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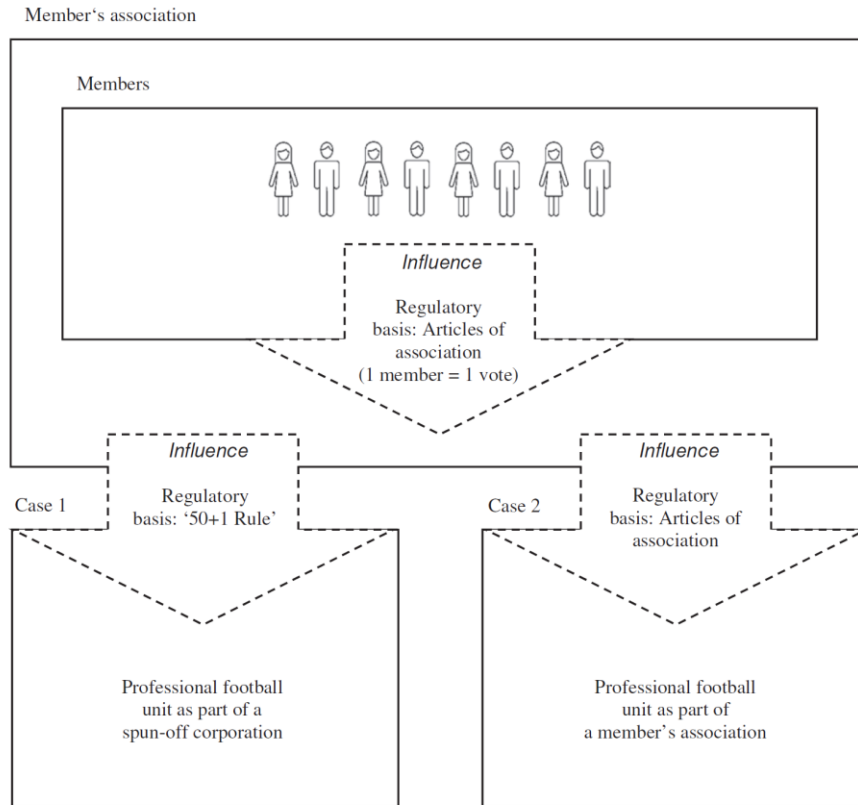
# **THE QUALITY OF CLUB GOVERNANCE IN GERMAN PROFESSIONAL FOOTBALL: AN EMPIRICAL ANALYSIS AND CRITICAL REFLECTION**

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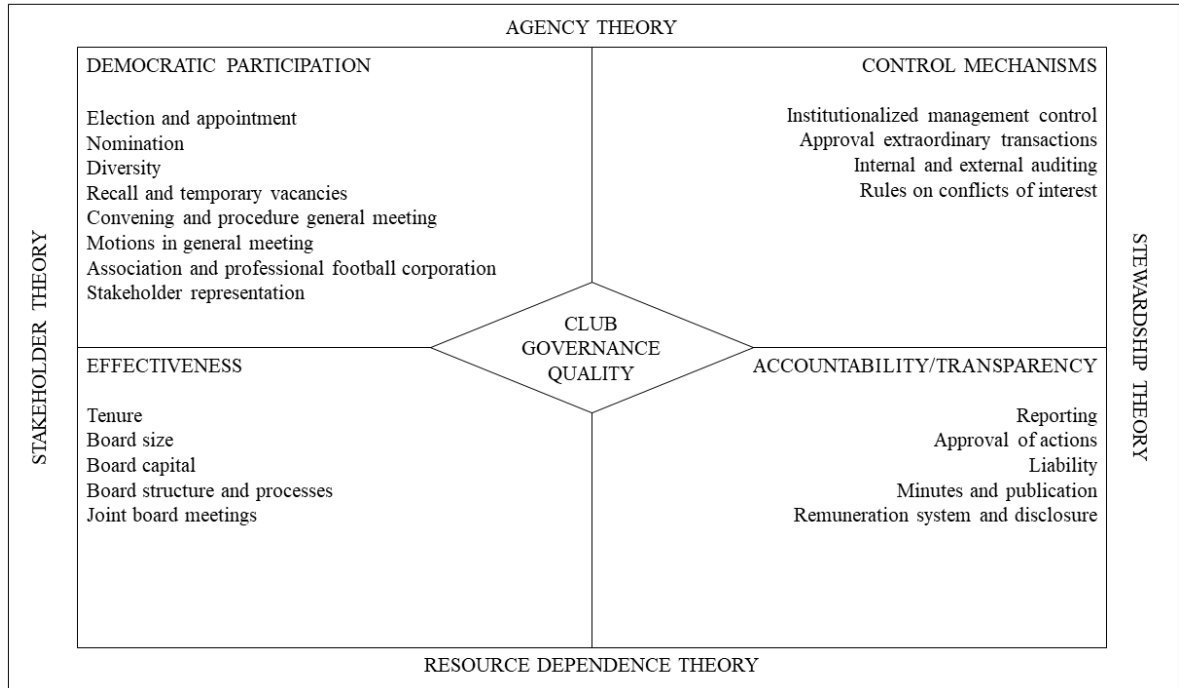
## OBJECTIVES

1. To develop a conceptual model to analyze the governance system of professional football membership clubs in Germany
2. To construct the Club Governance Quality Scale (CGQS), which these organizations can use to measure and develop their club governance quality
3. To empirically measure the club governance quality of professional football membership clubs in Germany
4. To derive implications for improving club governance quality of professional football membership clubs in Germany

# GOVERNANCE OF PROFESSIONAL FOOTBALL IN GERMANY



# CONCEPTUAL MODEL TO ANALYZE THE GOVERNANCE SYSTEM OF PROFESSIONAL FOOTBALL MEMBERSHIP CLUBS IN GERMANY



# CLUB GOVERNANCE QUALITY SCALE - CATEGORIES



# CLUB GOVERNANCE QUALITY SCALE - RESULTS

Category	Score	Score <sub>max</sub>	Score <sub>effective</sub>
General Meeting	CGQS <sup>Krit</sup> (1) <sub>B246</sub>	46	21.84
	CGQS <sup>Krit</sup> (1) <sub>S100</sub>	18.7	8.88
	CGQS <sup>Kat</sup> (1) <sub>S100</sub>	14.28	6.78
Management Board	CGQS <sup>Krit</sup> (2) <sub>B246</sub>	64	26.23
	CGQS <sup>Krit</sup> (2) <sub>S100</sub>	26.02	10.66
	CGQS <sup>Kat</sup> (2) <sub>S100</sub>	14.28	5.85
Supervisory Board	CGQS <sup>Krit</sup> (3) <sub>B246</sub>	54	12.69
	CGQS <sup>Krit</sup> (3) <sub>S100</sub>	21.95	5.16
	CGQS <sup>Kat</sup> (3) <sub>S100</sub>	14.28	3.36
Nomination Committee	CGQS <sup>Krit</sup> (4) <sub>B246</sub>	16	3.35
	CGQS <sup>Krit</sup> (4) <sub>S100</sub>	6.5	1.36
	CGQS <sup>Kat</sup> (4) <sub>S100</sub>	14.28	2.99
Disciplinary Board	CGQS <sup>Krit</sup> (5) <sub>B246</sub>	22	5.49
	CGQS <sup>Krit</sup> (5) <sub>S100</sub>	8.94	2.23
	CGQS <sup>Kat</sup> (5) <sub>S100</sub>	14.28	3.57
Internal and External Auditors	CGQS <sup>Krit</sup> (6) <sub>B246</sub>	26	7.02
	CGQS <sup>Krit</sup> (6) <sub>S100</sub>	10.57	2.86
	CGQS <sup>Kat</sup> (6) <sub>S100</sub>	14.28	3.86
Advisory Board	CGQS <sup>Krit</sup> (7) <sub>B246</sub>	18	1.86
	CGQS <sup>Krit</sup> (7) <sub>S100</sub>	7.32	0.75
	CGQS <sup>Kat</sup> (7) <sub>S100</sub>	14.28	1.47
Total Scores	CGQS <sup>Krit</sup> <sub>B246</sub>	246	78.48
	CGQS <sup>Krit</sup> <sub>S100</sub>	100	31.90
	CGQS <sup>Kat</sup> <sub>S100</sub>	100	27.88

## EXAMPLES: BARRIERS DEMOCRATIC PARTICIPATION

Dimension	Sub-dimension	Barrier	Consequence for participation
Democratic participation	Convening and procedure general meeting	Delegate Meeting (4%) No annual meeting (5%) No proxy regulation (97 %) No postal or internet-based voting (99 %) Short term convening periods (<14 days, 50 %) Impersonal forms of convocation (50 %)	No access for all members No timely management control Transaction cost, rational apathy Transaction cost, rational apathy  No sufficient time to participate in club decision making Information cost
	Motion in general meeting	Short term periods for filing motions (<15 days, 90 %) No individual right to file motions (50 %)	No sufficient time to participate in club decision making Transaction cost, rational apathy
	Relationship between member's association and football corporation	No regulation on participation in decisions changes in club structures (84 %) No regulation on representation of member's association in club bodies football corporation (81 %)	Indirect influence on club decision making, decrease in fan welfare  No indirect influence on club decision making, decrease in fan welfare

# RECOMMENDATIONS

## Democratic representation

- Appointment management board by supervisory board
- Election of remaining club governing bodies by member's meeting
- No right to nominate candidates by incumbent management board
- Screening of candidates to be elected in club governing bodies by independent nomination/election committee

## Control mechanisms

- Mandatory implementation of supervisory board, internal and external auditors and nomination/election committee
- Mandatory consent of supervisory board in extraordinary transactions
- Disclosure requirement of conflict of interests of club governing body members
- Exclusion of club governing body members with conflicts of interests in decision-making processes
- Exclusion of management board with conflict of interests from representation of club

## Accountability/Transparency

- Obligation of quarterly reporting management board
- Reporting requirements management board as a duty demand by supervisory board

## Effectiveness

- Joint board meetings of management board and supervisory board





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# THANK YOU FOR YOUR ATTENTION!

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