

A Case Study for the Prosperity and Decline of Manchester United: from a Perspective of Organizational Strategic Analysis

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Abstract. This article takes Manchester United as a case and uses the perspective of strategic analysis to try to analyze the reasons for the huge gap in the performance of this football team before and after the retirement of Sir Alex Ferguson who is the greatest coach of this club. The article divides players, the coach and CEO into three types of actors. On the basis of knowing the "free space" of the three and the phenomenon of the "relay" of the organization, Ferguson's action strategy is examined from the perspective of the coach. Establishing a good personal relationship with each actor, effectively suppressing the player's free space and trying to control "uncertainty" for his own use are the three main strategies. In contrast, the successors for this club have a lot of deficiencies in both the thinking and the decision-making in specific situations. Based on this comparison, the gap in the athletic performance of professional football clubs such as Manchester United will be explained.

1 Case Introduction

Manchester United is a football club in The Premier League. It has maintained a very high level of competition in the past two or three decades. Since the establishment of The Premier League in 1992, United has won 13 league titles. And more than 30 trophies have been won in the past 30 years. Man United is also one of the most successful football clubs in commerce. In 2017, according to the annual Football Club Wealth Ranking released by the Deloitte Touche Tohmatsu Limited, Manchester United once again topped the list. Since the list was ranked 20 years ago, Manchester United has topped the list 10 times.

However, the continued success of the business has formed a huge contrast with the team's lack of competitive performance in the past five years. After Sir Alex Ferguson retired in 2013, the team did not win the league title again. The rankings for the last five seasons are 7th, 4th, 5th, 6th and 2nd. During Ferguson's coaching period, Manchester United never fell out of the top 3 in the 21 Premier League seasons, and the team won the Premier League title in the last season of his coaching. Due to the sharp decline in team performance, the club's personnel changes were unusually frequent. In the past five years, the team changed three coaches. The squad changed greatly every season. Except for the goalkeeper, the other positions on the pitch did not play stable. Although the club invested more money in the transfer fee and improved the player's salary level after Ferguson's retirement, both the team's competitive performance and the player's level have been getting worse.

The question raised in this article is, why has such a football club with a brilliant record declined in the competitive level? The research will examine the issue from the perspective of organizational strategic analysis and attach importance to the behaviors and relationships hidden in the football club as an organization in this process.

2 Research Preparation

Before we start the analysis, we need to do some preliminary preparations. Firstly, the football club originally referred to as an entertainment venue where people of the same interest gather together (Zhao, 2014). But with the development of modern football market, the club has also moved to modern organizations and has turned to the direction of enterprise. If we want to study Man United on the competitive level, it is mainly regarded as "team" rather than "company". In this sense, research needs to pay more attention to the relationship among players, the coach and the board. Therefore, under this classification, "board" has executive power, which can be simply represented by "CEO". Secondly, in order to analyze the current decline of Man United in the competitive level, it will take the perspective of the coach so we'll compare Ferguson's action strategy with Jose Mourinho's. (Mourinho was the latest Man United laid-off coach.) It can't simply use who's the coach as the only explanation, but to finally pull out the view of the entire club's operation and observe what happened by the decision in each actor and the entire team as a system. Finally, we should use some of the concepts in strategic analysis to submit problems guided by them in the realities of the situation, so we have to focus on a few questions:

What "games" and the system of action constituted by "games" do the team need to pay attention to ?

What is the source of free space for each actor?

Who has the role of the "relayer" that has an impact on the organization in some situations?

What competitions, cooperation and conflicts are hidden in the team?

From the perspective of the coach, what action strategies have the actors taken?

3 Case Analysis

3.1 Game and action system

Obviously, the competitive performance of a team is mostly determined by the results of the game on the pitch. The formal game is the most important "game", and there are various "games" such as training and locker room management. We can think of it here as a whole system of action, called "inside the field"; on the other hand, a team also needs to face players trading and management of the club as "games", we can integrate them into the "outside the field" action system. The composition of actors in different action systems is different. When we focus on the "inside the field", we should pay more attention to the relationship between players and players or players and the coach. In fact, it is more complicated that the relationship lies in "outside the field". There are important power relationships among players, the coach and the board to influence their strategic choices, such as agents, the media and other connections.

3.2 Free space

No matter what kind of power relationship, all kinds of actors have the free space: the minimum freedom that they need to use in order to survive and develop in the team.

3.2.1 Player

For the players, the free space of the modern football system is largely represented by their contract. It must be emphasized here that in 1995, the European Court of Justice ruled that the Bosman ruling was passed, which states that if the contract of the player will expire and the player would like to transfer to another club, the new club does not need to pay the transfer fee to the original club of the player. The player can decide to go to another club according to his will. The essence is to allow professional football players within the EU to move freely

across borders after the contract with the current team expires (Liu & Yang, 2014). Prior to this, even if the contract expired and the player needed to transfer to another team, the club that bought him must pay the original club. The free flow of the player was greatly limited. However, the passage of the Bosman ruling makes players with high value attributes in a favorable position to bargain with the club. If the club does not want to renew his contract and does not sell him, the club must bear the cost of cultivating or buying the player before. Once they seek to transfer, the club can only sell them before the contract expires to recover the cost as much as possible. Choosing to renew their contract with the club may be in exchange for more salary, portrait rights or informal promises. In addition, the Bosman ruling makes European player movements more predictive, which will be the important information for all actors including players themselves in the club. (Wang, 2013)

The free space of players is multi-faceted. The level of competition is the most important aspect, but in the field of professional football, the power of the market can't be ignored. The commercial value of the player is also provided the free space to him. The personal image, the attention from the media and fans are all important. Dealing with the media is also a source of free space, which can control the information generation about stories from "inside the field" or their own career plans in the future.

3.2.2 Coach

In the current direction of the football club, the coach is the same as the player who is employed. And compared to the professional players protected by the Bosman ruling, the coach's contract is difficult to have additional institutional guarantees under the employment relationship. Today, there are still many dismissed coaches and clubs confronting at court due to the compensation issues. The main free space of the coach is not the contract, but the job itself: the control of a team. He can decide the various personnel arrangements in the game. This arrangement will play an important role in the team's performance and will also affect the player's personal value. When we talk about Man United, we can't ignore the fact that the coach of the Premier League team's past career position is "manager" rather than "coach", the right of the manager is quite large. He can determine the player's trading to a certain extent, which gives him a certain right of speech in the team. However, from the current organizational structure of European football clubs, the power of the coach as a "manager" is increasingly compressed. Many clubs choose to add a technical director to coordinate with the coach to determine the players in the transfer operation. This can be seen as a management strategy that restricts the coach's free space.

The source of free space for the coach is similar to that of the player. The first is the level of coaching. In addition, the coach has a longer professional cycle than the player, so there is a situation in which Sir Alex Ferguson can coach in a team for 26 years. The coaching time is obviously also a source of free space, making the coach's function more irreplaceable. At the same time, the coach's interaction with the media is at least a part of his routine. Before and after each formal game, the coach has to have a direct dialogue with the media. They can comment on the players, announce the list of players or complain that the club's transfer plan. This is actually a strategy to increase coach's free space.

3.2.3 CEO

In a professional football club, the CEO needs to consider the overall level of the club as a company, including obtaining sponsors, expanding markets and the share of televising. The main performance of coaches and players is derived from athletic performance but the CEO's position may be strong even in poor sports performance, as long as he can give excellent financial statements at the end of the year. However, the poor record of the team may still have far-reaching negative effects: the accumulation of excessive criticism, the shrinking player's worth and so on may affect the club's stock price. Therefore, the CEO certainly does

not sit idly by the team's athletic performance, but it is also caught in a paradox. Once the team's performance is sluggish, the CEO needs to make other achievements to maintain his position, which makes him possible to choose to further laissez-faire or put a small investment in the team building strategy. And the CEO may also reduce the free space of the coach through the advantage of position structure, especially in the player trade. Today the coach mostly considers the players from the perspective of team performance but the CEO needs to consider the issue of balance of payments, so it is likely to compete on this issue.

There are two main sources of free space for management (CEO). One is that it controls the vertical information channels inside the club. The board often needs to know the status of the team through the CEO. The other is that it has the ability to explain or adjust the guidelines such as the restrictions on the salary level of players and coaches. Even Sir Alex Ferguson was not spared from being asked by CEO Gill that if the salary of the team's stars can be doubled in his last time of the coaching (Ferguson & Moritz, 2015), and he once thought that the salary of the player should not exceed the level of the coach.

3.3 Relayer

“Relayer” means that members of an organization interact with a limited number of others who are responders defining the special status of the members of the organization, and are closely linked to the organization through power and exchange of more lasting relationships. They are actors in the interaction between organization and the environment (Friedberg, 1997). For a team, there are several types of "relayers" that are extremely important in the analysis.

3.3.1 Agent

Today professional football players and coaches in top football almost have agents or brokerage companies. Mourinho's agent is Jorge Mendes, one of the most famous agents in football. The two most interesting things about agents in football clubs are that they may redefine the relationship between the coach and the players. For example, there are a lot of players under the control of Mendes, and if they are in economic affairs with the coach who are represented by the same brokerage company, the coach may have the opportunity to get the convenience from the player transfer. He may even form a certain group to compete with the management (CEO) because once the coach and the player leave, it will inevitably bring great shock. Being seen by many football practitioners with old-school views, agents are seen as an insatiable representative -- Sir Alex Ferguson is one of them. Indeed, after a long period of development, European football agents are globally recognized normative occupations. (Zhao, 2017) And many agents desperately encourage players to transfer because they can get a lot of money for employment which comes from the transfer fees. From this behavior, maybe they are "greedy", but they also provide a possible buffer avoiding the players' moral loss and their actions actually increase the player's free space by constantly calculate the bargaining chip with the club.

3.3.2 Media

The media is an increasingly incomprehensible force in football now. Both players and coaches inevitably need to deal with the media. Although management has little connection with the media, it is fatal when the news is revealed from management of the club - The two coaches after Ferguson were informed in the media that they had been fired. The media may also become a platform for players and coaches to conduct their own strategies. The coach sometimes criticizes his players after the game, and the players may release the voice in the media (sometimes the agent does the work) and say that they intend to transfer. These behaviors are all trying to expand the free space. The coach needs to establish the authority to

restrain the players, and players must be ambiguous for the interests of other teams to show their value.

3.4 Action strategy selection: competition, cooperation and conflict

3.4.1 Ferguson

Now we need enter the vision of the coach to examine the choice of action strategies of each actor and find out competitions, cooperations and conflicts are deep inside the team organization. From the basic concept of strategic analysis, Sir Alex Ferguson's action strategy has the following points:

Establish a player group of his own. As mentioned before, he promoted a group of young players into the team at the beginning of the coaching period. These players have become the backbone of the team. Ferguson believes in the autobiography that these players have played the role of "delivering his values" (Ferguson, 2013). In fact, these players will certainly have their own free space, but their special status makes the contract not necessarily the whole free space, and when they realize that they are competing with the coach in the free space, they often do not very intensely seeking confrontation.

Establish a good relationship with the CEO. Compared with the complexity of the player as a multiple actors, the relationship the CEO and the coach is a point-to-point direct connection. Although the CEO was in an advantageous position in the power relationship, through good personal relationships and his own ability, Ferguson had great free space in grasping team management and personnel turnover.

A cautious attitude towards "relayers". Ferguson has always been unfriendly to media and professional agents, and comments often think that this is a more traditional view. Ferguson's attempt to eliminate the role of the "relayer" makes the team as an organization controllable. When he controlled over the team in a specific situation, he could absolutize this control by eliminating "relayers".

Control the "uncertainty" on the pitch. For a team, the biggest area of uncertainty may come from the formal game. Ferguson used some players in the team that can be qualified on multiple positions to prevent injuries from attacking the team and allowing players to compete effectively. There were also some technical enhancements in the training to make it as internalization on the pitch, which let the players not go it alone (this behavior of players is sometimes fighting for their own free space) and allowed the team to stay focused on the final period of the game with a sharp decline in physical strength.

3.4.2 Mourinho

In general, the essence of Ferguson's action strategy was to establish a good personal relationship with each actor, effectively suppress the player's free space and try to control "uncertainty" as much as possible. And if we look at the Mourinho's coaching period at these points, it was generally not ideal:

He did not establish his own player group. The current players are mainly based on market flow, so it is hard for a group of players to be promoted. And he did not make any effort to implement his own values. Although Mourinho and the current Man United CEO also spent a huge transfer fee to buy players, they had a strong strategy to challenge the team. And it can be seen that the coach is in a weak position in the conflict with the top players.

He was not perfect to handle of various relationships. At the beginning of coaching, he seemed to have a close relationship with the CEO, but the performance of the last two seasons was unsatisfactory, which made Woodward hesitating to continue supporting Mourinho's transfer plan. And he always fight back against the criticism of the media, which let him be caught in the fight with the media.

He had a misunderstanding of "uncertainty". As he relied on several players all the time, the consequence was that other players enabled to replace them in case of injury. What's more, many players have experienced the ups and downs from direct deprecation to being activated. The excessive "uncertainty" created by this kind of man-made is to improve the coach's control ability, but it is detrimental to the team's competitive level and the confidence of other players to move to the team.

4 Conclusion

This paper uses some concepts and perspectives of strategic analysis to study the club's operation with the case of Manchester United. By comparing Ferguson's action strategy with Mourinho's, we find that coaching a team like Man United requires more mature considerations in strategy selection.

However, it needs to be clarified that these kinds of action strategies are not changeless. They need to be combined with specific situations. Ferguson and Mourinho faced different environments. Whether it is the size of their own free space or the power relationship with other actors, there has been a huge change in contemporary football. But the most inspiring and worthy of thinking is that Ferguson's general strategic thinking created a good environment for his coaching. From the result, it also constituted the development of the entire team system in favor of competitive sports performance. This is the direction in which the team coach needs to work hard.

The discussion in this research is mainly based on the strategic thinking of the coach to explore the strategic choice picture of each actor in the whole team. The description of the CEO and the player may not be detailed enough, but it also explains some of the strategic logic and interrelationship. At the same time, it should be emphasized that the coach's strategy change can only constitute a factor in the decline of the team's performance. In the process of analysis from the perspective of strategic analysis, we have found the other factors that do not constitute a complete explanation, such as inverse power relationship between coaches & players in modern football and the enhancement of media power. Also, these phenomena are worthy of specifically continued analysis and research.

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