

## **Abstract**

**Purpose:** This paper aims to highlight and encourage consideration of the ethical and in some instances legal implications of managerial change in the EPL which often gets overlooked and sidestepped by clubs.

**Design/methodology/approach:** Extant literature relating to managerial change is identified and discussed to provide the foundations of the discussion of whether managerial change in the EPL which is primarily focused on performance outcome, is neglecting ethical and legal issues.

**Findings:** The loophole that exists in the Employment Rights Act (1996) allows clubs to instantly dismiss a manager and consequently not see out their notice period as agreed in their contract or the statutory notice period. Whilst legally clubs are at will to act in this manner, the instability of EPL management evident today appears to have taken away the rights of an employee.

**Practical implications:** Greater consideration of the current managerial change practices in EPL from an ethical and legal perspective appears warranted. The incomparable rights that a player and a manager have relating to their tenure at a club seem somewhat unfair.

**Originality/value:** Presents thought-provoking information relating to managerial change in the EPL which appears to have been overlooked in the literature to date which primarily focuses on the impact of change on performance.

**Keywords:** Managerial Change, English Premier League, employment rights

**Paper type:** Viewpoint

## Introduction

The apparently unique nature of professional team sports and leagues dictates that individual teams, while seeking a dominant position in a winner-takes-all scenario, require competitors to provide opposition, entertainment and commercial possibility (Williams, 2012). For this reason, professional sports can be lucrative business, presenting many opportunities for revenue generation (Madichie, 2009). However, with rising revenues come rising costs for player recruitment and salaries and an increase in pressure to deliver results with a degree of immediacy.

Professional sport is littered with examples of successful and long-serving managers. Fred Everiss, responsible for West Bromwich Albion (UK) coached his team over 46 years (1902–1948) without any interruption. Sir Alex Ferguson, by many the most successful manager in the modern footballing era, was in charge of Manchester United for 26 years before taking the decision to retire, while others, Alan Curbishley at Charlton Athletic (15 years) and Arsene Wenger at Arsenal (18 years) have been appointed for similar periods. In other professional sports tenure seems to be much shorter. In English Rugby Union, Jim Mallinder, Director of Rugby for Northampton Saints has been in charge for 7 years. However, as indicated by Heuer, Muller, Ruber, Hangemann and Strauss (2011), such loyalty is very unusual in professional team sports. More often than not the tenure of a manager of a professional club is short with action being taken to sack a manager when there have been a string of bad results, or when the 'fans turn' on the clubs hierarchy. **Indeed, in relation to the examples from professional football above, even Alan Curbishley was sacked as manager of Charlton Athletic when there was a downturn in results despite him being the club's manager for 15 years. The examples of long-serving managers such as Ferguson and Wenger both occur at clubs that have ultimately been successful during the last two decades. Such success, it can be argued, has made these managers less prone to the pressure of the sack even if results don't always go their way. Furthermore, Sir Alex Ferguson, clearly one of the exceptions in the world of football managers, left the club on his own terms, retiring in 2013. There is little evidence presently to suggest that football clubs stand by their manager in bad times.** In fact, according to many there is an unhealthy churn of managers with sacked managers and coaches hired by competitors who have dismissed their own coach in order to appoint someone else (e.g. Audas, Dobson and Goddard, 2002; Dobson and Goddard, 2011; Flint, Plumley and Wilson, 2014; Koning, 2003).

By way of an example we can point to Andre Villas-Boas' sacking by Chelsea after less than a year in charge at Stamford Bridge. The 34-year-old manager was sacked for results and performances not being good enough and showing no signs of improvement. He later moved to Tottenham Hotspur where he lasted 16 months before his contract was terminated. In both cases, clubs replaced the manager with interim appointments who were also fired. This volatile approach to the hiring and firing of club managers and head coaches has led to media outlets and pundits fashioning the phrase regarding a "Premier League sack race".

The primary focuses of previous research examining the impacts of managerial change in football are performance and finance (e.g., Flint et al., 2014). Arguably, this has occurred due to the globalisation and 'financial muscle' and increasing brand value of the EPL and its clubs which has enabled multi-billion pound television rights to be sold and multi-million pound sponsorship deals to be signed (Madichie, 2009; Ratten, 2011a, Ratten and Ratten, 2011). The unique brand image that clubs from the EPL have been able to build following on-field success and attractive football (e.g. Manchester United's unprecedented 13 EPL titles between 1992 and 2013) has delivered new commercial opportunities that are now inextricably linked to playing performance and by definition the role of the football manager. Any reduction in on-pitch performance can damage a football club's brand and consequently its financial security. The selection of the right manager therefore extends beyond the management of 11 players in the modern day game to a range of other management functions. As Ferrand and Pages (1999) indicate, sport clubs are becoming more preoccupied with their image. There is an increasing recognition that image has the power to influence behaviours of all those involved with a sport organisation, its members, fans, journalists, sponsors and so on. This increases the pressure on clubs to change their manager, often for reasons other than on-pitch performance.

To our knowledge no research to date has considered the ethical implications that warrant attention given the importance of such decisions. The purpose of this article is to highlight that the ethics of managerial change in the EPL is often overlooked and in some cases it may be argued that clubs are acting in an unethical manner, breaching contract agreements and dismissing a manager unfairly. Clubs appear to be able to sidestep this law outlined in the Employment Rights Act (1996) by financially agreeing for a manager to leave the club without working their notice. The article is put forward as a viewpoint paper and is similar in structure and layout to other viewpoint papers in the field of sport business management (e.g.

Haskins, 2013). Three key factors prompt this article; managerial churn in the English Premier League, controllable and uncontrollable factors that professional football managers face, and employee dismissal legislation in the United Kingdom (UK).

In business, the majority of organisations will encounter changes in leadership at some point in time. Often, as stated by Tena and Forrest (2007) there is a natural time for a change. For example, following an unsuccessful election campaign a political party may change their leader, whilst in a business setting leadership may be changed due to the expiration of a Chief Executive Officer's (CEO) contract or when that person reaches a certain age. In a professional sport team, the most logical time for a change would appear to be at the end of a season. However, this does not appear to be the approach taken by professional football clubs and, in any case, there are a number of differences between the term leader and manager in a professional sporting context as described by Flint et al. (2014). For example, in a professional football club, the leader will be the owner or the chairman, responsible for making decisions based on the overall strategic direction of the club and a number of off-field performance indicators whereas the manager will be responsible for the on-pitch performance of the players (Flint et al., 2014). The role of the manager is always thought to be that of formulating the purpose (visions, aims, goals, objectives, performance targets) of the organisation and controlling its movement into the future (Stacey, 2003). It is recognised that this cannot always be perfectly achieved but it is thought that managers need to be in control, to design and use systems that ultimately lead to the aims, goals and objectives being achieved (Stacey, 2003). Additionally, managers need to show entrepreneurial skills and demonstrate the ability to be innovative and show initiative (Ratten, 2011b). This is particularly important in sport as sports teams, organisations, players and managers have to develop new strategies to improve their performance (Ratten, 2011b).

It is highlighted that the role of the football manager is one of chronic insecurity (Dobson and Goddard, 2011) and despite the argument that there is a logical time for a change in leadership, many professional football clubs change managers at more unconventional times. This highlights the diverse nature of the football industry in the global market place and the increasing amount of pressure placed on the football manager. This article attempts to explore some of these pressures and offers discussion on the factors that ultimately leads to the dismissal of a high number of football managers.

## Managerial Churn in the English Premier League

The English Premier League (EPL) was formed in 1992 when clubs in the football league's First Division decided to break away from the traditional Football League in order to take advantage of the lucrative potential of the growing market (Madichie, 2009). The league operates on an open system including promotion and relegation and currently comprises of 20 teams. Since the inception of the EPL 46 clubs have competed in it (correct at the 2014/15 season) although only five clubs have ever won the title - Arsenal, Blackburn Rovers, Chelsea, Manchester United and Manchester City. It may be perceived from this statistic that the league is not very competitive in terms of the title yet there is little doubt that the league has been a tremendous success throughout the last 22 years in terms of a global audience and revenue.

The most recent set of figures available at the time of writing indicate that the 'big five' (the English Premier League in England, the Bundesliga in Germany, La Liga in Spain, Serie A in Italy and Ligue 1 in France) leagues' revenues grew to €9.8 billion in 2012/13, with all five leagues experiencing growth (Deloitte, 2014). Of these five leagues, the English Premier League (EPL) is currently the highest revenue-generating league (€2.9 billion in 2012/13). This figure is almost €1 billion more than the next best revenue-generating league in Europe (the Bundesliga in Germany). Furthermore, England's Football League Championship (the league below the EPL) is positioned eighth in Europe, behind only the 'big 5', Russia and Turkey with total revenues of €508m (Deloitte, 2014). Moreover, the EPL has a greater reach into the global market than any other European league. EPL domestic broadcasting rights contracts will generate around £3.4 billion over the three seasons from 2013/14 (an increase of around 60% on the previous cycle) whilst overseas broadcast rights covering over 200 countries will generate £2.2 billion during the same period (an increase of over 50% on the previous cycle; Deloitte, 2014).

Such increases in broadcasting payments have been a significant driver in the growth of the EPL. The latest broadcasting agreement equates to an extra £25m for each EPL club compared to the previous deal owing to the league's long established central revenue distribution mechanism (Deloitte, 2013). Additionally, clubs relegated from the EPL are entitled to parachute payments worth a combined £60m over four years following relegation. This is undoubtedly a substantial amount although staying in the league itself is still the most beneficial option. For example, in 2013/14, West Bromwich Albion finished 17<sup>th</sup>, one place

above the relegation zone, and still received almost £66m in revenue from the broadcasting deal alone. Indeed, each position in the EPL has been estimated to be worth £750,000 on average in recent seasons in merit payments relating to broadcasting deals (The Football Association Premier League Limited, 2012). Furthermore, within the EPL itself there are additional revenue streams available to clubs such as increased sponsorship and commercial potential as well as performance-related bonuses. With this in mind, the pressures of being a manager in the EPL are evident. Such pressures may also be attributed to the number of managerial changes in football clubs in the EPL as opposed to other businesses and industries. This would certainly appear to be the case in relation to the number of managerial changes in the EPL since its inception in 1992. Indeed, since 1992 there has been an average of eight managerial changes within the EPL each season through either the sacking, resignation or poaching of a manager by another club. In certain seasons there have been more changes than others (the highest number of changes was 15 in 1994/95 and the lowest number of changes occurred in the following season with 3 changes in 1995/96). Overall, however, there has been an increasing trend of managerial change in the EPL as evidenced in figure 1.

Figure 1 about here

#### Previous Studies on Managerial Change in Football

There have been many papers written from an academic perspective that have focused on managerial change in professional football in European leagues such as the EPL, Dutch Eredivisie, German Bundesliga, Spanish La Liga and Italian Serie A (see Audas, Dobson and Goddard, 2002; Bruinshoofd and ter Weel, 2003; Hope, 2003; Koning, 2003; Tena and Forrest, 2007; Frick and Simmons, 2008; De Paola and Scoppa, 2011; Gonzalez-Gomez et al., 2011; Bell, Brooks and Markham, 2013). However, many of these papers focus on the impact of managerial change on performance and there has been very little research on the factors that influence the decision to replace a manager in the first instance. It has previously been noted that the role of the football manager is one of chronic insecurity and the financial rewards for sporting success in the modern game means that football managers are under constant pressure to deliver results. With this in mind, an important issue is what factors actually influence the decision to replace a manager. In this area, to the author's knowledge there is very little research that has been conducted. In relation to the papers cited above, only Hope (2003) offers any suggestions for certain factors that relate to when is the most appropriate time to replace a manager. Hope's model proposes three core factors with regard

to managerial performance: 1) the honeymoon period (length of the honeymoon period in which a manager is exempt from being sacked); 2) the trapdoor (average number of points accumulated per game); 3) and the weight (the most recent games will be given significant weight in analysing the manager's performance).

If we focus on one of these measures (the trapdoor) then some interesting case illustrations can be drawn from EPL manager performance in recent seasons. We exclude factors 1 and 3 here from Hope's model based on the statistical phenomenon of regression to the mean. In relation to changing a football manager, it has been argued that the perceived honeymoon period and the weight if the most recent games are outweighed by the principle of regression to the mean. It is this phenomenon which is taking place when we witness a small improvement in performance immediately after a new manager is appointed (Bruinshoofd and ter Weel, 2003). Crucially, however, this marginal improvement in performance may have happened regardless of the sacking, suggesting that it may have been more beneficial for the clubs to retain their managers rather than be faced with substantial compensation fees. In relation to the trapdoor factor, Hope (2003) suggests a trapdoor of 0.74 points per game. Should a manager fall under 0.74 points per game, then a sacking should be considered. Analysing some of the most recent successful managerial campaigns in the EPL highlights some interesting findings in relation to this measure. For example, Martin O'Neill resigned as manager of Aston Villa in 2010 following media pressure and perceived poor on-pitch performance, yet his points per game figure during his reign was 1.55. Furthermore, in the 19 games before O'Neill was appointed and the 19 games after his dismissal, Aston Villa's points per game was actually 1.11. There are further high profile examples in recent years where managers have been dismissed despite recording a higher points per game figure (PPG) of 0.74 (Roberto Mancini at Manchester City (2.05 PPG), Rafael Benitez at Liverpool (1.90 PPG), Roberto Di Matteo at Chelsea (1.83 PPG), Harry Redknapp at Tottenham Hotspur (1.73 PPG)) suggesting that the trapdoor figure provided in Hope's model is not being used as a tool for consideration of when a manager should be relieved of their duties. These examples also suggest that the dismissal of these managers was ill-advised if the focus was exclusively on points per game as an indicator of performance.

Thus, there are numerous other factors that will therefore affect the decision to replace a manager and it is important that these are considered, both for the club itself and the managers. To that end, this paper offers a viewpoint on the factors influencing managerial

change with reference to high profile examples from the EPL. A number of these factors are now discussed in turn in the following sections of the paper.

### **Controllable factors**

The majority of research to date focuses on the impact of managerial change on performance. There is a lack of literature on the factors that contribute to a manager being dismissed. Part of the purpose of the paper is to introduce some of these factors and consider the ethical and moral implications. To assist with this discussion, we have divided the factors into two sections; controllable and uncontrollable. **These factors are outlined in table 1 and discussed in turn with references to the extant literature.**

#### **Table 1 about here**

#### End of contract

The most logical time for a change and management, as suggested by Tena and Forrest (2007), is at the end of a specified period of time (i.e. the end of a contract). The manager can control this because it is time bound and all parties are aware of the terms of the contract. However, in professional football, more and more contracts in the modern day game have clauses inserted in them that give less security to the terms of the contract. Many of these are performance related and the role of the football manager is ultimately to maintain a high level of on-pitch performance. Subsequently, it is very rare in the present day football industry that a manager will be dismissed purely because their contract has expired. More often than not, a change in a manager is through a forced dismissal or retirement.

#### Poor managerial skills/performance

The main objective of a professional football club is a simple one. Football clubs are judged by their performance on the pitch with emphasis on winning the match, obtaining three points and moving up the league table as a result. Flint et al. (2014) stated that the main role of the football manager is controlling and maintaining on-pitch performance. Thus, if the club is not winning matches and not progressing, the blame is often directed towards the manager. Football managers are aware of the importance of winning football matches as part of their job role, making the performance of the club a controllable factor to some extent. Obviously, there are other elements that will affect on-pitch performance although these are often outside



of the football managers' control. A number of these factors suggested in this paper are discussed in turn in the following section.

## **Uncontrollable Factors**

### Players

The Bosman ruling heralded the arrival of free agency in the European footballers' labour market. Such an influx of overseas talent has generally been perceived to have improved the quality of playing standards in the EPL. However, the liberalisation of rules governing football's labour market has greatly widened disparities between the earnings capability of the top players and the rest (Dobson and Goddard, 2011). The Bosman ruling has meant that players seeking a new contract or a new club are in a stronger position to bargain for high remuneration when negotiating new deals. Subsequently, this has ultimately led to the rise of player power and players often influencing decisions taken at managerial level. It is not unusual in the modern day game for players to be earning more than the manager and this has implications for the power and hierarchical relationships within a professional football club. In the past there have been high profile instances of a breakdown in the relationship between the player and the manager. For example, Sir Alex Ferguson once allegedly kicked a boot in the dressing room that hit David Beckham in the face and Alan Shearer was very vocal as a player about how much he disliked the Newcastle manager at the time Ruud Gullit. In the first instance, owing to the power that Sir Alex Ferguson held at Old Trafford, it was actually the player (Beckham) that ended up being transferred to Real Madrid but there were rumours that when David Moyes was sacked by the same club in April 2013 that there was an element of player influence in the decision.

Such influences add increased pressure for the football manager that might not be present in a number of other industries and organisations. Admittedly, it is unusual for everyone in an organisation to get on with each other all of the time but it rare to see reflections of the hierarchical nature professional football clubs in other businesses where other employees can have such a powerful undermining effect on the manager, who by definition should be in a position of relative strength.

### Changes in Ownership Structure

The relationship between ownership structure and business performance has been examined extensively in corporate finance literature (Wilson, Plumley and Ramchandani, 2013).

Ownership structure is considered an important tool for corporate governance to resolve any conflict of interests between shareholders and managers (Hu and Izumida, 2008). However, in relation to the professional football industry, often any conflict of interest between shareholders and managers results in the manager being dismissed. It is acknowledged in the paper by Wilson et al. (2013) that the ownership systems in place at professional football clubs are vastly different to those in place in more 'traditional' businesses and industries. Furthermore, the EPL in particular has seen an increase in foreign ownership in recent years (see Walters and Hamil, 2010; Wilson et al., 2013). Given the sheer revenue that the league generates and the opportunity for increased global commercial activities alluded to earlier, it is not surprising that the EPL has attracted considerable outside investment. In the mid-1990s investment came from city institutions, around the millennium it came from media companies and most recently investment has come from wealthy individual owners.

Increasingly, these wealthy individuals owners come from overseas, further underlining the global appeal of the EPL. Although Mohammed Al-Fayed purchased Fulham Football Club in 1997, the first major occurrence of foreign investment in the EPL was Russian billionaire Roman Abramovich's purchase of Chelsea Football Club in 2003 and since then there has been a steady influx of foreign investors at EPL clubs (the Glazers at Manchester United, John W. Henry at Liverpool, Randy Lerner at Aston Villa and the Abu Dhabi royal family at Manchester City to name a few). Indeed, at the time of writing, 10 of the 20 EPL have majority shareholders that are foreign (equivalent to 50% of clubs in the league). In some ways, the acquisition of Chelsea by the Russian billionaire Roman Abramovich in 2003 heralded a return to a more traditional model of football club ownership and finance, albeit on a far more extravagant scale than had ever been witnessed previously, in English football or elsewhere (Dobson and Goddard, 2011).

However, what has not remained traditional in relation to the influx of investment is the stability of the football manager's job. With reference to the aforementioned Abramovich, Chelsea has had ten different managers since the Russian acquired the club with eleven managerial changes in total (Jose Mourinho returned to the role in June 2013 having previously managed the club from June 2004 to September 2007). That is equivalent to at least one managerial change per year and supports the argument that the role of the football manager is one of chronic insecurity (Dobson and Goddard, 2011). There have also been further instances of an increasing number of managerial dismissals at clubs that have been

taken over by foreign investors. Manchester City have had four different managers since the Abu Dhabi royal family took over in September 2008 and Manchester United went against their principles of giving a new manager time to adjust in the post-Sir Alex Ferguson era by sacking David Moyes after just 10 months in charge and replacing him with Louis Van Gaal in the summer of 2014. Perhaps the most bizarre example is at Leeds United. New owner Massimo Cellini (who acquired the club in April 2014) disposed of a manager just six games into a new season. Furthermore, during his time as owner of Cagliari Football Club in Italy, Cellini sacked 36 managers during his 22-year reign (BBC, 2014). Admittedly, some of these are extreme examples at one end of a continuum but it appears that ownership structure does play a part in the decision to sack a manager. This is ultimately an uncontrollable factor for the football manager and one that any manager will have to contend with upon taking up the role. Arguably, this factor is more pronounced at a club with a wealthy benefactor or large revenues and cash reserves as the owner is less concerned with the cost of compensation should they wish to disperse with a manager. This appeared to be the case with David Moyes at Manchester United. The club reportedly ended up settling a compensation fee of around £5m with David Moyes upon termination of his contract. However, the club subsequently missed out on a minimum of around £25m that they would have been paid had they finished in the top four and qualified for the Champions League. If David Moyes' successor returns them to this competition following the 2014/15 season then the £5m cost of compensation may not feel like a substantial loss.

#### Financial rewards

As previously stated in the context section of this article, the financial rewards available to professional football clubs have increased exponentially in recent years. Each position in the EPL is worth at least an estimated £750,000 and promotion to the league itself is worth an estimated £120m with at least £60m of that guaranteed upfront. There is little doubt that financial factors will play a part in the dismissal of a football manager and research by Flint et al., (2014) found that the clubs threatened by relegation (i.e. clubs that were in the bottom half of the table) improved their position by dismissing a manager. The financial rewards argument is not merely exclusively to the bottom half of the table however. Qualification for European competition can bring with it increased financial rewards and the decision to change a manager for clubs that generally tend to compete in the top half of the table is often driven by the pressure to qualify for European competitions.

Indeed, UEFA distributed a total of €904.6m in prize money to all clubs that competed in the Champions League for the latest set of figures available (2013/14). The winners of this competition, Real Madrid, earned the most in prize money (€57.4m) with the runners up, Atletico Madrid, receiving €50m. Of the English clubs that competed in the Champions League in 2013/14 Arsenal and Manchester City reached the last 16 whilst Manchester United reached the quarter-finals and Chelsea the semi-finals. This performance meant that these four clubs gained prize money of €27.2m (Arsenal), €35.4m (Manchester City), €44.7m (Manchester United) and €43.4m (Chelsea). In light of these figures it is suggested that the financial rewards of sporting performance add a further uncontrollable factor for professional football managers. A further caveat that outlines the insecurity of the football manager's job is that even the most sought after success does always guarantee continued employment. Chelsea owner Roman Abramovich has made no secret of his desire to win the Champions League since he took over ownership of the club in 2003. In 2012, Roberto Di Matteo led Chelsea to the final of the Champions League where they defeated Bayern Munich on penalties to secure their first ever European Cup. The resulting outcome for Di Matteo was not an extended contract or pay-related bonus but rather a termination of his contract to make way for the return of Jose Mourinho.

## Fans

The influence that fans can have on their club and the pressure that they exert on the managerial structure is perhaps best referenced through the link to the supporters trust model of ownership which is the third main ownership structure relevant to EPL clubs (Walters and Hamil, 2010). According to Walters and Hamil (2010), the supporter trust model of ownership has grown in strength since 2000 when the Labour government backed the establishment of an organisation called Supporters Direct, whose remit was to promote the trust concept. A statement on the Supporters Direct website states that "we exist because we are needed: the game can be better run and should be more responsive to the needs of its fans and local communities" (Supporters Direct). Notable examples of clubs that have followed this model of ownership include Swansea City, FC United of Manchester, AFC Wimbledon and further back in time Exeter City and Brentford. Within these clubs, the fans as directors had an influence over the selection of the manager. However, the supporters trust model has yet to prove its applicability to the EPL. Indeed, Brown (2007: 617) infers that such a model has "totally failed to demonstrate how it can work in a company the size of Manchester United where major corporate finance is needed to create a meaningful stake". Whilst fans of

EPL clubs may not have a direct impact on the decision to hire or fire a manager, it is established that they have a passive impact on the outcome. Terrace chants such as "you're getting sacked in the morning" are often heard as a response to poor performance (an aforementioned controllable factor) and place added pressure on the board of directors to act as the fans contribute significantly towards the clubs in relation to revenue.

What is important to note is that management in the EPL is very different and somewhat incomparable to other forms employment in the UK, primarily because of the finances involved in this sport. For example, as highlighted in this article, there are many uncontrollable factors that may lead to managerial change. One of the basic rules of working as a psychologist in performance related activity is for the client to focus on the controllable factors of their performance and by doing so, to some degree, dealing with these controllable factors is all that can be asked of a performer. However, the influence that uncontrollable factors have on a manager's position at an EPL club is likely to have an impact on their tenure. For example, media hype when a manager is under pressure due to a string of poor performances is likely to influence the fan base and collaboratively increase pressure on club stakeholders to consider managerial change.

### **Employee dismissal in the UK**

Essentially there are four means of employee dismissal in the UK which all employers by law are expected to meet (HM Government, 2014). The first is 'fair dismissals' where there is a valid reason for terminating an employment contract. Fair dismissals refer to an employee's incapability to perform their duties to the required standard, that despite their capability they do not perform their duties, due to misconduct, redundancy, or if the employee is legally unable to perform their duties (e.g., loss of driving licence). Second is 'unfair dismissals' which occurs when the employee believes the reason for dismissal is unfair, that the employer has acted unreasonably when dismissing the employee (e.g., inadequate notice to warn the employee of their dismissal), or if the reason for dismissal was not the real reason. It should be noted here, that despite acting reasonably, unfair dismissal does not allow the employer to dismiss an individual unless there is a valid reason. For example, a fixed-term employee cannot be dismissed unless the employer has a valid reason for terminating their contract. Third is constructive dismissal which refers to the employee resigning due to a breach in their employment contract such as a cut in their wages that has not been agreed, unfairly increasing their workload or changing the location of the workplace at short notice.

Fourth is wrongful dismissal which refers to a break in the dismissal process of an employee's contract, for example not giving the employee proper notice (HM Government, 2014).

### **General discussion**

With reference to the four means of employee dismissal above, managerial change based on performance would fall into fair dismissal as despite their capabilities they fail to perform their duties. However, given that most if not all managerial change in the English Premier League is an instant dismissal and therefore there is inadequate notice to warn the employee of their dismissal. The length of employment dictates the period of notice that employers legally need to provide. According to the Employment Rights Act (1996), if an employer terminates an employee's contract who has been employed for one month or more, the notice period must: not be less than one week if the period of continuous employment is less than two years; not be less than one week for each year of continuous employment if this period is two years or more but less than twelve years; or not be less than twelve weeks' if the period of continuous employment is twelve years or more. Thus, given the instability of managers in the EPL and the amount of sackings that have occurred between one month and two years of appointment, clubs should give the manager one weeks' notice. However, there is a loop hole in the Employment Rights Act, 1996), which is how clubs are able to dismiss a manager instantly:

*“Any provision for shorter notice in any contract of employment with a person who has been continuously employed for one month or more... this section does not prevent either party from waiving his right to notice on any occasion or from accepting a payment in lieu of notice”.*

This more recently has led to a large pay off for the outgoing manager as the contract has been breached by the employer. Whilst this 'pay off' is agreed between the employer and employee and is lawful in line with the Employment Rights Act (1996), ethically there is a question as to whether the employer should be permitted to act in this way, essentially bypassing the stated four means of employee dismissal in the UK. The money involved in the EPL has allowed clubs to dismiss managers instantly in this way, which whilst needs to be agreed between both parties, it may be suggested is removing the rights of an employee.

Instances of wrongful dismissal in the EPL have been noted previously. For example, whilst manager of West Ham United, Alan Curbishley was granted ultimate sole authority in relation to the same and purchase of players in his contract. However, against the wishes of Curbishley, the club sold players Anton Ferdinand and George McCartney to Sunderland, a move that saw Curbishley resign from his post and take the matter to court. The Tribunal upheld Curbishley's claim of wrongful dismissal due to the breach of contract. Whilst this example doesn't necessarily provide a direct instance of the club sacking a manager, the fact that the club acted outside of the contracted agreement led to Curbishley's resignation which he was entitled to do based on the clubs actions (League Managers Association, 2009).

However, this is the case in relation to fair dismissal where the employee is unable to perform their duties to the required standard, which is not always the cause of managerial change in the EPL. In some instances, managerial change may occur despite achieving the duties of the role such as pressure from club supporters (Walters and Hamilton, 2010). Whilst much has been made about the sums of money involved in player transfers with in many cases finance the driving force, instant managerial change also appears to be made possible due to the finances involved in the decision. It is unlikely that this would occur in any other form of employment in the UK, where an employee is not given their full notice, warning them of them of their dismissal or that they can work the statutory notice period.

## **Conclusion**

Despite the recent findings of Flint et al. (2014) who reported that managerial sackings for clubs in the bottom half of the English Premier League is beneficial, greater consideration appears to be warranted relating to the ethical issues in relation to human rights as stated in this article. EPL clubs appear to sack their manager instantly, which is a violation of the statutory notice period. Ethically, the human rights of managers may have been removed by allowing clubs to use their finances to implement instant managerial change. Furthermore, there are uncontrollable factors that may cause managerial change that fall outside of what constitutes fair dismissal. Managerial change has and will continue to be discussed by the media and from a research perspective remains a topic for enquiry. Yet whilst the focus of research enquiry has focused on how managerial change impacts performance related outcomes, there remains a question as to whether the current practices seen in the EPL are ethically and morally correct. The implications for the individual in this decision are not primary priority for EPL clubs, whether that may be the impact of the job loss and breaking

bonds with a club, how this effects future prospects and the potential of relocation as a consequence.

The instability of managing an EPL club which managers are explicitly aware of in this competition is likely to impact quality of life. A window mirroring that which is now enforced for player transfers has been also been suggested for managers which would certainly provide more stability to a club and reduce the anxiety of knowing that any day you may lose your job. A question posed but not answered to date, is why players have the right to a transfer window but managers don't? There are clearly many questions to be considered in relation to managerial change in the EPL, some of which have been highlighted as part of this article. Thus, this article should therefore be used as a stimulus for future debate and research enquiry. In sum, we have provided a thought-provoking account of the ethical and in some instances legal issues relevant to managerial change that is often overlooked when examining this topic. The fact remains as noted by Sir Matt Busby that "the sack is an occupational hazard. I do not care what system football is suffering from at any time on the field of play, some team finishes bottom and that means very often, exit manager" (Wilders, 1976).



## References

- Audas, R., Dobson, S. and Goddard, J. (1997), Team performance and managerial change in the English football league. *Economic Affairs*, Vol. 17 No. 3, pp. 30-36.
- BBC Sport Online. (2014), Leeds: Massimo Cellino sacks 36th Cagliari boss in 22 years. <http://www.bbc.co.uk/sport/0/football/26923518>. [Last accessed 30th September 2014]
- Bell, A., Brooks, C., and Markham, T. (2013), The performance of football club managers: Skill or luck? *Economics and Finance Research*. Vol. 1 No. 1, pp. 19-30.
- Brown, A. (2007), 'Not for sale'? The destruction and reformation of football communities in the Glazer takeover of Manchester United. *Soccer & Society*, Vol. 8 No. 4, 614-635.
- Bruinshoofd, A. and ter Weel, B. (2003), Manager to go? Performance dips reconsidered with evidence from Dutch football. *European Journal of Operational Research*, Vol. 148 No. 2, pp. 233-46.
- Deloitte. (2013), Annual Review of Football Finance: Turn On, Tune In, Turnover. Sport Business Group: Manchester.
- Deloitte. (2014), Annual review of football finance: A premium blend. Sport Business Group: Manchester.
- De Paola, M. and Scoppa, V. (2012), The effects of managerial turnover: Evidence from coach dismissals in Italian soccer teams. *Journal of Sports Economics*, Vol. 13, pp. 152-68.
- Dobson, S and Goddard, J. (2011), *The Economics of Football*, 2<sup>nd</sup> edition. Cambridge University Press: Cambridge.
- Employment Rights Act. (1996), <http://www.legislation.gov.uk> [Last accessed 28<sup>th</sup> September 2014].
- Ferrand, A. and Pages, M. (1999). *Image management in sports organisations: the creation of value*. *European Journal of Marketing*. Vol. 33 No. 3/4 , pp. 387-402.
- Flint, S.W., Plumley, D., and Wilson, R. (2014), You don't know what you are doing! The impact of managerial change on club performance in the English Premier League. *Journal of Managing Leisure: an International Journal*. [Advanced online publication]
- Frick, B. and Simmons, R. (2008), The impact of managerial quality on organizational performance: Evidence from German soccer. *Managerial and Decision Economics*, Vol. 29 No. 7, pp. 593-600.

- Gonzalez-Gomez, F., Picazo-Tadeo, A.J. and Garcia-Rubio, M.A. (2011). The impact of a mid-season change of manager on sporting performance. *Sport Business and Management: An International Journal*, Vol. 1 No. 1, pp. 28-42.
- Haskins, M. (2013). Oft-overlooked business wisdom highlighted from the youth-soccer sidelines. *Management Decision*. Vol. 51 No. 5, pp. 921-937.
- Heuer, A., Müller, C., Rubner, O., Hagemann, N., & Strauss, B. (2011). Usefulness of dismissing and changing the coach in professional soccer. *PloS one*, Vol. 6 No. 3, e17664.
- Hope, C. (2003), When should you sack a football manager? Results from a simple model applied to the English Premiership. *Journal of the Operational Research Society*, Vol. 54, pp. 1167-76.
- HM Government (2014), Dismissing staff. <https://www.gov.uk/dismiss-staff> [Last accessed 20<sup>th</sup> June, 2014].
- Hu, Y., & Izumida, S. (2008), Ownership concentration and corporate performance: A causal analysis with Japanese panel data. *Corporate Governance: An International Review*, Vol. 16 No. 4, pp. 342-358.
- Koning, R.H. (2003), An econometric evaluation of the effect of firing a coach on team performance. *Applied Economics*, Vol. 35 No. 5, pp. 555-64.
- League Managers Association. (2009), Alan Curbishley v West Ham United FC. <http://www.leaguemanagers.com> [Last accessed 28<sup>th</sup> September 2014].
- Madichie, N. (2009), Management implications of foreign players in the English Premiership League Football. *Management Decision*, Vol. 47 No. 1, pp. 24-50.
- Ratten, V. (2011a), Practical implications and future research directions for international sports management. *Thunderbird International business Review*, Vol. 53 No. 6, pp. 763-70.
- Ratten, V. (2011b). Sport-based entrepreneurship: towards a new theory of entrepreneurship and sport management. *International Entrepreneurship and Management Journal*. Vol. 7 No. 1 pp. 57-69.
- Ratten, V. and Ratten, H. (2011). International sport marketing: practical and future research implications. *Journal of Business and Industrial Marketing*. Vol. 26 No. 8, pp. 614-620.
- Stacey, R.D. (2003), *Strategic Management and Organisational Dynamics: The Challenge of Complexity*, 4<sup>th</sup> edition. Pearson Education Limited: Harlow.

- Tena, J. and Forrest, D. (2007), Within-season dismissal of football coaches: Statistical analysis of causes and consequences. *European Journal of Operational Research*, Vol. 181 No. 1, pp. 362-373.
- The Football Association Premier League Limited. (2012), *Premier League Season Review 2011/12*. The Football Association: London.
- Walters, G. & Hamil, S. (2010), Ownership and governance. In Hamil, S and Chadwick, S. (eds.) *Managing Football: An International Perspective*. Butterworth-Heinemann, Oxford.
- Williams, P. (2012), Any given Saturday: competitive balance in elite English rugby union. *Managing Leisure*, Vol. 17 No. 2-3, pp. 88-105.
- Wilders, M.G. (1976), The football club manager—A precarious occupation?. *Journal of Management Studies*, Vol. 13 No. 2, pp. 152-163.
- Wilson, R., Plumley, D., & Ramchandani, G. (2013), The relationship between ownership structure and club performance in the English Premier League. *Sport, Business and Management: An International Journal*, Vol. 3 No. 1, pp. 19-36.