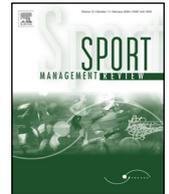




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Achieving organizational de-escalation: Exit strategy implementation among United States collegiate athletic departments[☆]



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ABSTRACT

Given the increasing commitment associated with NCAA Division I participation, higher learning institutions in the United States have recently engaged in initial stages of de-escalation behavior, or the reversal of escalating commitment via project termination or redirection. However, difficulty arises upon implementation of the selected alternative exit strategy. Applying escalation of commitment theory, this collective case study explored exit strategy implementation among institutions ($N=8$) having achieved organizational de-escalation. Participants ($n=32$) included decision makers involved in athletics exit strategy implementation. NVivo 9 was employed for analyzing collected data throughout the course of a three-step coding process. Findings revealed the importance of presenting stakeholders with objective data concerning the true costs of participation in a non-consulting manner. Additionally, exit implementation should consider the most timely departure possible, accounting for project-specific consequences potentially hindering de-escalation achievement. Finally, decision makers at institutions incorporating newly formed athletic-related initiatives did not exhibit impression management in de-institutionalizing the former course of action.

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A recent international trend within the sport industry involves exploring the financial underpinnings of sport leagues and organizations. Typically, much of the discussion centers around how select clubs and franchises are escalating spending while remaining clubs and franchises must decide whether to accrue additional debt in keeping up or risk alienating fans. Examples of this behavior abound, including teams within the English Premier League (Scott, 2012), Japan's Nippon Baseball League (Garger, 2004), and host cities of the Olympic Games (Clarke, 2012; Sanburn, 2012). In the National Collegiate Athletic Association (NCAA), a voluntary organization overseeing the highest level of collegiate sport in the United States of America (USA), median Division I operating budgets exceed \$50 million, with select programs reaching nearly \$140 million (Associated Press, 2013). However, research reveals only 23 of 228 Division I institutions reporting a profit in athletic-related initiatives for 2012 (Fulks, 2013). Further, total expenses among Division I programs continues to increase, with the growth rate of expenses among Football Bowl Subdivision (FBS) institutions outpacing the growth rate of revenue generated (Fulks, 2013).

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Within the non-profit higher education environment in the USA, immense stakeholder involvement and isomorphic pressures to maintain the status quo of Division I competition complicate this issue. Higher education administrators frequently encounter decisions regarding appropriate commitment to Division I athletics amidst the noted evidence of limited profitability and increasing costs² (Fulks, 2013; Gragreen, 2012; Roy, Graeff, & Harmon, 2008). In response, several Division I institutions have recently engaged in early stages of de-escalation behavior, reversing escalating commitment from a failing course of action by enacting initial redirection efforts. Yet, difficulty arises upon implementation of an alternative course of action. Consider the case of Rice University, a long-time NCAA Division I member in the USA.

Based on the findings from a 2003 faculty-led study recommending the discontinuation of Division I football and a de-emphasis on athletics, the Rice Board of Trustees commissioned McKinsey & Co., a management-consulting firm, to conduct an investigation into the most suitable athletics commitment for the university (Hlavinka, 2004; McKinsey Report, 2004). Results of the near year long examination provided dubious evidence supporting continued participation in the Division I classification (Hlavinka, 2004). Upon receiving the report from McKinsey & Co. in April of 2004, Board of Trustee members determined to implement one and/or two of the four alternatives presented: football program abolishment and/or reclassification to Division III (Walker, 2004). The planned changes were scheduled to be voted on at the May 1 Board meeting and, given approval, publically announced and implemented immediately. However, execution of the planned exit strategy was leaked and by April 20, supporters of maintaining Division I participation rallied a group of highly committed stakeholders to oppose the impending resolution (Hlavinka, 2004). Initiated and led by a newly formed group called Friends of Rice Athletics, constituents engaged in an extensive five-week pro-Division I campaign, generating thousands of Board-directed e-mails, staging on- and off-campus rallies, and even enlisting a public relations specialist (Ackerman, 2004). On May 21, following lengthy discussions and input from several stakeholder groups, the Board of Trustees relinquished the planned exit strategy, electing to maintain the existing Division I commitment (Hlavinka, 2004).

Amidst substantial empirical research on escalating commitment, (Arkes & Blumer, 1985; Astebro, Jeffrey, & Adomdza, 2007; Brockner & Rubin, 1985; Brockner, 1992; Staw & Ross, 1987; Teger, 1980), limited research has considered the processes associated with reducing or preventing excessive commitment (Montealegre & Keil, 2000). Regarded as de-escalation of commitment, research indicates the process-oriented nature of such procedures, identifying distinct phases of advancement (Keil & Montealegre, 2000; Mähring, Keil, Mathiassen, & Pries-Heje, 2008; Montealegre & Keil, 2000). Montealegre and Keil (2000) proposed a four-phase de-escalation of commitment model, inclusive of key triggering activities driving each phase and concluding with the implementation of an exit strategy.

While research in sport (specifically intercollegiate athletics) has considered factors for de-escalation of commitment (Bouchet & Hutchinson, 2011, 2012; Hutchinson, 2013), limited investigations have considered the processes associated with such a redirection (e.g., Hutchinson & Bouchet, 2014). As evidenced by Rice University, findings from Hutchinson and Bouchet (2014) indicate the potential for distinct difficulty in the final phase of implementing a de-escalation exit strategy. Although many institutions elect to maintain Division I participation, select institutions have achieved de-escalation completion by implementing a predetermined redirection exit strategy. The purpose of this study was to investigate exit strategy implementation among institutions that have achieved commitment de-escalation. Due to the downtrodden nature of the current economic landscape in the USA and extent of requisite athletics resource commitment, the Division I context provided an ideal environment for exit strategy examination. As such, this investigation adhered to a collective case study of eight institutions having implemented a de-escalation exit strategy from their former Division I commitment.

1. Theory

Escalation of commitment theory acknowledges individuals and organizations as prone to situations involving continued and increased commitment to a failing project or course of action amidst the presence of negative feedback (Staw, 1976). Research has extensively investigated escalation-based scenarios, notably focusing on the role of four determinants of commitment—project, psychological, social, structural—outlined by Staw and Ross (1987). As noted by Slesman, Conlon, McNamara, and Miles (2012), several underlying theories serve as a foundation or support for escalation of commitment development, including (but not limited to) agency theory (Eisenhardt, 1989; Jensen & Meckling, 1976), goal substitution effect (Conlon & Garland, 1993), institutional theory (Oliver, 1991, 1992), prospect theory (Kahneman & Tversky, 1979), reinforcement theory (Skinner, 1953), self-justification theory (Aronson, 1968; Festinger, 1957), self-presentation theory (Goffman, 1959; Jones & Pittman, 1982), and subjective expected utility theory (Savage, 1954). While significant in escalation advancement, each of these theories has only served to inform a portion (e.g., one specific determinant) of the overarching theory, thereby demonstrating escalation of commitment's relevance and uniqueness.

As charged by Ross and Staw (1993), research on de-escalation of commitment has investigated avenues for divesting persistent commitment to a failing course of action. Although early escalation research identified de-escalation as limited to project abandonment, more recent investigations have revealed de-escalation as “the reversal of escalating commitment to failing courses of action, either through project termination or redirection” (Keil & Robey, 1999, p. 65). Certainly, de-escalation manifestation may result in project abandonment; however, redirection as “a radical rescoping or redefining of

² This paper makes no attempt to distinguish between rational and irrational behavior on the part of institutional decision makers; only to examine decreasing commitment of those athletic departments and universities.

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