

## The 21<sup>st</sup> Century Athletic Directors: The New Corporate “CEO’s - One Professor’s Perspective

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I am a college professor. I am an avid sports fan. I am a Professor of Business Administration at an NCAA Division II University with a rich athletic tradition, where sports are a vital part of the total “college experience” for students, staff, and faculty. I love sports and have traditionally assumed that most normal Americans who identify themselves as “sports fans” understand the important place an athletic program has concerning the cultural and social atmosphere of a campus, and the importance of its economic sustainability.

Yet, by way of my employment in the both corporate America, and in my role as a business professor in higher education, I have recently been provided with an invaluable epiphany; *many business professionals, and academic administrators, staff, and professors do not comprehend the rigor, knowledge, business acumen, and sheer management skill that is required of modern-day ADs. Many in the academic community, at every level, view the athletic program as simply the most expensive recreational/social extra-curricular activity on campus. There is no collective understanding of the overall professional knowledge and economic, social, political, and organizational skill sets that are required of the 21<sup>st</sup> Century Athletic Director. The Athletic Director of today is the new Corporate CEO.*

In interviewing the BIG IIVX ADs for this piece, my passion became to illustrate to the layman the actual managerial roles and responsibilities that ADs have. I constructed the following interview questions to obtain personal answers from the ADs that would illustrate to their academic colleagues and business associates what ADs actually do!

The idea of this research via interviewing the Athletic Directors of the Big 12 Conference was intriguing, exciting, and provocative; given that the actual job responsibilities of the modern-day ADs has never been explored in terms of their functions as CEOs. Much has been written regarding the leadership styles and decision making processes of corporate CEOs and Vice Presidents; yet, very little analysis concerning the day to day business acumen necessary for athletic directors has ever been scrutinized. As an academician, I used Henry Mintzberg’s Managerial Roles (1975) as the basis for defining the roles of the modern day AD. The money and finances involved in creating and sustaining a competitive athletic program requires a great degree of business acumen, and leadership skills that rival the decisions and leadership processes of many corporate CEOs. In short, modern ADs, regardless of NCAA or NAIA classification are the new breed of modern day “CEOs.”

In the context of college sports and higher education, an argument can also be made that the modern AD faces challenges that are equal to, or even more difficult than that of the Deans of the other major departments or schools at institutions of higher education. The Deans of law, business, engineering, medical, journalism, and English schools no doubt face tough decisions on a daily and yearly basis regarding student retention, recruitment, academic standards, and graduation rates; yet, the athletic departments provide an entertainment product, via their student-athletes, that is second to none in terms of the marketing and national exposure it provides for the institution. As one of the ADs stated during the interview process for this article, the athletic department “is the most visible and tangible marketing tool of the university.” Merchandise sales, television exposure, and the school’s marketing *brand* are all driven by the success of the athletic department teams.

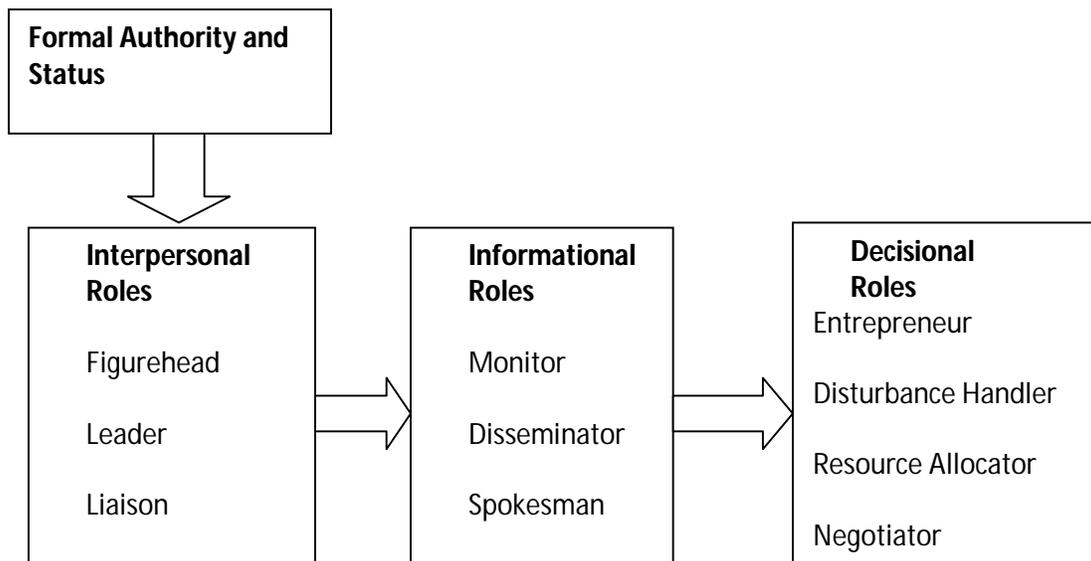
The following ten factors were viewed as the pivotal events that *have* changed, and continue to develop the role of intercollegiate athletics in higher education.

- The NCAA Proposition 48 (1983), Title IX (1972).
- The NCAA inclusion of women’s athletics under the umbrella of NCAA sports (1975-1981).

- The Supreme Court’s 1984 ruling ending NCAA control over football television contracts for its member institutions.
- The formation of the Bowl Championship Series (1998).
- The development of college presidential control over athletics over the past twenty years.
- Escalating coaches’ salaries.
- The increased need for financial sustainability through funding of athletic departments from sources outside of the university context (foundations, private donors, corporate sponsorships).
- New media technologies (social media, talk radio, internet, electronic mail).
- Conference re-alignment at every level.
- The emerging national debate concerning the payment of student-athletes.

Following, the actual interview questions are listed, with charts illustrating the number of ADs that listed job aspects, information, and types of decisions made in terms of first and second priorities, and the aspects that required the most time and energy. The last chart, based on the Mintzberg Managerial Roles is a complete synopsis encompassing the entirety of the way ADs actually view their jobs. The managerial roles (Mintzberg) and professional constituencies of the modern day AD are listed first, as they provide the professional and philosophical bedrock that is the job of the 21<sup>st</sup> Century Athletic Director.

**The Manager’s Roles**



**The Athletic Director Roles and the Mintzberg Model**

<b>Athletic Director (AD) Roles</b>	<b>Mintzberg Roles</b>
1. Management	1. leader, resource allocator
2. Hiring Coaches	2. leader, negotiator
3. Fundraising	3. entrepreneur, resource allocator
4. Assisting University President in Strategic Planning	4. leader, resource allocator
5. University Relations	5. liaison, figurehead, negotiator
6. Alumni Relations	6. liaison, spokesman, figurehead
7. Departmental spokesperson (media & public relations)	7. spokesman
8. Compliance <ul style="list-style-type: none"> <li>• Graduation rates</li> <li>• Title IX</li> <li>• Student-athlete eligibility</li> <li>• Conference policy</li> <li>• Coach and student-athlete adherence to university policies</li> </ul>	8. monitor, disseminator, disturbance handler, leader

## Athletic Director Constituencies

Constituencies
1. President/CEO
2. Athletic Department Staff (Asst. ADs, coaches, student-athletes, administrators)
3. Faculty Representative
4. Alumni/Boosters/Foundation
5. Fan base/ campus constituencies, community members
6. Press/media
7. National Collegiate Athletic Association (NCAA)/National Association of Intercollegiate Athletic Association (NAIA).
8. Conference Office
9. National Association of Collegiate Directors of Athletics (NACDA)
10. Student Government (responsible for decisions regarding financial support)
11. Student Athletic Advisory Council (SAAC)

*Interview Questions*

These are the three interview questions that the ADs were asked in order to provide information that defined their roles, according to their personal experience and opinions.

1. *What aspects of your job have required the most time and energy during your tenure as AD at your current institution?*
2. *What do you view as the most significant kind of information that you receive on a regular basis in your role as AD at your current institution?*
3. *Talk to me about the most important decisions you have had to make during your tenure as Athletic Director at your current institution.*

1. *What aspects of your job have required the most time and energy during your tenure as AD at your current institution?*

Job Aspect	# of ADs Listing as 1 <sup>st</sup> Priority	# of ADs listing as 2 <sup>nd</sup> Priority	# of times listed as requiring most time and energy
<b>1. Personnel/Staff</b> <ul style="list-style-type: none"> <li>• Hiring/firing of coaches/exec. Staff</li> <li>• Resource allocation</li> <li>• Promotions/salaries</li> </ul>	6	3	10
<b>2. Fundraising/Donor &amp; Alumni Relations</b> <ul style="list-style-type: none"> <li>• Capital campaigns</li> <li>• New construction/facility renovations</li> <li>• Donor cultivation &amp; retention</li> </ul>	3	4	10
<b>3. Bureaucracy</b>	1	0	1
<b>4. Financial Forecasting</b>	1	2	2
<b>5. Strategic Planning</b>	0	1	1
<b>6. Compliance/Academic Standards</b>	0	0	1
<b>7. Student Life</b>	1	0	1
<b>8. Communications</b> <ul style="list-style-type: none"> <li>• Letters, electronic mail, telephone communication</li> </ul>	0	1	1
<b>9. Finance</b> (contracts, facilities, meetings)	0	0	1
<b>10. Public Relations/Marketing</b>	0	2	2
<b>11. New Media Challenges</b>	0	1	1
<b>12. Overall Public Accountability</b>	1	0	1
<b>13. Revenue Management</b>	1	0	1

2. *What do you view as the most significant kind of information that you receive on a regular basis in your role as AD at your current institution?*

Most Significant Information (Source)	# of ADs Listing as Most Significant Information	# of ADs listing as 2 <sup>nd</sup> Most Important Type of Information	# of ADs Listing as Significant Information
<b>1. Staff Feedback</b>	6	2	6
<b>2. CFO Information*</b> <ul style="list-style-type: none"> <li>• Fundraising</li> <li>• gifts,</li> <li>• facilities,</li> <li>• long term financing</li> <li>• ticket sales</li> <li>• revenue</li> </ul>	3	3	8
<b>3. Compliance</b>	1	3	9
<b>4. Facility Maintenance</b>	0	1	1
<b>5. Student Life</b> (student advisors) *	1	3	5
<b>6. Fundraising</b> <ul style="list-style-type: none"> <li>• Donors</li> <li>• Stakeholders</li> </ul>	4	4	5
<b>7. Development/Fundraising*</b>	4	4	5
<b>8. President/Commissioner/ NCAA/ Professional Colleagues &amp; Associates Meetings/Conferences Clinics</b>	0	1	2
<b>9. Media</b>	0	1	2
<b>10. Crisis Management</b>	0	1	1

\* Three ADs listed these informational sources as all equally important, specifically being very deliberate not to provide a numerical ranking according to importance.

3. *Talk to me about the most important decisions you have had to make during your tenure as Athletic Director at your current institution.*

Most important Decisions (Category)	# of ADs listing as most important	# of ADs listing as 2 <sup>nd</sup> most important	# of times listed as important/significant
<b>1. Hiring/Firing</b> <ul style="list-style-type: none"> <li>• Coaches/athletic department staff *</li> </ul>	11	2	13
<b>2. Formation of New Mission statement</b>	1	0	1
<b>3. Fundraising for Facilities</b> <ul style="list-style-type: none"> <li>• Renovations, improvements, new construction *</li> </ul>	0	4	4
<b>4. Student-Athlete Conduct Issues</b>	0	1	1
<b>5. Managing Athletic Department within University Framework</b>	1	0	1
<b>6. Starting Athletic Department Foundation*</b>	1	0	1
<b>7. Systematic Facility Improvements*</b>	0	0	3
<b>8. Issues Regarding Joining a New Conference</b>			
<b>9. Long Term Financial Projections</b>	0	1	1
<b>10. Changing culture of the Athletic Department</b>			
<b>11. Academic Support for Student-Athletes</b>	0	1	1
<b>12. Overall Fundraising*</b>	0	2	2

\*Five ADs stated that the hiring and firing of coaches (football / basketball) was the most important decision regarding hiring and firing.

Research Question	Job function/aspect/informational source communicated collectively as most important priority by majority listing of Big 12 Athletic Directors	Mintzberg Manager’s Role
<p>1. What is the most critical role of the modern Athletic Director?</p>	<p>1. <b><u>Personnel/Staff</u></b></p> <ul style="list-style-type: none"> <li>• Hiring/firing of coaches/exec. Staff</li> <li>• Resource allocation</li> <li>• Promotions/salaries</li> </ul> <p>2. <b><u>Fundraising/Donor &amp; Alumni Relations</u></b></p> <ul style="list-style-type: none"> <li>• Capital campaigns</li> <li>• New construction/facility renovations</li> <li>• Donor cultivation and retention</li> </ul>	<p><b><u>Interpersonal</u></b></p> <p>1. <b><i>Leader</i></b> – responsible for the work of the people of their unit. Some of these actions involve leadership directly- for example, in most organizations the managers are normally responsible for <i>hiring</i> and training their own staff (see figure 2.)</p> <p><b><u>Decisional</u></b></p> <p>*2. <b><i>Entrepreneur</i></b> – the manager seeks to improve the unit, to adapt it to changing conditions in the environment.</p> <p><b><u>Interpersonal</u></b></p> <p>3. <b><i>Liaison</i></b> – the manager makes contacts outside the vertical chain of command.</p>
<p>2. What is the most critical constituency of the modern Athletic Director?</p>	<p>1. <b><u>Athletic Department Staff</u></b></p> <ul style="list-style-type: none"> <li>• ADs stated that the most important information comes from the staff.</li> </ul> <p>2. <b><u>CFO</u></b></p> <ul style="list-style-type: none"> <li>• ADs listed information coming from the <i>Chief Financial Officer</i> is critical in the decision-making process.</li> <li>• fundraising</li> <li>• gifts</li> <li>• facilities</li> <li>• long term financing</li> <li>• ticket sales</li> <li>• revenue</li> </ul> <p>3. <b><u>Compliance Staff</u></b></p> <ul style="list-style-type: none"> <li>• Information coming from the compliance staff regarding student-athlete eligibility, student life, conference and NCAA compliance.</li> </ul>	<p><b><u>Informational</u></b></p> <p>1. <b><i>Monitor</i></b> - the manager is perpetually scanning the environment for useful information for the unit. Information from peers, subordinates, and the professional network is vital in providing information to the unit to ensure effective operation.</p>
<p>3. How do bureaucratic constraints hinder the achievements of athletic department goals?</p>	<p>1. <b><u>Hiring/Firing</u></b></p> <ul style="list-style-type: none"> <li>• Because of relative bureaucratic and administrative autonomy of the athletic department, internal matters regarding hiring and firing was most significant in the context of this research question.</li> </ul>	<p><b><u>Decisional</u></b></p> <p>1. <b><i>Negotiator</i></b>– managers spend a considerable amount of time in negotiations. Hiring, employee retention, firing, and the time spent on organizational resources in “real time” that this role requires.</p>

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Figure 15: Research Questions as Defined by the Mintzberg Model

## Conclusions

The revenue streams, resources, student-athlete recruitment, compliance, and the overall visibility of the athletic department as the primary marketing *brand* of a school, has created a dynamic for the modern AD that is unique from the issues their campus colleagues must negotiate. Because of these factors, the modern AD must navigate a complex maze of financial, personnel, and marketing issues that are often much more complex and urgent in nature than for department heads and deans of the other schools on their respective campuses. For this reason, the ADs should be viewed as not only equals to their campus colleagues, but the newest and perhaps most unique brand of “corporate” CEOs.

The National Labor Relations Board has recently allowed the Northwestern University football team to form a “union.” This means that they should now be compensated as university employees. What does this mean? Many questions must be considered. Although this was the ruling of the central office, enumerated by one individual, how will this effect tax policy? Will new types of scholarships have to be created? Or, can the NCAA solve this problem internally by evaluating the money it has and possibly alleviate the discrepancies between scholarship money and living expenses? Will the eventual overall effect of this ruling create a new classification of “employee” defined by the role of student-athletes? Who knows? Schools at every level are navigating the complex maze of revenue sharing formulas, profit from either independent conference or school TV contracts, and how these factors affect the collective level of competition of a particular conference.

One AD spoke at length about how new media technologies (internet, video streaming, sports talk radio, 24 hour sports news on TV) have increased the speed and depth at which the general public has access to all issues effecting athletic department business.

Another AD added the emergence of college presidential control over collegiate athletics in the 1980’s as a major factor concerning the job of the modern AD. Due to many of the policy changes instituted by the NCAA during this period, ADs were now forced to become more self-sufficient in terms of the management and procurement of financial resources needed to effectively operate their departments.

One AD described the increased spending, and need for financial resources to support the modern athletic department at this level as an “arms race.” The need for new facilities to attract and recruit the best athletes, coaches’ salaries, and money needed for athletic department foundations and the retention and recruitment of the best staff members available on the open market were all mentioned as factors in this equation.

However, the natures of these challenges are not unique to NCAA FBS ADs. Most intercollegiate athletic programs need money to stay afloat and be competitive. Although the tone and tenor of NCAA FBS ADs Might be perceived as more relevant because of the visibility of those programs, facility upgrades, donations, alumni involvement, recruiting, retention, and academics pose the same challenges at *every* level of intercollegiate athletic competition.

This has created a modern dynamic in which the athletic directors have become learned, practiced, and experienced professionals in all concepts and practices regarding finance, personnel issues, and leadership. Intercollegiate athletics has become more than a simple extra-curricular student activity; it is now a business in every sense of the term. Hence, money is everything. From fundraising, to donor cultivation, from facility renovation and new construction, and the recent escalation of coaches’ salaries, the modern Athletic Directors must perform and consider themselves as corporate CEOs, even though they exist in the administrative and professional constraints of an environment of higher education and academics. This is all predicated upon one element – money. The modern AD must have the right financial resources in place to build facilities that are attractive to potential recruits. The modern AD must have financial resources in place to provide the proper media exposure that will bolster the department’s reputation, hence leading to greater recruiting success on a yearly basis.

Yet one thing is certain; the men and women who operate intercollegiate athletic programs in the 21<sup>st</sup> Century meet every requirement, and should be viewed as the newest and most unique class of “CEOs.”