

Manchester united fc



Identify the different forms of ownership that might be adopted by MUFC and how these might lead to different expectations. Stakeholder expectation is the third influence on the purpose and strategy of an organization. That's a challenge because there are likely to be many stakeholders, with different expectations. Therefore, managers need to take a view on: 1. which stakeholders will have the greatest influence; 2. which expectations they need to pay the most attention to & 3. to what extent the expectations and influence of different stakeholders vary (Johnson et al. , 2011: 139-146).

To answer the question correctly, I will do two things. First, I will outline the different forms of ownership. Second, for each form of ownership I will make an overview of which stakeholders will have the greatest influence, and what expectations those stakeholders have. There are four different forms of ownership which might be adopted by MUFC, which will be outlined below.

First, at least 51 percent of the club could be owned by the members.

Examples of this form of ownership are all the German football club and Real Madrid and Barcelona. Obviously, in this form the members will have the greatest influence.

As said in the case study, the average fan has little interest in the finances as long as the trophies keep rolling in and the club signs top players playing exciting football. However, some fans do not like the way the club is run, because of the growing dept and the development into a multinational business (Johnson et al. , 2011: 601). Whenever this form of ownership is adopted, the expectations will change. They won't care that much about profit, but more about winning the game. Second, a club could be lucky enough to have rich benefactors who proved funding at zero cost.

Examples of this form are the Blackburn Rovers (supported by the legacy of Jack Walker) and Chelsea (sponsored by the billionaire Roman Abramovich). In this case, there is no reason to worry about the large and growing debt because the biggest stakeholders provide all the funding. But, the expectations in this form of ownership are very diffuse. Benefactors will fund at zero cost, but those benefactors won't have to retain their support forever. So it depends on the thoughts of the benefactor what the expectations will be. Third, a club could be supported by large firms which use the club as part of a promotion strategy.

Examples are Philips (supports PSV Eindhoven) and Bayer (supports Bayer Leverkusen). In this case the large firms have influence. They expect the football team to win, because then their name will be said in a positive way. And also, when a football team wins in the Champions League, the name of the firm will be spread around Europe. There will also be expectations about an "honest" game, because the firm doesn't want to damage its name. Fourth, it is possible for a local government body to support a club financially and in other ways. This is not common at senior levels of football.

Here, clearly, the government has influence. But for the government it isn't about winning, but about doing something for the people. Therefore, they expect honest games, without violence etc. Identify the main stakeholder groups involved in MUFC, and using Figure 4.4 map their power and level of interest. How might the expectations of the various stakeholder groups differ and potentially come into conflict? Stakeholder mapping (Figure 4.4) identifies expectations and power and helps in understanding political priorities (Johnson et al., 2011: 141-142).

The main stakeholder group involved in MUFC is the Glazer family (Johnson et al. , 2011: 604). They have a high level of interest and a lot of power. Therefore, they are stakeholders in segment D: key players. Another very important stakeholder group is the financial group, the bonds and the US hedge funds. The Glazer family has debts held by US hedge funds and bonds (ibid: 604). This stakeholder group also has a high level of interest and a lot of power, which means they are also in segment D: key players. A third stakeholder group are the fans of MUFC. They have a high level of interest, but not much power.

Therefore they belong in segment B: keep informed. The fourth group of stakeholders is the UEFA. They have, just as the fans, a high level of interest, but not much power. This means they also belong in segment B: keep informed. The expectations of the first two stakeholder groups are mainly about money (although the Glazer family probably denies that). The expectations of the last two stakeholder groups are mainly about winning the game. This means the expectations of the various stakeholder groups differ, and they will potentially come into conflict. In fact, they are already in a conflict.

As said in the Case Study, in 2010 there was a campaign launched by very wealthy supporters began to plan for a takeover bid. But, as we have seen, the fans are not key players, they don't have that much power. Refer to section 5. 4 and decide what you feel were the key cultural characteristics of Manchester United in terms of values, beliefs and taken-for-granted assumptions: a) pre (1990), and b) today? What are the implications of these

changes to current and future strategies? Different cultural contexts are likely to influence individuals. One of them is the organizational culture.

An organizational culture is the taken-for-granted assumptions and behaviors that make sense of people's organizational context and therefore contributes to how groups of people respond and behave in relation to issues they face. Culture can be conceived as consisting of four different layers: values, beliefs, behaviors and taken-for-granted assumptions (Johnson et al. , 2011: 168-175). To answer the question, first I will discuss the pre and today for each layer of culture. Second, I will look at the implications of these changes to current and future strategies. Values.

Back in 1990, it was all about winning with about winning with a young and exciting team. Now, it is still about winning. But winning is also possible with football players you buy for a lot of money, and winning also leads to more money. In addition, now it isn't just about winning, it is also about selling MUFC stuff. Beliefs. In the 90s MUFC believed in spirit (think about the plane crash and the bounce back after that). Now it is about a lot of money, by which you can buy great football players and build big stadiums. Taken-for-granted assumptions. Then, football clubs weren't that big, because there was not television.

But now there is, football clubs are enormous organizations where a lot of money floats. Culture had influence on strategy development. Because " culture" is the first phase and " development of strategy" the second, there will be another development of strategy today then in 1990 (Johnson et al. , 2011: 175). This means the current and future strategy is not only about

winning, but also about selling MUFC stuff; it is not only about the spirit, but also about buying the greatest players; and it is not about a small organization, but about a very big one (and therefore about a lot of money).

Reflect on table 4. 2 and explain how the organization's ethical stance and corporate social responsibility has shifted. Corporate social responsibility (CSR) is the commitment by organizations to ' behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and the society at large' (Johnson et al. , 2011: 134). In table 4. 2 different stances on CSR are described.

Back in the 90's, MUFC had another CSR stance than now. Twenty years ago it incorporated multiple stakeholder interests and expectations rather than just shareholders as influence on organizational influences and purposes. Also, management was a board-level issue. Therefore, in that time they had a forum for stakeholder interaction (ibid: 135-136). Now, as said, there is only one " leader": the Glazer family. And they want to make profit. Therefore, these days MUFC has a laissez-faire CSR stance (ibid: 134-135).