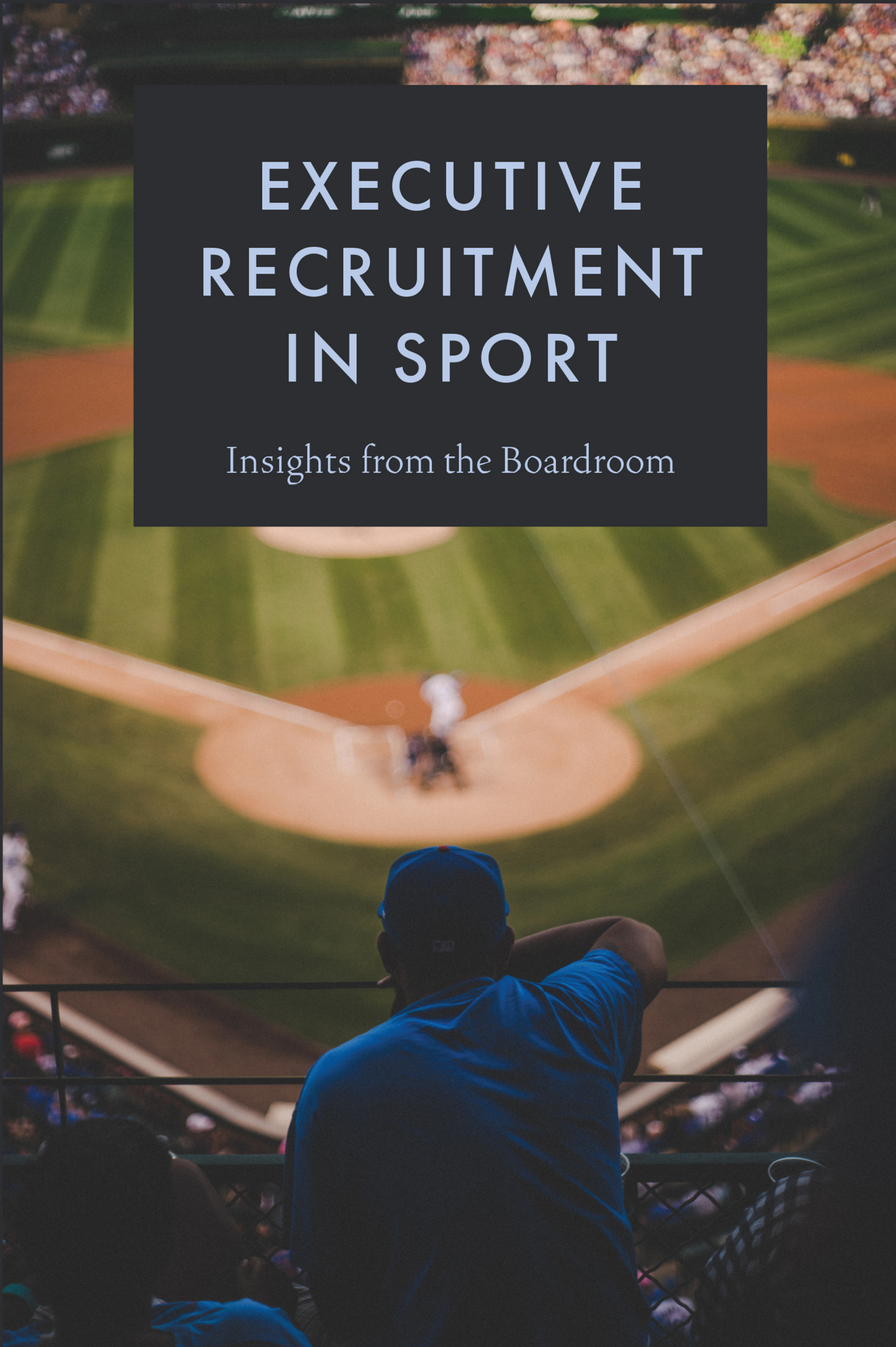
EXECUTIVE RECRUITMENT IN SPORT

Insights from the Boardroom



IAN LAWRENCE

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Executive Recruitment in Sport: Insights from the Boardroom

BY

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INVESTOR IN PEOPLE

Contents

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Ian Lawrence is a leading academic and practitioner in sports management, leadership, and talent development, with over 30 years of experience in education and research. Currently serving as Associate Dean for Sports Business and Management at the University Campus of Football Business (UCFB), he has extensive expertise in executive education and global partnerships within the sports industry. He previously served as Course Leader for UCFB's flagship MSc Sports Directorship programme, overseeing the development and delivery of executive education for aspiring sporting directors and industry leaders. He is the author of several influential research monographs, including *Football Club Management: Insights from the Field* (2018), *Soccer and the American Dream* (2018), and *The 'C-Suite' Executive Leader in Sport: Contemporary Global Challenges for Elite Professionals* (2020). His research explores leadership, governance, and talent strategy in elite sports, making significant contributions to both academic scholarship and industry practice. In addition to his academic work, he has consulted for professional football clubs and sports organizations worldwide, advising on executive leadership, talent identification, and strategic development.

Cindy Moran is President and Co-Founder at MVP-Results, a talent optimization consultancy that specializes in strategic human capital throughout the entire employee lifecycle, from hire to retire. She specializes in learning and development from heading the function for international corporations for over 20+ years. Her expertise includes talent acquisition, succession planning, change management, and growth strategy, all leading to measurable results in innovation and growth. Working with critical teams, she focusses on effectiveness and alignment to connect the business strategy to the people strategy to de-risk execution on core objectives. She studied Philosophy and Business at Villanova University with a graduate study at Penn State University. She is certified in strategic organizational leadership, facilitator of the leadership challenge, predictive index's master trainer, and expert in customer focussed selling. In the analytics space, she has built an award-winning team to work with Predictive Index (PI) clients at the elite level, and she coaches executives in emotional intelligence and leadership practices from 360-degree feedback results. Her sports clients include Minor and Major League Baseball, US Soccer and various clubs. She was born in Pennsylvania but has spent her adult life as a Floridian. She has two daughters, is actively involved in her community through board work and fundraising for the Young Men's Christian Association (YMCA) and a self-professed Disney-phile. You can see the Magic Kingdom fireworks from her backyard nightly.

Lloyd Rothwell recently completed his PhD in Sport Management at the University of Technology Sydney (UTS). His doctoral study examined chief executive officer networks and succession in sport organizations, highlighting the importance of networks and networking to leadership performance and career development while also identifying marked differences based on gender. He is currently a Sessional Academic at the UTS Business School, teaching courses in sport business, events and management. Additionally, he holds lectureships at several other tertiary institutions including the Australian College of Physical Education. His research interests comprise leadership development, succession management, gender equity, and social network analysis within sport management contexts. Prior to joining academia, he accumulated a wealth of experience as a senior manager in the sport and recreation industry, and he continues to work as a consultant with a particular emphasis on leadership, strategy, and operational management.

Mark Wilson, born on 9 February 1979, in Scunthorpe, England, is a former professional footballer and current Technical Director of Angel City FC. He began his career with Manchester United, turning professional in 1997, and later played for clubs including Middlesbrough, Swansea City and FC Dallas. He also represented England at the youth and under-21 levels. After retiring, he moved to New York City and co-founded Beyond Pulse, an educational technology company focussed on coach development and the impact of technology in youth sports. He also held coaching positions with the New York Red Bulls' USL League Two team and served as Head of Education for the Colorado Rapids Youth Soccer Club, where he developed talent identification and development methodologies for coaches and players. In May 2024, after the completion of a Master's degree in Sports Directorship, he joined Angel City FC as the club's first Technical Director, bringing his extensive experience in player development, talent ID, and coaching to the National Women's Soccer League.

Rob Wilson has worked across sport business education for 25 years. Currently, as Head of Executive Recruitment and Programmes at the University Campus of Football Business and Programme Director for VSI Executive Education, he supports the development of chief executive officers in sport organizations and sporting directors. He is a Professor of Applied Sport Finance, with his research primarily focussed on financial and economic decision-making within the sports industry. Beyond academia, he is renowned for his role as a media commentator and policy advisor. He has provided expert analysis on major financial challenges in the sports market and has advised organizations such as the Department for Culture, Media, and Sport and the English Football League. Throughout his career, he has emphasized the importance of applied research to ensure that his work translates into tangible outcomes for the sports sector. His dedication to bridging the gap between academia and industry has solidified his reputation as a leading figure in sport finance across the globe and a key advisor to club executives looking to gain that competitive advantage.

Preface

Ian Lawrence

> 'You know more than you think you know, just as you know less than you want to know.'
>
> —Oscar Wilde (*The Picture of Dorian Gray*, 1890)

Elite sport is big business. Estimates vary regarding the market size of the global sports industry. In 2024, Statista estimated that global sports industry revenue is forecast to grow at a compound annual growth rate of 9.13% between 2022 and 2028. By 2028, the global sports market is forecasted to be worth over 680 billion US dollars (Statista, 2024). Clearly, post-COVID-19 pandemic, which led to sports events and professional leagues across the globe being suspended, postponed, or cancelled the industry, has rebounded financially. Despite the volatile, uncertain, complex, and ambiguous challenges that society faces, the appeal of ascending to the role within the 'c-suite' is one that is attractive to many. Bound in perceptions and connotations of power, status, and influence, the chief executive officer (CEO) leads the senior leadership team and has the greatest power and influence within the team. For anyone with aspirations of reaching the top of a very narrow career pyramid, there should be recognition that there will be no shortage of suitable candidates with the prerequisite flair, intelligence, focus, determination, and energy required to fill any c-suite vacancy. One of the time-honoured tropes of mainstream business research is the detailed description of the life of the corporate 'titan'. Readers marvel at stories of idiosyncratic, legendary CEOs whose regimen requires them to rise at dawn, followed by yoga, muesli, golf practice, and 'quality time' with their children before responding to a mountain of emails (for many a daily regimen that equates to a form of corporate self-flagellation). In the lexicon of business vernacular, the CEO is for many, the embodiment of organizational power, authority, and leadership. Leadership, which requires an individual to be both the internal and external 'face' of the organization and in doing so balance the complex needs and wants of owners, employees, customers, media, government, and in the case of the sports executive – the athletes and 'fans'. Aficionados of peer-reviewed CEO research, quasi-biographies and hagiographies are often left with concerns regarding the accuracy of the way in which CEOs are portrayed. Are they 'superhumans' with superior levels of emotional and intelligence quotients? Are they individuals with extraordinary levels of physical and emotional resilience? Do they have a business 'X' factor which is innate? Sceptics of CEO research are left mulling over the potential for CEO research and autobiographies to fall into what could be argued as worthy, vanity, self-aggrandizing, and virtue signalling projects on behalf of the author and their CEO case study. The pervasiveness of social media has somewhat inevitably accelerated the level of 'spin' surrounding the role of the c-suite executive. Readers of CEO homilies will confuse 'correlation' with 'causation' according to Pillot de Chenecy (2019). In his excellent book, *The Post-Truth Business*, he argues that many of the 'hagiographies' that we consume of CEOs may be harmless, such as the quirky fashion preferences of Steve Jobs (co-founder of Apple) to wear the same style of clothing (*aka* 'uniform') to work every day. A classic logical fallacy many aspirational CEOs have learned the hard way, that is, in emulating all aspects of Steve Jobs' wardrobe and personality; it doesn't mean you will change the world like he did. The danger is that in copying a leader's eccentricities and idiosyncratic views, neophyte executives lose sight of the core, objective, and sustainable messages, which can be translated to their own business context and specific demands. In essence, there is potential in our search for simplicity of message to fail to acknowledge the range of 'internal' (e.g. fallacy or confirmation bias) and 'external' (e.g. macro-business dynamics such as political, environmental, and social) complex variables at play for any CEO.

Rationale for the Book

During my initial background research for this book, I was encouraged to read one of Rudyard Kipling's (acclaimed British poet) most well-known stories – *The Elephant's Child* – first published in 1900 (Kipling, 1900).

> I keep six honest serving-men (They taught me all I knew);
>
> Their names are What and Why and When And How and Where and Who.
>
> I send them over land and sea, I send them east and west;
>
> But after they have worked for me, I give them all a rest.
>
> I let them rest from nine till five, For I am busy then,
>
> As well as breakfast, lunch, and tea, For they are hungry men.
>
> But different folk have different views; I know a person small —
> She keeps ten million serving-men, Who get no rest at all!
>
> She sends'em abroad on her own affairs, From the second she opens her eyes — One million How's, two million Where's, And seven million Why's!

Rudyard Kipling, although potentially not the first to write about the five 'W's (What, Where, When, Why, and Who) and one 'H' (How), is undeniably one of the most eloquent. These interrogatives, sometimes referred to as 'The Kipling Checklist', are the standard questions posed by scientists and engineers engaged in 'Root Cause Analysis'. My own use of the checklist was to encourage interviewees to critically reflect upon their own experiences and share their insights. The vast majority of published CEO case studies have mostly leaned towards being soporific and romanticized accounts, and in doing so miss an intellectual opportunity to explore deeper questions of 'why' and 'how' they achieved success rather than simply describing the 'what', 'where', and 'when' of their behaviours. The *raison d'être* of this book is to go beyond the superficial what, where, when, how, which, and address the 'why' of c-suite staff and organizational behaviour. With this mantra at the forefront of my mind, I aimed to maintain both a 'reflective' (review activity conducted post-interview, that is, what 'worked' and what did not) and 'reflexive' (self-awareness and assessment undertaken 'in the moment') stance.

The motivation for this book is therefore to attempt to answer the fundamental core questions of why some individuals are more successful than others and how they achieve consistent and repeated success. As such, this book aims to challenge the assumptions and presuppositions about the c-suite. Personally, the research experience and detailed discussions were enlightening in terms of understanding executives at an ontological level, that is, in terms of appreciating what was important to them as people … as a human being. Powerful stories regarding consideration of 'purpose' and the way in which senior executives in sport find meaning in the world are revealed as being far more complex.

For those readers who aspire to join the c-suite ranks, it is hoped that this book assists in providing an understanding of the dynamic environment in which you will be expected to compete. If you are going to help lead your sports organization to the future, learning must be a fundamental component of that process.

Book Structure

The aim of this research monograph is to provide a synopsis of contemporary issues affecting the performance of the modern-day sport's executive strategic leader. Each chapter contains both a 'literature review' and 'interview' with an 'expert' c-suite sports executive. The aim of the literature review at the start of each chapter is to provide a holistic understanding of contemporary research context and underpinning theory within the chapter heading. The book has a focus on providing the audience with research insight that is sourced from a wide range of interdisciplinary sources that help to frame the expert interviews that follow. The combining of several academic disciplines into one literature review, for example, sociology, anthropology, psychology, economics, etc., allows the reader to challenge their existing knowledge on the subject matter and consider their own academic and professional experiences.

The purpose of the expert 'interview' is to provide insight to the 'real-world' lived experiences of the workplace. Each chapter represents an opportunity for the interviewee to describe in their own words their lived experience as a sports executive and reflect upon their professional knowledge and competences. A dynamic, uncertain industry, where career is often dependent on the achievements of its athletes. In the face of such volatile circumstances, Roth (1963) has eloquently argued that people make every effort to reduce the uncertainty attached to their positions by psychologically structuring their lives to anticipate potential changes in status and employment. A consideration of this book was therefore to question how executives strategize their careers, contingency plans, and anticipate the required personal and professional skills required in any future roles.

The book is not intended to be a 'one-size-fits-all' series of generalizations but allows the interviewee to focus upon a specific contemporary issue (of their choice) and contextualize to their specific role and organizational context. Each interview is designed to challenge the 'expert' to consider/reconsider their career from a variety of perspectives, for example, sociological, psychological, economics, etc. The use of a series of semi-structured interviews with strategic sports leaders and their equivalents is intended to contextualize and apply the plethora of existing management and executive training research. In other words, what is the 'lived experience' of 'c-suite' executives and how does it relate to existing research? The ambition of the text is to provide a nuanced appreciation and understanding of the major roles, responsibilities, and challenges faced by senior executives.

Research Approach

A relatively small number of academics have managed to gain 'face-to-face' access to elite sports team executives for the purpose of generating objective, meaningful, and insightful research (Lawrence, 2018; Magee & Sugden, 2002; Roderick, 2006). This appears to be due (in part) to a pervasive lack of trust and caution towards engaging with 'outsiders', who are, by definition, external to the business and therefore represent somewhat of an unknown quantity. Professional industry sensitivity and insecurity appears to be typically born out (a) concerns regarding the confidentiality of 'trade secrets', intellectual property, or innovations being revealed to the competition, or (b) professional 'brand' reputation issues, that is, misrepresentation and/or exposure of information obtained by the 'outsider' – leading to potential ethical/legal challenges. As such, elite sporting organizations often deliberately present themselves as 'closed' to external collaboration due to fear of being 'wronged' or harmed by the research. This tangible lack of trust of 'outsiders' means that it is highly unlikely that any initial request (on behalf of the researcher) will translate into a meaningful research collaboration. Interviewees who are cautious regarding being quoted 'for the record' typically request anonymity to protect both their own personal and collective organizational reputation. Indeed, it is commonplace for social scientists to adopt a policy of 'blanket anonymization', whereby all names, places, and other identifying features are disguised across a data set, including from interview transcripts, diaries, and field notes (Clark, 2006). However, for the experienced researcher, it is possible to slowly nurture and establish a climate of mutual trust and reassurance of research integrity by integrating the appropriate level of rigor towards research ethics. This process required me, as the interviewer, to be fully transparent with each prospective interviewee regarding my expectations as a social scientist and professional 'obligations' that relate to conducting work that is carried out both responsibly and with respect to the integrity and behaviour, that is, moral, legal, safety, and security of colleagues and participants. Each of the named interviewees within this book consented to be named and 'waved' their anonymity, providing written consent to be identified. This assurance was formally underpinned by encouraging each participant to fully interrogate the proposed research collaboration, that is, (i) my professional research background and previous publications; (ii) the research rationale; (iii) primary data collection method, that is, semi-structured interviews; (iv) how and in what form are the intended 'results' of the research to be disseminated, that is, research monograph; (v) participation is voluntary, and consent/participation can be withdrawn at any point. In my previous experiences of producing research monographs, I have strongly encouraged research participants to fully participate in the formative review, that is, 'drafts' of interview transcripts (*aka* 'primary data') and provide feedback regarding accuracy of thoughts and ideas conveyed. As a result, the process of nurturing and establishing a trusting relationship and eventual data analysis was time-consuming but key to being afforded the opportunity to obtain rich and nuanced insight into the 'what', 'where', 'when', 'how', 'which', and 'why' of interviewee thoughts and reflections. In carefully and sensitively considering the methods, procedures, content, and reporting of my research enquiries, the aim was to try to ensure that I left the interviewee and their respective sports organization in a manner that allowed future access for prospective researchers.

Trust in any research setting can be arguably accelerated if the researcher has the status of 'quasi-insider' (Wacquant, 1992). As a former semi-professional football player, Roderick (2006) believes that he was afforded the status of 'insider' and afforded a level of legitimacy and trust in the eyes of the players he interviewed for his excellent book on the career and working culture of professional football players. This was not a status or legitimacy that this author could claim or use to leverage access to undertake detailed research interviews. An alternative participant recruitment strategy was therefore considered. Speculative requests for interviews, via social media and professional networks such as LinkedIn, were mostly unsuccessful – unsurprisingly so, given the industry's reluctance to engage with perceived 'outsiders'. The majority of interviewees for this book came directly from elite sports industry 'experts' that I have either been introduced to or recommended to via a range of 'gatekeepers'. A gatekeeper in research terms is someone who provides access to his/her professional contacts and by doing so helps to reassure his/her colleagues of the integrity of both the researcher and the outputs of any collaboration. As mentioned above, the author did not have the full status of quasi-insider and so referrals from high-profile industry gatekeepers were crucial in facilitating an introduction and potential access to club/team personnel. These initial recommendations were cross-referenced against a separate, independent 'purposive' or 'purposeful' sample undertaken by the author. The aim of this exercise was to identify c-suite sports executives (or their equivalents) whose knowledge, skills, and experience had been validated by professional reputation and associated sports industry awards. This form of non-probability sampling required the researcher to exercise a subjective regarding the selection of which individuals were selected for contact. The aim was to find 'experts' with credibility and the credentials and the enthusiasm to reflect and provide considered and 'rich' information for the audience of the book. The advantage of using expert subjects within any research project is in their ability to provide 'crystallization points for practical insider knowledge' (Collins & Evans, 2007). In many cases, the interviewee then suggested additional potential candidates with c-suite expertise that were not necessarily high-profile sports business 'names' but had industry credibility and who were highly respected by their peers. Equipped with a formal introduction and personal recommendation, I was then able to contact the next prospective participant much more efficiently and thereby gain access to an extended circle of experts. As a result, the sample of intended interviewees 'snowballed' from an initially small pool of contacts to an extensive network of mutual associations (Rubin & Rubin, 1995).

In total, over 30 high profile 'c-suite' global sports executives (from a range of different professional sports and leagues) were interviewed as a preliminary 'scoping' of what the contemporary challenges are for c-suite sport leaders in the 21st century. The deliberate focus during this draft/preliminary stage of research was to listen intently to participants and use their collective insight to help narrow the topics of discussion (and subsequently recorded interviews) for the book. In essence, the interviewees drove the agenda for the conversations and the book that has since emerged. What followed next was a follow-up interview with a selection of the interviewees who consented to then have their views put on record for this research project. The bulk of 'final' interviews (that now appear within this monograph) was undertaken by the author over a period of two years, between May 2022 and December 2024, and followed a 'semi-structured' format with an 'interview guide' that utilized pre-defined topic areas to guide the discussion (Relvas et al., 2010). Broadly, the interviews began with an initial 'introduction and background' discussion of the rationale for the book, its anticipated structure, and the ethical protocols associated with the interviewees' participation. Second, the interviews probed the subjects' professional background to contextualize and frame their career trajectory. Third, participants were asked to discuss their current roles and responsibilities within the club and to provide insight into its operational structures and working practices. Commitment to a series of in-depth, semi-structured interviews was challenging on the behalf of the interviewees, given the demands that such high-profile individuals have upon their time and availability. Inevitably, this meant that several subjects eventually withdrew from the research process due to the demands of their role and the inflexibility that this created.

It was important for this project that each interviewee would consent to be named within their respective chapter. By naming the individual, the reader is then better able to form a mental picture of the individual and contextualize the experience that is articulated. I was unsurprised by the high levels of the professionalism that I encountered with each interviewee. Each executive was highly experienced at communicating their values and experiences (as would be expected of individuals who are in the public eye); however, what was surprising was that their professional curiosity regarding the topics covered extended into a sincere desire to 'make a difference'. A commitment to detailed and inevitably time-consuming meetings was crucial if the book were to go beyond superficial observations and provide genuine insight. By allowing the subjects to identify and raise issues relevant to their own circumstances, the author ensured that the interview responses that followed were particularly candid regarding their career experiences (Andrews et al., 2005; Rubin & Rubin, 1995). Each interview was underpinned by sensitivity or 'research empathy' in order to help minimize the 'distance' between researcher and respondent (Collinson, 1992; Oakley, 1990; Roderick, 2006). My aim within the interviews was to try and encourage the participants to become 'detached' enough to find those moments of clarity about why they do what they do but haven't necessarily reflected upon sufficiently to articulate. The ability for both the interviewer and interviewee to cognitively 'step back' and reflect, without presupposition and preconceived notions was the ambition of the project – allowing both parties to deal with their own assumptions and challenge both not to conclude too hastily. This research approach was, in part, facilitated by maintaining a structure for each interview that was flexible, iterative, and continuous. As a result, the research themes, identified in each chapter, were adapted in terms of how they were introduced into each interview according to the personality, interests, and knowledge of the interviewee (Andrews et al., 2005; Daley, 2010). Each interview was then audio-recorded to allow for accuracy of recall and the data obtained analysed using a 'thematic' approach. Subsequent interpretation was then discussed with the interviewee to ensure that discussion points and conclusions accurately reflected the content of each interview. While the interviews within each chapter provide several specific implications for theory and practice, it is important to recognize the study's inevitable constraints. Beyond generalizability issues, interviewee comments and therefore data veracity may have been restricted by interactional effects such as poor recall, hindsight bias, and self-preservation bias (Nestler et al., 2008). However, despite such inevitable constraints, I am confident that the research contained within provides insight into the lived experiences of c-suite executives and by doing so helps to further our 'ontological' appreciation of the world in which c-suite executives live. The research conclusions will inevitably have far-reaching implications for individual self-reflection and career action planning of aspirational sports executives. This book, therefore, aims to challenge the reader to consider peer-reviewed literature in conjunction with insight from sports industry experts, not simply a vanity project or espousing home spun homilies.

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Introduction

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In the 21st century, professional sports teams' owners are engaged in a global arms race for success both 'on' and 'off' the field of play. Success on the 'field' of play, as defined by the sustained, repeated 'winning' has enormous implications for the financial welfare of any club, directly in terms of prize money, but also fundamentally in terms of:

- 'match day revenue' (match day ticket sales, hospitality, and concessions),
- 'commercial revenue' (earnings from sponsorships and merchandizing), and
- 'broadcast revenue' (income from the sale of media rights to television networks and streaming platforms).

Innovations within mass media now provide the informational and financial support to sports clubs to allow the promotion of their sports team as a 'brand' and in doing so and help acquire a global audience that transcends the boundaries of their home stadium and league. Despite this, the 'success' of any sports team or club is an open concept with a variety of interpretations depending on the agenda of the stakeholder. What is clear, however, is that 'winning' if it is to be stable and sustainable, sports team leaders must systematically consider several 'trade-offs' within their ownership model and institutional context, namely, how best to balance 'business' (economic/financial) and 'sport' (propensity to win) goals. The lessons learnt from the history of sporting dynasties reveal that only a small number of organizations have been able to sustain competitive advantage in terms of both human capital and infrastructure and in doing so optimize the appeal of their brand and deliver a profit (Bouchet et al., 2013). In elite sport, the recruitment of 'talent' (players and executives) has always been an 'art', but in 2024, it is also a 'science'.

Origins of the c-Suite

The positions that collectively make up the 'c-suite' in large businesses (so named because of the tendency for all their titles to feature the word 'chief') have their roots in classical management perspective and associated models. The trend at the top of an organization to have an executive team with functional 'specialists' that report directly to the chief executive officer (CEO) includes a chief operating

Executive Recruitment in Sport: Insights from the Boardroom, 1–11

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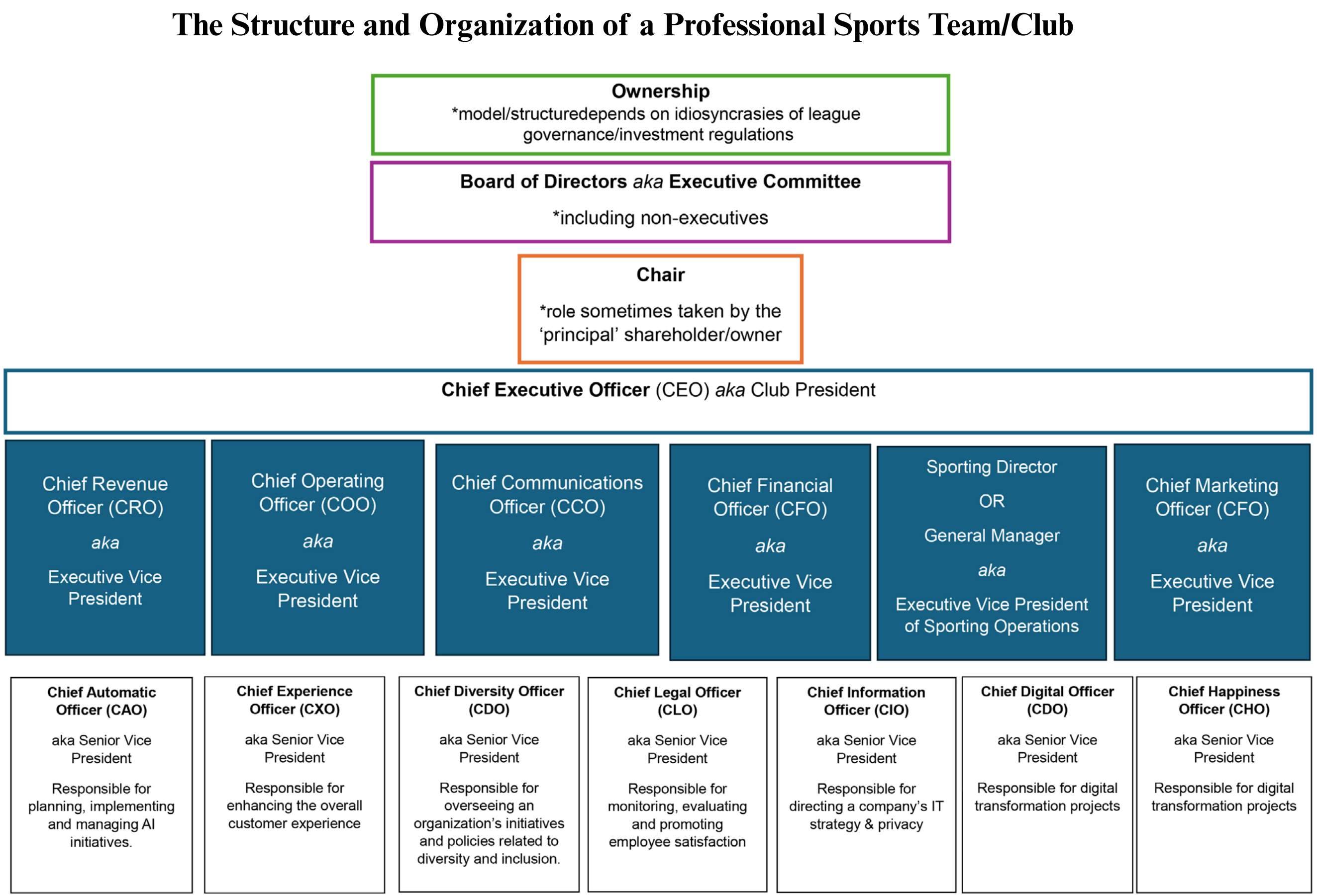
officer, chief financial officer (CFO), chief marketing officer (CMO), chief commercial officer (CCO), chief revenue officer, chief human resources officer, chief information officer and more recently (typically below the c-suite) among others, a chief data officer, a chief sustainability officer, chief culture officer and a chief experience officer. The trend towards expansion of the size of the executive team, that is, the managers reporting directly to the CEO had doubled (from 5 to 10 or more) since the mid-1980s. This is argued to be in part a reflection of the growing impact and 'harmonisation' of information technology (IT) within business operations and the demand for owners and their CEOs to have 'specialists' who are closer to the 'product' (for a detailed analysis of how information is 'harmonized' within the c-suite please see Guadalupe et al., 2013). The origins of a small executive team held responsible for overarching leadership can be traced back to the period when businesses were gaining unprecedented scale and regulators and shareholders demanded more management accountability. Alfred P. Sloan, whose years as CEO of General Motors (1923–1946) transformed the organization into the world's largest company, created the prototypical model when he distributed profit-and-loss responsibility across managers of key business divisions and regularly assembled them to decide on matters above the divisional level. A model or template for leadership is defined as 'c-suite 1.0' by Kelly (2013). Other corporations followed the '1.0' template established by Sloan at General Motors, one of a clear hierarchical structure and centralized leadership. c-Suite executives, reporting directly to the CEO, were tasked with making critical decisions, allocation of resources and monitoring performance. The emergence of new technologies in the 1980s, global deregulated markets famously led General Electric's CEO Jack Welch to warn in 1995 that 'if the rate of change on the outside exceeds the rate of change on the inside, then the end is near' (Byrne & Welch, 2003). Prophecies of this nature led to a change in the composition of the c-suite from general managers to the demand for 'specialists' with the ability to provide technical and functional expertise and thus drive 'change on the inside' heralding the rise of 'c-suite 2.0' and era of 'command and control' (Kelly, 2013). Executives with functional specialisms in marketing, finance, sales, human resources and IT have led to an ever expanding and more specialized leadership team and c-suite 2.0 model.

The Owner(s)

In contemporary society, professional sports clubs bear little resemblance to their historical roots and have changed dramatically in response to a variety of dynamic social, economic, political and technological factors. Given the seismic shift in the commercial and geopolitical landscape of professional sport, it is not surprising that there have been significant changes in terms of club ownership, the most noteworthy of which has been the influx of foreign investors into elite sports clubs (Rohde & Breuer, 2016). The new generation of billionaire owners and investors tend to have superior financial resources at their disposal, which are strategically deployed to purchase high-calibre players and secure the services of managerial talent in the pursuit of success on both domestic and international stages. As such, the current generation of team owners may be indicative of a


The Structure and Organization of a Professional Sports Team/Club
Ownership
*model/structuredepends on idiosyncrasies of league governance/investment regulations
Board of Directors aka Executive Committee
*including non-executives
Chair
*role sometimes taken by the 'principal' shareholder/owner
Chief Executive Officer (CEO) aka Club President
Chief Revenue Officer (CRO) aka Executive Vice President
Chief Operating Officer (COO) aka Executive Vice President
Chief Communications Officer (CCO) aka Executive Vice President
Chief Financial Officer (CFO) aka Executive Vice President
Sporting Director OR General Manager aka Executive Vice President of Sporting Operations
Chief Marketing Officer (CFO) aka Executive Vice President
Chief Automatic Officer (CAO) aka Senior Vice President Responsible for planning, implementing and managing AI initiatives.
Chief Experience Officer (CXO) aka Senior Vice President Responsible for enhancing the overall customer experience
Chief Diversity Officer (CDO) aka Senior Vice President Responsible for overseeing an organization's initiatives and policies related to diversity and inclusion.
Chief Legal Officer (CLO) aka Senior Vice President Responsible for monitoring, evaluating and promoting employee satisfaction
Chief Information Officer (CIO) aka Senior Vice President Responsible for directing a company's IT strategy & privacy
Chief Digital Officer (CDO) aka Senior Vice President Responsible for digital transformation projects
Chief Happiness Officer (CHO) aka Senior Vice President Responsible for digital transformation projects

move towards 'profit maximizing' and leveraging of assets rather than a sincere and authentic commitment to community and the social value of a club. Despite such concerns, owners are held responsible by their respective national league and sporting governing body for safeguarding the future of the club by various legal and regulatory codes of governance (to elicit competition stability, order, coherence and consistency).

The Board

The apex of every sports team/club organization is its 'board'. The board is composed of a small number of high-ranking individuals (directors) who are the central axis of the organization and as such are held responsible (by shareholders) for stewardship of the organization and compliance with all legislative and governance requirements. The board, therefore, plays a pivotal role in shaping power relations and decision-making processes within their respective organization. In contemporary society, most elite sports teams have evolved from their social and community roots to become complex global businesses for 'profit'; as a result, the performance of the board (as 'stewards' of the organization) is one that is increasingly scrutinized.

Within a sports club, the 'board' is regarded as the key governing body for the organization. Senior executives, such as c-suite personnel, are held responsible for the organization's goals, priorities and reporting mechanisms. The 'board' is in effect as the organization's controlling body with responsibility for oversight of the entire business, supervision and regulating its employees. The size and composition of the board are in most cases left to the discretion of the owners; however, in practice, it is typically limited to a number that promotes open dialogue (typically a maximum of 12) while having individuals the appropriate balance of skills, experience, independence and knowledge (UK Sport & Sport England, 2016). According to Deloitte (2019), the most common board size is 9–10 members who meet on average 'in-person' 4–5 times a year (each meeting lasting on average of 5 hours or more) with additional telephonic or virtual meetings of two times a year (lasting on average 1 hour). At Liverpool FC (as of 2024), the following individuals will typically be in attendance as 'directors':

- John W Henry (FSG principal owner, majority shareholder).
- Tom Werner (FSG chairman and shareholder).
- Billy Hogan (CEO: FSG international: oversee management of the entire FSG sporting enterprise, which extends into baseball, ice hockey, NASCAR motor racing and golf).
- Michael Edwards (CEO: football operations).
- Ben Latty (CCO).
- Jenny Beacham (CFO).
- Jonathan Bamber (chief legal officer).
- Andy Hughes (managing director).
- Michael Gordon.
- Sir Kenny Dalglish.

As stakeholders' expectations evolve, the traditional governance structures of many sporting entities have made incremental shifts towards multi-stakeholder involvement to optimize cooperation between club owners, governing body, players and fans. Within US sports, it is not untypical for the league 'commissioner' and the individual team owners to hold primary authority as the governing body and in doing so exercise control over licensing, competitive rules, scheduling, disciplinary issues and labour relations.

Typically, elite sports teams are required to adhere to one of several different legal structures, depending upon the purpose for which it is formed. The most common of which are:

- 'unincorporated association' (most common structure for an amateur club);
- 'private company limited by guarantee' (club formed primarily for participation purposes rather than personal profit); and
- 'private company limited by shares' (most English professional clubs are structured this way with a view to profit).

In this legal structure, the shareholders of a club are the members either via subscribing for shares from the club or by buying shares from an existing shareholder (typically based on the value of the club at the time of acquisition). The company is owned by shareholders who elect the 'directors' who have a duty to promote the success of the company and to act in the best interests of the company and to comply with its 'Articles of Association' (i.e. the company's constitution). Shareholders typically have the right to receive a dividend (if declared, out of the club's distributable profits) and therefore is particularly attractive to owners or investors who wish to invest in the club as a potentially profit-making operation as they can benefit from payment of dividends and an increase in the value of their shares (which can be sold, subject to the incorporated club's governing document, the articles of association). The advantages of this legal structure for the club are that having a 'separate legal identity', that is, if it becomes insolvent, then the members (i.e. the shareholders) will not be liable for the company's debts other than to the extent that they have not fully paid the company for the shares that they hold. In addition, shares in the company can be bought and sold, subject to any restrictions in the articles of association. Thirdly, if anyone, either individually or by collaboration with other shareholders, holds over X% of the issued shares (typically 50%), then they can control the appointment and removal of the board of directors, and if holds Y% (typically 75%) or more of the issued shares, then they are, among other things, able to change its articles of association. This feature creates considerable pressure upon shareholders to consider who will sit on their board or club committee. The implications of which have far reaching implications for the general governance structure of the club. Clubs are therefore broadly 'free' to determine how they wish to be managed; however in practice, the simplest approach appears to leave all decisions to the board of directors to determine on a majority vote basis.

Modern elite sports teams should be considered as 'for-profit businesses'; in that their shareholders focus on financial returns. Directors are typically obligated to put the company first. The calls for fan involvement at a board level have been widely criticized by many, suggesting that it was not clear that the ordinary grass-roots supporter had any insights to offer in the running of a sustainable business. Given a traditional lack of enthusiasm by the majority of elite global sports teams to incorporate a 'fan perspective' within the management of their businesses, there would appear to be added stress placed upon senior executives being accountable for the performance of the club (both on and off the field of play) to assess how 'risk' is monitored and assessed and how performance is optimized. The responsibility of the board (and its spokesperson – the 'Chair') is to work in tandem with the CEO to create 'value' (through entrepreneurship, innovation, development and exploration) and provide accountability and control systems commensurate with the risks involved.

In terms of structure and governance, the 'Chair' of the organization is held responsible for the oversight of c-suite personnel. In the UK, the CEO and chair roles are typically kept separate (the CEO runs the company and conventionally is not also the chair of the group of people that oversees him or her; in the USA, it is often the case that the chair and CEO roles are combined). To avoid the concentration of power in the hands of the full-time salaried c-suite executives, the conventions of good business practice are that no less than one-third of the board should comprise 'non-executive' directors (NEDs). These 'non-executives' are experienced individuals with specialized knowledge who are viewed as 'adding value' to the overall organization. Principally employed as independent 'part-time' consultants by the CEO, the overall aim is that NEDs can act as 'critical friends' in offering an impartial or objective view of club strategy. However, there are legitimate concerns regarding the objectivity and independence of NEDs' views given that such appointments are normally made by the CEO or the 'Chair' personally, and from within his/her own professional network and experience. In theory, the 'Chair' and chief executives should use their NEDs to provide general counsel – and a diversity of critical thought and perspective – a balance that is compromised if the appointment of an NED is made on loyalty to that friendship alone.

The relationship between the 'Chair' and the CEO' is a crucial strategic one for the success of the overall organization. Given the strategic importance of leadership provided by the CEO, it follows that board members' most important job is to 'hire and fire' the CEO. On a daily basis, the board is expected to oversee the performance evaluation and measurement of the CEO. Although stakeholders (such as the fans) are not privy to the dynamics of how boards interact, research provides some useful macro-business signposts that indicate whether a board is accelerating, that is, dynamic in helping to drive company performance forward. Their research reveals that boards of highly successful companies (in their terms 'super accelerators') tend to be smaller (on average, 11 members vs 13 members of board that have plateaued). The conclusion being that a smaller board membership facilitates clear, efficient and effective lines of communication and accountability for the owner. In addition, successful companies tend to have board members who are 'industry insiders', that is, experts with professional insight and a track record of having successfully implemented business transformation.

Familiarity with specific industry norms and expectations means that new board members are fully cognizant of the need to be totally committed to a role in which shareholder and stakeholder activism has helped to ensure that demands placed on 'directors' to achieve progress, both on and off the field, remain constant.

In evaluating potential new board members, it is important for ownership to consider whether they 'add value' across the broader board discussion by being able to contribute to a variety of committees (Heidrick & Struggles, 2016). Depending on the club structure and board membership, this may extend to monthly meetings to discuss a variety of club-related topics such as finance, operational management, governance, corporate social responsibility, legal, marketing, etc. However, there is arguably an increasing need to recruit now digitally astute directors, with now more than 5.45 billion internet users worldwide (67.1%) of the global population (Statista, 2024). How clubs conduct their business and how fans experience the club's products and services have changed profoundly. Moreover, the digital age is rapidly transforming how fans interact with one another, and how they develop online communities, and as such it is the board's responsibility to decide which skills and competencies are needed within their executive and how best to recruit those directors. While no one has a crystal ball, the above digital commerce trends suggest that club boards need specialist digitally astute directors to bolster more traditional skill sets such as strategy, law, finance, sales, and governance. As a result, the ownership of any club must maintain critical review and manage the composition of their board. Traditionally, the chair of the board is the senior person on the company's board of directors, which is the group that legally has the final word on what the company does. The chair is elected by the other members of the board and usually is neither an employee of the company nor works full-time on company business. The board as a whole (but not the chair individually) is responsible for the company's overall strategy and major strategic decisions, as well as hiring (and firing) the CEO. The chair of the board will typically serve ex-officio on all board committees (including the executive committee), run all board meetings, and consult frequently with the CEO. While the chair has the same vote as any other directors, there is often an implied seniority and gravitas to the chair's role. The one exception to this structure is in the case of an executive chair, which is a full-time, compensated, operating, employee role that directly manages the CEO (although depending on the particular company and people involved, both might instead directly report to the board). Because all power in a company ultimately stems from the board of directors, which represents the interests of all shareholders, the board determines just how much power it delegates to the chair and the CEO. So, for a chair to 'get more power', he/she needs to have sway over the other members of the board, either technically (because the chair has the right to appoint them) or unofficially (because the other members will take 'sides' with the chair in the case of conflicts with the CEO). In any 'ordinary' organization, philosophical, and strategic alignment between all senior executives is a key factor in success (21st Club, 2017). If the fans on the 'shop floor' endorse the vision of the organization, then the executive leadership has a greater chance of fulfilling that vision. But most sports clubs are not conventional organizations, as key stakeholders (fans) are often focussed upon what could be described as a short-termism or demand for instant gratification. How the board communicates and contextualizes its strategic vision in order to meet fans' expectations is therefore crucial. The CEO (*aka* 'President' in US vernacular) is now in a position of enhanced scrutiny and therefore has a greater responsibility than ever before. It is the responsibility of the CEO within the contemporary c-suite to articulate and maintain coherence and alignment of vision throughout a technically complex and multi-layered structure. The impact of the COVID-19 pandemic and the next wave of globalization have forced the CEO and their c-suite of direct reports to face both existential challenges and potential opportunities. Rapid technological change, evolving sports business models, demands for diversity, and organizational reform will inevitably challenge c-suite to evolve further and address the limitations of their current leadership team of executives.

The complexity of leading a sporting team in excess of 90 executives is not uncommon in elite clubs. In US sports, the terms 'front' and 'back' office are often applied to delineate their organizational charts. In US terminology, 'front office' typically features staff members whose leadership roles include CEO and fellow 'chiefs' or senior vice presidents (as typically identified in the USA), while 'back office' refers to supporting functions such as medical and performance, analytics, etc. The complexity of the modern club is illustrated by the New York Yankees, whose leadership 'team' is comprised of 15 executives and are responsible for setting the strategic direction and operational excellence of the organization for the remainder of the organization (approximately 80 executives who oversee key areas such as player development, marketing, financial management, and community relations, ensuring the team's competitiveness on and off the field).

Most sports governing bodies do not prescribe or specify the required organizational hierarchy for an owner to follow, other than a condition to establish what legal entity the club is and how it intends to be recognized for tax purposes. The organizational flexibility permitted by sporting regulators allows each business owner to decide on which structure to adopt depending on its overall purpose. Consequently, sports teams conventionally take one of several different legal structures, depending upon the purpose for which it is formed and in compliance with national regulations. The most common of these structures are:

- 'unincorporated association' (the most common structure for an amateur club);
- 'private company limited by guarantee' (the most common structure for a club formed primarily for participation purposes rather than personal profit); and
- 'private company limited by shares' (the most common structure for professional clubs that are formed with a view to profit).

In the latter (private company) legal structure, the shareholders of a club are the members either via subscribing for shares from the club or by buying shares from an existing shareholder (typically based on the value of the club at