

The 'Typical' Club?: A Configuration Analysis of Scottish Football Clubs

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1. Introduction

Scottish professional football clubs have been facing and continue to face challenging financial circumstances due to a combination of factors including: changes in the economic structure of European football; increased concentration of media income amongst bigger leagues in larger countries; the Scottish economic context; and poor corporate governance in some clubs. These circumstances have had substantive negative consequences with many clubs running up unsustainable levels of debt, reduced squad sizes, falling attendance levels, cuts in players' wages and in extreme cases administration or liquidation. Different clubs have adopted different solutions to these problems, some more radical than others. A number of clubs have sought new individual owners with deeper financial pockets to bail them out; some have restructured debt with their banks, which in practice has resulted in large debt write offs; while others have adopted new organisational forms such as Community Interest Companies to bring in new forms of finance and resources. Turning to the supporters was often seen as the last option for directors seeking to rescue a club. But the enthusiastic response of supporters in a number of clubs has led many involved in Scottish football now to view supporter involvement as a positive choice rather than considering supporters as 'lenders of last resort'. The response of supporters, even in cases of previous wrongdoing by directors, provides strong evidence of the value and importance of football clubs as community assets.

The financial difficulties have also led to a broadly based political discourse on the ownership, governance, financing and accountability of football and football clubs in Scotland. Part of this discourse has involved questioning the roles and social value of football and football clubs. The Scottish Green Party's attempts to include a "supporters' right to buy" (their football clubs) provision in the Community Empowerment (Scotland) Bill (CEB) debated in the Scottish Parliament (Scottish Government, 2014), led the Scottish Government to establish an Expert Working Group on Supporter Involvement in Football Clubs (WGSIFC). In January 2015, the WGSIFC reported its findings (WGSIFC, 2015) and its Chair was invited by the Minister for Sport, Health Improvement and Mental Improvement to oversee implementation of its recommendations. Concomitant with this, the Scottish Green Party amendments to the CEB, were unanimously accepted by the Scottish Parliament, providing a framework to develop legislation to enhance supporters' rights. This framework requires Ministers to consult widely before bringing further legislation, and a consultation was put in place to establish the level of support for a range of options in relation to supporter involvement in their football clubs, specifically: right to influence, right to govern, right to bid and right to buy (Scottish Government, 2015). Underpinning many of these initiatives is an assumption that greater supporter (and community) involvement in ownership, financing and governance will enhance the future resilience of clubs, and the value they provide to society. However, at present there is little evidence to support a case for increased supporter involvement in football clubs (Garcia & Welford, 2015).

The focus of this paper is on evaluating the complex relationships amongst ownership, financing, accountability and governance structures on the performance, resilience and perceived value of Scottish professional football clubs¹. A significant challenge for this research (and for related policy debates) is the difficulty in arriving at a clear understanding of what a football club is, of what constitutes a successful football club, and of measuring the

¹ We take the term 'Scottish professional football clubs' to mean clubs which are members of the Scottish Professional Football League (SPFL).

value or contribution made by a football club. Winning on the field is, of course, the most visible manifestation of a successful football club. However, there are numerous clubs which would regard themselves as successful without recently, or indeed ever, winning a trophy. For many, avoiding relegation or surviving until the end of the season could constitute success. Moreover, many contemporary professional football clubs are now complex businesses, intrinsically concerned with financial matters. Yet it is not uncommon for financially secure clubs to be criticised while the owners of clubs with extreme levels of indebtedness are praised for their commitment. More broadly, a club's aspirations, values and history will play an important part in defining what success and survival means to that club, its supporters and other stakeholders.

In this paper, we conceptualise football clubs as boundary objects; organisations that co-exist in different social worlds, serving different functions for those in these social worlds. Football clubs can be seen as spaces where different values/ideas can be translated and exchanged, and therefore the value of a football club is something that a club co-determines through engagement with its key stakeholders. The value of a club cannot only be measured in financial terms, but should also incorporate consideration of its social contribution to these stakeholders. Furthermore, the resilience of a football club is likely to be affected by a combination of different notions of value and the diversity of roles demanded by its network of stakeholders. This suggests that it is the alignment between a club's ownership structure, governance mechanisms, accountability and methods of financing and the demands from the social worlds it inhabits that will be critical for the success, however defined, of a club.

The paper begins by setting out the research context, before providing a review of literature focusing on football club ownership, financial, accountability and governance structures. We will use this literature review to construct a generic model of the attributes associated with a football club. These attributes represent the different aspects of a club from the perspective of key stakeholders and will be used to analyse the range of attribute configurations of Scottish football clubs.

It is unlikely that a single structure will be suitable for all clubs, so understanding the different needs and roles a club fulfils for its stakeholders is essential in evaluating the effectiveness of different configurations of ownership, financial, accountability and governance structures. Drawing on our preliminary analysis of these configurations, we set out our tentative conclusions and plans for further research.

2. Study setting and context

The Scottish Professional Football League (SPFL) consists of a diverse group of 42 clubs, markedly different in terms of size and financial strength, and having different governance and ownership structures. Early football clubs in Scotland were legal entities which belonged to their members, and were run by and for their members. Their objective was to promote the playing of the game, not financial gain. Queen's Park is an example of a Scottish club that has remained constituted as a club and has retained its amateur status throughout the professional era of Scottish football. Football in some other countries, including Germany and Sweden, continues to be organised through clubs. But as far back as the late 1800s, many British clubs adopted a private limited liability company form to protect the founders and officers of a club from personal liability in the event of the club incurring unpayable debts (Vamplew, 1988). The majority of Scottish professional football clubs continue to operate under this organizational form.

Until very recently, Scottish football was dominated both in football and financial terms by two Glasgow-based clubs, Celtic and Rangers². Both of these clubs are structured as public limited companies and both have supporter bases that are international in reach. Their recent fortunes, however, have been strikingly different. While Celtic has continued to dominate Scottish football, winning the last five top division titles and reporting highly credible financial results, Rangers ran into financial difficulties with debt to Lloyds Banking Group of around £18m. Following a dispute with Her Majesty's Revenue and Customs over the use of an Employee Benefits Trust and the sale of Sir David Murray's controlling interest in the club for the token sum of £1 to Craig Whyte, the club went into administration in February 2012, prior to being liquidated in October 2012. This was the most serious financial problem ever to hit Scottish football and was considered by many to have the potential to cause a financial crisis for Scottish football as a whole (Morrow, 2015). The concern was that, similar to a banking contagion, the problems faced by one individual club would threaten the stability of other clubs (Lago, Simmons & Szymanski, 2006). On the field, a newco (new company) Rangers was admitted to membership of the (then) Scottish Football League Division 3 (fourth tier) in season 2012/13, and finally gained promotion to the Scottish Premiership (top tier) in season 2015-16.

While the majority of Scottish clubs seek to run themselves in a business-like manner, few if any clubs seek to maximise financial returns for their shareholders. While ostensibly their primary objective relates to achieving football success (defined relative to their status and size), Scottish professional football clubs also engage in a wide range of community activities, both football-related and other programmes in which football or the football club acts as a stimulus to engage community groups or individuals (Kolyperas, Morrow & Sparks, 2015). Motivations for community engagements include normative concerns to contribute to a wider social good - giving something back to the community - and an instrumental approach, whereby social benefits are a by-product of revenue generation activities (Hamil & Morrow, 2011). Irrespective of their legal organisational form, most football clubs consider themselves, and are often considered by others, as social or community institutions. For example, the extensive media coverage which accompanies any club's financial problems is not predicated on monetary implications, but rather on sporting and social costs of failure.

Whether through necessity or aspiration for change, today's supporters have a greater appetite to become more involved in the ownership, governance and financing of their clubs, and to hold the owners of their clubs to account (SFSA, 2016). In recent years there has been a movement among Scottish football clubs towards alternative organisational and governance structures, partly attributed to an absence of credible alternatives. In particular, there is an apparent absence of the 'traditional owner', an individual willing and able to take on the ownership and financing of a club. A number of clubs, not in chronic financial distress, have sought or are seeking to explore alternative organisational and governance structures which are more explicitly aligned with their objectives. Example include: Stenhousemuir FC which became a Community Interest Company (CIC) in 2006, the first football league company in the UK to adopt this structure; Stirling Albion FC which in 2010 became the first SPFL club to come under direct control of its fans; and Clyde FC which also became supporter-owned in 2010. The latter two clubs both switched to supporter ownership in an attempt to secure their respective futures, arguably the result of having and then losing a wealthy benefactor. Among larger Scottish clubs, directors at Motherwell FC and Hibernian FC are also taking forward

² Since its inception in 1975/76, the SPFL (previously the Scottish Premier League and prior to that the Premier League) has been won by either Celtic or Rangers in 35 out of 40 seasons - the last occasion another club triumphed was Aberdeen in season 1984/85.

plans that incorporate substantive supporter inclusion. In Hibernian's case, movements towards supporter involvement arise out of succession planning undertaken by the club's longstanding owner, Sir Tom Farmer, and are akin to a supporter buy-in (<http://www.hiberniansupporters.co.uk/about.html>).

Supporters have also been involved in financing arrangements that have rescued clubs from administration with consequences for future club ownership and governance structures. The most prominent development in terms of ownership has arisen out of the collapse into administration in June 2013 of one of Scotland's largest clubs, Heart of Midlothian FC (Hearts), following a period of ownership by the Lithuanian businessman, Vladimir Romanov, and his related companies. Hearts was brought out of administration in June 2014, with the new owner, Ann Budge, intent on transferring ownership to the supporters group, Foundation of Hearts (FoH), a not-for-profit organisation established as a company limited by guarantee, within five years. FoH was set up in 2010 by a group of Edinburgh business people, with a number of supporters' organisations joining it in 2013 to take forward the vision of supporter ownership. FoH is developing structures for governance and running of the business after it takes control, probably in 2019. Elsewhere, following the period of extraordinary ownership and governance instability at Rangers, leading up to and since its administration and liquidation in 2012 (Morrow, 2015), two separate collective supporter ownership vehicles – Rangers First (a Community Interest Company) and the Rangers Supporters Trust (a Community Benefit Society) - played significant roles in enabling the club to be taken-over by a consortium led by a South African based businessman, Dave King, at an Extraordinary General Meeting held in March 2015³.

However, not everyone involved in Scottish football believes that greater supporter involvement will necessarily be beneficial for individual clubs or for football in general. The 'lunatics taking over the asylum' argument still persists among some. The underlying assumption here is that supporters lack the necessary level of professional competence required to provide oversight and scrutiny of a club, and that they would encourage high risk practices to achieve short term sporting success. Less pejoratively, owners of some Scottish clubs including St Johnstone and Alloa Athletic - individuals who have financed their clubs for long and sustained periods - have warned against the recent movement towards supporter ownership (Berry, 2014; Lamont, 2015). More generally, the WGSIFC took the position that there were different views within Scottish football (and beyond) as to the appropriateness or desirability of different ownership models and that a mixed ownership model was likely to be most appropriate for Scottish football given its history and financial condition⁴. Its efforts are focused on 'encouraging broader involvement in football clubs, irrespective of the particular ownership structure adopted' (WGSIFC, 2015).

Scottish football clubs exhibit considerable diversity of organisational forms, financing models, governance structures and accountability practices. Table 1 provides descriptive details in respect of the clubs' organisational form across the SPFL leagues in 2014/15.

³ As of 10 February 2016, Rangers First has 13, 941 registered contributors, and owns over 2.8m shares, equivalent to 3.52% of the company, making it the largest supporter ownership group in British football (<http://www.rangersfirst.org/>; <http://rangers.co.uk/club/investor-centre/share-information/>). At the same date, the Rangers Supporters Trust had 6,250 members, who between them owned 1.7m shares, equivalent to 2.11% of the company's issued share capital (<http://www.therst.co.uk/>).

⁴ A similar position was adopted by the Scottish Football Supporters' Association in its Fans Manifesto for transforming Scottish football (SFSA, 2016).

Table 1. Overview: Organisational form, league status.

Club Form	Total - SPFL	Premier -ship	Champion -ship	League One	League Two
Public limited company (plc)	3	1	2	0	0
Private limited company (ltd co.) – concentrated ownership	19	7	3	5	4
Private limited company (ltd co.) – significant supporter ownership	8	2	4	0	2
Fan ownership transition*	3	1	1	1	0
Community interest companies	2	0	0	1	1
Supporter controlled clubs	7	0	1	3	3
Total	42	12	10	10	10

**This category reflects clubs that have well advanced plans and proposals that are underway to move towards supporter ownership.*

Table 1 shows that 20 of the 42 clubs in Scotland have a significant level of supporter involvement either through shareholdings in private limited companies or through organisational structures that enable supporter ownership⁵. These include: limited liability companies with a substantial number of shares owned by supporter organisations; public and private limited companies in the process of transferring shares to supporters and supporters' organisations with a view to a permanent change in organisational form; community interest companies; supporter-owned mutual organisations; and not-for-profit clubs.

However, despite comprising almost half of Scottish clubs in total, these clubs account for only 25% of the fans attending Scottish football matches. For the most part, clubs with an element of supporter ownership are small and typically play in the lower tiers of Scottish football, although since 2016 this situation is changing as we have seen.

We consider the Scottish professional football clubs to demonstrate high levels of resilience. Whilst in the recent past, 10 Scottish clubs have either gone into administration or liquidation, only two of these clubs – Clydebank FC and Gretna FC – are no longer part of the SPFL. The other eight clubs (Rangers, Hearts, Dunfermline, Motherwell, Dundee, Livingston, Morton and Airdrie) have partially recovered from their financial problems and remain in the SPFL. It has to be recognized that almost all clubs have experienced episodes of financial distress, but the majority have managed to respond to these threats and remain in existence.

Our initial analysis of the resilience of SPFL clubs uncovered some interesting observations. We examined the history of clubs joining and leaving senior levels of Scottish football since its formation in 1890 (see Table 2). Since then, 82 different clubs have participated in senior football leagues, of which 62 still participate in football in some form or another. In total 40 clubs have left the senior levels of Scottish football, of which 20 are now defunct, 3 have

⁵ It is acknowledged that the great majority of shareholders in public companies and concentrated owners in private limited companies are themselves supporters of their club. The distinction here is where there is evidence of share ownership by a wide range of supporters, individually or through a collective ownership vehicle.

merged to form a new club that participates in senior football, 11 are participating in junior football leagues and 6 are playing in amateur leagues.

Table 2. Clubs joining and leaving Scottish senior football leagues⁶

Seasons	New Clubs Joining	Clubs Leaving
Before 1900	20	7
1900-1919/20	14	4
1920/21-1939/40	25	22
1940/41-1959/60	3	2
1960/61-1979/80	2	1
1980/81-1999/2000	3	1
2000/01 to present	5	3

The period 1920-40 incorporates the attempt to introduce a ‘Third Division’ in 1923 and as a result a significant number of new clubs were formed. Unfortunately, this league only lasted for three years before it collapsed due to clubs’ financial problems. However, not all of these clubs failed and 8 of these ‘new’ clubs continue to participate in the senior football leagues.

Of the 42 current SPFL clubs, 81% are over 50 years old, while 57% have been actively competing in the league for over 100 years. Given all the economic, political and social events since 1890, this level of survivability indicates a remarkably high level of resilience. Moreover, since 2000, a period associated with major upheavals in football finance, only three teams have left the senior levels of Scottish football.

3. Literature review

The majority of Scottish clubs continue to have concentrated ownership corporate structures in which power rests with a dominant owner or family. Carlin & Mayer (2000) argue that concentrated ownership is beneficial as long-term, committed investors can provide both stability and certainty of purpose, the assumption being that a dominant owner will act as a utility maximiser, taking decisions which are consistent with their utility preferences (Demsetz & Lehn, 1985). The likelihood that the pursuit of footballing success will contribute to an owner’s utility means that *ceteris paribus*, in the short term at least, there is a greater likelihood of goal congruence between supporters and the owner (Morrow, 2003). This

⁶ Source: Authors, Original Table drawn from various sources include Vamplew(1988), www.scottish-football-historical-archive.co.uk/, spfl.co.uk/premiership/archive/

assumes, of course, that supporters approximate to a homogeneous group and that the supporters' collective desired outcome is football success (see Giulianotti, 2002; Hunt, Bristol & Bashaw, 1999).

However, less benign interpretations of the 'benefactor owner' model and concentrated ownership have been observed (Beech, 2010). The overlap of ownership and control can have negative implications for accountability and governance in terms of clubs' wider stakeholders and, in particular, clubs' supporters. For example, recent high profile collapses in Scottish football have been attributed in part to concentrated ownership. An individual (or small group of individuals) has exploited the commitment and loyalty of supporters through using a shared desire for success to legitimise irrational and unsustainable financial behaviour (Morrow, 2012). The stability that is assumed to arise from concentrated ownership is often an illusion, being dependent on the current owner's ability and willingness to continue to fund the club (Cooper & Joyce, 2013; Morrow, 2012)⁷. The stability comes from the owner's actions and intentions and cannot be inferred from the club's legal form or the proportion of shares owned or controlled. In the context of concentrated ownership in the benefactor model, any club's stakeholders are exposed to, and at risk from, the behaviour and actions of that dominant owner.

Markedly different football club ownership models, financial arrangements and governance structures are found in different countries and within countries. As a result, there is an emphasis in the research literature on structural solutions to problematic ownership structures, governance mechanisms, financial arrangements and accountability that may be transferable from other countries to the Scottish context (see, for example, Franck, 2010; Gammelsæter and Senaux, 2011; Garcia & Rodriguez, 2002; Hamil *et al.*, 2010; Kelly, Lewis & Mortimer, 2012; Llopis-Goig, 2014; Morrow, 2003; Senaux, 2008). High profile members' club structures such as that found at Barcelona (see, for example, Hamil, Walters & Watson, 2010) have encouraged discussion within the UK on the applicability of forms of mutual or co-operative ownership in football clubs. Supporters Direct, the organisation set up in 2000 by the then Labour Government to promote supporter involvement in football clubs has acted as an interface between academic studies, policy and practice, with much of the UK literature being directly related to or commissioned by the organisation (see, for example, Brown *et al.*, 2010; Football Governance Research Centre, 2001-06; Hamil *et al.*, 1999, 2000, 2001; Michie, 1999; Supporters Direct, 2011a,b,c,d).

Authors have identified a number of advantages and disadvantages of supporter ownership (see, for example, Adams & Armitage, 2004; Brown *et al.*, 2010; Ward, Scanlon & Hines, 2013). Advantages include: allowing clubs to emerge from a financial crisis, protection against exploitation by major shareholders, enhancing the experience of being a supporter, and connecting better with the local community which in turn creates business opportunities locally. Disadvantages of supporter ownership include: the financial cost of supporting a club is likely to increase, difficulty in attracting financial backing from wealthy individuals or corporations as this would not be rewarded with control, overly bureaucratic and slow decision-making, difficulties in attracting outside expertise on a voluntary basis, limitations

⁷ The Financial Action Task Force (2009) expressed its concern about the effects of the inherent financial fragility of football clubs being exaggerated by the financial crisis, thus making it harder to find sponsors, concluding that "there is a risk that clubs that are in debt will not ask many questions when a new investor appears". The decision by Rangers former owner, Sir David Murray, to sell the club to Craig Whyte (and the subsequent sale to Charles Green) is perhaps a good illustration of this risk.

in identifying alternative revenue streams, and tension between those supporters wanting short-term success on the football pitch and those more concerned with long-term financial viability.

In recent years, there has been widespread support – in academic, professional and political circles – for the so-called German model of hybrid ownership and governance. Traditionally, German football clubs were structured as multi-sports associations, controlled and managed by their members (Wilkesmann, Blutner & Müller, 2011). However, since the late 1990s, German clubs have been permitted to become joint stock companies as long as the original sporting association (*verein*) retains 50% plus one voting right in the new company. This ensures that members retain control over their club and prevents an individual or organisation from exercising control over more than one professional club (Dietl & Franck, 2007). This structure has now been adopted by more than half of the clubs in Germany's top two divisions (Wilkesmann *et al.*, 2011). Although considered by many as the ideal ownership and governance structure for football clubs (see, for example, House of Commons, 2011), it is not without its critics.

Dietl & Franck (2007) suggest that this solution can lead to a governance vacuum. They argue that difficulties of organising a potentially heterogeneous group of supporters to make decisions and exert control over club managers and players are under-estimated. There is the risk of the elected club representatives seizing control over club assets and using their power to derive personal utility from their position in the club and its sporting success, while at the same time having no responsibility (beyond that of any member) for the financial performance and position of the club. These club representatives may lack the competences and expertise to provide useful oversight or scrutiny of the management of the club. This model, without effective governance and accountability reforms, could easily replicate the risks associated with the concentrated ownership-benefactor model. In fact, Dietl and Franck (2007) believe that conventional corporate governance mechanisms are more effective in limiting the discretionary freedom of managers.

One of the key characteristics that distinguishes football clubs from conventional companies is the nature and importance of relationships between supporters and their clubs in terms of identity and belonging (Brown *et al.*, 2006; Brown, Crabbe & Mellor, 2008; Morrow, 1999, 2003), activism (Michie & Oughton, 2005; Vamplew *et al.*, 1998), and partisanship (Simmons, 2006). It is easy to exaggerate supporter loyalty but it remains a vitally important asset to football clubs. Yet while decision-makers in clubs and the popular press understand the desire of supporters to engage with their club and are in a position to profit from supporters' attachments to their clubs, the ways in which they could effectively harness this desire is under-developed. The very centrality of a club to many people's identity, coupled with a fear of undermining the institution rather than a club's owners, means that market-based approaches such as exit (i.e. withdrawal of financial support) are rarely used as a means of controlling or disciplining behaviour in a football club. The conceptualisation of clubs as social institutions means that authentic accountability and effective governance is not easily achieved by supporters (Cooper & Johnston, 2012).

Formal governance and accountability mechanisms are limited in their usefulness to many supporters, given their emphasis on compliance and on the notion of a rational economic decision-maker, with little or no consideration of the distinct nature of football club organisations and their stakeholders (Morrow, 2013, 2014). Building on the notion that football clubs are economic in basis but social in nature (Nash, 2000), Margalit (2008) seeks to explain why the interests of the community of fans merit protection through the recognition

of fans' property interest in their club. Margalit discusses alternative ownership structures, but also sets out a new proposed governance structure for clubs – 'the social property interest of fans'. This structure conceptualises supporters as social or moral owners of clubs and accords them special decision-making powers in respect of activities that bear a high risk to their community. More specifically, he suggests that supporters would be given an effective formal voice on matters most pertinent to their community while the financial owner would manage the day-to-day economic affairs of the club and extract financial compensation as appropriate. The article stresses the importance of effective accountability measures between the supporters, supporter organisations and the club.

A small number of papers focus on the financial accountability of clubs to their wider stakeholders. Given the financial precariousness of many football clubs, the general view is that quantity and quality of financial communication to supporters and the relevant communities is problematic (Cooper & Johnston, 2012; Morrow, 2005; 2013). A recent report (Morrow, 2014) into the implications of UEFA's Financial Fair Play regulations for football club financial reporting concluded that football club financial reporting was compliance driven, offering little meaningful disclosure on key performance indicators like salary costs and little evident benefit in terms of decision-making and wider accountability. One of the report's recommendations was to call for research into the merits and demerits of bespoke financial reporting for football clubs, taking into account the distinct nature of football club organisations and their stakeholders.

4. Researching football clubs as a configuration of attributes

Football clubs have a multitude of different stakeholder groups, each existing in different social worlds (Strauss, 1978)⁸. These include not only shareholders and supporters, but may also include fan-based organisations, commercial partners, players, agents, taxation authorities, the local community, local authorities, other football clubs, the press and media, creditors, national and international football administrators, local businesses, public health organisations, third sector organisations and political parties. Each of these stakeholders will have specific desired outcomes with respect to their relationship with football or a specific football club that draw from their underlying membership of their chosen social world. Indeed, different desired outcomes will often exist within particular stakeholder groups.

Football clubs can be seen as a setting for complex social interactions that require individuals from different social worlds or separate communities of practice to cooperate despite having different (and often conflicting) interests. The discourse associated with what constitutes success, objective setting and decision-making for football-related organisations suggests that football and football clubs may exhibit similar characteristics to boundary objects: entities that co-exist in different social worlds, serving different functions for those in these social worlds (Star & Griesemer, 1989). Conceptualising football clubs as boundary objects advocates that each club should be viewed as a configuration of interacting variables that shapes and is shaped by its relationships with different social worlds.

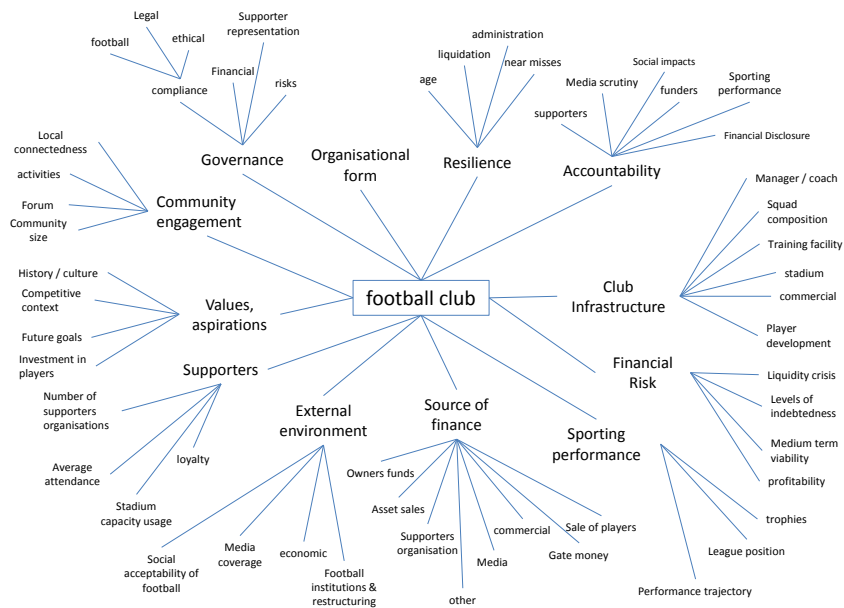
Many football clubs, regardless of success on the pitch, are subject to substantive threats to their future existence and often appear to be teetering on the edge of failure. Yet despite these

⁸ The term social world (Strauss, 1978) is used to describe a wide range of social groups that possess certain distinctive membership characteristics such as shared values, shared activities, shared resources and shared outcomes. It is a flexible term and similar to terms such as communities of practice.

existential threats and regular failure on and off the field of play, football clubs survive, often defying conventional business rationality, and demonstrating a resilience and adaptive capacity to respond to these external shocks (Szymanski, 2012; 2014) (see Table 2). Future resilience appears to be a desirable attribute of different configurations of ownership structures, governance mechanisms, accountability processes and models of financing. Therefore, understanding the relationship between organisational form, governance mechanisms, financing and accountability, and success as viewed by stakeholders from different social worlds, requires analysing the configuration of attributes of a club.

Figure 1 represents our preliminary map of the attributes associated with a football club, drawn from our review of prior literature, and attempts to incorporate desired attributes from the different stakeholder groups. This map provides the conceptual underpinnings of our analytical framework to explore the appropriateness for football clubs of different organisational forms, governance structures and practices, financial structures and practices, and accountability processes and practices. It also maps out the terrain of potential conflicts and contradictory outcomes associated with different stakeholder groups. In this paper, we use this attribute map to describe and evaluate different configurations of organisational, governance, financing and accountability structures, and club performance.

Figure 1. Football club attributes map



To provide an analysis of the attribute configuration of all 42 SPFL clubs, we gathered data on a number of attributes relating to the ownership, governance, accountability and financial position of the clubs in season 2014-15 and performance data/trend data from the previous 5 years. Most of the information draws on secondary data in the public domain much of which is self-reported by the clubs and includes club websites, annual reports, Scottish FA and SPFL sources, news reports and football related databases and publications.

This paper reports on the first iteration of our configuration analysis. It demonstrates the feasibility of the approach and has yielded encouraging preliminary results. A second iteration is planned in the next stage of the project, which will extend the timeframe of our

attributes back to 1990 as well as increasing the scope of attributes measured. This will enable us to carry out a longitudinal analysis to complement the cross-sectional analysis reported in this paper.

The ability to undertake a conventional statistical analysis is limited given the small number of Scottish clubs (notwithstanding that this represents a 100% sample) and the lack of homogeneity in the clubs, particularly in relation to club size. For example, if we look at the average home attendance for the fifteen year period to 2014/15, the average of all 42 clubs is 5,152, with a standard deviation of 10,756, a minimum of 337 and a maximum of 53,825. By all measures, the distribution is far from normal, and it is indeed this diversity and lack of normality that we are seeking to understand.

We are interested in analysing the configurations of club attributes and looking for possible patterns or relationships amongst these configurations. This is complicated by the absence in the literature of evidence of definitive causal relationships among attributes such as ownership, governance, financing methods, accountability, sporting performance and other measures of success. Given the complex causality identified in the literature, coupled with the diversity of Scottish football clubs and desired outcomes of club stakeholders, the most appropriate research methodology was considered to be fuzzy set analysis (FSA) (Ragin, 2000, 2006, 2008). FSA requires a logically and theoretically justifiable selection of attributes, which is a synthesis of different theories/past findings that have provided partial explanations into the objects of study. This type of analysis offers additional insights into complex problems for which there are a number of possible desired outcomes (Bergman, Lyytinen & Mark, 2007; Levina & Vaast, 2005).

Using this approach, each attribute has some form of score that represents critical differences in that attribute. For example, when we looked at supporter involvement in club governance, we searched the records of a club to identify the overall composition of the board, including directors who were formally representing the interests of supporters. We then considered the critical differentiating levels of supporter representation in relation to supporters' ability to control or influence the governance of the club. For this attribute, we identified three levels of supporter involvement in the formal governance mechanisms of the club: **no supporters**, meaning no formal representation on the board of directors; **some supporters**, associated with an ability to present the supporters' view; and **majority supporters**, where the majority of board members were supporter representatives. The raw scores for this attribute combined with these critical thresholds allow us to classify clubs in relation to levels of supporter involvement in club governance (see section 5.2).

We undertook a similar exercise for all attributes, gathering raw data and determining specific thresholds for each attribute to provide a score for each club. Details of the attributes and scores used in this paper are provided in Table 3. In some cases, we were not able to access sufficient evidence for all clubs on certain attributes, in other cases we were not able to determine robust, justifiable thresholds and in others still the attribute score did not differentiate the clubs. For example, all clubs provided detailed, often highly critical, accounts of their sporting performance and, regardless of the size of the club, were subject to extensive media coverage at a local level. The attributes not incorporated in this paper are listed in Table 4 but will be subject to further investigation to improve the quality of our analysis.

Table 3. Attributes included in analysis and score thresholds

	Thresholds			
Governance				
Compliance football	Compliant	Administration	Liquidation	
Financial	Compliant	Administration	Liquidation	
Supporter involvement	None	Some on board	Majority	
Organisational form	Plc/Private limited company (ltd co.)*	In transition	Alternative#	
Supporters				
Average attendance	Small	Medium	Large	
Resilience				
Age of club	< 20 years old	Between 20 & 95 years old	> 95 years old	
Liquidation	No history	Been liquidated		
Administration	No history	At least one period of administration		
Accountability				
Financial disclosure	No public disclosure	Selected disclosure	Full disclosure	
Values, aspirations				
Investment in players (MV of current squad)	Market value < £250K	Between £250K & £1m	Between £1m & £3m	➤ £3m
Competitive context	Scottish Premier	Scottish Championship	League 1	League 2
Club infrastructure				
Manager / coach	Below average managerial change	Average level of managerial change	Higher than average managerial change	
Squad composition	Low levels of Scottish qualified players	Average levels of Scottish qualified players	High levels of Scottish qualified players	
Stadium capacity usage	Low level of capacity usage	Average level of capacity usage	High level of capacity usage	
Player development	Low levels of players from own youth teams	Average levels of players from own youth team	High levels of players from own youth team	
Financial Risk				
Liquidity crisis	Secure levels	Mixed risk levels	Risky levels	
Levels of indebtedness	Secure levels	Mixed risk levels	Risky levels	
Medium term viability	Secure levels	Mixed risk levels	Risky levels	
Profitability	Secure levels	Mixed risk levels	Risky levels	
Community engagement				
Community size (population)	< 25,000	25 -100,000	> 100,000	
Sporting performance				
League position	See performance trajectory			
Performance trajectory	Down/mixed	Stable	Upwards	

*plc means public limited company; private limited company (henceforth 'ltd co.') means a private company limited by shares.

Alternative includes community interest companies, mutual organisations and not-for-profit clubs.

Table 4 – Excluded attributes

	Reason for non-inclusion
Governance	
Compliance legal	No reliable data
Compliance ethical	No reliable data
Risk	Insufficient data
Supporters	
Number of supporters organisations	No thresholds established / non-discriminatory
Loyalty	Insufficient data
Resilience	
Near misses	No thresholds / non-discriminatory
Accountability	
Sporting performance	No thresholds / non-discriminatory
Funders	Insufficient data
Supporter	No thresholds / non-discriminatory
Media scrutiny	No thresholds / non-discriminatory
Social impacts	No thresholds / non-discriminatory
Values, aspirations	
Future goals	Insufficient data
History / culture	No thresholds / non-discriminatory
Club infrastructure	
Training facility	No thresholds / non-discriminatory
Commercial	No thresholds / non-discriminatory
Community engagement	
Local connectedness	Non-discriminatory
Activities	Non-discriminatory
Forum	No thresholds / non-discriminatory
Sporting performance	
Trophies	No thresholds
Source of finance	
Owners' funds	Insufficient data for all clubs
Asset sales	Insufficient data for all clubs
Supporters' organisation	Insufficient data for all clubs
Other	Insufficient data for all clubs
Media broadcast rights	Insufficient data for all clubs
Gate money	Insufficient data for all clubs
Commercial	Insufficient data for all clubs
Sale of players	Insufficient data for all clubs
External environment	
Social acceptability of football	Non-discriminatory in a cross-sectional study
Media coverage	Non-discriminatory in a cross-sectional study
Economic	Non-discriminatory in a cross-sectional study
Football institutions & restructuring	Non-discriminatory in a cross-sectional study

The existing dataset provides a number of interesting insights into the diversity of Scottish football clubs. In one small footballing nation, there is evidence of the emergence of different configurations shaped by different factors: past, present and future risk perceptions; club histories and values; and crisis events.

Section 5 reports on a configuration analysis of the relationships between the attribute configurations, listed in Table 3, and ownership models, supporter governance, financial risk, sporting performance trajectory and financial disclosure. These configuration analyses were selected for this paper as they represented possible causal relationships identified in the prior literature and could inform the current policy discourse in relation to Scottish football. We were looking for evidence to support or deny prior assumptions relating to how football clubs are owned, financed or governed, and to different approaches to accountability adopted.

5. Configuration analysis and discussion

In this section, we report our findings on the relationships between the attribute configurations sorted by:

1. Organisational form
2. Supporter involvement in governance
3. Financial risk
4. Sporting performance trajectory
5. Financial disclosure

Sub-sections 5.1 to 5.5 provide summaries of the ‘typical’ configuration of attributes for clubs in respect of each of these five categories.

The notion of a ‘typical’ attribute is determined by whether 70% or more of clubs share that attribute classification, and is indicated by capital letters in bold. To provide additional information, we have also included scores where over 50% of clubs share an attribute classification in common (lower case and not bold). If there is no dominant classification (NDC) in respect of an attribute, we have noted that in the tables. No dominant classification suggests that there is no observable relationship between the selected attributes and therefore no typical class for that attribute in the configuration. In certain situations, where the incidence of one attribute class is less than 10% and there is no typical classification, we make the classification ‘**NOT**’ in bold. If the incidence of the classification of that attribute is less than 20% we make the classification ‘not’. The use of ‘**NOT/not**’ suggests that for this attribute, the distribution of clubs is not distributed across all attribute classes, but has a more limited range.

5.1 Analysis of attribute configurations by organisational form

Table 5 is a summary of the ‘typical’ configuration of attributes for clubs adopting particular organisational forms. Due to low numbers in different categories of ownership, in this section we use three categories of organisational form: 1) plc and private limited companies, 2) clubs in transition, and 3) alternative structures (Community interest companies, Supporter-owned clubs, Mutual organisations and Not-for-profit clubs).

Table 5. Organisational form configurations

	PLC/LTD CO.	TRANSITION	ALTERNATIVE
Supporter involvement in governance	NO	SOME	MAJORITY
Financial risk	risky	RISKY	risky
Financial disclosure	NONE	FULL	NONE
Financial and football sanctions	NO	ADMINISTRATION	NONE
Managerial change	NDC	not average	BELOW AVERAGE
Size	NDC	not small	SMALL
Performance trajectory	NDC	not up	STABLE
Youth %	NDC	HIGH	NDC
Scottish qualified	not low	not low	HIGH
Stadium capacity usage	LOW	MEDIUM	LOW
Age of club	>95	>95	not <20
Ambition (MV of current squad)	not £1m-£3m	>£3m	NDC
Local community population	NDC	25K-100k	25K-100k

Table 5 demonstrates significant differences and similarities among the ‘typical’ PLC/LTD CO., club in TRANSITION and ALTERNATIVE club structures. What is interesting, in relation to the set of Plc/Ltd cos. is the number of attributes for which there is no dominant classification, suggesting that it is difficult to generalise about clubs which have adopted a corporate structure. One explanation for this is the longevity of this organisational form. As discussed in the Introduction, many of these clubs have been structured as companies since the late 1800s / early 1900s and hence unsurprisingly over such a long time period there is evidence of variation among club attributes. The configuration of clubs in the alternative set is much more consistent, suggesting that the decision to adopt a form other than corporate is preferred by clubs which are small, stable, governed by their supporters and with locally based players. Note that as regards financial risk, these clubs are similar to clubs in the Plc/Ltd co. classification, indicating a lack of evidence for the ‘lunatics taking over the asylum’ argument.

Clubs currently in the transitional set – those clubs that have well advanced plans and proposals to move towards supporter owned clubs – appear to be significantly different from the other two sets, in particular their history of financial failure and current financially precarious state. There is, of course, an element of causality here as supporter ownership has often been the option of last resort for clubs in financial difficulty (WGSIFC, 2015). However, clubs that have experienced financial difficulties, including periods of administration, are likely to have more explicit understanding of the necessity for financial common sense.

5.2 Analysis of attribute configurations by supporter involvement in club governance

Table 6 is a summary of the ‘typical’ configuration of attributes for clubs with differing levels of supporter representation on their boards (see explanation above for details on table

notation). We identify three classifications for this attribute. The first classification is NONE when there is no supporter representative on the board of directors. The second classification is SOME, which can range from one supporter representative to a number less than 50% of the total board members. This classification describes situations in which supporter representatives have a role in formal club governance but cannot by themselves determine board decisions. The third classification for this attribute is MAJORITY and describes situations in which supporter representatives make up more than 50% of the directors on the board and hence should have a controlling influence in all board decisions.

Table 6. Governance and supporters on the board configurations

	<i>NONE</i>	<i>SOME</i>	<i>MAJORITY</i>
Organisational form	PLC/LTD CO.	plc/ltd co.	ALTERNATIVE
Financial risk	NDC	risky	RISKY
Financial disclosure	NONE	not selective	NONE
Financial and football sanctions	NO	no	NO
Managerial change	below average	average	BELOW AVERAGE
Size	medium	NDC	SMALL
Performance trajectory	MIXED/DOWN	mixed/down	STABLE
Youth %	NOT LOW	not high	LOW
Scottish qualified	high	NDC	HIGH
Stadium capacity usage	low	low	LOW
Age of club	>95	>95	20-95
Ambition (MV of current squad)	NDC	NDC	<250K
Local community population	not >100k	NDC	<25K

There seems to be a relationship between the level of supporter representation on the board and the organisational form. Most Plc/Ltd cos. have no supporter representation whatsoever while, in contrast, clubs with alternative organisational ownership structures have majority supporter representation. What is noteworthy is that the typical performance trajectory in the set of clubs with majority supporter representation appears better (stable) than the other two sets (mixed/down). That said, there does not appear to be a level of supporter representation that is associated with an upward performance trajectory. Stability of performance can also be observed in terms of managerial change, with the change in clubs with majority supporter representation being below average. However, this set of clubs also appears to be associated with low levels of youth development and low levels of investment in player squads, relative to clubs with some or no supporter representation on the board. Their financial position is also typically worse than the other two sets. Whilst over 50% of clubs with majority supporter representation are in small communities, other clubs in similarly small communities have adopted differing levels of supporter involvement.

5.3 Analysis of attribute configurations by current financial risk

Table 7 is a summary of the ‘typical’ configuration of attributes for clubs with differing

levels of financial riskiness derived from an analysis of their most up to date financial statements. Due to their size (measured in turnover), most clubs submitted abbreviated accounts, which only contained disclosure on Net assets, Creditors less than one year, Creditors more than one year, Deferred income and Retained profits. Hence, a proxy for turnover was calculated as follows:

$$\text{Turnover} = \text{average home attendances} * \text{home matches played} * \text{average ticket price for respective league.}$$

The following ratios were then calculated and used to determine a club's riskiness.

- Net Assets/Turnover Proxy (threshold > 1);
- Net Assets (Threshold > 0);
- Total Creditors/[Net Assets + Total Creditors] (threshold > 1.0);
- Creditors less than one year/Net Assets (threshold > 1.0).

We identify three possible classifications for this attribute. The first classification is **SECURE** when our analysis of the financial statements indicates no evidence of financial risk in respect of all ratios calculated. The second classification is **MIXED** for which some, but not all, of the financial ratios breach the risk thresholds. The third classification for this attribute is **RISKY** and describes situations in which all of the financial ratios calculated breach the assigned risk thresholds.

Table 7. Current financial risk configurations

	SECURE	MIXED	RISKY
Organisational form	PLC/LTD CO.	plc/ltd co.	plc/ltd co.
Supporter involvement in governance	NOT MAJORITY	NONE	NDC
Financial disclosure	none	none	none
Financial and football sanctions	NO	no	NO
Managerial change	NDC	below average	NDC
Size	small	MEDIUM	not large
Performance trajectory	STABLE	NOT UP	NDC
Youth %	medium	HIGH	NDC
Scottish qualified	NDC	high	not low
Stadium capacity usage	low	LOW	low
Age of club	>95	>95	>95
Ambition (MV of current squad)	NDC	NDC	not £1m-£3m
Local community population	NDC	25k-100k	not >100k

It is difficult to observe any significant patterns in the typical attribute values for clubs in the financially secure set, financially mixed set or financially risky set. This suggests that the relationship between financial performance and other attributes is complex, without any clear patterns or configurations. Table 7 suggests that financial security is associated with small

stable clubs, primarily companies with some supporter representation and a medium level of home-grown football talent.

It is interesting to observe that the most secure and the most risky clubs have not been subject to financial failure. This suggests a more complex relationship between financial failure and other club attributes rather than one driven merely by current financial status. This observation is supported by the number of attributes with NDC in respect of risky clubs. It indicates that riskiness cannot be easily defined or understood by the attributes. So it is difficult to generalise about which clubs are at risk of financial and/or footballing sanction.

5.4 Analysis of attribute configurations by recent league position trajectory.

Table 8 is a summary of the ‘typical’ configuration of attributes for clubs with differing patterns of league positions over the previous 5 years. League positions for each club were gathered and the following values calculated:

- the range between the highest and lowest league position;
- the difference between the league position at the beginning of the period and at the end of the period;
- whether the club had been promoted in that period; and
- whether the club had been relegated in that period.

Four classifications were initially determined for this attribute. The first classification was STABLE, where the range of the league positions was less than 6 and the club had neither been relegated nor promoted. The next classification was UPWARDS where the range of league positions was greater than 6, the difference between starting position and end position was greater than 6, and/or the club had been promoted and not relegated in that period. The next classification was DOWNWARDS where the range of league positions was greater than 6, the difference between starting position and end position was more negative than -6, and/or the club had been relegated and not promoted in that period. Clubs that did not meet the criteria of any of the previous three classifications were classified as MIXED. Given the relatively small number of cases, we decided to group DOWNWARD and MIXED performance trajectories together as they were both seen to represent a negative performance trajectory relative to STABLE and UPWARD trajectories.

Table 8. Football performance trajectory configurations

	DOWN/MIXED	STABLE	UPWARDS
Organisational form	PLC/LTD CO.	plc/ltd co.	PLC/LTD CO.
Supporter on board	not majority	none	none
Financial risk	risky	NDC	risky
Financial disclosure	none	none	NDC
Financial and football sanctions	no	NO	NO
Managerial change	NDC	below average	below average
Size	medium	small	NDC
Youth %	NDC	NDC	low
Scottish qualified	NOT LOW	high	medium
Stadium capacity usage	low	LOW	medium
Age of club	>95	>95	NDC
Ambition (MV of current squad)	NDC	<£250K	>£3m
Local community population	25k-100k	<25k	<25k

There are very few differences between clubs in the different sets as regards their performance trajectories. Overall, there appears to be a lack of ‘typical’ classifications in the different sets. For example, the Plc/Ltd co. is the dominant organisational form in down, mixed, stable and upward performance trajectories. In Table 8 there are only 7 out of 42 classifications which meet the 70% commonality threshold. This suggests the possibility of more complex, perhaps non-linear, relationships among performance and different organisational, governance, financing and accountability attributes. Furthermore, there does not appear to be a configuration of club attributes that is associated with medium term sporting success in league based competition. However, it has to be noted that Celtic FC has dominated Scottish football in the past 5 years, resulting in that club being classified as stable, despite winning the last five top division titles. It should also be noted that in the same period, the parent company of Rangers Football Club, the club with the most similar configuration to Celtic, was liquidated and the newco Rangers football club relegated to League Two (the fourth and lowest tier in the SPFL).

5.5 Analysis of attribute configurations by financial disclosure levels

Table 9 is a summary of the ‘typical’ configuration of attributes for clubs with differing patterns of financial disclosure. Three classifications for public financial disclosure practices were determined. The first classification was FULL, where the club made public on its webpages its full set of annual accounts. The next classification was SELECTIVE, where the club did not make public its annual accounts, but did make disclosure in relation to its financial performance or position on its website or press releases, including reference to selective figures from their accounts. The final classification was NONE, where a club neither made its accounts public nor made any public comment in respect of its financial performance or position. It should be noted that classification as NONE does not mean that the clubs are in any way in breach of any financial disclosure or registration requirements. Rather, it refers to public access to this information.

Table 9. Financial disclosure configurations

	FULL	SELECTIVE	NONE
Organisational form	plc/ltd co.	PLC/LTD CO.	PLC/LTD CO.
Supporter involvement in governance	some	NONE	NDC
Financial risk	risky	risky	risky
Financial and football sanctions	admin	NO	NO
Managerial change	NDC	below average	NDV
Size	LARGE	MEDIUM	SMALL
Performance trajectory	down/mixed	stable	not up
Youth %	high	medium	low
Scottish qualified	medium	medium	HIGH
Stadium capacity usage	high	medium	LOW
Age of club	> 95	> 95	NDC
Ambition (MV of current squad)	> £3m	> £3m	>£250k
Local community population	> 100k	25k-100k	<25k

Given previous claims of the precarious nature of Scottish football finances and incidence of past footballing financial distress, it might be anticipated that many clubs would have a high level of financial disclosure, drawing insights from legitimacy and stakeholder theories (Cooper & Johnston, 2012; Morrow, 2005, 2013). While there did not appear to be any significant patterns in relation to organisational form, there does appear to be some relationship between the related attributes: size of the club, its age, market value of squad, stadium capacity usage and location in large urban communities. This suggests that larger, more ambitious clubs are more likely to make public their accounting or financial disclosures. We only observed 8 clubs that disclosed their financial accounts, while 24 clubs provided no public disclosure of their financial performance or position. Again, it should be emphasised that there was no evidence of non-compliance with regulatory requirements and the financial accounts of all clubs were available for shareholders (and to others via Companies House) and club members. Moreover, all SPFL clubs are required to submit Annual Financial Statements to the Scottish FA as part of its Club Licensing Regulations (Scottish FA, 2015, Criterion 8.1). However, we were interested in the general disclosure of financial accounts to supporters and the public. Interestingly, while Criterion 8.2 of the Scottish FA Club Licensing Regulations (Scottish FA, 2015) requires clubs also to provide summary financial information and warns clubs that “this information will be made freely available via the Scottish FA Website”, no evidence of such disclosure is found on the Scottish FA website.

The values in Table 9 suggest no apparent relationship between public financial disclosure and supporter ownership/board representation. We might have anticipated that clubs with higher levels of supporter representation would have emphasised supporter accountability in relation to the clubs’ financial performance. However, it is possible that there is less need for public financial disclosure as direct supporter accountability and communication channels may be in existence in such clubs. Our analysis does suggest that a past financial crisis leads to improved voluntary disclosure of financial information, but not in every case. Large city based clubs that were public limited companies or in transition to supporter-owned clubs,

with a recent negative performance trajectory, or had experienced administration, were more likely to disclose their financial reports. One interpretation of this evidence is that it suggests a desire to make supporters aware of the financial situation of the club, perhaps to enroll their support for future changes in how the club is owned, financed or governed. Indeed, in the case of transition clubs, it may be a much more instrumental response in the sense of being necessary to elicit financial support to ensure the survival of the club. Put another way, the resilience of the club is perceived to be dependent on supporter involvement.

6. Conclusions, contribution and future research

In recent decades there has been a financial transformation of professional football in Europe, notably a greater concentration of income among big clubs and big leagues (see, for example, UEFA 2015). This, together with a greater incidence of clubs in financial distress throughout the professional game in Scotland, have focused attention on the desirability of developing new insights into clubs' organisational, governance, financing and accountability structures and practices in different contexts.

While football clubs are ostensibly simple organisations, existing to facilitate participation in organised football, in practice they are organisations with complex and often contested multi-faceted objectives and purposes: sporting, social and financial. Scottish football clubs are akin to boundary objects; organisations that exist in different social worlds, which rely on complex social interactions among separate communities with different and often conflicting interests. In Scotland, the vast majority of football clubs are clubs in name only, having long since adopted corporate organisational structures, but with markedly different ownership models and governance structures. Yet at the same time, most of them are companies in name only, with little or no apparent emphasis on corporate performance objectives such as profit maximisation. What does matter, however, is the resilience of these clubs, meaning not only financial sustainability but also wider notions of value and purpose. Future resilience appears to be a desirable attribute of different configurations of ownership structures, governance mechanisms, accountability processes and models of financing,

Our initial descriptive analysis has identified a number of attributes that could inform decisions relating to the organisational form, governance structures, accountability processes and models of financing of football clubs, and hence the future resilience of clubs. We argue that each football club should be viewed as a boundary object and thus as a configuration of interacting variables that shapes and is shaped by its relationships with different social worlds. Understanding the relationship between different variables requires an analysis of the configuration of attributes of clubs.

In the Scottish context, whilst each club may have a unique configuration, our evidence suggests that certain configurations are more prevalent and persistent than others. There were examples of relatively small clubs in lower leagues with limited sporting ambition and a strong, local community identity that had supporter and community involvement in ownership, financing and governance. There were larger clubs with long histories, displaying greater sporting ambition that adopted a more risky financial strategy in order to be competitive, but we also observed clubs with more secure financial positions. Some of the clubs that sought to be nationally competitive were more reliant on limited liability forms with lower levels of formal supporter involvement, but others were actively seeking to transition to mutual organisations and/or greater levels of supporter representation.

There were examples of mid-ranking clubs with long histories and a strong community identity in larger towns, but with more modest sporting ambitions, that were exploring different types of ownership / governance to ensure a sustainable future. But at the same time there were just as many clubs in this set that were persisting with the concentrated owner model.

There is the possibility of a novelty factor – ‘living the dream’ – influencing newer clubs, which are less inhibited by history and have enhanced sporting ambitions. Perhaps less constrained by financial considerations and with less traditional approaches to community relationships, they may adopt more innovative approaches to financing, ownership, governance and accountability. There is also the possibility of emergent clubs, smaller clubs with concentrated ownership structures, a long history and local community identity, receiving significant investment from owners with an enhanced ambition for sporting success. These clubs have limited supporter involvement but maintain community engagement in line with the club’s history and culture.

The clubs with very high expectations and demands for footballing success, desire for international competitiveness, strong community (well beyond the local), and international branding, did have many similar attributes in their configurations. But there were also extreme differences over the time period of this study, e.g. financial and football sanctions, performance trajectory. The challenge for these clubs (Celtic and Rangers) is to balance local and international demands, specifically the need to invest to be competitive at a European level, but within the limited resources available from the national competitions.

Clubs have to make decisions on the relative importance of developing their own players through youth academies, training infrastructure, and buying/selling players in the local and international transfer markets. The proximity to resource rich leagues in England and Europe has a major impact on these decisions, notably a collapse in the ability of even the largest Scottish clubs to compete for players in the transfer market. However, the ability to sell players to clubs beyond Scotland still remains an attractive possibility.

The cross-sectional nature of the study means that we did not explore the impact of the player transfer market, other national leagues or infrastructure investments. However, we did identify some differences worthy of further investigation in relation to observed differences in the levels of Scottish qualified players and players developed through clubs’ own youth training programmes. It would appear that smaller clubs with alternative ownership structures and high levels of supporter involvement in club governance were less likely to recruit players from their own youth programmes. But they were also more likely to recruit Scottish qualified players than other clubs.

The use of configuration analysis has enabled us to begin to understand a football club as a configuration of attributes. This first iteration demonstrates the feasibility of the approach. It has yielded encouraging preliminary results which will help to improve our understanding of important matters such as the most appropriate organisational form and governance structure for particular types of club, and the drivers of financial distress. Our analysis suggests that there are common configurations of clubs in terms of the identified attributes:

- Financial security is associated with small stable clubs, structured as companies with some supporter representation and a medium level of home-grown football talent.
- The configuration of attributes of clubs across the ‘alternative’ organisational ownership structure set is fairly consistent. It suggests that the decision to adopt a

structure other than that of a company limited by shares is associated with small stable clubs governed by supporters, with more Scottish qualified players. These clubs, however, are just as financially risky as clubs in the Plc / Ltd co. set.

- Clubs with an organisational structure which is currently in transition appear to be significantly different from other clubs, being characterised in general by a history of financial failure and a current precarious financial situation. This is unsurprising given that supporter ownership has commonly been an option of last resort for failing Scottish football clubs.
- There is evidence of a relationship between the level of supporter representation on the board and the organisational form. The majority of clubs structured as public or private limited companies have no supporter representation whatsoever, whereas clubs using alternative organisational ownership structures have majority supporter representation. With the other configurations examined, ownership structure does not appear to be a central distinguishing feature.
- A history of financial crisis normally leads to improved voluntary disclosure of financial information. But there is no apparent relationship between public financial disclosure and supporter ownership or supporter board representation.
- There is no evidence of a typical configuration of attributes associated with medium term sporting success.
- There is no evidence to support the ‘lunatics taking over the asylum’ argument, with some evidence of greater stability in clubs with a majority of supporters on the board.

Our preliminary results support the view that there is no single best model for a football club. What is required is an understanding of the attributes that exist among different clubs operating at different levels within the professional game in Scotland. However, our results do suggest that some of the prior assumptions on the relationship among sporting performance, ownership, governance, financing and accountability attributes are not always supported by the evidence. Certain configurations appear to be associated with certain contexts, yet the outcomes can vary significantly.

This paper has made a contribution to the theoretical conceptualisation of football clubs. It has also helped our understanding of the inter-relationships among what different stakeholders consider to be the critical attributes of a club. The evidence presented has the potential to inform policy-making in this area, in particular the lack of evidence that links financial risk-taking and short-term behaviour to supporter owned and supporter controlled clubs. However, this study explored associations among attributes and does not provide evidence on causality. To do this, we will need to gather more longitudinal data over a longer time frame and further develop the theoretical bases for determining critical thresholds for all relevant attributes. This will facilitate greater use of sensitivity analysis and allow a longitudinal analysis to complement the cross-sectional analysis reported in this paper.

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