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**The Governance of the Football
Sector in Italy.
A Conceptual Framework for
Overcoming Some Pathologies**

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**The Governance of the Football Sector in Italy.
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Abstract

The government of professional football sector is a complex issue, for the numerous threats to the proper conduct of sporting activities (such as the extended dimension of the interest on illegal betting), for the involvement of sports entities in social activities, and for the greater interest which assumes the economic dimension.

Moreover, an effective governance model should prevent, rather than cure, the manifestation of problems within the professional clubs.

In Italy, the current model of governance of football is formally openness, but it does not exert a preventive action fully effective of the problems that professional clubs must face. By proposing a conceptual framework, focused on the taxonomy of pathologies to which professional football clubs are exposed, the paper highlights some gaps for the identification of tools and procedures useful for the reorientation of clubs' management towards the balanced satisfaction of sporting, economic, social and communicative dimensions.

Key words: sport governance; public management of professional football; pathologies of football clubs

JEL: K40, L83, M14, M48, O21

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Introduction

The football sector in Europe has been characterized, in recent years, by the risk of reduction of competitive equilibrium (Groot, 2005) and economic losses (UEFA, 2010). Moreover the spread of corruption and crime (above all gambling and match fixing – Hill, 2009) has a significant impact on fair play (Mc Laren, 2008). All this may give a dismal picture of professional football and, more generally, of sport. The fundamental principles which should inspire sporting activity have been widely contaminated by numerous and varied criminal phenomena with possible negative consequence, like the loss of confidence among fans.

Tournament designers codify new rules to increase sporting competitiveness at different levels (“*leagues, games and national teams*” – Foster, Greyser & Walsh, 2006: 29), with inevitable consequences for the economic and social aspects of life of the clubs.

To maintain the high level of competitiveness, and at the same time deal with economic, criminal and social issues, UEFA promotes, within European countries, new governance models for the football sector, involving National Governments, Federations, clubs and, above all, many stakeholders (supporters, the community, sports’ organisations, NGOs).

In 2010, with the aim to encourage competition at economic level too, to promote proper strategies for rational economic management and to invite clubs to meet payment deadlines, UEFA asked for clubs’ cooperation, by creating and promoting initiatives of financial fair play for football clubs.

More recently, with the intent to fight against criminal phenomena, UEFA also organised a workshop about loyalty in sport (Nyon, CH, Sept. 2011), where it was asserted that the football sector can do nothing against criminality, if it is left to itself.

From the social point of view, many plans have been implemented to sensitize fans (e.g., in 2008, the “Respect” campaign, for the inauguration of the European championship), with the aim to promote social responsibility based not only upon respect for opponents and referees, but also for opponents’ fans, for national anthems, flags, tournaments, and for football in general. To be effective in this field too, plans should be carried out with the cooperation of clubs and, above all, of fans and the entire community.

In every nation, cooperation between the football disciplinary authorities and the police is needed. Moreover, the participation of various stakeholders becomes one of the important themes in the new way of governing professional football in each Country. In this view, NGOs have an important role for promoting sport development (Green, 2008).

Indeed, it needs a model of governance appropriate for preventing – better than facing – the manifestation of specific pathologies that may occur in professional clubs.

Objective of the research and basic assumptions

The paper describes the current model of governance of professional football adopted in Italy, and its potential weaknesses to effectively combat the diseases that are threatening clubs, in the light of their recent negative experiences. It deepens some of the topics discussed in a previous study (Cincimino, Tomaselli & Carini, 2012). The topic has been also the subject of other studies (Hamil et al., 2010). We refer to severe diseases such as the scandal that hit Italian football in 2006 and the recent match-fixing and illegal sports betting, which involved players, managers and clubs in *Serie A*, *Serie B*, and other minor leagues. We also refer to the significant financial losses suffered by clubs.

By proposing a conceptual framework, focused on the taxonomy of pathologies to which professional football is exposed, we highlight some gaps for the identification of tools and procedures useful for the reorientation of club management towards the satisfaction of sporting, economic, social and communicative dimensions.

Our research is founded on two basic assumptions.

The first assumption is that the research is developed from the point of view of football clubs. In fact, a model of good governance can steer and improve the capacity of clubs to create value through the combination of four dimensions: competitive, social, communicative and economic. In each club, these dimensions act on different levels of reward and capital (Jacopin, Kase & Urrutia, 2010). Moreover these four dimensions are: - not equally proportionally pursued, depending on different strategies; - in relations of trade-off; - to be achieved in a long-term perspective¹.

The second assumption is that the governing bodies of professional football must apply the principles of good governance to identify appropriate tools and procedures to be implemented by sport clubs for preventing some pathologies and for overcoming hurdles of implementation.

The paper is articulated as follows: after a short review of the literature about governance in sporting organizations, we describe the current governing structure of professional football in Italy, and represent a scheme regarding the balanced satisfaction of different dimensions for good governance in professional football. We then propose a conceptual framework, focused on a taxonomy of the most common pathologies suffered by professional football in Italy (identified by the macro-categories of “slight” and “severe”), suggesting specific tools and appropriate governance procedures that governing bodies and clubs should adopt.

Finally, we discuss the results of a survey run on *Serie A* clubs and the governing bodies of football in Italy, to investigate on the manifestation of “slight pathologies”. The survey highlights the weaknesses of football industry and the clubs’ potential exposure to problems, and suggests hypotheses about

¹ In fact it is statistically demonstrated that in Italy “... *team stability and longevity of team relationships have a positive impact on performance*” (Montanari, Silvestri and Gallo, 2008).

the main shortcomings that all clubs are required to remedy for good governance in the football sector (conclusion).

Review of literature

A governance model could be defined as “*a set of policies and practices that outline the responsibilities of the various governance elements, and the processes used to carry out the governance function*” (Hoye et al., 2006: 170).

Klijn (2008) clarifies that governance “*focuses on horizontal co-ordination*”, involves societal actors in the decision-making process to enhance the legitimacy of public decision (enhancing legitimacy), and to improve quality in policy outcomes (quality improvement).

Good organisational governance “*should ensure that the board and management seek to deliver outcomes for the benefit of the organization*” (Hoye et al., 2006: 177). There are several key principles for good governance in sporting organisations, including: clear procedures for resource allocation, reporting and decision making (transparency); wide representation of stakeholders in sporting organizations (democracy); responsible management (responsibility); equitable treatment of the stakeholders (equity); efficient use of resources and effective achievement of objectives (efficiency and effectiveness) (Henry and Lee, 2004). These principles are general and can be applied in any sector, but they must be properly contextualized. For example, in professional football UEFA has identified eleven values to be pursued in compliance with these principles¹.

The principle of democracy involves the creation of partnerships. This is necessary even though this may lead to “*congestion in the policy area and the need to compete with other agencies and partnerships for similar policy space*” (Houlihan and Lindsey, 2008: 239).

The government of football in Italy

The model of governance of football in Italy is formally democratic, and is rather articulated.

In fact, there are many actors that administer sport in Italy, with different functions but with the same objectives of promoting, directly or indirectly, the practice of sport at every level. The structure of the government is hierarchical. The Italian state has co-ordinated the management and organisation of these actors by forming the Italian National Olympic Committee (*CONI*), a public body founded by law 426 in 1942, with the task of improving sport².

¹ www.uefa.com/uefa/elevenvalues/index.html

² Some concerns of CONI are: overseeing the preventive, concomitant and subsequent controls on the organisation of national sport; the working out of the fundamental principles of the different sports; the protection of the health of sportsmen and the stamping out of doping; the power to impose sanctions for those subject to the sporting regulations and the providing of

CONI has wide autonomy and the power to nominate, and revoke, its own bodies and to recognise new national federations.

Since its birth the powers of *CONI* have slowly grown through new laws that have tried to reorganise the structure through the development of the formal principle of internal democracy and the correlated obligation of providing delegates to the various national organisations of all those involved in sport, including trainers and those actively participating in sport.

CONI is organised on a regional, provincial and local level.

For each sport discipline, *CONI* establishes a specific National Sport Federation that deals with the promotion and implementation (both technical and administrative) of sports activities. The Federations, delegated by *CONI*, recognize the clubs that want to participate in sporting activity and that offer people the possibility of practicing sport.

The football sector in Italy is organized into Leagues, which activity is supervised and controlled by the federal authority, the *Federazione Italiana Giuoco Calcio (FIGC)*.

Leagues organize competitions for their associates by planning events, fixing criteria for subscribing to their championships, and collecting funds to be distributed to their associates.

The Football League of *Serie A* organizes the *Serie A*, the Italian Cup, the Italian Super Cup tournaments and many more sporting events¹. Other football leagues are: the *Serie B* League, the Pro League of the First Division (ex *Serie C*) and Second Division (ex *Serie C2*); the National Amateur League, that deals with the promotion and protection of amateurs, female football, and the 5-a-side football.

The governing bodies of the leagues are elected by the clubs affiliated to them. The *FIGC* is composed of representatives of the leagues, players, coaches and referees. The assembly of components appoints the President. The Council of the *FIGC* decides upon: the internal organisational rules, the Code of sports justice and discipline so as to validate the *CONI* anti-doping regulations, the rules for corporate control; the operating licenses for participation in the professional leagues. The Council consists of the *FIGC* President, the President of the Association of Referees and 25 other components (8 appointed by the professional leagues, 8 by the semi-professional leagues, 6 by players and 3 by referees). This ensures a broad representation of both professional and semi-professional football.

From a juridical point of view, sport in Italy is autonomous, but there are many problems regarding the relationship between the laws of the state and those of sport. Indeed, in possible ruling on same aspect of sport by both a

just procedures for the resolution of sporting controversies; the ability to give and revoke important juridical status (for example: the constitution of new national federations); the respect of the principles of international sporting regulations, being responsible to the International Olympic Committee.

¹ For such events, the League manages the selling of the audio/video rights, in conformity with the so called system of collective selling.

legal order of State and a sporting law, there might be a juxtaposition between them, with consequent question of which one should prevail.

The legislator has attempted to regulate the matter by defining the boundaries of competence of ordinary courts and those of the sports courts (law n. 280 of 2003). However, it seems to have created other problems: in the case of events that merit the attention of the judge, a person responsible may appeal to an ordinary court after the sports court, resulting in contradictory judgments, not to mention the high cost to the public that all this involves.

The balanced satisfaction of different dimensions in professional football

The evolution over the last ten years of the sports market (Gratton, 2003; Cafferata, 2004), has profoundly changed football. In this new context the world of professional sport has experienced an impressive growth in size, and requires appropriate management to solve increasingly complex problems (Trenberth, 2003; Goff, 2005). The professional football is being transformed from a small sector managed mostly as a form of patronage, to a sector *“important for the national economy, that influences many other activities in the different sectors of the sport, leisure, the media and construction.”* (Baroncelli & Lago, 2004: 10).

Both at the level of clubs and at the level of the organising bodies of sport, the creation of value in professional football happens, as pointed out by Jacopin, Kase & Urrutia (2010) by the combination of four dimensions: economic, sport, social, and communication.

Evidently, each of the four identified dimensions acts on different levels of reward and capital, according to the different competences that each of the two macro-categories of organisation perform (the professional football clubs or the organising bodies of the professional game).

With specific reference to clubs, the putting together of the four dimensions involves the simultaneous fulfillment of the long-term needs and competitive, economic, social, and communicative objectives, in relations of trade-off, as can be inferred from the scheme of Table 1.

The manifestation of pathologies in football: a conceptual framework based on a possible taxonomy

In many cases clubs seem to focus on only one or a few of the multiple functional objectives of the four dimensions, sometimes even paying more attention to what is good for the proprietor or the players and/or their agents rather than to what is good for the club, for example:

- by focussing exclusively on sporting performance, in terms of position in the league table, without considering the sustainability in the medium term of such an objective;

- by pursuing the satisfaction of the personal interests of the president and the most important shareholders of the club and their principle collaborators;
- by paying exaggeratedly high salaries to players;
- by maintaining an unsustainably high level of indebtedness;
- by sacking the trainer (manager) too quickly (after a brief period of defeats) without facing up other deficiencies in the club and errors in the relationships with players, that could be the real cause of what is going wrong on the field.

The current system of football club governance is characterised by a great number of different hierarchies with the particularity that in the “*formal hierarchy (the president is a figure that cannot be criticised) there is no respect for the regulations (in professional football we have had passport scandals, doping, false accounts, betting scandals etc, while in amateur football there is a total contravention of the norms that should regulate the sport)*” (Vitale & Ormezzano, 2002: 22).

This thesis is shared by various analysts and observers. Rubino (2004: 29) has highlighted:

“the managerial results reached by Italian clubs are not very good. Diversification of income is still poor (...). The ownership of club assets such as stadiums and sports centres is still to come. Very often there are people in Italian clubs that do not have well-defined roles: there are ex-footballers with managerial roles that are not capable of being managers, trainers that do not have the requisite skills, presidents without any strategic design for their clubs”.

Despite the definition of a valid developmental strategy for the four dimensions above mentioned, agreed by everyone and orientated to the good of the club, translated into management decisions and concrete operative actions, there is the risk that at any moment the club can find itself in a difficult position caused by: the exclusive pursuit of only one of the competitive, economic, social or communicative dimensions; the pursuit of objectives external to normal club business, even if legal; the pursuit of illegal club objectives; the illegal pursuit of non-normal club objectives. The proposed taxonomy highlights the different ways that pathologies are manifested. Each field reveals specific distorted effects and particular tools and procedures for their resolution (Table 2).

The exclusive pursuit of the competitive sporting dimension

Cases of the exclusive pursuit of only one of the objectives, particularly with reference to competitive sporting objectives, are fundamentally encouraged by the directors and managerial staff of the clubs. The implementation of a developmental strategy aimed exclusively at reaching high positions in

competitions risks leading, even in the short term, to disastrous economic results¹.

A club's regular income (in general from the sale of tickets and season tickets, and from merchandising and television rights) usually does not cover the operating costs and financial needs, so many clubs aim to meet the financial deficit with continuous support from the owners.

To try to stop these enormous losses the legislator also intervened with appropriate norms, and laws, encouraging clubs to base their estimate of their club's competitive potentiality on the financial capacity of the owners of the club, rather than on the capacity of the club to cover its costs with its own income².

Regarding this, the regulations of F.I.G.C (*Norme Organizzative Interne Federali* – N.O.I.F.) have till now been orientated to guarantee the punctual payment of debts, rather than encouraging clubs to economic break-even³.

An effective measure could be the extension to all Italian professional clubs of the financial fair play rules promoted by UEFA. But the implementation of this measures needs particular controls.

In fact, these measures can be circumvented through collusive behaviour and creative accounting, i.e.: the interposition of a club for buying a player that later is given on loan to the club that originally wanted that player; also the crossed transfer of players with the production of reciprocal overvaluation of revenues, which can encourage the manifestation of pathologies caused by the "building of sandcastles", or "strategic blinding" (Coda and Russo, 2003: 1655-1677).

For this reason the national federations should tighten up their controls; some standard parameters should also be introduced, making the economic effects of slightly suspicious transactions more normal.

Another useful deterrent could be the strengthening of clubs' internal controls, for example, making it obligatory to adopt compliance model, or ethical codes of conduct, moreover responding to a legislative decree of 2001 that introduced the possibility for clubs to take advantage of compliance

¹ In fact, it is well-known that the degree of competitiveness is directly linked both to the salaries of the players, an important cost in the profit and loss account of the club under discussion, and the money paid for signing players.

² One can think of law no. 586 of 1996 with which the legislator allowed clubs to spread the losses that would arise in a club because of the effect of the Bosman ruling in Europe over three years. This goes against the most elementary principles of accountancy.

One can also refer to comma 18 bis of law no. 91 of 1981, inserted in law no. 27 of 2003, which allows to spread an overvaluation of a club's players in the transfer market over a period of ten years. The legislator then took steps to repeal article 18 bis following a procedure by the European Union, because of its incompatibility with EU norms in terms of state aids.

³ Instead of the application of a measure like UEFA financial fair play, in Italy professional clubs have to demonstrate to FIGC that the value of the indicator resulting from the relationship between operating revenues and their financial debts (OR/DF) is more than 4. However, the value DF does not include all the club debts, but only financial ones like temporary deposits of the partners or loans from banks, but after detracting the available liquidity. Debts to suppliers and employees, to tax and social security authorities are not taken into consideration.

program, so avoiding the risk of exposing themselves to sanctions for legal infringements committed by their employees or managers (Cincimino, 2010).

Focussing exclusively on sporting objectives can also lead the club management to lose interest in the formulation and pursuit of social objectives (creation of a project for young players; activities for the community). Some appropriate actions from the governing bodies are, for example, forcing the clubs to prepare a social report, and to give part of their income for philanthropic use.

The pursuit of extra club objectives

Frequently, economic actors are interested to football clubs mainly because of the prestige they can obtain through competitive sport. The risk is that the business of football is relegated to a “role of secondary importance,” with “damaging consequences for the future of the club.” (Coda, 1988: 167).

The pursuit of goals that go against institutional objectives can “justify” some illogical management choices, such as the disposal of important players in the team, that leading to an illogical weakening of the quality of the playing staff.

A consequence of this would be the lack of trust by stakeholders, particularly supporters.

In such cases it is difficult to identify ways of reorientation. The sporting authorities could encourage the production of positive results by improving the prizes for the clubs that achieve the best sporting performances, or for the best information included in the club’s financial statements. The widening of the information contained in the profit and loss account and balance sheet regarding operations with related parties, introduced in Italy with a law in 2008 has proved useful. Also in this context an important role is the setting up of effective measures for making the directors responsible. But all this may not be enough.

The illegal pursuit of club objectives and extra club objectives (so called ‘severe pathologies’)

Football clubs are a catalyst for the attention of numerous interest groups, both legal and illegal. The performance of these clubs and the turnover they produce feed illegal betting on fixed matches.

Criminal organisations often manage to infiltrate through both contacting players or by getting some kind of foothold in a club or clubs. In both cases the criminal element takes advantage of the weakness of the club, whose strategies are founded on castles of sand, or alternatively on opportunism.

In the most serious cases (the cohabitation of those providing capital with criminal elements) one is in the presence of strategic disorientation.

Paradoxically in these cases it can also happen that certain decisions taken at the management level, that is to say operating decisions, are effective.

For such hypothesis possible remedies must be looked for inside the football club, inside the sporting world itself and/or through outside actions by institutions.

Within clubs it is absolutely necessary to make stronger checks and controls, for identifying and correcting possible internal dysfunctions.

Within the world of football, the authorities must tighten the penalties, with severe sanctions for illicit acts (for example with measures such as life disqualifications and severe monetary penalties for footballers, members of the technical staff and the management and owners).

Finally an important impulse towards the reduction – if not the suppression – of illegal phenomena, could be offered by national government through the provision of structures, equipment and staff for investigations into criminal phenomena.

Survey

With the aim of getting information on the diffusion among Italian football clubs of the instruments previously discussed, on March 2012 we ran a field survey, involving the 4 governing bodies of Italian professional football, and the 20 clubs of *Serie A*. We concentrated our attention on the adoption of some tools and procedures useful for enhancing internal controls of the clubs, such as the *compliance model*, the *ethical codes of conduct* and the *conduct guidelines*, the *social report*, and also the *involvement in philanthropic activities*, that we recognize as useful for detecting, or preventing, the manifestations of the first and the second category of pathologies described in the previous paragraph (so-called “slight pathologies”).

The assumption is, that the awareness and spontaneous adoption of such instruments and procedures can be an effective point of departure for predicting the appearance of the slight pathologies (in the case of the clubs) and a pre-condition for the governing bodies of football to know how to effectively support the clubs.

We obtained information from all the governing bodies and 16 clubs, which gives our sample statistical relevance.

We have previously noted that none of the instruments and activities analysed were imposed or recommended by the governing bodies in serie A, while the national league of serie B has made the compliance model obligatory for clubs on March 2012.

The results of our survey are synthetically reported in Table 3.

Above all, a comforting percentage of the clubs have adopted the compliance program. 75% of these clubs have replied that such procedures are useful for improving internal controls at their clubs and a big help for risk management, not just something necessary to avoid sanctions of administrative responsibility.

Regarding the philanthropic activity another useful indicator emerges. The clubs and the governing bodies are interested in carrying out social projects

(carried out in various different territories and activities), but only a few clubs and governing bodies prepare a formal social report, supported by an analysis of the stakeholders.

Also in these cases the governing bodies might start initiatives for promoting the widespread and uniform adoption of management procedures and accountancy procedures for social activities, so as to orientate better those resources destined for them. An important intervention in the social field might also be the giving of prizes for those clubs who are distinguished for fair play and the good behaviour of their supporters.

For what concerns the governing bodies, there is a big difference between the management systems in operation in the leagues of *Serie A* and *Serie B*, even if they have only recently split. The first is obviously mostly concerned with the resolution of the economic aspects between the clubs: while the second also manages to realize philanthropic activities and to propose measures to the clubs, like the one mentioned above, of the obligation of adopting a compliance program, which would, in fact, have been more useful for the *Serie A* clubs to introduce.

Conclusion

For good governance the governing bodies of professional football in Italy must try to reduce, better if eliminate, many of the pathological phenomena for which a taxonomy has been presented in this paper. Each one of the four pathological categories described in the conceptual framework proposed shows distinctive characteristics, with the consequence that it is appropriate to adopt adequate tools and procedures to put remedies (Table 4). However, is still obvious that procedures and tools of good governance specifically implemented for a particular pathology may have positive impacts on another. Thus, for example, initiatives to encourage the pursuit of social activity can substantially reduce the risk of manifestation of severe pathologies.

The fixing of a system of rules for the implementation of tools and procedures, and the realisation of serious control mechanisms are necessary conditions, but nonetheless not sufficient for the efficient realisation of an adequate path towards responsibility, for which it is necessary:

- a. to create rules that are effectively practical, and for this it is necessary that all those who have to comply with the rules are involved in their definition;
- b. to have adequate tools to sensitize those that have to respect the rules;
- c. to identify suitable procedures for the collection/verification of data, as well as methods and mechanisms of evaluation of the degree of success of the procedures, to make those who are called to respect the rules aware of the results.

The three conditions represented (*involvement* of those who will have to respect the rules when the rules are formulated; *sensitization* through the

adoption of adequate instruments; *awareness* of the achievement of particular performances) are essential for an efficient path towards responsibility.

Within sports discipline the fixed rules must be shared, so all the clubs can follow them, with more or less intense effort.

However, the adoption of efficient and sensitive instruments will still not give good results if the leagues do not explain why and how to use these instruments.

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Table 1. The four dimensions of professional sport clubs

	Dimensions			
	Sport	Economic	Social	Communication
Reward (*)	Illusion	Profit	Education in values	Information
Capital (*)	Historic capital	Economic capital	Social capital	Media capital
Objectives	Sport scores maximization	Profit maximization	Social value maximization	Obtain legitimacy, credibility and trust, and consensus among the various corporate stakeholders
Focus	Competitiveness	Return of stock capital	Satisfaction of stakeholder expectations	Give value to the "transparency" in the statement of corporate events
Procedural areas	Competitive team building	Streamlining management process for effectiveness/ efficiency trade-off	Personal relationship promoting Project proposal for stakeholder	Creation of a staff and information channels to "understand" the consent (physiological level), or impose it (pathological level)
Supply/demand convergence	Linked to sport results achievement	Profit maximization driven	Weak: occasionally promoted and / or drawing upon contingencies	Independence of the "model of consensus management": persuasion, authority, manipulation, antagonism
Performance monitoring tools	Medical - technical/athletic	Budget - financial statement	Social reporting	Institutional channels, media

(*) see: Jacopin, Kase and Urrutia (2010: 22-23).

Table 2 A. A conceptual framework focused on the pathologies of the professional football clubs: the "slight" pathologies

Pathologies	The exclusive pursuit of the competitive sporting dimension	The legal pursuit of extra club objectives
Cases	<ul style="list-style-type: none"> - Focussing completely on the competitive performance in the short term - Widespread tendency to sack the coaches - Excessively high levels of the remuneration of players - Lack of attention to social goals 	<ul style="list-style-type: none"> - Non pursuit of the objectives under the following profiles: <ul style="list-style-type: none"> a. economic: loss disposals b. competitive: unreasonable sale of players c. social: failure to meet stakeholder expectations d. institutional: non-business and non-sporting objectives (satisfaction of the interests of the owners or related parties)
Provisions that "facilitate" the manifestation of pathologies	<ul style="list-style-type: none"> - Legislative measures: <ul style="list-style-type: none"> a. D.L. No. 485/1996 - Art.18 bis law no. 91/1981 b. Payment of tax liabilities over normal period (AS Lazio spa: 140 billion euros in 23 years) 	<ul style="list-style-type: none"> - "Tolerance" to the pursuit of non-sporting objectives - "Petrucci" procedure
Distortive effects	<ul style="list-style-type: none"> - Creative accounting operations: <ul style="list-style-type: none"> a. profits on disposal of players above the market value b. off-balance sheet operations - Squabbling over tv rights with other clubs rather than earning money from other sources eg. merchandising - Production of economic losses; fictitious profits - Over-estimation of assets 	<ul style="list-style-type: none"> - The production of earnings in the business group, but of losses in the club - Loss of sporting competitiveness - Loss of confidence of stakeholders
Grounds of pathologies of the clubs	<ul style="list-style-type: none"> - Strategic blinding - Building of "sandcastles" 	<ul style="list-style-type: none"> - Slack governance - Poor strategies
Possible solutions	<ul style="list-style-type: none"> - Severe accounting controls - Empowerment of employers and managers - Adoption of financial fair play rules - Adoption of: social reports, compliance models, ethical codes of conduct - Destination of a percentage of income for social purposes (youth training, the Community) 	<ul style="list-style-type: none"> - Adoption of reward mechanisms for achieving economic and social objectives - Paths for the empowerment of managers - Strengthening of the information concerning operations with related parties

Table 2 B. A conceptual framework focused on the pathologies of the professional football clubs: the "severe" pathologies

Pathologies	The illegal pursuit of club objectives	The illegal pursuit of extra club objectives
Cases	<ul style="list-style-type: none"> - Corruption of players, teams, sports governing bodies - Any presence of organised crime in the technical staff or club - Doping, illegal betting 	<ul style="list-style-type: none"> - Underworld infiltration - Acquisition of shares in a company with illegal capital for other purposes than sporting objectives (money laundering, etc..)
Provisions that "facilitate" the manifestation of pathologies	<ul style="list-style-type: none"> - Phenomena of collusion and / or conspiracy of silence in the Community at large 	<ul style="list-style-type: none"> - Slowness and / or muddle of judicial procedures
Distortive effects	<ul style="list-style-type: none"> - Distortion of competitive equilibrium - Dissemination of illegal behavior 	<ul style="list-style-type: none"> - Distortion of physiological objectives - Dissemination of illegal behaviour - Spread of lawless at social level
Grounds of pathologies of the clubs	<ul style="list-style-type: none"> - Weakness / irresponsibility of management, entrepreneurs, players and coaching staff 	<ul style="list-style-type: none"> - Strategic, managerial and operational disorientation
Possible solutions	<ul style="list-style-type: none"> - Tightening of the penalties (long term or life disqualification) - Individual responsibility 	<ul style="list-style-type: none"> - Resources for the enhancement of investigations - Increasing the effectiveness of court procedures

Table 3. Cognitive survey on adoption of tools for good governance of football

	clubs		governing bodies of football	
	no.	%	no.	%
Entities	20		4	
Answers	16	80%	4	100%
Adoption of Compliance Program				
	no.	%	no.	%
The model has been adopted	7	43%	1	25%
The model is preparing	2	13%	3	75%
We want to adopt	3	18%		
We don't want to adopt	2	13%		
It's not a subject of interest	2	13%		
Adoption of ethical code				
	no.	%	no.	%
yes	7	44%	1	25%
no	9	56%	3	75%
Adoption of code of conduct				
	no.	%	no.	%
yes	10	63%	1	25%
no	6	37%	3	75%
Carrying out of philanthropic activities				
	no.	%	no.	%
yes	12	75%	3	75%
no	4	25%	1	25%
Stakeholder analysis				
	no.	%	no.	%
yes	4	25%	2	50%
no	12	75%	2	50%
Preparation of social reporting				
	no.	%	no.	%
yes	1	6%	1	25%
no	14	88%	3	75%
currently being prepared	1	6%		

Table 4. Club pathologies: typologies, principal gaps and main activities

Categories	Typologies	Principal gaps	Main activities (tools and procedures)
Slight pathologies	Focalising on one or few objectives	Enhancing collaboration between clubs	- Prediction of awards - Activation of procedures - Monitoring activities - Greater participation in making choices for good common governance
	Legal pursuit of extra-club objectives	Strengthening of procedures	
Severe pathologies	Illegal pursuit of club objectives	Tightening of punishments	- Clear fixing of rules - Rigorous controls - Serious punishments
	Illegal pursuit of extra-club objectives	Enhancing collaboration with the security forces	- Stronger investigation