

The Impact of a Leadership Change on Individuals' Behaviour and Incentives: Evidence from the Top Tier Italian Football League

Authors : Kaori Narita, Juan de Dios Tena Horrillo, Claudio Detotto

Abstract : Decisions on replacement of leaders are of significance and high prevalence in any organization, and concerns many of its stakeholders, whether it is a leader in a political party or a CEO of a firm, as indicated by high media coverage of such events. This merits an investigation into the consequences and implications of a leadership change on the performances and behavior of organizations and their workers. Sport economics provides a fruitful field to explore these issues due to the high frequencies of managerial changes in professional sports clubs and the transparency and regularity of observations of team performance and players' abilities. Much of the existing research on managerial change focuses on how this affects the performance of an organization. However, there is scarcely attention paid to the consequences of such events on the behavior of individuals within the organization. Changes in behavior and attitudes of a group of workers due to a managerial change could be of great interest in management science, psychology, and operational research. On the other hand, these changes cannot be observed in the final outcome of the organization, as this is affected by many other unobserved shocks, for example, the stress level of workers with the need to deal with a difficult situation. To fill this gap, this study shows the first attempt to evaluate the impact of managerial change on players' behaviors such as attack intensity, aggressiveness, and efforts. The data used in this study is from the top tier Italian football league ("Serie A"), where an average of 13 within season replacements of head coaches were observed over the period of seasons from 2000/2001 to 2017/18. The preliminary estimation employs Pooled Ordinary Least Square (POLS) and club-season Fixed Effect (FE) in order to assess the marginal effect of having a new manager on the number of shots, corners and red/yellow cards after controlling for a home-field advantage, ex ante abilities and current positions in the league of a team and their opponent. The results from this preliminary estimation suggest that the teams do not show a significant difference in their behaviors before and after the managerial change. To build on these preliminary results, other methods, including propensity score matching and non-linear model estimates, will be used. Moreover, the study will further investigate these issues by considering other measurements of attack intensity, aggressiveness, and efforts, such as possessions, a number of fouls and the athletic performance of players, respectively. Finally, the study is going to investigate whether these results vary over the characteristics of a new head coach, for example, their age and experience as a manager and a player. Thus far, this study suggests that certain behaviours of individuals in an organisation are not immediately affected by a change in leadership. To confirm this preliminary finding and lead to a more solid conclusion, further investigation will be conducted in the aforementioned manner, and the results will be elaborated in the conference.

Keywords : behaviour, effort, manager characteristics, managerial change, sport economics

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