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HOW TO MANAGE TENSIONS BETWEEN INSTITUTIONAL LOGICS

A qualitative study about the tradeoff between business and sports performance in Swedish top football clubs

Abstract

Nowadays, operating a football club is a rather complex task where clubs have several stakeholders with different interests. The interest for achieving sporting results and the interest for achieving financial results are in particular prominent and management within football clubs have to conduct the club in a way that fulfills both these interests. However, in many situations, it is not possible to make decisions that favor both sporting success and financial position. Thus, a tradeoff between sport and business has to be made. The purpose with this thesis has been to investigate how management within top football clubs in Sweden consider this tradeoff between sport and business, both in a general more long term perspective as well as in a short term more situation specific context. The research was structured using a qualitative method where semi-structured interviews with management from three different clubs in Allsvenskan were conducted. In total, eight people were interviewed, and the generated data were analyzed in conceptual terms through a theoretical lens. The study found that all clubs mainly use a decoupling strategy for managing the conflicting interests in a general overall perspective, and a compromising strategy in daily more specific situations. Moreover, depending on the specific situation, the study found that the clubs need to prioritize sport and business interests differently. Based on the analysis, the study concluded that clubs that are in a more disadvantageous financial position are more often forced to prioritize the financial interest over the sport interest, whereas clubs with a more beneficial financial position to a larger extent can choose which interest they want to favor in a certain situation.

Keywords: Institutional Logics, Swedish Football, Tradeoff, Player Trading, Ownership Structure

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Table of Content

1. Introduction

1.1 Background

“Football is a business unlike any other. While money is important, the winning formula is more about the sound management of a club’s most important asset: its team.” (Beiderbeck et al., 2020)

Nowadays, football is not just a game, it is a big business. Historically, the main priority of a club has been to satisfy fans and supporters through achieving great sport results. However, in recent times, due to an increasing commercialization, financial interests have become as important (Bull and Whittam, 2016). Globally, 207 million people are estimated to play the sport and four billion people are considering themselves being football fans (Campelli, 2021). Also, in 2019, the value of the global football market size was $1,883.6 million and it is estimated to reach $3,712.7 million by 2027 (Deshmukh and Shridutt Anand, 2021). Further, different kinds of investments are rather common. Petrodollars from the Middle East, billionaire soccer fans and a flow of Chinese purchases have in the last two decades represented the most common investors in professional football. Lately however, hedge funds, credit vehicles and private equity dominate. In 2021, the Italian professional football team FC Internazionale Milano entered a deal valued at €275 million with the debt fund Oaktree Capital Group. In another investment from 2019, a U.S private equity firm bought a 10% stake in City Football Group, a company that, among others, owns the English Premier League team Manchester City and Spain’s second division team Girona FC. The deal reached $500 million (Garcia Perez et al., 2021).

Further, player transfers stand for large amounts within the football world. In 2021, the English football team Manchester United signed the Portuguese player Cristiano Ronaldo with an initial transfer fee of £12.86 million, with a potential additional £6.85 million in terms of bonuses. A total cost for Manchester United was estimated to be around £60 million (Plumley and Wilson, 2021). Also, in January 2022, the Italian football team Juventus made the most expensive trade of the winter transfer of 2022 when they signed Dusan Vlahovic. The transfer fee amounted to €81.6 million with another €10 million in bonuses (Transfermarkt, 2022). Due to the increased market for player trading and large transfer sums, both financial and sporting consequences need to be considered in a club's overall player trading strategy.

Hence, much of the daily work in a football club is about dealing with different types of interests. In particular, two types of interests are prominent; profit maximization and utility maximization. It can be stated that property owners, shareholders, have an interest in profit maximization while other types of stakeholders, for instance association members, more care about heritage and social value of the club. Questions then emerge whether a club exists to maximize utility for stakeholders or to satisfy private investors' egoism (Bull and Whittam, 2016). Hence, conflict of interest between external owners, management and members arises as value is perceived in different ways.

The management within a football organization is constantly exposed to the tension between the sports logic and the business logic, especially when it comes to player trading. A football club faces institutional pressure from several stakeholders with different interests and needs to find strategies to manage these conflicts. As football clubs can be considered to face more pressure from the institutional environment than the technical environment, it is important for them to find ways to create legitimacy by for example following the culture and norms that exist within the industry. As the sports and business logic permeates the whole football industry, clubs need to find strategies to balance the tradeoff between them in order to conduct their daily operations.

1.2 Prior research and research gap

The tradeoff between creating social value and financial performance within an organization is a widely researched area (Jeacle and Carter, 2012). Also, this phenomena has been investigated more narrowly from sport organizations' perspectives where the focus has been to examine the nexus between sport and financial reporting (Andon et al., 2019). Within the football field, several studies have been conducted on European clubs and leagues where the researchers have investigated the relationship between sporting performance and financial results (Ferri et al., 2017; Bull and Whittam, 2016; Scafarto and Dimitropoulos, 2018). These studies have a somewhat historical perspective as they have looked at the past financial and sports performance between different clubs and thereafter tried to answer how the financial and sports performance affected each other. Carlsson-Wall has been studying the phenomena in Sweden by conducting two case studies on Swedish top football clubs. One study focused on the relationship between accounting and emotionality within a club and the other one investigated how the club was managed with regard to the coexistence of two different performance logics; sport and business (Carlsson-Wall et al., 2018; Carlsson-Wall et al., 2016). These studies have all concluded that there is some kind of nexus between sports and business performance within football clubs. However, there is little research conducted that focuses on how the management within the clubs consider this tradeoff between sports and business within their daily operations as well as in their future strategies. For instance, how much money is a club willing to spend on a player that might generate sport results in the future? If a player performs well, should he be kept to continue contributing to sporting success or be sold to increase the club's financial performance?

Also, most of the previous studies have been made on European clubs and leagues where private investors can invest heavily and fully take control over a club (Cooper and Johnston, 2012). In Sweden, where the 50+1 rule prevails, clubs have to be majority owned by the members which limit private investors from significant influence (Riksidrottsförbundet, 2021). Thus, with regard to the different ownership structure and with a focus on clubs future strategies, it would be interesting to examine how the tradeoff between sports and financial performance is considered when it comes to player trading within Swedish top football clubs. This area is somewhat unexamined and no previous studies have had this particular focus.

1.3 Purpose and research question

As stated above, the tradeoff between sports and business performance has been investigated on a general level within many European clubs and leagues where most clubs are owned by external investors. The purpose with this thesis is instead to focus on the Swedish top football league where the 50+1 rule exists. Thus, the aim is to create a greater understanding for how management within Swedish clubs consider the sports and business tradeoff when decisions are made in the daily operations and future strategies are set out. Also, another interesting perspective is to consider whether the size and revenue streams of the club have an impact on their strategies. The research question of this thesis is therefore:

In terms of overall strategy in general and player trading more specifically, how does management within different clubs in Allsvenskan consider the tradeoff between business and sports performance?

1.4 Primary focus and delimitation

The primary focus of the study is Swedish football clubs that play in the top league Allsvenskan where the 50+1 rule exists to ensure that the membership democracy remains. Also, the study will focus on how decisions are made within clubs with regard to the sports and business tradeoff when it comes to player trading specifically. To delimit the thesis, the research will focus on three clubs playing in Allsvenskan with different sizes and standings in the league. The aim is to interview several people with different roles and interests within each club in order to get a broader view. In summary, the aim is to examine whether the tradeoff is considered differently between clubs with regard to ownership structure and size.

2. Literature and Theory

2.1 Theoretical development

2.1.1 Institutional theory

Institutional theory is a framework that tries to explain social, economic and political dynamics within organizations (DiMaggio and Powell, 2000). The way organizations are managed and structured is highly affected by the institutional pressures that prevails in the industry in which the organization is operating. A central aspect to institutional theory is that organizational change is to a greater extent driven by symbolic actions and external pressures rather than functional considerations (Meyer and Rowan, 1977). Due to institutional pressures, there is a tendency for organizations to become more similar to each other, and strategic and interest driven behavior becomes less important (DiMaggio and Powell, 2000).

According to institutional theory, all organizations operate in both technical and institutional environments, but to different degrees. The technical environment is characterized by producing goods and services as efficiently as possible while the institutional environment is characterized by following certain expectations, culture and norms that prevails in the organizational industry. Organizations need to adapt to the pressures from the institutional environment in order to obtain legitimacy and to subsequently be able to attract resources. For an organization to be successful, it needs to attract resources from the technical environment using efficiency and resources from the institutional environment using legitimacy. For some organizations, for example manufacturing companies, the technical environment is more crucial and for other types of organizations, for example churches, the institutional environment plays a more important role. However, regardless of sector, all organizations to some extent operate in both environments, but they have different importance depending on the core operation. In an institutional environment, decision rationality and the production of talk are appropriate to create legitimacy whereas action rationality is important in a technical environment in order to create efficiency. To combine pressures from the two different environments, decoupling is a possible strategy. This implies that if the requirements from the technical and institutional environment are contradicting, both legitimate and effective structures can be produced if they are kept separate from each other. Different combinations of institutional and technical demands need different organizational solutions. Another important concept within institutional theory is institutional isomorphism. This concept can provide an explanation for why management, organization and leadership are very similar in companies despite the fact that they are very different with regard to size, strategy, core processes and turbulence within the environment. One type of isomorphism is coercive isomorphism and this occurs when organizations adapt to external demands on a particular type of organization (Blomberg, 2020).

2.1.2 Institutional logics

Institutional logics was introduced by Alford and Friedland in order to describe contradictory beliefs and practices in institutions of modern western society (Thornton and Ocasio, 2008). An institutional logic is described as the set of material practices and symbolic systems which include beliefs, values and assumptions. Organizations and individuals use these practices and systems in their daily activities, to reproduce their experiences and lives, and to organize space and time (Thornton et al., 2012).

Different institutional logics have been identified in different sectors. For instance, business-like health care logic and logic of medical professionalism exist in the health care sector (Reay and Hinings, 2009), and a regulatory logic has been identified in the finance industry (Lounsbury, 2002). Further, multiple logics normally exist within an organization which could be, or not be, mutually incompatible (Kraatz and Block, 2008; Friedland and Alford, 1991; Selznick, 1949). In cases where different logics are incompatible or appear to be so, tensions and challenges will inevitably be created. Two potential explanations are discussed for why more or less tensions between logics are created. The first suggestion is that the structure of organizational fields shapes the institutional complexity. In highly decentralized and fragmented fields, the tension needs to be fully addressed by the organization itself, not moderated by field-level actors. In contrast, in more unified and less fragmented fields, "competing demands are worked out at a higher level, either by negotiation between field-level actors and/or by dominant actors enforcing compliance" (Greenwood et al., 2011, p.338). The second suggestion implies that, within an organization, tensions might be experienced more or less prominent depending on how the logics are enacted. This will for instance depend on the strength of ties between field-level referent audience and organizational actors (Greenwood et al., 2011). Thus, multiple logics tend to coexist during transition times until there is a hybrid version of two previous ones (Glynn and Lounsbury, 2005) or until one logic wins over the other and the field adopts the dominant logic (DiMaggio, 1983). However, research also shows that rivalry between logics can be managed and that competing logics can coexist (Reay and Hinings, 2009), and further, multiple logics can continue to coexist for a long period of time (Reay and Hinings, 2005; Lounsbury, 2007; Marquis and Lounsbury, 2007).

2.1.3 Managing tensions between logics

When an organization is facing conflicts between logics, it is necessary to find a strategy for handling these tensions. Three possible ways to do this is by applying a decoupling, structural differentiation or compromising strategy.

One way to handle contradicting logics is to use decoupling as a strategy. The main idea within this strategy is that there is a gap between what the organization claims to do and what it actually does. Decoupling can be considered as either structural or situation specific. When it is structural, there is a permanent commitment to one logic and only symbolic adherence to the other (Cho and Patten, 2007). Decoupling is more situation specific if there is a concrete institutional demand placed on the organization. The organization would then symbolically react to this demand without changing anything in practice. This strategy is possible if stakeholder demands can be satisfied by only adhering symbolically to the logic in question. However, in many cases it is hard to implement, especially if stakeholders are powerful and have allies within the organization who demand more than a symbolic adherence (Pache and Santos, 2013).

Formal decisions within organizations often do not lead to action. Instead what leads to action is routine and following rules, conventions and habits. In order to bring action, rational decision making processes should be avoided. However, there is a deeply rooted idea in society that decision processes should be rational and include strategy formulation, data collection, evaluation of alternative actions and risk assessments. This implies that organizations both need to have rational decision making processes and implement efficiently coordinated action. The problem is that these processes disrupt each other. However, an organization can be both decision-rational and action-rational if these two processes are kept apart by a decoupling strategy. Decisional rational processes are characterized by talk higher up in the hierarchy within the organization and can lead to paralyzation. However, if this process is decoupled from the actional-rational process, organizations can still take action. Action-rationality implies implementing one solution to many problems instead of talking about many different solutions to one problem. A common way of decoupling talk and decision from action and implementation is by having them on different hierarchical levels. Board and senior executives talk but avoid directing the production of goods and services. However, in reality their decisions are never implemented on the lower levels, but the decision-rational talk is making the organization legitimate and thus gaining support from the environment. The fact that companies have guidelines and rules that do not correspond to the actual action is called hypocrisy. This is a consequence of many conflicting demands that organizations are exposed to. The importance of hypocrisy is to try and identify loose connections and contradiction between what is said and what is done (Brunsson, 1985; 1989).

Another way of managing tensions between logics can be referred to as structural differentiation. This strategy implies to divide the organization into different subunits according to demands of their respective institutional logic, where each unit can act independently (Kraatz and Block, 2008; Greenwood et al., 2011). One challenge that will emerge within this strategy is the necessity of some sort of integration between the subunits (Greenwood et al., 2011). This might emerge when decisions or actions of one unit impact the other unit. Also, one might need to consider the units in comparative terms when allocating appropriate resources to each unit. Thus, this strategy leads to some extent to a compromise at an organizational level (Carlsson-Wall et al. 2016).

A third strategy for managing competing logics is therefore compromising. This strategy implies to forgo full adherence from one logic in order to partly fulfill demands from another (Kraatz and Block, 2008; Pache and Santos, 2013). Further, compromising involves organizations attempting to create a balance between conflicting expectations of external components (Oliver, 1991). The strategy can be more or less structurally natured, where a structural form implies to combine elements such as rules, control systems and routines from different logics, in order to meet needs of different stakeholders (Carlsson-Wall et al. 2016). For instance, companies can combine specific elements from a commercial logic with elements from a social welfare logic, thus adhering to demands from several logics but still compromising insofar since they do not implement all structural elements associated with each kind of logic (Pache and Santos, 2013). Further, compromising may be a response to a particular situation, as a structural compromise is not a predetermined set of behavior in all circumstances. In some cases, necessary compromises have to be made to, for instance, confirm a strategy or to deviate from it. The case might be when, during a budgeting process, an organization needs to decide how many resources to provide each unit and a one-off compromise will emerge between the institutional demands each of the units represent (Carlsson-Wall et al. 2016).

2.1.4 Logics within the sports industry

Typically, several different logics exist within sports organizations (Gammelsæter, 2010). More specifically, two sets of logics are prominent: sports logic and business logic. Sports logic can be described as being associated with institutional demands for sporting success, including for instance advancing to a higher league or winning a championship. Business logic refers to financial performance such as obtaining a balanced budget or having a low level of debt. Further, research reflects upon institutional complexity in the sense of how organizations handle different sets of institutional demands or logics (Carlsson-Wall et al. 2016). The coexistence of these logics can make it difficult for managers to identify the best actions. Hence, it becomes crucial to find the right tradeoff between sports and financial performance (Ferri et al., 2017).

The relationship between the two logics tends to be situation specific and different degrees of compatibility occur between the logics, described as a cause and effect relationship. Sports and business logic can be experienced as either compatible or conflicting, depending on a particular situation. In some cases, the cause and effect relationship is characterized as rather unambiguous, where a set of events or actions clearly benefit both logics, none logic, or one of them. For instance, the situation might be when a team performs very well which subsequently results in increased ticket sales. Hence, the logics are in harmony and experiencing a conflict between the logics is unlikely. In contrast, there are situations where the cause and effect relationship is characterized as ambiguous, where discretion evolves in assessing how one course of action can relate to a specific logic. An improved sports performance can negatively impact the business logic in the short term, but positively impact the business logic in the long term. For instance, buying players typically results in a cash outflow and decreased financial results in the short term. However, in a longer term perspective, potential results might be increased revenues due to winning the league (Carlsson-Wall et al. 2016).

Further, a common pattern is that clubs earning higher profits have lower sporting performance in the short run. However, good sporting performance often leads to higher profits in a later stage. Therefore, it could be argued that it is logical to sacrifice financial performance in the short run in order to achieve both greater profits and sporting results in the long run (Ferri et al., 2017). Thus, a given course of action results in different outcomes in both the long and short run. Experiencing conflicting logics, decisions need to be taken in favor of one logic in one specific situation and in favor of the other logic in another situation. There are therefore different ways of enacting a given logic in a specific situation (Carlsson-Wall et al. 2016).

3. Method

3.1 Study Design

In this thesis, a qualitative approach has been applied. As the literature review suggests, organizations are exposed to different institutional pressures. More particularly, two sets of different institutional logics tend to be prominent within sport organizations, which as well tend to create more or less tensions for the management to handle. The aim of this study has therefore been to investigate if there are any similarities or differences regarding how clubs are managing these tensions. Based on the research question and problem area, the main interest has been to create an understanding for how top management within the different clubs consider the sporting and financial tradeoff.

3.2 Data Collection

This study has been conducted through semi-structured interviews of eight individuals from three different clubs in the Swedish top men's football league Allsvenskan. The choices of clubs are based on sizes as well as standings within the league, with the aim to potentially distinguish differences between the clubs in how they are considering the tradeoff. Also, the data collection consists of data from three different hierarchical levels within each club, all with different responsibilities. The reason for this was to get a broader view with different perspectives depending on situations. To further support different potential views, the interview questions have been adapted to the specific roles. Seven out of eight interviews were held at each club's office. The only interview which was not held at the club's office was conducted through a video meeting. Lastly, we complemented the interviews with data from the clubs' annual reports from 2019, 2020 and 2021.

3.2.1 Overview interviews

NO.	CLUB	POSITION
1	1	Club Manager
2	1	Head of Youth Academy
3	2	Club Manager
4	3	Club Manager
5	3	Sport Manager
6	3	Head of Youth Player Development
7	2	Head of Youth Academy
8	1	Sport Manager

3.3 Data Analysis

The collected data from the interviews has been transcribed and further analyzed. The aim has been to examine similarities and differences in the clubs' strategies regarding the tradeoff between economic and sporting performance. One primary targeting area within the topic consisted of analyzing the player trading strategies in comparative terms between the clubs. Should a high performing player be sold in order to generate economic value in the short term, or should the player be kept in order to generate sporting performance and financial value in the longer run? The data from the clubs' annual reports have been used to analyze the empirics from the interviews further. The aim of including information about the clubs' financial positions and standings in the league was to be able to compare the clubs and analyze if any of these factors could help explain why the clubs sometimes consider the tradeoff differently.

3.4 Ethical Consideration

With regard to the integrity aspect as well as being able to collect as sincere and truthful answers as possible, the respondents and the organizations have been pseudonymized and not referred to by their real names throughout the entire study. Further, all respondents were in advance informed about the purpose of the study as well as that they had the option to withdraw from the study at any point without further explanation. Also, all respondents have signed an agreement and thus approved their participation in the study. Furthermore, the aggregated responses and generated data have been analyzed in conceptual terms through a theoretical lens. The purpose has not been to target specific individuals and the answers and results can not easily be traced back to a specific interviewee.

3.5 Method Criticism

One primary criticism towards the method is the need for translation of the empirics. As the interviews were conducted in Swedish, all data had to be translated to English after transcription. This entails a potential risk of deviation from the original meaning. However, to reduce this risk, the empirics have been thoroughly transcripted, in particular all the citations. Also, another critique regarding the qualitative method and the semi-structured interviews is that the interviewees might have interpreted the questions differently and thus the answers might not be perfectly comparable. Also, depending on a specific interview, sometimes different follow up questions were asked and subsequently resulted in different amounts of data and content from different clubs.

4. Empirics

4.1 Background and context

4.1.1 Ownership structure

In general, different football leagues in Europe have different ownership structures. In the English Premier League, the ownership structure is very concentrated with a few individuals owning a large percentage of the shares in each club. By contrast, in the German league Bundesliga, the 50+1 ownership rule exists to ensure that members and supporters are privileged over private investors (Bull and Whittam, 2016). In short, the rule implies that the members of the club hold a majority of the voting rights, which limits private investors from fully controlling the clubs (Scheuber, 2018).

In Sweden, football clubs have historically been managed as non profit organizations where players, leaders and other employees have been working voluntarily. The clubs have also completely been operated by their members (Billing et al., 2004). However, in 1999, elite clubs were for the first time allowed to be registered as limited liability companies instead of non-profit associations (Båvner, 1998; Peterson, 2002). To ensure that the clubs in the two highest Swedish leagues maintain stable finances, the Swedish Football Association introduced the so-called elite license. If a club fails to meet one of the requirements within the elite license, for example has a negative equity, the club will be mandatory relegated to a lower league (Svenska Fotbollsförbundet, 2021). Furthermore, another important feature in Swedish football, as in the German league, is the 50+1 rule. The majority of shares within the clubs has to be owned by the members and every member has an equal right to vote for the board of directors (Riksidrottsförbundet, 2021). This structure prevents wealthy investors from taking control over clubs and ensures that the membership democracy remains in Swedish football (Carlsson-Wall et al., 2016). However, some clubs are partly financed by private investors, for example Hammarby IF and AIK FF (Hammarby Fotboll, 2022; AIK Fotboll, 2020).

4.1.2 Player trading

Players' economic rights generally represent a club's competitive capital and is considered to be the largest part of its capital assets (Scafarto and Dimitropoulos, 2018). One research, based on the Italian football league Serie A, shows that income resulting from player trading is positively linked with the clubs' profitability and is thereby important for the clubs. Economic performance is affected by players' economic rights and the players' economic rights sales are a predominant financial aspect (Neri et al., 2021). In European football between 2009 and 2018, transfer spending increased from €2.996 to €8.017 billion and net transfer earnings on players increased from €2.542 to €6.037 billion (UEFA, 2018).

Further, in top French football, low sporting performance and low revenue tend to not correspond to low salaries. Clubs tend to overbid to attract superstars creating an arms race where clubs want to recruit the best players. This in turn creates an excess investment of players which can deteriorate a club's financial balance (Andreff, 2018). Also, revenues from player trading are very volatile and difficult to forecast. Hence, in many clubs they are not accounted for in the budget. However, clubs will most certainly receive some money from player trading which creates a buffer in the budget. When a team is close to winning the league or close to being relegated there is a greater tendency for club managers to invest in expensive players. Player salaries is an important fixed cost for the club which implies that the immediate desire to fix the sporting performance by trading players could have severe financial consequences (Cooper and Johnston, 2012).

In the Swedish top football league Allsvenskan, the economic value generated does not to the same extent reach European levels. During 2020, total net income reached 1399 MSEK. Further, the clubs in Allsvenskan are in general dependent on player trading revenues. Revenues from player trading increased by 24,7 MSEK from 2019 to 2020, reaching a total value of 280,4 MSEK. However, there could be a potential risk by being dependent on player trading revenues (Sports and Business Services, 2021).

4.2 General overview, management and player trading

4.2.1 Overview of financial and sports performance last three years[1]

CLUB	YEAR	REVENUES	TOTAL ASSETS	STANDING
1	2019	144.516.085	171.068.251	1-4
	2020	198.144.854	229.282.397	1-4
	2021	173.286.095	260.749.055	1-4
2	2019	51.319.923	14.816.019	9-12
	2020	47.286.120	25.433.262	9-12
	2021	54.361.693	41.060.565	9-12
3	2019	62 380 720	48.187.018	13-16
	2020	56 414 352	51.487.662	13-16
	2021	68 984 663	62.596.017	5-8

4.2.2 Ownership structure and management

Both Club 1 and Club 3 consist of one limited company owned by one sports association, which in turn is owned by its members. Club 2 is constructed similarly, but differ to some extent as the sports association has an 85% stake in the limited company. The other 15% consist of external investors. Club Manager 2 explains this is a construction in order to have the opportunity to receive external capital earlier, but simultaneously states, "one could say both the limited company and the sports association works as a regular sports association democracy".

All three clubs are presented as having a flat organizational structure. The club managers are having an overall responsibility over the operations within the club, whereas larger overall strategic questions are discussed in the board which has the utmost responsibility. For example, in Club 1, this could be in a case of a recruitment of a new head coach or a sport manager. Club

[1] Data retrieved from the clubs' respective annual reports

Manager 1 states that it is easier for him and his closest colleagues if they also make the decision together with the board, but simultaneously states it is very rare that the board is against their recommendations. “It works more as a reporting”. Another example is larger player signings involving larger money amounts, where Club Manager 1 explains it as “in a pure self-preservation we have to inform the board”. Similarly, in Club 2, unplanned events that could affect the trademark or if the club acts outside the total budget are discussed and decided upon in the board. Club Manager 2 is responsible for making sure all their operations follow the club’s set goals and budgets. Also, in all three clubs, the club managers provide the sport managers a budget for player trading, which has been approved by the board, in which the sport managers are free to act within. Further, the club managers and sport managers are assigned much responsibility, where all clubs present the sport managers having responsibility over sporting decisions and club managers over business decisions. As Club Manager 2 states, “he is sport manager since he is better at football than me”. However, many decisions are taken in a collaboration between the club managers and sport managers in all clubs, in particular if a sport manager needs to act outside the set budget. Also, in Club 3, there is one sporting group consisting of 2 board members, Club Manager 3, Sport Manager 3, head of scouts and Head of Youth Player Development. This group has the mandate to make both economic and sporting decisions, for example in the case of a player trading. However, Club Manager 3 also states that “Sport Manager 3 and I are those who in the end make 90% of the transactions, larger amounts go to the board”.

Regarding the 50+1 rule, the three different Club Managers have different views. Both Club Manager 1 and Club Manager 2 are in favor of the rule. Club Manager 1 explains that he is against money fully controlling the sport, and further states “I think we can handle generating the money we need anyway, through selling tickets, tv rights, media rights and sponsors”. Club Manager 2 states that removing the rule would turn the sport into a more commercial product and the core values would be less prioritized. He explains that “the sports association democracy prevailing in Sweden is something fine to protect”. However, Club Manager 3 has another view. He believes the rule is unfavorable and believes that the effect of removing it would be that football would be richer. Hence, “it would be easier for Swedish clubs and sports associations to reach success in Europe” and “it would raise the status of Allsvenskan”.

4.2.3 Player trading

In all three clubs, the process for trading players is similar. Coaches, scouts, sport managers and club managers are all involved and each role has a specific focus. In all clubs, the coach, scout and sport manager focus on the sporting aspects of the deal and in this area the sport manager has the final say. When the scout, coach and sport manager have agreed upon what type of player the club should buy, the sport manager prepares a contract proposal that the club manager then evaluates from a financial perspective. He considers the players' salary, the sign-on fee, bonuses and potential to sell in the future. The board in the clubs do not actively participate in the player trading process and they rarely intervene unless the deal concerns excessive sums. However, it is the board that on paper has the final responsibility for a specific deal, but much responsibility is delegated downwards in the organization. In practice it is the sport manager, after close discussions with the club manager, that takes the final decision. All clubs inform the board when a specific deal is about to take place and underlines the importance of good collaboration between the sport manager, club manager and board.

Regarding building the squad, all three clubs express that age is an important factor to consider. Club Manager 1 explains that you need some older players that always make a decent performance, who you do not have any intention to sell, and also some younger players that are hungry and potentially could be sold. Club Manager 2 further states that, last season, they had the lowest average age in Allsvenskan. He also mentions the price as an important factor to consider when buying players. "10 million is not very expensive if you get 100 million back. You need to look at the player's potential in relation to age and length of contract". He underlines that, after the age and investment parameters are fulfilled, they look at the potential players' personality and whether the player is a good football player is considered last. Club Manager 3 further underlines the potential for selling the player in the future as another important consideration, which involves increasing his market value. He also claims that the perfect age for selling a player is 21. Sport Manager 3 states that one goal for the club is to decrease the average age of players as younger players are valued higher due to the possibility of selling them. He states that it is the clubs with the lowest average age that sell most players.

4.3 Interplay of institutional logics

4.3.1 Tradeoff between logics in a general context

“The key question for everything is finding the balance between financial balance and sporting investment”- Club Manager 1.

Club Manager 1 states that they believe in the importance of people from the economic and sports department working close to each other, and thus always interacting with each other. However, he underlines the difficulty of finding the right balance. It is easy for the sporting euphoria to take over, since it is so fun to win. Thus, he stresses it is easy to put the operation in too much risk. “Maybe you recruit more players than you can afford because it is so fun to win” and “you overestimate your abilities to generate money via everything else, audience or sponsors, since you so badly want to obtain this player or this team or this coach”. He illustrates this as very common, to somewhat lose focus on everything else. In terms of what factors to focus most on, sporting or business, Club Manager 1 claims it is a mix. It is about being able to estimate audience revenues or how the club is going right now. Without money they are not able to do anything, but he claims he still does not have to focus that much on it. Basically, they are careful with their money. Further, he claims that they never want to end up in a situation of financial crisis again, “then it is better to slow down the sporting investment”. Furthermore, Sport Manager 1 explains they have had a strong financial development lately due one particular factor, “we have bought players cheaply, sold them expensively and at the same time kept the costs low”. However, he underlines that the intention is not to be a rich club, but to have the best team as possible and therefore it is crucial to invest in a smart way.

Club Manager 2 claims it depends on where you are as a club when considering financial and sporting factors in a player trading. In the position Club 2 is today, he explains they would sell a player if they got the right bid. He claims they are fairly good at developing players and states that it somehow has to be a part of their commercial product, as this is how they can catch up on the clubs with better positions in the league. In a scenario of catching up with the other clubs, they would potentially have the option to keep a good player two more years before selling him. Regarding the economic and sporting tradeoff in a player trading, Club 2 always, as far as possible, works with players they believe they can develop. Club Manager 2 states that their starting point is that they always want the player to be able to improve and if they believe the player has become as good as he can be, he will not be interesting for them to buy. Hence, "I believe the goal for all clubs is that all investments should be investments, that is, increase in value". However, he further illustrates that this is not always how it works in practice. For instance, now and then they end up in situations where key players get injured who they need to replace. In that case, he explains that they might not have two years to develop a new player and therefore have to buy a more fully developed player.

Sport Manager 3 states that "we have a financial position that is what it is and that determines our conditions, it is very weak in comparison to our competitors". He further reasons that sport and financial parts are strongly connected. One of them can not come before the other. He explains that everything is about surviving with regard to both financial and sport terms. "If one part falls the other part falls as well. If we would have been deregulated we would be 30 million behind and not be existing today, but the other way around, if we would have gone bankrupt, we would not exist today either. Therefore I can not tell which parameter is most important". Club Manager 3 also explains that due to their poor financial situation in 2019 and 2020, they chose not to extend a contract for solely economic reasons. Then they were in a situation where they needed as few players as possible to the lowest possible cost.

4.3.2 Tradeoff between logics in a selling context

With regard to what factors that are essential when trading players, Club Manager 1 states that it depends on how strong the club is. More particularly, if the club is in a strong financial position, it is possible to turn bids down, either for favoring sports performance or waiting for a higher bid. On the other hand, if you are offered a lot more money in relation to the value of the player, Sport Manager 1 claims the player has to be sold. However, he also states that "if we sell too many good quality players we lose the sporting ambition, and that you need to be very careful with". Club Manager 1 further states that, if he was asked 7 years ago, he would have stated that they had to sell in order to survive at all. “The money was totally out”. He claims that they only had one option and that was to sell players. If the same case was today, he claims that they could have said no for either the reason of achieving sporting results or to wait for a better bid. Hence, sometimes the only option for him is to sell since the club has no money, and further states “it is in fact the only asset you can sell that is worth something, if you want money urgently”.

Regarding the dilemma of selling or keeping a good performing player, Sport Manager 3 reasons that everything depends on the club's position at that moment. Also, Club Manager 3 underlines that “age is extremely important when it comes to selling players”. Too old players are hard to sell. One example was of one of their best players from last season. Even though he was one of the three to four best players in the league, they received no bids on him because he was too old. However, they received many bids on younger players that only played a few games. Sport Manager 3 also states that younger players are always good to sell if you receive the right bid. In this case, you get to keep the important older players and earn money on younger players the team is not yet dependent on. Furthermore, Sport Manager 3 describes a situation the club had two years ago when they needed money immediately. They received a bid on a player that he considered too low. He wanted to keep the player to achieve some extra points, but he could not decide that himself. He could not go against the will of the club, hence “working within an association is about giving and taking”. In a different situation, Club Manager 3 explains that there are incentives to keep a good player that could contribute to sporting success in the future even though he potentially could be sold now. He says that the club could have sold a player last year, but they kept him because they considered that the bids were too low in relation to how important the player was for the team at that point. “This is the tradeoff you arrive at eventually. If we receive a bid of 25-30 million we will always sell, even though it is our most important player. It is always about what the price is in relation to how important the player is for the team”. If it is a good bid they sell, but if it is only decent, then the sport part comes first and the player is kept.

4.3.3 Tradeoff between logics in a youth academy context

"We don't want anything rather than to bring up our own players to the senior team, but one has to remember it is extremely hard". Club Manager 1 claims that, within their academy, in every age cohort, it is two or three players who will play elite football. Further, Club Manager 1 explains they think it is worth investing money in the academy for possibly creating some elite players now and then. But primarily, since they have a responsibility to educate elite players in general, as they are a big club. The players don't have to end up in Club 1. Sport Manager 1 further elaborates that "unfortunately not everyone can play in our senior team since we need to consider the sporting results. We have to fight for the top positions in the league". Head of Youth Academy 1 further describes that it is also hard to find the balance for when to play a younger player versus a more experienced player. He explains that if you let a young player play some matches for the senior team, his value increases dramatically. However, playing a young player involves a great risk for the sporting performance. He states that "this is the risk, if you play the younger player and he performs poorly, you will not be able to sell him and also the sport results will be bad. Then you will be in a very unfavorable position". Also, Club Manager 1 highlights there is a problem with regards to bringing up players to the senior team. Academy players are around 19 years old when leaving the junior age in football and the average age for making debut in Allsvenskan is around 22 years. Therefore, he explains that the player has three years to fight in a lower division and get the chance and also have some luck to develop. Also, as the players get paid, he explains it gets expensive for them to keep the players and further states "we cannot have that many lottery tickets which we are lending to clubs in lower divisions". He states that sometimes it works, but not often.

Further, Club Manager 1 describes that if they were in a scenario with a bad financial position, it would be more beneficial for them to buy players and do business on the transfer market than spending money on their academy activities. He believes they would have a better financial development due to that. But on the other hand, he states that they don't have their youth academy due to economic incentives, but because they are proud of it. However, Head of Youth Academy 1 explains that there could be financial incentives for conducting a youth academy. The costs of recruiting a player from, for example, Africa is higher than educating a young local player. However, he claims that the quality of a player from Africa or someplace else is probably higher and it is easier to increase his value rapidly and sell the player for greater amounts. But, it is not impossible to achieve this with an academy player, but it is harder. The financial incentive with the academy is therefore to bring up “bench players” to the senior team, so you don't have to look for them someplace else. However, when you need top players, they are more likely to be found outside the club.

In Club 2, the youth academy and player development is included in one of their long term strategies. Club Manager 2 states that the purpose of their youth academy is to develop players for their own senior team primarily and secondly to other elite teams. Further, he states there is a financial incentive as well. Head of Youth Academy 2 underlines the importance of developing players to their senior team since they can not afford to buy good quality players from other clubs. Their academy is crucial for the survival of the club. They need to move players up to their senior team that is less costly in terms of salary, but that also has the potential of being sold and generating money for the club. Also, Club Manager 2 compares investing 5 million SEK in buying a player versus investing this money in the academy, where in the latter case, they will get a large spread of the investment. It could potentially result in two or three players, but it could also result in twenty players playing elite football where the club receives education compensation. It is economically beneficial to bring up a player to the senior team who then leaves for another club. He also states that if they would have a corresponding player from their own youth operations, even though the player would not have reached as far in his development, they would have prioritized their own player. However, Head of Youth Academy 2 explains that, in contrast, there is very much work within the youth academy and they are not yet satisfied with the return it generates. A lot of players do not reach an elite level.

Club Manager 3 describes that he sees pure financial incentives for having a youth academy. The strategy with their venture capital is to invest in young players they can move up to their senior team, and subsequently sell in the future. Club 3 finds it relatively easy to attract young talented players compared to other clubs in the league since the way from the academy to the senior team in their club is very short. “If you are one of the best players in the academy, you basically already have a spot in the senior team”. Head of Youth Player Development 3 further elaborates on the purpose of conducting a youth academy. He says that the academy might cost 5 million

SEK a year and for the same amount they could potentially buy two really good 23 year old players that would perform immediately in the senior team. Or they could buy four average players. However, he further explains that there also are times when the academy is very beneficial. For a few years they sold a lot of players and suddenly the revenues were much higher than the cost for the academy.

However, Sport Manager 3 states that it is very hard to move players up from the academy to the senior team, but that Club 3 has despite this been successful on this point. Compared to many other clubs, the step from the academy to the senior team is small within Club 3. Head of Youth Player Development 3 states that the purpose of their way of playing football is to make it attractive in order to make young players interesting for clubs abroad to buy. He says “our goal with the academy is to sell young players and our vision is to create players that are interesting for the market and then receive compensation for them. Preferably after they have achieved results for our club for a couple of years”. If they let the players debut in the senior team and play some games in Allsvenskan their value increases significantly and they can then be sold for much larger amounts. Also, Head of Youth Player Development 3 describes that their senior team had most debutants from the academy in Allsvenskan during the last couple of years, and also most minutes played. At one point, almost 50% of their minutes played came from players from the academy. However, he states “but then we were close to deregulation so we had to adjust that number because we could not risk losing 30 million. It is not worth it”. Lastly, Sport Manager 3 states that from an economic perspective it is always better to bring up a player from their own academy than buying an expensive player from another club.

5. Empirical analysis

5.1 Ownership structure and management

According to Brunsson (1985; 1989), organizations both need to have rational decision making processes and implement efficiently coordinated action. However, as these processes may interrupt each other, keeping the processes apart in a decoupling strategy enables an organization to have both processes. All three clubs are illustrating their organization being divided into different hierarchical levels. The boards are presented as having the utmost responsibility of for instance approving the yearly budgets or discussing larger overall strategic issues. However, issues within the daily operations are handled by the different managers who are assigned much responsibility. Hence, a decoupling strategy prevails in all three clubs as talk and decision making are decoupled from action and implementation. In Club 1, information to the board works more as a self-preservation and the board rarely is against Club Manager 1 and his closest colleagues' recommendations. The interaction between them works more as a reporting. Also, Club Manager 3 and Sport Manager 3 are those who make 90% of the transactions regarding a player trading, larger amounts go to the board. Club Manager 2 is also responsible for making sure all their operations follow the club's set goals and budgets. In terms of the decoupling strategy, the managers are enabling the action-rationality process whereas the board acts in accordance with the decisional-rational process and makes the organization legitime.

In terms of the organizational structure, the club managers are presenting the organizations as divided into different focus areas. In all three clubs, the club managers mainly work with the financial issues, while the sport managers are in charge of the sporting decisions. The organizations are therefore divided into different subunits according to the two different institutional logics, business and sports logic, which is aligned with the structural differentiation strategy. One specific example is that the club managers provide the sport managers a budget, which has been approved by the board, who then are free to act within the budget. However, there is also a necessity of a continuous collaboration between these units, as especially the club managers and sport managers in most situations need to cooperate. This could be when a sport manager needs to act outside the budget, or in the example of the sporting group consisting of members from different focus areas in Club 3. This implies that the units are not able to fully act independently, and thus, the clubs are using structural differentiation as a strategy only to a smaller extent.

Regarding the budget process, a compromising strategy is also present as there could be different people involved in the process as well as the sport manager sometimes might need to act outside the set budget. In this sense, this implies that a compromise between the sports and business logic might emerge, as one might end up allocating more financial resources beyond the budget in favor of buying a more expensive player. Hence, there is a one-off compromise between institutional demands and forging full adherence from one logic for partly fulfilling demands from another.

5.2 Player trading

Regarding the process of trading players, all three clubs are to some extent implementing a decoupling strategy. To be able to consider the pressures from the sports logic and the business logic, different roles involved in the player trading process are responsible for different logics. In all clubs, the sport manager is responsible for the sport part, meaning what type and which player to buy. The club manager does not have expertise regarding sporting issues and hence, they evaluate the potential deal from a financial perspective. However, it is the board that on paper has the final responsibility for all deals, but they are not involved in the player trading process. In Club 1, the chairman of the board is informed before a deal is done and if the deal concerns unusually excessive amounts it is discussed with the rest of the members. Besides this, all decisions and actions are taken by Club Manager 1 and Sport Manager 1. The board having the utmost responsibility, but not being involved and acting in the process, is a clear example of a decoupling strategy. Regarding player trading, the board needs to have the final responsibility in order to obtain legitimacy for the club, but if the board would be involved in each and every transaction, the decision making process would be too time consuming and the club would be paralyzed and no action would take place. In all clubs, talk and decision are decoupled from action where the board talks and create legitimacy and the sport managers and club managers take action. The financial and sporting decisions are also decoupled as there is more focus on the financial aspect of a player trading higher up in the organization, the board and the club manager, and more focus on the sporting aspect on the lower levels, sport manager and coaches.

Neither of the three clubs are using structural differentiation as a strategy for managing the tension between the sports and business logic when it comes to trading players. This means that the responsibility between the sports logic and the business logic can not be assigned to different roles that work independently. In the three researched clubs, the logics are to some extent assigned to different roles, but these can not work independently as there is always an interaction between the sports and business logic. The sport manager is responsible for the sports logic, but he can not buy a particular player if the price exceeds the budget and if the club manager and the board consider the player as too expensive. This implies that the interaction between the logics will be present in all parts of the organization and thus, they can not be separated.

When all three clubs buy players and build their squad, they use a compromising strategy. All clubs state that age is an important factor and their team needs to consist of players of different ages. Some older more experienced and expensive players that often perform well from a sporting perspective and some younger players whose sporting performance is uncertain, but that potentially could be sold. From a business perspective, it would be most beneficial to have the youngest team possible as these players could be sold and generate a lot of money. However, from a sporting perspective, it would be most beneficial if the team consisted of older players being at the peak of their career. Since all clubs describe they both have younger players that could be sold and older players that often perform well, they compromise between the sports and business logic. With a mix of different ages within the squad the clubs forgo full adherence to one logic to partly fulfill the other logic, thus compromising between the logics. However, one can identify that the two logics have different importance in the clubs when they build their squads. For example, Club 3 wants to have the youngest team possible whereas Club 1 is more careful when it comes to moving up younger players and underlines the importance of experienced players. This could imply that the squad in Club 3 mostly fulfill the business logic and sacrifice a lot of the sports logic whereas the opposite situation prevails in Club 1.

5.3 Analysis of the interplay of business and sports logic

In all three clubs, the sports and business logic are always present and coexisting. However, depending on specific situations, the sports and business logic are to different degrees either compatible, meaning that they move in the same direction, or conflicting, meaning that they move in different directions.

5.3.1 The interplay in a general context

If the sports and business logic are compatible, they are both positively or negatively affected in a certain situation. In recent years, Club 1 has experienced both positive financial and sporting development due to their strategy of buying players cheaply and selling them expensively. Thus, with this strategy, the sports and business logic have been compatible. Club 2 has a similar overall strategy as Club 1 when it comes to recruiting players, where the sports and business logics are in harmony. Club 2 recruits players they believe can develop and turn into better performing sportsmen. If a player's quality improves, it is positive both for the sports and business logic since his value will increase. He can then be sold more expensively and at the same time contribute to the team from a sporting perspective. In Club 3, it is explained that if one logic fails, the other one will fail as well. Thus, the logics are compatible in a sense of both moving in a negative direction. If you do not perform from a sporting perspective and are deregulated from the top league, the sports logic as well as the business logic are negatively affected.

If the sports and business logics are conflicting, one is positively and the other is negatively affected in a certain situation. Club Manager 1 describes a situation when the sporting euphoria takes over and the feeling of winning and generating sporting results is prioritized before business logic. One example of this is when too many good performing expensive players are recruited, thus putting the financial position at risk. In Club 1, it is also described that you can not put one logic before the other, but that you have to mix them in different situations. Thus, they can be considered to use a compromising strategy when the logics are conflicting. One example of a situation when Club 1 will be using a compromising strategy is in the case of a financial crisis. Then it is described that they will slow down on the sporting investment in order to stabilize the finances. However, as long as the finances are stable, the intention for Club 1 is not to earn excessive amounts of money, but rather to have the best team possible. In this case, the sports logic comes before the business logic. Another situation when the sports and business logics are conflicting is in the case of selling a good player. In Club 2 they sell a good player if they get the right bid in order to catch up with the other clubs in the league, thus prioritizing the business logic. However, in the case of an injury to a key player, Club 2 would have to prioritize the sports logic before the business logic. Normally their strategy is to take in younger players and work with their development over time and not to buy fully developed more expensive players. However, if they lose an important player, he needs to be replaced immediately and then there is no time for developing a new younger player which is more beneficial from an economic perspective. As in Club 1, Club 3 will also have to put the business logic before the sports logic in a financial crisis. In 2019 and 2020, Club 3 could not afford to extend some contracts and they needed to decrease the number of players in their squad because they could not afford to pay out salaries. These savings affected the business logic in a positive way, but from a sporting perspective this was very negative.

5.3.2 The interplay in a selling context

A situation of compatible logics when selling players is when, as Manager 3 states, you keep the important older players while selling younger players who your team is not dependent on. The older players benefit the sports logic while selling younger players benefit business logic. Thus, the logics are in harmony. There is also another situation in which the logics are compatible, but both are disfavored. Club Manager 3 explains a player is usually on loan to other clubs if he does not perform, but who they still have faith in. Hence, they both sacrifice sporting performance as well as financial performance in the short term in favor of potential performance in the long run.

In contrast, there could be incentives to keep a good player for contributing to sporting success even though he potentially could be sold. In this situation, the two logics are experienced as conflicting where a potential decision involves forgoing the business logic to adhere to the sports logic. Thus, a compromising strategy is applied. However, the situation might also be the other way around where Club Manager 3 explains that if the bid is high enough, they will always sell, even though it is their most important player. The logics are still conflicting, but in this situation, one prioritizes the business logic over the sports logic. Hence, depending on the situation, the conflicting logics are prioritized differently, as Club Manager 3 says, “it is always about what the price is in relation to how important the player is for the team”.

Further, the tensions between the logics could be differently enacted depending on the club’s financial position. Club Manager 1 states that if the club is in a strong financial position, you are able to turn bids down for favoring sporting performance for example. Hence, in this situation, the logics are conflicting to a smaller extent. The pressure of handling the conflict, by for instance a compromising strategy, is not as urgent as if the club is in a bad financial position. Club Manager 1 explains that, in a situation of a bad financial position in which they appeared a few years ago, they only had the option to sell. Hence, the tensions appeared to be more prominent and thus the pressure was higher to manage the tensions. On the other way around, Club Manager 3 explains a situation where they did not receive any bids on one of their best performing players. Thus, the tension between the business and sports logics in this situation appears to be less prominent and thus not as urgent to handle.

5.3.3 The interplay in a long term context

All three clubs are developing their own players and conducting their own youth academy. The incentives for having a youth academy somewhat differ between the clubs, but all clubs face the same uncertainties regarding the impact on the sports and business logic in the longer term. The academy cost a lot of money and it is uncertain if it will generate any players that can perform from a sporting perspective and subsequently be sold and favor the business logic.

Club 1 feels a responsibility to educate players in their academy due to being a big club. However, it is described that a very small portion of the academy players are good enough to play for their senior team since they need to consider their sporting results. Thus, the sports logic is prioritized before the business logic, as it is not beneficial to spend a lot of money on the academy and then not use the players in the senior team. Moreover, their academy can be considered to be incentivized by a logic that lies outside both the sporting and financial that rather has more of a social aspect. Club 1 further elaborates on a situation from the academy where the logics are compatible and have a negative relationship. The risk is when a young player from the academy plays for the senior team and performs badly. The results will then be bad and the player will also be hard to sell and thus affecting both logics negatively. Another strategy described in Club 1 is lending out 19 year old players to clubs in lower divisions for a few years until they are considered mature enough to play senior football. This strategy could be considered risky from a financial perspective as you need to pay for the player during these years and it is uncertain if he will be good enough to play for the senior team when coming back. Thus, Club 1 manages the conflict between the logics in this situation by compromising and prioritizing the potential positive effects from the sports logic in the longer term over the business logic in the short term. Furthermore, if Club 1 would be in a bad financial position, they would consider to stop investing money on academy activities and instead start to do business on the transfer market. With this strategy, they can be more certain to get players that are good enough from a sporting perspective while neither having the costs for conducting the academy. Thus, both logics would be favored and compatible. However, when there is an immediate demand for a player in the senior team, the costs would be higher for recruiting a player from abroad compared to moving up a player from the academy. In contrast, the quality of a player from abroad would probably be higher and it would be easier to increase the value of that player rapidly compared to a player from the academy. In this situation, if Club 1 would choose an academy player, the business logic would be favored and the sports logic would be affected negatively in the short term. In the long term, the impact on the sports logic is uncertain and thus also the business logic as the player´s value is based on his sporting performance. If Club 1 instead would choose to recruit a player from abroad, the business logic would be disfavored and the sports logic would be favored in the short term. However, in the longer term the business logic would probably be positively impacted as the potential for a value increase is high with a player from abroad.

In Club 2 the academy is crucial for the survival of the club, as they can not afford to buy high quality players from other clubs. Thus, they are forced to prioritize the business logic over the sports logic due to their financial situation. Club 2 further elaborates that there is a difficult tradeoff to decide whether to invest money in the academy or to buy a fully developed player from another club. Investing 5 million in the academy could generate two players or it could generate twenty players in the upcoming years. Investing 5 million when buying a player from another club will with certainty give the club one player of good quality. Thus, the business and the sports logics are put at a higher risk if the money is invested in the academy, since it is uncertain if any players at all will be good enough to play for the senior team and subsequently be sold. Thus, investing money in the academy could either affect both logics negatively or affect both logics positively. Furthermore, Club 2 would today prioritize bringing up a player from their academy over buying a player from another club, even though their own player would be less skilled. In this situation, the logics are conflicting and Club 2 chooses to prioritize the business logic. Since they already have spent a lot of money on developing their own player it is more beneficial from a financial perspective to move him up than investing additional money in a new player.

In Club 3 there are pure financial incentives for having a youth academy. By educating young talented players to perform for their own club, the sales have come automatically. Also, Head of Youth Player Development 3 states that their goal and vision with the academy is to create players interesting for the market who they subsequently can sell in the future. Hence, one can argue that in their long term strategy, the logics appear to be compatible as both logics will be favored. However, to achieve this goal, many specific situations will appear where the logics are conflicting. In the case of conducting a youth academy, the business logic will be disfavored as there is a large cost. But, this could potentially favor the sports logic in a longer perspective in terms of developing well performing players. This also implies to potentially benefit the business logic over the sports logic in the case of selling these players. Hence, the relationship between the logics can be characterized as ambiguous, as it is uncertain how the sports logic will be affected in the long run.

There is also a situation where the two logics are compatible, as managing an academy potentially may disfavor both business and sports logics. As the Head of Youth Player Development 3 elaborates, the amount a club invests in an academy could be used to buy two well performing players to their senior team. It is therefore possible to reason both logics are disfavored in a short-term perspective as the academy both costs money and there is no immediate return on the sporting performance. However, in a long-term perspective, the logics appear to be more conflicting as the money invested in the academy today, might result in sporting performance later on. As Head of Youth Player Development 3 also explains, at one point they sold many players and the revenues were much higher than the cost for the academy.

Moreover, Club 3 had to adjust the number of academy players in their senior team as they were close to deregulation and therefore potentially could risk losing 30 million SEK. By decreasing this number, one can argue that the sports logic is favored over the business logic in a short term perspective, as they might have had to buy better performing players from outside. The logics are therefore conflicting in a short term and a compromising strategy is used. However, avoiding a deregulation and a potential loss of 30 million SEK would favor both the sports logic and the business logic. Thus, from this perspective, the sports and business logics can be considered compatible. However, as Sport Manager 3 states, it will always be better to, from an economic perspective, bring up a player from their own academy than buying an expensive player from another club. One can therefore argue that since they have already invested money in their academy players, it is more financially beneficial to bring up these players than invest additional money into players from outside.

6. Discussion

6.1 Ownership structure and management

Regarding the ownership structure and management, the clubs are managed in a similar way. All three clubs consist of both one sports association, which is owned by the members, as well as a limited company, which is owned by the sports association. However, one can distinguish different perspectives in terms of financial incentives. Club 2 partly consists of external investors for being able to receive external capital, as well as Club Manager 3 states the current 50+1 rule is unfavorable in Swedish football. One potential explanation for this could be due to the clubs having different financial positions. From the presented financial statistics, one can consider Club 1 being in a stronger financial position compared to Club 2 and Club 3. Therefore, it is possible to reason that both Club 2 and Club 3 are to a larger extent pressured to consider the financial aspect in comparison to Club 1.

However, the clubs are presented to structure their organization in a similar way. They are all both divided into different hierarchical levels as well as different subunits. In terms of managing the tensions between the two institutional logics, all three presented strategies are more or less applied in all clubs. There is clear evidence that the organizations are exposed to different institutional demands as they operate in a complex environment where both business and sports logics need to be considered in their everyday operations. From an overall perspective, decoupling is the most prominent strategy which enables the coexistence of the two institutional logics. Further, the organizational structure is discussed as being divided into different subunits in accordance with the structural differentiation strategy. Simultaneously, the institutional logics are to some extent separated more vertically, in for instance questions regarding player trading. However, the units are not able to work independently, as there is a need for continuous collaboration between the hierarchical levels as well as between different subunits. Hence, structural differentiation is only used to a smaller extent. Further, this need for continuous collaboration shows there is a need for a compromising strategy as well. However, this strategy is more prominent when considering the tension between the logics in more situation specific events. To conclude, the clubs' organizational structure is evidently somewhat complex due to continuously being exposed to tensions between the institutional logics. The tensions from this overall perspective are managed foremost by a decoupling strategy, but also to some extent a structural differentiation strategy, which enables the coexistence of the two institutional logics.

6.2 Player trading

One can conclude that the process of trading players works very similar in all three clubs and that a decoupling strategy is used. The sport managers have the responsibility to decide which type of player to buy from a sporting perspective and the club managers and the boards evaluate the deal from a financial perspective. However, in reality the board is only involved if the deal concerns excessive amounts of money, otherwise the sport manager and club manager take all actions. One possible explanation to why all three clubs have similar processes when it comes to player trading could be because they are exposed to the same institutional pressure. In a player trading situation, decisions often need to be taken quickly while the transfer window is still open. It is easier to make quick decisions and take action if fewer people are involved and therefore the exclusion of the board favors action rationality for the sport and club manager. Thus, the concept of coercive isomorphism can explain why the clubs act similarly. They are adapting to the same external demands on quick decision making processes.

Taking the discussion one step further, one can elaborate on why the financial part of a player trading decision is evaluated higher up in the organization whereas the sporting aspects are considered further down in the organization by the coaches and sport managers. It is possible to consider the financial aspect being superior to the sporting aspects when buying a player. To be able to buy any players at all, the club's financial position needs to be stable and buying too many expensive players could deteriorate a club's economy. Thus, one could conclude that to be able to perform from a sporting perspective at all, financial means are crucial and therefore these types of decisions need to be controlled from above.

Another interesting aspect to discuss is what strategies the clubs have regarding age when they build their squads. Last season, Club 2 had the team with the lowest average age in Allsvenskan and Club 3 is working on decreasing the average age of their squad as a long term goal. However, in Club 1 they are more careful with playing younger players as they do not want to jeopardize the sporting performance. As young players are valued higher than old players, the young squads in Club 2 and 3 are incentivized by potential sales of these players. Thus, one can argue that Club 1 prioritizes sporting performance now over future possible sales with their older team and Club 2 and 3 prioritize future sales over sporting performance today. One possible explanation for the difference in average ages could be that the overall financial situation has been strong in Club 1 in recent years and thus, they are not in a rush to sell players to generate money. Therefore, they can afford to prioritize the sports logic over the business logic. However, in Club 2 and Club 3, the financial position can be considered as less favorable and thus, one can argue that they need to take any chances they can to earn money. Therefore, selling players is a central part of their strategy, and thus, they are prioritizing the business logic over the sports logic.

6.3 Managing logics in a short versus long term perspective

There is clear evidence that the two institutional logics are prominent in a complex environment, where different degrees of compatibility occur between these logics. As Carlsson-Wall et al. (2016) point out, the relationship between them tends to be situation specific. There are situations when the logics are experienced as compatible, where no specific action needs to be taken. But, in many situations the relationship is experienced more or less ambiguous where a compromising strategy needs to be applied in different ways. Further, the logics tend to be more or less conflicting depending on the time frame, which makes managing the tension more or less complex depending on the situation.

The logics tend to be compatible when looking at the relationship in a long term perspective, where the logics both can be positively impacted or negatively impacted. More specifically, looking at the clubs' overall strategy there is a clear compatible relationship between the logics as there is an aim to both improve sports performance as well as financial performance. Clubs want to recruit players or educate their own players in their academy with the aim to achieve sporting results. Subsequently the objective is to increase the market value of these players and sell them more expensively. However, there is a continuous uncertainty and risk whether the clubs can accomplish both sporting and financial results by conducting an academy. Far from all players will end up in the clubs own senior team. Therefore, one can conclude that there is an ambition within the clubs to favor both sports and business logic in a long term perspective, but the complex environment often results in the logics being conflicting. Besides the overall strategy, there are also more specific situations where both logics are positively or negatively affected. One example is when a young player from the academy performs badly in the senior team and subsequently will be difficult to sell. Thus, these specific related situations occur continuously as well, but can be characterized as events that the clubs inevitably will need to face. To conclude, it is arguable that compatible logics are most importantly prominent in the sense of clubs' overall strategy, regardless of what financial position the club is in. However, the financial position tends to be more crucial in situations when the logics are conflicting.

6.3.1 Priority of logics in extreme situations

All clubs constantly face situations where the sports and business logics are conflicting and where a given course of action will favor one logic and disfavor the other. One such example is in the case of buying a high quality player. If the player is bought, it is clear that the business logic will be disfavored and the sports logic will be favored. However, Club 1 highlights the risk of buying too many players when the desire to win takes over. According to Cooper and

Johnston (2012), the risk of buying too many expensive players is especially high if a team is close to winning the league or being deregulated. Thus, if the sporting situation is extreme in any direction, the sports logic is more likely to be prioritized over the business logic. Another example of this was when Club 3 was close to being deregulated and had to substitute some of their younger cheaper players for older more expensive players to save the contract.

Moreover, the risk of buying too many expensive players can be considered higher in the top European leagues compared to in Allsvenskan. As Sports and Business Services (2021) states, the economic value of Allsvenskan is much lower compared to many other European leagues. Andreff (2018) for example explains that there is a risk of overbidding to attract superstars in the French league and that this could deteriorate a clubs financial position. However, in Sweden, for example, Club 1 explains they have to be very careful with their money. One could argue that, the reason why European clubs tend to invest more in player trading compared to Swedish clubs, is primarily due to the difference in ownership structure. Many European clubs are owned by wealthy external investors. However, in Sweden, the clubs have to be majority owned by the members which makes it more difficult for them to attract capital. Due to this, one could argue that European clubs are more willing to favor the sports logic and buy expensive players and take higher financial risks as they, first of all, have more money from the beginning, but also that they could be saved by their external investors if they would run out of money. Due to the 50+1 rule, this is not possible in Swedish clubs which implies that they have to be more careful with their money.

Furthermore, if the logics are conflicting, and the financial situation is extreme in any direction, the business logic will be favored over the sports logic. Both Club 1 and Club 3 describe they will have to prioritize the business logic over the sports logic in a financial crisis by slowing down on the sporting investment or by not extending the most expensive players contracts. The other way around, if the financial rewards could be excessively high, Club 2 and Club 3 describe that they will always prioritize the business logic. An example of one such situation is in the case of selling a good performing player. If the bid is high enough, Club 2 and Club 3 will always sell regardless of how important that player is for the team. However, Club 1 describes that if their overall financial situation is stable, they could possibly turn bids down to favor the sports logic.

Thus, there is a difference in how Club 2 and Club 3, compared to Club 1, prioritize the logics in a selling situation. This difference could possibly be explained by the clubs' different financial situations. Due to the perception that Club 2 and Club 3 are in a less favorable financial position compared to Club 1, they are more willing to sell a good player to generate money. However, Club 1's more favorable financial position gives them the opportunity to prioritize the sports logic over the business logic.

Subsequently, one could conclude that if the sporting situation is extreme, the sports logic will be prioritized whereas if the financial situation is extreme, the clubs will be forced to prioritize the business logic. However, if both the sporting situation and the financial situation is stable, meaning for instance the clubs being placed in the middle of the league and have good enough liquidity, the management is in a better position to choose which logic to prioritize in a certain situation.

6.3.2 Comparison between the clubs' short term and long term strategies

Conducting a youth academy is a part of all the three clubs long term strategy, but one could argue it is incentivized differently. Club 2 and Club 3 need, to a higher degree than Club 1, their academies in order to supply their senior teams with young players that can be sold in the future and generate money. In the financial position Club 2 and Club 3 are in today, they need to risk sporting performance by playing their own developed young players for the potential of selling them and generating money in the future. However, Club 1 can to a higher degree afford to buy high performing players from other clubs and therefore they describe they primarily need their academy in order to supply the senior team with "bench players", so they do not need to put time and resources on finding these players somewhere else. One can argue that Club 1's financial position is stable enough so that they don't need to take the risk of playing too many young players from their academy, as they are not dependent on selling them for financial incentives in a later stage. Another reflection is that Club 1 can afford to conduct their academy without later taking advantage of it. They describe that they primarily have their academy because they feel a social responsibility to educate players as they are a big club, not necessarily to move up players to their senior team. However, Club 2 and Club 3 describe they always will prioritize moving up players from their academy over buying a player from another club. Thus, they are not in the position where they can spend additional money and buy new players if they already have spent a lot of money on developing a similar player in the academy.

All aspects considered, in the long run, one can argue that all clubs' visions is to have a stable financial position and good sporting results. If a club's financial position is good, the management can put more focus on achieving sporting success which in the next step further could improve the financial position. However, the base for achieving any sporting results at all is to have enough money to conduct the daily operations, for instance buying players and paying out salaries to players and coaches. Thus, in general, in a long term strategy, the intention for all clubs is to have a clear positive compatible relationship between the business and the sports logic where a favorable financial position enables the club to buy high quality players that can achieve great sporting results that subsequently will generate even more money. However, in order to achieve this long term positive relationship, many daily situations will prevail where the sports and business logic are conflicting and one of them needs to be prioritized before the other. It can be argued that Club 2 and Club 3 not to the same extent as Club 1 has reached a stable financial position, which could imply they in many daily situations are forced to sacrifice the sports logic in order to stabilize the business logic. If a club instead is in a better financial position, they can in more situations make decisions that favor the sports logic.

7. Conclusion

7.1 Revisiting our thesis question

In conclusion, in a more long term overall strategy, all clubs aim for the business and sports logic to be compatible where a good financial position enables a better sporting performance which subsequently can lead to an even better financial position. However, all clubs are constantly exposed to situations where the logics are in conflict with each other. In these smaller specific situations, the clubs have to make a tradeoff and decide which logic to prioritize in the particular situation. Player trading is an area where the logics are in stark conflict in many situations. From the study one can conclude that the clubs’ strategies regarding player trading somewhat differs.

Club 2 and Club 3 focus on developing players in their youth academy which they can move up to their senior team and subsequently sell. They want to have a low average age in their squad since young players are valued higher and easier to sell. If they receive a good bid on a player, even if it is their best performing player, they always sell. In contrast, Club 1 are careful with moving up young players to their senior team and prioritize buying already good performing fully developed players from other clubs. Thus they have a higher average age in their squad. In the case of a good bid on one of their key players, they sometimes sell to generate money and sometimes keep the player to favor the sports logic. One possible explanation for the differences between clubs strategies regarding player trading could be their financial situations. Club 2 and Club 3 have a weaker financial position compared to Club 1 and are thus forced to prioritize the business logic more often, whereas Club 1, that has a stronger financial position, can to a higher extent prioritize the sports logic. Finally, one can conclude that all clubs have the same long term strategy where the logics are compatible, but in smaller daily situations, Club 2 and Club 3 consider the business logic more important to prioritize, and Club 1, due to a better financial position, can afford to take decisions that favor the sports logic in more situations.

7.2 Contribution

This study has contributed with an increased knowledge for how management within different sport clubs consider the tradeoff between sports and business performance in their long term strategy as well as in their daily operations. Three clubs from Allsvenskan have been investigated and the report has generated specific knowledge regarding how the clubs consider the conflicting logics, both in a general perspective as well as in a player trading situation. The tradeoff between sports and business performance is particularly interesting in the Swedish football league where the 50+1 rule exists and clubs are conducted as sports associations rather than for-profit organizations. Also, the study has provided explanations for how different roles within the clubs act in situations where the logics are conflicting. The study has found that different clubs in Allsvenskan prioritize the logics differently and also contributed with explanations for why they prioritize differently.

7.2 Limitations and future research

One limitation of this study is that the research is based on only three out of sixteen clubs in Allsvenskan. Therefore, the reader has to be aware that the conclusions drawn in this study might not be applicable in all clubs in the league. Another limitation is that, in Club 2, only two interviews were held which implies that the study does not contain as much data about Club 2 as Club 1 and Club 3, where all three interviews were accomplished. Also, the interviews resulted in extensive data which had to be narrowed down by the authors. Thus, the presentation of the empirical data is based on the authors' ability to interpret and present it in a fair way.

In order to draw more generalized conclusions regarding how the tradeoff between sports and business performance in football clubs in Allsvenskan is considered, more clubs could be included in future research. For instance it would be interesting to do a more in debt comparison between top clubs and bottom clubs. Also, another interesting angle would be to include more roles from each club to investigate if the tradeoff is considered differently between different roles in the same club. For instance if the coach and the club managers have different views on which players to play the next game. A final suggestion for future research is to examine if there is any difference in how the tradeoff is considered in the Swedish league where the 50+1 rule prevails and how it is considered in a European league where external investors fully can control a club.

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Appendices

Appendix 1. Interview details

NO.	RESPONDENT	DURATION	DATE	PLACE
1	Club Manager 1	1:13:18	2022-03-09	Club Office
2	Head of Youth Academy 1	49:06	2022-03-22	Club Office
3	Club Manager 2	42:03	2022-03-24	Video meeting
4	Club Manager 3	19:47	2022-03-31	Club Office
5	Sport Manager 3	20:01	2022-03-31	Club Office
6	Head of Youth Player Development 3	22:30	2022-03-31	Club Office
7	Head of Youth Academy 2	36:48	2022-04-06	Club Office
8	Sport Manager 1	26:47	2022-04-20	Club Office
Minimum		19:47		
Maximum		1:13:18		
Average		36:17		
Median		31:48		

Appendix 2. Interview questions (Translated into English)

Club Manager

What is your role within the club?

- What is your general responsibility?
- Can you tell us what you do during a day?

How is the club organized?

- What different roles exist and what are the different roles responsible for?
- Who has the primary responsibility for financial decisions?
- Who has the primary responsibility for sporting decisions?
- How much responsibility is delegated downwards in the organization?
- What ownership structure does the club have?
- What are your thoughts about the 51+1 rule?
- How would Swedish football be affected if the rule was removed?

What goals do you have in the club?

- Sporting?
- Financial?

What does the general decision making process look like?

- Describe the process for making financial decisions, for example budgeting. Which people are involved?
- Describe the process for making sporting decisions. Which people are involved?
- Which decisions are made at a board meeting and which people attend?

What does the process for buying players look like?

- Which people are involved in this process?
- To what extent are you involved?
- To what extent is the coach involved?
- What does the interaction between you, the coach and the scout look like?
- Are there any guiding lines to follow, for example a budget?
- Who takes the final decision for which players the club is going to buy?
- What do you consider when you build your squad? What strategy do you have?
  - Age?
  - Position?
  - Length of contract?

- Gambling?

What does the process for selling players look like?

- When is a good time to sell a player?
- Who takes the final decision for when a player is going to be sold?
- To what extent are you involved in this decision?
- Do you, or anyone else within the organization receive a bonus if you make a good deal?

How do you consider the sporting and economic tradeoff when it comes to player trading?

- What factors are primarily considered when you are going to buy or sell a player?
- What factors are determinant?

How do you consider economic and sporting decisions on long and short sight?

- Would you rather sell a player to improve financial results in the short run or do you want to keep good players to potentially generate sporting results in the long run and subsequently also financial results in the long run?
- Example: If you bought a player cheap that performs better than expected and increases in value and could be sold for more, would you rather sell him or keep him to generate sporting results?
- Example: If you have bought a talent that potentially could be sold for more, but that does not perform from a sporting perspective, for how long are you willing to keep him in the team?
- Have you at any time bought or sold a player for pure financial reasons?

Do you include player trading in your budget?

- If you do, what does that process look like? Are there any difficulties?
- Do you see any advantages or disadvantages in including player trading in the budget?

How is your youth academy organized?

- Is it prioritized?
- What incentives are there for developing young players within the club?

- What advantages and disadvantages do you see? Are there any insecurities?
- Do you see any economic incentives for conducting a youth academy?
- Are there any incentives for buying young talents that are educated in another club? Are there any sporting advantages in doing this?
- How many players from your academy would you like to move up to the senior team each year?
- Is it important that your U17 and U19 play in the top division?
- What is the cost for developing a player from the age of 10 util he can play for the senior team?

Sport Manager

What is your role within the club?

- What is your general responsibility?
- Can you tell us what you do during a day?

What goals do you have in the club?

- Sporting?
- To what extent are you involved in financial decisions? For example regarding player budget?
- What is your primary focus? What is most important to prioritize in your role?

What does the process for buying players look like?

- Which people are involved in this process?
- To what extent are you involved? How much freedom do you have?
- To what extent is the coach involved?
- What does the interaction between you, the coach and the scout look like?
- Are there any guiding lines to follow, for example a budget?
- Who takes the final decision for which players the club is going to buy?
- What do you consider when you build your squad? What strategy do you have?
  - Age?

- Position?
- Length of contract?
- Gambling?

How do you consider buying young talents from another club versus developing and taking up talents from your own academy?

- What advantages and disadvantages do you see regarding developing your own players? How do you consider the uncertainty regarding whether the player will perform from a sporting and financial perspective?

What does the process for selling players look like?

- When is a good time to sell a player?
- Who takes the final decision for when a player is going to be sold?
- To what extent are you involved in this decision?
- Example: If you bought a player cheap that performs better than expected and increases in value and could be sold for more, would you rather sell him or keep him to generate sporting results?
- Example: If you have bought a talent that potentially could be sold for more, but that does not perform from a sporting perspective, for how long are you willing to keep him in the team?

What does the team selecting process for the next game look like?

- Which people are involved? Club Manager? Assistant coach?
- Who has the last word?
- What factors are the decisions based upon?
    - The player's performance during the week?
    - Physique?
    - Are there any players that always play no matter what?

Are there any other factors you need to consider when you build the squad?

- Do you have any other limitations or guiding lines that are not sport related?

Head of Youth Academy/Head of Youth Player Development

What is your role within the club?

- What is your general responsibility?
- Do you have any financial responsibility?
- Can you tell us what you do during a day?

Regarding the youth academy, what goals do you have?

- Sporting?
- Economic?
- What is your primary focus? What is most important to prioritize in your role?

What does the process for developing youth players look like?

- Within your club, how important is your youth academy?
- How much priority do you think the club puts on the youth academy?
- How do you develop and educate your players?
- Do your youth teams mostly consist of your own players or do you recruit many players from other clubs?
- From what age do you sign contracts?
- Is it common that you sell players directly from the academy?
- When is it a good time to sell a young player?

What is your goal with the youth academy?

- Develop players to your own senior team?
- Develop players with the purpose of selling to other clubs?
- What advantages and disadvantages do you see regarding developing your own players? How do you consider the uncertainty regarding whether the player will perform from a sporting and financial perspective?
- Are there any economic incentives for developing players?
- Are there any demands from the club regarding developing talents?

- Is it important that U17 and U19 play in the highest league?

In general, do you see any economic incentives for buying young players that are developed in another club?