

A QUALITATIVE VALUE-BASED CLUB-PERSPECTIVE SYSTEMIC STRATEGIC STAKEHOLDER ANALYSIS IN THE FOOTBALL INDUSTRY OF CYPRUS

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ABSTRACT

Abstract keywords: Football industry, Stakeholder analysis, Value-based analysis

INTRODUCTION

Football is a sport with an unswerving influence on every aspect of our lives, which has turned out to be increasingly commercial (Chadwick and Hamil, 2010). The football industry is becoming more prosperous, operating in a dynamic business environment, dealing with a large number of stakeholders (Morrow, 2003). For football to operate efficiently, these stakeholders need to be recognised and valued (Vrontis et. al., 2014).

The aim of the research is to perform a qualitative value-based strategic stakeholder analysis in the football industry of Cyprus through the individual club perspective and to build a systemic framework of club benefits for its strategic business development.

Research questions

The research intends to address and answer the following questions:

1. Which are the main football club stakeholder categories and their individual components?
2. Which are the main football club value categories and their individual components?
3. How do stakeholder categories and components relate to value categories and components?
4. How do stakeholders - values interrelationships defer / apply in the case of Cyprus?
5. How can the identified stakeholders - values interrelationship be utilised towards club-level strategic business development?

Industry research context - the football paradigm of Cyprus

Cyprus is a small European island at the north-eastern end of the Mediterranean, with a population of approximately one million. Despite its size football in Cyprus has been dominated by strong political and ideological beliefs and localism issues, creating a peculiar and unique environment to study.

Over the years, football has grown big, having a great impact on public life, becoming a social phenomenon at all levels of society and an important part of its culture (Kartakoullis et al., 2009). Despite its growth, football is facing numerous management issues and challenges such as bad governance, lack of accountability, maladministration, corruption, disorder incidents, financial difficulties, etc. (Kartakoullis and Theophanous, 2009).

THEORETICAL FRAMEWORK

This huge industry growth entails a wide set of challenges that sometimes tend to present unsatisfactory performance due to the environment complexity and set of goals that are not always fully compatible, as shared and defended by the various stakeholders (Senaux, 2008).

This creates the urge of developing a strategic plan taking into consideration every actor (Kartakoullis et al., 2013). Prior to developing such a plan efficiently, it is imperative to identify the stakeholders, consider the industry's complexity and examine the relevant environment. Stakeholders can be classified into different levels based on the importance and the value they create for the organisation (Miles, 2017; Freeman et al., 2004).

Stakeholder theory

Freeman's broad theory on stakeholders suggests specific attributes to classify them into groups, focusing on their direct relationship with the organisation and the industry (Freeman, 2010; Freeman et al., 2010). The theory is linked to two core questions, "*what the firm's purpose is*" and "*what the management's responsibility towards the stakeholders is*" (Freeman et al., 2007). These two questions decode the different values they create and how they interrelate to each other and at the same time, stipulate the relationship between organisations and stakeholders (Freeman, 1994; Huml et al., 2018).

Sharing the same values with the stakeholders and managing to have a steadfast and constant relationship is what pushes the organisation forward, and elevates its efficiency and performance (Freeman et al., 2010).

Stakeholder salience model

Mitchell et al. (1997) propose a salience model (MAW-1997) focusing on the stakeholders' *power* over the organisation, the *legitimacy* of their relationship with the organisation and the *urgency* of their claim on the organisation. Power is defined as the "capacity of influence towards the organisation's decisions, legitimacy as the perception that the actions of an entity are desirable and appropriate within some social rules, values and beliefs and finally, urgency as the degree to which stakeholders claim immediate attention" (Yiapanas et al., 2018, p. 1447). The different attributes reflect each category and determine the priority and attention each stakeholder should be given (Table 1).

Salience		Typology	Attributes		
			<i>Power</i>	<i>Legitimacy</i>	<i>Urgency</i>
Latent	Low salience	Dormant	Yes	No	No
	Passive stakeholders	Discretionary	No	Yes	No
		Demanding	No	No	Yes
Expectant	Moderate salience	Dominant	Yes	Yes	No
		Dangerous	Yes	No	Yes
		Dependent	No	Yes	Yes
	High salience - Manage closely	Definitive	Yes	Yes	Yes
	Considered as potential stakeholders	Nonstakeholder	No	No	No

Table 1. Stakeholder salience summary (Adopted from Mitchell et al. 1997)

Latent stakeholders, as low salience stakeholders, receive minimum attention and monitoring by managers, while expectant stakeholders, as moderate and high salience stakeholders, are expected to receive a high response according to their interests (Yiapanas et al., 2018).

Value-based strategic analysis

Although stakeholders consist of the main element of any strategic framework, it is imperative to link them with a number of components and values, taking into consideration a range of existing conditions. A value-based analysis provides such a correlation between stakeholders and values and identifies the interrelationship between them. Such a model needs to be multi-dimensional, covering every resource type and process, and multi-directional, covering every possible stakeholder. When approaching such a task, it is obvious that all the resources should be merged into a value-based system, in which they will be measured and evaluated according to the value they offer (Kartakoullis et al., 2013).

Vrontis et al. (2014, p. 371) believe that the only way to understand how the football industry operates, we first need to "understand the value that people, and businesses find in it, and the

underlying needs they satisfy through these values”. Having recognized “value” as a critical factor, they have theoretically detected three different value propositions: the “*functional*”, the “*mental*” and the “*physical*” value propositions. Their research also established a multitude of manifestations having a different relative weight, depending on the product and the stakeholder. These value components are separated into two categories: “*soft*” and “*hard*”, involving a number of innovations (Table 2).

Value propositions			
	Physical	Functional & Mental	
Hard innovations	Technological Functional Financial Procedural Time-related	Physiological Mental Sensory Image-related	Soft innovations

Table 2. The football industry value propositions (Adopted from Vrontis et al. 2014)

Based on the above value propositions, Vrontis et al. (2014) developed a theoretical generic football value grid, incorporating them with the identified internal, crossover, and external stakeholders, and presenting a football-specific categorisation, as well as their correlation.

RESEARCH GAP

Although the MAW-1997 model, can be applied to the sports industry, especially football, since football’s radical corporate development has a large range of similarities with any other industry (Ferkins and Shilbury, 2010), having several published research findings (Huml et al., 2018; Walters and Tacon, 2010; Zagnoli and Radicchi, 2010; Anagnostopoulos, 2011; Holt, 2007; Michie and Oughton, 2005; Senaux, 2008), Miragaia et al, (2014) stipulate that the existing theory remains in its infancy and something new to managers within the football industry in terms of explicit knowledge and the degree of interaction.

Surprisingly, Wood et al. (2018) - *creators of the MAW-1997 model* - in an effort to contribute to the continuing task of managers identifying and categorising stakeholders based on their model, went through a qualitative analysis of the model, pinpointing the major contributions and categorising the most influential papers. Their findings show that although this model has a massive impact and was used in a variety of industries, including sports, a lot of criticism and arguments have been made, mainly concerning the model’s predetermined attributes and the absence of specific values such as accountability, ethics, engagement, awareness, etc.

They admit that although the MAW-1997 model has been cited by more than 12,000 other publications and there is clear evidence of validity, however, a number of scholars recognise the need to extend the model to include additional attributes. They agree that most of the criticism is correct but, in their defence, they insist that “this model was intended to be a descriptive model, not a normative one” (Wood et. al., 2018, p:30).

Kartakoullis et al. (2013), recognize the need of developing a club-specific strategic framework, that takes into consideration every stakeholder and values, and correlates them in order to identify which “values” relate to which stakeholders. It is very critical though, to take into consideration every individual component, “not isolated but in conjunction with each other”, and “merging them into a unified and value-based system; a system that should not be measured in terms of purely financial terms, but holistically evaluated in terms of the value they offer in a multi-dimensional way” (Kartakoullis et al., 2013, p.1).

Vrontis et al. (2014), point out that although their generic value-based model is football-specific, it may be incomplete since its elements arise from secondary data, underlining the need for empirical research to validate their theoretical findings and test the application degree towards individual conditions and involving specific markets and/or football clubs.

SIGNIFICANCE OF THE STUDY AND CONTRIBUTION

The study will perform a qualitative value-based club-perspective strategic stakeholder analysis in the football industry of Cyprus and build a strategic business development framework. It is a research area that although has been investigated by several scholars and organisations, their studies are partial and individual.

Therefore, the significance of this study is that it will:

- i. scientifically investigate, for the first time, what many organisations and individuals have produced, and worked on, but never based on a scientific approach
- ii. build a systemic and multi-dimensional framework, with the novelty that it will, for the first time, combine many of the industry’s forces, actors, values, elements, and attributes, which may have been individually studied, but never as a system
- iii. provide a scientific foundation and a preliminary framework toward international application / adaptation.
- iv. provide invaluable insight for small-size football industries

Additionally, this study will contribute to knowledge by closing the identified gap with the development of a value-based model that will enable scholars and practitioners to identify, categorise and prioritise the stakeholders, holding a variety of values and attributes that support and shelter factors that fit best to this multifaced industry.

METHODOLOGICAL APPROACH

To meet the research objectives, the qualitative method approach will be used, to collect both primary and secondary data. The narrative literature review method will be applied, to review numerous topics involving stakeholders, values, and their components in order to develop the preliminary theoretical framework of stakeholder-value interrelationship in the club perspective.

A variety of semi-structured and unstructured interviews will be conducted with a range of club-level individuals, according to their position and experience, in an effort to identify how the industry stakeholders and their values defer and/or apply in the case of Cyprus. The number of participants is estimated to be somewhere between thirty-five to forty.

In addition, a number of focus groups will be organised, in order to collect ideas, feelings, and honest responses, through open conversations and free-flowing discussions, to understand the different values of each stakeholder and their interrelationship.

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