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Corporate governance and organizational relations: The rules of the game for a Swedish Football Club

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Abstract

The aim of this study is to understand how an elite football club accommodates their environmental uncertainties and the dependencies of internal and external stakeholders. We seek to explore this phenomenon by conducting a qualitative, single case study. Although a plethora of research has been done within the field of corporate governance, finite research has been made on how sports organizations act within these parameters to balance the cultural and commercial aspects of their organization while complying with the demands of members, supporter groups, and corporate partners. This study hopes to contribute to the field of corporate governance by analyzing a Swedish football club through the lens of resource dependency, stakeholder theory, and strategic alliances. This will carry the ongoing research field into how hybrid sports organizations have to structure their internal organization to adapt to uncertainty and dependencies of internal and external stakeholders to gain a competitive advantage over other teams within the sports league. We find that the members' power directly increases the uncertainty that the club faces. Their influence causes major turnover problems both for the positions of the board of directors but also for the top executive and management teams. This, in turn, negatively affects the club since the executive starts prioritizing short-term initiatives to please the members instead of focusing on long-term strategies, sustainable initiatives, and directives for performance and financial success.

Keywords

Corporate Governance, Stakeholder Management, Resource Dependence, Hybrid Organization, Sports Management

Supervisor

Stefan Einarsson

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Glossary

51% rule	A rule mandating that only non-profit football clubs can play in the Swedish league systems. Meaning that the members must own the majority (51+%) of the total voting rights of the football club.
Annual general meeting	The annual general meeting is a meeting of the general membership of a non for profit organization. It is the main meeting for decision-making in. The members vote to elect a board of directors and take important decisions regarding the future of the organization.
Hybrid organization	Organizations that combine institutional logics in unprecedented ways. In this study, the studied object is both a members owned association, but also a publicly traded company.
Ultras	A portion of the club’s fanbase which usually consists of the most extreme and passionate supporters
CSR	Corporate Social Responsibility
FClub	Our chosen club for this research project
Allsvenskan	The top men’s football division in Sweden
UEFA	The Union of European Football Associations
Europa League	Annual football club competition organized by UEFA for eligible European football clubs
Champions League	Annual football club competition organized by UEFA and contested by top-division European clubs
SLO	Supporter Liaison Officer. Functioning as a bridge between the football club and its supporters.

1. Introduction

Second to none, football is the most popular sport in Sweden (RF Verksamhetsberättelse, 2010). The top professional football league in Sweden, Allsvenskan, has grown at a compound annual growth rate of 4.65% since 2010 and reached 1,796 mSEK in revenues 2019 (Hur mår svensk elitfotboll, 2019; Penningligan Allsvenskan, 2015; AFC Eskilstuna, 2020). This continuous growth of the sport is not without constraint. The “51-percent rule” that governs all Swedish sports organizations stipulates that all participating clubs in the Swedish football league systems are majorly owned by their members either as a for-profit or a non for profit organization. This means that commercial investors are not allowed to have more than a 49% stake in the organizations. Therefore, this structure allows for the members to hold the majority of the voting rights during the annual general meetings. If the club owns a for-profit company handling economic activities, the club must own at least 51% of that company as well. This restriction limits the way football clubs in Sweden can corporatize their organization and attract additional institutional investors and capital in this growing league (Karlsson & Skännestig, 2011).

Even though the sport as a whole is growing in Sweden, only 6 of the 16 clubs participating in the 2019 Allsvenskan season were profitable when looking at total revenues minus total costs (Hur mår svensk elitfotboll, 2019). This is evidently not a good sign for the league as a whole, and it adds extra pressure towards the participating clubs to restructure their organizations to increase revenues and cut costs to ultimately turn profitable every season. The main source of revenue for these clubs are labeled as “other” in their end-of-year financial statements and includes, but is not limited to, transfer fees of players sold, UEFA-contributions for qualification and advancements in Europa League and Champions League, as well as their own events such as Gothia Cup (the world’s largest youth tournaments hosted by BK Häcken). The second-largest revenue source for the professional football clubs in Sweden are from sponsors, with an average of 23% of total revenues amongst all participating clubs in the 2019 season of Allsvenskan. Ticket sales and TV-rights amount to a total of 21% and 11% respectively. On the cost side of these clubs, 39% of total costs are labeled as “other” and include, but are not limited to, costs associated with renting their arena/stadium, facilities, transfer fees for new players, and marketing. The biggest cost for these clubs, however, are salaries for players and employees within the club along with their social benefits and pension costs which averages 55% of total costs for all clubs in Allsvenskan 2019 (Hur mår svensk elitfotboll). Clearly, each club stands to gain from restructuring their organization to reduce costs while increasing their revenues to ensure a future of sustainable development and profitability to ultimately improve their results on the football field against the competitor teams.

To ensure sustainable profitability, sports managers need to be better informed and aware of their organization’s political, social, ethical, and economic environment along with other primary and secondary stakeholders (Eesley & Lenox, 2006; Breitbarth & Harris, 2008). In addition, these sports managers need to adopt good management practices rooted in deep dialogue with their stakeholders. Therefore, in order to boost organizational performance, sports managers need to identify, organize, and prioritize stakeholders to facilitate efficiency and outcomes of their intra organizational decision-making processes (Miragaia, Ferreira & Carreira 2014).

Stakeholder theory states that stakeholders are groups or individuals who can significantly affect or are affected by an organization's activities (Freeman, 1984). Therefore, stakeholders can be both internal and external to the organization as they relate to management techniques and principles (Harrison & St. John, 1996). In the case of a sports organization, ten groups of stakeholders can be identified and classified; *top management, operations management, member association, sponsors, competitors, media, partners, regulatory bodies, local communities,* and *suppliers* (Miragaia, Ferreira & Carreira, 2014). Amongst these stakeholder groups, two types of contributions are made to the sports organization; financial resources such as financial assistance and non-financial resources such as other contributions not limited to funds like facilities, sports equipment, and technical expertise (Esteve, Di Lorenzo & Ingles, 2011).

It is up to the sports manager and other executives within these sports organizations to manage and shape these stakeholder relationships, to create as much value as possible through these contributions, and then properly distribute that value throughout the organization (Freeman, 1984). Strategic decisions at all levels influence the importance of various stakeholders. The nature of the interdependence between an organization and different stakeholders is strongly influenced by firm strategy. Depending on what strategy an organization pursues, certain stakeholders become more important and others less important (Harrison & St. John, 1996).

In order for the sports organization to obtain and control these resources and contributions from stakeholders, they need to form alliances to better control the environmental uncertainty connected with resource attainment (Barringer & Harrison, 2000). This environmental uncertainty also influences the way the organization chooses to prioritize its main stakeholders (Harrison & St. John, 1996). Resource dependency theory shows how organizations need to engage in exchanges with different actors in order to obtain and control resources. This engagement between actors can often be seen as an expression of power as the dependency between them might not always be balanced, but asymmetric which affects the organizational and strategic decisions within the organization (Ulrich & Barney, 1984; Pfeffer & Salancik, 1978). Asymmetrical interdependence is not beneficial for strategic coalitions, whereas mutual dependence between actors is desirable.

One way to facilitate mutual dependence between organizations and other stakeholders is through strategic alliances which is a cost-efficient way of obtaining resources and learning that can create competitive advantages (Ireland, Hitt & Vaiyanath, 2002). Strategic alliances in fact can act as a device for reducing environmental uncertainty that might arise from unpredictable demand and high levels of interdependencies between organizations (Burgers Hill & Kim, 1993).

How are sports managers then supposed to foster relationships to create mutual dependence with their stakeholders, and create a long-lasting competitive advantage over other sports teams? Ample research has been conducted within the sphere of corporate governance both relating to for-profit and non for-profit organizations. Corporate governance is *"the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled in corporations."* (Alagoa, 2015). This includes the way organizations, and those in control, are held accountable and through decision-making, risk-assessments and company performance (AXS Corporate Governance Council, 2007). However, there is very limited research on how sports organizations that are a hybrid for-profit and non for profit organization accommodate their internal structures and management activities to that of their stakeholders and its effect on organizational performance.

Therefore, our study aims to uncover:

> *How does an elite football club accommodate the environmental uncertainty and dependencies of internal and external stakeholders?*

Since the aim of this study is to understand how an elite football club accommodates their environmental uncertainties and the dependencies of internal and external stakeholders, a research design that offers us to go deep is needed. Therefore, we conducted a qualitative, single case study (Bryman & Bell, 2015:68; Stake, 1995). A single case study entails the detailed and intensive analysis of a single case to understand and provide an in-depth elucidation of it.

This study hopes to contribute to the field of corporate governance by analyzing a Swedish football club through the lens of resource dependency, stakeholder theory, and strategic alliances. This will carry the ongoing research field in the same direction with more specific detail, rather than taking it to a new direction, into how hybrid sports organizations have to structure their internal organization to adapt to uncertainty and dependencies of internal and external stakeholders to gain a competitive advantage over other teams within the sports league.

2. Theory

In this chapter we go through corporate governance theory (2.1), theoretical explanations to interorganizational relations (2.2) in order to develop our theoretical framework (2.3).

2.1 Corporate Governance

2.1.1 Overview

Corporate governance is a widely known research subject and very popular conversation topic amongst academics, business managers, regulators, the media and the general public. Due to its prevalent nature, diverse viewpoints, concerns and even definitions are displayed in various academic textbooks and research papers (Brickley, Zimmerman, 2010). Generally speaking, corporate governance is the science of organization (Turnbull, 1997). However, we believe that it is important to narrowly define corporate governance and its contextual, cultural, conceptual and disciplinary meaning for the sake of this research study. We will use Alagoa's definition, *"Corporate governance is the system of rules, practices, and processes by which a firm is directed and controlled"* (2015). This definition includes all types of companies whether or not they are incorporated under civil law, and we will use it to analyze its theoretical framework for both for-profit and non for profit organizations to later narrow it down to hybrid firms such as the case of the Swedish professional football organization (Turnbull, 1997).

Within these rules, practices and processes by which the organization is directed and controlled, the interests of internal and external stakeholders are balanced, and influences how the objectives of the organization are *"set and achieved, how risk is monitored and assessed, and how performance is optimised"* (ASX Corporate Governance Council, 2007). Thereby, it encompasses practically every sphere of management, from the board of directors, decision-making and strategy planning to internal controls and corporate disclosure.

The ample body of theoretical and empirical work on corporate governance has shown various results in correlation between corporate governance and financial performance, accounting practices, risk-assessments, executive compensation, and stock performance (Brickley & Zimmerman, 2010; Bhagat & Bolton, 2008; Reinhard, 2004). Bhagat and Bolton found that an organization's operating performance is positively correlated with better governance, indices, stock ownership of board members, and CEO-Chair separation (2008). However, Larcker, Richardson, and Tuna found that there is no correlation between corporate governance and various accounting and economic outcomes, or it could at least not be shown through a consistent set of results. They attributed the lack of consistency between their measures of different organizations to the difficulty in *"generating reliable and valid measures for the complex construct that is termed 'corporate governance'"* (2007).

2.1.2 Corporate Governance and the Board of Directors

Within the corporate governance field of research, governing boards have become a focus of attention since the mid-1990s (Renz, 2016). In the case of for-profit companies, board of directors can be described as *"... large, elite, and episodic decision-making groups that face complex tasks pertaining to strategic-issue processing"* (Forbes & Milliken, 1999). Since boards are not involved in the implementation and day-to-day activities of the firm, the output is entirely cognitive in nature. When looking specifically at non profit organizations, the board of directors is the main governing body entrusted with and accountable for the leadership and governance of the organization. The board of directors has the ultimate authority and responsibility for the performance of the organization, and are tasked with appointing and guiding executives and managers within the organization while being the ones accountable to various stakeholders (Renz, 2016). Therefore, the board of directors have been the focus of a plethora of research and its correlation with organizational performance. For example, when looking at corporate social responsibility, a gender diverse board of directors is positively associated with overall corporate social responsibility performance and governance performance (Govindan et al, 2020).

In studying boards of directors, some researchers have looked at boards as groups. In the model of boards as groups, they define work-groups as *"... intact social systems that perform one or more tasks within an organizational context"* (Bettenhausen, 1991: 346). The analysis focuses on the specific board tasks that are most relevant to an understanding of boards as groups: control and service (Forbes & Milliken, 1999). Smith and colleagues' study of top management teams showed that firm performance was impacted (1) directly by demographic variables, (2) indirectly by demographic variables operating through process variables, and (3) directly and independently by additional process variables (1994). Researchers have found that a single group characteristic can have multiple effects on group performance. Amason and Sapienza concluded, while studying top management teams, that group size is positively related to both cognitive and affective conflict, two processes which generally have opposite effects on the quality of groups' strategic decisions and performance (1997). While these lessons are applicable to many different groups, they are particularly applicable to board of directors (Forbes & Milliken, 1999).

Research has also been done on the optimal board size, Coles found that either very small or very large boards are optimal depending on the complexity of the organization (2008). Complex companies, which have greater advising requirements, have larger boards with more outside directors. Larger boards potentially bring more experience and knowledge and offer better advice, therefore complex organizations should have larger boards (Dalton, Daily, Johnson & Ellstrand, 1999). By contrast, organizations for which the firm-specific knowledge of insiders is relatively important, such as R&D-intensive companies, are likely to benefit from greater representation of insiders on the board. Thus, such organizations should have a higher fraction of insiders on the board (Coles et al, 2008). However, other researchers have found that the big sized boards have a negative impact on the development of innovative companies. Only the inside directors and the duality of the CEO are positively and significantly associated with the company's level of innovation. They also demonstrate that the compensation system which is based on long-term objectives has no influence on the determination of the innovation policies (Chouaibi, Affes & Boujelbene, 2010).

2.1.3 For-profit and non for profit organizations

As important corporate governance is for for-profit firms, it is a fundamental topic for nonprofit organizations due to their *"exceptional diversity of their stakeholders"* such as the members of the organization, clients, and the government, etc. (Siebart & Reinhard, 2004). Organizations that combine institutional logics in unprecedented ways, are defined as hybrid organizations. Since hybrid organizations have to handle the tensions of multiple institutional logics they need to create a common organizational identity that strikes a balance between the logics they combine (Battilana & Dorado, 2010). As Swedish football organizations are governed by the 51-percent rule, making it a hybrid of a for-profit and a non for profit organization, it remains important to look at the different structures, rules, and processes that encompass both for-profit and non for profit organizations. As for-profit and non for profit organizations differ in their core business models, it could be detrimental for a non for profit organization to adopt the structures and practices from a for-profit organization as will not be feasible nor a desired solution to the problems facing it (Alexander & Weiter, 2003). For non for profit organizations, the fundraising capacity is imperative. Therefore, the organization and its board of directors need to be able to adapt to stakeholder and environmental changes affecting its fundraising capacity, and this needs to be done through its governance structure. At the founding stage of the organization, the characteristics and structure of the governing body needs to be aligned with the efforts that impact the organization’s development. Hence, when employing professional executives, the prospective management and executives need to ensure a clear, productive, and an atmosphere of mutual trust between the board and the executives (Siebart & Reinhard, 2004).

2.2 Theoretical explanations for interorganizational relations

2.2.1 Stakeholder theory

Stakeholders are groups or individuals who can significantly affect or can be significantly affected by an organization's activities. Since Freeman introduced stakeholder theory to the management field in 1984, an assortment of stakeholder literature has developed. Historically, research, at least in the US, has focused more on internal stakeholders due to an assumption that external stakeholders could not be managed as they are not a part of the management hierarchy. However, the distinction between internal and external stakeholders have been blurred as both relate to and influence management techniques and principles (Harrison & St. John, 1996).

The academic field of stakeholder theory can be classified into three traditions; descriptive, normative and instrumental. The descriptive applications stakeholder theory explains *"what is,"* and focuses on studying corporate characteristics and behaviours. It includes what managers think of managing, how board members think of the interest of different divisions of a company and how companies are managed. The normative application on the other hand focuses on *"how it should be"* where the researcher interprets and explains the actual function of an organization. It mainly concerns the way managers deal with corporate stakeholders. The normative domain includes what normative principles, moral or philosophical guidelines are present for the operation and management of organizations and its effects on the shaping of the relations with stakeholders. At last, the instrumental theory focuses on *"what companies can do"* and scrutinizes the interdependencies and relations between stakeholder management and the achievements of the company's corporate objectives. This is in order to prove that adherence to stakeholder principles and practices can improve corporate performance (Donaldson & Preston, 1995).

Other scholars mean that the stakeholder theory is best used in making sense of issues relating to companies in three different areas: (1) the problem of value creation and trade, (2) the problem of ethics and capitalism and (3) the problem of managerial mindsets. Stakeholder theory is not all about financial value, but connecting ethics and business (Parmar et al, 2010). It is proven that effective management of stakeholder relationships helps companies survive and thrive in a capitalistic system. However, stakeholder management also encompasses a moral endeavor since values, choices, and potential threats and benefits for different groups and individuals also are addressed (Phillips, 2003). Well managed relations with stakeholders make it easier for the company to create value as well as avoiding moral failures (Post, Preston & Sachs, 2002).

In the stakeholder view, companies can be understood as a set of relations between different groups that have a stake in the activities that in total make up the organization. It is about how these groups of customers, suppliers, financiers, employees, managers and community interact and collaborate to create and trade value. It is up to the executives to manage and shape these relationships to create as much value as possible and then to distribute that value created accordingly (Freeman, 1984). In order to understand a company, one must understand how these relationships work and change over time. Strategic decisions at all levels influence the importance of various stakeholders. The nature of the interdependence between organizations and different stakeholders is strongly influenced by firm strategy. Depending on what strategy an organization pursues, certain stakeholders become more important and others less important. The influence of the uncertainty that the organization faces, is another key factor that determines the priority of a certain stakeholder. For example, investors play an important role in companies that pursue an aggressive growth strategy. To handle environmental uncertainty stakeholders with high political power are of importance even though they do not have a financial stake in the organization. Especially since they have the ability to affect events, publications and decisions that may harm the organization (Harrison & St. John, 1996).

There are two different positions when managing relationships with external stakeholders, namely stakeholder management techniques and stakeholder partnering techniques. The stakeholder management technique involves reducing environmental uncertainty by using techniques to stabilize and predict influences from the environment. Traditional stakeholder management techniques are in general actions made internally to reduce uncertainty, not involving the actual stakeholder related to this specific risk in the process. Setting up a customer service department, marketing research, market segmentation, signing long term contracts with suppliers, financial donations to local charities are examples of traditional stakeholder management techniques. The stakeholder partnering tactics on the other hand are typically employed with stakeholders that are of high strategic importance to the organization. This tactic involves joint ventures with stakeholders, for example, building up education programs in the local community, involving customers and/or suppliers in design teams, in the process of product testing, developing working committees, integration of ordering systems, and so on. The choice of stakeholder tactic should reflect the strategic importance of a stakeholder. If a stakeholder is of high strategic importance, then the stakeholder partnering tactic should be used. If, however, a stakeholder is of low strategic importance, the stakeholder management techniques should be used (Harrison & St. John, 1996).

Furthermore, in a rapidly changing and global business context, subcontracting of vital activities has become more common. The importance of having tight linkages with the subcontractors is vital. In order to maintain state-of-the-art knowledge and experience in the production process, it requires high levels of communication and control in a global marketplace that has requirements on high quality. Many organizations are treating these subcontractors as part of their internal organization, in order to reduce the risk associated with it (Harrison & St. John, 1996).

2.2.2 Resource dependence theory

Resource dependency theory is based on an assumption that all organizations must engage in exchanges with different actors in order to obtain and control resources. Actions that aim to influence the external factors are an expression of power, in order to control central resources to compete (Ulrich & Barney, 1984). Organizations form alliances and other interorganizational relationships to be able to better control the environmental uncertainty connected to resource attainment (Barringer & Harrison, 2000). Resource dependence theory starts from the notion that resources are finite, and that the business environment provides a number of scarce resources that the firm needs to be able to survive (Dess and Beard, 1984; Finkelstein, 1997; Pfeffer and Salancik, 1978). Therefore, when companies have no control over the central resources, environmental uncertainty arises (López-Gamero et al, 2011). In line with López-Gamero et al, Child means that environmental uncertainty is equal to organizational dependency on resources (1972). He further argues that environmental uncertainty arises when firms attempt to manage critical resource flows from partners who have varying degrees of power (Pfeffer & Salancik, 1978). Stakeholders that try to influence the firm's decision making as well as the behavior of managers, may also generate environmental uncertainty (Henriques & Sardorsky, 1999). Therefore, by developing and sustaining effective relationships with high priority stakeholders, firms can reduce the impact of environmental uncertainty (Kreiser & Marino, 2002).

The most influential researchers in the field of resource dependency are Pfeffer and Salancik. In 1978 they published *The external control of organizations, a resource dependence perspective* and have since then been cited well over 30 000 times, and they are still the leading researchers in the research field of resource dependence theory. They mean that interdependencies between organizations shape the way companies achieve their outcomes. Interdependencies vary with the extent of resources available, as they can create problems of uncertainty as they are correlated with the level of specialization. Pfeffer and Salancik argue that the relationships between companies do not always have to be balanced or symmetric. Asymmetric interdependencies result in constraints in behaviours which affect organizational decisions (1978). Casciaro and Piskorski reformulate the Pfeffer and Salancik's resource dependence model and identify two dimensions of resource dependence, namely, power imbalance and mutual dependence (2005). They argue that asymmetrical interdependence is not beneficial for strategic coalitions, and that mutual dependence is desirable. In a study of industry mergers and acquisitions in the US, mutual dependence was a key driver whereas power imbalance acted as an obstacle to their formation (Casciaro & Piskorski, 2005).

A company's resources can be tangible, or intangible assets which are tied to the organization (Wernerfelt, 1984, p 172). These firm-specific assets are sources to abnormal returns in companies. In the creation of strategic alliances, the exchange of resources is central. Das and Teng identify four different types of resources an organisation can bring into a partnership: financial, technological, physical and managerial resources. The financial resources refers to capital, while the technological resources cover patents or superior R&D capability and physical resources include raw materials, a company's production capacity as well as distribution channels. At last, the managerial resources refers to the top level of the management and know-how to effectively run a business, including areas such as operations and marketing (1998).

Pfeffer and Salancik propose five different ways for companies to act in order to reduce environmental dependences. First is *mergers or vertical integration,* which are actions that reduce dependence on other organizations in their environment but also to reduce direct competition. Secondly, they propose *joint ventures or other interorganizational relationships* as means to reduce dependencies. Unlike mergers, joint ventures and interorganizational relationships only provide a partial reduction of interdependencies. Pfeffer and Salancik further propose that the *boards of directors* are a mechanism for organizations to manage external dependencies and gain resources from. Organizations can also try to reduce dependencies through *political action* in which organizations try to create their environment into a more favorable one by shaping government regulations. At last Pfeffer and Salancik propose *executive succession* as a means to reduce dependencies. The environmental context influences the power distribution of a company's executives (1978). Researchers have found that executive turnover is related to how dependent an organization is to its environment, high dependence to the environment caused an increased rate of executive turnover (Harrison, Torres & Kukalis, 1988).

In line with Pfeffer and Salancik, researchers conclude that the composition of the board of directors plays an important role in the process of gaining access to scarce resources and information (Provan, 1980; Boyd, 1990). Boyd suggests that 'resource-rich' directors should be the focus in board composition and that the board interlocks, which refers to "... *the number of other directorships each director holds.*" is a measure for 'resource-richness' (1990). Peng provides proof that 'resource-rich' outsiders have positive influence on firm performance, and 'resource-poor' outsiders are likely to have a negative influence on the performance of a company and emphasize that if board composition does not change accordingly to the environmental dependencies, performance is likely to suffer (2004). Unlike Pfeffer and Salancik's argument that the size of the board is positively correlated with firm performance, Boyd finds that in some environments board size can be a hindrance. He means that it is not only the number of directors on the board that matters, but the type of directors that plays an important role from a resource dependence point of view (1990). The more a company is dependent on its environment the more an organization should strengthen the ties with the environment, such ties can positively affect the overall performance of a company. However, Pfeffer and Salancik emphasize that too many ties to the environment can be as bad as too few linkages, it is important that the linkages match the resource requirement (1978). Pfeffer argues that companies with high environmental interdependence require a greater number of outsiders of the board (1972).

As a response to the simplified classification of directors as insiders or outsiders that most scholars that examined board composition use, Hillman, Cannella and Paetzold propose a taxonomy in which directors can be classified based on what benefits they provide for the company. The classification the authors propose is that the directors can be divided up into *business experts, support specialists* and *community influentials* depending on what types of resources the director provides to the company. In line with previous research on board composition in the field of resource dependence theory, they conclude that the board of directors serve as a link to the external environment and mean that companies alter the board composition as a response to changes in their environment (2000). Other scholars have found that different factors moderate the rate of their response to the environmental changes. For example, Boecker and Goodstein found that companies performing poorly are more likely and willing to initiate changes of the board composition than companies performing good (1991).

2.2.3 Strategic alliances

Few companies today have all resources they need in order to compete in the current, fast paced global marketplace. Organizations form alliances in order to reduce environmental uncertainty but also to align their own interests with the interests of their stakeholders (Barringer & Harrison, 2000). Strategic alliances have become an attractive alternative to mergers and acquisitions, as forming an alliance is a considerably cheaper way of attaining resources than previous stated alternatives. Alliances are cost efficient sources obtaining resources and learning, therefore companies can gain competitive advantages (Ireland, Hitt & Vaiyanath, 2002). Burgers Hill and Kim suggest that strategic alliances in fact can act as a device for reducing environmental uncertainty that might arise from unpredictable demand and high levels of interdependencies between organizations (1993). Although forming alliances is a seemingly cheap and efficient way of obtaining resources, few alliances succeed (Reuer, 1999). Hidden agendas and attempts to learn the skills or steal resources possessed by another organization are the most evident risks connected to strategic alliances (Das & Teng, 1998). Das and Teng suggest two independent types of risks associated with partnering in strategic alliances; (1) *relational risk*, that refers to risks connected to cooperative relationships as opportunistic behaviours and (2) *performance risk* which concerns achievement of strategic goals (1998). Inkpen suggests that a commitment between partners *"...to learn how to work together as well as to work to learn together"* diminishes an alliance's uncertainty (2000). Pfeffer and Salancik argue that increasing mutual control over each other's activities is one way of handling problems connected to uncertainty and other risks associated with alliances (1978). A strategic alliance is characterized by mutual dependence, however the simultaneous cooperation and competition between the partners creates additional complexity of organizations facing this dependence. Strategic alliances must be effectively managed in order for the partnership to generate benefits to both parties. Ireland, Hitt and Vaidanath claim that trust-based relationships need to be developed in order to reach the full potential of the alliance, generating value for both sides (2002).

Furthermore, Reuer states that companies need to *"...select the right partners, develop a suitable alliance design, adapt the relationship as needed, and manage the end game appropriately"* in order to derive value from an alliance (1999). The fit of the parties is essential in order to achieve a successful result of a partnership. This is partly identified by complementary resources. The resource based view informs us that the firm-specific resources that the distinct partners bring into a strategic alliance most definitely affect the result of their partnership (Das & Teng, 1998).

2.3 Theoretical framework

In order to understand how an elite football club accommodates uncertainty and dependencies of internal and external stakeholders, we will be using corporate governance theory and analyze it from a stakeholder theory, resource dependency and strategic alliances point of view.

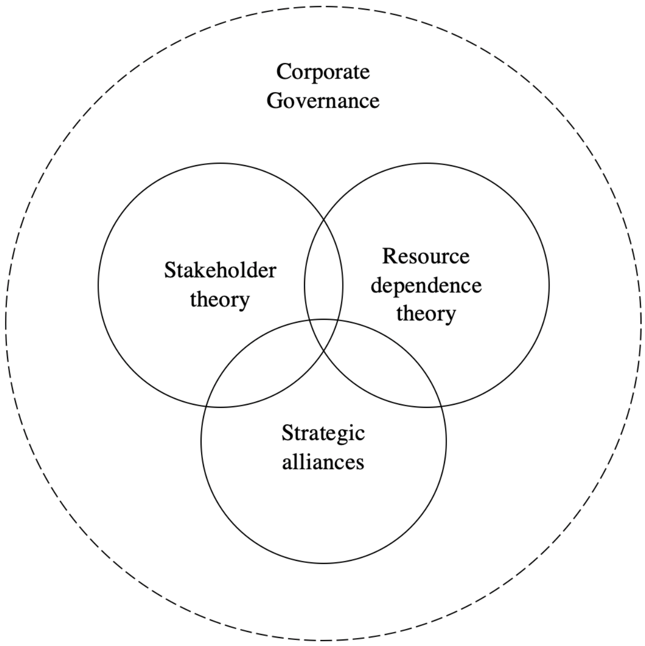

Figure 1. The theoretical framework.

First of all, we aim to focus on how a Swedish elite football club accommodates to environmental uncertainty, and how this football club accommodates to uncertainty and dependencies of their internal and external stakeholders. Pfeffer and Salancik suggest five different ways for organizations to reduce uncertainty; *joint ventures, executive succession, board of directors, political action,* and *mergers and vertical integration* (1978). Due to the nature of the organization being a football club the latter two actions will not be the focus of this study. Political actions and mergers and vertical integration in general are not suitable options for this type of organization when it comes to reducing environmental uncertainties.

Our case organization, "FClub," is a large hybrid football organization with a very distinct corporate governance structure. FClub is a publicly traded company owned, in accordance to the 51-percent rule, by a majority of members who have no stake or investment in the company. Therefore, the ownership situation is different from a 'normal' publicly traded company where the level of financial investment in the company regulates the specific shareholder's influence. The members of the club are an important stakeholder in the club due to their majority ownership. However, this raises an interesting question of accountability in these types of hybrid organizations, where the majority owner does not hold a personal financial stake in the company which increases or decreases in value when the company performs well or badly. In terms of uncertainty, this type of ownership structure could mean that the uncertainty increases when accountability is limited. There are a lot of complications connected to a hybrid organizational structure with tensions arising from multiple fronts within the organization. Since hybrid organizations have to handle these tensions of multiple institutional logics they need to create a common organizational identity that strikes a balance between the logics they combine (Battilana & Dorado, 2010). The organizational structure is demanding to navigate, which can result in intra organizational conflicts and inefficiencies.

Going into the board of directors as a means to reduce uncertainty, theory suggests that the more complex an organization is, the larger the board should be (Coles et al, 2008). It is not only the number of directors on the board that matters, but the type of directors that plays an important role from a resource dependence point of view (Boyd, 1990). The board of directors serve as a mechanism for organizations to manage external dependencies and gain resources from (Pfeffer & Salancik, 1978).

From a stakeholder perspective, an organization can apply partnering tactics in order to reduce uncertainty. Based on a stakeholders influence on the uncertainty that an organization faces, the different stakeholders should be prioritized in a way where those stakeholders that have high influence on the uncertainty that the firm faces, should be prioritized over others (Harrison & St. John, 1996).

Resource dependency theory is built on the assumption that all organizations must engage in exchanges with different actors in order to obtain and control resources in order to compete (Ulrich & Barney, 1984). In the football industry, financial performance is connected to what players and coaches a club can sign, which then affects the performances on the football field, which again, affects the financial performance. If a club can make it out to the European leagues, the financial situation for the club improves significantly. Hence the financial stakeholders that secure the financial well being of a club, as sponsors and members which connect to revenues from ticket sales are extremely important since they represent the larger part of the total revenues. Theory suggests that these stakeholders should be prioritized (Ulrich & Barney, 1984; Harrison & St. John, 1996; Pfeffer & Salancik, 1978).

Using this theoretical framework, we aim to analyse the empirical data to see what ties the football club has with external and internal stakeholders, and how these affect the organization.

3. Methodological approach

In this chapter, we explain the choice of conducting a qualitative single case study to investigate how an elite football club accommodates the environmental uncertainty and the dependencies of both internal and external stakeholders. We describe the process of choosing *this particular case and how interviews were conducted and analyzed. Moreover, we discuss the quality criterias related to a qualitative case study.*

3.1 Research design

Since we seek to understand how an elite football club accommodates environmental uncertainties and the dependencies of internal and external stakeholders, we have chosen to conduct a qualitative and abductive research approach. The abductive position and the iterative process allows us to go back and forth between the empirical findings and our theoretical framework, in order to explain how a football club realigns the organization to adapt to uncertainty and dependencies on internal and external stakeholders. Alvesson and Kärreman mean that the continuous dialogue between the data and the pre-understandings is crucial in enabling a researcher to remain open to the possibility to be surprised by the data, rather than using it to confirm its pre-understandings (2007).

In line with the aim of this study, a research design which offers us to unearth deep, underlying information has been chosen. By conducting a single case study, we can understand the complexity and the particular circumstances of dependencies between various important stakeholders in a Swedish elite football club (Bryman & Bell, 2015 p. 68; Stake, 1995). A single case study facilitates the detailed and intensive analysis of a single case to understand and provide an in-depth elucidation of it. When conducting a single case study, the case is an object in its own right. We see the football club as an object, even though it is not a physical object. In this study we have an idiographic approach in which we aim to expound the unique features of this case (Bryman & Bell, 2015 p. 68). In order to generate an intensive detailed examination of this case, a qualitative method with semi-structured expert interviews has been selected (Bryman & Bell, 2015 p. 68). Our research design and its methods can be shown in figure 2.

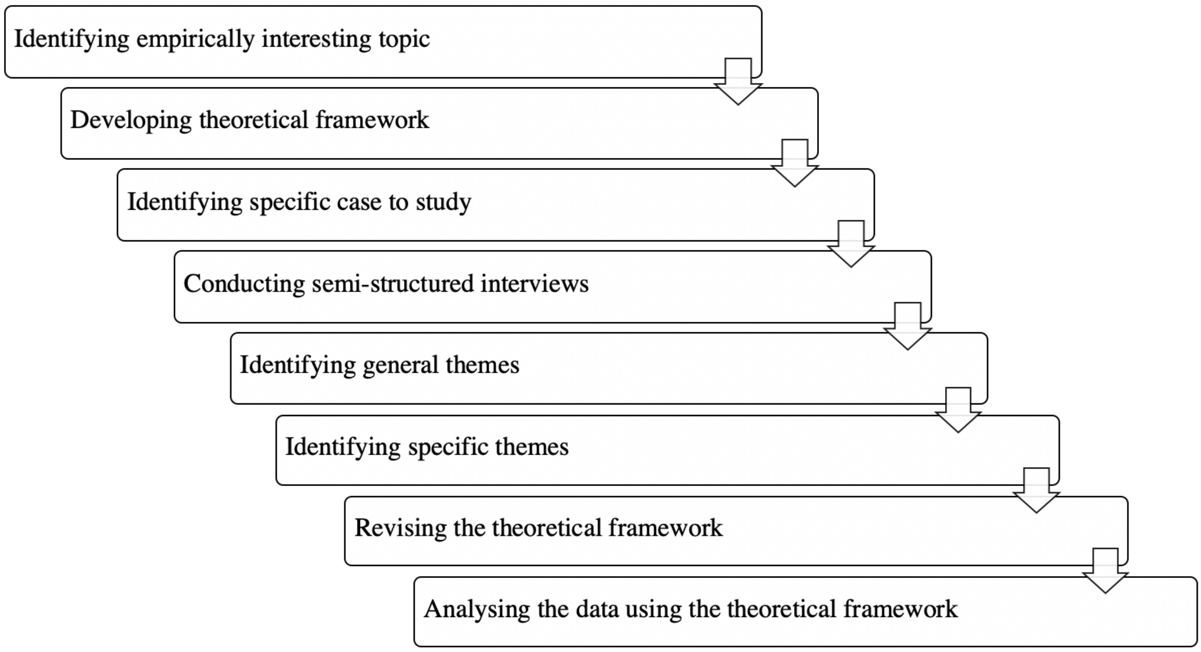

Figure 2. The process.

3.2 Data collection

3.2.1 Choosing a case

Stake suggests that the selection of cases should first and foremost be based on the anticipation of the opportunity to learn (1995). He argues that the selection of cases to study should reflect where the researchers expect the learning to be greatest. With that in mind, we have chosen a Swedish football club, “FClub,” that has an extremely complex organizational structure.

In the process of understanding and gathering more important and underlying information about FClub, we read the protocols from its annual general meetings and the annual reports from 2012 to 2019. From reading the protocols we got valuable information about important events that have affected FClub in different ways. We compiled all these events in a spreadsheet and further noted the number of members that participated in the annual general meeting. From the participation numbers, several interesting observations were made. For example, we saw that there was a year that the participating number rose by 300% which we later found out was a planned action controlled by a number of members of the club to change the composition of the board of directors. We further used the information in these protocols to prepare and provide ourselves with the right groundwork of information to help structure and enhance our interviewing guides to ensure the collection of the best possible empirical evidence available to this case.

3.2.2 Interview sample

Since the study aims to understand how an elite football club accommodates the environmental uncertainty and dependencies of internal and external stakeholders, we have identified the key stakeholders for the organization to conduct interviews with. We chose these specific stakeholders based on Miragaia, Ferreira and Carreira's research on the most important external stakeholders facing European football clubs, as well as our own research and assessment on FClub's specific stakeholders and key figures both internal and external ones (2014). In order to fully understand the environmental uncertainties and the dependencies that surround FClub, the in-depth interviews were conducted with six groups of stakeholders [Table 1].

Position	Executives	Board of Directors	Partners	Employees	Members	Organized supporter groups	Nomination committee
Number of respondents	6	5	5	3	2	3	1
Total number of respondents	25						

Table 1. Interview sample

3.2.3 Interview design

We seeked to go deep and to get rich, detailed accounts from our respondents, therefore we chose to conduct semi-structured in-depth interviews. The duration of the interviews have all been between 40 and 75 minutes.

All interviews were held online using Zoom except for one that was held physically at the campus of Stockholm School of Economics. We saved a tremendous amount of time by using Zoom, both traveling time and planning time. We booked the interviews through a digital tool named Calendly, which also worked really well. We have had a high accessibility to build trust with our interview participants, and answered any email within an hour both before and after the interviews.

Conducting our interviews digitally through Zoom has not been without potential drawbacks. One potential drawback is that all of the interview candidates must have access to a computer and quality internet connectivity. Fortunately, we never had a potential interviewee raise the concern about their accessibility to a computer, smart phone, or internet connectivity, so this did not affect our gathering of data. One problem that we did experience at times, however, were periodical connectivity problems causing lags in the interviews with some interviewees. This caused us having to repeat certain questions, and ask our interviewees to repeat an answer, as well as causing minor interruptions as both parties might start a sentence at the same time without realizing the other person is speaking. Both of these events could potentially harm the flow of the interview and negatively affect the data collected. In addition, some interviewees might not be comfortable being 'on-camera,' and therefore unable to formulate and explain themselves as well as they would during an in-person interview. Bad lighting in the room, or a faulty webcam might display the interviewee in a subjective, unflattering view which could further the potential discomfort of performing the interview digitally. This was mitigated, however, with us asking each participant whether they wanted to conduct the interview with our without video, with 96% of the interviewees choosing to use video.

When conducting the interviews, we opted for open-ended questions and put a lot of emphasis on connecting with the interviewee to build trust to foster a collaborative conversation. We simply used our interview guide [see appendix 1] as a reference point to guide the conversation while using appropriate follow-up questions to get more rich details about the certain context of our conversation. The overall interview process was very flexible to accommodate the interviewee's own accounts and to adopt to the flow of the conversation. Our interview guide was tweaked depending on the interviewee and the particular stakeholder group that they belonged to. This was done in order to ensure that only the most relevant topics to the case were discussed to further enhance the flow of the conversation. The main areas of topics included in our interview guide were background and job description, identification of key internal and external stakeholders, identification of main uncertainties facing the club, how they work and collaborate with these internal and external stakeholders, what the nature of this relationship looks like in practice, how they affect one another, strengths and weaknesses, leverage and power, as well as how, if at all, it has any affect on the organizational structure.

In order to ensure the integrity of the data collection process, we informed all participants about the interviewing process and the confidentiality agreements to be transparent and provide a sense of comfort during the interview. All participants had to sign a GDPR and confidentiality agreement prior to the interview. All interviews were transcribed within 24 hours after being conducted.

3.3 Data analysis

The goal of a case study analysis should be to concentrate on the uniqueness of the case and to develop a deep understanding rather than the breadth of its complexity. In this study, we analyse the empirics on an organizational and group level in order to answer the research question "*How does an elite football club accommodate the environmental uncertainty and dependencies of internal and external stakeholders?*". On a group level we aim to understand how dependencies between different stakeholder groups appear, and secondly how a Swedish football club (re-)organizes internally based on uncertainties and dependencies of stakeholders. In order to properly evaluate our research case we have to be able to apply some of the most prominent quality criteria for the evaluation of business and management research. Therefore we ensure that our case holds up against the quality criterias of reliability, credibility, transferability, and confirmability.

3.4 Quality of study

3.4.1 Reliability

Reliability is concerned with the question of whether the results of a specific study is repeatable. Even though reliability is particularly at issue during quantitative research, we still use it to see whether or not the empirics from our research that are devised for concepts in business and management are consistent (Bryman, Bell 2015). Internal reliability in this qualitative research project was achieved by ensuring that there were the same two observers present during all interviews and that they together agree on what was said and seen during the interviews, so that there was a clear understanding between the interviewees' statements and the observers' interpretations. Reliability was also ensured during the data analysis process systematically with clear guidelines between the two observers when translating the interviews in Swedish to English for use in this research project.

3.4.2 Credibility

The credibility criterion is especially important when it comes to establishing trustworthiness. This is crucial since there can be several possible accounts of an aspect of social reality (Bryman, Bell 2015). In order to establish credibility, we ensured that the research was conducted using good and ethical practice. We also used both triangulation of sources as well as analyst triangulation. Since we were able to interview multiple people of different positions of FClub, multiple people within the same category of stakeholder, as well as from various stakeholder groups, we were able to use different data sources with the same method of in-depth, semi-structured interviews. We also each separately and independently reviewed our findings to help negate the risk of blind spots in our analysis process.

3.4.3 Transferability

Transferability in qualitative research parallels external validity in quantitative research. Due to the inherent nature of qualitative research, which focuses on depth instead of breadth, it is difficult to apply the findings to other contexts, situations, times and populations (Bryman & Bell, 2015). Instead, we focus on providing rich details of a specific case through thick description as encouraged by Geertz (1973). The findings of this research project could then be applicable to similar hybrid organizations and football clubs in Northern Europe.

3.4.4 Confirmability

Confirmability is another criterion that ensures trustworthiness during the research project. While we recognize that it might be impossible not to let personal bias influence our objectivity during this research project, we have acted in good faith and with good morals and ethics throughout the entire project (Bryman & Bell, 2015). Here we have gone through lengths to ensure that the participants' narratives and explanations are at the forefront of our study instead of our own personal biases. From beginning to the end of the data collection and analysis, we have conducted our own audit trail. During this audit trail, we have recorded what topics were unique and interesting during the collection of our data, our own thoughts about the coding and translation of the accounts we were provided by the participants, as well as why and how we chose to merge these together to complete our analysis of the accounts.

4. Empirical data

In this section we present the empirical data collected from the 25 semi-structured in-depth interviews we have conducted. We have structured this section to first give an overview of the clubs identity (4.1 The club) to further uncover the organizational structure (4.2) and the complications of the club being a hybrid organization (4.2.1). Afterwards we provide an overview of the specific circumstances around the club, the power struggles (4.2.1.1) and the high turnover of board of directors (4.2.2) and the executives (4.2.3) which in turn have implications on how the club is managed (4.2.4). Finally, we present the compiled empirical data connected to management of specific stakeholder groups (4.3), the members (4.3.1), the supporter organizations (4.3.2) and at last the partners (4.3.3).

4.1 The club

There is a notorious dark, underlying power embedded in the DNA of FClub. One senior executive inserts that there are very few, if anyone at all, that does not have a preconceived notion or opinion about the club in Sweden. The dark history of the club goes far back in time, and on occasion there have been individuals with criminal backgrounds who have occupied leading positions within the club.

People in and around the club mean that there is a disproportionate interest and association with FClub's brand compared to the size of the actual organization, which is one of the biggest assets for the club. However, the engagement in and around the club is not something that always has a positive effect on the club's operations. As one of the executives says, when performances drop temporarily, it can very quickly turn into a severe crisis for the club as the members have a tendency to react very emotionally and forcefully at times. Therefore, internally the engagement of members and supporters is seen both as an asset but also at times a burden for FClub since it can become a hindrance to establishing and nurturing a solid foundation for which the club can build on. Others describe the internal organization of FClub as a *"dysfunctional family"* where internal power struggles are common. All the interviewed employees and board of directors told us about different groups of supporter organizations, and how they disagree about what values FClub should stand for and how to properly run its operations. Some say that they almost have given up on trying to reach a consensus on the core values of FClub, and say that it will be impossible to get everyone in and around the club to agree with each other. The essence of these power struggles are mainly concerned with how to balance the commercial part of the club with its cultural and ideological aspects, and which of these are the most important.

> *"Historically, FClub has not been the most positively charged club[...] We have had huge problems with internal power struggles with, excuse me, criminals in the board of directors. We have had a club that does not represent the values we stand for today. We have gone through a cultural shift and, excuse me again, gotten rid of the shit, at least most of it."*

Contrary to popular beliefs, FClub has actually gone through great lengths to change their perspective in the public eye. One executive tells us how the club is far superior compared to other clubs in Allsvenskan in working with CSR related initiatives and values. Their core values of the organization is inclusion and equality. He speaks about this edge as a possible way of attaining more resources to the club and puts a lot of effort in packaging different community initiatives in order to attract sponsors. Several individuals in leading positions mean that the time for simple media exposure has passed, and now sponsors want to be associated with other brands that do good for the society.

4.2 Organizational Structure

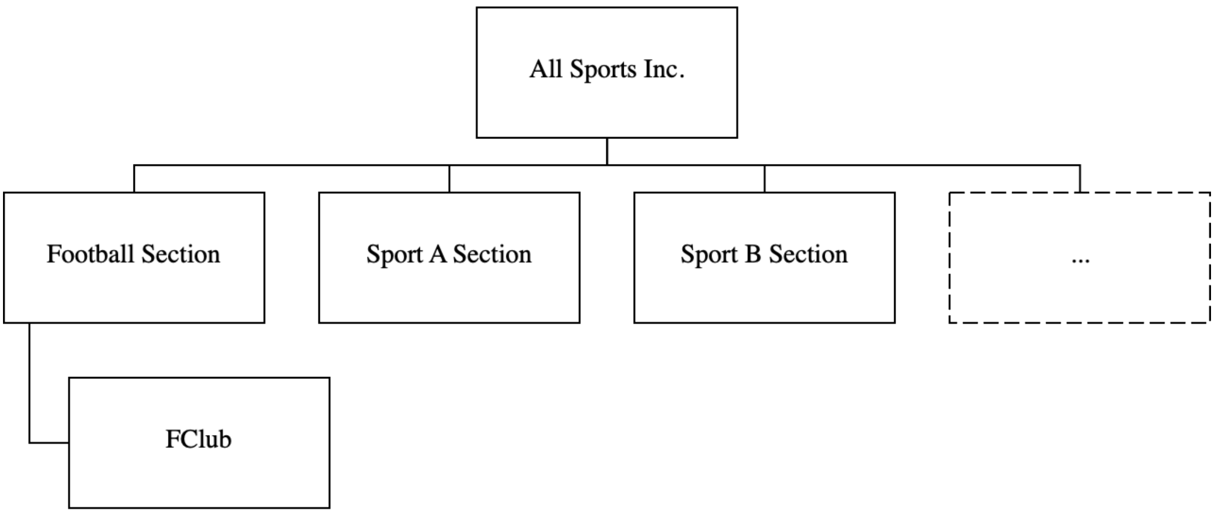

Figure 3. Overview of All Sports Inc.

FClub is a publicly traded football organization with both a men's and women's teams competing in their respective top divisions in Sweden. The organization and its reputation is well known throughout the country for both its performances on the pitch and its extraordinarily dedicated supporters. In accordance with the 51% rule, FClub is owned by the majority shareholder Football Section, which in turn is just one of the many sports sections within All Sports Inc. All Sports Inc. is fully owned by its members, and the Football Section is fully owned by Sports Inc [see figure 3]. The Football Section operates the youth football academy and teams of FClub while FClub handles the elite teams. FClub also owns and operates FClub Merchandise which sells souvenirs and other sports-related items. FClubs own organizational structure is shown in figure 4.

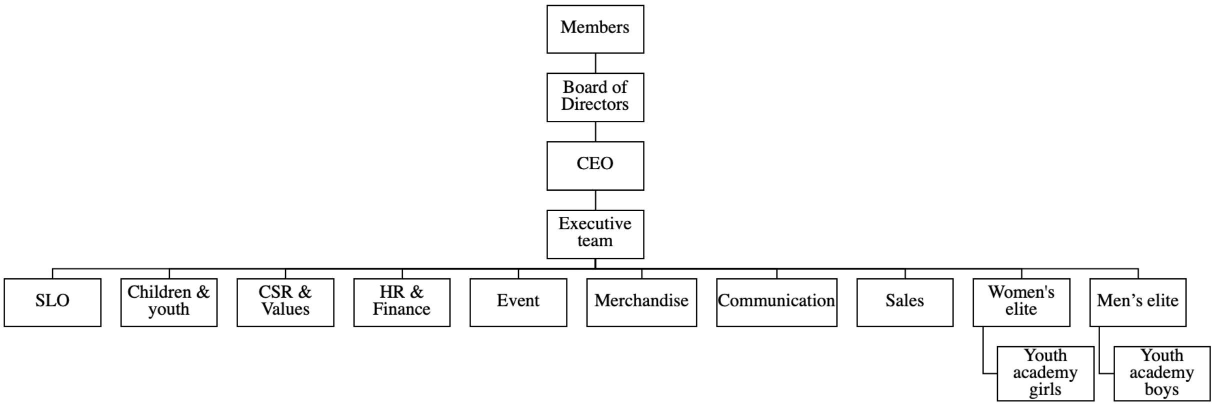

Figure 4. Overview of the organizational structure of FClub.

4.2.1 Hybrid organization

There are a lot of complications that arise from a hybrid organizational structure with tensions arising from multiple fronts within the organization. These tensions mostly stem from the unfamiliarity of the practical implications that originates from this complex organizational structure. There is a consensus among the executives, employees, members, supporters, shareholders, and board of directors that this organizational structure is demanding to navigate, which results in intra organizational conflicts and inefficiencies. One senior executive tells us:

> *"The current organizational structure of FClub is extremely complex with the members association being the majority owner of our publicly traded company where we also have our minority shareholders on the other side. That's our big struggle: trying to juggle and comply with both sides and find a way to do it smoothly so that we don't just sit and fight all the time...We need to find a way that's going to work for FClub"*

The complexity of FClub's hybrid organizational structure is further explained by another senior executive:

> *"We face different demands and points of views from all over the place. We're in such a dynamic environment. Not only do we have our shareholders, but also the supporters have a very strong influence, and let's not forget the other members, and most of the time they disagree with each other. You need to have a very firm understanding of this complexity before initiating or carrying through different projects and course of actions in this organization"*

The unfamiliarity of certain employees about how the hybrid organizational structure can and should be governed has also led to a sense of identity crises within the organization. The recurring theme from these in depth interviews have been the clash between the commercial part of the business with its non for profit, cultural obligations. The same senior executives goes on:

> *"It needs to be known that we've suffered from an identity crisis over the last couple of years. Hybrid organizations are mostly about, you know, how can you balance the democratic processes of a member association and its non for profit work, and its cultural and ideological aspects with the super-commercial aspects of our publicly traded company and the commercial necessity to drive the club forward? Which of those legs do we stand on? It's more like, who are we?"*

It is the commercial parts that sustain and drive FClub forward through ticket sales, sponsorship deals, player transfer fees, and is therefore essential to the overall organization. Yet, the cultural part, namely, the youth academy and teams, CSR initiatives, the atmosphere at the arena, the fans, supporter clubs, Ultras, reputation, and love for the club that echoes through the corridors of the office and through the streets of the city. "*It's really just a spectacle pretending to be anything else other than just a football club. Everybody knows we're just a football club*," one dedicated member tells us. The revenues that the organization makes through its commercial activities, however, allows it to grow its other activities such as expanding its youth teams and further embed itself within the local community through CSR initiatives. Against what one could hope for, these different activities do not always go hand in hand, rather continuously is a staple question during daily corporate activities: "*What's best for FClub financially and what's best for us culturally? Those seldom go well together, and we need to balance these two aspects on a regular basis in the management team*." The clash between the commercial and the cultural parts of FClub has been a recurring theme throughout the interviews with people both in and around the club.

4.2.1.1 Power struggles

The hybrid organizational governance structure provides a lot of the ultimate decision-making power in the hands of the members of the Football Section. This power can cause disturbances in the flow of the everyday management initiatives and directives within FClub. Most of the power stems from the fact that it is the members that determine who the board of directors are in the Football Section, which in turn have majority voting rights as to who the board of directors are in FClub. This 'power' then trickles down further within the organization as the FClub board of directors determine the CEO, and the CEO in turn determines the management team. The members' right to vote in the board of directors is a fundamental one which the majority of people within and outside of the organization values and respects. However, when a club like FClub has extremely driven and emotionally invested members, this can create some friction within the organization. As one dedicated member puts it:

> *"FClub is the football club in Sweden with the most intricate and politicized business operation and governance structure, and that is strictly because of their supporters. The supporters' voice, and always wanting to be heard, have been part of FClub for as long as I've lived, it's the loudest and most opinionated. Always wanting to be part of the decision-making process, which is lovely from a democratic perspective, could unfortunately serve to limit and hurt the club I think"*

As stated in the quote above, members proudly exercise their right to voice their opinions. A board member explains, "*When the men's team performs badly or loses consecutive games, we always receive angry emails demanding the resignation of certain executives. But when we do well, there's never any praise, just silence.*" It is also well known within FClub that it is mostly the members that are part of one or more organized supporter groups that are mostly represented during the annual general meetings and therefore are the most involved in creating and voting for different motions sent in for these meetings. FClub therefore has initiated ongoing meetings and has open communication channels with these supporter groups as a way to be in the loop of supporter sentiments and preferences for future directives. The founder of one of these organized supporter groups explain the dynamic between the supporter groups and FClub:

> *"It would be difficult, bordering on impossible, to manage FClub if you have an ongoing conflict with the supporter groups. If you don't have these open communication channels and ongoing communication with us, it would be difficult, because if they don't communicate with us, we'll petition and vote for their resignation and we'll cover the stances at the arena with signs and slogans"*

This sentiment about the supporter and membership decision-making power is also mirrored among the management team within FClub. One of the senior executives explains:

> *"In the end, it's always the members who have the real decision-making power at FClub, which provide us with guidance during the annual general meetings. You can say we always reconcile with the supporters, but in truth it's the members that are the real decision-makers at FClub."*

Due to the nature of FClub being a football organization whose primary goal is to perform well on the football field and win games, the sentiments and decision-making is heavily tied to the performance of the elite teams in their top divisions. The majority of our interviews showed that both supporter groups, top management, and board of directors all agree that this leads to many decisions are based on emotions rather than a rational or a practical basis, unfortunately, to the detriment of the club. This also leads to tensions not only between supporter groups and the board of directors and management teams, but also between the supporter groups themselves. "*Everybody feels like they have the right solution, and it leads to further division between the different parts of the club*," one member explains. Directors, executives, supporters and members all share sentiments about how it could be beneficial for members and supporters to try to leave emotions out of their actions, and focus on the long term solutions for the club rather than trying to be the person who managed a change within the organization.

4.2.2 Board of Directors

In a typical for-profit organization, the board of directors has the ultimate authority and responsibility for the performance of the organization. There they are tasked with appointing and guiding executives and managers within the organization while being the ones accountable to various stakeholders. In FClub the role of the board becomes a bit more difficult as they are a publicly traded company while still having to answer to members of the Football Section which owns the majority of shares in the club. This can at times make it difficult to properly communicate with the members the way that the members demand. One director of the board explains:

> *"Because we're a publicly traded company, we are very limited with what we can communicate, and we always have to ensure that the public receives the same information at the same time, and we've had trouble in the past with information leaking, which is not OK. Us board of directors try to be very open to having conversations and meetings, but we're limited in what we can actually discuss, we cannot forecast the future or talk about our financial standings other than what we have already made public information, which is very frustrating at times. We want to be able to share more about our strategies and plans, but we were entrusted with this role and people need to keep their faith in us."*

Being a board member at FClub is no easy feat, as you can expect being under constant pressure from the members and the supporter organizations who are notorious for making drastic changes to the board composition. Currently in FClub there are nine board members, which according to the board members themselves is "*too big to be productive*." Each of the board members have a mandate of two years except for the director of the board, who only has a mandate for one year. Within recent history, the members of the club, and especially the ones that are also part of the organized supporter groups, have been extremely loud, active and determined to control each and every seat available within the board. If, for example, the entire board of directors were sacked at the next annual general meeting, it would not be the first time. As one member proudly recalls about an event happening in 2018:

> *"We gathered 700 people at the annual general meeting and sacked the entire board of directors because we were tired of them not being competent enough and*

> *never taking care of the real problems of threats and harassments seriously, and they never had any visions or strategies of how this club should evolve and grow. It was a direct response to them letting different phalanxes impose too much influence in the club's daily activities"*

This volatility of the board of directors might serve to create bigger problems for FClub than initially thought of as it makes it harder for the nominations committee to find people with the right experience and background to be excited about taking on the role and all the responsibility which comes with it. As one person familiar with the process mentions:

> *"It is a completely irrational choice accepting a position to that board of directors, it requires a lot of time and energy from people who usually are able to get paid quite handsomely for their time and energy."*

Finding the right candidates for the board of directors is not so much about finding someone with "*a deep rooted love for FClub*," but rather someone with the right competens, background, and network that they can supply the club with. Typically the nominations committee work with so called "*profiles*" for which kinds of individuals they need for each position. On an annual or semi-annual basis, they typically scrutinize the board of directors and the current stage of the club to discover what kinds of competencies FClub will be in need of in the upcoming year in order to achieve the best possible prerequisites for sustainable success both internally within the organization as well as on the football field. Typically they look at competencies within one of five static areas. As the director of the nominations committee explains:

> *"The static competencies that we'll always need is expertise within commercial, law, communication, as well as someone with experience with membership organizations and publicly traded companies. It's important that we at all times have someone with knowledge in these five areas. One of the more dynamic competencies that we need at times is someone with experience in politics, especially as we usually deal with politicians at both the local and national level"*

Beyond these static and dynamic needs for the board of directors, the most important factor, which FClub have struggled with is to onboard new directors that bring in additional sponsors to the club:

> *"We haven't done too great of a job here. Our board members have historically been unable to bring additional sponsors to us. I mean look at what it's like in other European countries, then it's a prerequisite almost. We've tried recruiting these kinds of directors that have this kind of network, but almost everyone we meet with ends up kindly declining the position [...] Actually it should be that every board member at FClub is a 'professional board member' with many*

additional board positions at other companies, unfortunately that is not the case for FClub."

Part of the difficulty of recruiting these individuals can be boiled down to the reputation of the club. Being a board director at FClub does not carry the high esteem and praise that one could hope for of a club with such high brand recognition at both a national and an international level. Also, the fact that one board of director might be sacked, for as little as a minor side-step or miscommunication, might serve to further discourage potential nominees from accepting the position. One director of the board told us that "*there is a chance that such a position as this one might not enhance my CV, but rather damage it*." These factors might explain why four out of the five people that the nominations committee is interested in kindly declines the offer to be considered for the role.

4.2.3 High turnover of executives and board of directors

One of the major problems that FClub has been dealing with over the past couple of years is the extremely high turnover of both board members and executives at the club level. The turnover is simply caused from the dissatisfaction of members who are either unhappy about lack of communication, lack of leadership ability, lack of strategy and direction of the club, or simply unhappy about the results on the football field. This is a major hurdle for all levels at the organization, but it was most frequently mentioned by the board of directors and senior executives of the club. It is very difficult for the board of directors to strategize for the future and oversee the implementation of their strategy when the top executives frequently are replaced at the club. One board member describes his frustration by stating:

"In my position I'm not here to micromanage the executives, but rather guide them more strategically over the long-term, and of course we have a problem here when the turnover is so incredibly high for these positions. It's useless."

The high turnover is not only limited to the CEO position and the management team, but also prevalent within the board of directors. Another board member further drives home this point:

"Just look at our history, I mean the board, people are flying off these positions like if they were catapults, but actually the same thing can be said for the executives, the CEOs are barely able to settle down before flying off again. There's definitely someone off about this."

These difficulties have caused a structural weakness within FClub where the top management is not able to implement "*long-term strategies and structural changes,*" but rather seem to "*focus on short-term initiatives to please the members and supporter organizations*." The top management team seems to be in unisom when talking about how the club has failed in restructuring the organization in a way where the employees have clear job descriptions and roles that they adhere to. The problems of the hybrid organizational structure also causes a problem with recruiting top talent to the organization. Several executives and employees explain that it is important to have followed and been in the "*know-how of the club for about 5-10 years in order to thoroughly understand its structure and the different pressure points that stem from the dedicated and passionate supporters*." Without this knowledge, we were told, a new hire would not last more than one to two years at FClub.

In addition, the many executives that have been fired, or strategically stepped down from their position, have failed to help the succeeding person transition to that important role within the organization. There have been no process to ensure that business continues to operate efficiently without the presence of that key person holding that specific role, which have hampered the organization from sustaining excellence in CEO and executive leadership over time:

> *"If the turnover of these people occupying the executive leadership positions is high, the board of directors have to demand that the work is carried out without any interruptions. Unfortunately, this hasn't always been the case as the past CEOs have left under less-than-optimal circumstances, and not left any kind of legacy behind them for the next person stepping into the position."*

4.2.4 Managing and restructuring tactics

"*FClub's main challenge is that the executives and employees struggle with knowing their specific roles within the organization and what they are accountable for*." This quote made by one senior executive captures the consensus from most people within and outside the organization, in every position from the board of directors to dedicated members and supporters. Throughout the history of the club, many positions have been entangled with each other and there has not been a clear governance structure with distinct job descriptions and roles within the organization. One veteran employee part of the management team explains:

> *"On top of all of that I work actually way too much outside of the box and outside of my scope of requirements, but it is mainly because we're just an actually small organization carrying a massive brand, which makes it difficult for us to position ourselves solely within our actual job description, and instead have to venture outside our roles in order make sure things get done."*

The fact that many key people within the organization feels this way have resulted in the organizations sometimes lack the guidance of a long-term strategy, which they can rely and adhere to in their day to day activities. In addition, by not assigning clear roles to each position within the organization, people jump across departments and take on roles that are outside of their expertise. This is a cause for concern amongst the members saying: *"I believe there are certain positions within the organization that are run by people with less than* *optimal knowledge and expertise than what should be required from someone occupying that position."*

Furthermore, most of the time seems to be allocated to "*putting out fires*" around the office concerning both commercial and cultural interests instead of prioritizing a clear governance structure for which they can rely on for sustainable profitability, growth and success. Today, one of the main priorities for FClub is to structure its organization into "*One FClub*" which does not let their different departments "*work in silos*" but rather together through leadership teams to find synergies between them. The focus seems to be creating a "*dynamic management situation*" as one top executive explains. Within the umbrella term "*One FClub*" both the Soccer Section and its members with cultural interests are included along with FClub and all of its commercial activities. Now within FClub, the organization is shaping up to include pointed and specified positions with clear goals and directives throughout the different departments which are connected through their respective managers being added to a management team with weekly meetings about strategy for long term organizational success.

One encountered problem with this restructuring is that the different wants and needs from the different groupings of FClub have become very apparent. As one active member tells us about the sentiments about FClub:

> *"The biggest problem is that there are so many different sentiments concerning the club, so many different ideas about how it should be governed, where we certainly see different phalanxes, and members, bossen, board members, and everyone else. I mean there is a very big engagement with the club, but these sentiments are mostly on edge with each other, especially concerning the culture of the club. Again, then I think the problem is asking the question about power: who is really running this club?"*

In accordance with UEFA regulations, FClub has appointed a Supporter Liaison Officer (SLO) functioning as a bridge between the club itself and supporters of the club. Due to its extremely passionate and active supporter base, FClub have invested a lot into this position to really be able to gain the supporters' perspective into its management activities and give them a better insight into its daily operations. As one SLO explains:

> *"We felt internally that we didn't have anyone who was engaged in this area and put the perspective of the supporters into the management team and also into our daily activities. Someone who fully owned this communication and dialogue with the supporters, and that's when I was tapped and asked to step in and took on this responsibility."*

In order to fully capitalize as the bridge between the club and the supporters, FClub's SLO have initiated weekly meetings and open communication channels between himself and the main supporter organizations. Another goal for the SLO is to try open up dialogues between the supporter organizations with the other voting members and minority shareholders to try work out "*bigger-picture*" strategies and initiatives before gathering during the annual general meetings all with different agendas and opinions about specific points of issues.

> *"I believe the structure today enables people to easily decide upon a certain directive or course of action and then gather traction with other members to then easily get their wish across the organization, which results in a seemingly easy way to manipulate the culture of the board of directors or the nominations committee. This might tear or apart at an organizational level, since it's seemingly too easy, instead of trying to open up a forum to reach a consensus with other members about bigger-picture, long-term strategical things where they can all decide on what's best for FClub before bringing it to a vote during the annual general meeting. Certain questions need to be actively discussed throughout the entire year instead of just being impulsively brought to a vote during these meetings where you can quickly reach consensus with the majority of members to later perhaps have control over one or two board member positions to gain influence in these sentiments, only to later have those same board members voted out when their mandate is up and they haven't been able to accomplish anything of importance for the club. It simply becomes too choppy."*

4.3 Stakeholder management

The club has many different stakeholders whose interests need to be balanced. When asked who the most important stakeholders are to FClub's executives, both the board of directors and the employees stated two main stakeholder: the *members of the club* and the *partners*. However, the majority of the respondents clarified that it is important that one understands the difference between regular members of the club and the members of the organized supporter groups. This is because their engagement with the club is very different. As mentioned in the previous section, people in different positions in the club sometimes can occupy several different positions at the same time, this also applies for members and their involvement in different supporter groups. Meaning that the two groups are not mutually exclusive, but it is still important to separate them due to their different characteristics. In the following sections we present how the relations with the most important stakeholders, namely, the members of the club, the organized supporter groups and the partners are managed and what the power distribution between them looks like through the eyes of our interviewees.

4.3.1 Members of the club

One implication of the 51% rule is that the members of the club become an increasingly important stakeholder. This is due to them being the governing body of the Football Section, and thereby holding the "*golden stock*" in FClub, meaning more than 51% of the ownership. As one of the board of directors told us:

> *"We have a rather strange ownership structure. So,we have the members who own the Football Section and holds the "golden stock" in FClub, but does not represent any of the capital invested, so we have to live with having a very strange ownership structure, and of course these members are an important stakeholder for the board of directors, in fact the most important of them all, but it is difficult to know how we are supposed to comply with them. But that is part of our job, seeing and implementing what the owners want."*

The members of the club get their voices heard and initiatives voted on during the annual general meeting when the members of the board of directors are elected and important decisions are made regarding the organization's future. One member that we spoke with raised potential issues with these annual general meetings, especially in regards to the level of member participation. The more members participating in the meeting, the more represented their sentiments become and better quality decisions are ensured during the meetings. We were told that there is a potential danger of having a generally low attendance during these annual general meetings. As FClub's history shows, when there is anticipated to be a meeting with generally low attendance, some members have been able to affect the outcomes of these meetings by persuading large numbers of other members to attend and vote in favor for their specific cause. A low attendance, thereby, creates more opportunity for specific supporter groups to drastically affect certain statutes and other important club directions in a negative way, as they have a plethora of their own members they can easily rally to their cause.

> *"The more members participating in the annual general meetings, the more representative of the general members' opinions. I'm afraid that within two years we are back to levels of 300-350 members participating in the meeting, and all of a sudden [...] the annual general meeting is not representative of what the members think, and if so they lose legitimacy which in the long run is harmful for the 51% rule, which I think is the most important thing we have and we can't lose that."*

The communication to FClub's members is limited in terms of regularity when compared to the communication to the organized supporter groups. The board of directors have two physical meetings every year where members can ask questions to the board, however apart from these two meetings the communication mainly consist of one way communication where the board publish information on the website and different social media channels. Some members raise concerns with the lack of communication to the regular members compared to the regular and tight communication that is between FClub and their organized supporter groups.

"I think it's good that the organization listens to what the supporter organizations think, but at the same time this creates a misconception about who our most fundamental stakeholders are: the members [...] but I understand why the organization does it this way, for practical reasons. However, it's important for the organization to have the members as the most important stakeholder, and not the organized supporter groups. Because it's the members who vote and own the association."

4.3.2 Organized supporter groups

For the most part, FClub's different organized supporter groups consist of highly engaged members. Some of our respondents refer to them as "*loud and opinionated.*" The supporter groups themselves mean that they have a lot of power when it comes to different issues and say that it would be extremely difficult for the club to function effectively if they had an ongoing conflict with the supporter groups. The supporter groups are mainly culturally driven, and are extremely concerned with sustaining and fostering the grandiose atmosphere and culture at the arena during the football games. However, they also like to have a say in actual governing and management topics for FClub as well.

"It's not always what is best for the club, that is best for the football association and it's not always what is best for any of them that is the best for the supporters, and our interests lie in the interests of the supporters. We are supposed to promote the supporter culture in and around the club."

Employees within FClub raise issues connected to the loud and opinionated supporters and mean that sometimes they have too much power. In some instances executives and the board of directors dare not to take certain decisions because of potential threats from supporters. Some of our respondents have had to personally withstand actual threats from one of the supporters as a "*direct result of committing to a certain action or decision.*" Others have been threatened to the point where they have had to leave their position at the club.

"I sometimes feel that there are too many loud and opinionated individuals that have too much power when it comes to certain decisions, making others afraid of taking decisions due to potential threats."

Although there are violent factions of the supporter organizations, there are supporter groups that have a different position in the sense that they on occasion are helping the club with different campaigns for example. As the chairman of one organized supporter group says:

"Before we were highly involved in the operations of the club [...] we acted as a support for the club and we helped them with different campaigns, ticket sales and produced a lot of material for them. Over the last couple of years we've become more of a combination of an agent initiating demands while also serving as a

pillar of support [...] But most importantly our role is to represent the supporters and make sure the opinions of the supporters are seen to, in the organization.”

The interviewed executives and board members say that they value having an open dialogue with the supporter groups. That being said, communication occurs on different levels. While most of the communication happens during official meetings and communication channels, some communication “*is informal and happens behind closed doors.*” The SLO employees have regular if not daily contact with the supporter groups. Furthermore, the organization has regular meetings with representatives from the different supporter organizations discussing all types of questions and asking for feedback on various issues. The supporters however believe the communication is too reactive, and only address highly engaging questions after the supporters have pressured the organization to have a dialogue with them. As one dedicated supporter explains:

> *“When it comes to these democratic and financial issues, or these more systematic issues [...] where conflicts exist on what path the club should take... When it comes to these issues, the communication is not proactive and initiated by the organization [...] when the pressure has reached a high enough level from the members side, that someone in the organization feels stressed enough to communicate, they do. I think this is harmful for the organization since it does not build trust for the members, and I also think that it’s a rather demanding way for them to operate their business.”*

One potential problem with communicating mostly with only the supporter groups, as raised by both board members and executives, is that they are not representative to the average members of FClub. Therefore, certain topics raised and decisions being made could potentially neglect the sentiment from “*the average member.*” However the representatives from the supporter groups we interviewed view their supporter organization more likely that of a union representing all members with their specific thoughts and attitudes.

> *“If one would view the organized supporter groups as unions or similar to special interest groups for different members [...] we have rather different profiles as supporter organizations, with different segments within the club represented, then it’s easier for the organization to have a dialogue with these central supporter organizations than having a dialogue with all 20000 members at the same time. [...] The participants in the annual general meeting mostly are those highly engaged members that are part of different supporter organizations...”*

4.3.3 Partners

Partnerships with various companies are of high importance for FClub. In order to run their daily operations they need funding, and sponsorships represent one third of the total revenues. There are different levels of sponsorships; micro sponsorship, network partner, partner and head sponsor which typically includes high levels of media exposure and representation during games in the network meetups. Most of the time, a partner is also a main supplier to FClub, making the relations more complex than a typical sponsorship relation. Executives point out that it takes time to reach a partnering effect, therefore the contracts with the main sponsors are rarely shorter than three years. As one of the executives says:

> *“The partnerships build on long term relations, we can't build a partnership in one year, it’s first after two or three years when we reach the full partnering effect. It takes time to get to know each other [...] The partnerships are established in different ways, sometimes it’s a small sponsor in which the relation evolves over time and increases their engagement in the club. Then there are companies which are interested in partnering up with the club for strategic reasons, and others who think it’s a good deed for the community to be seen together with us.”*

A big part of the partnership is connected to the actual football games, and the social exchanges in the VIP-area and lounges at the arena. However, it has become more common that partners wish to collaborate on CSR initiatives, which FClub is a main believer in. All the main sponsors that we have interviewed highlight the importance of CSR initiatives and oftentimes it is stipulated in the contract between the two parties along with how they should work with these initiatives. It varies how the partners choose to work with FClub on different CSR initiatives, some undertake joint initiatives together with the club and some wish to contribute through giveaways or smaller amounts of financial support to different initiatives that the club is hosting. One sponsor has explicitly communicated that they do not wish to be associated with the men's elite team and only want to do joint activities connected to the youth and womens team. They further explain this point by saying:

> *“Quite early on in our partnership we took our logo from the shirts of the men’s elite team and focused more on the soft values, CSR initiatives among other things.”*

The constant media coverage as well as the internal power struggles sometimes complicates FClub’s relationship with their sponsors. As one representative of one of the main partners says: *“... It will be stormy at times and that is something that is given when working with one of the biggest clubs in Sweden, but we knew that before going into the partnership.”* All sponsors are extremely loyal to FClub and say that their partnership is working great, and they could not stop talking about all the good things the club does for both the local community as well as the society at large. However, they do underline that they think it is a pity that the media does not do a good enough job covering these amazing initiatives that they are doing together and their amazing societal impact.

Internally, the organization puts a lot of effort into the partnerships. It is striking how all sponsors we have talked to highlights how well the collaboration works, and that they are extremely content with how the partnership has evolved over time. One of the respondents means that it has not always been that way, in the beginning the club lacked trust in them and the club was quick on sending invoices on everything that was done between them. However, as time passed, trust increased and now the relationship is more like a partnership rather than a transactional relationship as before. The partners we interviewed tell us about how they work a lot outside what is stipulated in the contract and that the trust is high on both sides. One sponsor tells us about the process of negotiating a new contract , *"Neither one of us are overly concerned with dates and deadlines."* Another one portrays their special partnership they have with the club like this:

> *"We constantly try to work as little as possible in the frame of the contract, if you're too occupied with what is stipulated in the contract it's not a good relationship. For me it's a give and take situation, in the sense that we're doing this together. For me they're not a client, but a long term partner where we together work on developing our businesses together."*

The relation between the partners and the club is described as rather informal, a lot of communication is made during the games in the VIP-area where they eat dinner together and brainstorm around different initiatives they want to pursue and how the partnership can be further developed. Several of the sponsors that we have interviewed have their office close to the arena where the club runs their operations and quite frequently meet up to have lunch together. When asked about what the power distribution looks like and who has the most leverage during their contract negotiations, one of the representatives from one of the main sponsors explain: *"Who has the most power you mean? I think it's the one who has the money in this case."* This power imbalance, however, was not raised as being a concern from either FClub or the partners themselves, as they state that their partnerships are "*based on trust*" and are based on long-term and strategic viability for both parties.

5. Analysis

In this chapter we analyze our empirical findings through the lens of the developed framework in order to identify how FClub accommodates the uncertainty and dependencies they face from both their internal and external stakeholders.

5.1 How to reduce the uncertainty internally

5.1.1 Facing dependence from the members

Based on the empirical data, one can undoubtedly understand that FClub suffers from a severe identity crisis. There is an underlying conflict of interest between the organized supporter groups and the management team. The supporters treasure the heart and soul of the football club and act in the interest of preserving its culture, fanbase and atmosphere at the arena during the games. The management team of FClub, however, have a different agenda. They try to act on the basis for further professionalizing the club by pursuing a more commercially focused agenda that oftentimes clash with the agendas of the supporter organizations. It is the ultimate commercial vs cultural battle that echoes throughout the organization.

There are a lot of complications connected to a hybrid organizational structure with tensions arising from multiple fronts within the organization. The organizational structure is demanding to navigate, which results in intra organizational conflicts and inefficiencies. The hybrid organizational governance structure further contributes a lot of the ultimate decision-making power to the hands of the members of the club. This power can cause disturbances in the flow of the everyday management initiatives and directives within the football club (Henriques & Sardorsky, 1999).

Due to the nature of the club being a football organization, the performances by both elite teams on the football field is extremely important for all stakeholders. As described in the empirics, the board of directors receive angry emails from supporters demanding different individuals on leading positions to step down when especially the men's elite team performs poorly and when performances are good, the storm settles. The sentiments and decision-making is heavily tied to the performance of the elite teams in their top divisions. This leads to many decisions being based on emotions rather than a rationalor or a practical basis, unfortunately, to the detriment of the club.

Evidently the supporters and the members have a lot of power, due to the 51% rule and their majority ownership of the club. The members have it all in their hands to elect the board of directors, whose task is to represent the members interests in the election of a CEO and take strategic decisions for the club. However, the members' influence does not stop there. As the collected data imply, the members do not seem to trust their elected board of directors, nor the executives to take certain decisions. They exercise their influence by interfering in the day to day operations by exerting pressure on people in different positions as the figure below shows [figure 5].

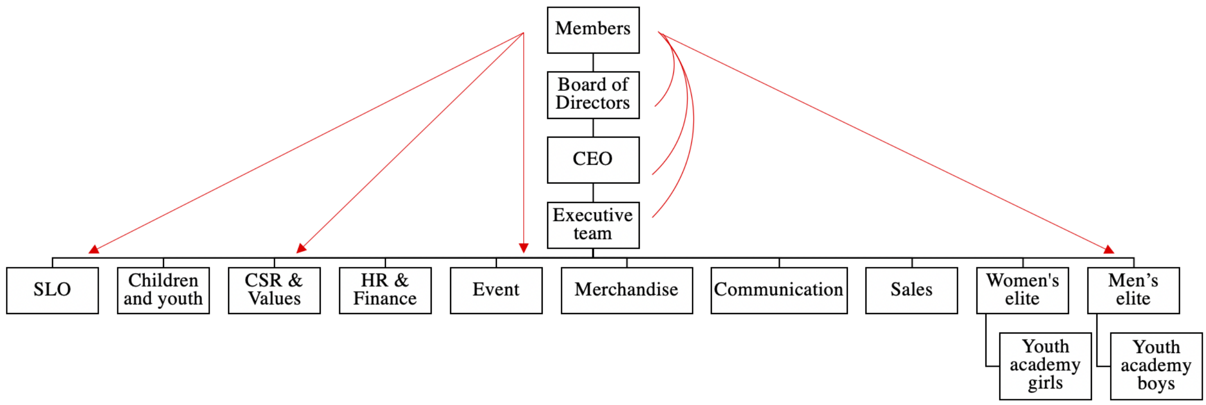

Figure 5. The members' influence in the organization.

Many of our respondents have been exposed to threats and harassments, coming from a specific group of supporters. This violent wing of supporters affect the executives in their day to day tasks. The board members, executives and employees mean that sometimes people in the organization do not dare to take certain decisions fearful of the consequences that might follow. The fear of threats and the high turnover of executives and board members hinders the organization from focusing on the long term solutions for the club (Harrison, Torres & Kukalis, 1988; Pfeffer & Salancik, 1978; Post, Preston & Sachs, 2002).

Both due to the members' influence and since ticket sales and the season-tickets represent one third of the total revenues, the members are an extremely important stakeholder to FClub. As the empirics show, the communication with the members of the club is rather reactive in nature, and mostly happens once the organization feels pressured to communicate with their members. This creates a lack of trust from members which make them more prone to exert their power on the club in both democratic ways, but also in heinous and flagrant ways. It is important for the club to understand what consequences this type of relationship with their single most important stakeholder brings. The club is extremely dependent on its members and the members have the upperhand in terms of power and they are not afraid to use it. Even though the club has this strategic SLO position whose role is to see to the interests of the supporter organizations, the majority of the members are not part of any organized supporter group and hence are neglected. This implies that the club only reaches the most engaged members, that share the specific supporter organization's values which vary a lot in terms of their profile. In turn, the power and influence of the supporter groups increases while other members' interests decline and are not represented enough. Executives and board members explain that it is difficult for the organization to reach the regular members, that is not part of any supporter group. From a stakeholder perspective, a stakeholders' influence on the uncertainty that an organization faces is a key determinant when looking at the priority of different stakeholders (Harrison & St. John, 1996). Based on the empirical findings, the supporter groups specifically have a lot to do with the uncertainty that the club faces since they have the ability to affect events, publications and decisions that may harm the organization. In addition, the supporter groups seem unpredictable in ways that increase uncertainty further (Henriques and Sardorsky, 1999). The organization never knows when a new crisis might occur.

In summary, due to the nature of the hybrid organizational structure, being a football club adhering to the 51% rule, the power of members is substantial and trickles down through the entire organization. The members not only exert their influence during the annual general meetings when voting on certain motions and deciding their board of directors, but they directly influence other departments within FClub as well. In regards to this power struggle and internal conflict, the members will always have the last say and ultimately win. In order for the club to operate efficiently without any disturbances in the flow of the everyday management initiative, the club must increase transparency and treat the members as the important stakeholder they are, by employing stakeholder partnering tactics (Harrison & St. John, 1996).

5.1.2 Board Governance

The board of directors serves an enormously important role within FClub. And even though the board of directors think the board is too big with too many members, it might be useful due to the complex environment that FClub is in (Coles et al, 2008). Due to the many stakeholders that influence the daily activities and the long-term strategy of FClub, the bigger board provides the club with imperative competences. The board is delicately constructed and its members specifically chosen for one or more areas of expertise and particular skills needed for the club (Hillman et al, 2000). These specific competencies within business, law, communication, experience with member associations, and experience with publicly traded companies all serve to help steer the organization in the right direction depending on the ever changing environmental pressures that fall upon them. These board members then, due to their specific skills, experiences, and competencies serve to reduce the uncertainties that the organization is facing by guiding the CEO and managerial teams with the right strategy for a long-term commitment to profitability and success (Peng, 2004).

However, the high volatility of the board of directors' position which is heavily influenced by supporter and members sentiments make it difficult to strategize about long-term, multi-mandate plans as the directors might only be sitting on their positions for one mandate. This problem is further enhanced by the specific rules that FClub has to adhere to being a publicly traded company. The catalyst for members' dissatisfaction and mistrust in the board of directors usually stem from either miscommunication or simply the lack of communication between the two parties. Since FClub is a publicly traded company, they have to adhere to additional rules about communication which limits how and what they can communicate with their members, which hampers this trust-based relationship from blossoming and creating problems for the board to strategize about limiting environmental uncertainties and dependencies (Ireland, Hitt & Vaidanath, 2002,).

As explained by the director of the nominations committee, the main capability of securing additional sponsors through an extensive business network is lacking. This fact, unfortunately furthers the dominant negotiating power of the members due to the club becoming more dependent on their season-ticket and regular ticket sales to meet their bottom line at the end of their season. These revenue streams are very dependent on tight collaboration and communication with the organized supporter groups of FClub, providing them with even more leverage and impact into the club's daily activities and course of actions. If the board of directors of FClub were able to bring in additional sponsors they would be able to reduce their dependencies on other specific parties of stakeholders as they would properly diversify their main revenue streams (Peng, 2004; Boyd, 1990). This has not been the case, however, since the position as a board member for FClub has lost its reverence in the public eye due mainly to supporters being so invested and strong-minded that the position might be worsening a person's CV rather than enhancing it if they were to be sacked after one year or not able to take any specific course of action because they were afraid of stepping on someone else's toes. The actions and reputation of the supporters reduce the willingness of resource-rich board members from accepting the position when given the opportunity, which further establishes the dominant power granted upon these supporters and members, creating some twisted dark-circle where they never lose their ability to challenge and guide the club.

5.1.3 Executive succession - reducing dependencies and uncertainties

Not only is the high turnover of the board of directors a problem, but likewise is the high turnover of the CEO and other executives in FClub. Since these additional positions are also very volatile, it becomes very difficult for the board of directors to strategize for long-term initiatives and directives, and oversee the implementation of their strategy when the top executives are frequently replaced at the club. These difficulties have caused a structural weakness within FClub where the top management prioritizes short-term initiatives to please the members and supporter organizations in order to simply keep their position and not get sacked or forced to leave.

This problem is further augmented by the lack of executive succession from one executive stepping down to another taking over (Harrison et al, 1988; Pfeffer & Salancik, 1978). Since most executives leave under less-than-optimal premises, they have not been able to leave any sort of legacy or strategy with the next succeeding person. There has been no process to ensure that business continues to operate efficiently without the presence of that key person holding that specific role, which has hampered the organization from sustaining excellence in CEO and executive leadership over time.

The environmental context from which the supporters and members of FClub are dominantly in control influences the power distribution of FClub's executives and staff (Pfeffer & Salancik, 1978). Since the CEO is the first executive to leave under pressure from the members, the power in that position is never able to materialize as it should do to that person not being able to fully govern and run the operations with its own will, but rather always have to listen to and be on good terms with the supporters. As executive turnover is related to how dependent an organization is to its environment, we find that it is the high dependence of the board of directors and the CEO of the members of the organization that causes the increased rate of executive turnover (Harrison et al, 1988).

5.2 Reducing uncertainty through interorganizational relations

Partnerships with various companies are of high importance for the organization in terms of resource acquisition as sponsorships represent one third of the total revenues of FClub. From the empirics, both the executives and the main sponsors seem to agree that the partnership is working very well, and that it is an actual partnership rather than a transactional relationship they have. The club seems to be able to surpass the expectations from the partners continuously in many different ways. However, executives and different sponsors acknowledge the fact that building such partnership takes time. One of the newest main sponsors of the club mentions the initial lack of trust from FClub's side in the beginning of their business relationship. This sponsor had to earn the trust from FClub, and over time the relationship that was more of a transactional relationship has turned into a real partnership. Trust-based relationships need to be developed in order to reach the full potential of the alliance, generating value for both sides (Ireland, Hitt & Vaiyanath, 2002). This has been evident throughout FClub's main partners.

Considering that the financial compensation from sponsors is significant, the club is highly dependent on them. From a stakeholder perspective, the partners should be prioritized since they reflect a big part of the uncertainty that the club faces (Harrison & St. John, 1996). As described in the empirical findings, one of the ongoing challenges for the club is to obtain financial resources to be able to excel as a football club. In the theoretical field of resource dependency, researchers discuss mutual and asymmetric dependence (Pfeffer & Salancik, 1978; Casciaro & Piskorski, 2005). The emprics show that dependencies between the club and the different partners are asymmetric, which according to research results in constraints in behaviours which affect organizational decisions (Pfeffer & Salancik, 1978). Empirically we see that the partners put pressure on the club, specifically regarding CSR initiatives. The partners demand the club to actively contribute to the society, through different initiatives. Compared to other football clubs in Sweden, the FClub has historically been a role model in terms of working with values and CSR initiatives. With that in mind, it is difficult to say if these social responsibilities and value-creating activities have always been a priority of FClub, or if it is simply something they started with in order to more easily attract partners or have been forced upon them by existing partners. Since these corporate partners support FClub financially through these partnerships, they could have easily played an important role in facilitating this do-good mindset and additional CSR-initiatives. Nevertheless, we see that the organization employs strategies to reduce dependence and uncertainty by jointly working together with the partners on different initiatives and campaigns to make a difference for people with inclusion and equality as the guiding principal values.

6. Conclusions

In this chapter we present 6.1 summarized contributions, 6.2 managerial implications, 6.3 limitations, and 6.4 suggested future research.

6.1 Summarized contributions

This case had shed further light on how hybrid organizations align their internal management directives and activities to match and adhere to their environmental uncertainties and dependencies on both internal and external stakeholders. There has previously been very finite research on how sports organizations act within these parameters to balance the cultural and commercial aspects of its organization while complying to the demands of members, supporter groups and corporate partners. All of which seem to have conflicting directives for the club. We see that the members' influence on the club far exceeds that of just a body of people voting on who the board of directors should be. The members' overarching power directly influences other main departments within FClub, and they always want to be heard and regulate the daily activities and directives of the club. This influence causes major turnover problems both for the positions of the board of directors but also for the top executive and management teams of FClub. This high turnover further increases the environmental uncertainties of the management team, not allowing them to focus on long-term strategies for sustainable performance and financial success, but rather prioritizing short-term initiatives to please the members. The increase in the environmental uncertainties as a direct consequence of the members' actions causes FClub to invest more into their other corporate partnerships in order to try reduce other uncertainties that are connected with the resource dependencies they have. These partnerships have become trust-based, and include several collaborative CSR-initiatives, turning the transactional based relationship into a trust-based partnership. This case highlights the ideological disunity between the cultural and ideological standpoint of the members and the commercially driven directives and actions by the management and executive teams needed in order to drive the football club forward. These two different standpoints and mindsets casts further uncertainty over FClub, and the repercussion being a disturbance in the power distribution within the organization.

6.2 Managerial implications

These findings in this case are relevant for a wide range of actors working either together with or within a hybrid organization or in a sports organization. On a general level, we are able to see how much influence the members of the hybrid organization have and how it affects its overall organizational structure and hierarchy of power. In order for management to reduce the uncertainties that these members disseminate throughout the organization, they need to prioritize the different and most relevant groups of members and open up communication channels with them in order to be working proactively with them on certain directives and initiatives rather than reactively. Management should also actively push the members to open up communication channels or forums for dialogue both between themselves but also with other minority shareholders and corporate partners of the sports organization with the ambition of working out a general plan for the future. This kind of general plan would be focused on bigger-picture, long-term strategic directives and initiatives that would serve as an overarching moral guideline to the organization in their decision-making processes and daily activities. This would serve two main purposes. First, it would limit the short-term, emotionally driven proposals that are being raised during the annual general meetings that could have negative consequences on the long-term development of the organization. Secondly, it would advocate for more members to join these annual general meetings and influence the decision making taking place in the club in order to have these meetings be more representative of the entire membership base, and not only of the most dedicated members, which in this case are the members who are part of the different organized supporter organizations.

Furthermore, based on the findings we see what an immense benefit it is for a sports organization to invest in CSR-initiatives. Not only does this provide them with a sound foundation on which it can stand on when looking at potential new partners. It also helps them establish a more trust-based and ingrained partnership from otherwise relationships that are only transactional in nature with other organizations. We see the tremendous effect that co-creating CSR-initiatives have on a partnership, which serves to reduce the power imbalances between the two actors. Ultimately, these initiatives further reduce the uncertainty otherwise engrained in resource dependencies between two actors. However, it is apparent in this case that these CSR-initiatives easily go unnoticed in mainstream media. Therefore, it is important that the management teams work directly with their communications department to ensure that they publish accurate and detailed information about the club's amazing directives and social responsibility initiatives.

6.3 Limitations

Due to the explorative nature of this qualitative study, it is difficult to transfer the contributions and implication to the whole sports industry or to every hybrid organization. This is also partly due to the extremely specific case that we have studied, namely FClub, a hybrid sports organization adhering to the 51% rule while being a publicly traded company. Here the members are the majority shareholders, and the minority shareholders who supply the financial contributions do not have that much influence in the organization. Another limitation is that we only chose to interview a limited number of internal and external stakeholders to the club. Expanding our pool of interviewees might have expanded our insights into the intra- and interorganizational relationships surrounding FClub.

6.4 Suggested future research

This study opens up many new interesting avenues for future research projects. Future research could include a multi-case on similar hybrid sports organizations and try to distinguish between good and bad practices, and establish causal relationships between both internal and external stakeholders. In addition, a quantitative study could provide insights into the relationships of certain CSR-initiatives and their potential correlation or causation with revenues generated from sponsors, and if such initiatives have any impact on the sentiments involving the organization from the stakeholders' point of view.

7. Sources

7.1 Academic papers

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8. Appendix

8.1 Appendix 1: Interview guide

Questions	Executives	BoD	Partners	Employees	Members	Supporter groups	Nomination Committee
We know that you have been working at XXX as XXX and now you're XXX, please tell us shortly about that journey.							
Would you want to describe your connection to the FClub?							
What are the biggest risks for a club like FClub?							
Tell us about the organizational structure of the club and where are you in it? To whom do you report your work to?							
Who sits on the most power in the organization and what does the power hierarchy look like?							
Which internal stakeholders are the most important for you and your department?							
How do you work with them and in what areas?							
What kinds of demands do you have on them and them on your? How are you affected by them?							
What type of relation do you have with the board of directors?							
How close contact do you have with the executives of the FClub?							
Which external stakeholders would you say is the most important for the club in general and for your department specially?							
Tell us how the partnership has evolved and what your relationship looks like.							
What common goals do you have with them?							
How close is your relationship?							

How often are you in contact with the FClub/partner/supporter groups, and how do you develop your relationship?							
What do you think the partner/organization gets out from the partnership?							
What kinds of resources exchanges happen between you and the partner/organization?							
What has been the most challenging in the partnership?							
Is there something you would like to add, or is there something you feel that we have missed that you would like to tell us about?							