BUDGETING AS A TOOL TO MANAGE CONFLICTING INSTITUTIONAL LOGICS

THE CASE OF SWEDISH ELITE FOOTBALL CLUBS

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Abstract

The study aims to explore how top management within Swedish elite football clubs perceive the institutional logics present within the organization and how the budget is used as a tool to mitigate the conflicts between these logics. The three main logics present are social welfare logic, sports logic and business logic. By doing a multi-case study and applying the lens of institutional theory the study seeks to understand how these clubs use different strategies to manage these tensions. To answer the research question, semi-structured interviews with eight different clubs have been conducted. The findings provide evidence for four strategies previously mentioned in literature: collaboration strategy, compromising strategy, separation strategy and decoupling strategy. In addition, the study contributes to existing literature by revealing a new strategy, postponing strategy, which clubs commonly adopt during periods of high uncertainty. Furthermore, two new variants of the collaboration strategy have been identified. The study demonstrates that football clubs are exposed to several conflicting institutional logics but that the budget often functions as a means to mitigate these, extending its role beyond that of a mere financial tool.

Keywords:

Budgeting, Institutional Logics, Managing Institutional Complexity, Hybrid Organizations, Football clubs

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Contents

1. Introduction

Sport and especially football have a big community of enthusiastic and devoted fans. Stenling (2014) even argues that sport is an important part of the Scandinavian welfare model which is evident in the extensive government support on both a national, regional and local level. In Sweden, football represents one third of all sports, (EY, 2023) and is one of the sports in Sweden with the highest level of commercialization (Carlsson-Wall et al., 2016).

Stenling (2014) further explains the Swedish sport landscape consisting of over 200 000 voluntary sports clubs (VSOs) that engage with one-third of the Swedish population. VSOs are non-profit organizations that were historically established on the principle of amateurism, however, as the Swedish sports sector has evolved towards market interests and commercialization, the dynamics have shifted. Today elite football clubs can operate as modified sports limited liability companies. However, they are still obligated to have at least 51% of their shares owned by members, who must also retain proportionate voting rights. This form of "Social Ownership" serves as a reminder of the historical perspective on football rooted in amateurism and keeps the members in control of the clubs rather than wealthy investors. This contrasts with other football leagues such as the Premier League that allows unlimited amounts of capital inflow from external investors. The shift towards a higher degree of professionalism is also evident in Sweden, where the total revenue in the top league, Allsvenskan, reached 2.7 billion SEK in 2023, reflecting a 2% increase compared to 2022. Additionally, the percentage of transfers relative to total revenue has significantly increased, more than doubling over the past decade. In 2023, transfers amounted to 596.5 million SEK, compared to 244 million SEK in 2016 (EY, 2023; EY, 2017). This represents a remarkable increase of 144% over eight years. In addition, the league´s total equity continues to grow which enhances the financial stability of the clubs and allows them to develop the operations and increase investments (EY, 2023). Historically, several clubs in Allsvenskan have faced financial challenges. While the total equity in the league shows an upward trend, its distribution among the clubs remains highly uneven, with six out of sixteen clubs accounting for 84% of the total equity (EY, 2023).

Carlsson-Wall et al. (2016) highlight that football organizations face two primary institutional logics, the pressure for outstanding sports performance and the demand for financial stability and success. In addition, as a consequence of the 50+1 rule and the strong culture for VSOs, football clubs are also exposed to a social welfare logic proposed by Battilana et al. (2010). The three logics present in football clubs are therefore the social welfare logic, business logic and sports logic. Furthermore, as argued by Carlsson-Wall et al. (2017), budgeting was identified as a crucial part of the management control systems within sports organizations. The budget allows the clubs to plan the future revenue and costs. The various competing logics identified within football clubs, such as balancing financial stability, investments, player sales, sports performance, and community satisfaction, make it particularly interesting to study how the budget can serve as a tool for managing these conflicting tensions.

Several studies have previously explored the connection between accounting and sports, including those by Clune et al. (2019), Baxter et al. (2019), Carlsson-Wall et al. (2016), and Almersson et al. (2020). These studies primarily focus on how competing logics influence budget practices and processes rather than examining how the budget is used to mitigate conflicting logics, which is the focus of this study. Moreover, there is a growing demand for research on how organizations with institutional complexity, so called hybrid organizations, navigate unexpected challenges (Carlsson-Wall et al., 2017). Clune et al. (2019) underscore the increasing prevalence of hybrid organizations and stress the need for further investigation in this area. Specifically, they call for studies that examine organizations aiming to provide social value and explore the role of accounting in helping these organizations to maintain their hybrid nature over time.

Greenwood et al. (2011) emphasize that organizations experience institutional complexity in diverse ways and to varying degrees, leading to different reactions. Factors such as ownership structure and organizational identity can heighten sensitivity to specific logics. Swedish football clubs are particularly interesting to study due to their unique ownership structures and their strong historical ties to community identity. In addition, the findings in football organizations can be of interest to other hybrid organizations and the institutional complexity that they face. Thus, this study aims to answer the following research question:

How do top management in Swedish elite football organizations perceive the institutional logics present in the clubs, and how can the budget be used as a tool to manage tensions between these logics?

We conduct a multi-case study on eight football clubs in Sweden´s top league Allsvenskan. Using an abductive research process and conducting semi-structured interviews with participants holding various roles within the clubs, the study focuses on identifying the main institutional logics present in the organizations and how the budget process is used to mitigate these conflicting logics.

The empirical data showed that football clubs are exposed to primarily three different logics: the social welfare logic previously identified by Battilana et al. (2010) and the business logic and sports logic, mentioned by Carlsson-Wall et al. (2016). The result also indicated that the budget was used to mitigate the conflicts between these logics through the strategies previously mentioned in literature: collaboration strategy, compromising strategy, decoupling strategy and separation strategy (Reay et al., 2009; Carlsson-Wall et al., 2016). The findings therefore complement and contribute to previous literature about mitigating institutional logics by identifying one new strategy named postponing strategy as well as identifying two new versions of the collaboration strategy: top-down collaboration strategy and bottom-up collaboration strategy. Previous studies conducted in a Swedish context have used single-case studies, which provide in-depth insights into empirical phenomena but may lack generalizability. Since a multi-case study of the Swedish field has not yet been conducted, our research aims to expand the current understanding of budgeting within football clubs. Furthermore, as football clubs can be defined as hybrid organizations, the findings contribute to the previous literature of budgeting within hybrid organizations (Carlsson-Wall et al., 2016; Kaufman et al., 2019) and how an organization exposed to several different competing logics uses the budget process to mitigate conflict.

2. Literature review

2.1 Institutional Logics

Researchers have consistently maintained that organizations need to adapt to a variety of institutional pressures. In foundational studies, Selznick (1949) examined how organizations react to different expectations arising from their external surroundings, while Cyert et al. (1963) focused on the diverse responses to conflicting demands from internal factions. Meyer et al. (1977) further underscored that the multiplicity within the institutional landscape often results in internal organizational structures that are frequently incompatible. Moreover, building on the foundation of institutional theory is the concept of institutional logics that was originally developed by Friedland et al. (1991).

Institutional logics are defined as the frameworks of beliefs, values, and practices that shape the behaviour and decision-making processes of individuals and organizations within a specific institutional context. They represent the different repertoires of justifications that actors use to make sense of their actions and rationalize their choices (Thornton et al., 1999). Friedland et al. (1991) developed the initial theoretical concept of institutional logics and argued that society is split up into different institutional orders and that the types of institutional logics that are present vary depending on which domain you investigate. Examples of different domains Friedland et al. (1991) mention are family, religion, market and state. Moreover, they argue that the logics of institutional orders are simultaneously interdependent and contradictory. This implies that the logics can interact, compete and conflict one another within the broader interinstitutional system.

The literature on institutional logics presents two contrasting perspectives regarding the coexistence of competing logics within organizations. One body of research posits that competing logics cannot sustain themselves in the long-term. Instead, one logic will ultimately prevail, leading to the adoption of a dominant logic within the field (DiMaggio et al., 1983). Conversely, another strand of literature argues that rivalry between logics can be effectively managed, allowing for the coexistence of competing logics over extended periods (Reay et al., 2009). This view emphasizes that organizations can maintain multiple logics without one necessarily overpowering the others, suggesting that such coexistence can be stable and enduring (Reay et al., 2005). Thus, while some scholars foresee a resolution in favour of a dominant logic, Reay et al. (2005, 2009) highlight the potential for ongoing coexistence among competing logics within organizations.

In summary, institutional logics are frameworks of beliefs, values, and practices that influence the behaviour and decision-making processes of individuals and organizations within specific contexts. Within organizations, these logics can compete, interact, and conflict with one another, creating a complex landscape of institutional pressures.

2.2 Football Clubs as Hybrid Organizations

A common name for organizations that are exposed to multiple institutional logics are hybrid organizations (Battilana et al., 2010). Hybrids inherently embody contradictions. For example, social enterprises aim to fulfil a social mission through commercial activities, placing them in a position where they must navigate conflicting demands from both market logic and social welfare logic. They face critical decisions such as whether to register as for-profit or non-profit entities, whether to distribute profits to owners or reinvest them into their social mission, and whether to employ paid professionals who prioritize efficiency or rely on volunteers who are deeply committed to the mission. Similar to social enterprises, all hybrid organizations must find strategies to manage the various demands they encounter (Pache et al., 2013). In the complex environments with multiple institutional logics, it becomes difficult for the organization to define what goals that are appropriate, and which means that are legitimate to achieve these goals (Thornton et al., 2008). Furthermore, an even more complicated form of hybridity is when organizations from different sectors collaborate to achieve common outcomes but with multiple objectives (Zollo et al., 2022). The fact that hybrid organizations are exposed to long-term institutional pluralism requires them to consider competing logics over the long run rather than temporarily.

Football clubs are complicated from an institutional perspective because they are composed of multiple institutional logics. Football clubs can be seen as entities that combine logics from both the private business sector, focused on maximizing financial returns for shareholder owners, and the nonprofit sector, which emphasizes social goals, where the organization is owned by its members and primarily generates revenue from membership fees (Thornton et al., 2012). The competing institutional logics in football clubs can broadly be categorized into three main groups: sports, business, and social welfare logics. The interplay between sports and business logics in football clubs has been previously explored by for instance Carlsson-Wall et al. (2016), while the social welfare logic has been discussed by Battilana et al. (2010). Carlsson-Wall et al. (2016) defines the sports logic as the institutional demands for success in athletic performance, while the business logic relates to the institutional requirements for financial performance. Financial performance encompasses objectives such as maintaining a balanced budget, achieving a specific equity ratio, and ensuring a satisfactory return to shareholders. The social welfare logic is explained by Battilana et al. (2010) as for instance consisting of the pressure to fulfill the members desires and adhere to the association culture.

This institutional pluralism requires football clubs to navigate and balance multiple logics that often pull in different, and sometimes conflicting, directions (Gillett et al., 2018). According to Polzer et al. (2016), hybridity arises in organizations operating within environments that encompass diverse rationalities and, in this context, football clubs can be considered a prime example of hybrid organizations.

Furthermore, Gillett (2018) has examined the interplay between the business and social welfare logic in football clubs and argues that clubs combine elements of commercialism and community engagement, reflecting the dual pressures of generating profit while also fulfilling social and cultural roles within their communities. This hybrid logic contrasts with the more traditional institutional logics identified by Thornton. Thornton's original framework emphasizes clear boundaries between these logics, whereas Gillett (2018) suggests that football clubs navigate a more complex landscape where these logics intersect and influence one another.

Continuing with the interplay of social welfare and business logic in football clubs, Agostino et al. (2023) conducted a study on how the blending of different governance structures in clubs affects the club’s ability to manage the tension between financial and non-financial performance expectations. They concluded that clubs operating with a 100% profit driven model also recognized the importance of social value and community impact. Thus, the governance structure as such did not necessarily impact how the club perceived and prioritized between social values and maximizing profits. Lastly, Agostino et al. (2023) concluded that the increasing professionalization and commercialization of football have intensified the tension between financial and non-financial performance, requiring clubs to navigate these pressures while still contributing positively to their local communities.

Following this, Clune et al. (2019) examined an Irish amateur sports organization to understand the role of accounting in navigating the coexisting and conflicting institutional logics while maintaining amateurism. Similar to Agostino et al. (2023), their study focused on the interplay between social welfare logic and business logic. This maintenance of amateurism can to some extent be compared to the 50+1 rule where the purpose is to keep the ownership with the members and prevent commercialization from becoming too dominant in Allsvenskan. Clune et al. (2019) found that financial reporting played a conflicting role within the sport organization when they tried to maintain the amateur status and when the social welfare logic and commercial logic was coexisting.

In addition, football clubs face not only tensions between business and social responsibilities but also constant pressure to perform from a sporting perspective. In contrast to Gillet et al. (2018), Agostino et al. (2023) and Clune et al. (2019), Carlsson-Wall et al. (2016) focused on the interplay and coexistence between the business logic and the sports logic. This study showed that sports and business logics at times compete with each other but that they in other situations are in harmony. Carlsson-Wall et al.

(2016) argue that compatibility of the sports and business logic vary not just between fields and organizations as is often showed in the previous literature, but also vary much between situations within the organization. The reason behind this is that some situations demand actions that result in an outcome where the two logics automatically align while other situations require courses of action that are in line with one logic but in conflict with others.

In short, football clubs can be classified as hybrid organizations due to their exposure to multiple competing institutional pressures. In their daily operations, clubs must simultaneously manage tensions arising from social welfare, business, and sports logics. This complexity is further heightened in specific situations and contexts where conflicts between the logics become particularly pronounced. As clubs strive to balance the demands of financial performance with their social responsibilities and athletic ambitions, they embody the complexities of hybridity, navigating a landscape where diverse objectives must be reconciled to achieve sustainable success.

2.3 Budget as a Tool to Manage Competing Logics in Hybrid Organizations

Carlsson-Wall et al. (2016) highlight that budgeting in sports organizations is part of the business logic of institutional demands. In addition, budgeting was identified as a crucial part of the management control systems within these organizations (Carlsson-Wall et al., 2017). The budget process in hybrid organizations provides an interesting lens of analysis for managing institutional complexity. Kaufman et al. (2019) conducted a study on the role of budget practice as a tool to manage competing institutional logics and pressures for organizational change. More specifically they investigated formal and informal budget processes as strategies to manage institutional complexity over time. They frame organizational budgetary change as a critical intra-organizational process. Moreover, a budget can be considered to act both as a material and symbolic document. The budget does not only allocate resources and establish performance expectations but also play a symbolic role in formalizing and legitimizing specific actions and power structures. The budget process acts as a vital link between various political spheres, serving as an effective tool for analyzing institutional change (Friedland et al., 1991). Kaufman et al. (2019) primarily focused on the function of budgets in navigating the tension between the rational outcomes promoted by external funding sources and the priorities set by internal professionals. The effect of this pressure on budgeting practices, and more broadly on the organization, largely hinges on its capacity to manage the conflicts arising from these coexisting institutional logics. Therefore, Kaufman et al. (2019) found the mechanism used by organizations to manage these tensions in times of change to be of particular interest to further investigate.

Kaufman et al. (2019) further found in their study that both formal and informal budgetary practices can be used as strategies to manage institutional complexity. The budget process can act as a forum for debate and compromise, allowing organizations to navigate the tensions between competing logics effectively. Formal budgeting practices are structured and provide a clear framework for financial planning whereas informal budgeting practices are centered around flexibility and adaptability and allow for quicker adjustments and creative problem solving through more open communication and engagement among stakeholders. Thus, hybrid organizations could benefit from adopting informal budgeting practices alongside more formal practices. Moreover, Kaufman et al. (2019) highlight the importance of stakeholder engagement in the budgetary process. Hybrid organizations can benefit from fostering a culture of collaboration and open communication, which can lead to greater commitment to budgetary goals. This engagement can help align the interests of various stakeholders and mitigate conflicts.

In summary, previous research have shown that the budget serves as a valuable tool for managing the tensions between institutional logics in hybrid organizations. In football clubs, it can play a particularly crucial role by facilitating open communication and stakeholder engagement, thereby fostering a forum for debate that helps to mitigate conflicts between competing logics.

2.4 Managing Rivalry between Institutional Logics

Previous literature, for instance Greenwood et al. (2011) present that organizations adhere to the challenges with competing institutional logics by either keeping the logics separate or by reconciling them internally. They point to the fact that the pattern of institutional complexity is never fixed and can change and be shaped by processes within the organization. Newer organizations that are constantly evolving are argued to have a sharper contestation between the logics and the different logics are either “off or on”. In contrast, older, more mature organizations, have developed more stable priorities between the different logics. However, over time, organizations can change, allowing new ideas to emerge that enable the introduction of new logics or the reprioritization of existing ones. Greenwood et al. (2011) further propose that the prioritization of different logics will depend on the relative power of the representatives of each logic.

A similar view is also proposed by Thornton et al. (1999) which contend that within an organizational field, multiple logics can coexist, although one typically emerges as dominant. When an organization operates within a shifting institutional landscape, it is likely to experience a transition in its dominant logic (Kitchener, 2002). However, there are instances where competing logics persist for extended periods leading to ambiguity regarding how these multiple logics can foster stability in the daily activities of organizational actors (Reay et al., 2005). The extent to which an organization perceives the coexistence of multiple institutional logics as problematic is influenced by the specific field in which it operates and how these logics are introduced and interpreted by field-level actors. Within any given field, organizations may experience varying levels of tension between different logics, largely depending on how these logics are enacted internally (Greenwood et al., 2011). Interestingly, the same set of logics can lead to tensions in certain contexts while remaining harmonious in others. Some situations may present courses of action or events that simultaneously support multiple logics, whereas others may align with one logic at the expense of conflicting with another. Consequently, it can be concluded that, at the organizational level, logics are not inherently compatible or incompatible. Instead, their compatibility is contingent upon the priorities assigned to them in different situations (Greenwood et al., 2011).

Reay et al. (2009) examined how actors navigate the challenges posed by competing institutional logics and identified four mechanisms for effectively managing this rivalry. These mechanisms include jointly innovating in experimental sites, fostering collaborative relationships, maintaining separate identities, and engaging in pragmatic collaborations. Additionally, Carlsson-Wall et al. (2016) present strategies for managing tensions between institutional logics, referred to as organizational tactics. These tactics consist of compromising, structural differentiation, and decoupling. By combining the mechanisms described by Reay et al. (2009) with the tactics outlined by Carlsson-Wall et al. (2016) strategies for managing competing institutional logics can be categorized into collaboration strategies, separation strategies, compromising strategies, and decoupling strategies. Following, the four combined strategies will be described and presented, and they will subsequently serve as the theoretical framework for analysing conflict mitigation throughout the thesis.

2.4.1 Collaboration Strategy

Drawing on the findings by Reay et al. (2009), a collaborative approach can be interpreted as partnerships where different actors work together towards common goals while recognizing their distinct roles and contributions. In collaborative relationships, there is often a shared purpose or objective that brings actors together. While they may have different logics guiding their actions, they engage in dialogue and cooperation to achieve outcomes that benefit all parties involved. Reay et al. (2009) showed in their study that these collaborative relationships where actors maintain their independence could help managing rivalry between competing logics within the organization. When actors collaborated to achieve short-term goals, they ultimately developed new institutional arrangements that allowed competing logics to coexist. Reay et al. (2009) also argued that encouraging the actors' separate identities instead of focusing on creating a common identity in many cases created a stronger foundation for effective collaboration. In many situations, forming collaborative relationships is essential for organizational success, as it helps mitigate the adversarial nature of competing logics and fosters a focus on shared objectives. However, implementing a collaborative approach can be challenging if the underlying logics are fundamentally incompatible, in which case alternative strategies may be necessary to resolve tensions.

2.4.2 Separation Strategy

Keeping logics separate and allowing actors with different interest to work independently without integrating other competing logics can be a second strategy to handle institutional complexity. Reay et al. (2009) emphasises that the separation strategy implies that it is important that actors retain their distinct identities and roles while engaging with others. Maintaining separate identities could imply that while actors may collaborate, they do not merge their identities or fully integrate their logics. Each actor continues to operate under their own set of beliefs and practices, which can lead to a more authentic representation of their interests. The separation strategy mentioned by Reay et al. (2009) can be argued to share some common traits with the structural differentiation strategy mentioned by Carlsson-Wall et al. (2016). The structural differentiation strategy involves dividing an organization into various subunits, each capable of operating independently and responding to the specific demands of their respective institutional logic (Greenwood et al., 2011). As indicated by the term, this structural strategy is designed to manage institutional complexity by anticipating future decisions and actions, thus preventing scenarios where an individual must simultaneously address conflicting institutional demands. However, a key challenge of this strategy is the inevitable need for some level of integration among the subunits, as they are all part of the same organization (Greenwood et al., 2011). The need for integration can arise when interdependencies develop between the units, meaning that the actions or decisions of one unit can affect another. Additionally, the organization will eventually need to allocate resources appropriately across the subunits, which requires a comparative assessment of their needs. In essence, structural differentiation necessitates a degree of compromise at the organizational level (Carlsson-Wall et al., 2016). For further analysis in the thesis, we will integrate the concepts from Reay et al. (2009) and Carlsson-Wall et al. (2016), positing that different departments or actors within the clubs adhere to their specific logics when engaging with one another. We will further refer to this phenomenon as a separation strategy.

2.4.3 Compromising Strategy

Carlsson-Wall et al. (2016) also find compromising as a strategic approach to navigate the complexities of competing institutional logics. This strategy involves intentionally forgoing complete adherence to one particular logic in order to partially satisfy the demands of others (Kraatz et al., 2008; Pache et al., 2013). By embracing compromise, organizations can create a balanced framework that accommodates the diverse needs of various stakeholders. One effective way to implement this strategy is through structural compromise, where organizations integrate elements such as governance, control systems, rules, and routines from multiple logics. This integration allows organizations to address the requirements of different logics simultaneously, even if they do not fully adopt every practice or structural component associated with each logic. In essence, organizations can maintain a degree of flexibility while still responding to the pressures exerted by various institutional demands (Carlsson-Wall et al., 2016).

Chenhall et al. (2013) emphasize that, in certain cases, the compromising strategy is situation-specific, meaning that it is not always possible to establish a predetermined approach for how to compromise between competing logics. Specific circumstances may arise that necessitate a different prioritization of interests. Structural compromises cannot dictate behavior in every situation; there will inevitably be instances where ad hoc compromises must be made. These compromises may serve to reinforce the structural strategy, deviate from it, or address the gaps that inherently exist within any structural framework. When such situations occur, compromising becomes a response tailored to the context at hand, highlighting the need for flexibility in managing competing logics (Chenhall et al., 2013).

For instance, in a structurally differentiated organization, decision-makers face the challenge of allocating resources among different units during the budget process. Carlsson-Wall et al. (2016) highlight that this allocation often necessitates a compromise, as each unit represents distinct institutional demands. By carefully considering the needs of each unit and making informed trade-offs, organizations can effectively manage competing logics while ensuring that no single logic dominates the decision-making process. Ultimately, compromising allows organizations to navigate the tensions inherent in multiple logics, fostering an environment where diverse interests can coexist. This strategic approach not only helps in balancing conflicting demands but also enhances the organization's ability to adapt and thrive in a complex institutional landscape (Carlsson-Wall et al., 2016).

2.4.4 Decoupling Strategy

Decoupling is another strategic approach identified by Carlsson-Wall et. al (2016) for organizations to manage tensions that arise from competing institutional logics. This strategy involves prioritizing the values, objectives, and practices associated with one particular logic while only symbolically adhering to the demands of other logics. This concept, early explored by Meyer et al. (1977), highlights the intentional gap that can exist between an organization's stated commitments and its actual practices (Brunsson, 1989). In a decoupling strategy, organizations may publicly demonstrate their alignment with multiple logics through various means, such as issuing reports or statements that reflect adherence to these logics. However, the day-to-day operations may be guided by the principles of a different logic altogether. This creates a scenario where the organization appears to comply with external expectations while maintaining a distinct internal focus.

Decoupling can also manifest in a more situational context. When faced with specific institutional demands, an organization may respond symbolically to these pressures without making substantial changes to its practices. This selective adherence can lead to what is often referred to as hypocrisy, where there is a noticeable disconnect between the organization's stated intentions and its actual behaviours. Such hypocrisy arises from the multitude of conflicting demands that organizations encounter, making it essential to identify the inconsistencies between what is professed and what is practiced (Brunsson, 1985; 1989). By employing decoupling as a strategy, organizations can navigate the complexities of competing logics, allowing them to maintain operational flexibility while managing external expectations. This approach enables organizations to address institutional pressures without fully committing to every demand, thereby creating a buffer that helps mitigate the tensions inherent in a multifaceted institutional environment (Carlsson-Wall et al., 2016).

To summarize, organizations exposed to multiple logics must develop strategies to manage the tensions between these logics, as their coexistence is essential for long-term survival. In some situations, different logics may align perfectly, while in others, tensions can arise, necessitating effective conflict management strategies. The study will examine the budget process in football clubs, a context where various situations demand conflict management between the sports, business, and social welfare logic. We will employ the identified collaboration, separation, compromise, and decoupling strategies to analyse how clubs navigate and mitigate these conflicting logics in the budget process.

3. Method

3.1 Research Design

The study has been carried out as a qualitative multi-case study to answer the research question. The qualitative research method is preferred when the aim of the paper is to explore meanings and interpret complex phenomena (Saunders et al., 2019). The study adopts an interpretivist research philosophy which was considered appropriate as the participants in the study come from diverse backgrounds and circumstances, leading to different interpretations and construction of social realities. Moreover, the study aims to develop a richer understanding and interpretation of the social world, specifically within the context of football clubs, aligning closely with the interpretivist view, (Saunders et al., 2019). The research process follows an abductive approach where empirical data was subsequently tested against the existing theoretical framework, leading to a modified version of the theory. Using an abductive approach is suitable when trying to theorize and contextualize the empirical findings in a complex setting, (Bell et al., 2019), which the budget process in football clubs represent (Carlsson-Wall et al., 2016).

The process started with a broader question based on the tensions and conflicts of interests that were observed in football clubs. After analysing the data from two preparative interviews and several interviews with the management in the clubs, the theoretical framework of institutional logics was deemed suitable. This further shaped the research topic into examining which institutional logics that are present in football clubs and further how the tensions between these are managed.

Although case studies can be criticized for not providing scientific generalization it is preferred when making context-specific interpretations. Dubois et al. (2002) and Bell et al. (2019) argue that drawing insights from a specific case should be considered a strength rather than a weakness, as in-depth case studies offer the best understanding of a phenomenon. Since previous research in the field of budgeting, accounting and sports in the Swedish field have been carried out by single-case studies, further research points towards doing a multi-case study of the elite teams in Allsvenskan. When doing a case study, the aim is to understand the dynamics in the specific setting or context. In this study it is the context of elite football clubs. A multi-case study approach allows for comparisons between different clubs, which is of specific interest given that the clubs studied in the paper vary in size and characteristics. Multi-case studies are also argued to ease the process of perceiving patterns and different cases often emphasize complementary perspectives of a phenomenon. Eisenhardt (1991) highlights that by piecing together these individual patterns from the multiple cases, the researcher can develop a more comprehensive theoretical understanding. Doing a multiple-case study also makes it possible to identify the uniqueness and common elements across the cases, leading to a more comprehensive theoretical reflection of the findings (Bell et al., 2019).

3.2 Data Collection

To examine how Swedish elite football clubs work with their budget processes, semi-structured interviews was conducted with eight different clubs in the men´s top football league Allsvenskan. Using semi-structured questions allowed for the interviews to be more flexible, and the focus could be adjusted during the interview depending on the respondent's answers (Bell et al., 2019). This type of interview was used to gain a deeper understanding of the subject and to facilitate follow-up questions. Bell et al. (2019) further argue that conducting semi-structured interviews is favorable when using a multi-case study. In preparation for the interviews an interview guide consisting of broad questions was developed which can be found in Appendix 1. The interview started with more general background questions about the specific club and the position of the participant within the club. The interview guide was then divided into two themes. The first theme focused on the club´s finances, ownership structure and objectives, with underlying questions designed to gain a deeper understanding of the club´s daily operations. The second theme focused on the budget process itself, including underlying questions aimed at providing a detailed description of the process, the individuals involved, and the challenges it presents. Following the approach recommended by Bell et al. (2019), one author was leading the interview while the other one was responsible for notetaking and asking follow-up questions.

The interviewed clubs vary in size, in terms of revenue and equity and also distinguish themselves by the current standing in the league. This makes it possible for later comparison and give greater perspectives on the differences between the clubs. A total of sixteen interviews were conducted with club representatives occupying various positions within the organization. To select an appropriate sample of relative individuals in the organization a combination of purposive- and snowball sampling described by Bell et al. (2019) was used. As a first step, either the CFO or the CEO in all clubs in Allsvenskan were contacted. Out of these, one representative from eight different clubs participated with a first interview. To get a wider perspective and deeper understanding of the budget process, we asked for additional relevant participants in the club at the end of each interview. Talking with multiple individuals holding various positions involved in the budget process in each club provided us with a more nuanced and multifaceted understanding. Since Swedish was the native language of all participants, all interviews were conducted and transcribed in Swedish, and the quotes were later translated into English. An overview of the conducted interviews can be found in Appendix 2.

The interviews were conducted both online and face-to-face. When feasible and without geographical constraints, the interviews were conducted in person. As Saunders et al.

(2019) emphasizes, it is easier to establish trust when conducting semi-structured interviews face-to-face rather than online. However, the use of online media allowed us to conduct more interviews without taking consideration of geographical distances. The result of this was a broader and bigger sample, allowing us to make more comparisons. All participants were informed about their anonymity in the study, and each provided consent for us to record the interviews, which allowed us to transcribe them in the subsequent step. In addition to the interviews, public documents, such as the clubs' annual reports, were utilized as a secondary source.

Before conducting the interviews with the clubs, two preparative interviews were held. The first one was with an individual who complies yearly reports about the financial situation in Swedish football. The interview provided insights into the current overall financial situation of the clubs and clarified the historical financial development of both the league and the clubs over the past eight years during which the reports have been produced. The interview was also semi-structured, but with slightly different questions compared to those asked to the club representatives. The second preparative interview was held with an individual conducting research in the field of budget and sport. The interview was less structured, as its purpose was to provide an overview of the subject.

3.3 Data Analysis

To interpret the empirical findings, the institutional theory framework was used for data analysis as the aim was to both contribute to the domain of institutional logics as well as the domain of budgeting and hybrid organizations. The analysis was conducted using an abductive approach, which facilitated continuous comparison and proved beneficial for explaining a specific phenomenon. As proposed by Saunders et al. (2019), the data was analysed using thematic analysis allowing for a systematic and flexible approach. This was done by identifying different themes from the transcribed interviews. The procedure has not followed a linear progression, instead, the data has been analysed as it was collected. This process also involved revisiting earlier data to refine the coding and analysis by integrating it with more recently collected data. In the first step, the data from the interviews was coded, and by searching for patterns and relationships relevant to the research question and the theory, three themes related to institutional logics emerged: 1) social welfare logic, 2) sports logic, and 3) business logic. The existence of these three logics within the clubs was evident in all the interviews. As Carlsson-Wall et al. (2016) demonstrates, capabilities of logics vary between situations within an organization. The second step of the analysis therefore consisted of identifying five situations where these three logics interacted prominently, revealing tensions that potentially required a strategy for mitigation. The five themes and situations identified was: 1) uncertainty of sport performance, 2) risk of relegation, 3) resource allocation, 4) aligning goals and objectives, 5) player trading.

4. Empirics

4.1 Background

Historically, Swedish football clubs have functioned as non-profit organizations, reflecting the robust voluntary sector in Sweden as described by Stenling (2014). In 1999, the Swedish Sports Confederation permitted Swedish football clubs to register as a specific type of limited liability company known as sports modified limited liability companies (Peterson, 2002). One reason for this change was the need for Swedish elite sports to become more competitive on the international stage, as many other European countries permitted various legal structures beyond non-profit organizations (Swedish Sports Confederation, 2013). However, to limit the influence of external wealthy investors, all clubs must adhere to the 50+1 rule, which implies that the majority of the club's shares must be owned by its members (Riksdagen, 2022). In addition, the Swedish Football Federation, following UEFA's recommendations, introduced the elite license in 2001. The purpose of this license is to promote healthy and stable finances among clubs. A key requirement of the elite license is that clubs must not show a negative equity balance at the end of the financial year. If a club fails to meet this criterion, it will be relegated to a lower league (Swedish Football Federation, 2023).

The Swedish football system features an open league structure that allows teams to move up and down between different leagues based on their performance. The top league is known as Allsvenskan, while the second-highest league is called Superettan. Both leagues receive annual financial support from Swedish Elite Football (SEF), with the distribution allocating 77% of the funds to Allsvenskan and 23% to Superettan. Additionally, clubs are awarded a certain percentage of the total funds based on their average league placement over the past five years. The team that finishes in first place is allocated 9.35% of the total funds, whereas teams placed from thirteenth to sixteenth receive 5.40% of the total allocation (Svensk Elitfotboll, n.d).

Table 1. Summary of the club´s key figures in 2023

Club	Net Revenue in mSEK	Net Income	Equity incl. Net Income in mSEK	Solvency (% of Equity to Assets)	Standing in the league
1	>250	Negative	<100	<40%	9-12
2	<100	Positive	<50	>40%	5-8
3	>200	Negative	<150	>40%	5-8
4	>250	Positive	<300	>40%	1-4
5	<100	Positive	<50	<40%	5-8
6	>250	Positive	<750	>40%	1-4
7	>150	Negative	<50	<40%	13-16
8	>250	Positive	<150	>40%	1-4

Source: Swedish Football Federation (2024), Swedish Football Federation (n.d)

4.2 Institutional Logics in the Context of Football Clubs

Thornton et al. (1999) defines institutional logics as the framework of beliefs, values and practice that shape the behaviour and decision-making processes in organizations, and it is this conceptualization that is used in the empirics to identity the main logics in football clubs. The most salient logics observed in football clubs are the social welfare logic identified by Battilana et al. (2010) and the sports logic and business logic defined by Carlsson-Wall et al. (2016). The following section will firstly discuss each logic separately and will then continue with discussing the interconnectedness between them.

4.2.1 Social Welfare Logic

Battilana et al. (2010) define hybrid organizations as those influenced by multiple institutional logics, balancing both social and commercial missions. These organizations must navigate the conflicting demands of business logic and social welfare logic. Our empirical evidence from interviews suggests that social welfare logic is one of three prominent logics in football clubs, manifesting in four key areas: the ownership structure, the belief that clubs should not rely on external capital for survival, the profit distribution process and the clubs' commitment to grass-root activities.

The social welfare logic becomes salient in the ownership structure and organizational form of the clubs. The CFO of club 5 notes that the non-profit aspect of football clubs requires a different set of knowledge compared to traditional companies. However, the ownership structures of Allsvenskan clubs remain significantly different. The CEO of club 2 states that:

"Regarding this I was rather surprised when I started and thought that it was a set pattern how an elite football club was structured in Sweden, especially with regards to the Swedish Football Federation. But you can say that there are big differences with how the clubs are structured. Some have sports limited liability companies, and some have the football activities in normal limited liability companies."

The social welfare logic is also very present in some clubs that won´t accept external capital even though it could help improving their financial situation. Some clubs in Allsvenskan strive to preserve the association culture, prioritizing social welfare over business interests. In club 4 the social welfare logic is highly emphasized and seeking external capital has never been considered an option when they experienced financial difficulties in the past.

"We cannot be dependent on support from private donators."

This reflects a belief that club members should hold authority, and that money does not inherently equate to power, emphasizing the importance of social welfare logic.

Another instance of the social welfare logic in clubs is profit distribution. Most Allsvenskan clubs operate as 100% non-profit organizations, meaning profits cannot be distributed to members and must be reinvested into the association. Many clubs invest the surplus funds directly back into the sport. As explained by both club 7 and 8,

"We have clear directives from management that all the money we earn should be invested back into sports."- Controller in club 7

"We are a hybrid and not a profit-maximizing company and therefore all surpluses should be reinvested in the organization" -CFO in club 8

Furthermore, in addition to the elite activities, football overall has a social mission in that is affects people and as highlighted by the former sports director in club 5,

"It has become much more of a business than a nonprofit organization but there is still the combination of voluntarily workers and individuals that have a passion for the club."

Additionally, the CEO of club 4 takes the social welfare logic into account when allocating available funds among the various departments within the club, rather than reinvesting all resources into the men's elite team. He emphasizes that part of his role is to ensure the continued positive development of both the women's team and the youth teams. Both CEO´s in club 2 and 4 also mention that they engage in additional social commitments with the aim to promote inclusion and diversity within the sport.

4.2.2 Sports Logic

Carlsson-Wall et al. (2016) distinguish between two types of competing logics, sports and business logics. Sports logic refers to the institutional demands for success in sports and for football clubs it is the drive to perform on the field and win games.

Many of the interviewed clubs have more clear strategic goals regarding the sports performance in comparison to often vaguer financial goals. In club 3, the technical director explains that the organization's primary long-term goal is to achieve the highest level of success on the field and that the club's strategy is adopted thereafter. Moreover, the foundation of club 5´s entire strategy revolves around the goal of securing a position in the top ten of Allsvenskan. The CEO says:

"We have tried to find our way, and that is to finish tenth, then the operations and finances are planned based on that".

Club 2 also have a clear goal of qualifying for UEFA Europa Conference league in 2027 while club 6 have higher set goals,

" Our goal is to win the league. It is more or less a demand" […] going forward we want to establish ourselves on the European scene"

4.2.3 Business Logic

The other logic identified by Carlsson-Wall et al. (2016) in sport organizations is the business logic, which pertains to financial performance indicators such as maintaining a balanced budget and achieving specific key performance indicators (KPIs). During interviews with the clubs, certain financial performance objectives were frequently highlighted as being closely aligned with the business logic.

Elite football clubs in Sweden are obligated to comply with the requirements from the Swedish Football Federation. One of the requirements for receiving the elite license yearly is that the club needs to have a positive equity. Furthermore, all clubs emphasize the importance of sufficient liquidity, even the clubs with the most stable finances and liquid assets on the bank. There are however big financial differences between the clubs as highlighted by the CFO in club 6,

"We compete in the same league, but we have very different prerequisites"

The former sports director in club 5 also agrees that the clubs compete on different prerequisites.

"[…] you do not compete on the same conditions within the sports. You have the league system and there it is on equal conditions; you count the number of points and goals. […] but you cannot compare the top club in the league with the ones in the bottom, there is an enormous difference regarding the budget."

The CFO in club 3 mentions that it is not enough to have a financial outlook over 1 year but that you instead must look at when you buy and sell players.

"[…] in football finances it is not enough to have an outlook just one year ahead, but you need to look at when you buy and sell players and over the contracted periods. How we pay for a player and how we receive payment for the ones leaving."

However, when interviewing the different representatives of the clubs the question about financial goals and particular KPI objectives are often met with delayed and pending answers, showing that many clubs do not put big emphasize on financial objectives. The answer that most clubs give is that they strive to have positive equity, which is the minimum requirement to receive the elite license enabling them to compete in the league. When asked about what financial goals they have within the organization, the CFO in club 8 answers,

> "In fact we only have one, which might sound a little bit strange and it is decided each year on the annual meeting that the equity should amount to at least 20% of the yearly revenue"

As Thornton et al. (2008) highlights, it becomes difficult for organizations operating in an environment with multiple institutional logics to be able to define clear goals and which methods are considered legitimate to achieve them. This is visible in club 2 where no concrete financial goals have been expressed and they rather strive towards having "stable finances". Similar can be seen in club 5 where they have a strategic goal related to performance but no concrete KPIs or financial targets. The CFO further describes that they have experienced many tough years and fought for their survival. The club have therefore rather focused on meeting the minimum capital requirement from the Swedish Football Federation to be permitted to play in Allsvenskan and survive as a club.

> "[…] it has rather been a focus of survival for a few years but this have resulted in that we are now on more stable ground."

The vice president in club 3 also mentions that there has not been any clear connection between their strategic plan and the budget, and he describes it as:

> " I would say that this is something we have been far too bad at and that have also led us into being very dependent on the budget and not been able to have a more long-term focus."

In contrast, club 7 that also have a few years of tough financial years in the mirror, have more clearly set targets. They both have more long-term objectives included in their 3-year strategic plan, i.e. having a set number of equity and liquid assets in 2027, as well as setting more specific targets on a yearly basis.

> "Everything included in the strategic plan should be mirrored in the budget because that is the purpose. Finance and operations need to align."

Another example of the business logic within the clubs is the heightened emphasis on recruiting top management positions occupied by individuals with business backgrounds. This represents a shift that aligns with DiMaggio et al. (1983), who argued that competing logics cannot be sustained in the long-term and that eventually, one logic will emerge as more dominant. An example of the changing competences in the top management team can be seen in club 3. There the newly recruited CEO think that it was a conscious decision to recruit him based on his business background. This pattern can also be observed in club 5 where the CEO explains that there has been a strategic decision to recruit the last two CEOs from the business sector.

4.2.4 The Interconnectedness of Institutional Logics

The literature presents two contrasting views on the coexistence of competing logics. One perspective argues that competing logics cannot sustain themselves long-term, leading to the dominance of one logic or the emergence of a hybrid form (DiMaggio et al., 1983; Glynn et al., 2005). Conversely, another view suggests that rivalry between logics can be managed, allowing them to coexist for extended periods (Reay et al., 2009). Kitchener (2002) adds that organizations may experience shifts in their dominant logic within a changing institutional landscape. In Swedish football clubs, the social welfare, business, and sports logics continuously interact, sometimes coexisting harmoniously and at other times conflicting.

The representatives from the clubs describe several situations when sports and business logic interact in different ways. The CEO in club 4 describes this relation as,

> "Everything boils down to finding that balance between financial management and sporting investment."

The CFO in club 8 compares the balance between sports and business as driving a car,

> “It is about finding the biting point between gas and brake, and this is how I view the finances. We must put in the gas to grow but at the same time keep the long-term perspective otherwise it would be a dead stop, and we would have lost all of our money. We need to reinvest as much as possible, but it must be sustainable over time so that we can avoid having to use the emergency brake.”

However, he posits that there is a strong correlation between business and sports over an extended period, conversely, when examining a shorter timeframe, such as a single season, this correlation may not consistently hold true.

> “We have years when the business and sport perspective does not correlate at all. But if you have strong financial capability then you increase your chances of success in the sport over time. But you still need to make reasonable decisions”

The CFO in club 6 further highlights that the correlation between sports performance and business goes both ways and that they cannot be separated. This very much indicates that it lies in the nature of a football club that the sports and business logic always will have to coexist.

> “When you have success on the field, it is about how you manage this success with regards to both financial and player resources and then further, how you buy and sell and in the next step, how you invest back that into the youth teams, in player development or real estate.”

Many clubs have noted a shift in the sports director's role towards a more business-oriented approach. According to Greenwood et al. (2011), the prioritization of different logics is influenced by the power dynamics among their representatives, which may explain the transition from a sports-focused to a business-focused role in some clubs. The CFO of club 1 describes the development of the sports director's role as,

"Today, a modern sports director is more like a businessman."

The CFOs of Clubs 5 and 7 note that the sports director's background significantly influences financial management and the budgeting process. A sports director with a business background fosters better communication and collaboration across departments, streamlining the budget process. While the sports director may not be a finance expert, the aim is for them to understand the budget's importance and the reasoning behind key decisions. The former sports director in club 5 describes the role as,

"The sports director needs to be the spider in the web"

Historically, sports directors primarily focused on sport performance, adhering to the sports logic. However, as the Swedish football industry has shifted towards a more business-oriented approach, today's sports directors face pressure to deliver results from both a sport and business perspective. As a result, their role now requires balancing these two logics to ensure they coexist effectively.

A more business-oriented view has also emerged in the area of player trading. Clubs 4, 5, and 7 overcame their financial difficulties thanks to a business-minded approach to player trading. In 2019, club 5 improved their equity level significantly through successful player sales. The CEO states,

"Previously, we had to wait and ensure that the money was in the account, but now we are in a position where we can be a bit more proactive."

Thus, by favouring the business logic over the sports logic the financial situation could be stabilized and continue to develop in a positive direction. Thus, if a club is facing financial difficulties, selling a player can provide a short-term boost to the financial situation by prioritizing business logic over sports logic. Consequently, player trading presents a challenging situation to manage, as sports and business logics are often in conflict, requiring one to be prioritized over the other to address the issue effectively.

The relationship between the social welfare logic and business logic is also dynamic, with their relative importance shifting in recent years. Interviews indicate that many clubs are adopting a more business-oriented approach, moving away from their historical operations as associations. The CFO of club 3 points to significant changes in the Swedish football industry over the past ten to fifteen years, resulting in substantial growth and increased demands on organizational structure and management skills. Similarly, club 2 began restructuring about fifteen years ago, transitioning from a non-profit organization to a more business-focused model.

"Today the organization is run much more as a regular business than a non-profit and to survive you must sell players."

However, club 4 and 7 have not changed their ownership structure and are still operated purely as associations even though they have a much greater business focus in their everyday operations. Interestingly, club 6 has the most stable finances among all clubs, but is entirely operated as a non-profit organization with the purpose of acting in the best interest of the members. The CFO states,

"In this club we have been a professionally driven business for many years"

Thus, in line with DiMaggio et al. (1983) and Glynn et al. (2005), club 6 exemplifies a hybrid model, maintaining a non-profit ownership structure while functioning as a professionalized business.

It can be emphasized that all clubs are experiencing a greater business focus within the industry. However, the ownership and organizational structures vary significantly among clubs. Some operate purely as associations, while others incorporate limited liability companies within their group. This suggests that the ownership structure does not necessarily indicate how a club perceives the relationship between business and social welfare logic, which is also in line with the conclusions by Agostino et al. (2023), that governance structure as such do not necessarily impact how the club perceive and prioritize between social values and maximizing profits.

To conclude, the top management in all clubs experience the presence of social welfare, sports, and business logics to varying degrees in their operations. While clubs share similar views on how these logics are defined and what they signify, the relative importance of each logic differs among them. All clubs are witnessing a shift towards a greater emphasis on business logic, underscoring the dynamic and constantly evolving relationship between the different logics within football clubs. In certain situations, the interconnection between these logics necessitates effective conflict management.

4.3 Managing Conflicts between Competing Logics

Greenwood et al. (2011) suggest that organizations experience varying levels of tension between different logics, depending on how these logics are perceived internally. They further note that the same set of logics can lead to conflicts in some contexts while coexisting harmoniously in others. To manage competing logics within an organization, several strategies can be employed. The following section analyses specific situations in the budget process where conflicts among social welfare, sports, and business logics are particularly pronounced, and it explores how the organization address these challenges using the strategies developed, which are combinations of the various tactics outlined by Reay et al. (2009) and Carlsson-Wall et al. (2016). The four strategies identified for managing these tensions are collaboration strategy, separation strategy, compromising strategy, and decoupling strategy. Furthermore, one new strategy which has not been mentioned in previous literature, is observed within the organizations that we label the postponing strategy. The postponing strategy is employed by clubs in situations characterized by high uncertainty, such as the financial impact of the league´s final standings or developments during the winter transfer window that could influence the budget. By adopting this strategy, clubs delay and postpone budget-related decisions until additional information is available, therefore reducing the uncertainty. However, the strategy only provides a temporarily solution to the conflict, as new information will emerge, reigniting discussions and require a new strategy to address the conflict.

4.3.1. Uncertainty of Sport Performance

One of the primary conflicts identified in the budget process by several clubs revolves around when the budget for the upcoming year should be finalized, leaving no room for adjustments. Many clubs finish the budget proposal for the next season in December, but it is very likely that there will be player transfers during the first transfer window in January. Thus, the conflict at stake concerns how to handle the uncertainties related to the first transfer window in the budget process and what role the budget should have in the organization.

As highlighted by Carlsson-Wall et al. (2017) in their case study of a Swedish football club, the budget is a crucial component of management control systems and as described by the representatives in club 3,

"The budget is not only a budget, but it is also a business plan."- CFO in club 3

"[..] as the business is operated now, it is very much controlled by the budget and I would say that it is due to the lack of other strategic tools within the company, which we should have. I would say that the budget is totally decisive for how the organization is managed and what we choose to prioritize or not. "- Vice president in club 3

To address this risk and uncertainty related to player transfers in the first window, several clubs have been observed adopting a postponing strategy. This implies that the clubs mitigate the difficulty of estimating the sales from the first transfer window by pushing the decision into the future which temporarily handle the conflict. As an example of this, club 1 indicates that they only begin implementing the budget after the first transfer window in the first quarter, as this period is considered critical for shaping the future of the budget.

"[…] what is important for us is what happens in Q1. If we make a transfer directly at the beginning of January it is easier to allow for higher costs in the budget. If we do not make a transfer in January we are in a tougher situation and then we are more careful with activating the budget "

Similarly, club 3 also highlights that the budget process is iterative, with the initial months offering a broad overview of their desired outcomes. The technical director explains that the club completes the budget at the beginning of December, however, if a player is successfully sold during the winter transfer window, the budget could be adjusted. Thus, this is another example of the postponing strategy as the final decision about the budget is pushed to a time in the future when more information about the coming season is available. The budget in club 3 is not considered final until the board approves it in March.

Moreover, the second conflict related to the uncertainty of sport performance identified in the clubs stems from the highly uncertain climate football clubs operate in and what financial implications the clubs sport performance have. When the budget process begins, the club's league standing is uncertain, yet this performance significantly affects revenue for the next season. To manage this uncertainty, some clubs again showcase that they use the postponing strategy by pushing the problem further into the future. Consequently, there are differing opinions on how to navigate this situation. The sports director of club 5 notes that,

> "The football sector is a little complex because you are stuck with your costs before you know what your revenue over the year will be". […] it is a little bit of a gambling because when you write contracts with the players and the coaches you have the costs associated with this that cannot be escaped. It is a continuous work to find the balance between how much you dare to gamble and how much revenue you can generate".

Furthermore, the CFO in club 1 mentions that they solve the uncertainty related to standing in the league by,

> "[…] we can say that we are half done with the budget, but it is first when the league is finished that we can start making the real budget for the upcoming year."

Some clubs face even greater uncertainties related to the budgeting process and performance, particularly those at risk of being relegated from the top league. Currently, both club 5 and club 7 find themselves in positions where relegation from Allsvenskan is a likelihood. Such a move would have severe financial repercussions, resulting in a significant loss of revenue. To mitigate this uncertainty, clubs 5 and 7 use the postponing strategy by preparing two distinct budgets for the upcoming season: one for competing in Allsvenskan and another for playing in Superettan. This dual approach requires them to navigate two different realities, meaning that the budget for the next season cannot be fully approved until the sport outcome is determined. The CEO of club 5 states:

> "We don't know the answer yet, but once the league is finished, we will know which direction to take."

To conclude, clubs address the two situations related to uncertainties of sport performance by delaying their final budget commitments. To manage the second situation, they create two separate potential budgets and wait to commit to one of them until the outcome of the sport performance is known. Both approaches are examples of the postponing strategy.

4.3.2 Overdrafting of the Budget due to Risk of Relegation

While the importance of the budget is emphasized by all clubs, they acknowledge that there are situations where the budget may be exceeded, and conflicts arise. This summer, club 7 faced a challenging scenario when they were at risk of relegation from Allsvenskan due to their low position in the league. According to their budget, they had no capacity for additional investments in players to help improve their sporting performance, however, relegation from Allsvenskan would result in a significant loss of revenue next year. In this case, club 7 applied a compromising strategy when deciding the prioritization of the logics short-term. The controller in club 7 explained that they decided to exceed the budget for the player roster, particularly regarding salaries.

"The decision to go beyond the budget is made in the heat of the moment by the club manager, financial manager, and sports manager due to an immediate need."

In line with what Carlsson-Wall et al. (2016) states, there is a tension between the sports and business logic in club 7 when deciding whether to invest in additional players to enhance their chances of retaining the contract. In short-term, this decision prioritizes the sports logic over the business logic, as investing in a player could negatively impact the club's financial position. However, it becomes evident that, from a long-term perspective, both the sports and business logic would benefit from this investment, as it helps avoid relegation and a significant loss of revenue. Therefore, to manage this situation, a compromising strategy is needed to solve the short-term tension, but in the long run the business and sports logic will be aligned.

The controller in club 7 further notes that when they faced the decision of whether to exceed the budget or not last summer, they had to weigh their options, but in the end, it was not really a difficult decision as the whole organization could agree that relegation is the worst-case scenario.

"Either we go over budget now, or we risk relegation from the top league, which would have a far more severe impact on our finances than acquiring a player at this moment."

What is particularly interesting is that adhering to the budget is considered very important within the organization. However, when a situation arises in which the cause-and-effect relationship between the logics is clear and the potential for long-term benefits to both sports and business logic is high, the decision to exceed the budget becomes straightforward, necessitating a compromise that prioritizes sports logic. Carlsson-Wall et al. (2016) refer to this type of interaction between the sports and business logic as a positive cause-and-effect relationship. In this case, success in sports, specifically securing the Allsvenskan contract, also contributes to more stable financial performance by preventing significant revenue losses.

A similar situation was also identified in club 5 where the former sports director explained how they handled the situation when they were at the bottom of the league during the summer period.

“[…] we modified the budget to be able to allocate more money to the team to strengthen it and to change the coach. Then we increased our budgeted costs a lot, but it was proven successful as we started to perform and were on more stable ground during the fall.”

However, he further explains that the decision to invest in new players in this particular situation is challenging, yet necessary in order to secure the contract.

“It was a bet to take and demanded responsibility because it could have ended up with the team still performing poorly and then the extra investments would only have been a cost and not generate any positive results on the field.”

Summarizing, clubs view the budget as highly important, with a shared understanding that it should not be exceeded. However, tensions between sports and business logic emerge when clubs face situations where securing the contract may require exceeding the budget. To manage this conflict, clubs often adopt a compromising strategy, prioritizing sports logic in the short-term by investing in players. However, this compromise is anticipated to yield long-term benefits, as successfully securing the contract will ultimately support the business logic as well.

4.3.3 Resource Allocation

In the budget process, discussions and conflicts arise regarding the prioritization of resources. This is highlighted by the CFO in club 3 who says that it is part of the organization to have conflicts and different opinions regarding how the resources should be allocated.

“Having a board of directors or top management with homogeneous opinions does not exist, but the different opinions are part of the political game.”

When creating the budget, the collaboration strategy identified by Reay et al. (2009) is used as a first step in most clubs. In all clubs besides club 4, the CEO, the CFO and the sports director are involved in the process to a more or less degree and with different levels of involvement regarding the strategic decisions. When applying the collaboration strategy to manage tension between the logics, various actors work together towards a shared goal while acknowledging their distinct roles and contributions. Even though different logics might guide each individuals’ actions, they participate in dialogues and cooperation to achieve mutually beneficial outcomes. Club 2 mentions that besides the CEO, CFO and sports director that are directly involved in the budget process, you can gain competitive advantage if the board of directors, responsible for approving the final budget, are involved in the strategy of the club and if the collaboration runs smoothly. Similar is seen in club 5 who describes their budget process as following,

"[…] me and the CEO sit down to make some kind of initial budget plan based on projected revenues to see how high the costs can be. At the same time, the sports director sits down with planning what resources he needs based on the elite team and the academy. [..] and then after that we go down to some other departments that have budget responsibility such as the marketing manager and head of B2B"

"As a sports director you are in a continuous dialogue with the CEO and then it is the CEO that takes most of the discussions with the board of directors about how the budget should look like for the whole organization."

A similar collaborative budgeting process, involving multiple stakeholders with competing logics from the outset, is observed in several other clubs, including club 1 and 3. In these clubs the initial budget discussions start among top management and the subsequent collaborative work with finalizing the budget is then guided by their views. This way of initiating the collaboration strategy from the top can be argued to be a special version of the collaboration strategy that we name top-down collaboration strategy. Additionally, we identify another version of the collaboration strategy, termed the bottom-up collaboration strategy. In this version, the collaborative budget process begins at lower organizational levels and is subsequently presented to top management.

In club 2, the budget process starts lower down in the organization with each division manager making their own separate budget, which indicate that they use a bottom-up collaboration strategy. In the next step the CFO combines these budgets and discusses it with the CEO. Similar is seen in club 6 where each separate division makes their own budget, but with the help and guidance of the top management, and all budgets are then collected to make a total budget. Both club 7 and 8 highlight that they want to involve several individuals lower in the organization to foster a sense of responsibility across various areas. The controller in club 7 mentions that:

"We want to involve as many parties and departments as possible from the start"

Their strategy to mitigate the resource allocation is perceived successful in terms of conflict mitigation as the controller at club 7 further explains that,

"I do not perceive any significant conflicts during the budgeting process among the different departments, rather, there is a consensus that everyone should get a 'piece of the pie' on the cost side"

Even if some differences exist where in the organization the process starts, all clubs use a collaboration strategy in the initial phase of the process. Where the different actors have different logics guiding their actions, they engage in dialogue and cooperation to achieve outcomes that benefit all parties involved. However, two different versions of the collaboration strategy are identified among the clubs, some clubs use a top-down collaboration strategy whereas others use a bottom-up collaboration strategy.

Using a collaboration strategy is however not sufficient in all clubs. As explained by the vice president in club 3,

"[…] there are many situations when you feel that you are in need of more money than what you get allocated from the budget. These situations occur rather often and then you try to ask for more." […] you cannot meet the needs of everyone but then the questions boil down to which part of the organization to prioritize".

The former sports director in club 5 also highlights the conflict that arise regarding the split of the budget,

"You always wanted to get as much money from the budget as possible to be able to buy as good players as possible to be able to perform. You always need more than you get"

As some conflicts and discussions are not solved by using the collaboration strategy, using a compromising strategy is deemed as necessary going forward. Kraatz et al. (2008) and Pache et al. (2013) present the compromising strategy as completely adhering to one logic to partially satisfy the demand of others. Carlsson-Wall et al. (2016) emphasize that the challenge of allocating resources that the decision-makers face during the budget process necessitates a compromise as these actors represent different institutional demands. By considering the needs of each unit and making informed trade-offs, the clubs can prevent one logic from dominating the decision-making process and thereby reducing conflict between the competing logics. The use of a compromising strategy can thus facilitate the navigation of the tensions inherent in the different logics, fostering an environment where diverse interests can coexist.

Furthermore, there are differences between the clubs regarding how much each role participates in the strategic decisions. In club 2 the CFO is involved in the budget processes but all strategic decisions regarding for example transfers are decided by the CEO and the board of directors. Similar behaviour can be seen in club 5 where the CFO have more of a controller position and less involvement in the strategic decisions. In contrast, the CFOs of clubs 1, 3, and 4, each significantly larger than clubs 2 and 5, hold a more strategic role, with greater involvement in decisions regarding player transfers. It can thus be argued that club 2 and 5 apply the separation strategy where actors maintain their separate identities while still collaborating. Additionally, in both clubs, the CFO and business controller uphold their own beliefs and practices, which do not fully align with the sports logic necessary for making strategic decisions. By separating the finance department completely from being involved in strategic sport decisions, it is evident that club 2 and 5 apply a separation strategy for managing the conflict between the sport and business logic.

Another even more extreme example of a separation strategy is seen in club 4 where the CEO in sharp contrast to the other clubs very much work alone with the budget preparations. However, he describes that the board and other managers in the club want to be more involved in the budget process as they approach the next season. Specifically, the sports director and the managers in the different departments wish to have a greater responsibility in the process. Based on this it could be argued that the aim in club 4 is to in the future move towards a collaborative strategy in alignment with the other clubs to handle the different interests in the organization.

To summarize, all clubs employ a collaboration strategy, or a version of it, to manage the conflicts related to resource allocation. However, in some situations the collaboration strategy alone is not sufficient to determine how the resources should be allocated, and some clubs therefore adopt a compromising or separation strategy in addition.

4.3.4 Aligning Goals and Objectives

In football clubs, it can be challenging to determine the goals and objectives as the organization is exposed to several different pressures from the social welfare, sports and business logic. To address conflicts arising from differing objectives, club 3 emphasizes the need for improved communication regarding their vision and mission across all divisions. This approach aligns with the collaboration strategy proposed by Reay et al. (2009), as various stakeholders with distinct roles work together towards a common goal. This shared purpose is particularly evident in football clubs, where the aim is to provide the team with optimal conditions for winning. Similarly, club 1 highlights the importance of ongoing dialogue among the CEO, CFO, and sports director to balance sports performance with financial stability, reinforcing the club's unified objectives.

Even though the clubs share a clear purpose there are still difficulties with balancing the different institutional tensions. The CEO in club 2 mentions that the most difficult part of the process is to combine every aspect of the organization and bringing everything together.

> “[…] it is difficult to balance the conflicts of interest that arise between short-and long-term focus, non-profit organization vs. company and the question of whether to win games now or build a strong team for the future.”

Even in club 6 with the most stable finances and liquid assets on the bank they must still prioritize different investments where the three logics are in contrast with each other.

> “[…] if you compare with the smaller clubs it is an enormous difference but it is also much more demanding operating an organization like ours.”

The risk if the organization do not work towards an aligned goal is that parts of the organization disagrees and that divisions arise. In club 8, the vice president explains that their approach to aligning various parts of the organization involves the strong implementation of long-term strategic thinking throughout the entire organization. They have established specific development goals for each department. When club 8 encounters situations that require short-term trade-offs, they are ultimately able to reach a consensus by referring back to what will most beneficially advance the club in the long-term.

Both club 4 and 7 describes that it is even more difficult to balance the conflicts and different interest in good times since external pressure from the members increase. From their point of view, it can therefore be argued that the collaboration strategy is easier to use in tougher times when there is consensus in the whole organization that what is most important going forward is to start winning games.

"In bad times you have the pressure to do something and when things go your way you have the pressure from individuals wanting to invest even more. It is about trying to make decisions based on facts and not emotions and it is my job to try to keep it that way."- CFO club 7

"During tough times, departments tend to collaborate, recognizing the need for savings and caution. However, when profits are generated, the pressure to fund various initiatives intensifies, and I often become the "boring" figure who must decline numerous proposals"- CEO club 4

This view, that conflicts of interest are more difficult in better financial times, is however not shared by the vice president in club 3. He mentions that it is easier to get more resources in better times and that less conflicts arise.

"[…] if we have stable finances and good liquidity within the club and in addition have good arguments then it is easier to get additional resources or funding to your department"

While the CEO in club 4 acknowledges the importance of pursuing initiatives, proper prioritization is essential to solve the conflict between different interest and goals within the organization.

"The men's team, which generates the most revenue, must receive adequate funding first."

Similar prioritization of the men´s team is evident in club 5 where the budget is viewed as something they create together based on their goals, but the top priority becomes investments in the team building in the elite men´s team, and thus that is where they start with the budget.

"[…] but with regards to that the product that we sell are the elite men´s team that also generate the most revenue, it becomes prioritized".

This reflects a business-oriented approach by prioritizing what generates most revenue first. However, the CEO in club 4 mentions that he strives to balance this with social welfare considerations such as investments in grass-root activities, resisting the urge to allocate all funds solely to the men's team, despite its high priority and the members' desires. The explicit prioritization of the men´s team mentioned by club 4 and 5 are both examples of the decoupling strategy proposed by Carlson-Wall et al. (2016). In this case, revenue and making money which are representatives of the business logic is clearly prioritized and is the dominating logic while the clubs only symbolically adhere to the social welfare and sports logic. Especially club 4 tries to externally communicate that they also focus on the other two logics but what is clear is that it is the business logic that is the dominating one in the internal business operations, posing an example of what

Brunsson (1989) refers to as hypocrisy which means that the organization´s stated intentions disconnect with the actual behaviors. By employing a decoupling strategy, the club´s seeks to address the complexity of competing logics while still managing external expectations effectively.

In essence, the clubs apply the collaboration strategy to ensure commitment to the organizations overarching purpose and goals. However, in some cases where it is particularly difficult to align the objectives of different departments, a decoupling strategy is applied, implying that the club only symbolically adheres to one logic while prioritizing another.

4.3.5 Player Trading

Another situation where the conflict between logics becomes particularly evident is in player trading. All clubs except club 6 mentions that player transfers are the most difficult post to estimate in the budget process. The estimation and decision of the amount of player trading to budget for is also one activity where the two logics, sports and business, are salient and in most conflict with each other. The primary concern for the top management teams in clubs is whether to include revenue from player sales in the budget. As the management team develops a strategy for handling player sales within the budget, the role of the budget shifts to become a tool that compels the management team to address the conflict between these two logics. The interviews reveal that clubs approach player sales in their budgets in various ways and provide differing justifications for their choices.

For the upcoming season 6 out of the 8 clubs include transfers while 2 do not. The clubs that choose to include player sales in the budget can be argued to apply a collaboration strategy to solve the difficult situation, as estimating a reasonable amount for player sales to incorporate into the budget, requires involvement of several parties within the organization each guided by different logics. Primarily, this collaboration occurs between the finance department, led by the CFO, the sports department, and the CEO. Together, they work toward the common goal of determining the appropriate amount of player sales to budget for, ensuring it benefits the entire organization. In contrast, the clubs that choose to not include player sales in the budget can be argued to instead apply the postponing strategy as failing to estimate a potential value seems like a way to avoid the difficulty and defer it to the future. As buying and selling players have become integral to football operations, excluding such revenue from the budget appears increasingly illogical and just pushes the problem to a later time when management will need to reconsider including player sales in the budget.

Club 3 now incorporates player transfers into its budget, a practice that was not in place a decade ago. They attribute this change to extensive discussions and ongoing dialogue, which have helped them establish a clearer understanding of the team's value and develop a strategic approach to budgeting for transfers. However, they acknowledge that there are always potential upsides as well as downside risks to consider.

“You buy players with the ambition to win more games, and that the player bought should perform on the field and generate points. However, you do not always succeed, which means that you can invest a lot of money and then have a player ending up on the bench or getting injured which is money down the drain. The biggest risk is that if you do not succeed it gets very expensive. “- Vice president in club 3

Club 2 also mentions that the transfer money is highly volatile, difficult to include in the budget and the risk on depending too much on them have led them to actively not include them in the past. Both club 2 and 5 have however recently changed their opinion in the questions and are now including transfers in the budget. The dilemma faced by club 5 is that they either plan with a negative budget or explore ways to increase revenues. To avoid losing too much in liquid assets and equity, the club recognizes the need to budget for player sales. Their operating revenues will not be sufficient to cover a full squad, making player sales essential for balancing the budget. As the club director noted,

"If you have budgeted for a certain level of player sales, you cannot suddenly just say no to it, even if the player is performing well and the members and supporters do not want to sell."

While player sales carry significant risks, they are often necessary for the club's financial viability.

In club 6 it is self-evident to include transfers in the budget and this is something they have done for a long time. The CFO explains that they have sold for over 100 million in average the last years and it is therefore a necessity to include it. Furthermore, he emphasizes that the budgeted amount is more of a financial instrument telling them what they need to achieve and the necessary structure they have to build to handle the transfers. It should not be a coincidence that they are able to sell players, but they should work actively to make sure that they have good players to sell. Having more players to sell also lowers the risk compared to relying on only one player and the CFO highlights that their academy has been invested in and structured to ensure this. Over time, the youth academy and the elite team have developed a strong collaborative relationship, with the youth academy producing high-quality talent. This allows the management of club 6 to confidently anticipate the sale of several young, talented players each year. Consequently, the long-established use of a collaboration strategy in club 6 helps to mitigate uncertainty regarding the amount to budget for player sales.

The former sports director in club 5 also argues for including transfers, something they did during his time in the club.

“[…] if you compare with “normal businesses”, we produce football players and that is the product and at some time you need to sell what you produce and then I think that it becomes natural to include that. You should make a profit, but you should also sell what you develop so for me it becomes self-evident to include it in the budget. It is a part of the business. “

The CFO in club 8 also mentions that it is important to not rely on one player to lower the risk,

> “You feel safer if you have more products on the shelf to sell. If you rely on only one player when you budget for your transfer, then it becomes very risky. [...] to have options and not be dependent on one player makes it easier to be confident in including it in the budget.”

Club 4 and 7 are the only clubs to not include player sales in the budget and are thus applying the postponing strategy to manage the difficult situation. In the case of club 7 they previously budgeted with sales of players but have during the last years changed back to not including them. The CFO describes that he experienced that some parts of the organization could “hide” behind the transfers and that the income from selling players at that time was not used to invest back in the business but rather used to cover for the deficits that had appeared in the operations. He is however not completely closed to incorporating transfers in the future since it enables you to allocate higher costs to the team in foresight which creates possibilities to perform in the league. The CFO argues that,

> “To be able to compete at the top of the league year after year, I think that it is inevitable sooner or later to include transfers. But in that case, you must do it so that the surplus money is invested back in the sports, not that the money is put into administrative positions. “

Moreover, the controller in club 7 and the club director in club 4 reason in a similar manner regarding why they exclude player trading from the budget. Put simply, they do not include player sales in their budgeting process because they do not want to base their operations on such uncertain factors and instead avoid the problem completely. The controller in club 7 emphasizes that predicting player sales is extremely challenging and poses significant risks, leading them to avoid incorporating it into their budget.

> "We want all our revenue targets to be high but realistic and including player sales becomes too risky."

Similar is seen in club 4, where the CEO´s main argument is that you should not count on having resources that you don’t have.

> "Do not buy anything until you have sold first."

In short, clubs navigate the conflict between sports and business logic in budgeting for future player sales in varying ways, depending on whether they include player sales in their budgets. Clubs that incorporate revenue from player sales typically adopt a collaborative strategy to facilitate this inclusion. In contrast, clubs that decide not to include player sales tend to defer the issue, employing a postponing strategy to address the complexities later.

5. Discussion

The empirical findings suggest that the clubs use the budget to mitigate conflicts between the three different logics by using the four strategies mentioned in previous literature which are collaboration strategy, compromising strategy, separation strategy and decoupling strategy (Reay et al., 2009; Carlsson-Wall et al., 2016). However, when managing tensions within the five identified conflict situations, the clubs do not consistently apply the same strategies to resolve similar conflicts. Instead, the strategy utilized depends on each club's perception of the situation and their evaluation of the best way forward. The clubs employ the collaboration strategy to address conflicts arising from differing logics in three of the five identified scenarios within the budget process. The collaboration strategy is applied by at least one club in the situation of resource allocation, aligning goals and objectives and player trading. For instance, the collaboration strategy helps mitigate conflicts related to aligning goals and objectives within the clubs by emphasizing clear communication about the organization's long-term goals. The strategy emphasizes dialogue and cooperation to achieve a mutual outcome that benefit all parties involved. However, in some situations, the collaboration strategy is alone not sufficient to fully manage the tensions. In the resource allocation scenario, clubs start with the collaborative approach, but to be able to move forward with the budget process some clubs must apply the compromising strategy. The compromising strategy is also employed in the situation when clubs decide to exceed the budget due to risk of relegation. Moreover, the separation strategy is applied by some clubs to manage the situation of resource allocation. This strategy addresses the situation by distinctly separating different units within the organization, allowing each department to be guided by its predominant logic. Lastly, the decoupling strategy is used by clubs when trying to align the goals and objectives in the organization. This strategy is evident when the men's team is prioritized in the budget process, receiving the majority of resources, while the club's management externally emphasizes the importance of grassroots activities and the women's team.

Furthermore, one new strategy is observed in the empirical data, that we name postponing strategy and in addition two new versions of the collaboration strategy are identified, top-down collaboration strategy and bottom-up collaboration strategy. Unlike Carlsson-Wall et al. (2016), who explored how a single football club navigated the conflict between sports and business logic during the summer transfer window by identifying five potential scenarios based on league standings, we instead identify five distinct situations in the budget process where the conflict between logics is prominent. A summary of the main conflict situations identified in the clubs and how they are mitigated by the strategies mentioned are presented below.

Table 2. Summary of main empirical findings

Conflict	Description of conflict	Strategy used	Implication on budget
Uncertainty of Sport Performance	*Risk related to sport performance is high and directly affects financial position*	Postponing Strategy	- Wait to activate budget - Creating two separate budgets
Overdrafting due to Risk of Relegation	*Discussions about increasing investment in players to avoid relegation*	Compromising Strategy	- The business and sports logic are in harmony long-term
Resource Allocation	*Conflicts of interest arise due to scarce resources*	Top-down or bottom-up Collaboration Strategy	- Initial budgets starting top-down or bottom-up
		Compromising Strategy	- Finalizing the discussions with some kind of compromise
		Separation Strategy	- Few or only one involved in process
Aligning Goals and Objectives	*Actors with different goals need to be aligned within the organization*	Collaboration Strategy	- Clearly communicating and working towards a outspoken goal
		Decoupling Strategy	- Prioritizing the men´s elite team
Player Trading	*To include or not include player transfers into the budget*	Collaboration Strategy	- Include player transfers in the budget
		Postponing Strategy	- Exclude player sales in the budget

The empirical findings reveal five situations that continuously and concurrently arise during the budget process, where tensions between different logics are particularly evident. Furthermore, it can be concluded that clubs employ varying strategies to address these recurring situations. The budget process brings several conflicting scenarios to light, and the clubs interpret the best ways to resolve these tensions differently, highlighting the complexity of football clubs as organizations. This demonstrates that there is no simple, universal solution to the conflicts between the logics. If the challenges were less complex, it might be clearer for clubs to identify the most efficient strategies for each situation, leading to a more uniform strategy across similar scenarios. Additionally, the fact that these five situations can occur simultaneously forces clubs to implement multiple strategies at once, further underscoring the difficult environment in which football organizations operate and the significant pressure this complexity places on the budget process. These findings suggest that football organizations may be more complex than previously understood, illustrating the challenges inherent in the budget process within these types of organizations. The challenges of budgeting are reflected in the varied strategies adopted by different clubs, even when they encounter conflicts stemming from the same specific situation. The following sections will provide a detailed discussion of the new strategies, concluding with an exploration of the existence of multiple logics within the clubs and their development over time.

5.1 Postponing Strategy

Reay et al. (2009) and Carlsson-Wall et al. (2016) together propose several strategies used by organizations facing conflicting institutional logics. In our study we additionally identified a postponing strategy that is not previously mentioned in literature. This strategy was mainly used in clubs in uncertain situations where happenings in the future could have significant implications on the relevance of the budget. It was also identified as a strategy to manage tensions in player trading situations, for example when deciding whether to include it or not in the budget. The uncertainty experienced by all clubs but to various degrees connects with what most clubs mention that performance on the field and financial wellbeing, is tightly correlated and this argues that the sports and business logics are also interlinked. This is evident in the uncertainty regarding transfers in the first window where the performance during the previous season will affect the value and the attractiveness of the players. Strong performance during the season can drive higher transfer revenue, enabling greater spending and enhancing financial stability throughout the year. The importance of the first transfer window and the conflicts that arise in that situation was highlighted in our findings but stands in contrast to what Carlsson-Wall et al. (2016) proposes in their article. Their empirical data showed that the tension between sports and business logic primarily emerged in the second transfer window, during the summer.

Similar correlation between the sports logic and the business logic is also seen in the case of bad performance as the cost of relegation to the lower league pose significant risks related to the revenue streams. In both these cases the risks associated with the uncertainty are deemed as too high to finalize the budget and the clubs therefore mitigate this by using the postponing strategy. The strategy enables the clubs to solve the conflict temporarily and wait to finalize the budget until more information is available, but the problem related to this is that the conflict eventually will arise again. The strategy also allows the different conflicting logics to coexist in the short-term but when the conflict once again rise to the surface, i.e. after the first transfer window when the budget might be changed and then activated, the logics will once again conflict with each other and to mitigate this another strategy will be used. The implications of using the postponing strategy when not budgeting for player trading however differ slightly from those observed when using the strategy due to uncertainty in the first transfer window. The difference when clubs exclude player trading from the final budget is that the budget remains fixed during the season, even if players are sold, whereas it may be subject to revision in the situation involving uncertainty in the first transfer window. The club´s actions following the use of the postponing strategy therefore differ between the situation related to uncertainty of sport performance and the player trading scenario, even though the conflict is resolved in the short-term in both cases. In comparison with the strategies proposed by Reay et al. (2009) and Carlsson-Wall et al. (2016), where each strategy is assumed to be used at one time and relating to one conflict, the postponing strategy is in sharp contrast to this as it consists of a two-step way of mitigating the conflict that also occurs at two different times.

5.2 Top-Down and Bottom-Up Collaboration Strategy

The empirics also showed two new versions of the collaboration strategy based on where in the organization the initial budget process starts. This distinction between where in the organization the collaboration strategy starts is not something previously discussed by Reay et al. (2009) but has implications for the budget process among the clubs. The reason clubs begin the process at different levels of the hierarchy depends on each club´s perception of what will maximize engagement in the budget process and ensure alignment with the club´s objectives. In some organizations the budget process starts with the top management, in most cases represented by the CEO, CFO and sports director, creating an initial budget used as a framework. As conflicts and discussions regarding allocation of resources are present in all clubs, starting at the top was seen as a way to mitigate these conflicts by communicating and discussing at the top-level before continuing the budget process lower done in the organization. In contrast, other clubs mitigate conflicting logics by starting lower done in the organization by involving more actors and fostering a sense of participation and responsibility in the budget process. Both the top-down and bottom-up collaboration strategies were used by the clubs to mitigate the conflicting logics, but the perception of which of them to use in the initial budget phase varied among clubs. The drawback of using the bottom-up strategy is that it puts more demand on the competence of the individuals lower down in the organization as it requires them to have sufficient knowledge about finance and budgeting in general. On the other hand, initially only involving top management might cause conflict lower down in the organization and the importance of the budget might be questioned. Even if the clubs differentiate themselves in where the process starts, the strategy used by all of them in the initial phase, when conflicts regarding allocation of resources arise, stemmed from the collaboration strategy proposed by Reay et al. (2009).

5.3 The Significance of the Budget

Evident from our findings is that all clubs, to varying degrees, perceive the budget as more than just a financial tool that must be strictly adhered to. Instead, the responses indicate that the budget is viewed as a dynamic tool that brings conflicts between different logics to the forefront within the organization. This dynamic nature compels the clubs to address these temporary conflicts by employing one or several of the strategies described in the literature, as well as new strategies identified in the empirical data. Additionally, it is particularly evident in some clubs that different departments interpret and engage with the budget in diverse ways. This raises the question of whether the budget is an adaptable tool that can assist various departments within the clubs, each adhering to different logics in their own unique manner.

Regarding the role of the budget, Kaufman et al. (2019) concluded in their study that the budget functions as both a material and symbolic document. They argue that the budget serves as a formal structure by allocating resources and setting performance targets. However, during these processes, the budget also plays a symbolic role by formalizing and legitimizing specific actions and power structures. This perspective aligns closely with our findings. Several clubs express that the importance of the budget extends beyond mere numerical values; rather, its significance lies in the discussions and strategies employed to determine the specific allocations for different departments. In this context, the budget helps clubs anticipate future scenarios where potential conflicts between competing logics may arise, compelling them to devise solutions to these conflicts before actual crises occur. Kaufman et al. (2019) also argue that the budgeting process can serve as a forum for debate and compromise, enabling organizations to effectively navigate tensions between competing logics. Many clubs echo this statement with their views on the budget. Another interesting finding from our study is that different departments within the clubs engage with the budget in distinct ways. It can be argued that the sports department tends to view the budget more as a symbolic tool, consistent with Kaufman et al. (2019) concept of informal budgeting practices. In contrast, the more administrative or business-oriented departments perceive the budget primarily as a financial control system, aligning with formal budgeting practices. Informal budgeting practices emphasize flexibility and adaptability, allowing for quicker adjustments and creative problem-solving through open communication and engagement among stakeholders. Therefore, hybrid organizations could benefit from integrating informal budgeting practices alongside more formal approaches. The sports departments in football clubs, in particular, are often exposed to uncertainties related to sports performance and player sales. Consequently, these departments require greater flexibility and adaptability, making it logical for them to adopt informal budgeting practices to better respond to the pressures inherent in their environment.

A general observation about the football industry today is that it is significantly more commercialized than in the past, having undergone substantial changes in recent years. As a result, all clubs increasingly need to focus on business logic. Greenwood et al. (2011) posits that organizations that are in a constant state of evolution experience sharper contestation between competing logics compared to more mature organizations. We find this to be true in football clubs, where the tensions between business logic and social welfare logic have become more pronounced due to the overall changes in the Swedish football landscape. It can be said that the importance of business logic has increased relative to social welfare logic. Referring back to the findings by Kaufman et al. (2019), the budget can serve as a tool for managing competing institutional logics and pressures for organizational change. With the recent evolution of business logic in the football industry, it can be concluded that all football clubs are experiencing organizational change. However, this change is perceived differently across clubs, and the relative importance of business and social welfare logics vary depending on the values and principles emphasized by each club's management team. For instance, the CEO of club 4 actively works to maintain the association's culture by rejecting any external capital. This club claims to prioritize allocating sufficient resources to the youth and women's teams and avoids excessive financial risks in player trading by excluding it from the budget. In contrast, club 1 and 6 express that their operations are highly professionalized, viewing player trading as a central aspect of their core business. Thus, even though the entire Swedish football industry is becoming more commercialized, this institutional change is perceived and acted upon differently by clubs, leading to varying prioritizations of the competing logics.

Finally, it can be concluded that all three logics, the sports logic, the business logic, and the social welfare logic are present in Swedish football clubs. However, the critical question is whether the tensions between these logics can be effectively managed and if they can continue to coexist in light of the increasing importance of business logic. The literature on institutional logics presents two contrasting views regarding the coexistence of competing logics. DiMaggio et al. (1983) argue that competing logics cannot sustain themselves in the long-term, leading to the dominance of one logic over the others. In contrast, Reay et al. (2009) contend that the rivalry between logics can be effectively managed, allowing for the coexistence of competing logics over extended periods.

Due to the complex institutional landscape in which football clubs operate, all three logics, the sports logic, the business logic, and the social welfare logic, must be present to some extent. The sports logic is inherent to all clubs in Allsvenskan, as their primary aim is to win games. The business logic is also essential, as clubs need to maintain positive equity to obtain the elite license. Additionally, the social welfare logic is particularly relevant today due to the 50+1% rule, which requires that clubs are majority-owned and controlled by their members. The question of whether the coexistence of these different logics in football clubs is sustainable in the long run can be divided into two parts. Regarding the conflict between the business and social welfare logics, one could argue, in line with DiMaggio, that these two logics are no longer prioritized equally. The business logic appears to have become more dominant relative to the social welfare logic, suggesting that, since the business logic is prioritized in most situations, these two competing logics may not coexist in the long-term. In contrast, the conflict between the sports and business logics is less clear-cut, as the importance of each logic can vary depending on the specific circumstances a club faces. For a football club to thrive in the long run, both the business and sports logics must be central to its operations. Therefore, it is crucial for clubs to develop strategies for managing the tensions between these two logics, allowing them to coexist and to ensure the club's survival. In this context, the budget serves as a critical tool for managing the tensions between the business and sports logics. The budget process compels the top management in the clubs to make important decisions regarding sport uncertainty, resource allocation, and long-term goals. By applying various strategies to mitigate conflicts between the logics before a crisis occurs, clubs can facilitate the continued coexistence of these logics within the organization.

6. Conclusion

The introduction of more commercialization within the sport sector has shifted the landscape for Swedish Football Clubs in Allsvenskan. The clubs are special types of organizations exposed to three types of institutional logics previously identified by Carlsson-Wall et al. (2016) and Battilana et al. (2010). These are social welfare logic, business logic and sports logic. By adopting a qualitative abductive research method and conducting interviews with the top management in eight Swedish football clubs in the highest league the three logics was observed to exist and creating conflicts. Furthermore, the study examined how the budget process is used to mitigate conflicts between the different logics. By using the strategies proposed by Reay et al. (2009) and Carlsson-Wall et al. (2016) to analyse how clubs work with conflict management, the study aims to answer the following research question,

How do top management in Swedish elite football organizations perceive the institutional logics present in the clubs, and how can the budget be used as a tool to manage tensions between these logics?

The empirical data revealed that all three logics were prominent across all clubs and that each club also experienced conflicts and difficulties regarding the balance between them. Five situations where conflicts between the logics were particularly salient was identified and it was observed that the clubs used all the strategies proposed in the literature: collaboration strategy, compromising strategy, decoupling strategy and separation strategy, in different situations where it was deemed suitable. Additionally, a completely new strategy, the postponing strategy was identified- previously not recognized in the literature- along with two new variations of the collaboration strategy: top-down collaboration strategy and bottom-up collaboration strategy.

The postponing strategy is used by several clubs when uncertainty regarding sports performance affects the future of the budget. The most common uncertainties stemmed from the first transfer windows potential impact on the budget and the consequences a potential relegation from Allsvenskan could have on the budget for the next year. With the latter mentioned, the financial difference between playing in Allsvenskan and Superettan was described as significant, and thus it was essential to create two separate budgets to account for each scenario as the difference was substantial. To mitigate these two types of uncertainties the clubs wait to commit to a final budget until more information is revealed, using the postponing strategy. The problem related to this strategy is however that the conflicts are only solved temporarily and will arise again as soon as more information is revealed. Furthermore, the challenge of allocating scarce resources, faced by most clubs, often leads to conflicts that are solved by either applying the top-down collaboration strategy-where discussions and the initial budget is developed by the top management, or the bottom-up collaboration strategy, which begins at lower levels within the organization and concludes with finalization at the top. Jointly for all clubs, however, is the use of the collaboration strategy, which is particularly fitting for football clubs due to the clear, common goal of sport success evident within the organization. This is in alignment with what Reay et al. (2009) proposes, that a collaboration strategy where a clear shared goal is evident can facilitate cooperation. This shared goal encourages the different actors to come together and collaborate, despite dominance of different logics among the various actors. Lastly, the fact clubs need to use several strategies simultaneously during the budget process and that the strategies used in a specific situation differs between the clubs highlight the extraordinary complexity present in football organizations.

The paper contributes to the previous literature in three ways. Firstly, we contribute to the existing research on mitigating institutional logics by providing more evidence for the previously developed strategies: collaboration, separation, compromising and decoupling strategy proposed by Reay et al. (2009) and Carlsson-Wall et al. (2016). In addition, the empirical data reveals one new strategy named postponing strategy where the clubs postpone the finalizing of the budget until more information is revealed and the situation is viewed as less uncertain. The study also found two different variants of the collaboration strategy depending on where the budget process starts, referred to as a top-down collaboration strategy and a bottom-up collaboration strategy. Secondly, the study is conducted through interviews with individuals within multiple clubs in the Swedish top league, representing a range of financial conditions, sizes and league standings. Previous research in the Swedish football sector, such as the work by Baxter et al. (2019) and Carlsson-Wall et al. (2016), have been conducted as single-case studies. By doing a multiple-case study, comparison between clubs have been possible, leading to findings that reveal both similarities and unique characteristics across the clubs. We find that the three different logics, social welfare, business and sports logic, are all evident in the clubs and causes conflicts and discussions. As football clubs can be considered hybrid organizations, we therefore contribute to previous literature in this domain by finding evidence of the three logics previously mentioned (Carlsson-Wall et al., 2016; Battilana et al., 2016) and in addition presenting five situations where conflicting logics create tensions during the budget process. Thirdly, we also contribute to the existing literature about budgeting and hybrid organizations (Carlsson-Wall et al., 2016; Kaufman et al., 2019) by observing that the budget plays a crucial role in mitigating the conflicts between the different logics, and concludingly thus serves a broader purpose beyond its function as a financial tool.

The study however has some limitations. First of all, only eight out of sixteen clubs in the league have been interviewed which has been seen as a sufficient number for the purpose of the paper, but the study can therefore not draw any conclusions about how all clubs in Allsvenskan uses the budget to mitigate conflicts between different institutional logics. Second of all, the study was conducted over a limited time period and studying the clubs over an extended period could have provided additional insights and findings. For future research it would be interesting to compare the Swedish league with other leagues that allow external capital and may therefore be more commercially driven, to see if other conflicts arise and if these international clubs utilize the budget in different ways. This comparison is of specific interest since the Swedish league is obligated to follow the 50+1 rule, has historically had a strong emphasis on amateurism while at the same time being obligated to follow the requirements from Swedish Football federation to receive the elite license. Finally, it would be interesting to study the clubs´ budget processes over an extended period and in more detail observe how the conflicts arise and followingly are addressed. Due to limited time this was not possible.

7. References

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8. Appendix

Appendix 1. Interview guide translated to English

Introductory questions:

1. Can you briefly tell us about yourself and your role within the club?
2. Can you provide us with some additional background about the club?
3. How many are working with finance and what positions do they have?

Finance and ownership:

4. How is the club financed? Do you have any external owners and how are your attitude against this?
5. How does the current ownership structure look like?
6. What do you view as a good economy for a football club?
7. Do you have any specific KPIs or objectives that are deemed most crucial that you follow up on?
8. Could you give an example of a situation where you are forced to compromise and prioritize away some investments due to limited capital?
9. Can you provide an example of a situation where you had to make a trade-off between prioritizing the sporting aspect and the financial aspect? Which path was chosen, and who was involved in the decision?
10. Have you ever experienced a financial crisis within the club and how did you solve this?
11. Do you have any financial goals in the club?
12. How do you perceive the correlation between sports performance and economic strength/financial stability?

Budget process:

13. What does the budget process look like? Please provide a detailed explanation of the steps involved and the individuals participating in it.
14. When is the budget finalized?
15. Do you revise it during the year?
16. How important would you say that the budget is within the organization?
17. How much time do you dedicate to the budget process and how thoroughly do you make follow-ups?
18. If you end up in a situation where making an investment is performance-wise beneficial but goes against the budget, what is your reasoning and how do you make a decision?
19. Do you include player trading in the budget? What is the reasoning behind your decision?
20. Who is in final charge of the budget?

21. Can you please walk through the different revenue and cost streams that are included in the budget?
22. Which revenue and cost streams are the most and least difficult to predict and why?
23. How do you follow-up the budget?
24. What is the most difficult aspect of the budget process in your opinion?

Appendix 2. Overview of interviews

Interview	Club	Position	Place (Online/physical)	Time (min, sec)	Date
1	1	Chief Finanial Officer	Physical	30:29	2023-10-09
2	2	Chief Executive Officer	Digital	52:36	2023-10-10
3	3	Chief Finanial Officer	Digital	32:07	2023-10-10
4	4	Chief Executive Officer	Physical	59:23	2023-10-11
5	5	Chief Executive Officer	Digital	15:26	2023-10-14
6	5	Chief Executive Officer	Digital	31:58	2023-10-15
7	5	Chief Financial Officer	Digital	22:48	2023-10-16
8	2	Chief Financial Officer	Digital	26:32	2023-10-17
9	7	Chief Financial Officer	Digital	31:56	2023-10-21
10	6	Chief Financial Officer	Digital	29:18	2023-10-21
11	7	Controller	Digital	29:11	2023-10-22
12	5	Former Sports Director	Digital	29:20	2023-10-29
13	3	Techincal Director	Physical	30:32	2023-11-14
14	3	Vice President	Digital	37:09	2023-11-15
15	8	Chief Executive Officer	Digital	42:45	2023-11-20
16	8	Vice President	Digital	38:07	2023-11-21

Note. A total of 16 interviews was conducted with 8 different clubs. The average duration was 34 minutes.