Research Paper

An evaluation of problem solving approach during managerial change: A Case Study of Manchester United Football Club

Kalyanaraman Subramanian
MBA full time Student
FTMS College, Malaysia
ramindiapkd@gmail.com

Ismail Nizam
Lecturer at FTMS College, Malaysia & Doctoral Researcher at International Islamic University, Malaysia
nizam@ftms.edu.my

Abstract

Manchester United Football Club which has the largest fan followers in the world and is valued at $3.3 billion which is the highest valuation for any sports club has gone through some turbulence in the last couple of years. Sir Alex Fergusson who was the manager for 26 years from 1986 to 2013 and took the club to a new high level of consistent performance and laurels had retired. Mr. David Moyes was recruited to replace SAF in May 2013 and barely after 10 months was sacked by the Manchester United board due to sudden dip in performance of the club in premier league as champions in 2013 to 7th position in 2014. As an interim arrangement Mr. Ryan Giggs who was an iconic player of the club was selected as coach. The search for a regular manager ended with appointing Mr. Louis Van Gal, rated as one of the greatest coach of modern times who took charge in May 2014. Decision taken by MU management based on the wisdom of the outgoing manager to appoint a coach and without giving time for the new manager to settle down replacing him and appointment of his replacement is discussed here. The strategy adopted by the management in appointment of Mr. David Moyes and his replacement Mr. Van Gaal is critically discussed. Based on various decision making tools, the best tool which should have used on change in leadership for this situation is presented and is justified in detail. To support the claim, statistics of these three coaches performance as coach is used as substantiating evidence to support the research as there is no previous study conducted on this management changes and its impact.

Key Terms: Change management, Manchester United Football Club
1. Introduction

Manchester United was managed by Sir Alex Ferguson for 26 years from 1986 to 2013. During his tenure as iconic manager at MU, they have won 28 major titles this includes MU becoming the first club in the world to win triple title of English Premier League, FA Cup and UEFA champions’ league. At the time of retirement on 8th May 2013 from an illustrious career, he has personally chosen David Moyes who was manager of Everton for 11 seasons as his successor for a period of six years. Compared to MU Everton had not much laurels to display and managing MU after Everton was like climbing Everest with the experience of climbing small hills. He was sacked after 10 months due to the lack-luster performance of the club including downgraded to 7th position in Premier League. In the process even failed to win matches against West Bromwich and New castle united in the home ground for the first time since 1978 and 1972 respectively where as they were Premier League champions 12 months back. Apart from this, they failed to qualify for UEFA Champions League as well as Europa League. It was under these humiliating events David Moyes was replaced by Louis Van Gaal the famous coach of modern times who was the coach of Netherlands national team, Barcelona, Bayern Munich, Ajax Amsterdam and AZ and in those positions Van Gaal proved to be an innovative and result oriented manager. His ability as a calculative and shrewd manager was praised when the regular goal keeper of Netherlands was replaced by Tim Krul exclusively for penalty shootout against Mexico and Netherlands won the game in world cup 2014.

In this paper, leadership transition management at MUFC will be discussed and evaluated based on competing decision making and problem solving approaches. The focus of the paper is on the appointment of less known David Moyes as the successor to the legendary manager Sir Alex Ferguson and strategic decision by MUFC management to replace David Moyes with Louis Van Gaal within 10 months after appointment of David Moyes.

Problem Statement

The problem which is being discussed here is

1) The appointment of less known David Moyes as the successor to the legendary manager Sir Alex Ferguson to manage a mammoth club like MU
2) Strategic decision by MU management to replace David Moyes with Louis Van Gaal within 10 months of appointment of David Moyes
2. Literature Review

There are very few researches done on this effect of leadership change in Manchester United previously. One of the foremost researches done was on the leadership skills of Sir Alex Fergusson by Anita Elberse and Tom Dye (2012) on the leadership styles of Sir Alex Fergussion. A research team named EPL statistics (2014) has done comparison study on the career win of Sir Alex Fergussion, David Moyes and Louis Van Gaal. This was a very good supporting document for conducting this research. Apart from this, there is a write up by Mark Treacy (2014) on what new managers can learn from the mistake of David Moyes when he was the manager of Manchester United. No other specific research papers are available on this even though newspaper articles on the various incidents during the transitions periods of Sir Alex Fergussion, David Moyes and Van Gaal are available in plenty. The important among them are the editorials written in “The Mail online” (2014) on the increase in share price of Manchester united due to the appointment of Van Gaal, Strategic failure of David Moyes in Mirror online (2014) and editorial on Manchester United’s position in Champions League in The Telegraph (2014). As the research is about change in leadership and change management various research papers and books were referred. Kurt Lewin’s (1951) article on change management theory in Frontiers in
Group Dynamics gives a detailed approach on change through Unfreeze, Change and Refreeze approach in which the process is discussed in detail. A critical analysis by Marrow (1969) on the change in life and work of Kurt Lewin states that accepting change is not cake walk and every one are not expected to accept the change as it is. In continuation to the change theory Schein (1996), states that changes which are implemented should be in synchronization with the present environment to an extend and any radical changes which is not taking place in accordance will create turbulence in the system. To review and to propose the change management one of the pioneers in change management is Kotter. According to Kotter (2007), transformation of change process is lengthy one and takes even years for taking complete shape. People take short cuts to save time and this result in not reaping the full benefit of the change process. There are 8 step process involved in the process of change which includes identifying short term goals and fine tuning and setting up for the final target of the organisation (Kotter, 2012; Bashar Hussein et al, 2013). There will always be a period of cooling or consolidation period which needs to be understood by the management instead of taking action without seeing the complete scenario (Kotter, 2008).

3. Research Design and Methodology (important for research papers)

Please discuss your research design approach, methodology. Materials and methods should be clearly presented to allow the reproduction of the experiments

Manchester united adopted Lewin's Change management theory (Kurt Lewin "Frontiers in Group Dynamics" Human Relations I (1951); 5-41 ; ) while appointing Van Gaal as replacement for David Moyes. The process may be linked to the theory in the following manner:

![Figure 1: Kurt Lewin's 3 step change (source: www.strategies-for-managing-change.com)](image)

A. Unfreeze:

According to Lewin Unfreezing is the process of change in the first stage. This encompasses the preparation of the organisation to admit the fact that change is necessary. Unfreezing involves knocking the present way of functioning prior to starting of new way of functioning. The important fact for this is to explain why the present status quo cannot be sustained.

In this case, Manchester United was left with no other choice except sacking David Moyes since Manchester has been getting humiliated match by match either in home or in away ground (Manchester United, April, 2014).

Also, David Moyes was losing respect with the team members and the fans alike (Mark Treacy, 2014). This has prompted the management to admit the fact that change is inevitable in leadership. On 19th May 2014 Manchester United has officially confirmed appointment of Van Gaal as the Manager of Manchester United. Till he takes charge Ryan Giggs will work as Interim Manager and after the arrival of Van Gaal Ryan Giggs will be assistant manager. Likewise, Frans Hoek is appointed as the Goal keeping Coach and Marcel Bout as Assistant Coach taking care of opposition scouting (Manchester United, 2014)

B. Change:

After the ambiguity formed in the unfreezing stage, people begin to accept and try to overcome uncertainty by new approach. The change from the first to second is not a quick one. It takes
time for the people to accept change. Also, everyone cannot be expected to accept change quietly and with appreciation (Marrow, A.J, 1969).

Since the first change of David Moyes was a disaster for Manchester United club as well as for the promoters, club needed a solid manager who can equal the capabilities of Sir Alex Ferguson. Hence, the decision to appoint Van Gaal who is regarded as a brilliant coach and has record of managing and winning formidable teams like Barcelona, Ajax and Netherlands was taken. Since he is a proven manager acceptance of change was easy among the players as well as other back room staffs. According to the legendary Ryan Giggs whose life circled around Manchester united from the beginning of his career, "I am thrilled to have the chance to serve as Assistant Manager. Louis van Gaal is a world class coach and I know I will learn a lot about coaching from being able to observe and contribute at such close quarters. Manchester United has been a huge part of my life and I’m delighted to be able to continue that relationship in such a key role." (Manchester United, April 2014).

The below chart is an eye opener with the comparison of three managers in this context. Van Gaal’s record is even better than that of SAF and that is a morale booster for the club whereas David Moyes is nowhere near.

![Chart 3: Career Win Comparison (Source: EPL Statistics, 2014)]

C. Refreeze:

During the refreezing process the changes have taken place and everything is settling down. Perfect symbol of this process there is stability in the organisation/club and clarity on the roles. The important point is the new behaviour of the change should be harmonious with the existing environment and trait to an extend or else will create new wave of stress in the system (Schein, E.H, 1996)

After Van Gaal has been appointed, Manchester United has played 19 matches in EPL and has come up to 3rd position in the league. Manchester United has won six matches in a row continuously to reach this position (www.MUFCLatest.com retrieved on 30-12-2014). This is a clear sign that things are settling down under Refreezing scenario. Moreover, Van Gaal has tried to utilize the existing resources to the best possible way without resorting to enter transfer market in a big way as against the mistake done by Moyes as already 65million Pound was spent on Fellaini and Juan Mata which has not produced any results (Goal.com, 2014).

4. Critical Evaluation Of The Approach Used By Mu To Tackle The Problem

How MU could have used 3 step change management technique better?
a. **Critical review of Unfreeze applied by MU:**

Sir Alex Ferguson's retirement was long due and was well informed. Big mistake made by Manchester United management team was to decide based on the advice of outgoing manager regarding appointment of new manager. The basic rule was not followed in this case. Apart from that, Moyes did not have the history of handling any big team like Manchester united or winning trophies of high accolades (Mark Treacy, 2014).

b. **Critical review of change applied by MU:**

It is a known fact that there will be rebellion against change especially when there is a change in the manager as well as CEO after a long stint. Change in style cannot be accepted by long serving staffs and key players as it may involve friction and misunderstandings (Cummings and Worley, 2001).

Hence the change has to be effected on a step by step process. Well known Psychiatrist, Bisabeth Kubler-Ross has developed a cycle of activities of a change which in company parlor is termed as Change curve.

It is exactly what has happened in the case of management change and it may be noticed that there was no sufficient time given for moving from Unfreeze to Change.

![Chart 3: Change curve of four stages](source: Scribner publishing "On Death and Dying" by Kubler-Ross)

In the case of MU, even in the second stage itself it has been decided to sack David Moyes without giving time to settle down because of humiliating defeats at the hands of minnows and due to lack of respect from senior players (Guardian, 2014).

c. **Suggestion of other approach for a better result:**

According to Truman, Ex-President of USA (1958), “a leader is the one capable of getting the things done from those who do not want to do and like it”.

The whole scenario of change in leadership in a massive club like Manchester United could have been handled in a better way. Because of the wrong decision to appoint David Moyes the loss to the club was multiple. On the day the club announced the appointment of new coach, the share price of MU declined by 3%. (The Guardian, 2013) Likewise when David Moyes was sacked the share price of MU reached the highest in 11 months equity market giving thumbs up for the decision. Also share price of MU has shown going up on the announcement of Van Gaal as the next coach (Mailonline.com, 2014).
For a better decision making on the problem, I propose to use Kotter’s 8 step leadership change model which will penetrate deeper into the problem. According to Kotter, most of the individuals believe transformation is an event and not a process. Transformation process advances through different phases and takes years to reach a level. To reap benefit of the process quickly people skip some process and as a result fail in the long run (Kotter, 2007).

5. **The Sequence Of The Activities In The Following Chart Will Explain The 8 Step Change Process:**

<table>
<thead>
<tr>
<th>Stages</th>
<th>Activities</th>
<th>Activity of change in MU context</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 1</td>
<td>Create a logic of urgency</td>
<td>Since Sir Ferguson's retirement was imminent, board of directors to create an emergency among other members and CEO to start interviewing candidates well ahead of retirement. MU had best options of Van Gaal, Mourinho and Pallerini who expressed their interest to move (Goal.com) and from the list select Van Gaal based on his data of success and experience of handling bigger names.</td>
</tr>
<tr>
<td>Stage 2</td>
<td>Arrange a commanding controlling alliance guiding change</td>
<td>Create a team to support the changing leader who are capable of decision making from the existing set by selection of Ryan Giggs as assistant manager who is already part of the team.</td>
</tr>
<tr>
<td>Stage 3</td>
<td>Generate a new idea</td>
<td>Discuss with the players and other back room staffs to understand the existing culture of strategy from the long standing approach of Sir Alex Ferguson and explain and evolve a new style of performance in conjunction with the existing one.</td>
</tr>
<tr>
<td>Stage 4</td>
<td>Report all new ideas</td>
<td>Explain individually and collectively to all the team members and backroom staffs the new ideas and detail the process.</td>
</tr>
<tr>
<td>Stage 5</td>
<td>Giving clear cut duties and responsibilities to each team member to implement new ideas</td>
<td>Explain each position staff in MU about what is expected of them and where each one fit in while implementing the new ideas.</td>
</tr>
<tr>
<td>Step 6</td>
<td>Identify short term goal</td>
<td>Explain the key players in the team and the board of directors and the fan club what is the short term achievement target which will clear unwanted expectation and stress on the coach and players alike.</td>
</tr>
<tr>
<td>Step 7</td>
<td>Amalgamate progresses and slowly implement fresh change</td>
<td>Since Sir Ferguson was in the helm of affairs for longer period of time, it takes time for the people around to accept the change and get into the system. May be the beginner’s luck may prove to be success immediately after implementation and the real effect of change will start showing up only after some time. Hence, the coach Mr. Van Gaal should be given enough time to consolidate and bring further changes one by one.</td>
</tr>
<tr>
<td>Step 8</td>
<td>Review and fine tune change to embed with the culture</td>
<td>It is time to recruit new players if necessary that fits into the new system of game implemented by Van Gaal and extinguish those who cannot fall in line. Hence, the whole process of change in the club needs...</td>
</tr>
</tbody>
</table>
to be revisited again and fine tune the process. The cultural change will start reflecting in this process as at this point of time the result of changes implemented will start showing up in the long run.

Source: Kotter, J; The Eight step process of leading change (2012); Bashar Hussein Sarayreh et al, 2013. International Journal of IT, Volume 2

4. Results and Discussion

Comparison of approaches for decision making

It is worth comparing the approaches adopted by Manchester United and the new approach which is suggested. Even though the three step change tool of Kurt Lewin can be referred to as the base document for all the change theory, it lacks the depth of going through the issues. The process is explained in three steps on a macro basis and review process is not mentioned as a fool proofing. Hence, error of judgment chance is more as evidenced in this case. It is not that easy to defreeze-change-refreeze without looking into the activities in depth in between.

In the case of 8 step change model of Kotter, each activity is given importance and is provided in detail. In this model there is a lot of team work involved and clear cut short term goal is defined. This in turn helps for the team to work towards it and in the meantime after consolidation to go for the next level of change (Kotter, 2008).

It may be worth mentioning that 8 step model calls for dual communication between members of change and the advantage is that there will not be any finger pointing during crisis. As there is flow of communication, it is easy to identify the pit falls during the consolidation period and which in turn will help in fine tuning the process for the next level of change. As there is ample cooling period between each activities of change the result will be phenomenal since there is scope for review and correction. Hence 8 Step model of leadership change is a better tool than the Kurt Lewin’s model.

5. Conclusion

Key findings in the problem of the assignment can be summarised as follows:

- There was no scientific and in depth selection process carried out in this case
- Board of Manchester United were carried away by the charisma of Sir Alex Ferguson while taking the decision to appoint Moyes
- No proper importance was given to the statistical and scientific data at the time for first decision
- Manchester United being a listed company has affected thousands of shareholders wealth due to the loss in advertisement revenue and non-qualification to champions league which will take its toll on its financial numbers at least for 2-3 quarters and is expected to take a hit of 48 million pounds (The Telegraph, 2014).

To sum up, it is important that changes are not brought in at one stretch whether it is a club or a corporation because the acceptance of change is not an easy process and it should be a continuous process. Even though MU under the supervision of Sir Alex Ferguson has brought in next level of players from the junior club of MU the same strategy is necessary to groom next level of leaders who can take the battle forward when the time for veterans to retire comes.

Reference
[6.] Ryan Giggs, Manchester United has been a huge part of my life and I’m delighted to be able to continue that relationship in such a key role.” (Manchester United, April 2014)
[12.] Mail online; 27th July 2014 retrieved on 02nd Jan’2014) “Louis Van Gaal arrival at Manchester United boosts share price by tune of 250mn pound even before a game is played under him.”