

# **Organizational Culture and Identity: A Case Study from the Australian Football League**

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## **ABSTRACT**

This thesis comprises research that was undertaken between January 2000 and December 2004 into the organizational culture and identity of Fremantle Football Club, a professional sporting organization that competes in an elite national football competition, the Australian Football League.

The thesis began with a review of the contemporary literature on the principal topic, organizational culture and identity. The literature was subsequently used to frame and explain the approach taken in the research, which was to explore culture and identity as distinguishable, inter-dependent concepts integral to the functioning of sports organizations. The justification for the need to explore their impact in professional sporting organizations, because of a gap in our knowledge, was also provided.

The research was conducted as a single qualitative case study that enabled an in-depth investigation into how Fremantle Football Club's culture and identity were formed and how they influenced its structure, strategy, behaviour and performance. Significantly, the research covered the entire history of the club since its inception in 1994, revealing three distinct periods in which culture and identity were strongly influenced by the values and beliefs of the club's leaders, particularly the CEOs, as well as board members, senior management and coaches.

The first period comprised a time of self-absorption with an inappropriate culture that saw it in frequent conflict with external stakeholders as on-field success eluded it. Despite establishing a strong and clearly defined identity, FFC's inward looking culture undermined its capacity to fully engage with its heavily regulated environment. Subsequently, the club became dysfunctional as little was provided by way of long term planning and direction.

The second period was epitomised by a club that was heavily fractured by internal disagreements at different levels of its governance that undermined its performance and created a cultural vacuum into which it withdrew. Little progress was made as the club stagnated. Despite consolidating its identity, individualism took precedence over the collective good with scant regard for the direction or well being of the organization.

The club emerged into the third period with new personnel at all levels of its leadership and management adopting a different approach to previous administrations. The club

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embarked on a journey of reconciliation with its governing agencies, and adopted an externally engaged perspective that provided the club's stakeholders with a strong sense of its future direction based on consultation and strategic planning.

The results of the research show that organizational culture and identity are dynamic, fluid, systems that respond to the value and beliefs of senior leadership. Importantly for this and other sports organizations, the culture and identity are responsive to short term transformation belying previously held notions of cultural change as a long-term process. This was possible for two reasons. Firstly, because FFC was a small organization in terms of staff numbers, the dissemination of transforming values could be more easily achieved. Secondly, because it was a club with a short history, it was more amenable to transformation, with stakeholders using the dismissal of senior coaches as a catalyst for change.

The results also show that organizational performance will flourish if both of the following two conditions are met. Firstly, culture and identity are fully aligned with each other and the organization's vision, which enables clearly defined and consistent strategies to emerge. Secondly, the aligned culture, identity and vision are consistent with the external environment enabling the club to fully engage with that environment.

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## **STUDENT DECLARATION**

I, Gervase Alastair Haimes, declare that the PhD thesis entitled “*Organizational Culture and Identity: A Case Study from the Australian Football League*” is no more than 100,000 words exclusive of tables, figures, appendices, references and footnotes. This thesis contains no material that has been submitted previously in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is my own work.

Signature:

Date:

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## ACKNOWLEDGEMENTS

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The research and supervisory trips to Melbourne would have been impossible without some very good friends, Tony Coutas and Tracey Giles. They accommodated me, tolerated me and made it possible, fun and cheap, thanks mainly to red wine and curry. Finally, to my partner Jane Hogg whose birthday I missed on a number of occasions to travel to Melbourne. I promise to make it up and without her love and support the project would just have been too arduous. Thank you to you all.

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# 1. INTRODUCTION

*He possesses an identity not because he has gone in search of one, but because of his allegiance to a set of assumptions that he regards as objectively true.*

*Jeffrey Hart, educator (1930- )*

This thesis examines organizational culture and identity, and uses them to frame and explain the structure, strategies, behaviour and performance of a professional sporting organization. However, the concepts of organizational culture and identity are frequently misunderstood and interpreted too simplistically. Therefore, before any specific organizational diagnosis can be undertaken it is important to attain a clear and precise picture of just what culture and identity are, how they are formed and how they affect the ways organizations are managed.

However, such an apparently straight forward study is problematic because whilst a significant amount of research has been undertaken into the culture and identity of business organizations, very little diagnosis of the culture and identity of sports organizations has occurred.

## 1.1. ORGANIZATIONAL CULTURE AND IDENTITY

Organizational culture and identity are important to contemporary organizations because they provide an understanding of how and why an organization does things, the way the people within the organization behave, and the perceptions that are held by stakeholders of the organization. Organizational culture and identity are widely recognised to have significant influences on organizational behaviour (Argyris & Schon, 1978; Czarniawska & Wolff, 1998; Dutton, Dukerich, & Harquail, 1994; Frost, Moore, Louis, Lundberg, & Martin, 1985; Gioia, Schultz, & Corley, 2000; Hatch, 1993; Pettigrew, 1979; Schein, 1985; , 1996; Weick, 1985). They have been identified as means by which an organization's members interpret the way things are done, and what happens in the daily life of an organization. Moreover, they govern individual actions and behaviour, and how individuals are regarded by others, both inside and outside the organization. Organizational culture and identity are comprised of shared values, beliefs and assumptions that influence the attitudes, habits, customs and behaviour of an organization's members and how the organization is regarded internally and externally (Schein, 1985). The examination of an organization's culture and identity enables a better understanding of how groups, or subcultures within them, behave and work

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together, and consequently how they are perceived by others. The significance of culture and identity has intensified since the 1980s because they are also the means by which organizations adapt to, or resist changes in, the environment, and either sustain or lose any competitive advantage.

## **1.2. THE SIGNIFICANCE OF UNDERSTANDING CULTURE AND IDENTITY**

This research aims to explore an elite sporting club's organizational culture and identity through a close examination of human interactions within the club and between its core stakeholders. Many of these interactions have not been explored previously within sporting organizations. The research makes a significant contribution within the domain of culture, identity and sporting organizations by:

1. Marrying the concept of identity to culture for the first time in sporting organizations;
2. Adopting and applying Hatch and Schultz's (2002) model of Organizational Identity Dynamics for the first time and for the first time to analyse a sporting organization;
3. Demonstrating how sporting organizations might build strong, adaptable and effective systems, capable of changing to suit the environment and thus be more effective and competitive as a business.

As sporting organizations have become more widely recognised as businesses, so recognition must be given to them as complex organizations relying on effective human interaction. Only by studying these interactions is it possible to understand what differentiates high performance clubs from the poorer performing clubs, and thereby reveal what less competitive clubs can do to improve their performance.

This research contributes to the body of knowledge on organizational theory and organizational culture by extending the theory of organizational culture and identity into sporting organizations.

## **1.3. ORGANIZATIONAL CULTURE AND IDENTITY IN SPORTS ORGANIZATIONS**

The role of organizational culture and identity in sporting organizations and their influence on behaviour and performance has been only of recent interest, and the body of knowledge is therefore limited in scope. Much of the work has focussed on the cultural aspects of organizations and this thesis extends the body of work by including

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the concept of identity. Existing knowledge in these areas is contained principally within the work of Colyer (2000), Hinings et al (1996), O'Brien and Slack (1999), Skinner, Stewart and Edwards (1999), Roberts et al (1998), Shilbury and Hamilton (1996), Shilbury and Hooper (1999), Slack (1997), Smith and Shilbury (2004) and Smith and Stewart (1999). These works contend that culture and strategy are two of the core elements of managing sports organizations arguing that culture and strategy do not only influence an organization's conduct and performance, but can also undermine good management practice. Smith and Stewart (1999) and Slack (1997) demonstrate the wide acceptance of the effect of culture and strategy suggesting that organizational culture was a crucial component in sporting organizations because it describes organizational realities that are difficult to define but critical to good management. Organizational culture and identity enable sports organizations to create an organizational environment that attracts the best people and improves performance. Slack concluded that:

*A focus on organizational culture provides a different approach to understanding patterns of action in sport organizations. This approach, if combined with traditional macro organizational theory, could provide for richer insights into the organizations we study. An approach that focuses on organizational culture should also have considerable appeal to those of us interested in sport, because the organizations in our field are rife with such characteristics as stories, myths, symbols, and rituals (Slack, 1997:271).*

More particularly in recent years attempts have been made to provide an insight to methodologies by which cultural dimensions can be mapped in a sporting organization (A. Smith & Shilbury, 2004).

#### **1.4. ORGANIZATIONAL CULTURE AND IDENTITY IN THE AFL**

One study of an AFL club found its culture was clearly identifiable and instrumental in effecting its strategies and day-to-day behaviours (A Smith & Stewart, 1999). The finding supports anecdotal evidence that football club culture and identities strongly influence the behaviour of club officials and players. The question then raised is what types of culture and identity create winning teams and organizations? Fremantle Football Club (FFC), one of the Western Australian based AFL teams, offers a fascinating case study in this regard. FFC has underperformed since its inclusion in the

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AFL in 1995, and rarely met the expectations of the league, the club's supporters and the wider football community. It is postulated that FFC's under performance is a result of poor management decisions as a consequence of muddled strategies. It is also proposed that these muddled strategies, in turn, are a result of a frequently fragmented and occasionally dysfunctional culture and identity.

#### **1.4.1. The Case of The Fremantle Football Club**

In organizations where competition and rivalry is endemic, the influence of culture and identity becomes a particularly interesting issue. In order to obtain a deeper understanding of culture and identity, this research investigated the operations of the FFC, a professional sporting organization in the Australian Football League (AFL). This research project could not investigate all sixteen AFL clubs because of the depth of enquiry required. Therefore, the research focuses on a single club, and whilst comparisons of the broad results may be possible with similar organizations and competitions, the findings are specific to FFC.

The initial aim was to determine if Fremantle's underperformance since its inception could be explained by a weak or inappropriate culture and a confused identity. However, this approach begged many other questions, the main one being:

*How was Fremantle's organizational culture and identity formed, how did they evolve, and how did they influence its organizational structure, strategies, behaviour and performance?*

The question was framed around organizational performance as a whole as distinct from the playing results. Therefore, this research was directed to both on-field and off-field performance. This raises the further question of whether it is possible for a sports organization to perform well off the field even if it was not performing well on the field? A particular point of interest was that although competition was a part of its core business, FFC, like all AFL clubs, operates in a heavily regulated environment with external controls over the way it went about its business of recruiting players and what it paid them.

#### **1.5. THE RESEARCH PROJECT**

This research project is informed by four distinct features of AFL clubs that are generally not present together in other organizations:

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1. AFL clubs do not seek to put their competitors out of business in the same way as commercial organizations do. They compete at an industry level against other sports, but otherwise they seek to preserve the sporting competition. Their industry environment, in fact provides for them to maintain support for their competitors.
  2. AFL clubs rely heavily on their identity as a means of differentiating their club from the others;
  3. AFL clubs, unlike most commercial operations operate in a heavily regulated environment in which rules are imposed upon them, by their governing body, that are designed to restrict their off-field and on-field competitiveness. Not only do they have to perform within the rules of the game but organizationally, they are regulated by such things as the number of players they can contract, how much they can pay their players, how they recruit their players and how they exchange or trade players;
  4. AFL clubs have various stakeholders from supporters through to sponsors with either a personal or financial interest in club performance. These interests are directed to improving the performance of their club, even though they may have a different focus. Fremantle was no different except that voting rights or participatory roles were not available to its supporters when the club was established in 1994.

Within an environment where the aim of the governing body is to put all clubs on an equal footing, the management of the club's internal organization becomes critical in improving its performance and gaining a competitive edge.

### **1.5.1. The Research Problem**

Fremantle has not achieved the level of performance expected by its core stakeholders, which include the AFL Commission, the Western Australian Football Commission (its effective owner) its supporters and itself. It begs the question as to whether its management practices, or ways of doing things, were appropriate to the regulated environment in which it was operating. Therefore, the research aims to determine how its organizational culture and identity influence its capacity to perform within a regulated environment. The research problem is addressed through the study and application of organizational culture and identity theories to an organizational diagnosis

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of the club to explore how its culture and identity are related to its core values, purpose and strategic direction and overall behaviour.

### **1.5.2. The Research Questions**

The research problem was deconstructed to generate questions that would lead to an explanation of what culture and identity are and how they work within sporting organizations, specifically Fremantle. As previously noted, the broad question is:

*How was Fremantle's organizational culture and identity formed, how did they evolve, and how did they influence its organizational strategies, behaviour and performance?*

Implicit in this broad question were three specific questions that needed to be answered:

- 1. How was Fremantle's organizational culture and identity formed and who or what contributed to its formation?*
- 2. How did Fremantle's culture and identity evolve as the organization developed and how were they manifested?*
- 3. How did the organizational culture, identity and strategy of Fremantle drive its organizational structure, strategies and behaviour and subsequently influence the club's overall performance?*

The contention is that organizational culture and identity subtly permeates all aspects of the FFC organization, and as such they became embedded within the organizational structure which influenced its behaviour and performance. Central to this contention is that organizational design and structure are derived from the organization's strategy, which in turn is driven by the club's organizational culture and identity. Mintzberg (1999) support this contention by describing the six basic parts of an organization's structure and how it was developed and overseen by "a strategic apex". Quinn (1999:3) likewise suggests that strategy "marshals and allocates an organization's resources into a unique and viable posture based on its internal competencies..." This research project proposes that the operation of an organization's strategic apex, and its allocation of resources, can only be understood by reference to its underlying culture and identity.

### **1.5.3. Sample Selection**

The population of interest for this research is the sixteen clubs that participate in the AFL competition. The sample selected from this population is a Western Australian

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AFL club, Fremantle Football Club Limited. FFC was selected for a number of reasons. Firstly, and fundamentally, FFC was both a new organization and new to the AFL competition in 1995. Secondly, it was accessible to the researcher. Thirdly, the club agreed to participate in the research and finally, it could be accessed within the time and cost constraints of the research.

#### **1.5.4. The Research Analysis**

To answer the questions posed in paragraphs 1.2 and 1.6.2, the research explored the relationship between FFC's organizational culture and identity and the way they influenced the club's strategic options and responses to its regulated environment. The problem required analysis of Fremantle's organizational designs, structures and processes since it was through these that strategies are implemented (Mintzberg, 1999). The analysis was framed by a conceptual template adopted by Collins and Porras (Collins & Porras, 1998) research into eighteen visionary companies organizations that enabled an organizational diagnosis to run concurrently with the data collection. Cresswell (1998) and Corley (2004) support this process as a thorough means of analysing the data to help define and focus further lines of enquiry.

#### **1.5.5. The Research Aims and Objectives**

The specific tasks that guided the investigation are as follows:

- 1. Map Fremantle's organizational culture and identity in the context and environment in which it operated;*
- 2. Examine and record how Fremantle's organizational culture and identity evolved and was manifested in its management strategy, internal processes and strategic responses to its context and environment;*
- 3. Categorise and distinguish the different stages Fremantle's culture as it evolved and was manifested across its entire history between 1994 and 2004; and,*
- 4. Assess Fremantle's organizational performance during the same period and identify the values that underpinned its culture and identity that either enabled, or prevented, appropriate responses to its environment.*

These objectives are significant because there is a lack of substantive research on the influence of organizational culture and identity in sports organizations. It is anticipated



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that this research will make substantial and original contributions to management theory and practice by extending our understanding of organizational culture and identity in sporting organizations.

### **1.5.6. Key Concepts**

Several key concepts were identified to provide operational definitions for this research:

#### 1.5.6.1.Sports Organizations

Using general management definitions of organizations from Daft (1998) and Robbins & Barnwell (1998), Slack succinctly define sports organizations as:

*...a social entity involved in the sports industry; it is goal directed, with a consciously structured activity system and a relatively identifiable boundary* (Slack, 1997:5).

#### 1.5.6.2.Organizational Culture

Schein's analysis for organizational culture forms the basis of the cultural elements of the research which are explained later. It is appropriate to adopt his definition of organizational culture, which is:

*A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems* (Schein, 1985:12).

#### 1.5.6.3.Subcultures

As the work on organizational culture developed in the 1980s, various eminent researchers investigated its meaning and influence. Arising out of these studies Van Maanen and Barley define subcultures as:

*A subset of an organization's members who interact regularly with one another, identify themselves as a distinct group within an organization, share a set of problems commonly defined to be the problems of all and routinely take action on the basis of collective understandings unique to the group* (J. Van Maanen & Barley, 1985:38).

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#### 1.5.6.4. Organizational Identity

As the literature review demonstrates, there is not a clearly accepted operational definition of organizational identity. However, the following conceptualisation provides a context for differentiating identity from culture whilst still recognising their close relationship. It emerged in conversations with Hatch, whose models are intrinsic to the organizational identity elements of this research,

*An organization's identity is the aspect of culturally embedded sense making that is self focussed. It defines who we are in relation to the larger social system to which we belong. Although culture provides the system of rules that defines a social system, identity provides the contextual understanding of those rules that govern people's understanding of themselves in relation to the larger social system. (Fiol, Hatch, & Golden-Biddle, 1998:56)*

#### 1.5.6.5. Strategy

Strategy is an integral management principle that is addressed from many perspectives (A. D. Brown, 1998; Porter, 1980; Slack, 1997; J. R. Turner, 1999). However, a definition of strategy suitable for organizations generally, and sports organizations in particular, that contributes to a contextual understanding of strategy in the environmental context of an organization is provided by Mintzberg and Quinn (Mintzberg & Quinn, 1998:3). They explain that strategy can be considered as “*five Ps*”; a plan; a ploy; a pattern; a position; and a perspective, which are interrelated and provide an understanding of strategy as an eclectic mix of all five:

*A strategy is a pattern or plan that integrates an organization's major goals, policies, and action sequences into a cohesive whole. A well formulated strategy helps marshal and allocate an organization's resources into a unique and viable posture based on its relative internal competencies and shortcomings, anticipated changes in the environment and contingent moves by intelligent opponents (Mintzberg & Quinn, 1998:3)*

#### 1.5.6.6. Environment

A definition for environment in an organizational context is provided from critical research on culture and identity (Hatch, 1997:63). Hatch's perspective on environments is that an organization exists in several environments and that the environment consists

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of a number of elements. As a result, an organization has to account for its inter and intra organizational networks, the general environment and the international or global environment. The environment is the space within which an organization (either an entire organization or a sub unit of a larger organization, e.g. the accounts department) performs its functions which, as a result, become embedded within the organization. The environment has been conceptualised as:

*...an entity that lies outside the boundaries of an organization. It influences organizational outcomes by imposing constraints and demanding adaptation as the price of survival (Hatch, 1997:63).*

#### 1.5.6.7.System

Systems theory is a vast body of knowledge which cannot be explained in a brief paragraph and while not the primary focus of this thesis, it is pivotal to an understanding of organizational interdependencies. A concise conceptualisation of a system is provided by Robbins and Barnwell as:

*...a set of interrelated and interdependent parts arranged in a manner that produces a unified whole (1998).*

#### 1.5.6.8.Organization Design and Structure

Organizational structures define and allocate responsibilities from which it can be determined who interacts with whom, and who has authority over whom (Schein, 1992; J. R. Turner, 1999). The organizational structure reflects the degree of complexity, formalisation, and centralisation within the organization and its processes (Robbins & Barnwell, 1998). Slack provides a definition of a sporting organization structure as:

*...the manner in which the tasks of a sport organization are broken down and allocated to employees or volunteers, the reporting relationships among these role holders, and the coordinating and controlling mechanisms used within the sport organization. (1997, p. 6:6).*

For any AFL club, the structure shapes and defines the hierarchy of roles and tasks, the vertical chain of command and reporting relationships. It also shapes the functional relationships and emphasises the control and coordination of tasks.

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#### 1.5.6.9. Performance

Performance also needs to be conceptualised in context of the organization and the means by which performance will be measured. It is suitable to this research that it be conceptualised in the context of a sporting organization. As such, it is an evaluation of how well staff achieve their functional and organizational objectives, or key performance indicators (KPIs). Performance evaluates what staff say they will do and compares it with what they actually achieve (Slack, 1997). Therefore the definition of performance created for this research which recognised performance as a relative measure is:

*The degree to which the element of the organization under scrutiny achieves its objectives.*

### **1.6. CONCLUSION**

This section identified the nature and purpose of the research and explained how it will make an original and substantial contribution to scholarly knowledge of organizational culture and identity. It also reviewed the key terms and concepts and how they will be used to explore the structure, strategy, behaviours and performance of a sports organization.

This section also examined the conceptual relationships between organizational culture and identity and organizational structure, strategy, behaviour and performance. The relationships were then linked to the organizational environment, noting that an effective organizational culture and identity will fit the context in which they are situated. In the case of the AFL, a successful club is likely to have a widely shared and explicit culture and identity that enables it to gain a competitive edge in a highly regulated environment. However, this begs the question as to what specific assumptions, values and beliefs will give it this competitive edge. This is a crucial issue to address, since culture and identity will be embedded within the club's strategies and revealed in its overall operations.

Finally, it was noted that there is very little evidence of previous research into organizational culture and identity in professional sports organizations in Australia or overseas. Therefore, it was established that this was a subject worthy of investigation.

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In the next section a review of the literature relevant to the areas of research identified will be undertaken to provide a review of the overarching theories, concepts and findings that can be used to frame and guide the research project.

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## 2. LITERATURE REVIEW

*We pass the word around; we ponder how the case is put by different people, we read the poetry; we meditate over the literature; we play the music; we change our minds; we reach an understanding. Society evolves this way, not by shouting each other down, but by the unique capacity of unique, individual human beings to comprehend each other.*

*Lewis Thomas, author, biologist, physician (1913 - 1993)*

### 2.1. INTRODUCTION

This chapter will review the literature on organizational culture, organizational identity and their application to sporting organizations, focussing on the research questions and how to investigate their within a professional sporting organization. The literature will be used to provide a conceptual space in which to situate the research topic.

As a starting point, it is important to note that sporting organizations have recently and increasingly focussed on adapting and responding to their business environment, achieving new levels of professionalism, and building communities for all their stakeholders. This is surprising since sporting organizations are competitive in an organizational sense, as well as in terms of sporting rivalry which requires them to remain adaptable and responsive in both areas to create or maintain a competitive edge. However, the current body of knowledge on the relationship between cultures and identities, and strategy, structure, behaviour and performance of sporting organizations is limited. The literature review begins with an examination of organization theory as the overarching theory within which organization culture and organizational identity theories reside. Once this contextual review is completed, a more detailed assessment of culture and identity will follow. The literature review will finish with a discussion of empirical studies that consider the impact of culture and identity on organizational behaviour and performance.

### 2.2. ORGANIZATION THEORY

#### 2.2.1. Introduction

The literature review begins with an analysis of the evolution of organizational theory. This approach is taken on the grounds that organization theory is the prime body of knowledge that contextualises the theories on organizational culture and organizational identity. It is also the body of knowledge that provides an appropriate research approach (Argyris & Schon, 1978; Hatch, 1997; Jackson & Morgan, 1978; Lynch &

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Dicker, 1998; McKinley, Mone, & Moon, 1999; Mintzberg, 1999; Pfeffer, 1997; Pugh, 1997; R. E. Quinn & Cameron, 1988; Robbins, 1987, , 2001; Schein, 1985). Threading its way through the background of organization theory is a variety of the schools and streams of management thought that frequently illuminate the concepts of culture and identity.

### **2.2.2. Conceptual Distinctions**

Organizational research has two principal perspectives, firstly, organization theory and secondly, organization behaviour. Organizational theory is the major focus here because of its over-arching themes and concepts. Organizational behaviour, on the other hand, focuses on the actions and impact of individuals and groups within an organization (Jackson & Morgan, 1978; Robbins, 2001; Robbins & Barnwell, 1998; Slack, 1997). Organizational culture and identity is more concerned with the impact of actions upon the organization as a whole and like organizational theory therefore takes a macro, or holistic approach that considers the strategy, structure, behaviour and performance of the organization (Daft, 1998; Hatch, 1997; Robbins & Barnwell, 1998). In this instance the unit of analysis is the organization.

Organization theory allows for the examination of an entire organization, taking into account its context and operational environment and it was the paradigm within which organizational culture and identity exists. The models of organizational culture and organizational identity adopted for this research combine the paradigms and perspectives from sociology and psychology. The intention here is to discuss their contributions to understanding the concepts considered in this research. Brown (1998:4) pointed out that no field of management inquiry develops “*ex vacuo*”, or from nowhere; they all build on what has gone before. Hence, the field of organizational theory, organizational culture and organizational identity are regarded as evolutionary concepts developed from other foundation theories and principles.

The first thing to be said about organizations is that they are social entities structured consciously as bounded activity systems that unite organizational members operating to achieve common goals and objectives (Robbins & Barnwell, 1998). Research into organizations can therefore range from the analysis of individuals making up a collective; of the collective itself; and of the organization as a whole. The latter studies focus on an organization and the position it holds in its respective industry or, how it compares to other organizations in a similar position. The organization comprises the

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business, its staff and the way it is structured through to how it develops meaningful strategies, structures and behaviours to enhance its performance. Such holistic organizational studies form the basis of organization theory.

### **2.2.3. Core Features of Organizational Theory**

Organization theory is not a unitary paradigm. It is an aggregation of multiple theories and schools of thought that have developed over time (A. D. Brown, 1998; Hatch, 1997; McKinley, Mone, & Moon, 1999). It is grounded in research, from a number of perspectives and accumulated in various theories developed over approximately, the last one hundred years and there are as many definitions as there are theories of organization theory (Daft, 1998; Pugh, 1997; Robbins & Barnwell, 1998):

Daft defines organization theory as:

*A way of thinking about organizations through patterns of knowledge, accumulated from theories, concerning the investigation and analysis of organizations (Daft, 1998:20).*

Pugh regards it as:

*...the body of thinking and writing which addresses itself to the problem of how to organize (1997:xii).*

Robbins and Barnwell define it as:

*The discipline that studies the structure and design of organizations. (1998:6).*

A synthesis of these statements leads to the following definition:

*A discipline founded in a body of thinking and writing, that addresses the design and structure of organizations and their processes, through patterns of knowledge gained from the analysis and investigation of organizations.*

Theories do not replace earlier ones but complement and supplement their predecessors in an evolution of theories aggregated in a wide variety of philosophy of how organizations should be managed (Daft, 1998; Hatch, 1997; Jackson & Morgan, 1978; Pfeffer, 1997; Pugh, 1997; R. E. Quinn & Cameron, 1988; Robbins, 1987; M Weber,



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1946). The evolution of theories is driven by organizations concerned about how best to enhance their performance.

#### **2.2.4. History of Organization Theory**

There is a general vagueness about the exact origins of organization theory. However, it is clear that organizations existed well before research was conducted or theories developed about their operations. Religious organizations, for example, have existed for at least 5000 years and the Egyptians had a high level of understanding organizational concepts whilst constructing pyramids (Jackson & Morgan, 1978). Shafritz and Ott (1996) provide a chronology of organizations ranging from 1491 BC to 1994 AD and credit Smith's (1776) "*division of labour*" economic theory, in a pin manufacturing business, as one of the first recorded studies of organizations and organizational theory. The recording of theories such as Smith's had a fundamental effect on the formation and management of organizations by prompting further studies and theoretical development.

The Industrial Revolution was a catalyst for the further widespread study of organizations, what they represent, and the way they do things (Robbins & Barnwell, 1998). The industrialisation of the eighteenth century accelerated the development of organizations because of new organizational groupings required to implement new technology. As organizations developed, so did interest in what could enhance their performance. From this interest emanated a need to research how organizations could best be structured to achieve an optimum relationship between quality, production and profit. Less concern was shown in the behavioural aspects of managing organizations (Daft, 1998; Hatch, 1997; Robbins & Barnwell, 1998).

Various chronologies of the evolution of organization theory agree that most research has occurred since the start of the twentieth century (Hatch, 1997; Lynch & Dicker, 1998; Robbins & Barnwell, 1998). Robbins and Barnwell (1998) provide a matrix of four theoretical classifications to describe the evolution of organization theory whilst Lynch and Dicker (1998) offer two classifications ("*modernist*" and "*postmodernist*"). The classifications are useful because Robbins and Barnwell (1998) advise that by looking at what has gone before we can make sense of organization theory as it is today and thereby establish a framework for this research.

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Hatch (1997) is unequivocal about the different “*perspectives*” of organization theory. Hatch presents a coherent timetable for the development of organization theory with four classifications. The intention is not to detail the perspectives but to provide a brief outline of the development of organization theory and its relevance to this research project.

#### 2.2.4.1. The Classical Perspective (c1900 onwards)

The classical perspective represents the first serious study of organizations, at the start of the twentieth century. It is split into two schools of thought, the “*Scientific*” stream pioneered by Frederick Taylor and the “*Administrative Principles*” stream pioneered by Henri Fayol (Daft, 1998; Hodgetts, 1986; Robbins, 2001).

Taylor (1912) advocated four principles of scientific management believing his approach based on “*initiative and incentive*”, would generate better and bigger results. Taylor’s principles focussed on the management of manual labour saying that managers should gather intellectual knowledge based on their experience; managers should scientifically select and progressively develop workmen based on their limitations and possibilities; managers should then bring together the science and the scientifically selected workmen and there would be an equal division of the actual work between workmen and management.

Fayol, the pioneer of “*Administrative Principles*”, came from a mining engineering background and his principles were based on his experience from turning an ailing company into a successful operation (Hatch, 1997). His principles explored the administrative elements of managing organizations and he believed management functions relied on the personnel that executed them. Fayol (1916) published what he said were the fourteen principles of management, centring on issues such as span of control, management by exception, departmentalisation, unity of command and hierarchy. However, like Taylor, the idea that there was one best way to manage an organization proved to be too idealistic. Notwithstanding the idealism, Fayol’s approach underlies much of what has since been theorised on the social structure of organizations.

As well as Taylor and Fayol, other examples from the classical perspective are Marx, Durkheim and Weber. Marx’s contribution to organization theory was his “*Theory of Capital*” and the belief that control was the essential element of organization theory

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(Hatch, 1997). Durkheim made a significant contribution to understanding culture and identity through the concepts of symbols, myths and rituals, which are important to understanding social reality (A. D. Brown, 1998). Weber was widely regarded for examining the structure of organizations and theorising the authority and legitimacy of bureaucracies through his explanation of their functional characteristics (Max Weber, 1924).

Characteristics of the classical perspective were the concepts of organizations as precise, scientific, entities to which adjustments could be made after careful scientific study (Daft, 1998). The driving force of the era was the mechanisation of industry with an emphasis on engineering for complex manufacturing processes driven by the Industrial Revolution (Hatch, 1997). Consequently, organizational studies were usually in the context of economics and engineering.

Consistent with the concept of organizations as precise entities is the notion of organizations as closed systems. Systems theory advocates that closed systems can adjust and change independently of their operating environment and are not open to their environments or their effects (Daft, 1998; Robbins & Barnwell, 1998). Robbins suggests therefore that they were essentially bureaucratic organizations focussing on mechanical efficiency. Organizations developed with a classical perspective were often described as machine like, reflecting the emphasis of industry at the time (Hatch, 1997). The classical perspective prevailed until the late 1940s and 1950s when economies were devastated after the Second World War.

#### 2.2.4.2. The Modernist Perspective (c1950s onwards)

The modernist perspective counters the closed system approach and recognises that organizations have to operate within their environment and are characterised by a structure organized around conflicting stakeholders that vie for power and control. They are often described as an organism, or living system, that performs functions necessary to their survival. Like the classical perspective, this approach reflects the emphasis of industry at the time (Daft, 1998; Hatch, 1997; Robbins & Barnwell, 1998). Von Bertalanffy developed his General Systems Theory in 1968 within this perspective. Von Bertalanffy was keen to explain scientific phenomena from their simplest constituent (atoms and molecules), through to their most complex constituents (groups, societies and organizations) (Hatch, 1997). Von Bertalanffy's work emanated from social systems theories of the late 1940s. Similarly, Parsons (1951) developed "*The*

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*Social System*” by applying its principles to social organizations, viewing them as systems that existed within and dependent upon, their own environment (Robbins & Barnwell, 1998). The resultant “*Systems Theory*” was part of the fundamental approach to study an organization’s culture, identity and strategy, which must fit the environment and it was strongly identified with the modernist perspective.

### *Systems Theory*

Systems theory underpins this research and it is crucial that its role be recognised and understood. Kerzner describes systems theory as an analytical theory of organizations that:

*...attempts to solve problems by looking at the total picture rather than through an analysis of the individual components (1998:61).*

An open system is a set of interrelated organizational elements where each element affects all of the other elements and each element depends upon the system as a whole, to survive (Cummings, 1980; Daft, 1998; Hatch, 1997; J. P. Lewis, 1998; Robbins & Barnwell, 1998; Roman, 1986; Tuman, 1988). Biological analogies clarify the concept. The human body is a system made up of kidneys, a heart, a liver, skin and other components. All are dependent upon each other but they all rely on the body as a whole to breathe and survive. Hence, systems theory highlights that organizations operate with elements that contribute to their internal and external environments, which influence their behaviour. Amongst these elements are the culture and identity of the organization.

Systems theory also highlights the differentiation and integration of the parts of the organization (Robbins & Barnwell, 1998). Hence, it recognises the specialisation of departments (differentiation) that must work together (integration), for an organization to be effective. Application of the same principles to an organization clarifies how different departments rely upon each other to function and they all need the organization to survive.

In 1956, Boulding postulated a hierarchy of systems on nine levels, ranging from static structures to transcendental systems (Daft, 1998). On this scale, organizations are rated at number eight, representing complex systems that were open and socio-technical, or made up of people that have to operate in diverse functions with common objectives that cannot operate independently of their environments.

### *Environments, Environmental Factors and Stakeholders*

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Organizational systems operate within an organizational environment, which influences the internal processes and outcomes of the organization. The environment helps determine the outcomes since success or failure can depend on factors within it that are outside the direct control of the managers (Cleland, 1999).

The environments within which an organization must operate have two facets:

1. Outside the functional system but internal to the organization; and,
2. The wider general environment outside the scope and influence of the organization.

Within the general organizational environment, several groupings or sub-environments exist that have the potential to influence the organization. They must be identified because they also help identify the stakeholders in the organizations (Cleland, 1999; Kerzner, 1998). Amongst the environments identified are:

- i. The economic and market environments that include the finance markets, trading conditions, product market and competition, labour market, skills base, industry sector culture, shareholders, investment, trade unions and insurance markets;
- ii. A technological environment or knowledge of how to do things; a social environment that includes attitudes, desires, expectations, intelligence, education, beliefs and customs of people in a given group or society eg in a sporting organization they might be the fans, members, supporters and sponsors;
- iii. A political/legal environment consisting of laws, statutes, regulations, government agencies and their actions which affect all enterprises and include professional regulations, standards, health and safety;
- iv. An ethical environment which is closely aligned to values and belief and include sets of generally accepted and practiced standards of personal and professional conduct; and,
- v. A physical environment such as office facilities, training ground as well as the impact of weather and climate.

Such environments are composed of stakeholders who have an interest in that particular environment and knowing stakeholders' interests allows an organization to influence the stakeholders, as well as stakeholders to influence the organization. Managers in business organizations must identify the environments in which the organization

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operates and continually attempt to shape those environments to accomplish their organizational roles. However, in sports organizations and the AFL in particular, the broader general environment is imposed upon them, thus restricting their strategic options.

#### 2.2.4.3. The Symbolic-Interpretivist Perspective (c1980s onwards)

The theory most widely recognised with the symbolic-interpretivist perspective is the “*Enactment Theory*” of Weick (1969). Weick says that people looking at organizations create in it what they want to see in it. The central theme is that the staff of an organization brings events and structures into existence, setting them in motion as a part of their everyday activities. Similarly, people acting within organizations produce structures that were not there before they took their action (Weick, 1969). Creating something that you expect to see is known as reification and means that reality is socially constructed. This is fundamental to this research which relies on the proposition that culture and identity are socially constructed as a result of staff consensus about the way things are done. Berger and Luckman (1966), with a similar approach to Weick’s, say that social orders that are created by human interaction and understanding, are developed through shared histories and experiences. Enactment is important to understanding culture because it looks at the material and symbolic actions taken by staff who perform certain actions based on familiarity or previous experience. The familiarity gives them preconceptions about how actions should be performed and what the outcome will be. That is, it supports basic underlying assumptions of having done things a certain way before and that worked so it is the way it should be done.

The symbolic-interpretivist perspective recognises that what we understand about cultures, identities and environments is not always real or tangible. Culture, identity and environments are constructs we create and use to help us make sense of organizations. The symbolic-interpretivist perspective raises our consciousness of the organization to make it seem objective. This means that as we are continually creating and reconstructing it in our own mind. Therefore, we are conscious of it and we change it through the reconstruction process.

From the symbolic-interpretivist’s perspective, organizations are open systems. Therefore, symbolic interpretivism also recognises the role of the interrelated parts of the organization that has to operate within the environment in which it exists. Such organizations have culture as their main interest and regard the organization as a

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conglomerate of meanings created by the staff through shared history, experiences and values (Hatch, 1997). They take a semiotic view of their organization from within through its symbols, artifacts, ceremonies and other objective material enabling them explore their culture.

The symbolic-interpretivist perspective is the approach adopted in this research. It is suitable because symbolic interpretivism is socially-constructed, as are culture and identity, and organizations that focus on their culture have a symbolic-interpretivist outlook. It also recognises the open system nature of organizations and the importance of adapting to their environments.

#### 2.2.4.4. The Postmodernist Perspective (c 1990s onwards)

Postmodernists deconstruct elements of organizational structures and use them to create new ones (Hatch, 1997). This means post-modern organizational designs and structures contrast with the functionalist style of the modernist perspective which is grounded in the past. Postmodernists believe that our knowledge of an organization is made up of so many independent elements that it can never possibly form one complete unified organization. Such an approach is consistent with an exploration of organizational culture and identity which focuses on many interdependent variables in an organization. This contrasts with the modernists who believe that you can have one unified organization which can be continually refined only with great difficulty. The aim of the postmodernist approach is to be flexible and adapt to a continually changing and complex environment (Daft, 1998).

Postmodernism shapes current practices and thinking in the field of organization theory. It relies on horizontal relationships and the empowerment and equality of all staff rather than the vertical hierarchical approach of Fayol. In an organizational sense, postmodernists explore organizational set-ups to challenge existing methods to see if cultures, identities, behaviours, and strategies, can be, or need to be, changed to enhance performance. In this sense it has a role in this research by exploring existing set ups to see if and how they may need to change.

#### **2.2.5. Application of Organization Theory to the Research**

The exploration of an organization's culture and identity adopted in this research draws upon all four perspectives of organization theory briefly described above. The classical era underpins contemporary theory about organizations and aids in the understanding of

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control and power in organizations used to deliver organizational objectives. However, classicists treat organizations as isolated entities that do not interact with their surroundings or their stakeholders. That is not the case with sporting organizations since competition regulators enforce many regulations and influence performance, subject to the influence of many stakeholders. Further, sporting organizations interact with many other external stakeholders such as fans, supporters, sponsors and the local community. Therefore, it is necessary to incorporate the modernist approach, to complement the classicist focus, for its contribution of systems theory. Systems theory advocates the need to look at an organization in the context of its sub-systems within the several organizational environments in which it exists. It is important to make sense of the role, influence and impact that members of those environments have on the well being of an organization and its achievements.

The symbolic-interpretivist approach provides a fundamental approach to understanding the culture and identity of sporting organizations from the data that will be observed. The propensity for people to act in a way that has proven to work for them before and adopt the practice again helps analyse data on an organization's organizational culture and identity. Once analysed it assists in the interpretation and understanding in the organizational context of the staff who construct reality to suit particular roles and positions.

Finally, the postmodernist era provides an insight to the analysis of the organization holistically. It is important that the analysis is of the entire organization and how it performs rather than on the separate performance of individual units. The analysis includes deconstructing what is found to make sense of what it is constructed from and then reconstructing it to suit the particular circumstances that the analysis uncovers.

#### **2.2.6. Summary**

This section described the foundation theories that underpin this research. It provided the framework for the research and presented a précis of the history of those theories. It is from this broad theory that organizational culture and identity theories and knowledge, have emanated. Subsequently it was explained how and why these theories are appropriate for an investigation into the organizational culture and identity of a sporting organization. It was explained that theories of organizational culture and identity do not stand in isolation but reside within a framework of broader organizational theories. However, both organizational culture and identity also have



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their own specific theoretical sub-sets and the next section will outline the theoretical background to organizational culture.

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## **2.3. ORGANIZATIONAL CULTURE THEORY**

### **2.3.1. Introduction**

This section will introduce the concept of organizational culture and demonstrates the connections that culture has to identity, which is addressed later. Definitions and descriptions of organizational culture are provided from the symbolic-interpretivist approach adopted for this research.

Three relevant symbolic-interpretivists models will be presented, the first to assist in understanding what culture is (Schein, 1992), the second to assist in the interpretation of culture and how it operates within an organization (Hatch, 1997), and the final model to explain how culture and identity interact and rely on each other (Hatch, 2002). Explanations will be provided on the relevance and appropriateness of these models and approaches to this research project.

Organizational culture has been recognised for a number of years by organizational theorists as a means of analysing organizations and their performance (Albert, Ashforth, & Dutton, 2000; Czarniawska & Wolff, 1998; Dutton & Dukerich, 1991; Gioia, Schultz, & Corley, 2000; Hatch, 1993; , 2002; Hofstede, 1980; Kotter & Heskett, 1992; Peters & Waterman, 1982; Ravasi & Rekom, 2003; Schein, 1985; , 1999; Schultz, Hatch, & Larsen, 2000). Whilst researchers have differed in their research approach, they agree on the importance of understanding the effect and impact of an organization's culture and its links to identity as a means by which an organization can make sense of what is going on within the organization, its employees and stakeholders. This means that organizations have been better able to make sense of how well elements of their organization operate and interact. Organizations now look to their organizational culture to make sense of how things are done and the perceptions about the organization that are generated as a result. The demand for organizations to be adaptable and responsive to change so that they remain competitive in their business environments has intensified this need for organizations to make sense of themselves. Culture and identity are important in this context because they can both facilitate an organization's adaptability and responsiveness to change, but just as importantly they can impede change. Under these conditions, culture and identity can act as a barrier to, rather than a conduit for change.

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### 2.3.2. Culture

The term “*culture*” is an anthropological term accredited to Edward B Tylor who described culture in 1871 as:

*...that complex whole which includes knowledge, belief, arts, morals, law, custom and any other capabilities and habits acquired by man as a member of a society* (A. D. Brown, 1998:4).

Anthropology defines a culture as being the prevailing values and beliefs common to a group of people. Anthropologists concern themselves with trying to make sense of how individuals and groups of individuals in relation to their setting and the context of that setting (A. D. Brown, 1998). Organizational theorists adapt the anthropological standpoint when interpreting behaviours of individuals grouped by their belonging to an organization. One of the earliest attempts was to recognise the influence that the individuals had on their organizations and what they were doing (M Weber, 1946).

Sociology is also a significant source for culture’s beliefs and Durkheim’s contribution of symbols, myths and rituals as a means of understanding culture from a sociological perspective has already been noted but culture remains of interest to contemporary sociologists. Weber (1978) proposes that cultural mechanisms be used to achieve social order and restraint, not control by direct and forced means. Bordieu (1977) views symbolic violence as a form of group control through the imposition of culture in a way that the group considers legitimate. In a similar vein, Foucault discusses culture as a means by which power and control is exercised over members of a social organization (Pfeffer, 1995). Another significant contribution is made from sociology noting that culture is ubiquitous and therefore is not extraordinary. Sociologist Raymond Williams is recorded as saying,

*Culture is ordinary: that is the first fact* (Higgins, 2001:11).

More importantly for the application of culture in an organizational sense, Williams continues,

*Every human society has its own shape, its own purposes, its own meanings. Every human society expresses these, in institutions, and in arts and learning. The making of a society is the finding of common meanings and directions, and its growth is an active debate and amendment under the*

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*pressures of experience, contact, and discovery, writing themselves into the land* (Higgins, 2001:11).

The relevance for organizations is that they are the societies in which we work and express ourselves. Consequently, their efficient and effective operation relies upon us finding common meanings and directions to develop them.

### **2.3.3. Types of Culture**

Culture is a condition which, according to Williams (1995), exists through three forms of values, “*emergent*”, “*dominant*”, and “*residual*”. Williams argues that cultural values have to be interpreted using symbolic meanings of rites, actions, ceremonies and other artifacts (as compared to measurement, for example, of competing values) to understand the many variables that contribute to complex processes in societies as well as historically variable elements of the culture. Emergent, dominant and residual values can co-exist in a culture at any given time, in any given setting.

Williams’s concepts provide a context to understand how a culture operates and how its many variables interact and compete as the society or organization seeks to maintain stability whilst undergoing change. The topic of organizational change and how culture impacts on it is excluded from this particular research. At any given time in an organization, certain cultural values become apparent as change takes place (emergent values) whilst other previously held values become marginal but still hold some meaning (residual values) and other values prevail as the primary means by which things are done (dominant values).

#### **2.3.3.1. Emergent Values**

An “*emergent*” value is a new belief and way of doing things within a particular society that differs from existing values and beliefs (Booth, Colomb, & Williams, 1995). For example, the sporting world has seen the emergence of professionalism in previously amateur elite sports such as Rugby Union and the public’s acceptance of professionalism represents an emerging value.

Therefore “*emergent*” refers to new meanings, beliefs and values; new ways of doing things; and new relationships formed by members of the society (organizational staff), which are continually changing and reforming. The difficulty interpreting an emergent value is identifying which new values and beliefs are new phases of an existing dominant culture as against those which are alternative and therefore,

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emergent. Emergent values are different and to properly identify and understand them, compared to dominant and residual values, they rely on new structures and leaders to facilitate their emergence. Therefore, emergent values are identified by recognising new forms and structures as a way of doing things. Importantly, new structures and emergent values can allow dormant values to become less marginalized, or more accepted. The process of how emergent values become the accepted way of doing things (dominant) is discussed later but it is important to recognize that dominant values must have once been emergent values, but not all emergent values will become dominant. Clearly, though because an emergent culture is relative to dominant and residual cultures, the identification of an emergent culture can only be made in the context of dominant and residual cultures (Higgins, 2001).

#### 2.3.3.2.Dominant Values

Dominant values are those values held by the majority of members of a society or organization (Booth, Colomb, & Williams, 1995). They are strongly held values and beliefs which most members believe to be the right way to behave and conduct relationships. Williams says they are held by the majority or because they are held by the ruling classes of the society, which in an organization are the CEOs and senior executives. They become dominant values as a consequence of the executives identifying them as the cause of past successes and because they continue to be relevant and successful within the current organization (Higgins, 2001).

Dominant values of an organization are its core ideology and an indication of how well its values fit its environment. The dominant values represent the beliefs and norms of an organization and they are articulated through its mission statements and objectives, ultimately underpinning an organization's philosophy, core ideology and, typically, its ethical values. Consequently, the organization is identified in a certain way because of its dominant cultural characteristics. If the values suit the environment then a cultural fit exists between the organization, its staff and the environment. If the values manifested in a culture do not suit its environment, then the organization may need to transform its dominant values to ensure its ongoing viability.

#### 2.3.3.3.Residual Values

Residual values are those held from previous experiences that remain, often subconsciously, as a source of behaviour within the current culture (Booth, Colomb, &

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Williams, 1995). An example is a new employee's values from his/her previous employment. Residual values are relatively easier to identify because they tend to be related to previous experiences and when an organization becomes something of a cultural void, the members of the organization will fall back to what has worked for them previously (their residual values). Hence, residual values represents the past successes and achievements which are utilised when the dominant values do not work.

Residual values reflect beliefs in a particular way of doing things that are often held for example by new staff with strong beliefs in the culture from which they have come that differ from their new setting, creating a potential for a clash of the cultures, often seen when organizations merge. Residual values also exist within an organization after the environment that made them dominant has been removed, for example, when an organization's leadership changes but the staff retain the values of the old leadership (Higgins, 2001).

#### **2.3.4. Organizational Culture**

Brown (1998) says that we should credit thinking of culture in organizational terms to Clifford Geertz. Geertz proposed the semiotic approach that looked at cultures through their symbols and language from within, or from "*the native's point of view*". He is best known for ethnographic studies into native Javanese cultures and subsequent writings about how to meaningfully interpret such cultures (Geertz, 1990). Significantly, for this research, Geertz's approach emphasises the symbolic attachments to artifacts when studying culture and cultural change.

Hatch (1997) notes that Geertz took a symbolic-interpretivist approach where culture starts from an assumption that it is a socially constructed reality. She emphasises the extent to which the concepts and themes in organizational culture are derived from their anthropological cousin. For example, she says, rites, rituals, myths, legends, stories and artifacts are all concepts developed for use in anthropological interpretations of culture. Sinclair (1993) notes that other records of culture's application to organizational thinking by theorists emanated in the 1960s and 1970s through Crozier (1964), Turner (1971), Argyris & Schon (1978) and Pettigrew (1979). Hofstede et al (1990) credits Pettigrew as raising awareness of and being responsible for the term "*Organizational Culture*", entering the academic literature in the 1960s and 1970s. It was the 1980s that saw management scholars adopt the concept of organizational (also known as corporate) culture (Hatch, 1993; Hinings, Thibault, Slack, & Kikulis, 1996). Associated with the

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wide adoption of culture was research that suggested a link between an organization's values, culture and the degree of success the organization enjoys (Peters & Waterman, 1982). To some degree, Peters and Waterman's opinions have been contested because of the perceived lack of academic rigour in its methodology (Norburn, Birley, & Dun, 1984).

Hofstede (1980; , 1991) is pre-eminent for his work in the field of organizational culture across national cultures, in particular his study of how IBM operated in different countries. In this work, Hofstede explored how behaviours and strategies were implemented across many national cultures.

Similarly, Schein is pre-eminent in the area of organizational cultural research that looks at implementing strategy in an organization and how that organization imparts its core values and purpose to all parts of the organization. Schein has conducted other extensive research of culture in organizations and articulated how to undertake a diagnosis of culture in an organizational framework (Schein, 1985). Schein's framework grew from a superficial identification of layers of culture by Sathe (1983). Schein also developed a process of organizational intervention to make sense of a culture through diagnosis before attempting to alter behaviour and improve performance (Schein, 1999). Schein's more recent research bemoans how culture has become a fad that is invariably over simplified by observers. His principal accusation is that little attention is paid to proper diagnosis and understanding of corporate culture. He points out that understanding culture is more than merely observing "*the way things are done*", which is far too simplified, to appreciate a culture properly. Schein contends that a superficial observation is often completed by looking at logos or artifacts of an organization and drawing conclusions without any basis in the values and beliefs of that organization. A more in-depth analysis will seek the hidden values and beliefs of individuals that contribute to the organization's culture and why those values and beliefs are held. Hofstede (1998) recognised a similar problem but was more optimistic stating that culture had now escaped the fad status of the 1980s and is now a basic concern for every organization. Both views have merit since organizations recognise culture as a fundamental element of their organization but their analyses have been inadequate. Sinclair (1993) suggests culture was at least used effectively to establish what people believe about how things work and how those beliefs are manifested in physical outcomes and people's behaviour within an organization. Such a description is useful

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since it indicates the complexity of the many intangible facets of culture. These include *beliefs* held by individuals, how they *think* things work, *interpreting* their behaviour, *understanding* of physical outcomes like artifacts and what those artifacts *symbolise*.

Contemporary researchers suggest that culture can do more than make a company successful in the short term (Collins & Porras, 1998). Collins and Porras discuss several significant organizational cultural concepts that identify and explain what they term “*visionary*” organizations and the influence those concepts have on the behaviour, values and beliefs of individuals in an organization. Collins and Porras explore how some organizations have prospered over long periods, through multiple product cycles and multiple generations of leaders, whilst other could not sustain their prosperity. They assert that the reason for this is that organizations manage themselves through their organizational culture by imparting, “...*timeless core values and purpose*” across their entire organization. The consideration of culture in terms of timelessness and enduring over long periods of time is an introduction to how culture influences organizational identity. Therefore, it is necessary that the core values and purpose of an organization are explored and understood to see if their behaviours and strategies are appropriate and explain how they perform as an organization.

The core values and purpose of an organization, through its culture, may enable organizations to create an environment and systems that attracts the best people, allowing them all to perform to the best of their abilities. At the same time, if the values are bound up in rigid authority and myopic thinking, it can also produce an organizational culture that impedes good performance. Culture can have the same type of impact on sporting organizations. Indeed, it can be more significant than other commercial organizations because of their reliance on the performance of their human, rather than technical, resources. In sport organizations, the effective deployment of human resources is a critical means of achieving a competitive advantage and success (Pfeffer, 1999; A Smith & Stewart, 1999; Zellars & Fiorito, 1999).

#### 2.3.4.1. Definition

Varied definitions of culture exist and one text cites fourteen definitions reflecting the variety of understanding of culture (A. D. Brown, 1998:7). Schein’s (1992) original organizational culture model is the basis of this research and consequently, it is appropriate to adopt his definition of organizational culture:

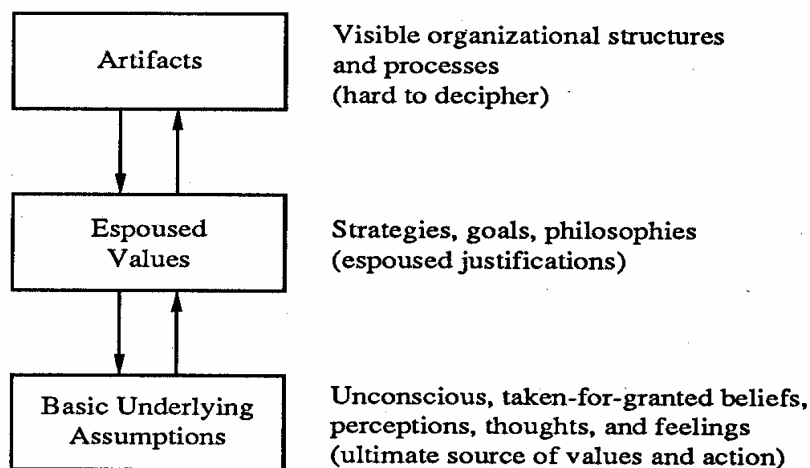


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*A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems (Schein, 1992:12).*

### **2.3.5. Levels of Organizational Culture**

Schein's articulation of corporate culture recognises that there are three levels at which to diagnose an organization's culture (Schein, 1992). Schein expresses the levels and explains them by way of a model of organizational culture (Figure 2.1) that shows the three levels of culture that interact within a hierarchy (Schein, 1992). The three levels have been the focus of research into organizational research and they have prevailed across many definitions and concepts of organizational culture in the literature (Sackmann, 1992).



**Figure 2.1 - The Three Levels of Culture**

(Schein, 1992:17)

#### **2.3.5.1. Artifacts**

Artifacts are the surface, layer of an organization's culture that represent the visible manifestations of an organization's culture and are the superficial declaration of that culture. The importance of artifacts is as the tangible elements of an organization's culture. A sporting organization's office layout, jargon, physical environment, clothing, protocols, logos, rituals, ceremonies, myths, stories, and even its playing style, are all artifacts as well as any other visible representations of the organization. Stories are a

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particularly powerful tool to make sense of the culture of an organization. Boje (1991) recounts the story of an IBM employee whose job it was to check identification passes, and who refused entry to the CEO because he had an incorrect identification badge. The CEO commended the employee for doing his job properly and went away to collect his proper pass. In this instance the organization clearly valued authority and working in a rule-bound existence. Stories also abound in the descriptions of Hewlett Packard's culture (Collins & Porras, 1998). Hence, artifacts are where the search for FFC's culture begins by observing, identifying and categorising in order to decipher them and thereby help to interpret the culture.

Schein warns that although observation of artifacts is easy, their meanings are often simplified despite being very difficult to decipher. To make sense of, and interpret them properly, time must be spent within the organization. In particular, Schein says it is inadvisable to try and interpret lower layers of a culture from the artifacts alone. The danger of doing so is that the researcher's own paradigms form part of the interpretations made and thereby run the risk of being biased interpretations. We may for example, interpret the people in an office where everyone dressed informally as lazy. This would occur if our own paradigm is that an organization should be formal and informality represented laziness, yet many companies, particularly sports organizations, now operate within such conditions without any hint of laziness.

It is important that artifacts are identified and classified because it assists in the diagnosis of an organization's context and environment that facilitate the mapping of an organization's culture. According to Schein, we can make sense of artifacts more clearly if they are understood and observed in the context of the day-to-day operations of the parts of the organization that generate the artifacts. Schein also warns that identification and classification of artifacts is a major task that creates difficulties because all facets of an organization generate their own artifacts that potentially conflict with each other.

#### 2.3.5.2.Espoused Values

Espoused values are the initial values that a person holds about the way to solve a problem which are put forward by the individual as a solution or strategy to solve an organizational problem (Schein, 1985). An example in a sporting organization might be a coach who advocates punishment of the players for a poor performance. If for the next few occasions that they play they win or perform at a high level, punishment

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becomes the coach's preferred method of addressing the problem because it works. The coach then continues to adopt punishment as a standard practice following poor performances because the team plays well following such punishments. The practice of punishing players for performing poorly is the coach's espoused value. When others in the coaching group agree, believing that punishment for a poor performance works, punishment following poor performances becomes a shared value. Continued acceptance over time sees it become an underlying assumption. The process of how an espoused value becomes an underlying assumption is represented as a two-way flow by the arrows in Figure 2.1 - The Three Levels of Culture. Improved performances are required and a punishment regime is put in place as an automatic response without going through any particular process to determine if that is the correct strategy.

The process of recognising a process as an automatic response (not necessarily consciously) is known as "*cognitive transformation*" (A. D. Brown, 1998; Schein, 1992). Cognitive transformation only occurs when the actions taken continue to be successful, thus implying it is the correct action to take in particular circumstances. The cognitive transformation (the recognition of a means by which to solve a particular problem) process can be observed within the group development process of new organizations. During the formation of any social group, the group defines certain issues or problems with which it was confronted and which had to be resolved. One or more individuals generate proposed solutions to the problems. Each of these individuals brings their own solution, which in some way reflects their own personal values about whether the solution was right or wrong and whether or not it would work.

Whilst Schein applied the taxonomy of "*cognitive transformation*" to organizational cultures, the process was described previously in anthropological terms as initially learning the purpose and meaning of what we are doing thereby enabling us to communicate within our society or culture (Booth, Colomb, & Williams, 1995). As individuals we test and reflect upon experiences as a result of implementing what we have learned and adapting the way we do things to suit us through modified meanings and communications. This means organizationally, that the staff has known meanings and directions, which they are trained to understand and use. However, they also adopt new meanings and directions to the way they do things as a result of testing the established meanings out and finding more effective meanings and directions by which to do things. In organizations the reflections and modifications are arrived at in the first

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stage of a normal group development processes which are important processes in the development of cultures within organizations.

The early stages of group development are characterised by uncertainty and certain individuals prevail who influence the group behaviour, and therefore its culture (Robbins, 2001). These individuals are identified as leaders within the group and their suggestions takes prominence as potential solutions. However, the potential solutions have no validity until the group had accepted them as the solutions required. Therefore the espoused values of an organization are the values that perhaps only one person holds initially, about the way to solve a problem and that person put them forward as a solution or strategy to solve an organizational problem. Certain values do not undergo a cognitive transformation because they do not work, in which case they are summarily dismissed as potential solutions. However, other personal values proposed may not be capable of being tested and measured and the acceptance of these values depends on acceptance by the whole organization. Schein placed an emphasis on what he termed the “*social validation*” of values of this kind.

Social validation is the acceptance of an individual’s personal values by the group because the whole organization experienced their effect and was comfortable with the outcome. In effect social validation helps to facilitate the cognitive transformation process on issues of moral and ethical behaviour of individuals. Values accepted in this way often concern relationships, religion, ethics, aesthetics and serve to guide the staff’s moral and business conduct. They also assist in the training of new recruits as to how they should behave. In time as they prove to be effective, values undergo transformation without any real cognisance of the transformation, into the beliefs and norms of an organization and they are articulated through its mission statements and objectives. They ultimately underpin an organization’s philosophy and ideology and typically the ethical values of an organization. Sinclair (1993) identified that through the social validation process, culture is a primary method of the establishment and management of a company’s ethical position.

The concept of social validation gives an indication how culture can be used as a controlling mechanism for an organization. Those that fit an organization’s adopted position are identified as acceptable and those that do not are either removed, or identified early at the selection stage and rejected. Collins and Porras (1995; , 1996; , 1998) discuss this in the context of “*visionary*” organizations that are cult like or elitist.

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People that did not fit were not welcome and those that were accepted embraced the “*cult*” of the organization.

The cognitive transformation and social validation of espoused values are important because they mean the values are seen to work and to be effective. Their successful adoption and effectiveness is what gives them credibility against imposed values that have no record of working or being effective. The danger of imposing values that have not undergone any cognitive transformation is that they remain as espoused values only and in such circumstances they became what people say but not what people do (Argyris & Schon, 1978).

#### 2.3.5.3. Basic Underlying Assumptions

Basic underlying assumptions are the deepest, most ingrained form of culture. Schein (1992) indicates that basic underlying assumptions are what people in an organization make about how they should behave in their internal and external environments. They are based on proven techniques of how tasks should be completed that have worked so well and so often in the past that people no longer even question their appropriateness. In other words, they represent the way things are done in the organization. Schein warns that this level of culture is the most difficult to ascertain because it subtly permeates organizations and is intangible and tacit.

Basic underlying assumptions are the layer of an organization’s culture that fits with Bordieu’s use of sporting games as a social organization analogy (Jenkins, 1992). The basic assumptions equate to Bordieu’s “*Rules of The Game*” where people behave in a particular context without consciously thinking about what they are doing (Bordieu & Passeron, 1977).

Schein (1992) says that basic underlying assumptions can be held so strongly that it becomes inconceivable of undertaking particular actions any other way. However, they can be held so strongly that become a barrier to adjusting a person’s behaviour. For example, in most sporting organizations it is inconceivable that a player would undertake an action during a game for their personal benefit at the expense of the team’s benefit. People that do not act in accord with their organization’s basic assumptions feel uncomfortable taking the action they do and those around them reciprocate the feelings of discomfort. In such a scenario within a sporting organization, an outcome might be to drop, discard or trade the player. In this case the underlying assumption is

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that a player does not play for themselves but for the good of the team and sporting organizations have no place for players who put their own interests above those of their team mates.

Common organizational actions inspired by basic assumptions give the staff comfort in its behaviour because actions are proven to be correct and acceptable. That is important because it is the root of the power of culture. Such values are powerful in the psyche of staff and consequently are held to be of great significance when they are adopted. However, their significance to the individual or group can make them an obstacle to change if the staff is loathe to change things that have worked for them in the past. They represent the strength of a culture that inherently also makes culture an obstacle to change.

### **2.3.6. Application of Schein's Levels of Culture to the Research**

Levels of culture are important in sporting organizations because they are organizations steeped in artifacts. However, it is very dangerous to take such manifestations as representations of a strong or appropriate culture for the reasons Schein warned. It is critical to this research that the culture of FFC was explored through its cultural layers to determine the lower levels of espoused values and underlying assumptions. Only by establishing the values and assumptions of the staff, in what is a relatively young organization, can the organization's culture be adequately diagnosed rather than assessed superficially.

As well as determining culture through an organization's artifacts, symbols, values and assumptions, the strength of a culture and its congruence with its environment is also of interest. Two important measures of cultural strength are;

- i. The wide knowledge of stories, myths and legends about an organization; and,
- ii. The dissemination of organizational values across all members of an organization.

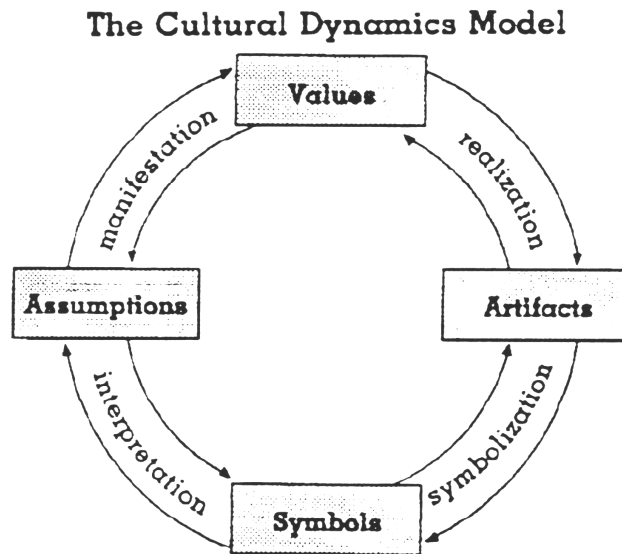
Schein (1992) notes the significance of the strength of the culture, confirming that in comparison to a weak one of the same nature it is preferable but he places an equal emphasis on how it fits within the environment as expressed through the espoused values. His principle argument is that if a strong culture is going to produce good outcomes or high levels of performance, it must also be appropriate to its environment if it is to be effective. In other words, a strong culture is not necessarily an appropriate culture.

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### 2.3.7. Cultural Dynamics

Hatch (1993), in an analysis of Schein's (1992) model, suggests that analysing culture relies on identifying the links or processes between artifacts, values and assumptions. However, she also suggests that Schein does not explicitly identify the links, or how to determine what they are. To add to Schein's concept, Hatch (1993) added "symbols" into a model she terms "*The Cultural Dynamics Model*" (Hatch, 1993:660). The origins of the cultural dynamics model, shown in Figure 2.2, lie in anthropology, as do many cultural concepts (A. D. Brown, 1998). The dynamic element is the evolutionary processes that impart culture and change, versus stability, in cultures (Hatch, 1993). In these contexts, Hatch follows the anthropological path in exploring organizational culture.

Schein recognises the existence of cultural dynamics in concepts such as cognitive transformation and social validation and expresses them as beliefs that work so well they become repetitive and thus become assumptions. Hatch's view of cultural dynamics is an extension of Schein's model and revolves around the meaning that artifacts have. Interpretivist cultural theorists (Hatch, 1993; Schein, 1992) debate whether there is a difference between artifacts and symbols and note the crucial difference is the association that an artefact has when it is regarded as a symbol. Hence, all artifacts can become symbols but not all symbols (or their meanings) are artifacts. Schein warns of the interpretation of artifacts as symbols when he discusses how artifacts are easily observed but require time to be deciphered and understood. Hatch debates that this is an internal perspective because externally the artefact is open to symbolic interpretation at its first manifestation. Hence, artifacts can be managed, designed, and controlled internally whereas symbols may not and it is this representation, or symbolism, over which the owner of the artefact has no control. For example, the logo of a sporting organization is an example of an artefact, which has a completely different (symbolic) meaning to opposing organizations. The introduction of symbols into the diagnosis of organizational culture allows a symbolic-interpretivist approach to be used in the investigation. The focus of such an investigation is on the relationships, or processes between the constructs and it is Hatch's focus on relationships that makes it a dynamic model since she is concerned with the constantly moving processes of the model, Manifestation, Realisation, Symbolisation and Interpretation. These relationships are illustrated in Figure 2.2



**Figure 2.2 - The Cultural Dynamics Model**

(Hatch & Schultz, 2002:660)

This is similar to Schein’s process of cognitive transformation. This research used Schein’s model for the levels of culture whilst remaining cognisant of the constant change that occurs based on Hatch’s model.

Hatch advocates treating her model as a dynamic, iterative process, or processes. It is, she says, entered at any point around its circumference at any time. The processes represented by arrows in a clockwise direction are forward looking processes (proactive, prospective) whilst the anti-clockwise arrows represent backward looking processes (retroactive, retrospective). This translates to the upward and downward movement in Schein’s model. The processes echo Schein’s theory by commencing with the basic underlying assumptions and the process of how they are manifested as values and the remaining processes are then addressed in a clockwise (forward-looking) direction.

#### 2.3.7.1. Manifestation

Manifestation is the process through which a culture reveals itself which maybe through a person’s senses or through their perceptions about their existence or behaviours. Therefore, the manifestation process allows basic underlying assumptions to be manifested through the perceptions and behaviours of staff (Hatch, 1993). Hence, the underlying assumptions evolve into espoused values. The significance of manifestation is that it allows intangible assumptions to be translated into recognisable and measurable values. Manifestation occurs proactively, from assumptions into values or



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retroactively from values into a revision of previous assumptions, as the two-way arrows indicated. Hatch emphasises that the translation of assumptions into values is not a one to one relationship; one value is not derived from one assumption (Hatch, 1993; Schein, 1992). Rather the translation is an holistic evolution of many values from many assumptions, communicated as the correct way to do things, or as a set of values and behaviours that are sensed or perceived as the way things ought to be.

Proactively, manifestation occurs when basic assumptions of staff are held to the extent that those members hold perceptions that certain things should happen, given a particular set of circumstances. That is, they behave in a way that reflects how they regard the organization and the world (organizational environment) around them. Depending on whether they like or dislike they way they have to behave, they become aware of their own values and the values of their organization. Hence, in a sporting organization proactive manifestation equates to the player understanding that their play on the field is directed to the benefit of the team and a win for the team, not for the benefit of the individual. Weick contributed to the proactive manifestation process with his descriptions of presumed logic, which he described as an expectation of how things will occur (although this was in the context of imposing order on chaos). That is, the expectation of which he talked emanates from, and reflects, the cultural values that the person holds.

Retroactive manifestation addresses the effect that values have on basic assumptions. When the values are in accord with the basic assumptions and the people that hold them feel comfortable with them, there is an alignment (Hatch, 1993). The values in such circumstances serve to reaffirm their behaviour as being correct and the right way to do things. Where there is not an alignment between assumptions and values, the result is likely to be a review of their assumptions since that is what leads to the regard in which the behaviour is held. Schein implies this misalignment saying that values and behaviours should not be imposed when there are no basic assumptions to support them. Imposition of a new value requires the new value to be aligned with existing assumptions for acceptance.

However, the affirmation of values with basic assumptions, about which the holder was not conscious, is where the problem occurs when cultural change was required. Staff may not make sense of why new values do not fit when it is actually because the new

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behaviours do not align them with their basic assumptions. The likely outcome is the rejection of the new value.

Understanding and being able to analyse the manifestation process is fundamental to this research because if it can be understood it will show the perceptions, cognitions and emotions of the staff.

#### 2.3.7.2. Realisation

Realisation is the means by which culture becomes tangible (Hatch, 1993). It is a process that turns something imaginary into something real which in organizational culture terms, is to realise someone's expectations by means of an artefact. For example, the expectation of an employee about the corporate citizenship of his/her employer may be reflected through the production of a company mission statement. The realisation process has strong connections with Weick's "*Enactment Theory*".

Proactive realisation in cultural dynamics means to make something real out of the organization's intangible values. Values can be realised in many forms, for example, policies, stories, humour, rites, rituals or physical objects. However, the process occurs only for those values that have expectations that can be satisfied through tangible outcomes such as reports, meetings or social events as well as imports from other cultures. It is not a perfect science and the artifacts realised, represent values and expectations, but they are not unequivocal representations. They remain subject to other organizational influences. In a sporting organization the expectation might be that a certain level of fitness is required. Since this is based on a value of how it ought to be for the playing staff, it might be necessary for players to fill in a daily report (the artefact realised from the expectation and value) of their training activities.

Retroactive realisation is the translation of the tangible elements of a culture back to its originating values. However, the process modifies the original value. Similar to the manifestation process, there has to be an alignment of the artifacts with the values and basic assumptions. Once realised the artefact is assessed to see if it aligns with those values and assumptions. If it does it affirms the values and assumptions. If there is not an alignment, it results in a change to either the values or the artefact. If the artefact is seen to be acceptable (which might take a prolonged period to occur) then the values are addressed to see how they require adjustment to align with the artefact. If the artefact is not acceptable, it is subject to removal or being ignored. A sporting organization's

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mascot may suffer such indignation if it did not represent what the fans perceived their club to be and the mascot cannot realise the values of the fans.

### 2.3.7.3.Symbolisation

Symbolisation is the essential element that distinguishes Hatch's model from Schein's and, said Hatch, is necessary for a symbolic-interpretivist approach to cultural studies. Hatch cites Schein as saying symbols were part of a larger category of artifacts; thus, all symbols were artifacts. Hatch also cites Tompkins (1987) who says that all artifacts have symbolic significance; thus, all artifacts are symbols. On this basis, she says both camps draw the same conclusion that any distinction between artifacts and symbols is not needed. Hatch agrees with Schein that all artifacts can become symbols because by definition a symbol is anything that represents an association with a wider concept or meaning. However, she disagrees that all symbols were artifacts. Symbols are the association that artifacts hold for whoever is observing them. Therefore, they allow different meanings to be derived from them, rather than merely representing something in particular. Symbolisation, she said, is at the core of interpreting culture.

Prospective symbolisation takes an artefact and combines it with a meaning beyond its mere representation. For example, the artifacts of Rolls Royce are a flying lady statue and a double R graphic. These artifacts have a certain size or size ratio, colour and arrangement. However, the symbolisation associated with them depends on the values of the viewer. To one it may symbolise wealth, comfort and luxury and to another it may symbolise capitalism, pretension, brazenness or the bourgeoisie. In this way, symbolisation is described as exploitation of the artifacts through their associations in literal contexts and their wider or "*surplus meaning*" - the difference between the full meaning a symbol has to a particular person or organization and its literal meaning (Ricoeur, 1976).

Retrospective symbolisation reflects upon the artifacts. It is the reflection upon the literal meaning of an artefact and how that meaning has been added to. For example, the CEO's Rolls Royce may be perceived by a staff member as means of transport with four wheels, an engine and a body. Retrospective realisation would see the staff member reflect upon the CEO's car in relation to their own car, or and how it compares to the cars of his or her subordinates. That is, time is spent reflecting upon the symbolisation of the car and what it now means in terms of the member's values. It can have the effect of changing the meaning of the artefact from a means of transport to an

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unnecessary ostentatious display of wealth. It is important for organizations to recognise how symbols are manipulated by creating and discovering meanings that were not part of the literal meaning of an artefact. That is, how they are socially constructed reality to suit their own values.

#### 2.3.7.4. Interpretation

Hatch describes interpretation as more iterative compared to other cultural dynamics processes. She introduces the hermeneutic perspective whereby interpretation moves back and forth between basic assumptions and symbols. Prospective interpretation looks forward to assumptions and causes them to be revised because of the newly found symbolism, whereas retrospective interpretation sees assumptions change the symbolic meaning.

The hermeneutic perspective is used because of its iterative nature. The hermeneutic school regards interpretation as a hermeneutic circle involving successive revisions of social phenomena interpretations each time more of it is revealed and understood. In turn revisions are made to cultural assumptions through prospective interpretation and changed symbolic representation or understanding through retrospective interpretation.

Interpretation is more than an interpretation of artifacts or logos. Interpretations are ambiguous since members of the same culture can have different interpretations of the same artefact or logo. Interpretation is a group process of the culture in which interpretations are a result of an individual being influenced by other members of the culture. That is, interpretations are not formed in a vacuum but are socially constructed realities, the same as the cultures. Therefore, what interpretation does is to put symbolic interpretation into the context in which it exists and allows new symbols to be accepted based on basic assumptions.

Prospective interpretation affirms and challenges existing assumptions whilst retrospective interpretation reviews and reconstructs symbolic meanings.

#### **2.3.8. Application of Cultural Dynamics to the Research**

The cultural dynamics process has been adopted in this research to interpret culture through the four processes described. The manifestation process is adopted to explore how the organization's culture reveals itself. The exploration requires finding out what people sense their roles are, their position within the organization and how they behave. That brings to the fore the basic underlying assumptions they use in their day-to-day

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existence within the organization. That is, the underlying assumptions are determined from an exploration of their personal and organizational values and behaviour.

The realisation and symbolisation processes are used to see if the artifacts are consistent with the values and assumptions that the staff holds. In other words, are the members all working in the same direction as each other and their organization, to achieving agreed organizational objectives? This is critical because it assists identification of circumstances when the staff is not aligned with the organization.

The interpretation process is used as an extension of the realisation and symbolisation processes to the whole of the organization. Instead of looking at individuals and their functions independently, the interpretation process looks at them holistically. This determines what the organization's overall impact is and how the organization is regarded in its entirety, both from within and by the outside world.

None of the processes are adopted in isolation. Hatch is keen to emphasise that they are iterative and interactive with each other, the interpretation process more so than the others.

### **2.3.9. Summary**

This section examined the literature on the history of organizational culture research and addressed contemporary work that forms the basis of the research and to which this research will contribute. The literature on culture identified that there was no clear definition of what organizational culture is or how it is represented.

Suitable research models were identified in this section that draw upon the anthropological and sociological foundations of culture and adapt it to an organizational setting. These models were also established as the basis upon which the investigation of culture at FFC will be analysed. Schein's work was identified as the seminal work, which will guide the research taking into account the dynamic symbolism that Hatch advocated should be included in the diagnosis of an organization's culture. Schein's approach relied on the emergence of culture from things such as observable and tangible artifacts through to the way in which the organization espoused itself to determine the values and beliefs held by individuals and groups within the organization. Such an approach will be used to get beyond the surface of FFC's culture to explore the basic underlying values and assumptions held by individuals and groups. This is required because of the ease with which superficial assessments can be misinterpreted. Schein

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implored the need to establish what the long-term values and assumptions are to explain a culture and that it is the founders and past members of the organization, with contemporary members, that influenced the developing culture.

The emphasis placed on culture in this section was important because not only does it help make sense of the role of culture in organizations but it is also a fundamental and complementary construct to organizational identity, which is part of the same challenge of understanding how FFC operates. None of the constructs used to make sense of organizational theory or behaviour stand alone. In the case of organizational culture it is posited that if you attempt to study it in isolation, the outcomes are likely to be unreliable and lack critical support. Therefore it is advocated that culture and identity are considered together and the connection between them will be demonstrated in the following section in which the role of organizational identity is addressed.

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## 2.4. ORGANIZATIONAL IDENTITY THEORY

### 2.4.1. Introduction

As research into organizational culture matures it questions the ways in which culture develops and affects, or is affected by, other organizational variables. No behavioural or social constructs such as culture, develop in isolation and it is the impact of so many disparate variables that contribute to the complexity of understanding them. One of the constructs that features heavily in the formation of organizational culture is that of organizational identity.

Contemporary writing about organizational culture and identity says that organizational culture and organizational identity are distinct but inseparable (Albert, Ashforth, & Dutton, 2000; Albert & Whetten, 1985; Ashforth & Kreiner, 1999; A. Brown & Starkey, 2000; Czarniawska, 1997; Czarniawska & Wolff, 1998; Fiol, Hatch, & Golden-Biddle, 1998; Gioia, Schultz, & Corley, 2000; Scott & Lane, 2000; Whetten & Godfrey, 1998). If culture helps us make sense of how things are done, then our desire to do things in a particular way reflects how we perceive ourselves and how others perceive us which are represented by our identity. How we wish to be perceived individually is a result of our personal values, beliefs and morals, or culture. If our values and beliefs dictate that we behave honourably in our dealings with others, then we would not want to be perceived to be dishonourable in those dealings. This is equally applicable in an organizational sense where a company wishes to be regarded in a particular way or perceived itself as a particular type of organization that reflects the values, beliefs and morals of its stakeholders. The sense we have of ourselves organizationally, and that which other hold of us - how we perceive ourselves and how others perceive us - is our organizational identity which has been asserted to be “*one of the most intriguing and challenging areas of research for organizational scholars*” as well as a “*powerful phenomenon in organizations and in the lives of their members*”(Corley, 2004:1146).

Organizationally, the concept of identity can be adopted as a means by which a company improves its profile and thereby, its particular market share. Consequently, identity has important marketing ramifications. The following section will discuss some of these ramifications and the impact that identity has on marketing and branding of an organization but, it does not seek, nor intend, to be a comprehensive discussion of how identity is used in this way. The focus in this section will be on a description of

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how an organization's identity emerges and how organizations can modify that identity, if it defines such a need, to improve its organizational performance.

The approach advocated to investigate organizational identity is consistent with the approach advocated for the investigation of organizational culture. It is an interpretivist approach, founded within the “*symbolic-interpretivist*” method of establishing personal identity based on self-perception and the perceptions of others. Hence, the following section will define identity in an organizational sense from its origins in sociological identity theory. It will then describe a model for understanding organizational identity and how it interacts with organizational culture, bringing the two concepts together to provide a basis for the research into how they both impact on an organization's performance.

#### **2.4.2. Organizational Identity**

Albert and Whetten (1985) are credited with the naissance of the “*Organizational Identity*” construct which Whetten says was borne out of necessity to give us an interpretive framework out of which “*to make sense out of our experiences...*” organizationally (Corley, 2004; Whetten & Godfrey, 1998). Therefore, like organizational culture, research into organizational identity is relatively recent and interest has been strong since the mid 1990s. Consequently it is an area of research still developing amongst different theories and different methods of analyses, although all are aimed at the same subject (Ravasi & Rekom, 2003). What this means in practical terms of this research is that whilst there is an understanding of the construct, there is not yet a clear operational definition for what is organizational identity. This was evidenced by three conferences between 1994 and 1996 consisting of thirty colleagues of Albert and Whetten with a collective history of doing the primary research in the field of organizational identity in the years since Albert and Whetten's first work. The conferences resulted in the publication in 1998 of the proceedings of the three conferences in which the first eighty pages were devoted to “*What Does Organizational Identity Mean?*”, out of which no clear definition emerged (Whetten & Godfrey, 1998).

#### **2.4.3. What is Organizational Identity**

Organizational Identity is a social construct formed through the interaction of organizational members with each other and other organizations and individuals (Albert & Whetten, 1985; Dutton & Dukerich, 1991; Hatch & Schultz, 2002). Like all social



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constructs it gives meaning and reality to something which we wish to make sense of but is not real or tangible. Identity's origins, like culture, are multi-disciplinary in nature and are based in anthropology, sociology and psychology which have all explored individual identity and assisted us to make sense of our social identity. Social identity has been described and accepted as being an understanding of who we are, who other people are and correspondingly, other people's perceptions of themselves and others (Jenkins, 1996; Mead, 1934). Such theory and practice are commonly directed at understanding national, racial and individual identities in terms of the cultural characteristics of the nation, race or person. For such assertions to be made about the identity of individuals, races or organizations, identity clearly has durability as a long term, stable perception or, "*central, distinctive and enduring*" (Albert & Whetten, 1985). It was also described by social scientists as "*a sense of sameness over time*" (Ravasi & Rekom, 2003). Like culture, identity is a paradox for organizations because they remain open to a changing environment to remain competitive, yet their identity has to endure. Corley (2004) suggests the paradox was not such a problem if an organization's identity is thought of as flexible and subject to change, particularly from the influence of its stakeholders.

Organizations are social entities in the lives of many individuals and consequently organizational identity draws from social identity in anthropological, sociological and psychological philosophy, theory and practice. One theorist suggests the anthropological approach to organizational identity is essential for a proper understanding rather than just being one of a number of suitable research methods (Czarniawska, 1997).

As social entities, organizations have identities established by the adoption, reinforcement and rejection of particular organizational characteristics based on the organization's human population that persist over time. This is an extension of individual identity where individually we adopt or reinforce characteristics that we believe are positive about ourselves and how others understand us, whilst we reject those characteristics that we regard as negative. For example, organizationally we may adopt team-based work practices if we perceive our organization is committed to collaborative management techniques. Conversely, we might reject the notion of too much autocracy at board level to avoid the perception by others of an organization that is a singular, go-it-alone operation. That is, an organization establishes its identity

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through insiders' self-perception of how it performs (culture) and the way it expresses itself, and is consequently perceived, to outsiders (image). Ensuring the two are congruent is critical. The organization might for example, perceive itself as an organization keen on collaborative management techniques yet, it is perceived by others as a go-it-alone autocratic operation. If the organization discovers that it presents the wrong image to its stakeholders, it can, over time, adjust its identity to ensure it is perceived in the way it wishes to be perceived. Therefore, organizational identity is a long term, stable perception about an organization that establishes particular organizational characteristics that determine not only an organization's understanding of itself and what it says about itself, but also how such statements are received and accepted (or rejected) by its stakeholders (Bechhofer, McCrone, Kiely, & Stewart, 1999).

#### **2.4.4. Comparison, Reflection and Distinction**

Since organizational identity helps us to make sense of our own organization and how it is perceived by others, there are two features of it that require careful scrutiny and understanding:

1. How we perceive ourselves; and,
2. How we are perceived by others.

These features require an identity to be established by comparison with, and reflection of, other organizations to offer insights into why our organization is distinctive from or similar to, other organizations that compete in the same market place.

##### **2.4.4.1. Comparison**

The idea that the staff has a perception about the organization they work for and that it coincides, or does not coincide, with what the stakeholders saw, is by definition, a comparative judgement. If, for example, the staff considers their organization to be environmentally friendly, what do they mean? In effect, they are attempting a comparison of themselves with a target competitor and the comparison is used as feedback for the organization to help them create their own identity and image. In other words an organization compares itself to its competitors to establish what makes it distinctive from its competitors.

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Hence, organizational identity is formed by a process of inter-organizational comparisons over time that cause the organization to reflect upon itself and draw distinctions and similarities between itself and its competitors (Albert & Whetten, 1985; Hatch & Schultz, 2002).

#### 2.4.4.2.Reflection

Dutton and Dukerich (1991) were first to consider the reflective aspects of organizational identity in their case study of the Port Authority of New York and New Jersey. They discovered that the Port Authority lacked the respect of the local community, not because of anything that they had done as a port authority, but because the community felt that a problem of homeless people who populated the authority's bus and train stations, was the authority's problem, over which it was not taking any action. This opinion held by a significant stakeholder, the local community, contradicted how the Port Authority projected itself (its image), as a responsible corporate citizen. To preserve what it otherwise thought to be a good image, the Port Authority took action and assisted the homeless people to resolve their problems, thereby reinforcing the authority's image to the community. The authority had reflected upon its image, it did not like what it saw and was thereby motivated to do something about it.

Dutton and Dukerich use the metaphor of the authority holding itself up in a mirror to the community and being disappointed at its reflection. They suggest that organizations can get a better understanding of themselves if they adjust their image as a consequence of holding themselves up to their stakeholders and reflecting upon the stakeholders' perceptions to ensure that the reflection corresponds with their own idea of themselves. Therefore, it is important that what the staff sees as different or distinctive about its organization, is also how others perceive it. The reflective process also embeds the culture within the organization.

#### 2.4.4.3.Distinction

The purpose of the comparative aspects of organizational identity is to establish what is distinctive about a particular organization that differentiates it from its competitors to give the organization a competitive edge through the creation of a distinctive image and identity. However, organizations also want to be seen as belonging to their particular industry, in which case they want their identity to project a sense of integration with,

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and similarity to, other organizations in the same industry. However, it was pointed out that there is a distinct lack of empirical research to help us make sense of how differentiation emerges from an organization and what are its implications (Gioia, 1998). It is an area to which this research will contribute.

The concept of using identity to distinguish one organization from another is of particular interest to sporting organizations where participants are not so concerned about outperforming each other to put a competitor out of business. In fact they want their competitors to stay in business for the good of the sporting contest. Hence, there are certain facets about clubs where they seek to be similar to their immediate competitors in the traditional aspects of playing the game and structuring their organization for the benefit of members, but they wish to have distinct differences to capture their share of the supporter and sponsorship market. Therefore it is a critical part of this research to determine how an elite sporting organization defines itself as distinctive or different to its competitors and yet similar to them.

#### **2.4.5. The Relationship between Organizational Culture and Identity**

Culture is about the way we do things and identity is about how we perceive or are perceived. Therefore, if things are done in a particular way because of the organization's culture, and the reason they are done in that way is to reinforce or change perceptions about the organization, then clearly there is a relationship between an organization's culture and identity. A model that demonstrates the relationship is the "*Organizational Identity Dynamics Model*", in which it is advocated that whilst culture and identity are distinguishable concepts, they are inseparable in the functioning of an organization (Hatch & Schultz, 2002:991). Culture is the more contextual, tacit and emergent, whereas identity is more textual, explicit and instrumental. In essence identity is a manifestation and artefact of culture.

#### **2.4.6. Organizational Identity Dynamics**

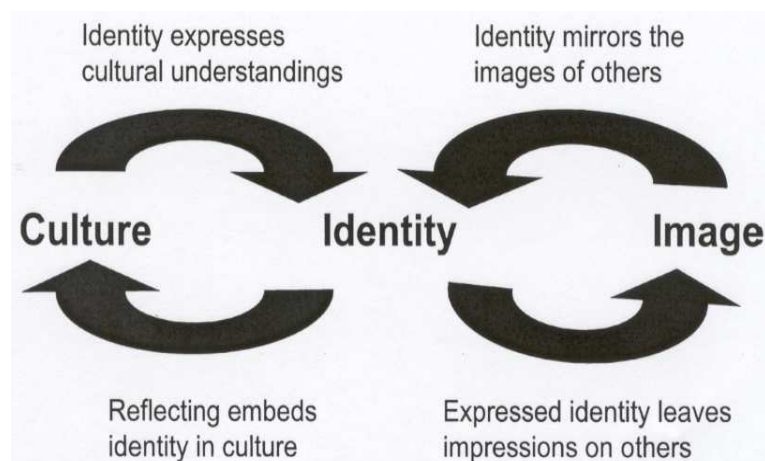
Implicit in the model of culture is that culture helps an organization know and make sense of itself - its identity (Schein, 1992). The Organizational Identity Dynamics model extends the implicit concept, making it explicit and advocating the relationship as inseparable (Hatch & Schultz, 2002). The model also analogises the concepts and connections between organizational identity, image and culture in terms of Mead's individual identity concepts and illustrates the role of an organization's beliefs and core

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ideology in its identity (Mead, 1934). Organizational beliefs and core ideology are derived from the organization's staff and expressed through espoused values. Consequently, the organization is identified in a certain way because of its cultural characteristics. Strategies by which an organization is identified are derived from group values established because of being successful with similar strategies in the past.

Hatch and Schultz (2002) developed their model of organizational identity to demonstrate how the relationship between culture and identity works. The critical aspect they highlight for organizations, in support of Dutton and Dukerich is that organizations must reflect upon their identity and image that they create in the observer's view. Through reflection the organization can establish, reaffirm, modify or change its image by changing its identity to one through which it would prefer to be perceived. To undertake the necessary modifications, or reinforcement, to its identity the organization needs to change, or reinforce, its culture (its core beliefs and values). Hence, the reflective process embeds identity within culture.

However, the organization needs to be sure that others perceive it as it wishes, i.e. it reflects upon its behaviour and modifies it to behave in a particular way to ensure a congruence of perceptions. Thus an organization adjusts the way it does things (changes its beliefs and values) to adjust perceptions. This process of how and why it does things and how it is perceived is a fluid, ongoing, continuous, reflective process that causes the organization to continually examine its values, beliefs and attitudes. The interdependency between culture and identity is illustrated in Figure 2.3.



**Figure 2.3 - The Relationship of Organizational Culture and Identity**

(Hatch & Schultz, 2002:991)

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The importance and relevance to sports organizations is that it clarifies what procedures culture and identity drive and why they do things in a certain way - strategy and performance.

#### 2.4.7. The Analogy of Individual Identity to Organizational Identity

Within sociology, it has been established that our identity as individuals enable and express our cultural understanding of ourselves, referred to as “*I*” (Mead, 1934). The image through which we reflect upon our individual culture and identity and through which others perceive us was referred to as “*Me*” (Mead, 1934). Organizationally, it is the “*Me*” that we reflect upon, and which contributes to our understanding of our “*I*”. That is we embed within our “*I*” what we wish to change from our reflection of “*Me*”. The organizational representation of Mead’s anthropological thesis was a continuation of the relationship of culture and identity and is shown in Figure 2.4.

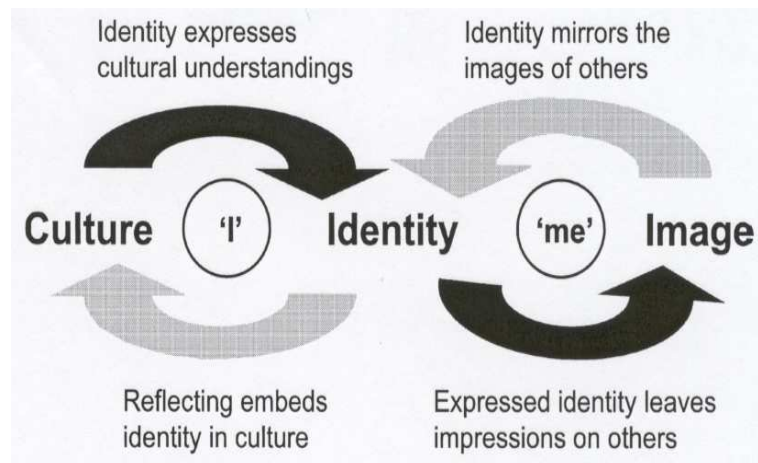


Figure 2.4 - The “*I*” and “*Me*” of Organizational Culture and Identity

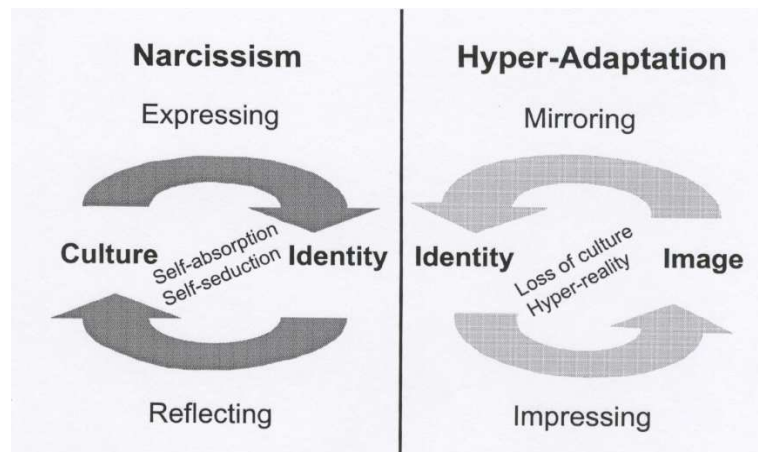
(Hatch & Schultz, 2002:995)

The model advocates that the identity of an organization is also an expression of the organization’s cultural understanding of itself and conversely, we are perceived as being what we are (“*Me*”) because of doing things how we think they ought to be done (“*I*”). For example, an organization regarded as confrontational (its organizational “*Me*”) can adjust this by reflecting upon the perception through its culture (its organizational “*I*”).

#### 2.4.8. Dysfunctional Relationship

The implication of this reflective process and adjustment is that it is controlled and managed because changes are made if things are not being done as the organization requires. If there is insufficient control or management of the organization’s culture and

identity, it results in an unbalanced view of the organization's identity. Failure to reflect, or to participate in the whole process indicated in the model, leads to imbalance or dysfunction within the organization. An unbalanced view of identity is considered detrimental since, as with individual identity, it results in tendencies towards narcissism or self-absorption. This is indicated in Figure 2.5. Figure 2.4 indicated a series of paths by which an organization's identity is embedded within culture but the wrong path has the capacity to create serious dysfunction within an organization as Figure 2.5 indicates.



**Figure 2.5 - Dysfunctional Culture and Identity**

(Hatch & Schultz, 2002:1006)

The dysfunctional problems are created by too much emphasis on either the “*I*” (the left hand side of the model) or “*Me*” (the right hand side of the model) rather than a consideration of the complete entity. Focussing too much on “*I*” (consideration of how we perceive ourselves to the exclusion of how others perceive us) sees the development of narcissistic tendencies. We become so absorbed with ourselves that we become very insular, blaming everyone but ourselves for things going wrong. In turn, this can develop into an “*Us*” and “*Them*” mentality. Equally, too much focus on “*Me*” (consideration of how we are perceived at the expense of how we perceive ourselves) leads to diminution of culture as a result of exerting too much effort on keeping others happy (Hatch & Schultz, 2002). A dysfunctional extension of too much emphasis on “*Me*” or “*I*” is to treat them as separate entities. A lack of acknowledgement of how “*I*” contributes to “*Me*” and vice versa can cause the organization to become disjointed and dysfunctional with a weak and/or inappropriate culture that fails to keep its stakeholders satisfied and lacks the capability to operate in its environment.

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According to Hatch and Schulz, it is critical to have a balance between an organization's culture and identity. Moreover, to ensure effective outcomes they must be embedded within strategies that drive the organizational structure and processes to be appropriate for the organizational environment.

#### **2.4.9. Evaluating Organizational Identity**

Evaluating an organization's identity is closely linked to its balance with its organizational culture, and emerges in the same way from the same kind of data. This research adopts Hatch and Schultz's model of Organizational Identity Dynamics, which incorporates the concept of culture espoused in Schein's Levels of Culture and Hatch's model of Cultural Dynamics. Consequently the analysis of identity is embedded within the club's cultural formation.

Much of the research to date on organizational identity focuses on research methodologies which reflect the complexity of the topic and the seminal work on organizational identity advocates different approaches depending on the perspective of the research (Ravasi & Rekom, 2003; Whetten & Godfrey, 1998). What perspective is adopted revolves around whether one considers identity (and culture) to be measurable. Whetten (1998) contend that an exploratory and interpretive approach work although he advises caution, saying a functionalist approach maybe appropriate. Central to Whetten's position is that at this early stage in the development of the research field, emphasis should be on doing the research to suit the perspective rather than be unrelenting about the approach to be adopted. This research already advocates the symbolic-interpretivist or cognitive perspective, which is consistent with the cultural diagnosis model adopted as well as being consistent with the model adopted for the identity diagnosis. It is also consistent with Whetten's use of the organizational identity construct to make sense of why things are done in a particular way within an organization (Sackmann, 1992).

#### **2.4.10. Summary**

Organizational identity, like culture, is a construct we use to make sense of how organizations work. The application of individual identity theory in an organizational context is a recent approach to improving our understanding of how organizations operate. The Hatch and Schulz models adopted in this research advocated that organizations adjusted their identity to ensure they were perceived in the way they



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wished through the adjustment of the way they do things - their culture. Hence, organizational identity enables and expresses our cultural understanding of ourselves, that is, we perceive ourselves in a certain way because of the values we hold and the way we do things. Consequently it is important to interpret, concurrently, the roles that culture and identity play, as an underlying fundamental element of each other, in the performance of an organization.

The following section explains the relationship between culture, identity and organizational performance, and how their roles can be examined and interpreted concurrently.

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## **2.5. ORGANIZATIONAL CULTURE, IDENTITY AND PERFORMANCE**

### **2.5.1. Introduction**

This section will explain how an analysis of culture and identity address the research questions in this thesis; firstly, how do organizational culture and identity affect organizational structures, strategies, and behaviours and secondly, how they might be manipulated to achieve the most effective and efficient performance that an organization can expect out of the resources at its disposal. The earlier discussion provided general explanations of what organizational culture and identity are, their history, and their evolution. This section will provide an explanation of how the theory presented so far will be operationalised to understand its specific role and purpose within an elite sporting organization.

### **2.5.2. Organizational Culture, Identity and Strategy**

The relationship of organizational culture and identity to strategy is critical because of ever changing competitive challenges (A. D. Brown, 1998). Sports organizations face pressures to perform at a corporate level as well as on the playing field. A culture and identity that are strong and appropriate will ensure the organization is adaptable and responsiveness to change. However, little empirical analysis has been undertaken on the role of organizational culture and identity in sporting organizations and the way in which they influence on and off-field performances. Some valuable research has been conducted on sporting organizations in regulated environments but it focuses on economic structures rather than strategic planning (Dabscheck, 1975; , 1999; Quirk & Fort, 1992; R. Stewart, 1989a; , 1989b).

Organizations adopt new strategies to manage new challenges as they are presented. However, it is difficult to implement new strategies that require the staff to adopt different values, assumptions and/or ways of doing things, if they are too diverse from current strategies because the values and assumptions that they are being asked to change are the products of their past successes (Schein, 1992). Hence, organizational culture and identity are fundamental elements of implementing strategy because they will either assist or impede change. Hinings et al (1996) consider the role of culture in developing strategies within sporting organizations and their work explores the relationship between the organization's culture and its values. They conclude that

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culture and values underpin the organization's structure and strategy. They also note that the strategies adopted will determine how an organization performs.

#### 2.5.2.1. Strategy Development and Implementation

Strategy is developed through the organizational structure, processes and behaviours, appropriate for the environment, aimed at improved performance and success (Mintzberg, 1999; J. B. Quinn, 1999; Robbins & Barnwell, 1998). Smith and Stewart (1999) contend in their model for sport management that culture and strategy are two of the core elements of the process of managing sports organizations. Slack (1997) describes culture as a concept that is widely accepted in sports organizations because it makes sense of organizational realities that are difficult to define and critical to good management. Culture and identity can be used to create an appropriate organizational environment that attracts the right people, enabling them to operate effectively within the organization's strategic framework and objectives.

The resultant environment from the strategy development and implementation process relies on the leaders of the organizations, in part, to establish the values and underlying assumptions for their organization through the social validation process. The social validation process provides the vision and perception of new, or particular strategies, and creates the right internal environment that enables them to be adopted (Collins & Porras, 1998; Schein, 1992). There is some debate as to whether a strategy is developed as a plan, a system of management, or a craft process (A. D. Brown, 1998; Mintzberg & Quinn, 1998). Whichever it is, organizational strategy, culture and identity share common elements. They all create a direction and consistent order in organizational life based upon members' experiences. Brown (1998) argues that a strategy, which represents a cultural artefact of the organization, results from the long term plans that senior executives make that meet the challenges of the external environment to achieve organizational objectives. The distinction helps define their relationship to each other and how organizational culture and identity influence strategy development.

A strategy is developed when an organization identifies threats and opportunities to it within its environment and formulates a response to them based upon its strengths and weaknesses. Organizations then implement the strategy through a series of management processes. The influence of organizational culture and identity upon strategy

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formulation and implementation is explained by Brown (1998) who puts forward the following propositions:

1. The culture and identity of an organization influences how the organization perceives its environment and the data it gained from it, such as any threats and opportunities as well as its own strengths and weaknesses;
2. The values and assumptions of the organizations act as filters, focussing attention in particular areas and away from others, thereby biasing what strengths, weaknesses, opportunities and threats upon which the organization focuses;
3. Organizations interpret, and use different methods of interpretation, information gained from its environment in a particular way that suits its own organizational culture and identity. Sporting organizations for example interpreted threats, causes and effects differently to a construction organization;
4. Once an organization interprets data from its environment, it decides how it should respond to that data. This involves moral and ethical issues and how an organization responded on such issues based on its values;
5. An organization's response to certain situations is closely aligned with its past successes. The strategy adopted is a result of previous success from a similar strategy. Equally other strategies maybe ignored because they have failed in the past; and,
6. Subcultures influence the choice of strategy. Often organizations and their subcultures agree on a situation but the subcultures offer different means of resolving it. The different subcultures provide a microanalysis of the macro problem by seeing the problem according to their own organizational subculture. Other issues such as power and influence within the organization also have a role in how particular subcultures are regarded.

At the same time, the development and implementation of strategies determine ultimately how an organization performs since it is the strategy that determines how it responds to its environment. Such relationships have been revealed by many organizational theorists and strategists (Cameron & Quinn, 1999; G. Hofstede, Neuijen, Ohayv, & Sanders, 1990; Kotter & Heskett, 1992; Mintzberg, 1999; Mintzberg &

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Quinn, 1998; Pfeffer, 1995; Porter, 1985; J. B. Quinn, 1999; Robbins, 2001; Robbins & Barnwell, 1998; Schein, 1992; A Smith & Stewart, 1999; M Weber, 1946; Weick, 1985).

### **2.5.3. Culture, Identity and Performance**

Since the earliest work on organizational culture and identity, discussion has revolved around the relationship between culture, identity, and performance (A. D. Brown, 1998; Cameron & Quinn, 1999; Denison, 1990; Frost, Moore, Louis, Lundberg, & Martin, 1985; , 1991; G. Hofstede, Neuijen, Ohayv, & Sanders, 1990; Kotter & Heskett, 1992; Schein, 1992; Weick, 1985). However, for sporting organizations in particular, little rigorous empirical research has been undertaken.

Collins and Porras's study of eighteen "visionary" companies shows how successful businesses developed a culture and identity to fit their environment, which, in turn, kept their core ideologies intact and sustained an ability to adapt to a changing environment (Collins & Porras, 1998). Collins and Porras concluded that companies attain their greatest level of performance and greatest ability to adapt to change when their culture is strongest.

More recently, anecdotal evidence has linked culture and identity of AFL clubs to their on and off-field performance (AAP, 2000; Hird, 2001; Mason, 2000; O'Donoghue, 2001a, , 2001b; Ryan, 2000). The proposition that the culture and identity of sports organizations impacts on performance, concurs with more formal research that contends for an organization to perform effectively, it has to fulfil whatever its environment demands of it (Schein, 1999). This suggests that in heavily regulated environments such as the AFL, a club should not only work within the league regulations, but equally, exploit them as fully as legitimately possible.

Brown (1998) recognises that the concepts of culture, identity and performance are relative and can be interpreted differently, when discussing effective organizational performance and success. The reality is that an organization has many stakeholders interested in its performance and whilst some of them have overlapping interests, each group has its own measure of success. For example, in sporting organizations, a turnover of players and a failure to win matches maybe regarded poorly by the fans whilst the organization may regard it positively as a rebuilding phase for longer-term success. In terms of AFL clubs, established measures of organizational performance

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include; financial performance, membership, playing results and attendances (Shilbury, 1994).

#### **2.5.4. Organizational Culture and Identity – Strength and Fit**

As the above discussion illustrates, the literature reveals a relationship between culture and identity and strategy, and also a relationship between culture and identity and performance. The evidence suggests that not only do culture and identity have a direct impact on behaviour, but also that the stronger the culture and identity are, the more impact they will have upon an organization's strategy and performance (A. D. Brown, 1998). However, a strong organizational culture must also be appropriate if it is to produce a superior performance. This is epitomised by the culture and identity within Hewlett-Packard and their strength and fit, achieved through doing things '*The HP Way*'.

##### **2.5.4.1. The HP Way**

The strength of organizational culture and identity and their capacity to fit the organization's environment is epitomised by Hewlett-Packard that did things "*The HP Way*". The Hewlett-Packard culture was diagnosed by understanding how it was disseminated, reinforced and indoctrinated. Hewlett-Packard is acknowledged as a visionary organization that has endured and prospered through the development of a cult-like, strong and appropriate culture (A. D. Brown, 1998). It has achieved this outcome using several techniques including continually recounting stories about the organization to new and existing members so often that they became folklore; maintaining traditional practices such as coffee breaks signalled in a particular way; worker sponsored plays; and the removal of hierarchical trappings to create an egalitarian workplace. The strength of the Hewlett-Packard culture and identity were increased through all members of the organization who shared the organizational values, represented by all employees having the same terms and conditions of employment.

Hewlett-Packard was concerned that as it grew as an organization this culture may be lost or diluted, meaning that The HP Way would be in conflict with alternative values or subcultures and its ideology weakened. To overcome this and maintain the strength of their culture Hewlett-Packard developed an induction programme through which new members were introduced to The HP Way, company policies and information about Hewlett-Packard's operations. Hewlett-Packard's goals, objectives and shared values

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were reinforced, but employees were left to determine the best way that these could be accomplished within their divisional organization. This had the effect of making the divisions responsible for achieving their own targets and ensured that employees responsible for delivering the product had input into the running of the organization.

Organizations with weaker cultures do not actively seek to promote and reinforce their culture, which organizations with strong cultures do. Collins and Porras (1998) suggest that strong cultures have “*cult-like*” characteristics. This includes a fervent belief in the organization's ideology, indoctrination into the organization's way of doing things and a tightness of fit between the culture and its members. These three characteristics produced a fourth characteristic; a sense of elitism among the organization's members. All four characteristics identified personnel that did and did not fit the culture, which in itself sustained the strength of culture.

Similarly, AFL clubs that want to develop suitable strategies must induce a fervent belief in the club's ideology by indoctrinating the staff into the organization's preferred way of doing things which must suit the environment. This indoctrination of an ideology suited to the club's environment helps to develop a tightness of fit between the culture and the staff. Such an approach helps to develop culture and identities that are both strong and appropriate for the club and its environment. This is supported by Collin and Porras's research that asserted the strength of organizational culture and identity and their fit for the environment in which organizations operate, were important (Collins & Porras, 1998). Schein noted the significance of the strength of the organizational culture, but put equal emphasis on its fit within the environment as expressed through the espoused values (Schein, 1992).

#### **2.5.5. Organizational Cultural Typologies**

Any discussion about strength and fit of culture begs the following question. If an organization needs a strong and appropriate culture, what is the type of culture for that organization? Attempts have been made by several scholars to develop cultural typologies that indicate appropriate cultural types to particular types of organizations (Andersen, 2003; Breu, 2001; Deal & Kennedy, 2000b; Hebden, 1986; Hofstede, 1980; , 1991; Moore, 2004). Such empirical typologies have been developed from a functionalist approach to culture whilst the interpretive approach has attempted to apply typologies from one piece of research to another (Andersen, 2003). Schein (1999) advocates against such an approach because the typologies ascribed are numerous and

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varied reflecting the interpretivist position that each culture is unique to the particular organization studied and cannot be applied to another organization. As more studies are completed, a commensurate increase occurs in typologies since no two cultures investigated at the organizational level will be the same. In the case of FFC study, it is envisaged that the final diagnosis will result in typologies being ascribed to the organization at certain points in its history that reflects the particular culture at the time and whether it was appropriate, or inappropriate, to the club at the time.

#### **2.5.6. Culture, Identity and Change**

The preceding discussion immediately begs another question. If strong, appropriate cultures and identities improve performance and an organization is performing below the standard of its competitors, will the underperforming organization need to modify or change its culture and identity to improve its performance? The answer appears to be yes, since changes to culture and identity to improve performance compel the organization to investigate the way they do things and change their behaviours accordingly. Changing behaviours means changing peoples' underlying assumptions and whilst changing assumptions is part of the solution to improving performance they can also be a significant obstacle to change because assumptions also create an unwillingness to violate the cultural norms of such an organization (Schein, 1993a).

The desire to change a sporting organization's culture comes about as result of one of two circumstances:

1. They change strategic policies to change the direction of an organization, or
2. They change personnel to force the change.

The first circumstance is recognition by the organization that things are not being done as the organization and its stakeholders would wish, so it devises new structures and strategies to modify its behaviour and performance – “the way things are done”. The second circumstance, particularly in sport, often occurs because on and/or off-field results do not match stakeholder expectations and change is enforced, often in crisis situations.

In each of the above two circumstances, change is achieved by challenging the basic underlying assumptions of individuals which dictate their behaviour. However, change may be resisted because asking the staff to change behaviours requires a concession that past behaviours have been inappropriate.



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In sporting club cultures and identities, change frequently occurs because of a change in leadership and often because results do not match stakeholders' expectations. The new leaders impart their values into their new club and those people that are seen to impede the change (either by obstruction or by refusal to change) may be dispensed with and those that stay have to amend their behaviours. Amended behaviours can become acceptable through the subcultures that operate within the club and so it is important to make sense of a club's subcultures to determine their influence on the culture.

Hatch (1993), Langan-Fox (1997) and Schein (1992; , 1996; , 1999) recognised the difficulties of changing organizational culture and identity because whilst they do not prevent change, their strengths can be a barrier to change. Culture and identity, consistent with their biological and anthropological roots, are living, breathing manifestations of what people in the organization do to get things right and get, or stay, ahead (Deal & Kennedy, 2000a).

### **2.5.7. Subcultures and Multiple Identities**

Subcultures are often created amongst groups with similar task dependencies, objectives, personal interactions and/or a physical closeness that regard them as similar. They operate across horizontal and vertical organizational structures (Hatch, 1993). Subcultures engage members from other subcultures, differentiated by their membership of a particular group.

Subcultures were defined by Van Maanen and Barley as:

*“A subset of an organization's members who interact regularly with one another, identify themselves as a distinct group within an organization, share a set of problems commonly defined to be the problems of all and routinely take action on the basis of collective understandings unique to the group.”* (J. Van Maanen & Barley, 1985:38).

Subcultures form because of personal interactions of individuals within an organization that require physical closeness among people who perceive each other as similar (Hatch, 1993). The physical closeness results from staff with similar reporting relationships, shared facilities or task interdependencies which bring staff together as members of different groups, or subcultures, each differentiated by their membership of clearly identifiable groupings. This means that a single staff member may be identified as a member of several subcultures based, for example, on tasks to be executed, reporting

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relationship and social groups. Therefore, early investigations of organizational identity focussed on multiple identities. That is, members had identities associated with their subculture, the organization as a whole as well as their own identities and consequently, have more than one identity.

The question of multiple organizational identities has been explored since organizational identity was first considered (Corley, 2004). Corley cites Whetten as explaining that the subject of multiple identities was considered originally as an “*ideographic multiplicity of identities*” (more than one identity held by different groups within a single organization) or as “*a holographic multiplicity*” (more than one identity held by all people within a single organization) (Corley, 2004:1148). Both concepts of multiple identities fit with the concept of subcultures because a single subculture can hold an identity that fits the cultural group (the ideographic multiplicity) whilst the all subcultures can hold values which are the same despite being in different cultural groups (the holographic multiplicity). Therefore, not only must the subcultures be recognised and managed but so too must the multiple identities that also emerge within them.

Whilst, research on organizational culture and identity differentiates between functional groups, organizational units and professional disciplines, one area that is under-researched is the influence of hierarchy (Corley, 2004). Schein provides a basic framework for analysis by his breakdown of organizational culture down into subcultures along hierarchical lines. Subcultures can then have their identity explored at the same time as their impact is assessed. Further, the hierarchy of the organization was recognised as fundamental to the organization’s performance (Mintzberg, 1999).

Schein identifies cultural groups within organizations that function along hierarchical lines, which he terms the “*Three Cultures of Management*”. The three cultures are known as the “*Operators*”, the “*Engineers*” and the “*Executives*” and each has a role in either reinforcing or changing basic underlying assumptions in an organization (Schein, 1996:235). Hence, managing subcultures is critical because they enable change to be effected within an organization by changing assumptions. Hofstede (1998) also emphasises the importance of identification and separation of the subcultures so that top management decisions reflect the requirements of the subcultures to avoid internal conflict. Schein’s hierarchical subcultures, as with Corley’s multiple identities that work at the same hierarchical levels, operate silently within organizations and the

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inbuilt conflict between them across organizational boundaries has to be resolved for an organization to become a reliable learning system capable of change. Moreover, Corley (2004) found that the hierarchical subculture levels were also the means through which hierarchical identities were expressed and differentiated. The junior management subculture of “*Operators*” sees identity as a cultural expression, whilst the senior management subculture of “*Executives*” sees identity as a strategic tool. The middle management subculture of “*Engineers*” who act as a bridge, ensure communication between the most senior and junior enabling Hofstede’s (1998) anxieties to be addressed. The cultural differences between Operators, Engineers and Executives are discussed below.

#### 2.5.7.1.Operators

Operators deliver the product or service that fulfils an organization’s fundamental undertaking. This group determines the general interdependencies of parts of an organization and how they function and are usually the targets of plans to improve an organization. “Good” managers are recognised by their ability to manage operators. Schein puts a strong emphasis on the subservient role of operators as a reason for an organization being unable to learn and therefore, unable to change. Schein’s concern is that any innovations and ideas they have are not disseminated to the more senior engineers and executives because the senior groups’ restrict, and fail to interact with, operators. In the context of this research project, the operators are represented by the players, trainers, junior office, administrative and secretarial staff.

#### 2.5.7.2.Engineers

Engineers design the core technology of the organization, for example, software programmers in an information technology organization. Engineers share an occupational culture, which revolves around problem solving and does not require people for their implementation. They may design systems, routines and rules that are mechanistic and undertaken automatically. According to Schein, engineers often thwart upward diffusion of ideas and innovation from operators by placing technical obstacles in their way. The engineers’ equivalent within sporting organizations is the coaching staff. They are responsible for the development of systems and resources, and in the context of FFC, will develop routines to improve players’ strength, speed, skill, decision-making and overall playing ability.

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### 2.5.7.3.Executives

Executives are a cultural grouping that are characterised by their accountability to shareholders and other stakeholders and their ability to make difficult decisions, relying on sometimes imperfect information. They rely on systems, rules and procedures to manage the people in their club, which requires them to abandon any of the problem solving ideas they may have retained from the operators' culture.

In sporting organizations, they are represented by the Boards of Directors, Boards of Management, the CEO and senior management staff.

### **2.5.8. Summary**

This section drew together the critical aspects of the literature that discussed the relationship between organizational culture, identity and performance. Thus far, the focus has been on what culture and identity are and how they could be investigated within the research project. This section suggested that there is a link between culture, identity and strategy and between strategy and performance. It also found that it is important to not only have a strong culture and identity, but also that the culture and identity is appropriate to the organization's context and environment. It was also noted how culture and identity can be an obstacle to change within an organization, and addressed how change can be achieved through the management of subcultures and an organization's multiple identities.

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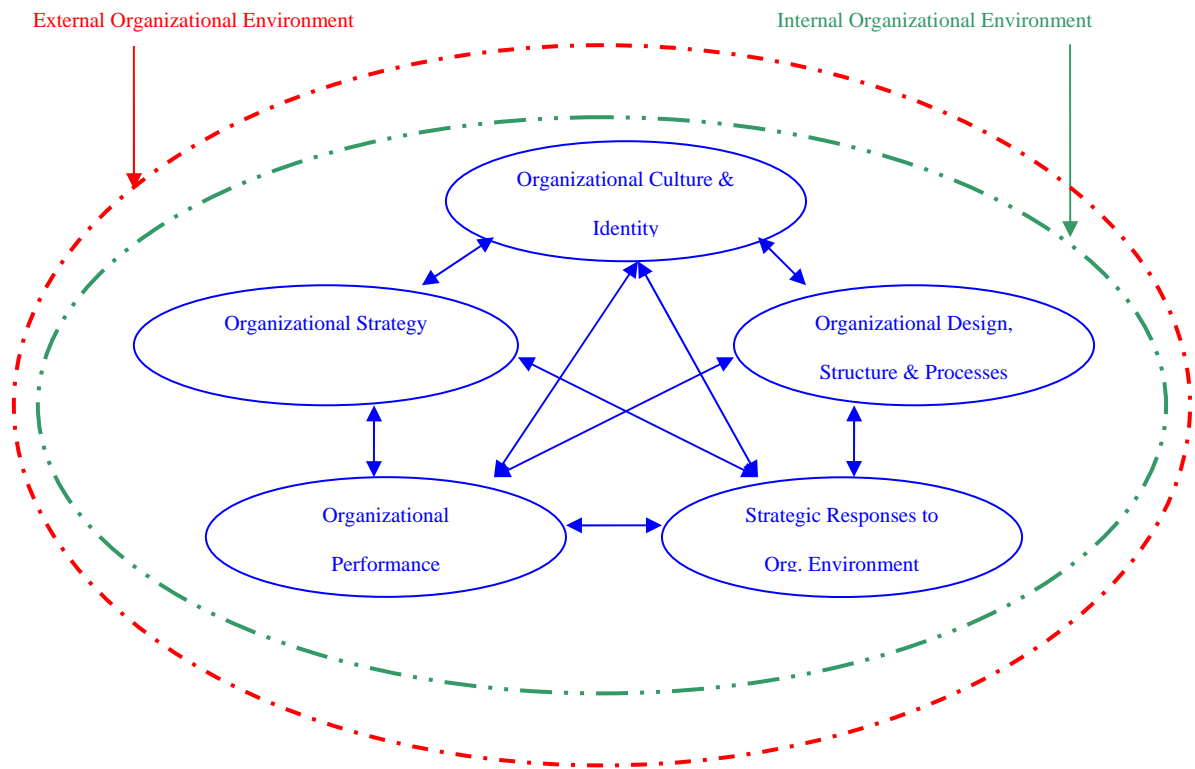
## 2.6. CONCLUSION

This chapter provided a literature review that covers organizational culture and identity and how they are situated within the body of Organization Theory. The review demonstrated that there is now a substantive body of literature on organizational culture and identity but very little in the context of sporting organizations.

The review of literature in the fields of organizational culture and its roots in organization theory and sociology has put forward a background of how organizations derive and develop their culture. This background was explained from the interpretivist's point of view, principally through the work of Schein and Hatch, so that the examination, interpretation and understanding of culture can be extended into the area of professional sporting organizations.

The literature suggested that the relationship between culture and strategy is complex resulting from the interaction of many organizational variables. Specifically, the impact of culture and identity is mediated through strategic responses via organizational processes and structures derived to deal with the environmental forces within which organizations perform. In this way organizational strategies and performance are linked to organizational cultures and identities. These relationships are illustrated in Figure 2.6.

The model shows the role culture and identity might play in influencing sporting organizations' performance in general, and the performance of FFC in particular. This is, in effect, the "*thesis of this thesis*" (Perry, 1994). The model is multi-directional with each variable interacting with both the internal and external organizational environment. This systems theory model also indicates that there is no hierarchy of variables or any particular variable that drives the others. Like Hatch and Schulz's model of Cultural Dynamics, the relationships are multi-faceted and provide for entry at any point in the paths indicated.



**Figure 2.6 - Proposed Organizational Culture / Identity / Performance Framework for AFL Clubs**

The literature has immediate applicability to this research since it suggests a direct relationship between organizational culture and identity and the level of performance that a club enjoys. It is anticipated that AFL clubs such as FFC, have shared and explicit cultures and identities embedded within their operating structures and systems that will in turn shape their organizational strategy, behaviour and performance. At the same time, it was recognised that not every culture and identity will necessarily be either strong or appropriate and in these circumstances, it can actually undermine high levels of performance.

In summary, this chapter provided a conceptual framework appropriate for understanding how FFC's culture and identity form, how they evolve and how they affect its behaviour and performance. The following chapter will describe and justify the research methodology adopted for the research project. This will be followed by an explanation of the context and environment within which FFC operates.

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### 3. RESEARCH METHODOLOGY

*Not everything that can be counted counts, and not everything that counts can be counted.*

*Albert Einstein, physicist (1879-1955)*

#### 3.1. INTRODUCTION

Chapter 1 provided the framework of the research problem, whilst Chapter 2 reviewed the current literature on organizational culture and identity. Chapter 2 also explained how culture and identity influence organizational behaviours and the operations of sporting organizations in particular. Subsequent to an analysis of the literature, it was decided to utilise Schein's Layers of Culture model and identification of subcultures and Hatch's Cultural Dynamics model as a conceptual framework to investigate FFC. The models enable an interpretivist analysis of the core elements and processes of FFC's culture and identity (Hatch, 1997).

This chapter sets out the research methodology. It begins by describing the interpretivist research methodology used to investigate how culture and identity drive the behaviour and performance of Fremantle Football Club (FFC). Details of the research design will be provided including the data collection process and sources of data from interviews, document analysis, and observations. An explanation of how the data will be categorised, analysed and grouped in their emergent themes will also be provided. This chapter addresses the data evaluation and analysis processes as well as research issues and limitations. It also explains why some quantitative data (e.g. FFC's KPIs) are adopted to measure FFC's performance as the club measured them. This is consistent with Perry (1994) who suggests that while a dominant method may suit a research problem, other techniques may also be used. In this case a qualitative approach was the dominant method used to examine FFC's operations and the context in which it operated.

One of the strengths of this research project is that the evaluation of the culture and identity of FFC covers its entire history. The club's short history, since its founding in 1994, meant that all the key staff could be interviewed. As a result the analysis will include its founding culture. By mapping the entire history of the club's culture and identity, it is possible to see how it evolved in response to changes in both its environment and its leadership. To ensure a complete historical perspective of the

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mapping of FFC's culture and identity, it was critical to capture all of the relevant data. The completeness of the analysis, subsequently gives validity to the research outcomes.

### **3.2. RESEARCH STRATEGY**

The strategy for this research was embedded in two fundamental research methods. Firstly, this thesis is an exploratory case study. Whilst the case study was not pure ethnography (Yin, 1994), FFC did allow free and wide access to its entire organization for extended periods that permitted the researcher to become a recognised and regular attendee at many of their activities. Secondly, the research was heavily grounded in qualitative methodologies.

#### **3.2.1. The Case Study Method**

Yin (1994) advocates case studies as an empirical research strategy that specifically includes contextual conditions necessary and relevant to the phenomenon under study. He notes that to be effective, theoretical prepositions must guide the case study such as this research presents. He also advises that case study definitions are invariably a description of the study topics and he warns that phenomenon and context are sometimes impossible to tell apart. Hartley (1994) agrees that case study phenomena are of interest precisely because they are contextual and data should be collected with the ultimate aim of analysing current behaviours. That is, case studies are pertinent to this research because of their use of data collection and analysis tools such as interviews, observations, and document analysis.

Case studies do not rely on validation in the same way as measurable quantitative studies since they do not claim to be other than a particular set of circumstances, established at a particular point in time, within a particular organization. However, where possible, data gathered from one source are verified through other sources.

Cresswell encapsulated the core elements of a case study as:

*...an exploration of a bounded system or a case, over time through detailed, in-depth data collection involving multiple sources of information, rich in context (1998:61).*

The study of FFC took place in a bounded system (the FFC organization) over an extended period of eighteen months using multiple sources of in-depth, detailed data, rich in material and context about FFC. Hence, the research was an investigative,



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diagnostic examination of the culture, identity, structure, strategies and behaviours of FFC for which case studies are appropriate (Marshall & Rossman, 1999; Schein, 1992; Silverman, 1998; John Van Maanen, 1998).

Given that the research took place within an organizational culture and identity framework, it has general applicability to all sporting organizations and the original contribution of this research has potential to be generalised to other AFL clubs and similar sporting leagues. Case study researchers agree that specific case study findings can be generalised to other contexts when large scale organizational processes are being investigated (Corley, 2004; Yin, 1994). Notwithstanding that, the research will also contribute to our understanding of all organizations because the research was a close and detailed examination of FFC, its culture, identity and strategies how they may influence its behaviours and performance.

The reasons for adopting a case study approach to this research project are given below (Yin, 1993):

1. Case studies cover a topic: broadly not narrowly (organizational culture and identity and strategies fall within the body of organization theory or the broad macro approach);
2. Case studies cover contextual conditions as well as the phenomenon of the study (the context, regulated environment and governance of the AFL, club stakeholders, as well as organizational culture and identity within FFC);
3. Case studies rely on multiple triangulated sources of evidence (interview, document analysis, observations, and artifacts); and,
4. Case studies are a benefit when guided by a theoretical proposition (organizational culture and identity drive strategies that influence performance).

These case study ticks are consistent with the focus of this research and the adoption of an organizational theory framework. However, case studies can also take a quantitative approach and some explanation of the suitability of a qualitative approach is required.

### **3.2.2. Qualitative Research**

This research takes place in the natural world, using multiple methods of data collection which are essential characteristics of qualitative research (Marshall & Rossman, 1999). The issues that emerged from the data were fundamentally interpretive. By using a

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qualitative case study, matters of relevance and importance emerged about FFC that enabled the researcher to explore the values, meanings, and beliefs that underpinned the club's culture, identity, strategies, structure, behaviours, and environments. Yin (1993) supports the qualitative approach as a means for organizational research, noting that it allows the collection of perceptual and/or attitudinal data which are critical to interpreting phenomena such as culture and identity. This data provide a rich and comprehensive view because they reveal the basic values and beliefs of individuals thus getting to the foundation of culture and identity in FFC.

The qualitative approach is critical in the context of cultural research because concepts can only be established by extended observations of them in the real world (Schein, 1996). Schein's was concerned that researchers moved too quickly towards abstractions of the concepts before reaching a complete understanding of them. He asserts that his own insights have only come about after immersing himself in the phenomenon being studied. Therefore, the research was predominantly qualitative and ethnographic in nature to allay any such concerns

#### 3.2.2.1. Ethnography

This study was framed by an ethnographic analysis, which in an anthropological context has been defined as:

*A description and interpretation of a cultural or social group or system*  
(Cresswell, 1998:58)

Specifically, ethnography is recognised more recently as a useful methodology for all cultural studies including those within organizations (Tedlock, 2000). The reasoning for an ethnographic approach to cultural studies is that it enables the study of a small group of subjects in their own environment, in this case, a variety of stakeholders in FFC. However, it is to be used advisedly because such a study of research subjects in their own environment is not possible without becoming a part of that environment and therefore such research is always some form of participant observation (Hammersley & Atkinson, 1983). Whilst the impact of becoming part of the environment on which the researcher is reporting cannot be avoided, the researcher must consequently reflect upon the data collected and ensure it is considered in the context of that environment. A scrupulous approach to the data, considered in its environment with appropriate reflection by the researcher for his or her own impact means that the research can look

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at a large number of interdependent variables as they interact and ethnography enables the researcher to gain an in-depth, detailed understanding of their circumstances and context. In this way ethnography also enables the researcher to place precise events that the researcher encounters into a meaningful context and transfer the data that results into a written and/or graphical account which in turn enables the reader to fully understand its meaning (Tedlock, 2000).

The results of ethnographic enquiries are descriptive and interpretive because the data are so detailed and describe what is going on, using the descriptions to interpret their significance. The result is a “*thick description*” of the organization and its culture and identity (Geertz, 1990). The detailed data and thick descriptions were derived from the process of collecting, exploring, and categorising data which began with the data collection process sourced through interviews, document analysis, and observations which are described in the next section.

### **3.3. DATA COLLECTION AND SOURCES**

Data collection was dependent to some extent on FFC’s activities, particularly during the non-playing time, or “*off season*”. Ellen (1984) says that any research timetable should have a contingency for lost time because of the uncertainty of personnel and documentation being available. In the case study of FFC, the researcher remained flexible to interview whoever was available when the researcher was available and vice versa. It did mean that the sequence of interviews was dynamic to but repeat interviews were granted in the two cases where it was deemed necessary and otherwise the sequence adopted did not compromise the research

The techniques by which data were collected were determined by the interpretivist case study strategy which relies on interviews, document analysis and observations which are all supported by similar research projects (Corley, 2004; Hinings, Thibault, Slack, & Kikulis, 1996; G. Hofstede, 1998; G. Hofstede, Neuijen, Ohayv, & Sanders, 1990; Yin, 1999).

Dunphy (1981) lists interviews, document analysis and observations as means by which to determine “*what is going on here?*” describing the process as a diagnostic approach, the same as methods used for cultural research in other organizations (Schein, 1993b).

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### 3.3.1. Interviews

Interviews are used to access the life-worlds of individuals (King, 1994), and to explore organizational situations that explain behaviour within FFC (Hartley, 1994). Therefore, two critical issues had to be addressed:

- i. Who to interview; and,
- ii. How to interview.

#### 3.3.1.1. Who to Interview

Cresswell (1998) suggests interviews are a series of procedural steps, the first of which was to determine who to interview. A judgement was made about whom to interview derived from initial research into the club and its organizational structure. Hartley suggests doing this through initial “*orientation interviews*” which were conducted with the club’s senior executives whilst obtaining their agreement to participate. The sample was selected using the purposive sampling technique (Marshall & Rossman, 1999; Sarantakos, 1998). Some iteration of the list occurred since, as with the data collection, issues emerged and interviews then had to be conducted with the relevant organizational member or stakeholder.

The initial sample consisted of respondents who could best provide data concerning FFC’s culture and identity across its history. This meant not only past and present organizational members were interviewed but external stakeholders such as the club’s immediate competition in Perth, its governing bodies locally and nationally as well as other researchers in organizational culture, identity, and sport. Past and present players were included as well as members of the print and electronic media that report and comment upon the competition.

Generally, those that were asked to participate were selected based on their known interactions and dealings with FFC. This meant that they had to have spent an extended time working with, or against, examining the way the club went about its business and established itself initially. Interviews were conducted with the main players in the FFC organization including all CEOs and chairmen/presidents to date, all departmental heads of department, three of their 4 coaches and 4 of their 6 captains as well as CEOs and operational managers of FFC’s primary stakeholders, the AFL and WAFC. Interviewing the founders and leaders of the organization since its inception was important to the research based on Schein’s assertion that that it is the founders and past

leading members of the organization, with contemporary leaders and members, that form and influence the developing culture and identity.

The interviews included members of the Board of Directors at the time of FFC's establishment, subsequent board members, original members of both boards of management of the club and people that replaced them up to and including current members. Original coaching assistants, medical staff, trainers, physicians, and their successors were also interviewed. Further interviews were undertaken with subordinates of all senior organizational members to establish exactly how FFC operated. The interviews were extended to stakeholders of FFC within the Western Australia and interstate, such as the media and supporters were also undertaken. This established the fit of FFC with its environments including that imposed by the AFL. A breakdown of who was interviewed is shown in

Table 3.1.

<b>RESPONDENT &amp; GROUPING</b>	<b>NUMBER INTERVIEWED</b>	<b>RESPONDENT CODE</b>
<b>Fremantle Football Club (Past &amp; Present):</b>		
<b>Executives</b>	<b>10</b>	<b>E</b>
<b>Administrative Staff</b>	<b>14</b>	<b>S</b>
<b>Football Department Staff</b>	<b>13</b>	<b>F</b>
<b>Players</b>	<b>7</b>	<b>P</b>
<b>West Coast Eagles Executives</b>	<b>3</b>	<b>W</b>
<b>Football Mentors</b>	<b>3</b>	<b>M</b>
<b>Other Stakeholders (AFL, WAFC Officials)</b>	<b>5</b>	<b>Sh</b>
<b>Electronic and Print Journalists</b>	<b>6</b>	<b>Me</b>

**Table 3.1 - List and Groupings of Respondents**

In total, 64 interviews with 61 different respondents were conducted while two potential respondents declined to be interviewed. With a case study such as this, much of the material that was provided through interviews and documentation was of a sensitive nature. That meant that the respondent's answers required coding for anonymity. However, it was recognised that a case study of a single, high profile organization with a relatively short history, in a particular location might enable identification of certain

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people, particular situations, or events that occurred. Consequently, potential ethical problems about people being identifiable and all interviewees were addressed by asking participants to signify their consent to the interview, which also indicated the researcher's responsibilities to the interviewee. A copy of the consent form is included in Appendix 1.

Each respondent was allocated a code representing their department or organization so that some form of identification could be made when analysing the responses. The number given to them was sequential according to the order in which they were interviewed and bears no relationship to department, seniority or other category. For example, a departmental manager would fall under the category of an "*executive*" and if he/she was the fifth such club executive to be interviewed then he/she received the code of "*E05*". The anonymity was consolidated where necessary by referring to individual respondents in an innocuous manner such as "*a senior executive*" rather than "*the chairman*" or "*the CEO*" to avoid identification through historical facts or incidents to which they were related. However, some of the quotes used and background provided, considered essential to the case study, do make some identification of respondents possible otherwise the narrative becomes too convoluted with references to codes and apparently abstract people or events. Copies of the interviews have been kept in electronic storage for verification. No distinction was made between whether the interviewee was a past or current member of the relevant organization, mainly because they were interviewed for their experiences at either the time that they were employed by, or interacting with the club.

#### 3.3.1.2. How to Interview

The interviews were framed within the researcher's conceptual frame which meant it was a case of probing and prompting the respondents for information during interviews and the responses were interpreted by the researcher (Coopey, Keegan, & Emler, 1998). Consequently, they were semi-structured individual interviews and regularly represented the primary source of data from which many further investigations were initiated.

The semi-structured interviews were all individual and the interview was allowed to follow a variety of paths depending on responses to a series of set questions, which established the respondent's background and role in relation to FFC. The set of questions that were used to frame each interview is included at Appendix 2. In some cases only some of them were used depending upon the path followed in the interview.

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All of the interviews were conducted in a location of the respondent's choice for the benefit of their comfort in their surroundings and it was usually within their location of employment.

Important aspects of interviewing were addressed such as ensuring adequate preparation was undertaken for the interviews to cause minimum disruption to the interviewee. These were conventional interviewing preparations and techniques that entailed use of recording equipment, establishing the location of the interviews, consent of the interviewees, punctuality by the researcher, and a protocol for the interviews (Cresswell, 1998). All interviews were digitally recorded and transcribed verbatim. The interview preparation ensured the focus of the interview was on the subject matter and not the conduct of the interview as well as minimising time lost or disruption was caused. The interviews lasted between forty five and sixty minutes although two were extended into second interviews at the request of the researcher and one interviewee was spoken to three times. Proper preparation also increased the opportunity of obtaining the required data, first time. It was important that the interviewees were confident that the interview was a one-off event with the data collected at the first attempt and they would not be continually interrupted for the benefit of the research. Some of these interviews were completed on interstate or international visits and consequently there was no opportunity for a second attempt even if it was desired. Interviews and people used for data collection are not like documentary data or even observed data and cannot be continually revisited for explanation, clarification, or more information (Booth, Colomb, & Williams, 1995).

The success of gaining good data was heavily dependent upon the skills of the researcher. To gain experience for the researcher it proved useful to complete the interviews that were of less significance, so that some practice was gained prior to those interviews likely to provide rich data or were limited for time. The risk of such a strategy is that it is never certain where the best data might emerge. The risk was mitigated by the researcher framing questions that elicited the information required with subsequent probing for further elaboration when required (Marshall & Rossman, 1999). From the researcher's perspective, it appeared that all interviewees were conducive to the interview process and the experience was positive for the researcher and interviewees alike.

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### 3.3.2. Documents and Archival Analysis

Forster (1994), Atkinson and Coffey (1998), Cresswell (1998) and Van Maanen (1998) all stress the importance of document analysis as a basis for interviews to verify other information collected. Documents are part of the culturally standardized discourses within organizations that associate the organization with its value system. Hence, the documents themselves as well as the content of the documents provide an insight and direct connection to the culture and identity of the organization.

Access to FFC's documentation was agreed with the club and was conducted with minimum disturbance to the organization. FFC documents not only provided a source of data in their own right but also help to engage informants and elicit information about issues already identified (Forster, 1994). Importantly, documents are not analysed as stand-alone pieces of information or for portrayals of particular circumstances. They are interpreted with other data in the context of their authorship, readership, rhetoric and other documents. FFC for example, have produced year books written and published by the club, as a journal of each year's activities since their foundation (Fremantle Football Club, 1996a; , 1997; , 1998; , 1999; , 2000; , 2001; , 2002; , 2003a; , 2003b). These are for consumption by supporters and consequently are read in the context of being a form of propaganda. FFC had many such types of documentation that were invaluable as a source, and verification, of data. Even so, documents should be seen as cultural artifacts and social facts because they are used and shared throughout the organization (Atkinson & Coffey, 1998).

The documents were reviewed for their content through a standardised process advocated by Sarantakos (1998). In this process Sarantakos advises the summarising of content to reduce the data so that it can be examined for explanations of its meaning. Once meanings are developed the data can be structured through an ordering of the data into categories or defined criteria. Through such structures it was easier to explore and analyse the data through computer software using QSR N6 which is explained at 3.4.2.

The document analysis was extended to the archival analysis of documents in existence since FFC started their operations. This was found in documents such as strategic plans, annual reports, internal publications, correspondence, books, video footage, media articles, interviews, speeches, handbooks, mission statements, media releases, emails, policies, procedures, minutes of meetings, and various other documents that the club generated. Archived data of FFC were also explored, although this was

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surprisingly limited, and mainly consisted of the yearbooks. The analysis included corporate documents such as formal financial statements for corporate regulators as well as databases and statements by the club for the media and supporters. The document analysis also included research on the AFL and its clubs (AFL, 1999b; Carter, 1988, , 1999; G. Lewis, Morkel, Hubbard, Davenport, & Stockport, 1999).

The documentation was quite voluminous and presented difficulty in terms of the time required accessing, analysing, and verifying documents (Forster, 1994). It was difficult and time consuming but useful for interpreting in the context of the organization and other data since many of the documents could not be taken at face value. Document analysis is the least intrusive data collection method of those proposed although it was important not to rely on it because it was easier to obtain (Marshall & Rossman, 1999).

### **3.3.3. Observations**

Yin's (1994) viewed observations as an important means of data collection for a case study and it was particularly suitable for FFC because it took place in the real world, in real time and allowed data to be understood in its organizational context (Lee, 1999). Waddington (1994) noted that different research projects require certain levels of observation. There are degrees of participation for the observer based upon the amount of participation in the organization by the researcher (Lee, 1999). This research involved participation through the interviews, observations and document analysis, which was most closely aligned with the role of a "*Complete Observer*":

*This researcher remains in the background and watches and listens to (a) what others do, (b) what they say, and (c) the circumstances in which these actions and comments occur. As much as possible, the researcher remains unobtrusive; he or she is unlikely to form friendship ties with organizational members (Lee, 1999:99).*

Taylor and Bogdan (1998) suggest that most observers minimise their effect on the organization they are studying, until they have a basic understanding of how it operates. However, they nearly always influence the setting they are studying. Waddington (1994) explains that he saw this as a compromise to enable researchers to get to "*the heart of human experience*". If the researcher is to become intimate with their subject, there has to be recognition of the role of the researcher in that intimacy. The access provided to the researcher allowed a large amount of data to be collected through

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observations, meetings, visits, waiting time and conversations during the time spent in the club environment.

Observations were done openly and the research was explained to the staff to make them aware of what the researcher was doing and why. The amount and timing of observation required was more difficult to determine than interviews. Detailed observations and field notes began once there was an acceptance of the researcher in the organization and familiarity with the internal club environment has been established. This lessened the impact of the researcher on the reactions of those being observed and was less intrusive.

Like other data collection methods, observations required validation and interpretation, in context, to see if they were properly understood (Marshall & Rossman, 1999). This meant interpreting them in the context of who was doing what, or what was happening where and why. Certain aspects of undertaking observations had to be resolved, such as the degree to which the researcher was admitted into FFC and the frequency and duration of observations (Lee, 1999). These matters were addressed with the people participating in the observed activities but as it transpired, it was not a significant issue once the staff was aware of the researcher's presence and purpose. The opportunity to observe what was going on was presented whilst waiting to conduct interviews, attendance at meetings and the generally free access provided to the researcher to move about the club's premises. In this research, access was granted by the club but permission for departmental access, or access to sensitive areas, was sought separately and was provided.

Observational data were collected through field notes with detailed descriptions, avoiding tendencies to be judgmental on what was observed. It was undertaken, principally to discover patterns of behaviour and relationships amongst FFC staff to help interpret the human complex interactions that exist in social settings such as sporting clubs, which was fundamental to the purpose for the research. The observations included staff going about their daily activities to see if their actions supported what they said they do, game preparation for office and playing staff, and meetings of internal groups concerned with running the club.

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### **3.3.4. Feedback and Reflection**

Two issues that had to be addressed in the data collection process were that the data could be infected by the researcher's own presence and impact the data and findings. It was also true that as the data was collected this influenced the way in which subsequent interviews, documents and observations were regarded.

The researcher's presence and observations were mitigated by the acceptance of the researcher in the organization and familiarity with the internal club environment but it must be acknowledged that to obtain the rich data that research such as this achieved, there will be some influence and affect from the researcher.

The researcher's impact led to reflection upon the data being collected which is recognised in the conceptual template adopted that enabled an organizational diagnosis to run concurrently with the data collection. Cresswell (1998) and Corley (2004) support this process as a thorough means of analysing the data to help define and focus further lines of enquiry

### **3.4. DATA CATEGORISATION AND ANALYSIS**

The data collected through interviews, documents and observations was analysed by first grouping the data into provisional categories that corresponded with the main issues revealed in the literature review. The analytical process through categorisation was iterative and interdependent and they are described here. Additionally, the categories merged and overlapped into significant cultural themes that emerged from the data and are presented as a narrative in chapter 5 (Collins & Porras, 1998). The building of these emergent themes, from interviews, document analysis and observations, supports the interpretive, qualitative case study approach (Corley, 2004).

Whilst the focus was on culture and identity, and their effect on behaviour and performance, it was not immediately known where or how, FFC's culture and identity would manifest themselves. Therefore, the data collection and analysis process focussed on the club's cultural values and behaviours, core ideology and their influence on the performance of the club. The process will confirm, or refute, if the club achieved optimum performances when their culture and identity were most appropriate to the club's context and environment; were most clearly manifested; were cult-like; and at their strongest (Collins & Porras, 1998).

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### **3.4.1. FFC's Cultural Mapping Process**

Prior to mapping the culture and identity, categories were established to classify the data and define FFC's organizational structure, from which FFC's core ideology and cultural factors would emerge (Collins & Porras, 1998; Hatch, 1997; Schein, 1992). The categories were based on the work of Collins and Porras (1998) and are listed below:

- i. Extent to which FFC set realistically achievable goals that were immediately understood and embraced;
- ii. Extent to which staff has been indoctrinated with the core ideology;
- iii. Whether there has been continuity of management of the club;
- iv. Extent to which the evolution of the club was purposeful or ad hoc; and,
- v. Degree of self-improvement the club achieved during its history?

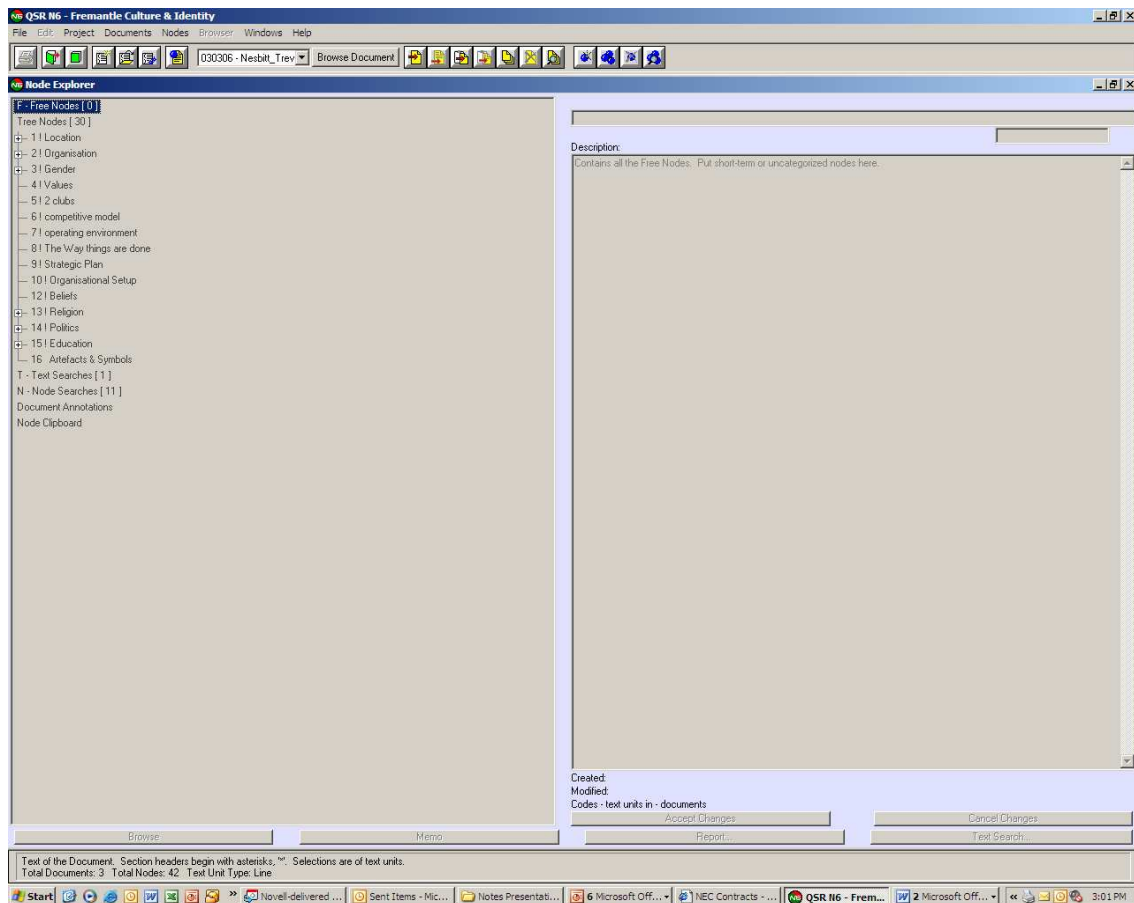
### **3.4.2. Data Analysis**

The data analysis was framed by a conceptual template adopted by Collins and Porras (Collins & Porras, 1998) research into eighteen visionary companies organizations. This template allows an organizational diagnosis to run concurrently with the data collection enabling any lines of enquiry or themes that emerged to be pursued immediately. Cresswell (1998) and Corley (2004) supported this process of inductive analysis using a naturalistic enquiry approach as a thorough means of analysing the data to help define and focus further lines of enquiry.

The initial stage was to construct a profile of the FFC organization to understand its core ideology, enabling a comparison to be undertaken between what the club did and if it was consistent with that ideology. The next stage was to evaluate different characteristics that the club exhibited at different times through its history to determine at what periods it exhibited characteristics of a strong culture and identity. The periods were then compared to the periods when it enjoyed peak performance, as evaluated by the KPIs. The expectation was that periods of strong culture and periods of success would coincide, demonstrate the influence of culture on strategies and performance.

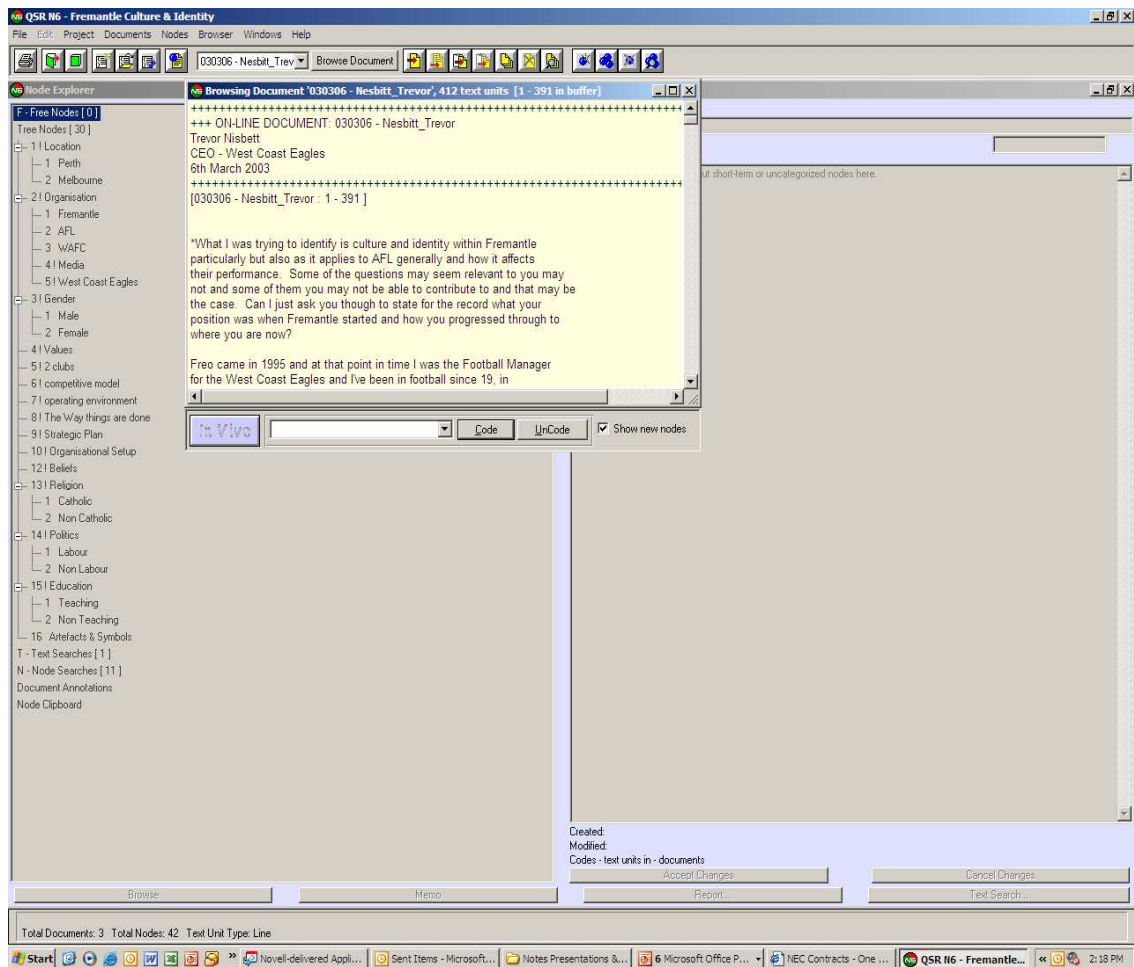
FFC's profile was constructed from reading and interpreting the interview transcripts, company documentation and the researcher's own notes to understand and contextualise the content. This enabled the important elements to be highlighted and the volume of data from sixty interviews and numerous documents supplied by the club, the AFL as

well as other organizations and stakeholders to be managed. The process of highlighting data assisted in the categorisation and identification of themes and patterns (Collins & Porras, 1998). The process also raised awareness of the data contents through the themes and patterns that enabled a closer examination for any suppressed meanings that consequently emerged. It was the emergence and identification of those meanings that contributed to understanding the patterns and new knowledge of culture and identity in FFC.



**Figure 3.1 - Screen dump from QSR N6 data management software displaying categories tree structure**

Development of codes allowed categorisation of the data, described in the cultural mapping process at 3.4.1, to provide an efficient means of traceability and retrieval. The coding and categorisation was developed using QSR N6 data analysis software. This enabled a tree structure of the categories to be developed, shown in Figure 3.1, so that key words, phrases, and paragraphs from transcribed interviews, documents and notes could be represented in one or more of the mapping categories for cross-referencing and retrieval in the diagnosis of FFC's culture and identity and for making sense of the diagnosis.



**Figure 3.2 - Screen dump from QSR N6 displaying expanded categories tree structure.**

Figure 3.1 displays the compressed structure of sixteen categories that ultimately emerged. Figure 3.2 displays the entire expanded tree structure developed as the data were organized, categorised, coded and the diagnosis written, as well as the transcribed text from an interview loaded into the software. From this process, emergent themes were identified and included in an expanded tree structure for retrieval, if required, for examination when answering the research questions. This stage was critical because the researcher's involvement and preconceptions had to be put aside to complete the critical analysis of the emergent themes, what they meant and explore the possible explanations. The data analysis was conducted iteratively with the data collection. The process of qualitative case studies means that the diagnosis and writing are part of the same process. They were developed in unison and cannot be separated. The conclusions of the research emerged as the iterative process of analysing and writing was undertaken.

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### **3.5. DATA EVALUATION**

The testing of data on culture and identity could not be done by analysis of test results that measure the results against hypotheses or correlations of variables (Schein, 1999). The research was fundamentally interpretive and contained many interdependent variables. Solving a research problem of this nature where there were many interdependent, subjective, variables with an interpretive perspective, requires flexibility and should not be constrained by strict hypotheses (Marshall & Rossman, 1999). Flexibility allows issues to emerge for the researcher to explain. Schein (1992) and Sarantakos (1998) advise that research into culture and identity requires relevance and concern of certain situations to understand their meaning rather than testing hypotheses or causal variables.

This evaluation of the data in this research project adopted the interpretivist approach, also called the “*Cognitive Perspective*”, which was consistent with the models used and with the practice of sense making that is inherent in interpretivism (Sackmann, 1992). That is, FFC’s organization is a unique culture and identity, which means it, was inappropriate to adopt an approach using a priori concepts that ignored the context in which the organization operates.

Therefore, rather than measuring variables of culture and identity through hypotheses, they are revealed, observed and described through their manifestations in the context and environment in which they exist (Schein, 1992). This meant evaluating cultural manifestations viewed within their context as FFC staff went about their normal daily activities and duties. These manifestations are used to evaluate culture and identity, as well as their strength and appropriateness. Such an approach requires the evaluation of many, interdependent and subjective variables. Therefore, it was considered appropriate to adopt a qualitative, interpretive approach to the study of FFC’s organizational culture and identity through a case study that accounted for the many subjective and interdependent variables.

### **3.6. OTHER RESEARCH ISSUES**

Having established the appropriate research methodology, the methodology theory had to be put into practice. Amongst the issues to resolve were, gaining access to FFC, the role that the researcher would play within the research and the organization, and how the researcher would avoid introducing his biases into the research.

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### **3.6.1. Access**

In determining the use of a qualitative case study, issues emerged of how the researcher would determine FFC's culture, identity, structure, strategies, behaviours, and environments. Clearly, access to the club was required so it could be observed in close proximity to gain a full appreciation of all of these elements. Access for the case study research of FFC was achieved through "*Gatekeepers*" (S. J. Taylor & Bogdan, 1998; John Van Maanen, 1998) and "*key informants*" (Cresswell, 1998). In the case of FFC, three gatekeepers assisted. Van Maanen (1998) warned that professional sports organizations are secretive and very sensitive to outsiders and gaining their trust was of paramount importance. Hence, although data collection was made possible through the gatekeepers and informants, the agreement of the club's senior executives was sought and obtained for access within the club. The agreement was achieved by convincing the club's executive that the research and researcher were non-threatening, meant no harm to the organization and that the research had the potential to identify areas of the organization that could be improved because of an external independent analysis. Five meetings were held with two of the club's chief executive officers to explain the proposed research. In general, the club's response was very positive about having the research completed and thought that it had something to gain from the research.

### **3.6.2. Role of the Researcher**

Interaction between the researcher and the organization's staff had the potential to influence the research outcomes. This influence is impossible to avoid since the mere presence of the researcher and his interactions with FFC staff changed the circumstances and context in which activities were completed. However, cognisance of the influence and role of the researcher was accounted for and included within the conclusions.

A significant challenge of the research was to demonstrate that the researcher's role was to collect data as an observer and not to be influenced by personal opinion that biased the research. However, all research is biased by particular methodologies and there was bias in this research because of a potential conflict between the researcher's interest as a stakeholder in FFC (member) and his role as a researcher. Therefore, it was important to distinguish that whilst the bias provided incentive for undertaking the research, the execution of the research project was not biased. As an observer, it was recognised that there was a perception that the research results might be seen as biased, or influenced by



a subjective data collection process, and it was important to recognise and account for this perception.

### 3.6.3. Bias

Bias in research undermines the trust placed in the research's results and conclusions. The validity of interpretive research is questioned by functionalists because it does not rely on the same ontology and epistemology as functionally based research which tends to be restricted to causal relationships of limited particular variables (Corley, 2004). Denzin and Lincoln(1998), Corley(2004) and Lincoln and Guba (1985) addressed the concerns of bias and trust in interpretive research by providing a different set of criteria to consider when evaluating the research and they are displayed in

Table 3.2 (Corley, 2004).

<b>Functional Criteria</b>	<b>Trustworthiness Criteria</b>	<b>Trustworthiness of this Research</b>
Internal Validity	Credibility	<ul style="list-style-type: none"> <li>• Extended engagement in the organization;</li> <li>• Triangulation of data types;</li> <li>• Peer group discussion;</li> <li>• Thesis Supervision</li> </ul>
External Validity	Transferability	<ul style="list-style-type: none"> <li>• Deep investigative and diagnostic examination</li> </ul>
Reliability	Dependability	<ul style="list-style-type: none"> <li>• Purposive sampling;</li> <li>• Respondent confidentiality;</li> <li>• Audit and peer adoption of data collection and analysis</li> </ul>
Objectivity	Confirmability	<ul style="list-style-type: none"> <li>• Interview transcription;</li> <li>• Observation notes</li> <li>• Thesis theoretical &amp; methodological basis of research;</li> <li>• Accurate record keeping.</li> </ul>

Based on Corley (2004) and Lincoln & Guba (1985)

**Table 3.2 - Techniques for trustworthiness of interpretive research**

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Table 3.2 shows co-relationships between functional criteria used as a basis for reliability in functional research, with trustworthiness criteria from interpretive research, and demonstrates that interpretive research is as reliable as functional research.

1. Validity sought after in positivist theory, is addressed in interpretive work. Instead of numerical validity, interpretivists establish credibility through corroboration from multiple sources, or triangulation; extended and deep diagnostic engagement at, and examination of, FFC, which tends to remove any superficial understandings; and peer group discussion and supervision that can provided an objective overview.
2. Reliability sought after in positivist theories is replaced by dependability through purposive sampling of interviewees in confidence with peer review of the results.
3. Objectivity is replaced by confirmability and integrity of records and identifying an appropriate methodology. These criteria ensure trustworthiness of the research.

Bias and the objectivity of the data collected are accounted for throughout the analysis by corroboration through separate sources and not until the data are corroborated is it considered credible data. The objectivity is maintained by the completeness of the research that provides a far broader comprehension of “*what was going*” on in FFC. Schein (1996) suggests that as the research progresses, and the issues and understandings emerge, the researcher is able to identify and account for their own expectations, preconceptions, and stereotypes.

### **3.7. LIMITATIONS OF THE RESEARCH**

#### **3.7.1. Single Case Study**

The research was limited to an analysis of a single case study of one Western Australian AFL club. This meant that the conclusions drawn were specific to FFC and its particular context and environment at the time that the research was conducted. Qualitative research of this nature offers an insight into the world of FFC, which may be generalisable to other sporting organizations in similarly regulated environments. These include the other AFL clubs, The Australian National Basketball League and the National Football League in America. At the same time, any generalisation should be treated with caution.

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### **3.7.2. Contemporary Knowledge**

A significant limitation was the current state of knowledge on the subject. Research and writing of the organization of sports generally, and their culture and identity in particular, were relatively new, still evolving and there was limited literature available. This thesis represents an opportunity to contribute to the limited knowledge on this subject.

### **3.7.3. Time**

Time is a limitation on case studies and this research. There was a limit on the overall duration of the project and case study data collection is a time consuming activity. Access times to collect data from FFC were limited and some departments were not available at certain times such as the football department during the playing season and the membership department during the off-season because these were their busiest times. Access was generally confined to the off-season for detailed data collection although some was made available from general staff during the playing season.

### **3.7.4. Access**

Whilst access was agreed with FFC, the degree of access allowed varied according to the availability of personnel although in general the staff were very accommodating to the researcher's requests and nobody within the organization declined to be interviewed although repeat requests were required of some personnel. It had been expected that FFC, regarded as less successful than anticipated may have had reservations about the level of access, or maybe would be defensive about releasing information but this ultimately did not prove to be the case. It was emphasised that the categorisation of the data when they were collected was for management and analysis and that the results, presented in chapter 5, are reported within the significant cultural themes that emerged.

## **3.8. CONCLUSION**

This chapter introduced the research methodology that was adopted to investigate the research problem and provided justification for the particular research framework and methodology. The research methodology comprised a qualitative case study inquiry, collecting data through interviews, document analysis, and observations. The latter part of the chapter explained the processes that were used to analyse the data collected. It was emphasised that the data collection, categorisation and analysis techniques were adopted to manage the data and that the categories ultimately within the narrative of

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FFC's culture and identity. The data categorisation and analysis enabled a determination of FFC's cultural fit internally and with its environment establishing if there were periods when FFC's culture and identity influenced the club's performance, and to what extent. As well as the framework and methodology, this chapter also explained some of the research issues such as, bias, access, instruments, evaluation, and validation, and the role of the researcher.

In undertaking the research into the organizational culture and identity of FFC, it was necessary to understand the context and environment in which it operates. In any analysis of organizational culture and identity, context reveals the strategies and behaviours that provide the best fit for its environment. Consequently, prior to the results, the next chapter provides a description of FFC's environment and context.

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## 4. FFC'S CONTEXT AND ENVIRONMENT

*Be careful the environment you choose for it will shape you*

*W. Clement Stone, businessman, philanthropist (1902 - 2002).*

### 4.1. Introduction

One of the central themes running through the literature was that culture and identity must be analysed within their context and environment. This was seen to be a crucial requirement since the design of an appropriate culture and identity is primarily concerned with obtaining the best fit between an organization, its context, and its environment. Therefore, to understand fully the culture and identity of a sporting organization, it is important to describe its organizational context, and the consequent environments, in which it resides.

That context and environment in which FFC operates will be presented in this chapter. Establishing FFC's particular context and environment is a first step in identifying the characteristics of a culture and identity that best fits the heavily regulated, but highly competitive, AFL environment.

### 4.2. SPORTING CULTURE AND IDENTITY

Research into the management of sporting organizations is a relatively new field of inquiry. During the 1970s, 80s and early 90s, most of the research focussed on the economic and social aspects of sport (Dabscheck, 1975; Gorman & Calhoun, 1994; , 1999; Quirk & Fort, 1992; Yiannakis & Greendorfer, 1992). However, since the mid 1990s attention has turned to the behavioural aspects of sports organizations (Kikulis, Slack, & Hinings, 1995; Parks, Zanger, & Quartermain, 1998; Shilbury & Hamilton, 1996; Skinner, Stewart, & Edwards, 1999; Slack, 1997; A Smith & Stewart, 1999). The analysis of organizational culture in sporting organizations is limited to studies by Hinings et al (1996), Roberts et al (1998), Shilbury and Hamilton (1996), Slack (1997) and Smith and Stewart (1999). A few other studies addressed organizational culture as a phenomenon to be considered, without exploring it any further (Parks, Zanger, & Quartermain, 1998; Shilbury, Quick, & Westerbeek, 1998) or in the context of voluntary and semi-professional sports (Colyer, 2000). In each of these studies, culture was found to be a key factor in shaping the management and operations of sporting organizations. Slack suggested:

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*A focus on organizational culture provides a different approach to understanding patterns of action in sport organizations. This approach, if combined with traditional macro organizational theory, could provide for richer insights into the organizations we study. An approach that focuses on organizational culture should also have considerable appeal to those of us interested in sport, because the organizations in our field are rife with such characteristics as stories, myths, symbols and rituals (1997:271).*

Smith and Stewart (1999) found that the culture of an AFL club was instrumental in affecting the structure and day-to-day behaviours of an organization. Their findings supported anecdotal evidence that football club cultures strongly influence behaviours of club officials and players. However, the question remains as to what types of culture create winning teams and organizations? It is postulated that the answer lies in the management structures and strategies that arise from their cultures and identities.

Sporting organizations operate at several levels, consisting of several disparate subcultures. Unlike other commercial organizations, whose objectives are usually financial, sporting organizations operate with different and sometimes competing objectives. Supporters, for example, desire short-term performance by way of a winning team and are often driven by emotion, whereas the organization works towards long-term financial survival and sustained performance. Whilst such competing objectives have similarities with shareholder desires in a commercial organization, there is a greater personal stake and emotional involvement in sporting organizations, not usually associated with their commercial cousins. Even within a sporting organization, there is potential for a clash of cultures from staff whose focus is on the players and the game rather than the business, or vice versa. A focus on the business is required, because of corporate and financial regulations whilst awareness has to be maintained of behavioural aspects of the sporting team that is part of the organization. This is critical because whilst several measures exist for sporting organization success such as the team's win-loss record, a winning team is fundamental to overall organizational success. Subsequently, even though a sporting organization is a bounded social entity, made up of individuals working towards common goals within a structured activity system, it has to manage stakeholders, who may not be direct employees, that can have a significant impact on its performance. It is the need to make sense of this variety of

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environments, and their subcultures, which again justifies the approach of Schein, Hatch, and Schulz as the most appropriate means by which to explore FFC's culture and identity.

### **4.3. ORGANIZATIONAL CULTURE AND IDENTITY IN AFL CLUBS**

The diagnosis of FFC's culture and identity and its environment involves a close examination of its organizational strategies, structure, behaviour, and performance, many of which have not been explored within sporting organizations. Such an examination explores the club to see if it can build a strong adaptable organization that is effective and capable of changing to suit the environment. As AFL clubs have become more widely recognised as businesses, so recognition has been given to them as complex organizations relying on strategies, structure, behaviour, and performance to be competitive and adaptable to change. Only by studying these can we expect to make sense of what differentiates AFL clubs that perform well from those that do not. In this case the context of the FFC organization must necessarily focus on the history of the AFL since it helps explain an entrenched culture of a competition amongst football clubs from the state of Victoria, into which Fremantle entered as part of a national league.

### **4.4. THE AFL CONTEXT**

The Australian Football Commission (AFC) governs the Australian Football League (AFL) competition and imposes the terms and conditions under which the clubs participate (AFL, 1999a). Whilst contemporary business organizations exist in deregulated, highly competitive markets, sports organizations differ because they operate in regulated environments in which an array of rules govern the general behaviour of member clubs.

Despite AFL attempts to provide an equal footing upon which the clubs compete, they perform with varying degrees of success. The equalising strategies that the AFL impose means that the clubs' internal management (and by implication, their culture and identity) can make the difference between success and failure.

#### **4.4.1. Origins of Australian Rules Football (1858 to 1877)**

Documenting Australian Rules football has focussed principally on its history and origins (Alomes & Stewart, 1998; Blainey, 1990; Dunn & Main, 1974; Fitzgerald & Spillman, 1988; Hess & Stewart, 1998; Hutchinson, 1984; Sandercock & Turner, 1981;

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Bob Stewart, 1983; Walker, 1998). The contemporary interest is reflected in academia, which has looked at Australian Rules football as a part of Australian society and national culture, as well as its commercial role (Carter, 1988; , 1999; Macdonald, 1998; Parkin, Bourke, & Gleeson, 1999; Shilbury, 1994; Shilbury & Hamilton, 1996; A. Smith, 1994; Bob Stewart, 1983). There is a degree of myth and legend about the game and it is useful to review briefly, the history of the game and its origins so that its cultural significance is understood.

On a first casual inspection, Australian Rules football has similarities to Gaelic football to which it has been attributed as having its origins, with the main difference being the shape of the ball. However, there is very little evidence of any influence of the Irish or their game. Indeed the Irish game was codified after the Australian game (Blainey, 1990). More likely, an Irish influence was probably one of a number of influences upon the invention of a game that appears to draw on many backgrounds.

Australian Rules football emerged in the late 1850s, in the then colony of Victoria, because of cricket players that were looking for a means of keeping fit during the winter months. The cricket players wrote a letter to a Melbourne paper, "*Bell's Sporting Life*" in July 1858, calling for interest from men wishing to participate in a winter sport to keep their fitness up for the cricket season (Sandercock & Turner, 1981). The letter was widely accredited as the acorn from which Australian Rules football grew (Dunn & Main, 1974; Hess & Stewart, 1998; Sandercock & Turner, 1981). One of their first tasks was to set about developing their own game and to codify it, which in its infancy was known as "*Victorian Rules*" or "*Melbourne Rules*" until other colonies objected and it became known as "*Australian Rules*" (Dunn & Main, 1974).

The first Australian Rules football team was The Melbourne Football Club, formed in the winter of 1858, which commissioned some of its members to draw up the rules of the game and they are believed to be the first set of written rules of any football code, anywhere in the world (Hess & Stewart, 1998). The rules were the beginning of what was to become Australia's premier football league. Wills et al supplied the impetus for the game's codification and a colleague, H. C. A. Harrison, is reported to have said about Wills:

*"He very sensibly advised us... to work out a game of our own...it was a rather go-as-you-please affair"* (Blainey, 1990).



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Other clubs were quickly formed to join Melbourne in competition, Geelong, a port town approximately seventy kilometres to the southwest of Melbourne, was formed in 1859. They were followed by Richmond and South Yarra in 1860, Carlton, Albert Park and Royal Park in 1864, Brunswick and Williamstown in 1865, and University and Warehousemen in 1866 (Dunn & Main, 1974).

#### **4.4.2. From VFA to VFL (1877 to 1897)**

Clubs that had formed in the 1860s were more interested in themselves than the welfare and survival of the game (Dunn & Main, 1974; Hess & Stewart, 1998). Thus, the Victorian Football Association was created in 1877 and charged with promoting the game and overcoming the clubs' self-interest. The VFA was comprised of Hotham (North Melbourne), Melbourne, Geelong, Carlton, Albert Park (South Melbourne), St Kilda, Essendon and East Melbourne.

The VFA also helped get the new game going among the other colonies but it took until the 1880s to establish real support in Western Australia (WA). Before then the game was played by troops in WA and a team called the Swans played amongst themselves. The population of WA weighed up all the options of the different codes of football available to it before supporting Australian Rules (Hess & Stewart, 1998). In Queensland, it lost favour to Rugby rather than failed to take hold. Many Queensland clubs were established in the late 1800s and a strong Australian Rules football presence survives in that state. The first game played to "*Australian Rules*" in Brisbane was at Queen's Park but the game declined in interest after the first rugby match was played in 1882 (Reet & Howell, 1992).

The success of the VFA's efforts to promote the game above individual club interests was reflected in attendances during the 1880s. Attendances at games often exceeded 10,000 with one game between South Melbourne and Geelong reputed to have attracted 34,000, which compares favourably to the 1880 FA Cup Final in England which drew a crowd of 6,000 (Blainey, 1990). With a successful competition, strong rivalries developed between clubs with a strong supporter base and those without. In essence, clubs close to the inner city of Melbourne, undergoing the effects of a gold rush, were closer to transport and attracted the bigger crowds. They decided that they were propping up the other clubs and sought to separate from the VFA and form the Victorian Football League (VFL).

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#### 4.4.3. From VFL to AFL (1897 to 1990)

Despite its continued progress, the game has continually suffered anxieties about clubs' self-interests versus welfare of the game a number of times in its history. In the 1890s, the game went through a depressed period with falling attendances and inter-club rivalry leading to discontent about why some clubs should support others. This discontent led to the formation of the VFL in 1897 by the inner city clubs of South Melbourne, Collingwood, Essendon, Melbourne, Fitzroy, and Carlton. Geelong also participated being the only club in Geelong and consequently having their own drawing power. These clubs invited St Kilda to join the new VFL alliance (Dunn & Main, 1974).

While the VFL was the dominant competition, a feature of the game during this period was the interstate rivalry (the colonies having become a federation of states in 1901). Victoria and Tasmania had been the first teams to meet in an inter-colonial fixture in front of 10,000 with Victoria winning 7-0 (Sandercock & Turner, 1981). South Australia and Western Australia, as the two next strongest states, also participated in festivals each year to establish state supremacy. Of great joy to the "*Croweaters*" (South Australians) and the "*Sandgroppers*" (Western Australians) was beating the "*Vics*" (Victorians).

The VFL was long regarded, as Australia's premier football league, partly because it had the wealth to attract and recruit players from all other states to Victorian clubs. However, the other states, particularly Western Australia, South Australia, and Tasmania were concerned about the loss of their local talent to Victoria (Barker, 2004). In the late 1980s, the landscape started to change when the VFL opted to become a national competition. In 1986, two interstate clubs formed and joined the VFL, the West Coast Eagles from Western Australia, and the Brisbane Bears from Queensland. South Australia did not include a team and was held back from doing so for a number of years until local inter club rivalry was overcome (Shilbury & Hamilton, 1996). The expanded VFL, as it was known, continued in this form while a national governing body was created and given authority to take over.

#### 4.4.4. The AFL (1990 - )

In 1990, the VFL was formally re-named the AFL, which was comprised of fifteen clubs; Carlton, Collingwood, Essendon, Fitzroy, Footscray, Geelong, Hawthorn, Melbourne, North Melbourne, Richmond, and St Kilda from Victoria, Sydney (South

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Melbourne relocated to Sydney and was renamed the Sydney Swans in 1981) from New South Wales, The West Coast Eagles from Western Australia and the Brisbane Bears from Queensland. Since then it has seen the addition of two clubs from South Australia (Adelaide and Port Adelaide who joined in 1991 and 1997 respectively) and one more from Western Australia (Fremantle in 1995). Fitzroy merged with Brisbane to create a new club, the Brisbane Lions, at the end of the 1996 season (K. Taylor, 2000). This resulted in a sixteen team competition.

All of these clubs are licensees of the AFL. Some of them, particularly those known as the “*interstate*” clubs (because they do not come from Victoria, as do the majority) are licensees of their state leagues. Hence, the AFL is a national football competition consisting of sixteen clubs representing all states of Australia, except Tasmania. As a result, and the fact that the game is indigenous to Australia, the AFL claims Australian Rules to be the national football code of Australia.

#### **4.5. THE AFL ENVIRONMENT**

Across the “southern” Australian states of Western Australia, South Australia, Victoria and Tasmania, Australian Rules football has a significant place in the lives of the population (Alomes & Stewart, 1998). Over six million people attended matches in the AFL in 1998, the year in which the current attendance record was set but which is expected to be exceeded in 2005. 2005 will also see the game played at more venues than ever before with reduced capacities in Melbourne and Brisbane enabling eight games to be played at smaller venues across more states and territories in Canberra, Launceston and Darwin in addition to the regular venues (Australian Football League, 2005b).

In business terms the AFL maintains an operating surplus from which it redistributes funds to clubs as well as supporting game development, the AFL Players’ Association (AFLPA) and facilities improvements. In 2004 it generated revenue of A\$124 million, up from \$63.9 million in 2000 (Australian Football League, 2005a). The Age newspaper, a Melbourne broadsheet, reported in 2000, “*Football employs 5003 people, nearly 14 million people watched it in 1998 and 448,410 played it*” (K. Taylor, 2000). Taylor also relates details of a report commissioned by the AFL that as long ago as 1999, Australian Rules football contributed A\$1.71 billion to the national economy.

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These figures demonstrate that the social role and business of the AFL and Australian Rules football has a significant commercial, sporting and cultural role in Australian society. Significantly, it is not as male dominated to the degree of other football codes. At its elite level, Australian Rules is played only by males but 40% of its spectators are female (Alomes & Stewart, 1998).

When the AFL formed, it was cognisant of the game's history and the arguments over competing priorities of clubs and the welfare of the game. Each of the restructured competitions described had resulted from a threat of breakaway wealthier clubs from an existing ailing competition and the AFL was no different. To moderate the competing priorities of club versus game and establish itself as the national football code, the AFL imposed a strict and onerous regulated environment and the performance of the clubs depended on how well they adapted to fit the environment

#### **4.5.1. The Regulated Environment**

The cornerstone of the AFL's regulated environment is its "*Equalisation strategy*", imposed through the terms and conditions of the clubs' licenses (Carter, 1988). The policy addresses the AFL's concern in the club versus game debate and the goal of becoming the premier football code. It is designed to protect clubs from their own predatory business behaviours that could undermine their competitiveness, and thereby weaken the code overall. The clubs' primary focus is on-field dominance and left unfettered, the wealthier clubs would dominate through higher salaries and larger squads of more talented players. The welfare of the game and competitiveness amongst clubs is a lower club priority. However, in a country with a small and dispersed population, and in a sport lacking international competition where the league is the pinnacle of competition, clubs are more accepting of the need for regulation to ensure the competition's long-term viability through a balanced, well-managed, and high quality competition. Even so, the regulations had firstly, to be enforceable through policies and procedures that constrain clubs' behaviours through "*sanctions*" and secondly, generate sustainable improvements in the appeal of the game to its consumers. Hence, the league wanted a regulated environment that controlled the conduct of its teams, players, coaches, and administrators including the number of teams and their locations and a system of player development and recruitment. The regulated environment was most recently reviewed in 2005 (B. Stewart, Nicholson, & Dickson, 2005).

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The AFL saw benefits in a similar equalisation strategy used in the National Football League (NFL) and National Basketball Association (NBA) in the United States of America. Pete Rozelle, who was a commissioner of the NFL, is accredited with developing the principle of equalisation. Rozelle was widely regarded as the architect of developing American football into the USA's richest and most popular sport, creating a monopoly of the American Football League and replacing the individual clubs as negotiators in their own right (Quirk & Fort, 1992). Rozelle was a commissioner for 24 years and oversaw the merger of the NFL with the American Football League. It grew from 12 clubs to 28 clubs and was structured in such a way that a few rich teams did not dominate it (Carter, 1988).

The AFL relies upon similar licensing, marketing, broadcasting rights, restrictions, and specific labour market regulations to implement its *Equalisation strategy*. Firstly, the AFL is a single, centralised, decision-making, body that advertises, promotes, and governs the competition, penalising its members for any breaches of the policy. Secondly, the AFL generates revenue and profits through broadcast rights and merchandising, for redistribution to the clubs, whilst imposing cost minimisation strategies on them, such as club player payment limits, limits on numbers of players registered with each club and drafting regulations for new players (Australian Football League, 1999a, , 1999b; Macdonald, 1998). Thirdly, the AFL seeks to increase the game's attractiveness and marketability. The AFL's strategy to achieve these is to improve spectator comfort, player skills, and predictable playing conditions. Finally, by allowing poor performing clubs to have first access to the best of the developing talent and restrictions on what clubs can pay its players in total (Total Player Payments or TPP), the league introduces competitive balance amongst its club so each of them can maintain basic standards of administration and coaching.

The AFL reaffirmed its commitment to the *Equalisation strategy* in July 2000, although they are prepared to manipulate it from time to time to favour poor performing clubs (Ryan, 2000). The policy is designed to prevent teams from dominating over prolonged periods as occurs in other sporting codes such as soccer, whilst still being able to enjoy short periods of dominance that reward good management practices:

*It's a serious concern for us that in many European countries only a small number of teams can win the domestic league title (Campbell, 2004).*

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The policy was also designed to overcome a perception that the strong clubs support the weaker clubs. The clubs recognised in a relatively small consumer market, that they needed each other, and the competition, to survive and the policy was aimed at balancing clubs' strengths and weaknesses. The *Equalisation Strategy* is regarded by the AFL as its most fundamental governing regulation (Carter, 1988). At the same time the AFL regarded football as part of the wider industry of entertainment and competition, which exists at three levels (Carter, 1999):

1. *At the competition level where competitors are the competing entertainment and participation interests;*
2. *At an organization level where teams compete for financial resources, players, coaches, management and motivation; and,*
3. *On the field where match day tactics are used and players compete against each other.*

The approach adopted by the AFL is that these strategies operate from the top level down and that the business competition should exist at the highest level against different sports. Hence, while the AFL would not be unhappy to see basketball go out of business, they have a strong interest in wanting competing clubs to survive through the support of an equalisation strategy.

A potential consequence for the AFL's regulated environment is that the sixteen clubs become clones of each other, modelled around the biggest and best of them. Consequently, the AFL is adamant that clubs are described as licensees and not franchises, enabling each club to establish its own culture and identity within the AFL environment.

#### **4.5.2. The Club Environment**

Given the regulated operating environment, it is the clubs' administration, recruiting, and coaching where clubs have room to create a competitive edge over each other and the better supported, stronger and wealthier clubs have discretion over their expenditure on them. The *Equalisation Strategy* aims to place all clubs on an even footing but it does not seek to control or influence clubs' structures, strategies of behaviours and it therefore comes down to managerial skills and behaviours off-field, skills of the coaching and medical staff, players' mental factors and other organizational behaviours,

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that determine club performance. Therefore, each club has latitude as to how it goes about its business, driving its culture, identity and image as a consequence.

Clubs can recruit the management personnel they want with these skills and they have to be able to attract the people they want. For example, they can hire as many coaches as they consider appropriate and pay them what they consider is suitable. If the total amount exceeds the club's allocation from the AFL, the club has to generate the revenue for itself. For example, in 2001, FFC saw the need for a specialist coach and because of the club's poor financial status, Connolly acquired sponsorship for the specific position and person. Alternatively, if clubs wish, they can do as the West Coast Eagles has and allocate expenditure on research and development to investigate how they can do things differently. However, the clubs need the right organizational set-up for it to occur. Therefore, an essential area in which clubs can exercise influence is through their management organization and the way it is structured and implemented. This means that despite the heavily regulated environment, AFL clubs still have significant scope for developing strategies and programs that can deliver a competitive advantage. Cost advantage and product differentiation are two specific areas where a competitive advantage can be secured and the cost advantage and differentiation that each club creates for itself, has a direct impact on the way in which it is perceived and goes about its business, thus reflecting upon its culture and identity (Barney, 1996; Porter, 1985). The North Melbourne Football Club (the "Kangaroos"), for example, are differentiated as a financially disadvantaged club that overcomes its cost disadvantages by gaining the maximum return and effort from its resources in what is often termed the "*Shinboner Spirit*":

*On the other hand, the notion of a warrior culture at Arden Street, otherwise known as the shinboner spirit, lives on like some sacred thread woven into the story of the Kangaroos' dreaming. This idea of a unique "spirit" or "culture", though, as easy as it is to believe, is not as easily understood or recognised for what it is (Reilly, 2005: Online).*

#### **4.6. FFC'S CULTURE, IDENTITY, CONTEXT AND ENVIRONMENT**

Some clubs in the AFL remain consistently strong performers whilst others struggle to make an impact. Again, the Kangaroos is a club that is perceived to continually outperform what might be expected of its available resources. This begs the question:

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What specific form of culture and identity provide the best fit for FFC in the heavily regulated AFL environment, and what part do they play in the developments of FFC's structures, strategies, and behaviours, and level of performance?

This thesis to date has placed emphasis on the need for FFC to have an appropriate culture and identity which are recognised as having a good fit with the context and environment in which the club exists. The better that fit, the more appropriate the culture and identity are and therefore, more effective in driving the strategies, structures, decisions and behaviours of the club appropriate to its environment.

Similar to the Kangaroos, other clubs have established appropriate regimes within which their performance has been maintained at a high level, over prolonged periods. After making its debut in 1987, the West Coast Eagles played in the finals in 1989, its second year and after making the finals again in 1990, played in every finals series for ten years. In eighteen seasons it has missed the final only four times. Similarly since the first season of the VFL/AFL national league in 1987, Essendon has only missed playing in the finals for four years out of eighteen, playing in the last seven from 1998 to 2004, consecutively. At the same time both of these clubs' off-field performances have excelled with both of them being among the most successful clubs in the league in terms of financial performance, membership and attendances. Both clubs appear to have enjoyed their success as a consequence of effectively managing the regulated environment in which they exist. They both have a reputation for constructive and aggressive lateral thinking, within and beyond football, in a search for the smallest sporting or organizational advantages to give them an edge in the regulated environment. Kevin Sheedy for example, the coach of Essendon has explored the recruitment of players from North America as well as the expansion of the game there whilst the West Coast Eagles has established a research and development committee to generate new research projects, mainly in sports science, in a search for a competitive edge.

Therefore, the next chapter will explore the cultures and identities within FFC and how they were manifested and fitted with the club's environment. Subsequently, they will be explored to see if they were appropriate to the context and environment in which FFC exists, to determine how influential they became in driving FFC's performance