CHAPTER 1

WHY SPORT AND MANAGEMENT?

SPORT AND THE FIRM: IS A MEANINGFUL METAPHOR POSSIBLE?

The sports context is often used as a powerful analogy for analyzing and interpreting phenomena such as teamwork, motivation, and leadership, with professional sports coaches held up as role models for managers. But it's not always advisable to take principles, models, and best practices from the world of sports and apply them to business. Managers often look to sports for inspiration and useful examples for working with a group—but they should be aware of the risks involved in transferring these models to a business setting. Any comparison with the world of sports, if applied inappropriately, can lead to mistakes and end up being ineffective or even counterproductive.

Managers often look to sports for inspiration and useful examples for working with a group—but they should be aware of the risks involved.

Countless books on sports and leadership are based on a premise that is profoundly simplistic: that firms and sports teams are very much alike. Some researchers[1] even assert that soccer represents the ideal management model for modern firms. But it's wrong to assume that parallels can always be drawn and, although business and sports share some similarities, they have deep differences from myriad perspectives.

To transfer ideas from sports to business and vice versa, first we need to clarify the key similarities and dissimilarities between the two.[2]

The main differences between sports and firms

The first thing that differentiates sports from business is the very concept of *performance*, and what makes it good or bad. Bill Parcells, one of the most successful coaches in the history of American football, sums it up well:

> *"This is not a business where we have quarterly reports, or earnings are up 10%. This is a black-and-white business: you either win or you lose. There isn't any gray area. There isn't any, 'Well, you kind of did okay.'"*[3]

In sports, two athletes or two teams may have nearly identical performances in the same competition, but have completely different results. In business, by contrast, a 1% difference in market share would not have a radical implication in terms of winning instead of losing. In sports, you can win or lose an Olympic medal by a few hundredths of a second, or make it to the next round of a tournament or be eliminated by a single point. Luck can often play a decisive role in the career of an athlete or a coach.

If we break this down into *type of performance*, firms primarily pursue profit. In sports, instead, the "bottom line" is competitive performance—not always and not only measured in terms of victories, but also in light of quality of play and ability to satisfy the fans' expectations. Sports clubs have to strike a balance between competitive, financial, cultural, and social results that involve the fans and the values of sportsmanship. Another point of divergence lies in the *determinants of performance* on an individual level, for managers and athletes. In a business context, *talent* is basically defined in terms of competencies and cognitive capability. In the sports arena, instead, talent encompasses both cognitive and mental skills as well as athletic, physical, and technical prowess.

In fact, because of the physical side of sports, the *career* of an athlete is often short lived, rarely lasting past 35–40 years of age. This compressed time horizon also gives rise to crucial differences for coaches, who have to deal with certain vital and unique needs of their athletes. In sports, playing just a few more minutes, or starting in a big game, can be life-changing moments for a player. *Age* is another differentiator of sports and business. Athletes peak at a younger age than managers. Just imagine playing in a soccer World Cup final at 18 or 20: this kind of responsibility calls for special psychological skills that older managers do not normally need. In longer professional business careers, it's the norm for managers to attain major responsibility after the age of 35.

As for *level of education*, in contrast to what happens in most businesses, sports coaches usually find themselves leading teams made up of very young members with little formal education, and dealing with all the related repercussions on team management.

Athletic performance is also subject to high *risk*, due in part to the fact that often only a limited number of major sporting events mark an athlete's career. During these competitions, luck can play a vital role. Injuries are another serious risk; consider the countless world-class athletes who've had to abruptly suspend or even end their careers following a serious injury.

Apart from all these differences, one thing sports and business share is the importance of learning, which takes the form of training in sports, and education and development in business. Both athletes and managers are expected to strive for self-improvement, continually learning new individual techniques and team formations or methodologies. Willpower, intellectual curiosity, the drive to do better, and a sense of commitment are critical success factors for individual performance common to both sports and business.

Given that when we compare sports and management, we usually refer to professional sports with high media impact, we need to take into account the sizeable gap in *level of remuneration*. Athletes can earn enormous sums at a young age, which for young managers would be unheard of. So the challenge that coaches face—managing a pool of players who often collectively earn millions—would be an exception to the rule in a business context.

The public visibility of professional sports gives rise to intense *environmental pressure* from myriad stakeholders, most often fans and the media. Business managers hardly ever experience this kind of pressure, except for top executives in organizations that are subject to institutional controls, such is the case with listed firms. Here is what a former president of Manchester City has to say on the subject:

> *"With football, it's like having at least 40 board meetings a year, where 40,000 shareholders show up, and they all want to have their say."*

This means that athletes, coaches, and sports managers are continually being critiqued by a vast audience, including fans, of course, but in a broader sense encompassing public opinion in general. These stakeholders are far more interested, engaged, and informed than those we'd find in most firms. All this is fueled by the media's habit of spontaneously spotlighting what goes on in professional sports clubs. What's more, everyone can check the sports scores in the paper at least once a week; they're a popular topic of conversation.[4]

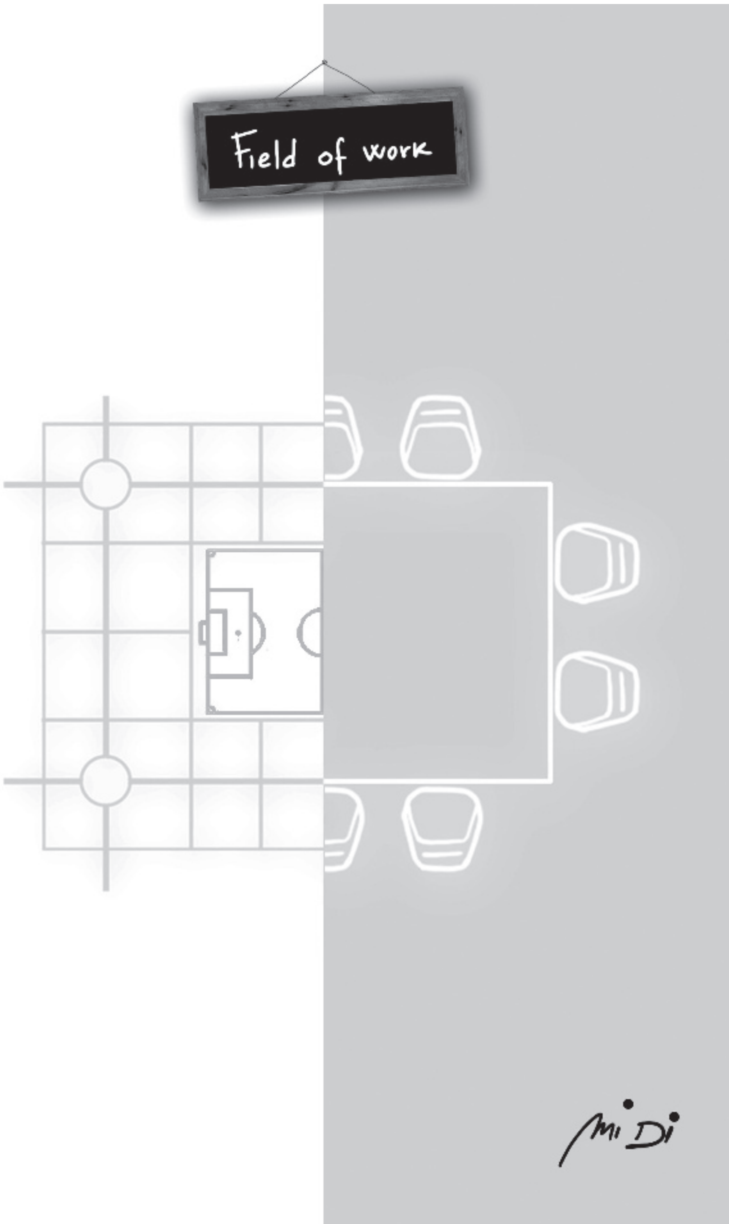
Generally speaking, sports also have a more powerful *social impact* than business. While the most influential people in a firm are its shareholders, in the sports world the owners of a club or the organizers of an event often have to contend with a wide array of interests, and find a way to balance and satisfy them all. Players, agents, staff, owners, young athletes on feeder teams, as well as external stakeholders, such as the media, the fans, sponsors, sports regulators, the local community, and on and on—the club has to take into account all these interests, all at the same time. As we can see, with respect to firms, sports clubs have to strike a balance between the often-conflicting interests of wider, more diversified group of stakeholders.

Summing up, then, we've established that there are notable points of divergence between sports and management practices, some of which will never be aligned (see Table 1.1). That said, parallels

Table 1.1 The main differences between sports and business

Key factor	**Business**	**Sports**
Performance priority	Profit	Final score
Nature of results	Primarily absolute	Primarily relative to competitors
Interpretation of results	Often subjective, because results can be interpreted using various parameters	Almost always objective, immediate (win or lose)
Talent	Primarily mental–cognitive	Physical–athletic and mental–cognitive
Career	Typically long, protracted over time, normally peaking when managers are older	Typically short, concentrated; often players peak young
Remuneration	Variable, usually increasing with age	Often very high, even when players are young
Level of risk	Medium–low	Often high, e.g. linked to injury or performance in a single major event
Level of education	Medium–high	Low
Social impact	Variable	Often very high
Environmental pressures	Variable	Often very high

do exist that can become sources of reciprocal inspiration between sports and business. But before making any meaningful transposition from one context to the other, first we have to scrutinize both, and verify that substantial similarities actually do exist. To this end, in the following sections we present a number of interpretative models that identify the key factors to consider coming up with comparisons that are truly useful and appropriate.


Field of work
MiDi

Distinctive features of sports teams to consider for transferring team leadership models and practices to business teams

Transposing concepts and managerial models from professional sports teams to business teams can and should be done, but only to the extent to which the teams in both contexts are alike, sharing similar goals and tasks, and having similar structures and methods of operation, etc.

First we need to compare the teams' *goals* and *tasks*. Sports teams are examples of *performance teams*. Members have a significant, visible, direct impact on organizational results; they have to possess innate ability, as well as motivation, to be successful. Many business teams, instead, are assigned primary or exclusive *tasks* that can vary enormously, for example taking strategic decisions, developing new products, generating creative ideas, planning activities linked to specific initiatives, commissions or complex projects, etc. Both types of teams need different competencies, rules of operation, timing, and resources.

As far as how teams are *structured* and how they *function*, team configurations can vary widely in, for example, terms of size (number of members) and interaction among members (how this takes place and how often). For example, *virtual teams* are often used in firms, with team members occasionally interfacing long distance, usually via technological channels. These teams have little in common with sports teams, whose members normally spend a great deal of time together and do a number of activities collectively. Typically there is close physical proximity and face-to-face interpersonal interaction on sports teams, virtually on a daily basis (for practices and matches).

Another key feature of sports teams is that they tend to be *permanent* groups. As such, they shouldn't be compared to temporary teams such as task forces, unless the time frame for the relative work lasts as long as a season or a sports project. There are noticeable differences in the structure and functioning of teams in business and sports, for example, companies often set up *self-managed* teams. These can't be readily compared to sports teams, which instead are hierarchies with a clearly delineated leadership and coordination role played by the coach.

When considering how teams *function*, sports teams alternate *matches* with *practice*. Obviously, these are two distinct models for team operations: when playing a match, the team's priority is performance, while with training the focus is learning. What's more, sports training takes up far more time than actual competitions. In the business world, we don't normally see such a clear-cut distinction, except for specific occasions dedicated to training, coaching, mentoring, and other initiatives for personal development. But in contrast to sports, as a rule these situations are very few and far between.

In sports teams we typically find both *competition* and *cooperation* among members. Often a priority for athletes is to maximize their personal performance and individual visibility—but this may have negative repercussions on cooperation, which is essential to team success. Similar mechanisms can emerge in the business world as well, depending on the values that are prized in a given organizational culture.

In sports teams we typically find both *competition* and *cooperation* among members.

Unlike most business contexts, sports coaches normally *interact* with members of the team almost on a daily basis. Coaches watch what players do during training and in matches, and get *clear and immediate feedback* on their coaching decisions (for example, the team wins or loses, plays well or badly, etc.). All this happens rarely with business teams.

Sports teams differ widely in terms of *interdependence* among the athletes.[5] The importance of teamwork and the best methods for optimizing it are highly contingent on the interdependence of the tasks that team members perform. This is true for both business and sports. In various team sports, the activities of team members are interdependent to different degrees.

Interdependence reflects how much the activities and performance of an athlete influence (and/or in turn are influenced by) the activities and performance of the other members of the team. Interdependence is the extent to which team performance is contingent on the ability of its members to work in an organized and coordinated fashion. Players are interdependent to the degree that their performance is impacted by their teammates' performance, and the final outcome essentially depends on the interaction between the athletes on the team.

This is true for football, rugby, volleyball, and basketball—all sports with a high degree of interdependence among players. Even though there are champion athletes who act as "game changers" in certain scenarios, individual performance is strongly impacted by the actions of all the other players. In some sports, by contrast, the performance of the team is basically the sum of the individual performance of its members. Examples are relay races in swimming, or the men's Davis Cup or women's Fed Cup in tennis. In sports with low interdependence, integrating and coordinating the activities of individual athletes are relatively inconsequential matters.

In individual sports such as skiing, although activities are not interdependent in the least (because athletes obviously compete on an individual level), there are other forms of interdependence. For example, on a psychological level, interdependence is what pushes athletes to emulate the performance of other competitors in a race, or to copy the commitment of teammates during training. Interdependence also ties into learning, for instance by enabling a skier to hone their skill by measuring themselves against their teammates. We can interpret these forms of interdependence as the influence that teammates have on an athlete by pushing themselves to do better, for example through processes of emulation or reciprocal moral obligation. Naturally, this interdependence is a very powerful motivator, because when an athlete sees their teammates work with intense determination in practice and achieve outstanding results in competition, this may spur them on to strive to do their best. It may also become a demotivator if behaviors not oriented to commitment and competition are adopted by some team members—see the example of social loafing, where athletes tend to make less of an effort if they realize that their teammates aren't doing their best.

Team sports are also very heterogeneous as far as *rules of play* are concerned. For example, a match can end with a draw in football, but not in basketball or volleyball. In some team sports players can continually rotate on and off the field of play during a single game, but in others, because of regulations on substitutions while the game is in progress, there's a clear distinction between first and second stringers. This makes the choice of the starting lineup critical, and allows limited maneuvering room for fine-tuning strategies and organizing athletes during a match. Such dissimilarities strongly shape the priorities and impact methods for managing the group, for example in terms of communication and motivation processes.

Different sports operate according to different models. Since not everything we learn from sports is transferable to the world of business, what's needed is a situational perspective. As a precondition for using sports as a meaningful analogy and a model for firms, first we have to identify the distinctive features of sports in general, and the unique traits of specific disciplines and individual clubs. Then we need to evaluate these contexts, select the ones with similar characteristics, and pinpoint the factors they have in common that we can learn from and transfer to our own business environment.

With this very aim, Keidel[6] analyzed three sports (American football, basketball, and baseball), and then associated each one with a specific business context. For example, considering the nature of the activities relating to each sport, Keidel points out that in baseball, focus primarily lies on individual players, who are highly autonomous in relation to their teammates. In football, on the other hand, planning activities in the different units takes higher priority. These units (e.g. offense and defense) are highly specialized and act

Table 1.2 Variables to consider when choosing the most appropriate sport for an organization to model

Variable	**"Baseball" organization**	**"American football" organization**	**"Basketball" organization**
General nature	Sum of soloists who are largely autonomous and independent	Planning complex but predictable activities carried out sequentially by groups of specialists	Flexibility based on the capacity for self-coordination, speed and autonomous decision-making by interconnected players who are capable of orchestrating organized reactions to unpredictable events
Dominant type of interdependence	Associative	Transactional sequential	Transactional reciprocal
Spatial concentration of team members	Low	Medium	High
Unit of reference	Individual	Group	Team
Main coordination mechanism	Rules of the game and responsibilities of individual roles	Planning and hierarchy	Reciprocal adaptation
Main managerial competency	Tactical	Strategic	Integrative

Focus of development	Individual	Individual and group	Individual and team
Importance of managerial continuity	Low	Medium to high	High
Ease of integration for team members	High	Medium	Low
Possibility of using incentives linked to group performance	Low	Medium, preferably at a group level	High
Need for auto-coordination by team members	Low	Medium	High
Need for team leader (coach) to coordinate team members	Low	High	Medium
Importance of aligning the individual and the organization	Low	Medium	High
Examples of organizations	Sales networks Franchises University researchers	Assembly lines Construction companies	Task force for inter-functional projects Consulting companies Creative agencies

Source: adapted from Keidel (1984)

sequentially but independently of one another during different stages of the game. Last, basketball players need a high level of flexibility and connection; they have to make rapid-fire decisions and real-time assessments to determine the best response to a game scenario that's in constant flux, where it's hard to predict what will happen next. Analyzing the interdependence among activities in these sports brings to light the fact that basketball has high reciprocal interdependence, football has a medium level of sequential interdependence, and baseball has low generic or associative interdependence.

Table 1.2 provides a complete summary of the main areas of focus and specific critical success factors for each sport (and the best match in terms of business models). This analysis is an indispensible prerequisite for linking a given sport to a corresponding business context, and consequently for effectively transferring concepts and experience from sports to management and vice versa. Keidel[7] recommends interpreting sports such as baseball as a model for sales networks, franchises, or university research teams. In these contexts, everyone works toward the same goal, but performance determinants are linked exclusively to the individual. By contrast, American football is the best fit for organizations such as construction companies or assembly lines, where the overall outcome is based on specialization and planning. Last, basketball is the proper metaphor for tightly connected, cohesive teams, like the ones we find in creative agencies and consulting companies, or on task forces for inter-functional projects.


Workspace
MiDi

The detailed observations and reflections emerging from our work have prompted us to analyze other sports as well, specifically soccer, road cycling, and volleyball. These three disciplines provide additional analogies we can apply to the multifaceted world of business organizations. For example, soccer is a sport with specialized positions, but at the same time players have to be extremely flexible and know how to organize themselves during the various phases of the game. In other words, every player covers several positions depending on whether the team is on defense or offense, during a play or a penalty kick. This organizational model looks a lot like the one used by small and medium-sized enterprises that deal with a limited number of products or services. These businesses count on their employees to have specific, advanced competencies, along with the capacity to cover a number of roles, given the company's size and its highly interdependent activities. We find similar models in organizations that operate on a project basis in the cultural sphere (festivals, exhibits, etc.). Here, too, employees follow planned processes in their work, but at the same time they have to take an evolving, adaptive approach in response to the needs of the project at hand.

Road cycling presents a different scenario. For this sport, individual performance is far more important than team performance, both in a single race or a leg of a race. Yet the support of the other team members is indispensible to individual success. Organizations that match this model may include large professional firms that employ "captains," i.e. roles with noteworthy competencies and reputations (e.g. lawyers and architects) who have a highly qualified team of "followers." The same analogy can apply to design and fashion companies headed by a designer or stylist who enjoys a prominent market profile and reputation.

Last, in the highly specialized sport of volleyball, activities are carried out in sequence in specific game scenarios within the framework of pre-established plays. The business analogy that best fits this sport is hospitals or emergency rooms, where specialized competencies and formalized processes and procedures have to be continually adapted on a case-by-case basis. Post-sale customer care companies, such as some call centers, also fit the bill. The customer support activities these organizations provide are based on formalized responsibilities and procedures. All the same, employees often find themselves facing scenarios that are new and different, and having to work to earn customer satisfaction while respecting roles and procedures. Table 1.3 summarizes other variables to complete our organizational analysis of these sports.

From the six sports described here, what emerges is the need for "organizational lenses" when analyzing sports. Only by looking through these lenses can we draw correct comparisons and parallels with the world of business.

The differences and similarities we've discussed (see Table 1.4 for a summary) profoundly impact the nature, structure, and functioning of teams, substantially shaping the priorities and the critical success factors of team management.

Consequently, successful leadership models in sports can be used in business contexts, keeping in mind that the greater the similarity between the specific sports and business teams, the more expedient this transposition will be. Managers who look to sports for useful tips to apply to their business should think carefully about which particular sport would best serve as their model.

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Some studies on this topic even question whether it's appropriate to compare a business leader to a coach. Kellett[8] analyzed the use of leadership models by professional sports coaches and concluded that coaching in this context and leadership in business management are two fundamentally different things. In addition, Peterson and Little conducted research comparing sports and management, and came to this conclusion:

Table 1.3 Variables to consider when choosing the sport model that best matches an organization: analysis of on-road cycling, soccer, and volleyball

Variable	**"On-road cycling" organization**	**"Soccer" organization**	**"Volleyball" organization**
General nature	Autonomous, specialized soloists who coordinate their actions to achieve individual and team success	Specialized units simultaneously play several phases of the game; flexible, auto-coordinated, and able to adapt to any game scenario	Highly specialized by role (player), actions executed sequentially in specific situations, following pre-established patterns/plays
Dominant type of interdependence	Associative and reciprocal transactional	Reciprocal transactional	Sequential transactional
Spatial concentration among team members	Low	Medium	High
Unit of reference	Individual	Team	Team
Main coordination mechanism	Planning and hierarchy	Tactical modules and plays	Rules of the game and reciprocal adaptation to situations
Main managerial competency	Strategic	Tactical	Integrative
Focus of development	Individual and team	Team	Team

Importance of continuity in management	Medium	High	High
Ease of integration for new team members	High	Medium	Medium
Opportunity for incentives linked to group performance	Medium	High	High
Need for auto-coordination by team members	Low	Medium	High
Need for team leader (coach) to coordinate team members	High	High	Medium
Importance of aligning the individual and the organization	Medium	High	High
Examples of organizations	Professional firms Designers and stylists	Cultural projects: festivals, exhibits, etc. Small and medium-sized entrepreneurial initiatives	Hospitals, emergency rooms Customer care, call centers

Table 1.4 Some variables to consider in evaluating the differences and similarities between sports teams and businesses

Team objectives	• Number, type, compatibility
Tasks of team members	• Number and variety of tasks, nature of activities, level of training for specific roles
Team structure	• Size (number of members) • Team stability over time • Spatial concentration of members • Level of competency (including managerial) • Leadership and hierarchical levels • Time dedicated to training and development
Team functioning	• Level of interdependence among team members • Balancing competition and cooperation • Coordination mechanisms • Frequency and methods for interaction (e.g. communication, feedback) among team members • Ease of integration for new members • Principles for motivation (individual or collective)
Rules of play/work	• Timing (play time, break time) of sports event • Substitutions

"Certain principles drawn from sports coaching are useful in managerial coaching but the necessary skills and models are fundamentally different."[9]

We believe that we can draw parallels between the roles of coach and manager/business leader, but only when there are similarities among the variables described above.

WHAT MAKES A SUCCESSFUL COACH? HOW SPORTS CAN LEARN FROM MANAGEMENT

We actually know very little about the traits that typify a successful coach: research on this topic has arrived at contradictory conclusions. Research on coaches in US Major League Baseball[10] found that the impact of their skills and competencies (measured in terms of age, years as head of current team, total number of years as a professional Major League coach, career total of teams coached, career percentage of wins, playing experience, and career total of dismissals) on the relative number of team wins is only around 1%, in contrast with players who impact final scores by 67%.

A study carried out on the English Football Association concluded that a soccer team's success depends for the most part on the quality of the players, measured in terms of their estimated market value.[11] Analogous investigation found a strong correlation between players' salaries (as a measure of talent) and team performance. Research estimates that the contribution of a coach impacts approximately 2%, while the amount spent on players' wages accounts for 92% of team performance.[12]

Another study[13] on English soccer demonstrated that, on average, around 80% of sports performance depends on investments made in highly skilled players and technical staff. But this research also shows that, even when investments are equal, there are substantial dissimilarities in team results. Likewise, some teams achieve very similar results to their competitors, on average, although relatively speaking they have invested far fewer resources. The explanation for these differences essentially lies in how the resources in question are employed, a decision that rests largely with the coach.

Research on various English Football Association leagues seems to suggest that the managerial efficiency of a coach (measured by number of wins or points), depends mostly on his prior experience as a player, even more than the total wages paid to players. Specifically, what counts is the coach's prior affiliation with the club he's leading and the international recognition he won as a player, more so than previous coaching experience. We can hypothesize that this previous playing experience equates with deeper technical and tactical knowledge and sharper skill at reading and interpreting complex situations before and during a match. Also, professional players are more willing to listen to a former player/coach, thanks to enhanced credibility and greater trust.

According to a study conducted on coaches in the US National Football League, managerial skill can be measured as the percentage of career wins, the number of years as coach, the number of games as coach, the number of wins in the regular season, coach of the year awards, division titles, league titles, and all-pro players (best player of the season in a given position). The study shows that skill (quantified as above) explains a team's positive performance on offense and defense, and that the lower the quality of players, the more critical the role of the coach's managerial skill. Furthermore, this skill also impacts team performance, thanks to the ability to create an optimal combination of available resources. In short, this study shows that the role of coaches (read managers) in generating value is just as critical as that of available resources (players).

A coach's impact on team performance is also contingent on numerous managerial decisions made by the club, for example how long the coach is allowed to lead the team. A study investigated the longevity of the head coaches of major national football teams over a 13-year period.[14] Findings show that teams tend to perform better when they play for the same coach for an extended period of time.

Summing up, then, it's hard to say if, how, or how much a coach influences a team's track record. Empirical research has attempted to quantify the effect a coach has on team performance in sports, revealing that with few exceptions this influence is very low. The inherent limitation of these studies, however, is that they take a range of personal traits of the coach, and measure the *direct* impact of these variables on performance parameters such as the team's percentage of wins, points scored, or ranking. But the chief influence that coaches have on team performance is actually *indirect*, springing from their capacity to enhance players' performance, which in turn affects competitive results. This influence mainly involves the ability to motivate athletes and hone their skills (technical, tactical, physical, etc.). But even research based on more complex statistical models fails to capture this phenomenon. In short, we argue that if one wants to understand the impact that sports team leaders have on performance, what coaches do is more important than how coaches are. This is why in this book we investigate coaches' behaviors more than their characteristics and attributes.

A point of interest here is a study carried out on the Bundesliga (Germany's professional soccer league),[15] which found that the average number of points tallied up by a coach during his career does not significantly factor into his salary. Similarly, research on Major League Baseball (MLB) revealed that coaches are not paid according to results, but based on their experience measured as age, number of teams on their coaching record, years of experience in the Major League, and number of Coach of the Year awards. This suggests that clubs pay more for experience than for performance outcomes in competitions. From this finding, we can infer that when choosing coaches, sports clubs take into account factors other than a winning record: these may include the coach's public image, media approval rating, quality of play, and alignment with the club's technical/tactical project and its values.

From a managerial standpoint, it actually makes sense for sports clubs to use a variety of parameters in assessing a coach. Beyond wins, they should also consider the coach's ability to raise the bar for the athletes and the team as a whole in terms of performance, and to realize players' maximum potential. Other considerations include profits generated by the team, and the relationship that the coach builds with the community and with the fans. Findings from a study on the Spanish soccer championship[16] show that when coaches decide who to field in a game, the economic value of the player outweighs past performance. A player's game time, in terms of number of minutes played during the season, enhances his value as a resource of the club, because if an athlete doesn't play, the risk is his value will decrease. This tells us that coaches are very much aware of the economic value of their club. There may be a number of explanations for this, including pressure from the club, the media, and the fans, or the weight of a player's reputation, which ties back in to their market value.

We argue that a multiplicity of factors constitute pertinent parameters for assessing coaching performance. Coaches should possess a complex and articulated set of managerial competencies to effectively deal with the complexity of the sports business. Indeed, the rise in business volume in sports is triggering an increase in the organizational complexity needed to improve performance on the field, to win the game, to put on a show, and to satisfy the needs of the athletes, owners, media, fans, sponsors, etc. As an example, a study run for the *Wall Street Journal* by the Boston Consulting Group, on behalf of the NFL, found that to make the Super Bowl (which the New Orleans Saints won in 2010), across 18 games it takes 514,000 hours of work by 53 players, around 20 coaches, 12 scouts, in addition to the managerial support staff.

That's eight times as many hours to get to the Super Bowl than to conceive, construct, and launch Apple's iPod (granted with all the limitations that such a comparison entails). Moreover, in financial terms, even the least virtuous sports club generates higher revenues per employee than Apple, Google, and Goldman Sachs. The business volume of the sports industry is proof of the organizational complexity of this context; complexity which is more and more difficult to deal with because of the rising technical level, the growing expectations of athletes and fans, the number of stakeholders involved, and the extreme environmental pressure. All this underscores the need for a club to hire a coach who has the necessary competencies to deal with all these challenges, either personally or with the support of specialized managers.


Knowledge
A B C D E F

TRANSFERRING IDEAS, METHODS, AND PRACTICES FROM SPORTS TO MANAGEMENT: SOME GENERAL GUIDELINES

The fundamental job of the person who takes the helm of a team is to make the team's performance superior to the simple sum of the performances of each team member. To succeed, a coach needs to know how to create the necessary contextual conditions; use appropriate criteria in selecting team members; and organize and manage work so that each member is willing and able to fully realize their potential, and knows how to go about it. The sports context, just like the business world, shows us that it's not enough to have the best human resources that the organization can afford; instead, the true source of success is the ability to hit on the optimal combination for these resources. This depends a great deal on the characteristics, decisions, and actions of the person in charge of the team.

There is a growing propensity among companies to manage processes, to set up inter-functional teams, and to use team-based evaluation and remuneration systems. All this makes it increasingly critical for managers to be able to create team spirit that facilitates and supports inter- and intra-functional integration. The foundations for this integration are, essentially, interaction (i.e. managing communication and information exchange) and a climate of collaboration.[17] People who lead teams can foster integration by acting on values, structures, processes, and people.[18] The number, complexity, and multi-faceted nature of these variables suggests that we should investigate team building and team management processes in their original context, i.e. team sports, from which managerial studies borrowed most of these ideas.

People who lead teams can foster integration by acting on values, structures, processes, and people.

For many managers, the biggest challenge is to incentivize their collaborators in ways that don't involve money, instead focusing on other motivational levers. In the sports world, that's exactly one of the problems that coaches face, because they're not the ones who decide how much to pay athletes. So coaches make an interesting case study for exploring how to motivate collaborators without using monetary compensation; indeed, the lessons learned on this topic from sports can be invaluable to business managers.

Coaches and managers have important things in common. Both roles have a more pressing need for clarity on leadership issues than

WHAT CHARACTERISTICS OF A BUSINESS TEAM MAKE IT MOST COMPARABLE TO A SPORTS TEAM?

1. The team has a clear, visible, direct, and often quantifiable impact on organizational performance.
2. Team members need innate ability, in addition to powerful motivation, to achieve a positive performance outcome.
3. The team is subject to intense pressure regarding its short-term (even weekly) performance, in addition to pressure generated by long-term results (for example, linked to a project or a season).
4. Team members are in direct competition for more resources and greater visibility, although they have to cooperate and collaborate to succeed.
5. Positive and negative results have a powerful effect on the team "climate."
6. The team is perceived as a separate entity from the rest of the organization because of the different way it functions, its responsibilities, and the powerful impact that it has on results.
7. The team has strong bargaining power with respect to its parent organization.
8. Non-monetary incentives are a major necessity for team members.

ever before, in light of the strategic and organizational complexity that sports and firms find themselves contending with.

Given the above, there are several aspects to consider when comparing sports and business teams: goals, structures, rules of operation, timing, and resources. The more similar these variables are, the more it makes sense to draw parallels between the two worlds; otherwise any comparison proves potentially superficial, ineffective, or even misleading.

OUR RESEARCH

Our objective in conducting the research presented in this book is as follows: to identify the competencies that coaches of sports teams use to manage a successful sports project; to frame these competencies in relation to models and theories developed for business; and finally, to evaluate the transferability of these competencies to business contexts.

Below are the analytical path and the expository framework we used for this book.

First, we take a look at the literature on teamworking, leadership, and team leadership, since these topics apply to business as well as sports (Chapter 2, "Management Models of Team Leadership"). From this review, we provide a summary of the current thinking on these topics.

Next, using a qualitative approach, we identify and analyze the main behaviors that coaches adopt to be effective and win games. Our perspective is theoretical modeling through field observation (grounded theory).[19] We collected data by interviewing coaches of team sports, and by exploring secondary sources as well (published books and interviews with the same research objective).

We did semi-structured interviews with current and former professional sports coaches from premier league sports teams or national teams (mostly soccer, basketball, or volleyball). Generally speaking, we asked our interviewees to outline the main behaviors they adopt(ed) to improve team performance. By analyzing their responses, we pinpoint the variables that a coach can leverage to shape team reactions and in turn team performance. We focus specifically on factors that can directly or indirectly enhance motivation, knowledge, skills and behaviors of the team as a whole and individual team members. Moreover, we take an organizational perspective, highlighting factors that can alleviate the pressure from external stakeholders, growing the quality of available resources and information to engender more effective decision-making processes.

Secondary sources include transcripts of numerous interviews with professional coaches published in books and articles. By analyzing this material, we were able to add further examples that slot into categories and theoretical concepts delineated in the literature and identified in the interviews.[20] The words of the coaches exemplify how they behave in relation to many of the areas we explore here, and express their ideas and opinions on how to properly handle specific circumstances.

The material we collected and organized by logical categories/content provides a rich source of anecdotes, examples, and specific real-life references, which we use to introduce, discuss, and comment on the theoretical models and conceptual frameworks developed in the literature.

What emerges from analyzing our findings is a series of key behaviors that we have summarized in an original team leadership model[21] (Chapter 3). Our model offers a framework of reference for coaches and managers who want to learn from each other's experience. This model suggests two main classes of macro-areas of action for coaches:

- Managerial processes for handling relationships with stakeholders outside the organization (e.g. media, fans, etc.) or with people who belong to the organization but are not members of the team (illustrated in Chapter 4, "The Team Leader as Manager").

- Motivational coaching with regard to team members under direct supervision of the coach—in other words, players (discussed in Chapter 5, “The Team Leader as Coach”).

In Chapter 4 we detail behaviors that coaches adopt toward various stakeholders outside the team in order to increase available resources, handle external pressure, and generate positive energy within the team. In fact, by effectively managing relationships with key stakeholders (owners, fans, media, staff, etc.), coaches can create a team environment that serves to improve team performance. Examples of ways to do this include leveraging their influence on decisions regarding buying and selling players, on planning team and staff activities, and on the climate created through press releases, obligations toward sponsors, and so forth.

In terms of motivational coaching (Chapter 5), we observe what coaches do when they manage their teams that have a positive influence on team performance, in particular in terms of impact on individual and collective motivation. Beyond pointing out the key functions of *motivational coaching,* we dedicate special attention to managing interdependence and encouraging reciprocal social support among team members. We focus primarily on communication processes between the coach and the players.

Last, in Chapter 6, “Team Leadership: A Word from the Coaches,” we pick out some of the more insightful passages from our interviews with coaches that best illustrate the key behaviors we discuss in this book.

SPORT AND MANAGEMENT: KEY MESSAGES

1 Sports and firms have some significant similarities, but also deep differences in terms of:
   - Priority performance goals.
   - Nature and interpretation of results.
   - Key determinants of performance.
   - Success factors.
   - Social visibility of activities.
   - Environmental pressures.

2 These differences directly impact the nature, functioning and critical success factors of leadership in the two contexts.

3 Different sports use different organizational models: managers have to identify the sports and teams that most resemble their own businesses.

4 Management concepts, models and practices of team leadership and coaching can be transferred from sports to business and vice versa, keeping in mind that the more closely the teams in question resemble one another, the more expedient this transfer will be. Similarities involve:
   - Goals.
   - Tasks.
   - Structure.
   - Functioning.

5 There is much that managers in the business world can learn from the sports context, especially regarding ideas and tools that optimize teamwork and motivate members through non-monetary incentives.

6 By adopting methods and tools used in the business context, clubs in the sports world can improve decision-making in many critical areas, for example: recruitment, remuneration, managerial style, and dismissal of a coach.

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