to and from the venue. Use of modern technology, such as closed circuit television, enables event organisers to quickly identify potential problems that may hinder the movement of supporters (e.g. traffic congestion). Early detection facilitates the use of appropriate control mechanisms, such as contingency plans.

Hicks (2007) gave a comprehensive outline of the various ways in which he monitors the progress of the event. For instance, he explained how CCTV systems enabled the monitoring of spectators as they made their way to the stadium. He said

'You can literally watch away fans on their journey up the motorway, into the city centre and on to the Stadium. When the police helicopter is up it has a direct down link that streams images into this Control Room...if for instance there's a crash on the motorway and supporters are delayed this may present a safety risk because if you've got loads of supporters coming into the ground whilst the match is underway and somebody scores people can get knocked over, it can cause all sorts of problems. By monitoring what's happening we could consider delaying the kick-off.'

Hicks also explained that spectators were also monitored by stewards. He outlined how Customer Service Stewards were located at strategic points inside and outside of the ground to monitor the flow of spectators and facilitate safe and expedient exit and entry to the stadium.

A further perspective on monitoring was also provided by Hicks when he outlined how the stadium's sophisticated fire alarm system operated. He explained:

'We've recently upgraded our fire alarm system – it is a very expensive fully addressable system. This means that if a detector activates it will give you its precise location. We can quickly dispatch a steward to

investigate and monitor the situation. Very, very quickly in this control room we're going to have a full knowledge of what the problem is as soon as it gets brought to our attention. That wasn't available before, so it's a lot, lot better now. That's tightening up on things.'

The importance of being able to precisely monitor such incidents was further emphasised by Hicks. He said:

'We have fire alarm activations two or three times a season here. Sometimes it's somebody in an executive box who's had a bit too much to drink, who thinks for a bit of fun he'll hold his cigarette up to the detector, or somebody in a toilet who thinks "Let's see if these things work". Sometimes you'll get some supporters who decide to set fire to a rubbish bin – these are little, minor issues. In these situations the last thing you want, with 30,000 people in a stadium, is a fire alarm going off and going into full evacuation. People panic and run in all directions. With this system we can quickly monitor what is happening. If there's a need to evacuate, I can press that red box there and make the stadium go into immediate evacuation. I can get on the PA; announce to the stadium that we need to evacuate calmly using the exit gates at the back of the stand.'

These comments contrast starkly with those of Beattie (2007) who described the situation when he arrived at Arsenal in 1987. He said

'I arrived here just after the Bradford Fire incident. The club had begun to install the new fire systems throughout the stadium. It was a mess because nobody had tried to put a fire alarm system in an open stadium before. We were having lots of false alarms because the systems had been designed for office blocks, not leaky old stadiums – it was chaos!'

Clearly, the monitoring of stadiums for potentially dangerous incidents, such as fires, has moved on considerably since the late 1980s. Beattie went on to

provide some additional interesting perspectives on the monitoring of spectators. He explained that:

'If the team lose, the language around the stadium gets worse. I get complaints and the stewards get lambasted for not doing anything. Ironically, often the stewards are standing ten rows back and someone's shouting forwards – people don't realise that you can't hear what's being said. For example, a person was sitting behind an Irish woman and used to lambast the Irish because one of our Irish players was playing so uselessly. The lady took exception and kept writing letters of complaint. I kept moaning at the stewards because they were only two rows in front. I said "Look, you must be able to hear what's going on." I went over at one game and stood there and I couldn't hear a thing. However, I got a letter from the woman the next day saying it was as bad as ever. I thought well I've stood there and I couldn't hear it, so that just showed to me that what people tend to think is that if they're sat in the middle of a block, the steward must be able to hear what's going on, and they can't because it's so loud to them, but it's not loud in the greater scheme of things, and we need help from the fans to be able to tell us, and then it's still very difficult to get enough evidence to be able to take it, because it becomes one word against each other.'

This account highlights the difficulties that those responsible for staging football matches face when attempting to monitor and control the event.

In summary, the match day phase is dominated by control and monitoring activities. As plans are operationalised they need to be closely controlled and monitored in order to ensure that event objectives are met. When compared to the descriptions of match day management practices recounted in Section 4.6 by Dent (2006) and Reade (2005), the accounts provided in this section further demonstrate the extent to which practices have advanced since the Post-professionalisation and Proto-commercialisation phases. A disregard for the safety of spectators has been replaced by a range of control and monitoring procedures which have transformed match day operations.

8.4.3 Post –Match Day Phase

This phase begins after spectators have left the venue and clear away activities are completed. The management focus of this stage of the lifecycle is effective evaluation. The Lifecycle Model, Figure 8.2, shows that evaluation occurs at each stage of the event process; however, it is during the post match phase that formative and process evaluation are synthesised with summative evaluation in order to generate feedback. This is then utilised to inform the staging of future events. Evaluation and feedback are very closely linked, consequently in this section both elements will be considered together.

Evaluation and Feedback

According to Tum *et al.* (2006: 239) 'Evaluation gives event organisers the opportunity to look back on what has happened during the event, correct all that may not have gone as planned and build on what went right.' Likewise Bowdin *et al.* (2006: 413) suggest that

'Event evaluation is the process of critically observing, measuring and monitoring the event in order to assess its outcomes accurately. It plays an important role in the event management process by providing a tool for analysis and improvement.'

In terms of the timing of evaluation Tum *et al.* (2006: 241) observe that '...it is most common for evaluation to occur after the event.' However, they go on to suggest that to be effective evaluation must encompass all aspects of the event. This is congruent with the view of Torkildsen (2005) who advocates ongoing evaluation which is present at each phase of the event lifecycle. Getz (2007: 363) develops this further and suggests that events organisers should institute three types of evaluation. He suggests that during the pre-event stage formative evaluation should be used to inform the later phases of the event. During the implementation, or delivery stage, he advocates process evaluation. This is derived from the monitoring of activities during this phase. Finally, he emphasises that in the post-event phase summative evaluation is necessary in order to gain an understanding of the overall success, or

otherwise, of the event. Indeed, Bowdin *et al.* (2006: 371) explain that an event is not over until summative evaluation is complete.

In order to engage in meaningful evaluation, feedback has to be gleaned from key stakeholders. Masterman (2004: 83) emphasises this and explains that feedback is a vital component that should be gleaned throughout the lifecycle of the event. Westerbeek (2005: 42) argues that those events organisations which regard themselves as being engaged in continuous improvement must interpret feedback constructively in order to progress and develop.

Hicks (2007) emphasised the importance of evaluation and demonstrated that he evaluated operations during each phase of the lifecycle. For instance, he explained that in one corner of the ground a hotel was being built. Prior to each match the progress of the development and its impact on the management of match day operations had to be evaluated. He commented that:

'The development of the hotel, the footprint of where they're operating alters match by match; we have to consider – where are we with the hotel. Everybody needs to know – for instance it might be that car park spaces 49-57 will not be available because of the building work and it may be that it is going to affect the exit routes for the emergency vehicles if they have to attend the stadium. Things alter match by match.'

In terms of evaluation during the match phase Hicks related that he engaged in process evaluation by touring the stadium on a match day. He explained:

'On match day morning I get here at 6.30 am or 6.45 am –and I spend the first two or three hours touring the stadium. I check all the voids under the stands and make sure that nobody's shoved a box full of papers in there, for instance. We have TV platforms - I check all the platforms to make sure that nobody's been interfering with them before match day. I make sure signage is where it should be. I do a lot of

double checking and I actually have a checklist and I tick them off as I do them. I make sure the areas that the public shouldn't have access to are properly closed off. Somebody else, one of our maintenance team, checks that all of the entry and exit gates are operating correctly. This is all part of the big build-up on a match day.'

In the post-match phase Hicks explained how summative evaluation is utilised. He said:

'At the end of the game, once all the spectators have left, the stewards will comb every aisle. The Steward Supervisors have a de-brief sheet. They use that to report any damage, any problems, and any issues. I get that sheet within 24 hours of the match concluding. I use the sheets to brief our maintenance team to ensure that things are repaired pretty quickly for the next game.'

These accounts show that Hicks uses formative, process and summative evaluation to generate feedback which is used to inform future practices and procedures. However, interestingly Hicks revealed that this had not always been the case. He said,

'It was fairly fragmented when I first came here, everybody just felt that it was the maintenance team's responsibility to make sure that everything was right, but it's not. Lots of things went wrong. I used to get lots of complaints; I used to get directors that used to come in and say, "Oh I've found this and that's happened - Why aren't we doing something about it?" My Chief Executive said to me, "Really what you need to be doing is get your clipboard and go round and make sure that everything's in order." Well, I thought about it and it was ridiculous – I thought "It's everybody's responsibility" and of course, that's the answer. We encourage everybody to report problems; all they've got to do is spot something and email me – problem solved.

Clearly when Hicks arrived at the club in 2001 the approach to evaluation and gathering feedback was rudimentary and ineffective. However, he was able to fundamentally change outmoded procedures and practices. By way of contrast he went on to describe how the procedure now operates.

'For example, take the catering department there's a lot of executive boxes for instance, with all sorts of kit up there. It might be that somebody's pulled a little piece of wallpaper off the wall, that's quite important in a corporate area. When I first arrived its importance was never recognised, it wasn't apparent. Today, Catering will just bang a quick email out to me, explaining that somebody's ripped the wallpaper off the wall in Box 26 and asking for me to get somebody to look at it, fine, not a problem. So, everyone can help and that's just another way that we've changed things.'

In summary, evaluation and feedback have been shown to be essential elements of the events management lifecycle. The Football Match Lifecycle Model emphasises this by clearly demonstrating how formative, process and summative evaluation are used to generate feedback, which in turn is then used to inform the management practices associated with each stage of the process. This approach provides a valuable insight into the way that SUFC has become more flexible and responsive. The move to undertake on-going evaluation and gather feedback indicates that the club is prepared to respond to calls for change and consider the implementation of new initiatives.

Leadership

Leadership is the generic management activity that spans all phases of the Event Lifecycle Model. In the context of events management effective leadership is regarded as being an essential success factor (Westerbeek, 2005: 34; Bowdin *et al.* 2006: 34; and Meyer, 2002: 30).

In the context of event management leadership involves integrating the needs of the individuals and teams operating within the organisation, with the specific requirements of the event (Westerbeek, 2005: 34). Here the focus is

upon developing a unity of purpose and ensuring that teams and individuals function effectively in order to achieve the tasks that make up the event lifecycle. The successful leader aims to achieve the best possible fit between available resources and the objectives of the event (Mullins, 2009: 289).

Both Beattie (2007) and Hicks (2007) explained that their role required them to display effective leadership skills. For instance, along with his role as Stadium Manager Beattie also acts as the Duty Safety Officer on a match day. He commented that 'It all comes down to me. But everybody is very responsible, even the Directors ask whether they can or can't do things on match days.'

He contrasted this situation with what he encountered when he first joined the club. Suggesting that leadership was deficient he said:

'In the past, you had a Safety Officer but it used to be the Chairman, a Director or the Club Secretary but it wasn't clear what job spec or background this person needed – it was usually the one who had had one less drink because they were the person responsible for safety. When I arrived here our Club Secretary was the Safety Officer and the deal was I did all the ground work and he was just the figurehead, who took responsibility on the day.'

Beattie (2007) also provided a valuable insight into the difficulties of coordinating the various groups and individuals within the football club. He recounted a particularly difficult time after the club had moved to its new stadium, The Emirates. He said:

'Everybody wanted everything done there and then, everyone thought that their little bit of the stadium was more important than anyone else's. I went to Heads of Department meetings – and I was bombarded with problems. They would come in and moan about a little thing that wasn't right. It got so bad that I went to the MD and said "Can I bring a baseball bat to the next management meeting?", and he said

“Why?” and I said “Well people might just as well hit me with it and I can get it over with!” But to be fair to him, he then sat down and said “Look, we will not get anywhere if we don’t all work together and from then on it started to get better.” We said at the start of the season that we wanted events running like clockwork by Christmas and we were there about mid-November, so we were quite pleased about that.’

This account highlights the importance of effective leadership. With the help of Arsenal’s Managing Director, Beattie was able to overcome initial difficulties and proceeded to display effective leadership skills by effectively coordinating and integrating task, individual and team needs.

Similarly, Hicks (2007) also displays effective leadership skills. For example, he leads the various planning meetings that take place prior to the staging of matches and he emphasised the need for all of the key people involved in staging the match to be brought together in order to discuss relevant issues. His awareness of the motivational potential of such activities was illustrated when he commented that they ‘...raised the ante a little bit’ and that they got ‘...the adrenalin running a bit better.’

In terms of his leadership responsibilities on a match day Hicks provided an interesting insight. In contrast to Beattie, he explained that the SUFC’s Chairman, Terry Robinson, was responsible for safety on a match day. However, he went on to emphasise that if legal action was taken against the club he, and others, would be involved in legal proceedings. He said:

‘I’ve talked to all of our directors about coming along and shadowing me on match day, because if we do have a major disaster in the ground, the guy who’s going to be in the Coroner’s Court is me, plus Terry Robinson and probably one or two of the other directors. They need to know the risks - they really need to come along and see whether I’m doing my job right and whether they’re happy enough.’

This suggests that some of those in leadership positions at the club fail to undertake their duties with the enthusiasm and competency of Hicks. Clearly, he has concerns about the extent to which senior staff at the club understand their responsibilities.

In summary, effective leadership has been shown to be an essential component of the staging of a football match. Those who take responsibility for managing the event must display effective leadership skills and must be supported by senior staff within the club. The accounts provided by Hicks and Beattie in this section indicate that club owners and directors have been prepared to delegate their power and influence; however, in the case of Hicks the process appears to have gone too far because senior staff have attempted to abdicate, rather than delegate, responsibility. This move to empower managers is of particular interest because it represents a departure from the autocratic style of management and the power culture which dominated football clubs during the Post-professionalisation and Proto-Commercialisation phases. Section 8.4 has comprehensively discussed each phase and element of the Football Match Lifecycle Model. Primary data has been used to illustrate how the model operates in practice. The next section moves on to explore aspects of knowledge and learning in the area of stadium management.

8.5 Knowledge and Learning

Section 7.8.1 explored knowledge and learning in football clubs from a HR perspective and found that despite some improvements clubs continue to rely heavily upon informal methods. When considered together the Football Match Lifecycle Model and the primary data gathered from interviews and non-participant observation highlight some interesting points relating to knowledge and learning in the area of stadium management. The areas of generation, transfer and use of knowledge are of particular interest.

8.5.1 Generation of knowledge

Knowledge is generated from a range of internal and external sources. This was emphasised by Clare (2009) when he explained that clubs are able to build up a repository of knowledge by collating the reports that they receive from the key parties involved in staging the match. He said ‘...the match day file is very thick’ and he related that:

‘The reports cover everything. They include what the weather was like, how many ejections took place etc. Even the maintenance guys report saying if there is a broken seat or a broken light. Games may be uneventful, but there may be something that they need to pass on for future events. For example, the police do a report for every game – the club can look back over two or three years and say “The last time we played X... this is the report”. This year our intelligence is the same or it is different. Clubs can use all of this feedback’

This account provides a valuable insight because, in keeping with comments made in Section 8.4.3, it emphasises the importance of on-going evaluation and feedback. It clearly shows how clubs accumulate knowledge and then use it to inform the staging of future matches. The account is also useful because it indicates that clubs store the knowledge that they generate in the form of written reports. Indications are that these reports are collated into files which are used as reference documents for future events.

8.5.2 Transference of knowledge

Knowledge transfer was evidenced in a number of ways. Firstly, as the lifecycle model indicates, within clubs knowledge is passed on in meetings and through written documents (Hicks, 2007; Clare, 2009; Greg Street⁴⁶, 2009). Secondly, clubs share knowledge and experience with each other via membership of the Safety Officers Association. Beattie (2007) explained the origin, aim and structure of the association, he said:

⁴⁶ Greg Street is currently Managing Director of Griffiths and Armour (Risk Management). The organisation is an insurance broker which specialises in a number of niche industries, including the leisure and sports industry. Greg was appointed to the role in 2002 after gaining extensive industrial experience in a number of insurance companies.

'In 1992, George Crawford of Crystal Palace called a meeting of all Safety Officers. The aim was to share and spread best practice. At that inaugural meeting eighteen people, out of a possible 92 turned up – but from there the Association has gone from strength to strength. We now have about 250-260 members. Through the Association we meet twice a year nationally, we meet quarterly in regions – it's split into six regions so the smaller clubs can afford to get to the localised region. The localised regions are smaller; they're normally about 30 or 40 people, so the passage of information is easier.'

Clare (2009) also emphasised the role of the Safety Officers Association in enabling clubs to share knowledge with each other. He mentioned that the association's website was a particularly valuable tool. He said

'Members are able to discuss things on the website. They tend to post things about certain games. It might just be their own feelings about games and about visiting fans. The idea is that others can look at these posts and be aware of issues and see if there are any patterns emerging with certain fans.'

Thirdly, knowledge is transferred amongst the key stakeholders involved in the staging of a match through Safety Advisory Group (SAG) meetings. Both Hicks (2007) and Clare (2009) explained that under the terms of a club's safety certificate each club has to attend meetings of their local SAG. Indeed failure to attend can result in the safety certificate being revoked; an action which would prevent a club from opening its stadium to spectators. SAGs comprise of representatives from the police, fire and ambulance services, local authority departments (i.e. building control, the licensing section and environmental health) and the Football Licensing Authority. Hicks (2007) explained

'All of those disciplines oversee the activities of the football club. So if there's new legislation or if there are changes to the Green Guide for

instance we have meetings to plan and discuss the club's response. We also have table top exercises to make sure that we're fully updated. We go away for two or three days to consider different scenarios.'

Clare (2009) provided additional details, he said:

'We have an agenda and basically you can say what you want – we encourage all parties to contribute. We have a Chairman and all of the meetings are minuted...it's an opportunity to talk about things and bring matters up...also we have tabletop exercises. We consider different scenarios and share ideas.'

Clearly, evidence suggests that clubs actively engage in knowledge transfer activities. Knowledge circulates within clubs, between clubs and amongst the primary stakeholders involved in the staging of football matches.

8.5.3 Use of knowledge

Primarily, knowledge is used to inform current and future practice. For instance, as was discussed in Section 8.4.3, the knowledge gathered from evaluation and feedback enables clubs to adapt and modify their operations. Such action indicates that clubs are engaged in organisational learning. They review their practices and procedures in the light of feedback. Hicks (2007) further demonstrated this when he explained how data gathered from Sheffield United's smart card system was used to modify match day operations. He said:

'The card enables us to monitor when a spectator enters the ground. If we find that too many spectators are arriving at the ground ten minutes before kickoff we can introduce promotions for the next game, such as offering them a free pie with a pint if they enter before 2.30pm, for a 3pm kick off. The aim is to manage the flow of people into the ground - introducing promotions gets people inside the ground. The police would rather have fans drinking inside the ground than outside because they

can be monitored and prevented from interfering with other members of the public who are going about their normal day to day tasks.'

Beattie (2007) also provided an interesting account of how accumulated knowledge had been used effectively in the industry. He explained that members of the Safety Officers Association had collaborated to develop a qualification. He said, 'We've now put together our own training course so there is now actually a qualification which leads to an NVQ Level Two Spectator Control.' Hicks (2007) corroborated Beattie's point and explained the importance of the qualification. He said:

'All our stewards undergo at least Level Two NVQ training in the national stewarding qualification. As part of the training they look at areas such conflict management and searching and ejecting. There's quite a comprehensive training regime that underpins our match day operation. I've only been talking to Andy [the Training Officer] this morning - talking about training issues and how we need to make sure we're up to speed with everything.'

This account shows the importance that Hicks, and the club [SUFC], place on organisational learning and development in the area of stadium management and related operations. It is clear that education and training are regarded as being of vital importance.

In summary, this section has highlighted that in the area of stadium management there is evidence that football clubs have made significant advances in terms of their ability to generate, transfer and use knowledge. This is an interesting development because it shows that clubs are prepared to engage in organisational change. Indeed, it signals a departure from the situation described in Section 4.7. Here it was concluded that clubs operating during the Post-professionalisation and Proto-commercialisation phases were suspicious and sceptical of outside influences, closed-minded and reluctant to change. The evidence presented in this section indicates that in the area of

match day related operations clubs have been prepared to change and have engaged in organisational learning and development.

8.6 Conclusion

In conclusion, this chapter has adopted a different approach to that used in Chapters Five, Six and Seven. Here a Football Match Event Lifecycle Model has been developed and then used to analyse changes in stadium management practices during the Rapid-commercialisation and Post-commercialisation phases. Application of the model has shown that clubs now engage in planning, organising, control, monitoring and evaluative activities. Additionally, the model has highlighted the important roles that knowledge transfer and organisational learning have played in the development of management practices in this field. Indeed, the pivotal role played by knowledge transfer and organisational learning indicates that within this functional area there has been a significant departure from the intransigence and closed mindedness displayed by clubs for much of the twentieth century. Evidence shows that clubs are willing to engage in on-going learning and development and that they are actively seeking to share their knowledge with others located both inside and outside of the industry. As Sections 2.7.4 and 4.7 highlighted, traditionally, these characteristics have not been associated with mainstream British enterprises in general, and football clubs in particular; consequently their presence represents a significant shift in attitude and culture.

Sceptics may argue that changes are not deeply ingrained. However, Clare (2009) noted that in his experience ‘... the [prevailing] attitude is not that “This is something we have to do” instead these days the attitude is “This is something that we want to do.” Here the inference is that clubs have embraced change and that there has been a fundamental shift in their approach. Given, the apathy and lethargy displayed in the development of management practices in other functional areas (e.g. HR), progress made in the management of stadia and related operations provides football clubs with

a case study which has the potential to guide and inform improvements elsewhere.

Chapter 9 – Conclusions

9.1 Introduction

Section 2.5 established that management practices within the English professional football industry have attracted considerable interest from scholars, journalists and authors writing for the populist market. For many the low level of business acumen within the industry has been an area of concern. Specifically, critics argue that the management of business functions has been amateurish, rudimentary and ill-suited to cope with the challenges posed by the entertainment and leisure industry in the twenty first century. However, the literature review found existing works to be deficient on two counts.

Firstly, an analysis which provides a comprehensive and holistic view of business management practices within the clubs before and after the rapid commercialisation of the industry which began in the 1990s does not exist. To date academic works have overwhelmingly focused upon business functions in isolation. Furthermore, observations made within these works tend to be based upon conjecture and are not clearly substantiated with primary data. Consequently, at best, only a very ambiguous and highly underdeveloped picture has emerged (see Cannon and Hamil, 2000; Matusiewicz, 2000; Szymanski and Kuypers, 2000).

Secondly, studies focusing upon commercial aspects of football clubs have failed to put them in the context of management practices in British SMEs more generally: football was simply treated in isolation from other areas of business and management. This is a glaring and highly problematical omission because SMEs have distinct characteristics which set them apart from larger enterprises (see Section 2.7.5). Any attempt to assess management practices must not overlook these features. Indeed failure to acknowledge the SME status of football clubs misses a fundamental characteristic of what it is to be a football club, and consequently does not fully address the social and business context within which football clubs operate.

Given these deficiencies the aim of this thesis was to critically analyse business management practices within the English professional football industry. Three objectives were associated with this aim: To form a baseline for analysis by establishing the state of business management practices in the industry prior to the early 1990s; to explore the extent to which management practices have changed since the commercial revolution of the early 1990s; to critically evaluate the extent to which changes in the business management practices of English professional football clubs reflect those seen in the wider British business environment.

The first objective was addressed in Chapter Four. Here the state of business management practices in the football industry prior to the early 1990s was investigated and a baseline for the analysis of contemporary practices was established. Section 9.2 addresses the second objective. Here the findings of Chapter Four are summarised and analysed in relation to the findings of the finance, marketing, human resources and stadium management chapters. Section 9.3 follows on from this analysis and meets the third objective by critically evaluating the extent to which football clubs reflect wider British industry. Here the themes identified in Table 2.1, reluctance to change, resource issues, short-termism and ownership and control issues, are reconsidered in order to assess the extent to which football club business management practices continue to resemble those of mainstream organisations.

9.2 Business Management Practices: Evidence of Change?

This study has shown that the English professional football industry has undergone a period of profound and unprecedented change. Chapter Four established that during the Baseline period (i.e. the Post-professionalisation and Proto-commercialisation phases) business management practices were best described as being rudimentary and amateurish. However, despite starting from this low base, empirical work conducted for this study has shown that during the Contemporary period (i.e. the Rapid-commercialisation and

Post-commercialisation phases) practices have changed. In order to develop a clearer understanding of these changes this section compares and contrasts the differences and similarities between business management practices in both periods.

Table 9.1 The Baseline Period - Key management characteristics of each business function

<p>Finance</p> <ul style="list-style-type: none"> • Amateurish practices – <i>ad hoc</i>, unsophisticated and underdeveloped • Absence of formal financial systems – e.g. recording, budgeting and planning • Close informal relationship with local bank manager – often based upon historical and social links • Focus upon short term – consequently financial strategy was reactionary 	<p>Marketing</p> <ul style="list-style-type: none"> • Limited, basic, small scale marketing activity – focused upon local markets. • Marketing not regarded as being an important activity - little time, effort or financial resources expended • Approach cautious and conservative. Consequently marketing practices and procedures underdeveloped • Institutional and attitudinal barriers existed. Creativity and ideas stifled. Slow to respond to opportunities and embrace change – but some pockets of innovation and forward thinking • Inexperienced and poorly qualified staff undertook marketing tasks
<p>Human Resources</p> <ul style="list-style-type: none"> • Severely underdeveloped • Unconventional methods and a lack of formalised systems and procedures • 'Grace and favour' approach in evidence • Evidence of employees being exploited and their goodwill being abused 	<p>Stadium Management</p> <ul style="list-style-type: none"> • Disorganised preparation and implementation of match day operations • Safety and customer service not regarded as being important • Physical conditions archaic, chaotic and dangerous • Highly reactive approach with little planning • Under resourced - lack of training and minimal support for those undertaking this area of responsibility

Table 9.2 The Contemporary Period - Key management characteristics of each business function

<p>Finance</p> <ul style="list-style-type: none"> • Despite initial inertia, as the 1990s progressed increasing financial sophistication was seen at all levels. - with the greatest change evidenced at the elite level • Changes in revenue, debt, costs and the expectations of owners necessitated more sophisticated management accounting techniques • Significant improvements seen in areas of planning, monitoring, control, forecasting and reporting – even in the smallest of clubs • Evidence of extensive use of financial management software packages by clubs at all levels • Relationship between club and its financiers has changed – now more professional and commercially oriented • Increased openness and willingness to learn from those outside of the industry • Specialised financial staff employed - largest clubs have dedicated finance departments 	<p>Marketing</p> <ul style="list-style-type: none"> • Overall practices have advanced significantly at all levels. However, unsurprisingly in the main the greatest changes are evidenced at the elite level • Clubs in the Premier League have evolved into marketing led organisations. Consequently they utilise advanced marketing techniques such as CRM, sponsorship, branding and brand extension. Their reliance on local and national supporters has diminished as they have begun to attract interest from overseas • In contrast, clubs outside of the Premier League remain heavily reliant upon local and national supporters. Marketing activity is constrained by a lack of lucrative commercial opportunities and the availability resources
<p>Human Resources</p> <ul style="list-style-type: none"> • Although evidence indicates that practices have improved progress does not extend beyond basic operationally focused activities (i.e. contracts of employment, grievance and disciplinary procedures) • Culture of arrogance and exploitation continues (e.g. employees routinely expected work beyond their contractual obligations) • No evidence of HR being incorporated in organisational strategy • Resources remain scarce – although some evidence of appropriately qualified staff being employed in larger clubs 	<p>Stadium Management</p> <ul style="list-style-type: none"> • Evidence of improvements to stadium management in the areas of planning, organising, controlling, monitoring, evaluation and leadership • Although these changes have been driven by external factors, such as legislation and crises, evidence suggests that clubs have willingly embraced these changes • Evidence indicates that clubs are actively engaging in organisational learning by generating, transferring and effectively using knowledge

9.2.1 Finance

Section 4.3 established that during the twentieth century financial management practices in the football industry were amateurish, unsophisticated and underdeveloped. Financial matters were managed in a relaxed manner. For instance, most often finance was arranged in an informal way (e.g. agreements were reached over lunch with 'friendly' bank managers). Furthermore, financial strategy was best described as short-termist and reactionary. Consequently there was a distinct lack of formal financial recording, planning and budgeting (Friar, 2005; Reade, 2005; Dent, 2006).

However, as Section 5.3 showed, with the advent of the Rapid-commercialisation phase revenues, debts and costs accelerated and new owners with more demanding expectations of how their clubs should be run became involved in the industry. This combination of events resulted in the adoption of more advanced financial management practices.

The most extreme changes occurred at the highest level (i.e. increased availability of sophisticated financial instruments, broadest range of revenues streams and highest levels of cost and revenues). Consequently, here financial management practices have had to adapt through the recruitment of better qualified staff, the establishment of finance departments and the utilisation of more sophisticated financial planning methods (e.g. BRIXX) (Friar, 2005; O'Hara, 2008; Platt, 2008). In contrast, although clubs at the lower levels displayed significant improvement in some areas (e.g. no longer relying solely on bank statements for financial planning), resource limitations have meant that some practices have remained fairly rudimentary, for example using Sage software to support management accounting activity (Blakemore, 2007).

9.2.2 Marketing

In keeping with the observations made in Section 2.5.2, Section 4.4 established that only very basic marketing activity was in evidence during the Post-professionalisation and Proto-commercialisation phases. Interviewees

indicated that clubs were cautious and marketing activities, such as advertising and sponsorship, were not regarded as being substantial revenue generating opportunities. Where marketing activity was undertaken it tended to be basic, small scale and conducted by inappropriately experienced and unqualified staff (Reade, 2005; Thompson, 2005; Sutherland, 2007).

In terms of the Rapid-commercialisation and Post-commercialisation phases Section 6.3 showed that, despite starting from a low base, significant advancements in marketing management practices have been made at all levels of the industry. Predictably, the most profound changes have been seen at the elite level. Premier League clubs have become marketing led organisations and marketing activities have consumed a great deal of their organisational resources. As new opportunities have emerged clubs have developed a strong marketing orientation and they have begun to adhere to established marketing principles and practices. Dedicated marketing functions, funded from increased commercial revenue, have been established (Taylor, 2005; Webster, 2005; Bevan, 2007; Sutherland, 2007). In contrast, although clubs outside of the Premier League have shown some advancement their marketing functions remain constrained by resource limitations and a lack of lucrative commercial opportunities (Pope, 2007; Wilson, 2007). Consequently, Championship clubs are categorised as marketing dominated organisations and League One and Two clubs are identified as marketing weak organisations.

These findings provide a valuable insight and challenge the arguments of those who suggest that marketing activity in the football industry continues to be characterised by low levels of competency and amateurism (Clowes and Clements, 2003; Adamson *et al.* 2006; Lafuente, 2006). This study shows that as the industry has evolved such 'blanket' observations are misleading. A more accurate assessment would be that, although there is significant variation between Premier League clubs and their Football League counterparts, overall levels of marketing sophistication have increased throughout the industry. Indeed, even the smallest clubs considered in this study, Crewe Alexandra and Leyton Orient, displayed a level a marketing

sophistication that was far in advance of that demonstrated by the largest of clubs prior to the commercial revolution of the early 1990s.

9.2.3 HRM

The findings of both the Baseline and Contemporary periods, outlined in Sections 4.5 and 7.9 respectively, indicated that HR remains the least developed business function. Analysis of Liverpool and Preston North End Minute Books corroborated the observation of Taylor and Ward (1997:25) that during the Post-professionalisation and Proto-commercialisation phases day to day employee related issues were the responsibility of the Club Secretary and that in the main HRM activity was characterised by unconventional methods and a lack of formal systems and procedures. Furthermore, a number of interviewees indicated that traditionally clubs treated employees, including players, with disdain and regarded them as dispensable resources whose goodwill and loyalty could be exploited (Thompson, 2005 and Dent, 2006).

Examination of the findings of the Rapid-commercialisation and Post-commercialisation phases, discussed in Section 7.9, show that changes to HRM practices are evident at all levels. However, unsurprisingly the most extensive development is seen in clubs at the elite level. Here clubs have begun to employ HRM specialists, with relevant experience and qualifications, and as a result formalised policies and procedures in areas such as recruitment and selection and training and development have begun to emerge (Friar, 2005; Bevan, 2007; Sutherland, 2007; Lundberg, 2008). Predictably the lower level clubs considered in this study, Crewe Alexandra and Leyton Orient, were unable to engage in the range of HRM initiatives undertaken by their larger counterparts; however, given their limited resources, these clubs demonstrated progress in areas such as the introduction of employment contracts and the adoption of formalised grievance and disciplinary procedures.

Despite these changes HRM practices within football clubs remain underdeveloped. Progress has been slow and the focus of activity has been

limited to operational issues (e.g. enforcing contracts of employment and monitoring and recording absenteeism), rather than the development of HRM strategy (e.g. HR planning). Indeed it is a damning indictment that the findings of this study are in keeping with those of Cannon and Hamill (2000: 40-41) who, nearly a decade ago, found that the strategic dimension of HR, and its importance to organisational success, was not appreciated or understood.

In summary although there has been an expansion in tangible HRM related activity during the Contemporary period the true extent to which the function and its activities have become established and accepted within football clubs remains unclear. Indeed, evidence generated in this study indicates that deep rooted attitudes and beliefs, which would not look out of place in the Baseline period, persist in the industry (Daykin, 2007; Field, 2007; Mackrell, 2008).

9.2.4 Stadium Management

The findings presented in Section 4.6 substantiate the observations of those who suggest that for the bulk of the twentieth century the organisation of English professional football matches was deficient (see Inglis, 1987; Johnes, 2004; Walker, 2005; Elliot and Smith, 2006). Indeed this study highlights that clubs consistently demonstrated a remarkable degree of incompetence when it came to staging and managing football matches. The management of stadia was severely under resourced, systems and processes were lacking and specialised help and support were absent. Stadia were often in a poor state of repair and the physical conditions endured by spectators were archaic, inappropriate and dangerous (Reade, 2005; Dent, 2006; Sutherland, 2007).

However, Chapter Eight revealed that significant progress has been made in the management of stadia during the Contemporary period (see Section 8.4). Application of the Football Match Event Lifecycle Model showed that clubs engage in effective planning, organising, controlling and monitoring of matches. They evaluate their performance at each stage of the process and generate feedback which is used to inform future events. Furthermore, this study has established that clubs have begun to engage in effective collaboration, organisational learning and knowledge sharing (Beattie, 2007;

Hicks, 2007; Clare, 2009). These findings are important because they counter the suggestion made by Elliot and Smith (1999) that clubs have not learnt from the disasters that afflicted the industry during the twentieth century (see Section 2.5.4). The Contemporary picture developed by this study reveals that management practices have advanced beyond those seen during the Post-professionalisation and Proto-commercialisation phases of the Baseline period. Indeed success in this area shows that it is possible to overcome the organisational inertia which has inhibited change in the past. For those seeking to instigate change in other functional areas, such as HR, changes in the area of stadium management provide a valuable insight.

9.3 Management Themes: The extent to which football clubs resemble mainstream SMEs

This section returns to the management themes of Reluctance to Change, Resource Issues, Short-termism and Ownership and Control Issues that were identified in Chapter Two, and summarised in Table 2.1. Here each of the themes is used to explore the extent to which clubs continue to resemble mainstream SMEs.

9.3.1 Reluctance to Change

Section 1.2 charted the development of English professional football from the Foundation to the Post-commercialisation phases and showed that from its inception the industry has been affected by periods of both evolutionary and revolutionary change. However, paradoxically the findings of this study reveal that despite turbulence across the industry football clubs resisted change and adopted a reactive, rather than a proactive, stance for the majority of the twentieth century (Beswick, 2005; Dent, 2005; Field, 2007; Mackrell, 2008). Moreover, this study has shown that resistance to change has been a defining feature of wider British industry for much of the period (see Table 2.1).

However, despite this congruence, organisational inertia appears to have been more persistent in football clubs than in conventional SMEs. This was because, unlike their mainstream counterparts, clubs enjoyed a cosseted

existence. The threat of bankruptcy was negated by generous benefactors; until 1961 the wages of players, a club's key factor of production, were constrained by a maximum wage agreement; the loyalty of customers was guaranteed; and competitive commercial pressures did not exist. Consequently, clubs remained impervious to change and were able to persist with tried and trusted practices. When mainstream British enterprises began to modernise their business management practices, in the late 1970s and early 1980s, football clubs lagged behind. Some functions such as marketing did show signs of incremental change; however, progress was slow and in the main was met by ongoing resistance. Indeed, as Section 4.4 showed on the very few occasions when modernisers, such as Jimmy Hill, attempted to introduce new and innovative business practices traditionalists prevented their widespread adoption and successfully maintained the status quo.

Substantial changes to business management practices in the English football industry did not begin until the dominance of traditionalists was shattered in the late 1980s and early 1990s. The Hillsborough Disaster and the inception of the Premier League, which heralded the dawn of the Rapid-commercialisation phase, caused a seismic shift in the economic and commercial base of the industry. Modernisers, such as Irving Scholar and Edward Freedman at Tottenham Hotspur, began to challenge the prevailing orthodoxy and as a consequence an intense period of unprecedented transformation commenced.

Indeed the findings of the Contemporary period reveal a greater willingness to embrace and accept change in clubs at all levels of the industry. Practices in the areas of finance, marketing and stadium management and, to a lesser extent, HR have changed during the Rapid-commercialisation and Post-commercialisation phases. Traditionalists remain but the findings of this study indicate that their power and influence has been eroded (Webster, 2005; Boyle, 2005; Bowler, 2007a; Platt, 2008). This has resulted in a more responsive attitude to both organisational specific and industry wide change.

Perhaps the most compelling evidence that significant change has occurred is seen in the willingness of football clubs to develop by engaging in learning and knowledge transfer.

In terms of learning, Section 7.8.1 showed that clubs have responded to new challenges by training their staff and introducing recognised qualifications. For example, in order to improve customer service levels Liverpool, Everton and Arsenal have introduced training and NVQ level qualifications (Friar, 2005; Webster, 2005; Townsend, 2007). Similarly, clubs are required to train all stewards in crowd safety to NVQ standard (Beattie, 2007). As would be expected formal learning and development are more evident in Premier League clubs. Here resources are more readily available and expectations in areas such as customer service have become more demanding (Webster, 2005 and Bevan; 2007). Clubs at the lower levels have also made advances in organisational learning but these appear to be limited to the development of 'tacit' knowledge. This was highlighted by Wilson (2007) of Crewe who explained that the club's ethos was to allow employees to learn by 'trial and error'. This approach is in keeping with mainstream SMEs and is a relatively cost effective way of empowering employees and building self confidence (Deakins *et al.* 2001: 366; Kotey and Slade, 2005: 19; Walker *et al.* 2007: 295). Overall evidence indicates that in response to emerging challenges in the industry football clubs have become more open to learning and development.

Change was also evident in the area of knowledge transfer (see Section 7.8.1). For example, the sharing of knowledge on a formal and an informal basis between clubs was mentioned by a number of interviewees and in the main was shown to be a positive development (Friar, 2005; Bowler, 2007b; Pope 2007; Platt, 2008). Similarly, the sharing of knowledge and information between football clubs and other types of organisation was also mentioned by a number of interviewees. For instance, Townsend (2007) and Webster (2005) emphasised the value of outsourcing non-core activities such as catering and merchandising and explained that football clubs could learn a great deal by entering into strategic partnerships. In addition, Section 8.5

showed that those involved in stadium management had derived a great deal from working collaboratively with external parties. In particular, the requirement of football clubs to attend local Safety Advisory Group meetings has forced them to engage with outside agencies, such as local authority licensing departments, and has provided opportunities to share knowledge and learn. Indeed, the involvement of football clubs in this area has been beneficial in that knowledge gleaned from the football industry is being used to inform practice in the horse racing industry (Street, 2009). It is a telling and damning indictment of the football industry that knowledge sharing has not been more extensive and that opportunities for others to learn from its vast experience have been lost because it remained closed to external influences for much of the twentieth century.

Clearly significant progress has been made in terms of learning and knowledge transfer within the football industry; however, barriers to further development remain. In particular, although clubs appear to have become more open and transparent, they continue to be nervous and suspicious of 'outsiders'. This was in evidence during the primary data gathering phase of this study. On two occasions, prior to being granted an interview the credentials of the researcher were 'checked out'. Intense scrutiny, particularly from the media, continues to make football clubs sceptical of genuine requests for collaboration and hinders full engagement with external stakeholders. Although progress has been made there is a danger that clubs may retreat to the isolationist positions that they held in the past. The continued development of a healthier business management culture within the football industry is dependent upon the ability of clubs to 'open up', engage in continuous learning and share knowledge with those both inside and outside of the industry.

In summary, for the majority of the twentieth century football clubs and mainstream British business enterprises shared the same attitude towards change, namely they preferred to adhere to tried and tested methods and persist with familiar ways of operating. However, whereas conventional businesses began to soften their position in the 1970s and 1980s, football

clubs remained closed institutions that were wedded to their long held conventions and traditions. It took disasters, legislation and commercialisation to force clubs to reduce their intransigence and open up to change. Progress has been slow, and is best described as being 'work in progress', but business management practices in the areas of finance, marketing and stadium management, and to a lesser extent HRM, have changed. These changes have been supported by the increased willingness of clubs to open up to outside influences and engage in learning and knowledge transfer.

9.3.2 Resource Issues

Mainstream SMEs and football clubs face resource related challenges. Specifically organisations of both types suffer from a scarcity of financial and human resources (Gray, 2004; Reade, 2005; Thompson, 2005; Grant Thornton, 2006).

Section 4.3 showed that traditionally clubs have struggled to strike a balance between allocating resources between playing and non-playing activities. At this time playing success was the primary objective for most clubs and consequently resources were concentrated 'on the pitch'. As a result administrative activities were underdeveloped (Boyle, 2005; Reade, 2005; Prescott, 2006). Indeed this study has shown that prior to the Rapid-commercialisation phase, even in the largest of clubs, off the pitch activities were routinely under resourced and as a consequence non-playing staff were expected to execute a wide variety of roles with very limited means. This was most graphically illustrated in Sections 4.2.1 and 4.6 where the role of the Club Secretary was discussed. Here it was found that incumbents of this post were expected to manage all aspects of the day to day running of the club and work under intense pressure. Most often these individuals were not especially well qualified and were expected to learn by doing, rather than by engaging in formal training and development. As was established in Section 2.7.5, this approach is in keeping with that seen in mainstream SMEs. Here it was shown that 'resource poverty' prevents organisations from employing specialist staff who are able to focus upon a narrow range of tasks.

In contrast, the findings of the Contemporary period reveal that in elite clubs, non-playing activities have attracted substantial investment and as consequence dedicated marketing, finance, stadia and, in a very small number of cases, HR departments have emerged. These are relatively well resourced with appropriately qualified staff. Friar (2005) succinctly summarised the situation when he commented that ‘...both the quality and the quantity of resources had significantly improved.’

However, clubs outside the top level continue to experience intense resource related tensions (Bowler, 2007a; Pope, 2007; Wilson, 2007). Here clubs continue to display characteristics that are not untypical of their mainstream SME counterparts. For instance, because staff numbers are small, the expectation that employees will continue to multitask and work beyond their contractual obligations remains (Daykin, 2007; Wilson, 2007). Lower level clubs also indicated that they have difficulty in attracting and retaining employees with appropriate experience and qualifications (Bowler, 2007a). Resource constraints limit the ability of clubs to pay salaries that are commensurate to those available outside the industry. Clubs offer low salaries and hope that prospective employees will accept them in return for the opportunity to work in the industry. This is counterproductive and results in a high staff turnover and a haemorrhage of well qualified people from the industry (Daykin, 2007; Field; 2007). Again this is a characteristic of mainstream SMEs. These have a ‘liability of smallness’ which means that they cannot offer the salaries and career opportunities of their larger counterparts (Stanworth and Gray; 1991: 133; Barret and Mayson, 2007: 311).

In summary, traditionally football clubs have experienced a tension in the allocation of resources between playing and non-playing activities. When faced with the choice of allocating resources ‘on the pitch’ or off it clubs tended to opt for the former. This contributed to the severe underdevelopment of business management practices in the industry. From the late 1980s and early 1990s clubs at the highest level were able to redirect resources to the development of business functions because the top level of the industry suddenly began to generate substantial surpluses thanks to the liberalisation

of the television market in the UK. Yet again, football clubs benefited from an external regulatory change that was not of their making. Outside the top flight clubs are unable to pursue this strategy and, although some progress has been made, the tendency is to continue to under-resource non-playing activities in order to pursue playing success. Indeed the pressure for success has become more marked because of the increasing rewards on offer in the Premier League. Resources remain scarce and clubs operating at this level continue to share many of the characteristics of mainstream SMEs.

9.3.3 Short-termism

A further characteristic traditionally shared by football clubs and mainstream SMEs is short-termism. Indeed, as established in Section 2.7.5 and summarised in Table 2.1, for much of the twentieth century British business organisations of all types and sizes were roundly criticised for their tendency to be preoccupied with the short term objectives at the expense of longer term strategies.

This characteristic, as with others, appears to have been amplified in the football industry. Traditionally clubs focused upon immediate, short term concerns and tended to ignore the development of medium and long term plans (Boyle, 2005; Reade, 2005; Daykin, 2007; O'Hara, 2008). Their responses to emerging issues and problems were reactionary, unplanned and *ad hoc* in nature (Chadwick and Clowes, 1998: 197 and Deakins *et al.* 2001: 26). These characteristics were another consequence of the need for clubs to pursue playing success at all costs. The general orthodoxy was that it was of little value to plan too far in advance because planning horizons were chronically short and the success or failure of plans was highly dependent upon results. Minimum levels of solvency were acceptable in the pursuit for playing success (Sloane, 1971: 123).

Short-termism was also evidenced in the areas of financial and marketing management. Section 4.3 showed that in terms of financial management most clubs, like their mainstream SME counterparts, had a capital structure that was not conducive to strategic development and long term planning. Reliance

upon bank loans and overdrafts (i.e. working capital) resulted in a 'hand to mouth' existence. Similarly, Section 6.3 highlighted the prevalence of short-termism in marketing activity, particularly in the areas of advertising and sponsorship. Clubs did not seek out strategic partners with whom they could develop long term relationships. Rather deals were most frequently 'one off', 'arms length transactions' that were struck with associates, or friends, of the club's directors.

However, evidence generated from contemporary clubs shows that during the Rapid-commercialisation and Post-commercialisation phases even the smallest of clubs have shifted away from these practices. For instance, Section 5.3 established that from a financial perspective clubs at all levels demonstrated that they have begun to engage in more sophisticated planning. Platt (2008) NCFE, Wheatley (2008) LFC, Friar (2005) AFC and Blakemore (2007) CAFC explained that when planning future strategy they adopt a cautionary stance. These clubs develop long term plans on the assumption that playing performance will be poor to moderate (i.e. an early cup exit and a mid-table position at the end of the season). A further indication that clubs have become more sophisticated is their readiness to use financial forecasting software packages such as BRIXX (O'Hara, 2008; Wheatley, 2008). Again, this is a departure from the norm that was in evidence in football clubs for much of the twentieth century where simply preparing a budget for the forthcoming year would have been a major advance. In terms of marketing management practices it was emphasised in Section 6.3.1 that clubs have progressed beyond the short-termism that dominated the industry in the past. Sutherland (2007) CAFC and Chadwick (2002: 261) emphasised the need for sponsorship deals to be long term relationships which provide each party with financial and non-financial benefits. In terms of short-termism and HRM practices an interesting picture has emerged. Significant changes are in evidence at an operational level. For instance it was highlighted in Section 7.4.1 that due to legislative changes clubs have made progress in areas such as contracts of employment. However, as discussed in Section 7.5.2, longer term strategic activities such as HR planning are not in evidence. Indeed even at the highest levels at best HRM practices do not extend much beyond what

is required for the day to day running of the organisation (i.e. the short term). In terms of stadium management practices, Section 8.4.1 established that planning was an integral part of the Football Match Lifecycle and this shows that there has been a move away from the short-termist and reactionary approach which was in evidence during the Post-professionalisation and Proto-commercialisation phases.

Although, clubs have attempted to overcome their short termist tendencies in a number of ways some interviewees indicated that medium to long term planning will always be difficult because the impact of results on the pitch will never be fully eradicated (Beswick, 2005; Webster, 2005; Bowler, 2007a; Wilson, 2007). A run of poor results has the potential to severely impede medium to long term financial planning. This is a characteristic of all clubs but it is particularly pertinent for clubs outside the Premier League. Here attendances and general interest in a club are very sensitive to results (Bowler, 2007b and Pope, 2007). Poor playing performance quickly results in falling gate receipts and an overall drop in revenue. In the Premier League, where clubs derive the bulk of their revenue from media and sponsorship deals, the short term effect of a poor run of results is less pronounced. Clubs are 'cushioned' from the immediate impact of poor performance and are helped with parachute payments if they are relegated.

Medium to long term human resource planning is also severely affected by failure on the pitch. Coaches, players and those in senior administrative positions within football clubs (CEOs, managers etc) are most likely to have their contracts terminated if results are poor. Planning beyond the short term is extremely difficult if those in key positions do not have security of tenure. For instance, coaches may pursue success by 'buying in' expensive, tried and tested players rather than focusing upon the development of youth players. This is an understandable strategy but it is potentially costly and if repeated by a number of coaches in quick succession may severely impede the future financial performance of a club. Similarly, instability at board and senior management level leads to fragmented and inconsistent decision making which is not conducive to effective medium to long term planning.

In summary, football clubs share the short-termist tendencies of their mainstream SME counterparts. However, clubs have unique characteristics which result in added complications in this area. The imperative to achieve success on the pitch forces clubs to focus upon the short rather than the medium and long term. Despite attempts by clubs at all levels to protect themselves from a bad run of results the fact remains that even the largest clubs remain vulnerable. Although the problem is more severe for clubs outside the Premier League, where revenue streams are much more dependent on walk-up match day income and are very quickly affected by poor playing performance, all clubs are required to concentrate a high proportion of their resources on the short term; in most instances this is at the expense of a longer term perspective.

9.3.4 Ownership and Control

In terms of ownership and control the findings of this study indicate that during the Post-professionalisation and Proto-commercialisation phases football clubs of all sizes bore a close resemblance to their mainstream SME counterparts. Morrow (2003: 80) observed that in the main football clubs either had concentrated ownership or control. In other words, in terms of ownership, a large proportion of shares belong to one or a small number of individuals or institutions; or, in terms of control, one or a small number of shareholders exert control over the organisation. These features are congruent with that of mainstream SMEs. Indeed, it is a key characteristic of the personal capitalism approach that dominated British business enterprises for much of the twentieth century (see Section 2.7.4).

According to Nordquist and Melin (2002: 95), Lubatkin *et al.* (2007: 956) and Colli *et al.* (2003: 31) where there is difficulty in separating ownership and control decision making problems occur because SME owner/managers adopt a 'hands on' approach and become heavily involved in every aspect of the business. This again has been a persistent characteristic of football clubs in both the Baseline and Contemporary periods. A number of interviewees indicated that in both periods it was not uncommon for owners and directors to become involved in the day to day running of their clubs (Beswick, 2005;

Dent, 2006; Bassett, 2007; Blakemore; 2007). This is particularly problematic in football clubs because, unlike owners of mainstream SMEs who have usually established the business and have developed an in-depth knowledge of how it operates, those involved do not necessarily understand the idiosyncrasies of running a club. This can lead to tension and can impede progress on and off the pitch (Friar, 2005; Hill, 2005; Dent, 2006). This illustrates, again, that although football clubs have features in common with mainstream SMEs they have some characteristics which are unique and mark them out as being a 'special case'.

A further characteristic shared by mainstream SMEs and football clubs is that the primary motive for ownership was not, and is not, necessarily profit maximisation. Indeed motives for ownership of both types of enterprise can be complex and varied. Section 2.7.5 established that in mainstream SMEs objectives such as independence, provision of employment for family members and personal fulfilment can take precedence over commercial gain. Motives for football club ownership have become more diverse and complex as the industry has developed. Section 4.2.1 established that during the Post-professionalisation and Proto-commercialisation phases the overriding motivation for ownership was a desire for prestige and recognition. This corroborated the notion that utility, rather than profit, maximisation was the primary objective for those becoming owners and directors (Sloane, 1971: 123; McMaster, 1997: 27; Buraimo *et al.* 2006: 34). As a result, typically football club owners ran their clubs with their hearts, rather than their heads (Hawkes, 1998: 37).

In the Contemporary period the picture is more complex. Section 5.3.4 showed that during the initial stages of the Rapid-commercialisation phase a 'new breed' of owners and directors, such as Irving Scholar, Simon Jordan and Alan Sugar, were attracted into the football industry by what appeared to be highly lucrative profit making opportunities. These individuals realised that in order to take advantage of these opportunities the running of clubs would have to change and that there would have to be a shift away from rudimentary and amateurish business practices which had been a persistent feature within

the industry for much of the twentieth century. Clubs created new roles such as Chief Executive Officer, Finance Director and Marketing Executive and well qualified people with experience outside the football industry were appointed (Friar, 2005; Kelly, 2005; Dent, 2006).

However, despite the generation of multiple revenue streams, profitability failed to materialise. Indeed, given that the vast majority of clubs continue to be unprofitable, the underlying motives for those wishing to own clubs, and become board members, remain unclear. At the elite level football clubs appeal to owners who are attracted by the glamorous and exciting image of the sport. Here prestige and recognition continue to be important factors. However, elsewhere in the industry motivations for club ownership are less easily understood. One emerging trend highlighted in Section 5.3.4 is the use of the football club brand to leverage other business interests of the owner. For instance, Field (2007) and Daykin (2007) explained how Sheffield United's owner Kevin McCabe uses the clubs brand to further his property development interests in China and Pope (2007) of Leyton Orient emphasised that the club was one element of the owner's [Barry Hearn] portfolio of leisure businesses. Clearly, it is very difficult to establish a definitive set of objectives and motives for those wishing to invest in contemporary football clubs; however, in terms of the extent to which football clubs resemble their mainstream SME counterparts it can be seen that football club and SME owners have strong similarities because they appear to be motivated by objectives other than profit maximisation.

In summary SMEs and football clubs have been shown to have similar characteristics. In these organisations ownership and control tend to be concentrated within a small group of individuals. This often leads to a 'hands on' approach which in the football industry is problematic because owners and directors do not always fully appreciate the idiosyncrasies of the industry. In terms of motives for ownership mainstream owners of SMEs and football clubs are similar in that their primary objective is not profit maximisation. Indeed, outside of an elite few, football clubs consistently failed to generate operating profits for their owners. Alternative motives for ownership are

unclear; however, issues such as prestige and status remain important and an emerging trend is the purchase of a football club to leverage other elements of a business portfolio. A further dimension of ownership which is common to both mainstream SMEs and football clubs is the potential for owners to influence business management practices. In the football industry this was most clearly seen when the 'new breed' of owners and directors emerged in the Contemporary period. This group was instrumental changing attitudes and introducing more sophisticated management practices in the areas of finance, marketing and stadium management.

9.4 Conclusions

In conclusion this study has critically examined the state of business management practices in the English professional football industry. The exploration of business management practices in the Post-professionalisation and Proto-commercialisation phases, termed the Baseline period, provides a valuable insight and fills a gap in the literature by locating football club business management practices within their wider historical context. In essence practices were viewed through the lens of business and economic history in order to derive a clearer and more coherent picture. This element of the study provides a unique and valuable contribution because when seen from this perspective football clubs of the time are found to share many of the characteristics of their mainstream SME counterparts. Indeed given the poor state of practices across British industry in both large and small scale enterprises during the period criticisms of football club business management practices appear somewhat harsh.

The study then progressed to evaluate the state of business management practices in Rapid-commercialisation and Post-commercialisation phases, termed the Contemporary period. Here the functional areas of finance, marketing, HRM and stadium management were considered in turn. Significant improvements were identified in all areas, but HRM was found to be the least developed with practices remaining focused upon operational, rather than strategic issues. This work provides a further valuable contribution

in that it achieves a holistic exploration of past and current football business management practices which is based upon primary data gathered from interviewees who have extensive experience of the industry. Again, this addresses a significant gap in works undertaken to date.

In addition, the study has critically evaluated the extent to which football clubs resemble their mainstream SME counterparts. Here it has been shown that although clubs share some similarities with conventional SMEs the challenges they face are amplified by the inherent features of the football industry; from this perspective clubs can be regarded as a 'special case'. For instance, reluctance to change has been shown to be a persistent problem for football clubs and conventional SMEs alike. However, the problem has been more enduring for football clubs because of the dominance of traditionalists who steadfastly refused to embrace change. Although this study has shown that in the Contemporary period the power of traditionalist has been eroded and as a result clubs have undergone significant change in areas such as finance, marketing and stadium management it has also been established that traditional attitudes persist in areas such as HRM.

Another characteristic common to both football clubs and mainstream SMEs is resource poverty; however, here again the problem is compounded in football clubs where the bulk of resources tend to be given over to the pursuit of playing success. This difficulty is seen most clearly in clubs operating in the lower leagues, but is still an issue for those trying to develop and improve business management practices at the elite end of the industry. An additional issue shared by football clubs and mainstream SMEs is a preoccupation with the short term. Despite laudable attempts to shift the focus away from immediate circumstances by introducing more sophisticated planning and forecasting techniques football clubs by their very nature cannot escape the consequences of a poor run of results in the short term. Again the issue is most pronounced for clubs located outside the Premier League where income streams are ultra sensitive to poor performances (e.g. a noticeable reduction in attendances if results are poor). However, even the elite are not immune from the perils of poor performance and the ever present threat of relegation

from the Premier League and its financial consequences. In terms of ownership football clubs mirror SMEs in other industries in that they tend to be dominated by a powerful individual or small group of powerful individuals. However, the motives of football club owners are different from those that drive owners of mainstream SMEs. Here motivation is less clear and issues such as ego, prestige and status tend to complicate matters.

9.4.1 Limitations

While this thesis sheds considerable light on historic and current practices in the business management of English professional football clubs, it also has some limitations.

The football industry is a difficult industry to investigate. Such is the interest in the sport that clubs are inundated with requests for help, cooperation and guidance. Gaining access can be a difficult and lengthy process. A study designed to explore business management practices in every club, or even a statistically representative sample of clubs, would be problematic because it is highly unlikely that the cooperation of a sufficient number of clubs could be secured. Moreover, even if access were granted then there was the chance that the owner or CEO would change and access would have been withdrawn. Consequently, the gathering of primary data concentrated on content analysis of Minute Books from two clubs, non-participant observation at two clubs and the in depth interviewing of 34 people who were willing to share their ideas and talk at length about their experiences in the industry. Here it was felt that a 'trade off' was necessary between securing high quality data that '...would remain faithful to, and sufficiently illuminate, the phenomena under investigation' and settling for a sample size that was not statistically representative of the population (Parry, 2003:249). Although this can be regarded as a limitation of the study it is a difficulty encountered by all phenomenological researchers and is acceptable in a study of this type where the aim is to build an in-depth understanding of the phenomenon rather than produce a 'grand tour' of current business management practices in the industry.

A further limitation was the imbalance between primary data sources utilised in the investigation. The bulk of primary data was gathered from interview material. Minute book data and data gathered from non-participant observation was limited in that only minute books from two clubs, Preston North End and Liverpool FC, were considered and non-participant observation was only undertaken at Norwich City FC and Sheffield United FC. Clearly, the opportunity to explore more documentary material and engage in non-participant observation at other clubs would have helped to correct this imbalance; however, given the access issues outlined earlier and the constraints on time and other resources incorporation of these materials was a significant achievement. Indeed use of these materials, although limited in breadth, facilitated the adoption of a multi-method approach which allowed the triangulation of data sources.

The depth of insight gleaned from non-participant observation at Norwich City FC and Sheffield United FC although valuable, was limited. The work conducted did not extend beyond observation and consequently the researcher never became accepted as an 'insider'. Clearly, use of a full ethnographic approach would have yielded observations of more depth and detail. But this was not a realistic option on two counts. Firstly, as outlined above, no football club would have permitted this level of access; and secondly, given the time constraints of the study and the circumstances of the researcher (i.e. engaged in full time employment) a full ethnography would have been impossible.

Also, it is important to acknowledge that the findings of this study have been generated from data gathered during a particular period of time. Consequently, claims regarding the generalisability of its findings have to be treated with caution. Indeed, this issue is particularly pertinent given that over the duration of this study two clubs have been relegated (Norwich City and Charlton Athletic) and at least seven contributors (Doncaster, Field, O'Hara, Reade, Sutherland, Townsend and Wheatley) are no longer employed in the positions that they held at the time of interview. This shows the turbulence that prevails in the industry and highlights the difficulties of developing a

consistent and coherent picture. However, despite these problems the findings of the study are of significant value because they have the potential to act as 'illuminative case law'. This means that, provided the original context of the study is understood and appropriate judgement is exercised, the findings can be used to inform the interpretation of other phenomena which lay outside the original context of the study (Warhurst, 2005:83).

The requirement to interview elite informants also imposed limitations. In particular, the need for the interviewer to demonstrate extensive knowledge of the area under discussion was a persistent challenge. Welch *et al.* (2005: 8-13) and Kvale and Brinkman (2009: 147) advise that this is necessary in order to gain the confidence and respect of the interviewee. Overall, given the broad scope of the study (i.e. incorporating historical perspectives and a range of specialised business functions), potential problems were effectively overcome by extensive pre-interview preparation and research. However, on a small number of occasions, particularly when interviewing those who shared anecdotes from the early post-war period (Hill, 2005; Dent, 2006; Armfield, 2007) understanding of some of the finer points and nuanced details was limited. For instance, when Hill mentioned obscure squad players who played at Fulham in the early 1950s the interviewer had no knowledge of them and therefore could not further the conversation. Fortunately such episodes were few and the interviewer successfully gained the confidence of interviewees. This was demonstrated by the high proportion of participants who were happy to introduce and recommend me to others they thought would have a valuable contribution to make to the study. An additional method adopted to encourage participation in the study was to offer to provide interviewees with an opportunity to review their interview transcript and check it for inaccuracies. This offer was made because, given the level of scrutiny and media attention directed towards the industry, it was felt that participants would be more likely to contribute if they felt that they were not going to have their views misrepresented and/or their contributions misquoted. This approach was successful in that where participants chose to review their transcripts alterations were limited to changes of factual details (e.g. dates) and correction of misspellings (e.g. names).

Finally, a further limitation of the study was the decision to limit the use of electronic means of coding data (i.e. use of NVivo) to the second phase of the research process. In retrospect, although a thorough and extensive analysis was achieved by utilising manual coding methods, time constraints may have been eased by if the use of NVivo had been extended to the final phase of the study. If the study was to be repeated, or similar studies undertaken in the future, I would recommend the use of electronic coding methods in order to make the handling and analysis of data quicker and more efficient.

9.4.2 Future Research

This thesis has focused upon the evolution of business management practices in one industry over a long period of time. The development of management practices in the key functional areas of finance, marketing, HR and stadium management have been considered with regard to English professional football clubs. There is a need to expand this investigation beyond the English football industry in order to test the generalisability of its findings. For instance, studies exploring the development of practices in football clubs located in other leagues around the world, particularly continental Europe and North and South America, would provide valuable insights and opportunities for comparison. In particular, the impact of cultural and structural differences on issues such as management of change, short-termism, ownership and organisational learning would be of interest.

Similarly, the approach developed in this thesis could be used to explore the development of business management practices in other elite sport industries, such as rugby and cricket. This would provide an opportunity to compare business management practices across a range of different sporting contexts and would potentially result in a significant contribution to the body of sport management literature which, according to Chadwick (2009: 202), is in need of being shifted from '...the margins to the mainstream: from the outside lane to the inside track.'

A further research area in need of development centres on the notion that football clubs are SMEs. This thesis has investigated this hitherto unexplored area by utilising the SME literature to illuminate and develop a clearer understanding of the evolution and development of business management practices within clubs. There is a need to augment this work in two ways.

Firstly, the case has been made that although football clubs are SMEs they are in fact a 'special case'. This claim, although comprehensively explored here, could be investigated further. Specifically, additional areas of difference and similarity need to be established and analysed in-depth. Work of this type will help to clarify the unique characteristics of, and challenges faced by, football clubs.

Secondly, a future study addressing the question 'What can football clubs tell us about business management practices in mainstream SMEs?' would provide a unique perspective on a relatively well developed body of literature. Indeed as this, and other studies, demonstrate the football industry provides an interesting and motivating location to study business, enterprise and management. The contention here is that by redefining, reframing and relocating the generic issues and challenges encountered by SMEs in a novel and stimulating new context there is the potential for the development of creative and innovative solutions. Given the appeal of the football industry, case study material generated from this type of research activity has the potential to provide an interesting and valuable contribution to both business education and management development literature.

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APPENDICES

APPENDIX A

Football Match Disasters in Twentieth Century Britain: Key Incidents and Responses

YEAR	INCIDENT	OUTCOMES
1902	Ibrox Disaster: Scotland versus England Match Wooden terracing collapsed and 26 died and over 500 were injured.	No resultant public inquiry or review of crowd safety. FA established itself as a limited liability company in order to protect itself against litigation from fans involved in future incidents (Johnes, 2004:135).
1914	Sheffield Wednesday: Eighty people injured in a crush at Hillsborough	No response
1923	FA Cup Final: Chaotic scenes and severe overcrowding resulted in thousands of fans spilling on to the pitch and an estimated 1,000 spectators being injured	First government inquiry into crowd safety was commissioned. Home Secretary Edward Shortt was asked to investigate 'abnormally large attendances on special occasions'. Shortt's Report (1924) made recommendations on ground licensing, stewarding and fire (Elliot <i>et al.</i> 1999: 20). FA refused to give evidence and did not implement any of Shortt's recommendations. The only tangible outcome was that FA decided to make all Cup Finals all ticket (Walker, 2005: 40).
1924	Burnley: One man died	No response
1946	Burnden Park: 33 people died and over 400 injured when a section of the crowd surged down a bank	Government inquiry commissioned. Justice Moelwyn Hughes was appointed to conduct the investigation. He recommended closer scrutiny of grounds, a more scientific method of calculating ground capacity, the electronic counting of spectators entering a ground and the collation of this data at a central point, and the introduction of a licensing scheme operated by local authorities with penalties for non-compliance. FA ignored all recommendations, with the exception of introducing a voluntary licensing scheme which was self regulatory. (Inglis, 1987:31-32)

1961	Ibrox Disaster: Two people died and 44 were injured when a wooden barrier on a stairway collapsed.	No response
1967	Ibrox Disaster: Crushing responsible for the injury of eleven	No response
1968	No Disaster	<p>Chester Report: Norman Chester was commissioned by the government to look into '...football at all levels, including the organisation, management, finance and administration, and the means by which the game may be developed for the public good; and to make recommendations.' (Taylor Report, 1990:99).</p> <p>Chester reported on the emergence of disorderly behaviour and noted that there was a need for better facilities at many grounds (Elliott, <i>et al.</i> 1999:20).</p> <p>The Harrington Report, 'Soccer Hooliganism: A Preliminary Report', 1968. Harrington was critical of the indifference and inactivity which had accompanied earlier inquiries; he condemned the lethargy of consecutive British governments and called for governing bodies and clubs to accept responsibility for keeping their crowds in order (Harrington, 1968: 33-36)</p>
1969	Ibrox Disaster: Crushing responsible for the injury of 33	<p>Lang Report This was commissioned by the government in response to the Chester and Harrington Reports.</p> <p>The report identified CCTV as a beneficial addition in football grounds and outlined the impact of alcohol on spectator behaviour (Elliott <i>et al.</i> 1999:20). However, according to Inglis (1987), 'Lang's report was an interesting document but it had little effect. (p32)</p>
1971	Ibrox Disaster: 66 people died as a result of crushing on a stairway as they left the ground	In response to the disaster Lord Wheatley was asked to make an assessment of '...existing arrangements for crowd safety in Great Britain' (Taylor Report, 1990:100).
1972		<p>Wheatley Report The report concluded that the system of voluntary licensing was inadequate and</p>

		Wheatley went on to say that: 'The public demand for something to be done has been growing over the years. I am sure I am reflecting public opinion when I say something must be done now.' (Wheatley, 1972:67)
1973		In response to the Wheatley Report a working party headed by the Minister for Sport, Denis Howell was established. The group produced a set of guidelines, the Guide to Safety at Sports Grounds (1973) known as the 'Green Guide'
1975		Following on from the introduction of the Green Guide the Safety at Sports Grounds Act was passed
1976		Guide to Safety at Sports Grounds: 'Green Guide' 2 nd Edition produced
1985	Bradford Fire: At Valley Parade wooden stand caught fire killing 56 people	Committee of Inquiry into Crowd Safety and Control at Sports Grounds led by Mr Justice Popplewell. Recommended that safety certificates should be renewed annually, that CCTV should be installed, that the sale of alcohol at grounds should be fully reviewed, that inflammable material should not be used in the construction of new stands and called for well-designed perimeter fencing with plenty of exits (Heatley and Ford, 1994:5). Popplewell also commented '...almost all of the matters into which I have been asked to inquire and almost all the solutions I have proposed have been previously considered in detail by many distinguished Inquiries over a period of 60 years.' (Taylor Report, 1990:4)
1986		As a consequence of Popplewell's Inquiry a revised and expanded version of Green Guide (2 nd Edition) was produced.
1987		Fire Safety & Safety of Places of Sport Act
1989	Hillsborough Disaster: 96 supporters crushed to death	Lord Justice Taylor appointed by the government to conduct an inquiry into the disaster.
1990		Taylor Report Taylor commented 'It is a depressing and chastening fact that mine is the ninth official report covering crowd safety and control at

		<p>football grounds. After eight previous reports and three editions of the Green Guide, it seems astounding that 95 people could die from overcrowding before the very eyes of those controlling the event.' (Taylor, 1990:4)</p> <p>Seventy six recommendations were made. The key areas of change were the introduction of all-seater stadia, the revision of the Green Guide, the abandonment of the proposed national membership scheme and the founding of the Football Stadia Advisory Design Council and the Football Licensing Authority.</p> <p>Guide to Safety at Sports Grounds 3rd Edition (Green Guide) produced</p>
1997		Guide to Safety at Sports Grounds 4th Edition (Green Guide) produced
2009		Guide to Safety at Sports Grounds 5th Edition (Green Guide) produced

APPENDIX B – LIST OF INTERVIEWEES

RESEARCH PHASE 2		
INTERVIEWEE	POST	DATE OF INTERVIEW
Bill Beswick	Consultant Sport Psychologist, former Assistant Manager Middlesbrough FC	21 st November, 2005
Dave Boyle	Deputy Chief Executive Supporters Direct	4 th November, 2005
David Dent	Member of the Football Association's Disciplinary Commission	20 th January, 2006
Ken Friar	Director, Arsenal FC	25 th November, 2005
Jimmy Hill	Retired Television Presenter	16 th August, 2005
Graham Kelly	Former Chief Executive of the Football Association	26 th August, 2005
Neil Prescott	Chartered Accountant, Financial Advisory Unit, Football Association	2 nd February, 2006
Roger Reade	Former Chief Community Officer of the Professional Footballer's Association	2 nd September, 2005
Rogan Taylor	Director, Football Industry Group, University of Liverpool	4 th July, 2005
Phil Thompson	Match Summariser, Sky Sports Television	28 th June, 2005
Ken Webster	Head of IT, Liverpool FC	8 th September, 2005
Andy Williamson	Chief Operations Director of the Football League	15 th October, 2005
RESEARCH PHASE 3		
INTERVIEWEE	POST	DATE OF INTERVIEW
Jimmy Armfield	Football Match Summariser, BBC Radio Five Live	6 th March, 2007

Dave Basset	Assistant Coach, Leeds United FC	17 th December, 2007
John Beattie	Stadium Manager, Arsenal FC	18 th July, 2007
Chris Bevan	Marketing Executive, Arsenal FC	18 th July, 2007
Andrew Blakemore	Financial Manager, Crewe Alexandra FC	26 th November, 2007
Alison Bowler	Business Operations Manager, Crewe Alexandra FC	26 th November, 2007
John Bowler	Chairman, Crewe Alexandra FC	25 th October, 2007
Steven Clare	Licensing Officer, Liverpool City Council	8 th May, 2009
Andy Daykin	Commercial Manager, Sheffield United FC	1 st November, 2007
Dominic Field	Finance Manager, Sheffield United FC	8 th November, 2007
Steve Hicks	Stadium Manager, Sheffield United FC	3 rd December, 2007
Avis Lundberg	Human Resources Managers, Liverpool FC	12 th May, 2008
Graham Mackrell	Head of Football Administration, League Managers Association	10 th January, 2008
Shaun O'Hara	Financial Director, MK Dons FC	29 th February, 2008
Kevin Platt	Club Secretary, Norwich City FC	29 th February, 2008
Chris Pope	Commercial Director, Leyton Orient FC	19 th July, 2007
David Rose	Honorary Vice President, Ipswich Town FC	18 th July, 2007
Greg Street	Managing Director, Griffiths and Armour (Risk Management)	18 th June, 2009
Steve Sutherland	Marketing Consultant, former Commercial Manager Charlton Athletic FC	19 th July, 2007
Gary Townsend	Chief Executive Officer, Notts County FC	26 th November, 2007
Les Wheatley	Former Director of Finance, Liverpool FC	1 st May, 2008
Rob Wilson	Press Officer, Crewe Alexandra FC	26 th November, 2007

APPENDIX C – EXAMPLE OF INTERVIEW GUIDE QUESTIONS

Human Resource Management Interview Schedule

Preface

- Set interviewee at ease
- Explain purpose of the interview
- Outline objectives and anticipated outcomes
- Explain rules of confidentiality

Questions

Just to get us started perhaps we could begin with some general background information about you

1 What did you do prior to working in the football industry?

2 How many years have you been involved in the industry?

3 During this time what positions have you held in the industry?

4 What is your current role and what are your responsibilities?
(Prompt Describe a typical day in your job role)

5 Who do you report to and how many staff do you manage?
(Probe – be prepared to ask for elaboration/detail/ examples etc.)

6 Do your staff have any experience outside of the football industry? If so, in which areas?

7 How do staff working within the HR Department update their knowledge and skills?

8 How is the HR strategy of the club planned, designed and implemented?

9 How would you say working in the HR Department of a football club differed from working in the HR function of other businesses? What are the similarities?

10 What changes have you seen in the HR function of the club? What has driven these changes?

11 Looking towards the future, how do you anticipate the HR function of the club will change over the next 5 years or so?

(Prompt What are the key challenges that football clubs will face as they develop their future HR strategies?)

APPENDIX D – EXAMPLES OF E-MAIL REQUESTS FOR INTERVIEWS

Example 1

From: n.moore@chester.ac.uk
To: ken.webster@liverpool.fc.tv
CC: r.j.levermore@liverpool.ac.uk; rory@liverpool.ac.uk
Subject: Liverpool University Football Industry Group - Research

01/08/2005 15:36

Dear Mr Webster,

I am a part time PhD student working with Dr. Roger Levermore & Dr. Rory Miller at the University of Liverpool. My study focuses on the business management of football clubs.

I attended your presentation to the MBA students last October and found it very interesting - some of the things you mentioned helped to shed light on my area of research. I have recently interviewed Dr. Rogan Taylor & Phil Thompson and feel that your perspective on the way that the business management side of the game has changed would be really helpful.

Roger and Rory suggested that I contact you with a view to arranging an interview - is there any chance you could spare me some time for a chat? If so, when would be most convenient?

Regards,
Neil Moore

Example 2

From: n.moore@chester.ac.uk
To: neil.prescott@thefa.com
CC: r.j.levermore@liverpool.ac.uk; rory@liverpool.ac.uk
Subject: Liverpool University Football Industry Group - Research

14/12/2005 11:12

Dear Mr Prescott,

Your name and details have been passed to me by Andy Williamson, Director of Operations at the Football League.

I recently interviewed him for my PhD research thesis and he recommended that I contact you to request an interview. My research focuses upon changes in the English Professional Football Industry - in particular changes in business management practice.

Would you be willing to briefly meet with me to explore this area? I believe that your insight and experience would provide a valuable contribution to this study. The interview would probably only take an hour or so and I would be meet with you at a time and place of your convenience.

Regards,
Neil Moore