



## CRISIS MANAGEMENT IN SPORT CLUBS

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### **Abstract:**

Sport Clubs' environment is dynamic as an association. It is always in a state of flux. Besides the dynamism and evolution affect the uncertainty degree that the organization will experience, it also reduces the executive decision-making. This situation leads the organization to the crisis. This research aims to examine the subject named "how to take efficient precautions against the situation of crisis which show up in contingencies at the athletic clubs. We used the descriptive research design and phenomenological method from the qualitative research methods. That the sportive constructions are versatile contains the crisis potential. Therefore, during the process of eliminating the present weaknesses people need to care about taking the early warning system on the way to avoid and solve the crisis (constant analysis of internal and external environment), preparation, preventives, reparation and recovery. The organizational structure should be flexible to adjust the changes and the communication system should be hierarchical. Because of the destructive effects of the threats and crisis coming from inter-organizational and environmental sources, the skill of resolving the crisis of the directors is of vital importance in the organization. Directors need to have necessary experience and qualification in the areas of following the environmental changes, data acquisition-interpretation related to these changes and assessment.

**Keywords:** crisis, occasion, threat, administration, organizational structure, experience

### **1. Introduction**

The uncertainty and variation around us expose the organizations with unexpected threats and opportunities in the information age that we get lost at times. The survival of the organizations depends to analyze the threat and opportunity balance very well and make use of the opportunities while avoiding the threats. Unexpected and

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unpredictable occasions in the opportunity and threat environments force the organizations to sudden change and even lead to crisis.

Sport Clubs' environment is dynamic as an association. They are in change constantly. Besides the dynamism and evolution affect the uncertainty degree that the organization will experience, it also reduces the executive decision-making.

Sport organizations are the studies performed within a particular program to manage the all kinds of sport activities like match, camp, sales of supporter products, workshop-meeting, course etc.

Before the sport organizations, there are some necessary main factors to bring about the organization infallibly. These main factors are; current situation of the facilities, press and communications system, transport services, security measures, eatables, accommodation, health care services, social foundations-complex, equipment and materials, financial resource, qualified man power (Inal, 2000).

Because the sport clubs do not find a solution for the unpredictable problems resulted from external environment and for the weaknesses in the field of management, economy and finance derived from Turkish sport management, they are on crisis constantly.

## **2. Concept of Crisis**

Crisis is a state of stress that threatens the top goals and the way of functioning of an organization and jeopardize it, needs to be made urgent decision and render the adaptation and repression systems inadequate. Several institutions and organizations benefit from "Crisis Management" applications under this kind of problems which show up all of sudden or foreboding.

Crisis generally is an unstable and irregular situation requiring reform. We can define the crisis as an urgent case that ruins the system of an organization and shows up suddenly. The main reason that the organizations meet the crisis is their being late during the conditions of fierce competition. This main reason depends upon various factors. There would be two basic groups for these factors: no operating environment factors and structural problems of the organization (Tuz, 2001).

### **2.1 Basic Elements of the Crisis**

As external environment factors causing the crisis out of the organization's control, we can array them; economical, technological, social, political, judicial, natural factors, market and competitions conditions created by the globalization, international relations, etc. (Samur, 2018).

Principal organizational factors are the way and features of management, previous experiences, importance of the organization, departments, flow of information, groups, belief, attitude and some demographic features and the universal life course of institutions and organizations (Simsek, 1998).

The external environment factors are the most important factor and the hardest one to manage about the crisis situation of the organizations because each factor or some of them would show up at the same time. The effort of react to the first crisis element before a complete assessment for which crisis needs a respond in the first place causes not to follow the other environmental progress that cause to crisis. This situation leads the crisis to deepen and intensify.

Crisis Management is a complement of activities performed as planned, systematic and rationally. It contains the decisions which are made systematically, forming the team that will perform these decisions, and making new decisions by getting the results of applications quickly (Kocel, 1993).

Crisis management application is a matter of preparing a plan to eliminate some problems emerged in the internal and external environments, making arrangements for the harmony of the organizational structure and creating decision process (Simsek, 1998).

Crisis management has specific features. Although the crisis have different structure they have some strong similarities or connections. In this sense, crisis management process is ranged as Collecting the Early Warning System - Preparation and Preventives - Repression the Damage Expansion- Restoration and Recovery and Learning and is sent with a feedback to the early warning system for the new design after the completeness of learning.

## **2.2 Crisis Management Application**

There are several solutions offers to eliminate the future problems because of the internal and external environment factors in the sport organizations. In Patrick O'Beirne and Stephen Reis' studies made with this purpose, when we look at the assessment in terms of the crisis management in sport the factors of Repression, Reaction and Renewal attract the attention.

- Repression: Education, Planning, Survey,  
Repression and Reaction: Developing Media Strategies, Forewarning, planning, being ready, media activities, finance
- Reaction Activities: Making decision for Crisis Factors, Keeping the Key Information, Applies the Media Strategies, temporary activities, General Activities, Developing Media Strategies, Forewarning, planning, being ready, media activities, finance
- Renewal: Consultation, Financial Support, Common Programs, Strategy of Damage Control, Restoration, Plan Analysis, Planning, Being Ready, Media Activities, Finance, Temporary Activities, General Activities

## **2.3 Weaknesses of the Turkish Sport Clubs and their risks**

Majority of the Sport Clubs consist of candidate managements and plenum composed with the members. In this pattern, the institution management, continuity of the management and sustainable commercial success are difficult. Both the members are not the financial partners of the club, and they do not have commercial ties.

Clubs got strong economically with the increasing of broadcast income. They preferred the foreign transfer and populist choices rather than spending their sources to develop their infrastructure. However, this caused disappointment and made them have excessive debt (Samur, 2018).

The problems that the sport clubs have in the fields of Organizational-Administrative and economic activity is reorganized as the results of the survey methodology. You can see the findings below.

**A. As Organizational and Administrative:**

- In the organizational structures of the clubs, the administrative roles are not clear and they do not have transparent communication networks.
- They don't have a system based on process management.
- Their objectives are not specified truly.
- There is a pertinacity for wrong acceptance.
  - Existence of the faith that different coach revives the team,
  - Requiring the approval of the supporters,
  - The habit of working with the people having a football history.
- Transference of authority is not for the lower level professionals.
- There is not any effort to strengthen the image, reputation and brand of the club,
- The lack of balance of power and awareness of mission differences between top management and the coach.
- Coaches are not kept on duty long patiently.
- There isn't an effective and productive education system for the development of athletes.
- There is not a structure suited for internal and external audit to supervise the institutive activities and financial position.

**B. As Financial:**

- There aren't lucrative and long term endorsement deals with big corporations.
- There aren't new and associate initiatives but unregulated borrowings.
- Clubs do not care about the incomes of footballer transfers which are the major revenue. They pay huge transfer fees while taking the footballers and undersell them.
- Clubs don't follow their dues.

### 3. Method

#### 3.1 Research Model

We tried to use the case study method from the qualitative research techniques while doing this research (Bogdan & Biklen, 1998). It is possible to define qualitative research as a survey that the data collection methods like observation, interview and document analysis are used, a qualitative process aimed at revealing the perceptions and events are watched (Yildirim and Simsek, 2006).

We adopt the Illustrative Case Studies from between six different case studies created by Merriam (1988), Vural and Cenksever (2005) and Davey (1991). Because this survey is descriptive and used to inform about a situation. If there is a particular reason to show the reader has little information about a program, this situation helps interpret the other data similar to this.

We preferred this qualitative research model to be effective to reveal the thoughts, experiences, expectations, suggestions and concerns of the participants.

### **3.2 Research Group**

The research group consists of five people who have experience in ten years coaching in professional leagues between 40-55 years and team administrative manager. In this research, we used the "convenience sampling method" from the "purposeful sampling method" (choosing the situation which has huge information to make research profoundly). (Patton, 1987) This sampling method gains speed and practicability.

### **3.3 Research Area**

The interviews are in the participants' offices and meeting rooms.

**Data Collection** We used "the interview approach" as data collection method and "interview form method" in this research. The interview form consists of the questions prepared about the research topic. In this approach, the questions are definite before the interview. The aim is to get the same kind of information from different people as part of similar topics (Patton, 1987). The interviewer can ask extra questions to get detailed information by remaining faithful to pre-prepared questions (Yildirim and Simsek, 2011). We recorded the talks with the tape recorder.

### **3.4 Validness and Credibility**

The validness in the research is as below.

- We pay attention to the findings are coherent and meaningful in themselves and constitute a meaningful whole.
- We take that whether the findings correspond to conceptual framework and theory formed before as a guide to data collection.
- We determine the unclear phenomenon and events.  
The credibility in the research is as below.
- The researcher defines the research methods and stages clearly and in detail.
- Results are associated with the data.
- The methods and procedures that the researcher followed are defined detailedly.
- We state the research question clearly.
- The result of the research is in compliance with the data.
- We collect the data as required by the research question.

### **3.5 Data Analysis**

We used "the descriptive analysis method" from the qualitative analysis methods to settle the data intelligibly, come to the conclusion by examining the cause effect

relationship and interpret the findings (Yildirim and Simsek, 2006). The aim of this analysis is to shape the raw data as something that the readers can understand and use it whenever they wish.

We collect the data by using tape recording. These data are collected as a whole text in computer environment and we proceed to coding stage. We benefit from the coding style of Strauss and Corbin (1990) during the coding stage. In this coding style, researcher investigates well the data and tries to detect the important aspects as part of the research goal. The researcher generates specific codes or forms them on the basis of data. Thus, a code list is formed and this constitutes a cognitive structure to process the data. Codes in inductive analysis are generated directly from the data (Yildirim and Simsek, 2006).

#### 4. Findings

You can see the codes and themes of the findings about the crisis management in sport clubs in Table 1.

**Table 1:** Codes and Themes

Codes and Themes		
Question: Which topics would be included in the scope of crisis management in sport clubs?		
Theme	Codes	Participants
Relegation	Price policy that predict a certain reduction in salaries of the players	P2, P4,P5
Losing the player in key position at the end of the contract	Policy of early contract renewal	P2,P3,P5
Lack of key position player	Pay for performance, determining the backups	P2,P1,P4
Losing the main financial source (e.g. Sponsor loss)	*Financial supporter's assessment of his/her power *Searching alternative monetary resource *Adapting the player's contract time to basic income agreement.	P1,P2,P3, P4,P5

**Theme 1:** When we analyze the opinions of the participants about the "relegation for crisis management",

Participants (P2, P4, P5) state that when the salary policy which predicts a certain reduction in player's salary is determined and reviewed annually, it helps control the financial effects of the relegation and weather the storm easily.

Considering the studies of Partick O'Beirne and Stephen Ries in terms of crisis management in sport for eliminating the problems resulted from internal and external factors in sport organizations, it shows parallelism with *surveying the findings for eliminating*.

**Theme 2:** When we analyze the opinions of the participants about the “losing the player in key position at the end of the contract”.

Participants (P1, P3, P5) say that if the organization adopt the policy of early contract renewal, it can take precaution against the crisis.

Considering the studies of Partick O’Beirne and Stephen Ries in terms of crisis management in sport for eliminating the problems resulted from internal and external factors in sport organizations, it shows parallelism with *surveying the findings for avoiding and reaction*.

**Theme 3:** When we analyze the opinions of the participants about the “lack of player in key position”,

Participants (P1, P2, P4) tell that if the club wish to eliminate the weakness of key position player, it needs to determine the backups and a policy for performance. Besides, coach needs to give place the trainings to avoid the deficiency of the weakness area (Kocel, 1993).

This shows parallelism with the surveying to the findings that pay attention to activities performed planned, systematic and rationally to abolish the crisis in crisis management.

**Theme 4:** When we analyze the opinions of the participants about the “losing the main financial source”, participants state that if the clubs assess the financial power of the main sponsors regularly, adapt the contract time with the basic income contract they can take measures of crisis management in case the losing the main financial source.

Considering the studies of Partick O’Beirne and Stephen Ries in terms of crisis management in sport for eliminating the problems resulted from internal and external factors in sport organizations, it shows parallelism with *surveying the findings of renewal*.

## 5. Discussion and Conclusions

When we consider the general problems that the sport clubs face, they have important weaknesses in regard to their management, organization and financial structures about their wishes to meet the requirements of the wide socio-cultural and economic environment they have and to manage these dynamics properly. These weaknesses include elements of high risk and crisis.

The crisis management that takes part in management science is thought to be the most necessary management approach in sport clubs’ managements. Because of the destructive effects of threat and crisis resulted from internal and external sources, directors’ skills for overcoming the crisis are vital. Crisis management provide to minimize the negative effects of risky situation or to increase the positive effects.

During the process of crisis management, it is anticipated that organizations analyze the risk for their existence and goals first, classify, form a reaction against to risk, watch and take the opportunities in the balance of risk and gain.

Sport organizations can take precautions against the crisis by making themselves productive, flexible and quality with the crisis management applications. Crisis management assesses the potential risks consistently, provide to take precautions related to management of the risks and help the clubs accomplish their objective.

Avoiding from the crisis or resolving the crisis can conduct the crisis efficiently.

**A. To Avoid from the Crisis,**

- They need to follow the external environment (daily)
- They need to practice to relief or evasion of undesirable situations
- The directors need to have responding flexibility
  - They need to forecast the crisis and take the action at the proper time
  - The management needs to be tranquil.
  - The plans of the clubs need to be ready
  - They need to deal with the core of the crisis.
  - They need to have well-disciplined and courageous work to interference the crisis.

**B. During the Crisis Management Process, they need to try to,**

- Get the crisis signal
- Being ready for the crisis and avoid
- Regulate the crisis
- Return to normal
- Take lessons from the crisis.

That the sport structures are versatile contains the crisis potential. In this context, you can find the principal methods that the organizations can use to avoid the crisis, resolve or take advantage from it while they are trying to eliminate the current weaknesses (Simsek, 1999).

**C. Early warning system and getting the signal of the crisis,**

- Constant analysis of the internal and external environment
  - Preparation and preventive measures
  - Zero-base budgeting, payment management and financial development
- Active decisions and strategic policies
- Dynamic planning directed to future
- Flexible and organic organizational structure
- Organizational development and change management
- Risk management and troubleshooting management
  - Prevent the spread of damage, Reparation and Recovery
- -Eliminating the time pressure and using the effective time
- -Management of stress and tension

In Table 2, besides the defining and assessment of the opportunities that the clubs face with a good risk management, the topics like financial-operational-strategic suitability and abuse risks are also kept down.

**Table 2:** Crisis Management and Control

<b>Crisis Management and Control</b>		
At the beginnings of the every budget period, the executive board consider the basic threats that can affect the performance adversely or prevent to attain the financial and operational objectives. The clubs should assess the damages that can happen in case the threats occur and develop a control mechanism.		
<b>Threat/Risk</b>	<b>Possible counter attack</b>	<b>Control</b>
Relegation	Price policy that predict a certain reduction in salaries of the players	Annual review of the policy and the effects of relegation
Losing the player in key position at the end of the contract	Policy of early contract renewal	Controlling the player performance and contract terms and extent
Lack of key position player	Pay for performance, determining the backups	Controlling the player's performances, diseases, disability and contract terms and extent
Losing the main financial source (E.g. Sponsor loss)	*Financial supporter's assessment of his/her power *Searching alternative monetary resource *Adapting the player's contract time to basic income agreement.	*Examining the usual financial performance and plans *Sensitiveness of the clubs to the income sources

That the sportive constructions are versatile contains the crisis potential. Therefore, during the process of eliminating the present weaknesses people need to care about taking the early warning system on the way to avoid and solve the crisis (constant analysis of internal and external environment), preparation, preventives, reparation and recovery.

The organizational structure should be flexible to adjust the changes and the communication system should be hierarchical.

Because of the destructive effects of the threats and crisis coming from inter-organizational and environmental sources, the skill of resolving the crisis of the directors is of vital importance in the organization.

Directors need to have necessary experience and qualification in the areas of following the environmental changes, data acquisition-interpretation related to these changes and assessment.

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